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CITY OF RANCHO CORDOVA, CALIFORNIA  
**Comprehensive Annual  
Financial Report**  
*For the Year Ended June 30, 2017*



**CITY OF RANCHO CORDOVA,  
CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2017**

**Prepared by**

**FINANCE DEPARTMENT**

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**CITY OF RANCHO CORDOVA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**INTRODUCTORY SECTION:**

Transmittal Letter .....	i
Organization Chart.....	vi
List of Principal Officers .....	vii
Citywide Goals .....	viii
GFOA Award .....	ix

**FINANCIAL SECTION:**

<i>Independent Auditor's Report</i> .....	1
<i>Management's Discussion and Analysis</i> .....	5

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Position.....	24
Statement of Activities .....	25

Fund Financial Statements:

Governmental Funds:

Balance Sheet.....	28
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position .....	30
Statement of Revenues, Expenditures and Changes in Fund Balances .....	32
Reconciliation of the Net Change in Fund Balances - Total Governmental Funds with the Statement of Activities .....	34

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

General Fund .....	35
Sunrise Douglas Special Revenue Fund .....	36
Traffic Mitigation Special Revenue Fund.....	37

**CITY OF RANCHO CORDOVA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**FINANCIAL SECTION (Continued):**

Local Housing Special Revenue Fund .....	38
Grants Special Revenue Fund .....	39
Proprietary Funds:	
Statement of Net Position .....	42
Statement of Revenues, Expenses and Changes in Fund Net Position .....	43
Statement of Cash Flows.....	44
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	46
Statement of Changes in Fiduciary Net Position.....	47
Notes to Basic Financial Statements .....	49
<b>Required Supplementary Information:</b>	
Schedule of the Plan’s Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date.....	96
Schedule of Contributions.....	97
Other Post-Employment Benefits Schedule of Funding Progress .....	98
<b>Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Financing Corporation Debt Service Fund .....	100
<b>Non-major Governmental Funds:</b>	
Combining Balance Sheet .....	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	108
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	112
General Fund:	
Subcombining Balance Sheet.....	120
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	121
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	122

**CITY OF RANCHO CORDOVA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**FINANCIAL SECTION (Continued):**

Sunrise Douglas (SD) Special Revenue Funds:	
Subcombining Balance Sheet.....	124
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	126
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	128
Traffic Mitigation Special Revenue Funds:	
Subcombining Balance Sheet.....	131
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	132
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	134
Grants Revenue Special Revenue Funds:	
Subcombining Balance Sheet.....	136
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	137
Subcombining Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual.....	138
Villages of Zinfandel (VOZ) Special Revenue Funds:	
Subcombining Balance Sheet.....	140
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	141
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	142
Community Facilities Fees Special Revenue Funds:	
Subcombining Balance Sheet.....	144
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	145
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	146

**CITY OF RANCHO CORDOVA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**FINANCIAL SECTION (Continued):**

Transit-Related Services Tax Special Revenue Funds:

Subcombining Balance Sheet.....	148
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	149
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	150

Road Maintenance Special Revenue Funds:

Subcombining Balance Sheet.....	152
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	153
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	154

Landscaping and Lighting Special Revenue Funds:

Subcombining Balance Sheet.....	156
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	157
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	158

Measure A Special Revenue Funds:

Subcombining Balance Sheet.....	160
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	161
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	162

Capital Outlay Capital Projects Funds:

Subcombining Balance Sheet.....	164
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	166

**CITY OF RANCHO CORDOVA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**FINANCIAL SECTION (Continued):**

Kilgore Cemetery Proprietary Fund:

Subcombining Statement of Net Position .....	168
Subcombining Schedule of Revenues, Expenses and Changes in Net Position.....	169

Storm Drain Proprietary Fund:

Subcombining Statement of Net Position .....	170
Subcombining Schedule of Revenues, Expenses and Changes in Net Position.....	171

***Internal Service Funds:***

Combining Statement of Net Position .....	174
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	175
Combining Statement of Cash Flows.....	176

***Agency Funds:***

Combining Statement of Changes in Assets and Liabilities.....	178
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**STATISTICAL SECTION:**

***Financial Trends:***

Net Position by Component – Last Ten Fiscal Years .....	182
Changes in Net Position – Last Ten Fiscal Years.....	184
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	188
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	190

***Revenue Capacity:***

General Governmental Tax Revenues by Source – Last Ten Fiscal Years .....	192
Assessed and Estimated Value of Property – Last Ten Fiscal Years.....	194
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	196
Principal Taxpayers – Current and Nine Years Ago .....	198
Property Tax Levies and Collections – Last Ten Fiscal Years.....	199

**CITY OF RANCHO CORDOVA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**STATISTICAL SECTION (Continued):**

*Debt Capacity:*

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years .....	200
Computation of Direct and Overlapping Debt.....	201
Legal Debt Margin Information – Last Ten Fiscal Years .....	202

*Demographic and Economic Information:*

Schedule of Demographic Statistics – Last Ten Fiscal Years .....	204
Ten Largest Area Employers – Current Year and Nine Years Ago.....	205

*Operating Information:*

Government Employment Information – Last Ten Fiscal Years .....	206
Miscellaneous Statistics .....	208
Capital Asset and Infrastructure Statistics by Function/Program – Last Ten Fiscal Years .....	210

December 3, 2017

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, 2017. We are pleased to report our thirteenth 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. Higher than anticipated revenues, along with continued expenditure management resulted in a General Fund surplus of \$77,776.

At the time the budget was prepared we were anticipating a surplus of \$392,900. Results for the fiscal year were smaller than the original anticipated as a result of the write-off of \$4.7 million of the loan from the City to the former Redevelopment Agency. Our final results comply with the City's policy of constraining current year expenses to current year revenues. The ending General Fund balance was \$30,333,696.

#### 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

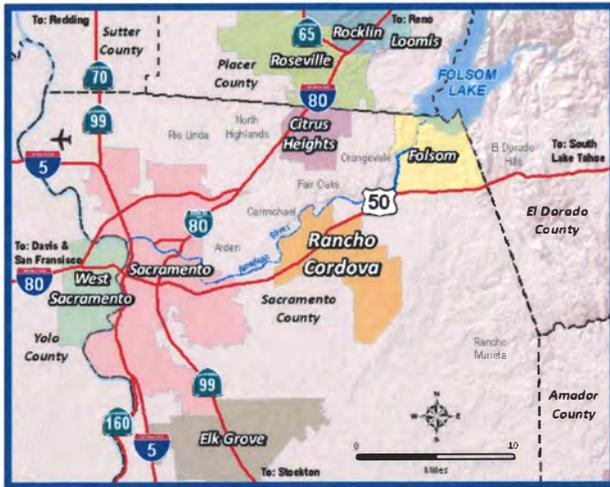
meet reporting standards set forth by the Government Finance Officers Association (GFOA). This report consists of management's representations concerning the finances of the City of Rancho Cordova. Consequently, management assumes full responsibility for the completeness and reliability of all of the 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

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 55,000 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 73,872, 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 reviews 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 conducted to determine whether 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. The performance of the City's primary revenue sources, including property tax, sales tax, and transient occupancy tax, are fundamentally dependent on the state of the local economy.

Sacramento County continues to enjoy a growing economy which is evidenced by improvements in the unemployment rate, consumer spending, and hotel occupancy rates. It is also seen with a rise in new home development and building permit activity while office and industrial vacancy rates continue to improve.

The unemployment rate in Rancho Cordova was slightly higher than the national average at 4.3% in October 2017, according to the U.S. Bureau of Labor Statistics. This is a decrease from 6.0% in the prior year and 5.9% two years prior.

On June 30, 2017 there were 10 properties in Rancho Cordova that were in foreclosure, according to the Sacramento County Assessor's Office. This is an improvement over the prior year; when there were a total of 31 properties in foreclosure. This supports assertions of an improved housing market, as does our increased property tax revenues.



Property tax revenues have experienced growth for three consecutive years, increasing 5.1% 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 CoStar Office and Industrial Market Reports, the commercial real estate vacancy rates continue to show mixed results. The office vacancy rate in 2017 was up slightly, increasing to 13% from 12.4% but down from 14.1% in the prior years while the industrial vacancy rate improved to 6.9% from 8.4% 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 maintain a long-term perspective, 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 key challenges and opportunities which include:

#### Revenue Neutrality Payments to the County

As part of the agreement reached with the County upon City incorporation, the City is obligated to share a fixed dollar amount of our property taxes with the County each year through 2027/28. While assessed valuation is increasing, the secured property tax growth has not kept pace with the increase in the revenue neutrality payment to the County. The revenue neutrality payment for fiscal year 2017-18 will increase by \$142,800, yielding a total payment of \$8,632,000. Thanks to a continued growth in secured property tax revenue for fiscal year 2017/18, the budgeted revenues of \$9,268,600 are finally greater than the revenue neutrality payment obligation, the first time this has occurred in over six years.

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, referred to herein as Community Enhancement Funds. This resulted in an additional \$7.7 million in sales tax revenues being generated in Fiscal Year 2016/17 which was 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 of \$2.4 million, or 4.2%, in Fiscal Year 2016/17, continuing a positive growth trend. The City expects this trend to slow but continue for at least the next three years.
- Tax revenues remain our largest revenue source, with sales tax revenues remaining the largest revenue source. Sales tax revenues rose 5.4% and property tax revenues increased 5.3% year over year.
- Foreclosures have significantly declined over the past three years. In addition, commercial real estate vacancy rates have decreased 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 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, 2017 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, or \$10.9 million fiscal year 2017/18.

#### MAJOR INITIATIVES

The City has many goals and projects planned for the 2017/18 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 Community Enhancement Funds. Approximately \$7 million in Community Enhancement Funds are anticipated to be received in 2017/18 which will fund enhanced public safety services, capital projects throughout the City, and community grants.
- Many of the City's business application technology systems are outdated and need to be upgraded along with the need to establish best practices for documentation, procedures, and disaster/recovery. The City's recently completed IT Roadmap identifies 16 projects to be endeavored by the City's Information Technology Division over the next two years to build a reliable IT infrastructure, at a cost estimated between \$1.5 million to \$2 million. Once implemented, this new technology will enhance the availability of online services to the public and increase efficiency in operations.

#### 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.

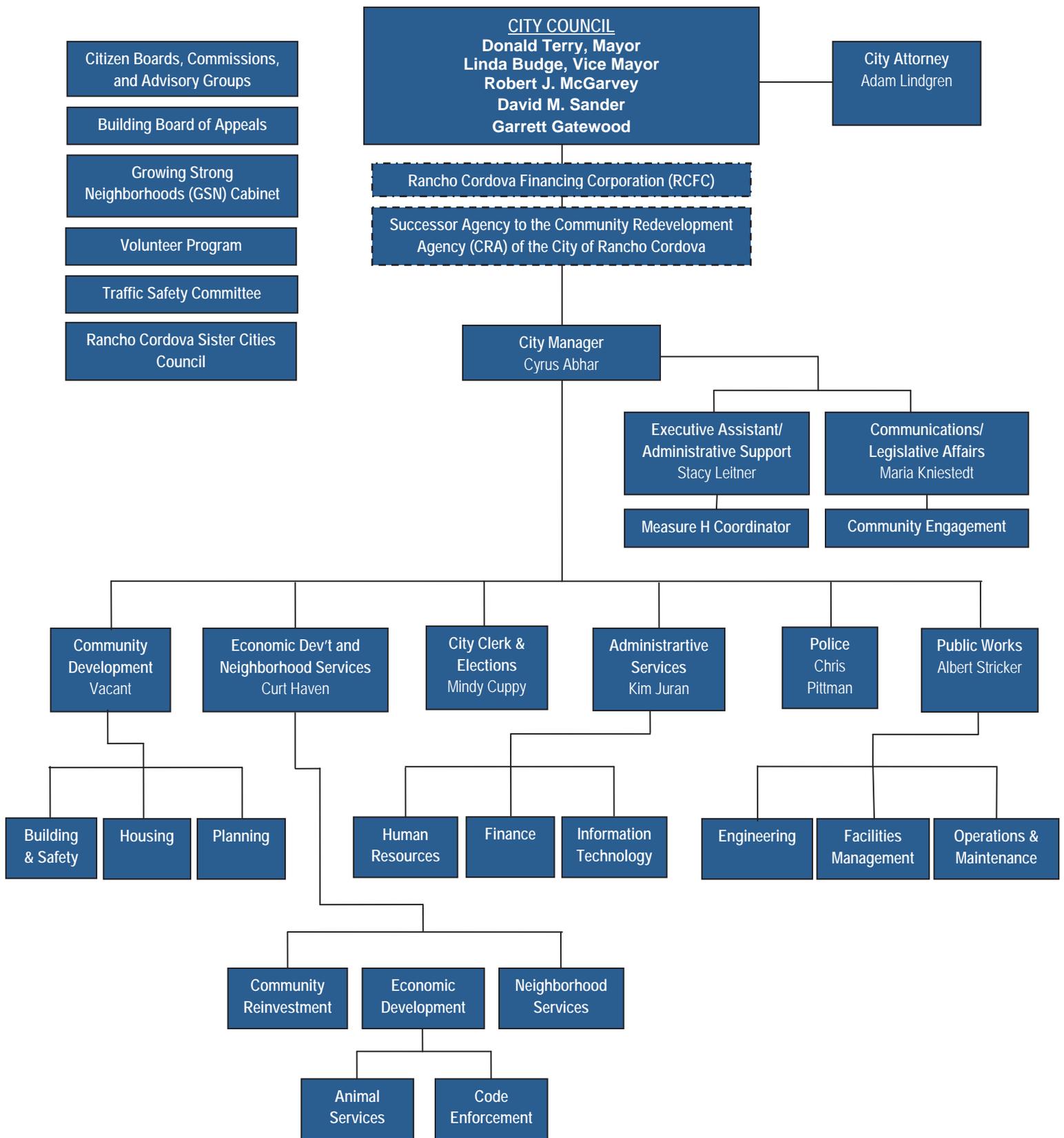
We want to thank the other City departments who assisted and contributed to the preparation of this report. Finally, we appreciate the dedication of the Mayor, City Council and City Manager's Office, who have supported our goal of excellence in all aspects of financial management, consistent with the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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Kim Juran". The signature is written in black ink and is positioned below the text "Respectfully Submitted,".

Kim Juran, Chief Financial Officer

# ORGANIZATION CHART - CITY OF RANCHO CORDOVA



**CITY OF RANCHO CORDOVA  
PRINCIPAL OFFICERS  
JUNE 30, 2017**

**ELECTED OFFICIALS**

**Donald Terry**  
Mayor

**Linda Budge**  
Vice Mayor

**Robert J. McGarvey**  
Council Member

**David Sander**  
Council Member

**Garrett Gatewood**  
Council Member

**EXECUTIVE TEAM**

**Cyrus Abhar**  
City Manager

**Adam Lindgren**  
City Attorney

**Mindy Cuppy**  
City Clerk

**Curt Haven**  
Director of Economic Development

**Kim Juran-Karageorgiou**  
Chief Financial Officer

**Vacant**  
Community Development Director

**Chris Pittman**  
Police Chief

**Albert Stricker**  
Public Works Director



## 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  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Rancho Cordova  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

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, the business type 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, 2017, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2017, and the respective changes in the financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

The City adjusted the beginning balance of net positions of the Kilgore Cemetery Enterprise Fund and business-type activities as discussed in Note 1N to the financial statements.

The emphasis of this matter does not constitute a modification to our opinion.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements 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 Supplementary 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 Supplementary 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 3, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 blue ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
December 3, 2017

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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, 2017. 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 24.

## ***OVERALL FINANCIAL HIGHLIGHTS***

- **The City's General Fund reported a surplus of \$78 thousand for the year ending June 30, 2017, creating an ending fund balance of \$30.3 million.**
- As of June 30, 2017, total assets of the City exceeded its total liabilities by \$463.3 million (net position). Of this amount, \$50.2 million (unrestricted) may be used to meet ongoing obligations to citizens and creditors, but was subject to designation for specific City programs; \$82.3 million was restricted net position and must be used only for specific purposes. The remaining \$330.7 million was invested in capital assets.
- As of June 30, 2017, the City's governmental activities reported a net position of \$300.9 million. Of that, \$39.8 million was available to meet the City's current and future needs (unrestricted net position), a decrease over the fiscal year ending June 30, 2016 by \$1.3 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. As of June 30, 2017, the City's economic uncertainty reserve balance totaled \$10.9 million, consistent with the prior year's balance of \$10.9 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 inter-fund 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 24 and 25 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 four major governmental funds, each of which has information presented on page 28 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 28.

**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 42.

**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 46.

### **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 49.

**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.

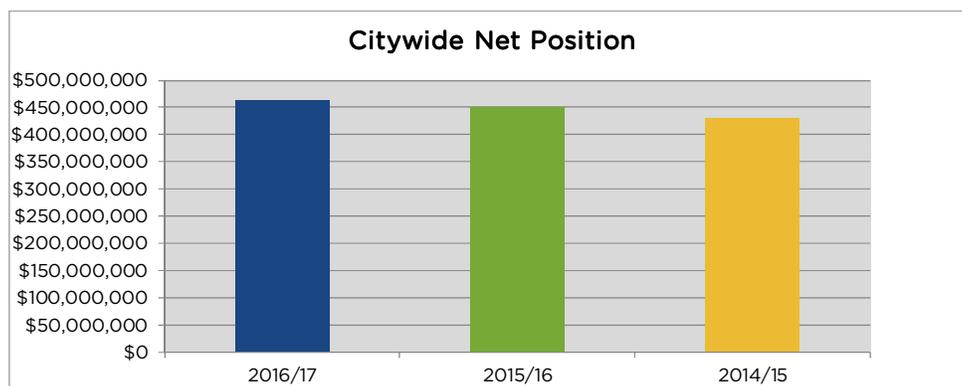
This report also contains statistical information that may be useful to readers of this report. This information can be found in the last section of this report, starting on page 183.

## 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, 2017, the total net position of the City was \$463.3 million, which is an increase of \$13.7 million from fiscal year ending June 30, 2016, and an increase of \$33.3 million from 2014/15. 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 2016/17 the business-type activities net position decreased by \$3.6 million to an ending net position of \$162.4 million. This decrease is the result of the depreciation associated with Storm Drain infrastructure.



The following is a condensed Statement of Net Position for the fiscal years ended June 30, 2017, 2016 and 2015, 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		
	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15
Current assets	\$ 133,631,724	\$ 129,533,729	\$ 113,165,914	\$ 10,634,802	\$ 9,363,513	\$ 5,074,075	\$ 144,266,526	\$ 138,897,242	\$ 118,239,989
Capital assets	197,453,032	187,653,116	185,305,035	151,897,226	156,774,648	161,907,927	349,350,258	344,427,764	347,212,962
Total Assets	331,084,756	317,186,845	298,470,949	162,532,028	166,138,161	166,982,002	493,616,784	483,325,006	465,452,951
Deferred outflows of resources related to pension	2,822,904	1,965,489	853,149	-	-	-	2,822,904	1,965,489	853,149
Deferred amount of refunding	393,565	77,274	81,433	-	-	-	393,565	77,274	81,433
Total Deferred Outflow	3,216,469	2,042,763	934,582	-	-	-	3,216,469	2,042,763	934,582
Current liabilities	\$ 11,462,799	\$ 12,551,354	\$ 12,237,947	\$ 163,910	\$ 188,833	\$ 296,999	\$ 11,626,709	\$ 12,740,187	\$ 12,534,946
Long-term liabilities outstanding	21,361,334	22,314,291	22,952,976	-	-	-	21,361,334	22,314,291	22,952,976
Total Liabilities	32,824,133	34,865,645	35,190,923	163,910	188,833	296,999	32,988,043	35,054,478	35,487,922
Deferred inflows of resources related to pension	591,146	771,074	963,595	-	-	-	591,146	771,074	963,595
Net Position:									
Net Investment in capital assets	\$ 178,823,342	\$ 167,038,901	\$ 163,293,796	\$ 151,897,226	\$ 156,774,648	\$ 161,907,927	\$ 330,720,568	\$ 323,813,549	\$ 325,201,723
Restricted	82,302,253	75,522,853	67,232,596	-	-	-	82,302,253	75,522,853	67,232,596
Unrestricted	39,760,351	41,031,135	32,724,621	10,470,892	9,174,680	4,777,076	50,231,243	50,205,815	37,501,697
Total Net Position	\$ 300,885,946	\$ 283,592,889	\$ 263,251,013	\$ 162,368,118	\$ 165,949,328	\$ 166,685,003	\$ 463,254,064	\$ 449,542,217	\$ 429,936,016

The City's net position as of June 30, 2017, 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 \$349.4 million or 75% of total net position.
- Cash and investments comprised \$123.2 million in the city treasury and \$37K 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 \$20.9 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 \$330.7 million represents the City's investment in infrastructure and other capital assets.
- Restricted net position, totaling \$82.3 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 \$50.2 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, 2017, 2016 and 2015:

#### Statement of Activities

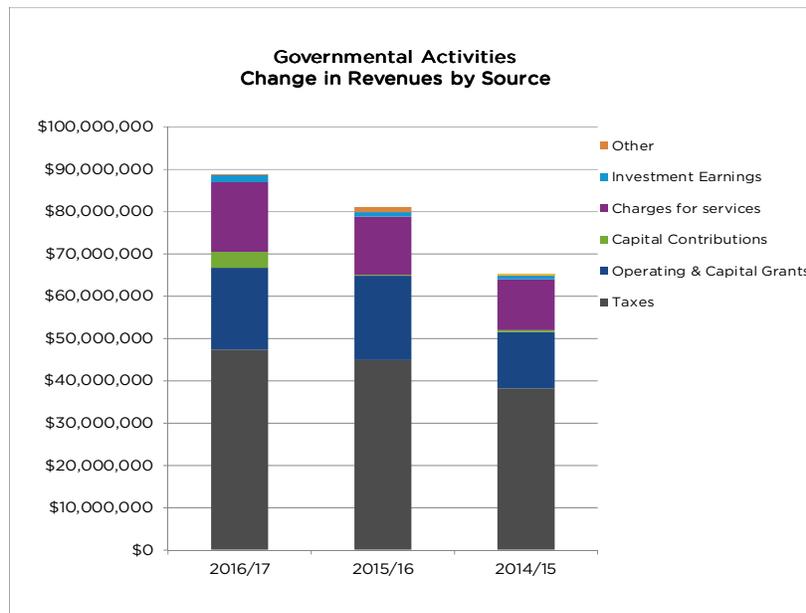
	Governmental Activities			Business-Type Activities			Total		
	2016/17	2015/16	2014/15	2016/17*	2015/16	2014/15	2016/17*	2015/16	2014/15
<b>Revenues:</b>									
Program Revenues									
Charges for services	\$ 16,360,270	\$ 13,703,500	\$ 11,996,195	\$ 3,092,042	\$ 4,964,222	\$ 4,123,315	\$ 19,452,312	\$ 18,667,722	\$ 16,119,510
Operating grants & contributions	5,100,799	5,625,882	4,883,127	-	-	-	5,100,799	5,625,882	4,883,127
Capital grants	14,206,895	14,335,984	8,497,885	-	-	-	14,206,895	14,335,984	8,497,885
Capital contributions	3,856,344	335,149	399,418	1,639,216	1,250,500	10,192,180	5,495,560	1,585,649	10,591,598
General Revenues:									
Taxes	47,318,030	44,798,192	38,172,099	1,273,279	-	-	48,591,309	44,798,192	38,172,099
Investment Earnings	1,840,891	1,050,502	901,102	94,865	33,987	14,598	1,935,756	1,084,489	915,700
Other	176,113	1,287,025	442,137	-	-	-	176,113	1,287,025	442,137
Total Revenues	88,859,342	81,136,234	65,291,963	6,099,402	6,248,709	14,330,093	94,958,744	87,384,943	79,622,056
<b>Expenses:</b>									
General Government	27,207,208	24,829,364	25,559,442	-	-	-	27,207,208	24,829,364	25,559,442
Community Development	7,952,283	7,212,179	8,139,910	-	-	-	7,952,283	7,212,179	8,139,910
Public Safety	20,023,498	19,359,149	17,369,893	-	-	-	20,023,498	19,359,149	17,369,893
Public Works	10,348,139	6,998,987	8,779,342	-	-	-	10,348,139	6,998,987	8,779,342
Interest and fiscal charges	1,173,318	986,125	1,014,438	-	-	-	1,173,318	986,125	1,014,438
Cemetery	-	-	-	77,557	60,138	71,369	77,557	60,138	-
Storm Drain	-	-	-	9,568,035	8,332,800	9,209,502	9,568,035	8,332,800	9,209,502
Total Expenses	66,704,446	59,385,804	60,863,025	9,645,592	8,392,938	9,280,871	76,350,038	67,778,742	70,072,527
<b>Change in Net Position, before Transfers and Special Items</b>	<b>22,154,896</b>	<b>21,750,430</b>	<b>4,428,938</b>	<b>(3,546,190)</b>	<b>(2,144,229)</b>	<b>5,049,222</b>	<b>18,608,706</b>	<b>19,606,201</b>	<b>9,549,529</b>
<b>Transfers and Special Items</b>									
Transfers	(136,529)	(1,408,554)	(161,679,223)	136,529	1,408,554	161,679,223	-	-	-
Special Item	(4,725,310)	-	-	-	-	-	(4,725,310)	-	-
Total Transfers and Special Items	(4,861,839)	(1,408,554)	(161,679,223)	136,529	1,408,554	161,679,223	(4,725,310)	-	-
<b>Change in Net Position</b>	<b>17,293,057</b>	<b>20,341,876</b>	<b>(157,250,285)</b>	<b>(3,409,661)</b>	<b>(735,675)</b>	<b>166,728,445</b>	<b>13,883,396</b>	<b>19,606,201</b>	<b>9,549,529</b>
<b>Net Position -- Beginning of Year</b>	<b>283,592,889</b>	<b>263,251,013</b>	<b>420,501,298</b>	<b>165,777,779</b>	<b>166,685,003</b>	<b>(43,442)</b>	<b>449,370,668</b>	<b>429,936,016</b>	<b>420,457,856</b>
<b>Net Position -- End of Year</b>	<b>\$ 300,885,946</b>	<b>\$ 283,592,889</b>	<b>\$ 263,251,013</b>	<b>\$ 162,368,118</b>	<b>\$ 165,949,328</b>	<b>\$ 166,685,003</b>	<b>\$ 463,254,064</b>	<b>\$ 449,542,217</b>	<b>\$ 430,007,385</b>

\* Note: Beginning Net Position for 2015/16 has been adjusted and restated.

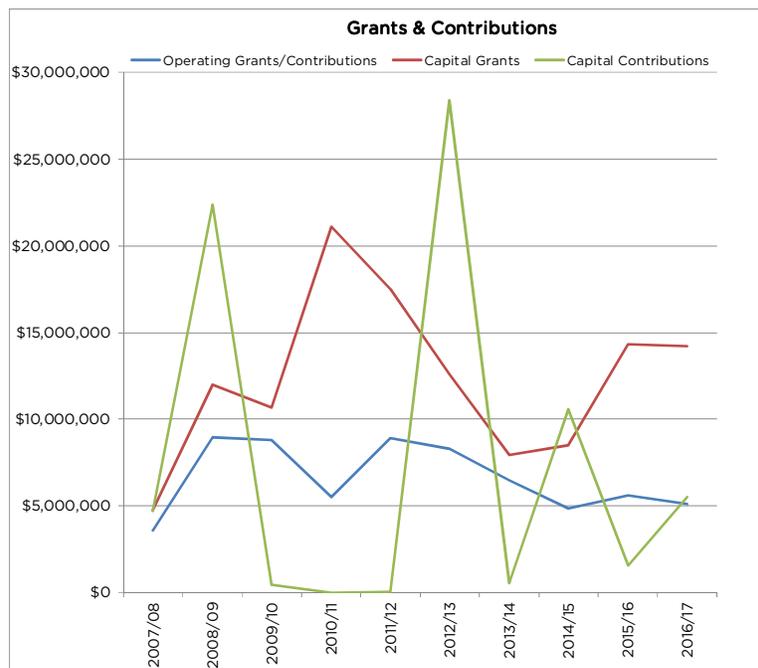
### Revenue Highlights

Total Governmental Activities revenues for fiscal year 2016/17 increased by \$7.7 million, or approximately 9.5%, 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 of 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.



Taxes and assessments, our largest revenue category, were higher, once again, due to increases in sales, property, transient occupancy, and other tax revenues. Sales tax revenues were up by \$1.1 million from last year and up by \$6.4 million from two years ago. This is largely the result of Measure H (a ½ cent local sales tax measure approved by voters in November 2014, that went into effect in April 2015 and the first full year of collection occurring in FY 2015/16), which will be referred to as Community Enhancement Funds throughout the rest of this document. Property taxes increased by \$1.4 million as compared to last year and increased by \$12.2 million 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 Community Enhancement Funds, represent a real recovery in the overall economy.



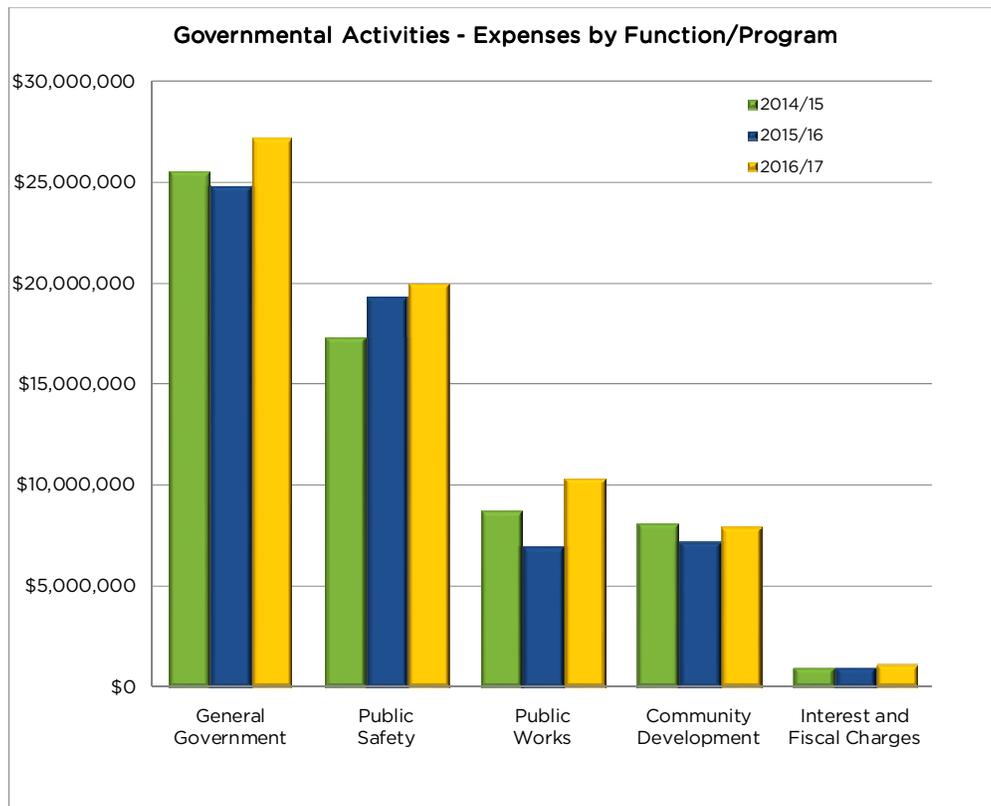
As illustrated in the graph above, the City's Capital Grants and Capital Contributions typically have large fluctuations from year to year while the Operating Grants/Contributions tend to be a little more stable.

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 2013/14, 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 \$27.2 million accounted for 40.8% of total expenses, and increased by \$2.4 million from the prior year. Public Safety costs, primarily for police protection, increased \$664K, or 3.4% from fiscal year 2015/16. Public Works costs increased \$3.3 million, to \$10.3 million, and represented 15.5% of total expenses. Lastly, Community Development expenses also saw an increase of 10.3% from the prior year to \$8.0 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 "Non-major Governmental Funds".

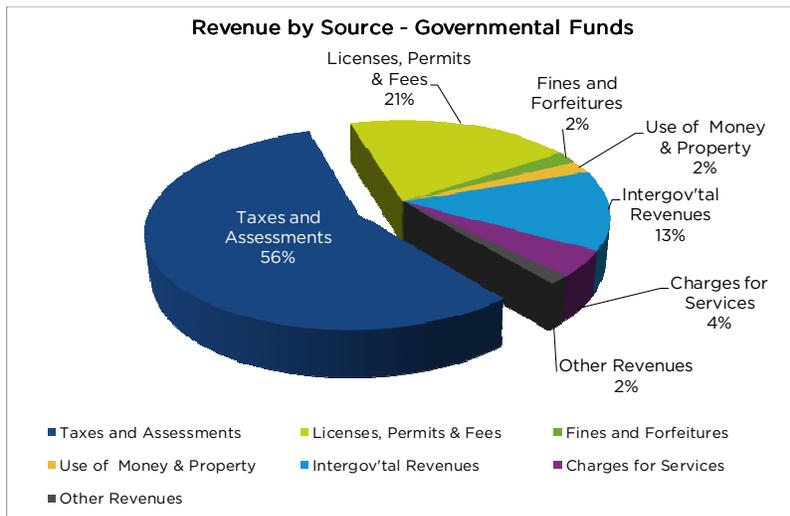
The table below demonstrates the significant balances and transactions in these funds.

	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
<b>Revenues:</b>			
Taxes and Assessments	\$ 47,763,601	\$ 45,096,673	\$ 38,747,079
Licenses, Permits & Fees	17,397,470	15,678,918	9,971,584
Fines and Forfeitures	1,708,969	1,557,425	1,191,306
Use of Money & Property	1,762,065	1,025,083	886,659
Intergovernmental Revenues	11,270,527	8,872,748	10,478,647
Charges for Services	3,748,510	3,808,524	3,401,736
Other Revenues	1,244,423	986,669	212,924
Total Revenues	<u>84,895,565</u>	<u>77,026,040</u>	<u>64,889,935</u>
<b>Expenditures:</b>			
General Government	18,552,273	16,166,976	15,562,496
Community Development	7,952,283	7,207,451	8,147,691
Public Safety	20,023,498	19,358,495	17,753,700
Public Works	6,986,548	6,183,492	9,212,399
Debt Service	1,098,263	2,424,920	1,957,852
Capital Outlay	18,175,004	8,559,341	9,227,045
Total Expenditures	<u>72,787,869</u>	<u>59,900,675</u>	<u>61,861,183</u>
Excess (Deficiency) of Revenues over Expenditures	12,107,696	17,125,365	3,028,752
<b>Other Financing Sources (Uses):</b>			
Issuance of debt	-	-	1,250,326
Issuance of Refunding Debt	16,395,000	-	-
Premium of Refunding Debt Issued	1,212,175	-	-
Payment to refunded debt escrow agent	(19,743,565)	-	-
Transfers In	3,147,485	8,546,556	4,702,549
Transfers Out	(3,172,555)	(9,955,110)	(9,213,271)
Total Other Financing Sources (Uses)	<u>(2,161,460)</u>	<u>(1,408,554)</u>	<u>(3,260,396)</u>
Special Item	<u>(4,725,310)</u>	-	-
Net Change in Fund Balances	5,220,926	15,716,811	(231,644)
Fund Balances, beginning of year	<u>116,950,293</u>	<u>101,233,482</u>	<u>101,465,126</u>
Fund Balances, end of year	<u>\$ 122,171,219</u>	<u>\$ 116,950,293</u>	<u>\$ 101,233,482</u>

At the end of fiscal year 2016/17, the City's governmental funds reported a total combined ending fund balance of \$122.2 million, a net increase of \$5.2 million from the prior year. Of the fund balance, \$4.5 million was non-spendable and \$93.3 million was restricted with the balance of \$24.3 million being unassigned, as outlined in Note 9B of the financial statements.

### Revenue Highlights

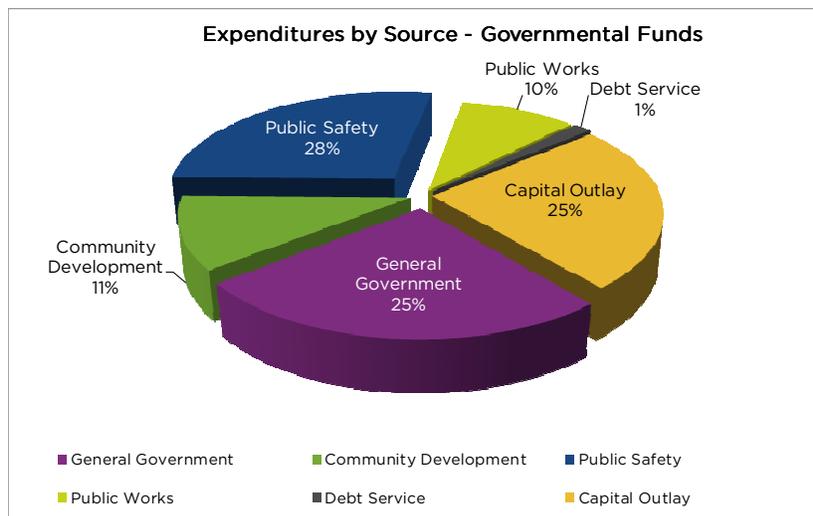
The table above shows total Governmental Revenues increased by \$7.9 million, or 10.2% from the prior year, due primarily to increases in Taxes and Assessments, Licenses, Permits and Fees along with Intergovernmental Revenues.



Taxes and Assessments remain the largest revenue source, representing 56.3% of total revenues. The overall Taxes and Assessments increased by a total of \$2.7 million, or 5.9%, from the 2015/16 fiscal year while Licenses, Permits and Fees increased a total of \$1.7 million, or 11.0% from the 2015/16 fiscal year. This increase cannot be attributed to a specific revenue source, rather is it a result of an increases in a majority of the revenues that make up these revenue categories due to the continued growth in the economy.

### Expenditure Highlights

The table on the prior page shows total Governmental Expenditures increased by \$12.9 million, or 21.5% from the prior year, due primarily to an increase in Capital Outlay expenditures.



Public Safety is our largest category of expense, representing 28% of total governmental expenditures. Current year costs of \$20.0 million were 3.4% higher than the prior year. The majority of Public Safety expenses is 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 \$18.6 million and, like Public Safety, is largely accounted for within the General Fund and will be explained in greater detail further below.

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

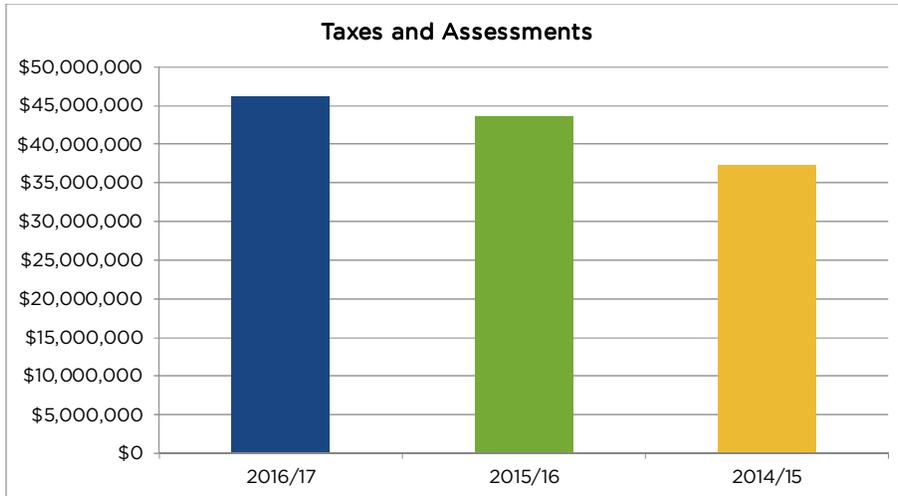
### **GENERAL FUND FINANCIAL INFORMATION**

The General Fund is the chief operating fund of the City and, starting in FY 2014/15, includes all Community Enhancement Fund activity. The table below shows the General Fund Revenues, Expenditures, and Changes in Fund Balances for the fiscal years ending June 30, 2017, 2016 and 2015.

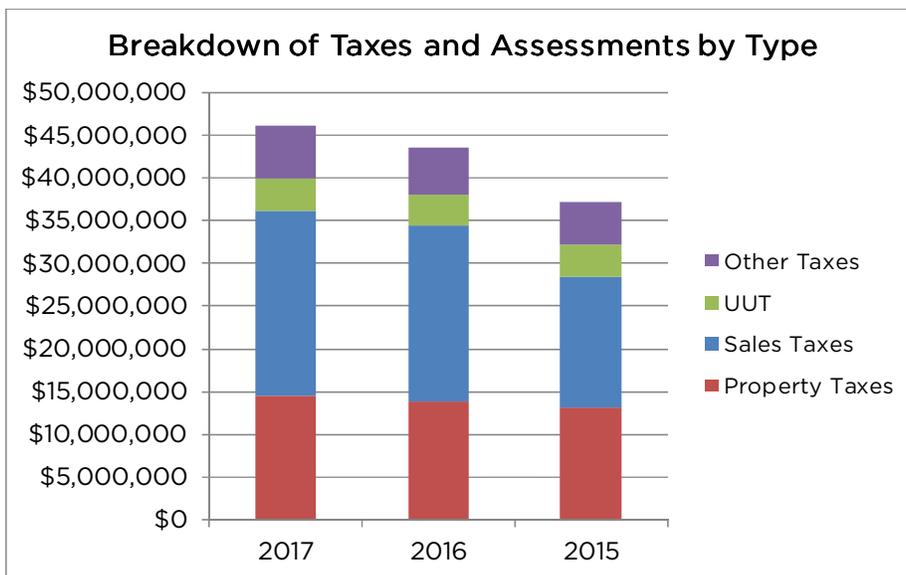
<b>Revenues, Expenditures and Changes in Fund Balances General Fund</b>			
	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
<b>Revenues:</b>			
Taxes and Assessments	\$ 46,129,061	\$ 43,519,886	\$ 37,228,805
Charges for Services	3,593,879	3,665,001	3,325,592
Licenses, Permits & Fees	5,561,287	5,441,470	4,535,915
Fines and Forfeitures	1,656,527	1,548,701	1,188,496
Intergovernmental Revenues	1,148,853	1,303,668	1,071,359
Use of Money & Property	881,243	680,322	673,649
Other Revenues	18,048	479,628	112,781
Total Revenues	<u>58,988,898</u>	<u>56,638,676</u>	<u>48,136,597</u>
<b>Expenditures:</b>			
General Government	18,003,017	15,574,800	15,099,495
Community Development	7,839,698	7,052,302	6,188,877
Public Safety	19,924,481	19,240,132	17,672,670
Public Works	4,445,427	3,569,676	3,205,152
Capital Outlay	1,966,401	1,496,837	354,255
Debt Service	-	12,671	12,672
Total Expenditures	<u>52,179,024</u>	<u>46,946,418</u>	<u>42,533,121</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,809,874</u>	<u>9,692,258</u>	<u>5,603,476</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	100,032	100,000	85,000
Transfers Out	<u>(2,106,820)</u>	<u>(8,875,334)</u>	<u>(3,898,389)</u>
Total Other Financing Sources (Uses)	<u>(2,006,788)</u>	<u>(8,775,334)</u>	<u>(3,813,389)</u>
Special Item	<u>(4,725,310)</u>	-	-
Net Change in Fund Balances	77,776	916,924	1,790,087
Fund Balances, beginning of year, as adjusted	<u>30,255,920</u>	<u>29,338,996</u>	<u>27,548,909</u>
Fund Balances, end of year	<u>\$ 30,333,696</u>	<u>\$ 30,255,920</u>	<u>\$ 29,338,996</u>

**Revenue Highlights**

As shown on the table on the prior page, total General Fund revenues increased over the prior year by \$2.4 million, or 4.1%, primarily due to an increase in Taxes and Assessment revenue which represents the majority, 78.2%, of General Fund Revenues. This increase in Taxes and Assessment revenues is a result of both the recovering economy and the additional revenue being generated for Community Enhancement Funds.



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 below demonstrates Property Taxes and Sales Taxes continue to show steady increases year over year, with the Sales Tax increase being largely related to new Community Enhancement Funds revenues.



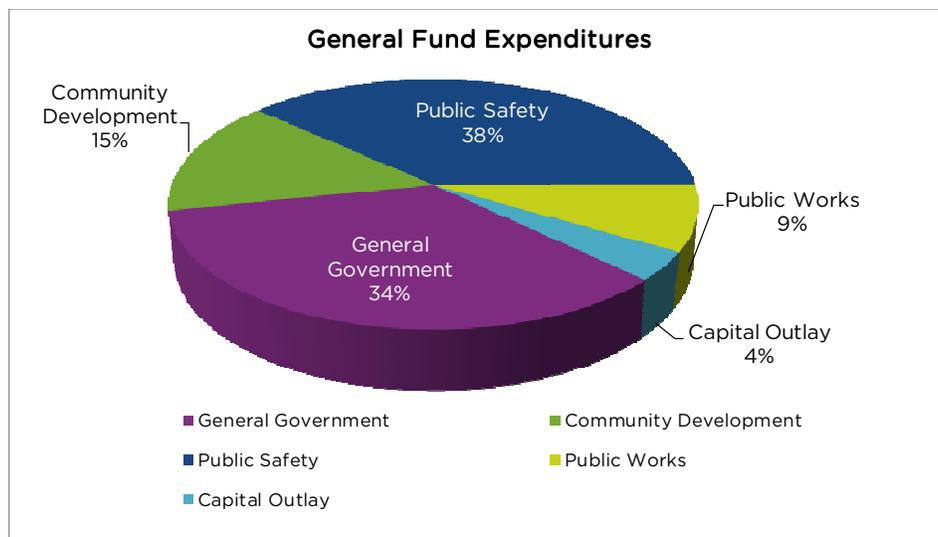
Property Tax revenues saw an increase of 5.3% and Sales tax, which is now the largest source of tax revenue with the addition of Community Enhancement Funds, continued to see another year of growth with an increase of 5.4% as compared to fiscal year 2015/16. The growth in both of these major revenue sources is the result of continued growth in the economy.

UUT and Other Taxes, which includes TOT, increased by 8.5% 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 2.2% increase compared to last year as a result in an increase in the franchise fees collected from commercial garbage service providers operating within the City and an increase in both commercial and residential building permit activity. Use of Money and Property revenues increased by 29.5%, or \$201K, as a result of both increases in rent income and increased interest income earned on City investments.

### **Expenditure Highlights**

General Fund expenditures increased by \$5.2 million, or 11.2%, over the prior year. This increase was anticipated and, thanks to larger than anticipated revenues and continual budget review and expenditure modifications, was well below the revenues collected during the year. Maintaining a balanced relationship of revenues to expenditures has produced our fourteenth 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 \$19.9 million or 38% 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 \$684K, or 3.6%, primarily due to an increase in salaries and benefits cost.

General Government expenditures, the second largest expenditure, were \$18.0 million, or 34.5% of General Fund expenditures, and include 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 (\$8.5 million this year). General Government expenditures increased by a total of \$2.4 million, or 15.6% from the prior year. This increase was primarily due to the award of community grants which are being funded by Community Enhancement Fund revenues.

Community Development, consisting of Economic Development, Facilities Management, Planning, Building & Safety and Neighborhood Services expended \$7.8 million, an increase of \$787K, which is a result of additional staffing and new community grants funded by Community Enhancement Fund revenues.

Public Works General Fund expenditures totaled \$4.4 million, an increase of approximately 24.5%, or \$876K from the prior year.

Capital Outlay also saw an increase of \$470K in 2016/17, as a direct result of Community Enhancement Funds which has allowed the City to expedite capital projects.

### ***Fund Balance Highlights***

The total fund balance has remained at \$30.3 million, of which \$4.5 million is non-spendable and \$25.8 million is unassigned. Included in the unassigned fund balance is the City's Economic Uncertainty Reserve of \$10.9 million which represents 20% of next year's General Fund, including the Community Enhancement Fund, expenditures.

### ***Budgetary Highlights***

The City had three amendments to its 2016/17 budget to adjust for significant variances in expenditures not originally anticipated during the preparation of its two-year budget. These amendments affected the budgets of the General Fund along with various Special Revenue Funds, the Debt Service Fund 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.

<b>General Fund Budgetary Highlights</b>					
	Original Budget	Final Budget	Actual	Variance	Variance w/ Final Budget
<b>Revenues:</b>					
Taxes and Assessments	\$ 43,674,200	\$ 43,674,200	\$ 46,129,061	\$ 2,454,861	5.6%
Licenses, Permits & Fees	4,517,900	4,517,900	5,561,287	1,043,387	23.1%
Fines and Forfeitures	1,660,900	1,660,900	1,656,527	(4,373)	-0.3%
Use of Money & Property	1,004,400	1,004,400	881,243	(123,157)	-12.3%
Intergovernmental Revenues	512,800	512,800	1,148,853	636,053	124.0%
Charges for Services	3,270,000	3,270,000	3,593,879	323,879	9.9%
Other Revenues and Transfers In	141,400	141,400	118,080	(23,320)	-16.5%
Total Revenues and Transfers	<u>54,781,600</u>	<u>54,781,600</u>	<u>59,088,930</u>	<u>4,307,330</u>	7.9%
<b>Expenditures</b>					
General Government	23,027,600	23,407,600	18,003,017	(5,404,583)	-23.1%
Community Development	7,998,300	7,998,300	7,839,698	(158,602)	-2.0%
Public Safety	18,515,400	18,515,400	19,924,481	1,409,081	7.6%
Public Works	2,928,000	2,928,000	4,445,427	1,517,427	51.8%
Capital Outlay	380,000	480,000	1,966,401	1,486,401	309.7%
Transfers Out	1,539,400	2,674,285	2,106,820	(567,465)	-21.2%
Total Expenditures and Transfers	<u>54,388,700</u>	<u>56,003,585</u>	<u>54,285,844</u>	<u>(1,717,741)</u>	-3.1%
Special Item	-	-	(4,725,310)	(4,725,310)	
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<u>\$ 392,900</u>	<u>\$ (1,221,985)</u>	<u>\$ 77,776</u>	<u>\$ 1,299,761</u>	-106.4%

Total Revenues exceeded the budget by 7.9%. Licenses, Permits & Fees and Taxes and Assessments had the largest budget variances from the original budget. Taxes and Assessments had a positive variance of \$8.0 million while Licenses, Permits & Fees had a positive variance of \$1.0 million. The variances in Taxes and Assessments was largely a result a stronger than anticipated economy while the increase in Taxes and Assessments was a result of more building permits being issued in FY 2016/17 than expected when the budget was originally prepared.

Charges for Services had a positive variance of \$324K between the budgeted revenues to the actual. This increase is the result of both an increase in development activity along with additional administrative cost associated with the refunding of Community Facility District (CFD) debt.

Fines and forfeitures and Other Revenues and Transfers In varied from the original and final budget due to fewer than anticipated citations and fines being collected by the Police Department.

The City was able to manage its General Fund expenditure activity to produce actual expenditures that were 3.1% lower than the final budget and 0.2% below the original budget. While the original budget had anticipated a surplus of \$392,900, this was revised in the final budget to reflect an anticipated loss of \$1.2 million. We are pleased that improvements in revenues, and the continued management of expenditures, led to an actual increase in net fund balance of \$77,776, after the unexpected write off of \$4.7 million for the loan to the former Redevelopment Agency which was determined to be uncollectable.

### ***Financial Analysis of Major Governmental Funds***

Five major funds, in addition to the General Fund, were separately stated in the City's governmental fund statements for fiscal year 2016/17. 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 \$3.1 million, a \$1.2 million in developer contributions and interest earnings of \$215K. Expenditures this year included Public Works expenses and capital outlay of \$3.1 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 \$3.9 million and interest earnings of \$212K. Expenditures this year included Public Works expenses and capital outlay of \$1.1 million.

*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 \$96K, charges for services of \$44K and interest earnings of \$19K. Expenditures this year totaled \$163K for projects including Mather Veteran's Village and Horizon's, a low income housing 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, 2017, the Grants Fund had received \$5.3 million in intergovernmental revenues, and posted \$4.8 million in expenditures. Grant revenues are received from federal, state, and local grant sources on an expenditure reimbursement basis.

*Financing Corporation Debt Service Fund* - This fund accounts for the debt service activities related to the Certificate of Participation bonds issued by the Financing Corporation. While there are typically minimal revenues and expenditures related to this activity, the Certificate of Participations were refinanced in 2016/17 in order to take advantage of interest savings in addition to releasing City Hall as security for the bonds.

### ***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:

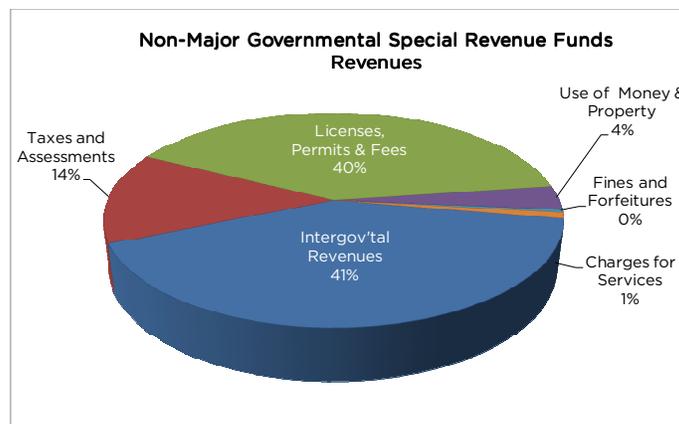
*Gas Tax Fund* - The Gas Tax revenue is generated from the per gallon state tax on fuel used in a motor vehicle or aircraft. These funds can be used for construction, improvements, studies and/or maintenance of public streets. The funds received in fiscal year 2016/17 were

\$1.4 million. Public Works and capital improvement projects funded by the Gas Tax Fund totaled \$1.5 million, resulting in a decrease in fund balance from \$3.1 million in 2016 to \$3.0 million in 2017.

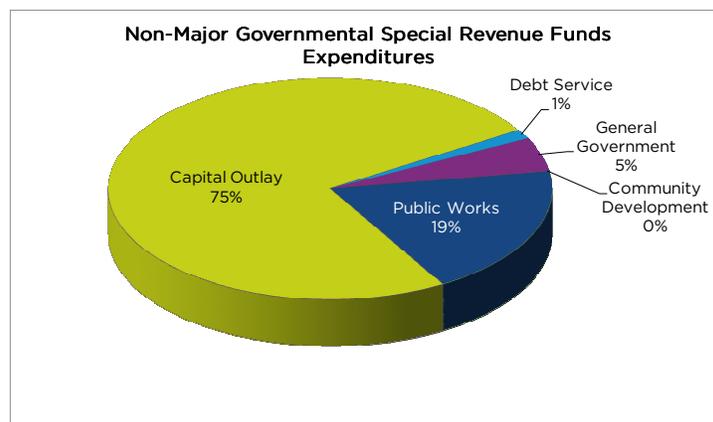
*Community Facilities Fees Fund* - These development impact fees are collected by the City to cover the costs of municipal facilities required to serve an increased population as a result of new development. These facilities primarily include city hall, police station, community center, corporation yard, library, city museum, and a parking structure. During fiscal year 2016/17, a total of \$1.7 million was collected. Transfers out of \$966K were made to support debt service payments on the Certificate of Participations issued by the Financing Corporation. This resulted in an ending fund balance of \$4.2 million as of June 30, 2017.

*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 \$3.0 million in Measure A revenues. The City expended \$2.2 million on maintenance and capital improvement projects. This resulted in an ending fund balance of \$5.5 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, 2017, 2016, 2015

	Governmental Activities			Business Activities			Total		
	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15
Land	\$ 8,568,341	\$ 8,568,341	\$ 8,568,341	\$ 225,000	\$ 225,000	\$ 225,000	\$ 17,136,682	\$ 8,793,341	\$ 8,793,341
Construction in progress	64,608,773	51,707,687	45,584,719	-	453,360	431,303	110,193,492	51,707,687	46,016,022
Infrastructure	276,769,861	270,770,355	265,365,745	257,713,111	255,680,524	254,430,024	542,135,606	528,483,466	519,795,769
Building & Improvements	27,717,596	27,559,052	27,317,312	1,261,091	1,261,091	1,261,091	55,034,908	28,820,143	28,578,403
Equipment & Software	4,898,810	4,854,498	4,812,809	6,049	6,049	6,049	9,711,619	4,860,547	4,818,858
Accumulated Depreciation	(185,110,349)	(175,806,817)	(166,343,891)	(107,308,025)	(100,851,376)	(94,445,540)	(351,454,240)	(283,114,842)	(260,789,431)
Total	\$ 197,453,032	\$ 187,653,116	\$ 185,305,035	\$ 151,897,226	\$ 156,774,648	\$ 161,907,927	\$ 382,758,067	\$ 339,550,342	\$ 347,212,962

The City's investment in capital assets includes land, infrastructure, building and improvements, equipment and construction in progress. 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, 2017, 2016, 2015

	Governmental Activities			Business Activities			Total		
	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15
Compensated Absences	\$ 539,961	\$ 535,227	\$ 539,269	\$ -	\$ -	\$ -	\$ 539,961	\$ 535,227	\$ 539,269
Certificates of Participation	16,395,000	19,350,000	20,640,000	-	-	-	16,395,000	19,350,000	20,640,000
Issuance premiums	1,184,500	(225,834)	(237,922)	-	-	-	1,184,500	(225,834)	(237,922)
Streetlight Retrofit Loan	1,443,755	1,567,323	1,678,337	-	-	-	1,443,755	1,567,323	1,678,337
Capital Lease Obligations	-	-	12,257	-	-	-	-	-	12,257
Total	\$ 19,563,216	\$ 21,226,716	\$ 22,631,941	\$ -	\$ -	\$ -	\$ 19,563,216	\$ 21,226,716	\$ 22,631,941

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 overall fiscal condition continues to strengthen with the improved economy in the Sacramento region. The City's assessed valuation grew by 6.73% in Fiscal Year 2016/17 due to increasing property values and new growth in the City. The City anticipates unprecedented growth in the next twenty-five years with the recent approval of the Rio del Oro specific plan, a 3,828-acre, 12,189 residential unit mixed use development. The City is well poised to accommodate this new growth due to the foresight of the City Council in adopting a Police Services Tax to fund the increased public safety costs associated with this new growth along with the establishment of Community Facilities Districts to pay for ongoing maintenance costs in new development areas.

Rancho Cordova is home to the second largest business park in the region and many major businesses including Health Net, Sutter Health, and Vision Service Plan. The strong business base in the City contributes to its financial stability, with over 55,000 employees coming to the City for work every day. The presence of these businesses in the City has a positive impact on the City's major tax revenue streams including property tax, sales tax, transient occupancy tax, and utility users' tax.

Overall, the City's financial position has continued to improve in recent fiscal years and is further bolstered by the passage of the Measure H/Community Enhancement Fund ½ cent sales tax measure in November 2014. This new sales tax stream enables the City to fund enhanced programs and services to residents and serves as a funding source for major capital projects that would otherwise have no funding available. In addition, the City contracts many of its residential services to outside agencies, including law enforcement services. This enables the City to make adjustments to its service levels with greater ease than with traditional staffing and also results in much lower liabilities for pension and other post-employment benefits than other public agencies.

The City's fund balances have continued to increase over recent years, with the City's General Fund balance surpassing \$30.3 million as of June 30, 2017. Of this amount, the City's Economic Uncertainty Reserve is \$10.9 million, which represents 20% of the 2016/17 General Fund budget, another \$4.5 million is non-spendable, and the remaining \$14.9 million is unassigned. In addition, the City has a number of other reserve funds that serve as reserves for future capital and infrastructure investment in the City. All of these fund balances have increased in recent years and are not anticipated to be drawn down in 2016/17.

The City's 2017/19 budget anticipates modest revenue growth over the 2016/17 fiscal year. Some of the significant gains experienced in certain revenue categories such as transient occupancy tax and building permit fees will be offset by an anticipated decrease in sales tax due to the relocation of a major business out of the City. The diversity of the City's General Fund revenue stream provides stability against these types of events and allows the City's budget to remain strong year after year.

On the expenditure side of the budget, the City has a strong philosophy of managing within its budget. Over the past several years, the City's General Fund has ended the year with a budget surplus and is anticipated to continue doing so in 2017/18. The 2017/18 budget anticipates filling key positions held vacant during the economic downturn, resulting in an increase in salaries and benefits costs offset by decreased contractual staffing costs. The other significant additions to the 2017/18 budget are enhanced programs and services that are specifically funded by the City's Community Enhancement Fund. Overall, the City's budget remains strong and is anticipated to end the 2017/18 year with a General Fund surplus.

## ***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](http://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.

**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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments (Note 3)	\$112,816,754	\$10,368,210	\$123,184,964
Restricted cash and investments with fiscal agents (Note 3)	36,721		36,721
Receivables:			
Accounts, net (Note 4)	1,311,452		1,311,452
Interest	60,859	4,285	65,144
Due from other governments (Note 4)	10,652,935	262,307	10,915,242
Loans (Note 4)	8,528,139		8,528,139
Other (Note 4)	191,857		191,857
Prepays	33,007		33,007
Capital assets (Note 6):			
Nondepreciable	73,177,114	225,000	73,402,114
Depreciable, net	124,275,918	151,672,226	275,948,144
Total Assets	<u>331,084,756</u>	<u>162,532,028</u>	<u>493,616,784</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension (Note 10)	2,822,904		2,822,904
Loss on refunding (Note 7)	393,565		393,565
Total deferred outflows of resources	<u>3,216,469</u>		<u>3,216,469</u>
Total Assets and Deferred Outflow of Resources	<u>334,301,225</u>	<u>162,532,028</u>	<u>496,833,253</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	8,527,032	163,910	8,690,942
Interest payable	274,597		274,597
Refundable deposits	1,280,056		1,280,056
Unearned revenue	36,345		36,345
Compensated absences (Note 1G):			
Due within one year	539,961		539,961
Due in more than one year	74,296		74,296
Long-term debt (Note 7):			
Due within one year	804,808		804,808
Due in more than one year	18,218,447		18,218,447
Net pension liability (Note 10)	2,938,627		2,938,627
Net OPEB obligation (Note 11)	129,964		129,964
Total Liabilities	<u>32,824,133</u>	<u>163,910</u>	<u>32,988,043</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pension (Note 10)	591,146		591,146
<b>NET POSITION (Note 9)</b>			
Net investment in capital assets	178,823,342	151,897,226	330,720,568
Restricted for:			
Debt service	36,721		36,721
Sunrise Douglas development	21,125,318		21,125,318
Traffic Mitigation	21,561,476		21,561,476
Community facilities	4,170,305		4,170,305
Park development	3,049,492		3,049,492
Villages of Zinfandel development	376,411		376,411
Mather Field traffic	13,369		13,369
Transit related services	4,099,680		4,099,680
Grant-funded projects	5,646,995		5,646,995
Asset forfeiture	113,642		113,642
Road improvements	14,992,510		14,992,510
Landscape and lighting	801,024		801,024
Rental code compliance	13,115		13,115
Local housing	846,436		846,436
Measure A funds	5,455,759		5,455,759
Total Restricted Net Position	<u>82,302,253</u>		<u>82,302,253</u>
Unrestricted	39,760,351	10,470,892	50,231,243
Total Net Position	<u>\$300,885,946</u>	<u>\$162,368,118</u>	<u>\$463,254,064</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$27,207,208	\$2,836,223	\$175,089	\$478,312	(\$23,717,584)		(\$23,717,584)
Community Development	7,952,283	3,623,019		4,970,114	640,850		640,850
Public Safety	20,023,498	3,093,955	647,754		(16,281,789)		(16,281,789)
Public Works	10,348,139	6,807,073	4,277,956	12,614,813	13,351,703		13,351,703
Interest on long-term debt	1,173,318				(1,173,318)		(1,173,318)
Total Governmental Activities	66,704,446	16,360,270	5,100,799	18,063,239	(27,180,138)		(27,180,138)
Business-type Activities:							
Cemetery	77,557	12,650			(\$64,907)		(64,907)
Storm Drain	9,568,035	3,079,392		1,639,216	(4,849,427)		(4,849,427)
Total Business-type Activities	9,645,592	3,092,042		1,639,216	(4,914,334)		(4,914,334)
Total Primary Government	\$76,350,038	\$19,452,312	\$5,100,799	\$19,702,455	(27,180,138)	(4,914,334)	(32,094,472)
General revenues:							
Taxes:							
Property taxes					9,520,811	764,688	10,285,499
Sales taxes					21,704,677		21,704,677
Intergovernmental						500,189	500,189
Transient occupancy					3,866,250		3,866,250
Utility user taxes					3,678,209		3,678,209
Other taxes					2,884,395	8,402	2,892,797
Property taxes in lieu of vehicle license fees, unrestrictive					5,663,688		5,663,688
Use of money and property					1,840,891	94,865	1,935,756
Other					176,113		176,113
Transfers (Note 5)					(136,529)	136,529	
Total general revenues					49,198,505	1,504,673	50,703,178
Change in Net Position, before Special Item					22,018,367	(3,409,661)	18,608,706
Special Item (Note 16C)					(4,725,310)		(4,725,310)
Change in Net Position					17,293,057	(3,409,661)	13,883,396
Net Position - Beginning, as restated (Note 1N)					283,592,889	165,777,779	449,370,668
Net Position - Ending					\$300,885,946	\$162,368,118	\$463,254,064

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 2017. 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.

### **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.

### **GRANTS FUND SPECIAL REVENUE FUND**

Established to account for grant monies awarded to the City.

### **FINANCING CORPORATION DEBT SERVICE FUND**

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

CITY OF RANCHO CORDOVA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2017

	General Fund	Sunrise Douglas	Traffic Mitigation	Local Housing
<b>ASSETS</b>				
Cash and investments (Note 3)	\$21,958,373	\$21,318,707	\$21,837,470	\$1,753,310
Restricted cash and investments with fiscal agent (Note 3)				
Receivables:				
Accounts, net (Note 4)	1,114,020	26,872	36,601	
Interest	42,408	3,286	3,363	272
Due from other governmental agencies (Note 4)	5,477,369			
Loans (Note 4)	1,525,428			2,000,000
Other (Note 4)	191,857			
Prepays	32,457			
Due from other funds (Note 5)	3,900,163			
Advances to other funds (Note 5)	2,976,655			
	<u>\$37,218,730</u>	<u>\$21,348,865</u>	<u>\$21,877,434</u>	<u>\$3,753,582</u>
<b>LIABILITIES</b>				
Accounts payable	\$5,503,778		\$213,997	\$13,493
Accrued liabilities	260,440			
Refundable deposits	778,808	\$196,675	65,360	
Due to other funds (Note 5)				
Advances from other funds (Note 5)				2,976,655
Unearned revenue	36,345			
	<u>6,579,371</u>	<u>196,675</u>	<u>279,357</u>	<u>2,990,148</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - accounts receivable	40,386	26,872	36,601	
Unavailable revenue - interest receivable	199,996			
Unavailable revenue - due from other governmental agencies	65,281			
	<u>305,663</u>	<u>26,872</u>	<u>36,601</u>	
<b>FUND BALANCES (Note 9)</b>				
Nonspendable	4,534,540			
Restricted		21,125,318	21,561,476	2,000,000
Unassigned	25,799,156			(1,236,566)
	<u>30,333,696</u>	<u>21,125,318</u>	<u>21,561,476</u>	<u>763,434</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$37,218,730</u>	<u>\$21,348,865</u>	<u>\$21,877,434</u>	<u>\$3,753,582</u>

See accompanying notes to financial statements

Grants	Financing Corporation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$706,060	\$36,721	\$44,404,888	\$111,978,808 36,721
116		133,959	1,311,452
4,428,447		11,288	60,733
4,943,865		747,119	10,652,935
		58,846	8,528,139
			191,857
550			33,007
			3,900,163
			2,976,655
<u>\$10,079,038</u>	<u>\$36,721</u>	<u>\$45,356,100</u>	<u>\$139,670,470</u>
\$1,002,586		\$1,532,738	\$8,266,592 260,440
		239,213	1,280,056
3,716,734		183,429	3,900,163
			2,976,655
			36,345
<u>4,719,320</u>		<u>1,955,380</u>	<u>16,720,251</u>
		133,959	237,818 199,996
<u>11,491</u>		<u>264,414</u>	<u>341,186</u>
<u>11,491</u>		<u>398,373</u>	<u>779,000</u>
5,604,023	\$36,721	43,003,189	4,534,540 93,330,727
(255,796)		(842)	24,305,952
<u>5,348,227</u>	<u>36,721</u>	<u>43,002,347</u>	<u>122,171,219</u>
<u>\$10,079,038</u>	<u>\$36,721</u>	<u>\$45,356,100</u>	<u>\$139,670,470</u>

CITY OF RANCHO CORDOVA  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

Total fund balances reported on the governmental funds balance sheet	\$122,171,219
<p>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:</p>	
<b>CAPITAL ASSETS</b>	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	197,453,032
<b>ALLOCATION OF INTERNAL SERVICE FUND NET POSITION</b>	
<p>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.</p>	
Cash and investments	837,946
Interest receivable	126
<b>ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES</b>	
Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	779,000
<b>LONG-TERM ASSETS, DEFERRED OUTFLOWS AND LIABILITIES</b>	
<p>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:</p>	
Collective net pension liability, and related deferred outflows and inflows of resources	(706,869)
OPEB obligation	(129,964)
Loss on refunding	393,565
Interest payable	(274,597)
Long-term debt	(19,023,255)
Governmental activities portion of compensated absences	(614,257)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$300,885,946</u></u>

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, 2017

	<u>General</u>	<u>Sunrise Douglas</u>	<u>Traffic Mitigation</u>	<u>Local Housing</u>
<b>REVENUES</b>				
Property taxes	\$14,484,922			
Sales taxes	21,704,677			
Utility user taxes	3,678,209			
Other taxes	6,261,253			
Charges for services	3,593,879			\$43,677
Licenses, permits and fees	5,561,287	\$3,129,580	\$3,851,428	96,134
Fines, forfeitures and penalties	1,656,527			
Intergovernmental	1,148,853			
Use of money and property	881,243	214,772	211,962	18,524
Other	18,048	1,200,000		
<b>Total Revenues</b>	<u>58,988,898</u>	<u>4,544,352</u>	<u>4,063,390</u>	<u>158,335</u>
<b>EXPENDITURES</b>				
Current:				
General Government	18,003,017			
Community Development	7,839,698			92,967
Public Safety	19,924,481			
Public Works	4,445,427	205,326	309,552	
Capital outlay	1,966,401	2,915,826	765,820	44,358
Debt service:				
Principal				
Interest and fiscal charges				25,554
<b>Total Expenditures</b>	<u>52,179,024</u>	<u>3,121,152</u>	<u>1,075,372</u>	<u>162,879</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,809,874</u>	<u>1,423,200</u>	<u>2,988,018</u>	<u>(4,544)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of refunding debt (Note 7)				
Premium on refunding debt issued (Note 7)				
Payment to refunded debt escrow agent (Note 7)				
Transfers in (Note 5)	100,032			
Transfers (out) (Note 5)	(2,106,820)			
<b>Total Other Financing Sources (Uses)</b>	<u>(2,006,788)</u>			
<b>SPECIAL ITEM (NOTE 16C)</b>	<u>(4,725,310)</u>			
<b>NET CHANGE IN FUND BALANCES</b>	77,776	1,423,200	2,988,018	(4,544)
<b>BEGINNING FUND BALANCES</b>	<u>30,255,920</u>	<u>19,702,118</u>	<u>18,573,458</u>	<u>767,978</u>
<b>ENDING FUND BALANCES</b>	<u>\$30,333,696</u>	<u>\$21,125,318</u>	<u>\$21,561,476</u>	<u>\$763,434</u>

See accompanying notes to financial statements

Grants	Financing Corporation Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		\$1,634,540	\$16,119,462
			21,704,677
			3,678,209
			6,261,253
		110,954	3,748,510
		4,759,041	17,397,470
		52,442	1,708,969
\$5,301,861		4,819,813	11,270,527
5,459	\$8,877	421,228	1,762,065
26,375			1,244,423
<u>5,333,695</u>	<u>8,877</u>	<u>11,798,018</u>	<u>84,895,565</u>
29,792		519,464	18,552,273
16,747		2,871	7,952,283
99,017			20,023,498
20,934		2,005,309	6,986,548
4,639,859		7,842,740	18,175,004
		123,568	123,568
	933,775	15,366	974,695
<u>4,806,349</u>	<u>933,775</u>	<u>10,509,318</u>	<u>72,787,869</u>
<u>527,346</u>	<u>(924,898)</u>	<u>1,288,700</u>	<u>12,107,696</u>
	16,395,000		16,395,000
	1,212,175		1,212,175
	(19,743,565)		(19,743,565)
	1,541,861	1,505,592	3,147,485
	(85)	(1,065,650)	(3,172,555)
	<u>(594,614)</u>	<u>439,942</u>	<u>(2,161,460)</u>
			<u>(4,725,310)</u>
527,346	(1,519,512)	1,728,642	5,220,926
<u>4,820,881</u>	<u>1,556,233</u>	<u>41,273,705</u>	<u>116,950,293</u>
<u>\$5,348,227</u>	<u>\$36,721</u>	<u>\$43,002,347</u>	<u>\$122,171,219</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, 2017

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 \$5,220,926

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.

Loss on retirements are therefore deducted from the fund balance	(3,176,858)
The capitalized expenditures are therefore added back to fund balance	18,588,640
Depreciation expense deducted from the fund balance	(9,333,359)
Contributions of infrastructure and improvements by other parties are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands	3,843,764

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 issuance of debt principal is deducted from fund balance	(16,395,000)
Proceeds from issuance of premium is deducted from fund balance	(1,212,175)
Repayment of debt principal is added back to fund balance	19,473,568
Amortization of deferred amount on refunding and issuance discounts is deducted from fund balance	(198,159)

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	316,291
Interest payable	76,810
Unavailable revenue	(184,733)
Compensated absences	(38,248)
Net pension liability	439,304
OPEB obligation	(129,964)

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	2,250
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$17,293,057
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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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$14,328,900	\$14,328,900	\$14,484,922	\$156,022
Sales taxes	20,375,600	20,375,600	21,704,677	1,329,077
Transient occupancy taxes	3,275,000	3,275,000	3,866,250	591,250
Utility user taxes	3,723,700	3,723,700	3,678,209	(45,491)
Other taxes	1,971,000	1,971,000	2,395,003	424,003
Charges for services	3,270,000	3,270,000	3,593,879	323,879
Licenses, permits and fees	4,517,900	4,517,900	5,561,287	1,043,387
Fines, forfeitures and penalties	1,660,900	1,660,900	1,656,527	(4,373)
Intergovernmental	512,800	512,800	1,148,853	636,053
Use of money and property	1,004,400	1,004,400	881,243	(123,157)
Other	41,400	41,400	18,048	(23,352)
<b>Total Revenues</b>	<u>54,681,600</u>	<u>54,681,600</u>	<u>58,988,898</u>	<u>4,307,298</u>
<b>EXPENDITURES:</b>				
<b>Current</b>				
General Government	23,027,600	23,407,600	18,003,017	5,404,583
Community Development	7,998,300	7,998,300	7,839,698	158,602
Public Safety	18,515,400	18,515,400	19,924,481	(1,409,081)
Public Works	2,928,000	2,928,000	4,445,427	(1,517,427)
Capital outlay	380,000	480,000	1,966,401	(1,486,401)
<b>Total Expenditures</b>	<u>52,849,300</u>	<u>53,329,300</u>	<u>52,179,024</u>	<u>1,150,276</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,832,300</u>	<u>1,352,300</u>	<u>6,809,874</u>	<u>5,457,574</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 5)	100,000	100,000	100,032	32
Transfers (out) (Note 5)	(1,539,400)	(2,674,285)	(2,106,820)	567,465
<b>Total other financing sources (uses)</b>	<u>(1,439,400)</u>	<u>(2,574,285)</u>	<u>(2,006,788)</u>	<u>567,497</u>
<b>SPECIAL ITEM (NOTE 16C)</b>			<u>(4,725,310)</u>	<u>(4,725,310)</u>
<b>NET CHANGE IN FUND BALANCE</b>	392,900	(1,221,985)	77,776	1,299,761
Fund balance, July 1	<u>30,255,920</u>	<u>30,255,920</u>	<u>30,255,920</u>	
Fund balance, June 30	<u>\$30,648,820</u>	<u>\$29,033,935</u>	<u>\$30,333,696</u>	<u>\$1,299,761</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, 2017

	<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	\$7,384,300	\$7,384,300	\$3,129,580	(\$4,254,720)
Use of money and property			214,772	214,772
Other			1,200,000	1,200,000
Total Revenues	<u>7,384,300</u>	<u>7,384,300</u>	<u>4,544,352</u>	<u>(2,839,948)</u>
EXPENDITURES:				
Current				
Public Works	370,000	370,000	205,326	164,674
Capital outlay	3,973,900	3,973,900	2,915,826	1,058,074
Total Expenditures	<u>4,343,900</u>	<u>4,343,900</u>	<u>3,121,152</u>	<u>1,222,748</u>
NET CHANGE IN FUND BALANCE	3,040,400	3,040,400	1,423,200	(1,617,200)
Fund balance, July 1	<u>19,702,118</u>	<u>19,702,118</u>	<u>19,702,118</u>	
Fund balance, June 30	<u><u>\$22,742,518</u></u>	<u><u>\$22,742,518</u></u>	<u><u>\$21,125,318</u></u>	<u><u>(\$1,617,200)</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, 2017

	<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	\$40,000	\$40,000		(\$40,000)
Licenses, permits and fees	2,954,800	2,954,800	\$3,851,428	896,628
Use of money and property			211,962	211,962
Total Revenues	<u>2,994,800</u>	<u>2,994,800</u>	<u>4,063,390</u>	<u>1,068,590</u>
EXPENDITURES:				
Current				
Public Works	320,000	320,000	309,552	10,448
Capital outlay	4,781,000	4,781,000	765,820	4,015,180
Total Expenditures	<u>5,101,000</u>	<u>5,101,000</u>	<u>1,075,372</u>	<u>4,025,628</u>
NET CHANGE IN FUND BALANCE	(2,106,200)	(2,106,200)	2,988,018	5,094,218
Fund balance, July 1	<u>18,573,458</u>	<u>18,573,458</u>	<u>18,573,458</u>	
Fund balance, June 30	<u><u>\$16,467,258</u></u>	<u><u>\$16,467,258</u></u>	<u><u>\$21,561,476</u></u>	<u><u>\$5,094,218</u></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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services			\$43,677	\$43,677
Licenses, permits and fees	\$45,000	\$45,000	96,134	51,134
Use of money and property			18,524	18,524
Total Revenues	45,000	45,000	158,335	113,335
<b>EXPENDITURES</b>				
Current:				
Community Development	38,000	138,000	92,967	45,033
Capital outlay			44,358	(44,358)
Debt service:				
Interest and fiscal charges			25,554	(25,554)
Total Expenditures			162,879	(24,879)
<b>NET CHANGE IN FUND BALANCE</b>	7,000	(93,000)	(4,544)	88,456
Fund balance, July 1	767,978	767,978	767,978	
Fund balance, June 30	\$774,978	\$674,978	\$763,434	\$88,456

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$250,000	\$250,000	\$5,301,861	\$5,051,861
Use of money and property			5,459	5,459
Other			26,375	26,375
	<hr/>		<hr/>	
Total Revenues	250,000	250,000	5,333,695	5,083,695
<hr/>				
<b>EXPENDITURES</b>				
Current:				
General Government			29,792	(29,792)
Community Development			16,747	(16,747)
Public Safety			99,017	(99,017)
Public Works			20,934	(20,934)
Capital outlay	4,869,000	4,869,000	4,639,859	229,141
	<hr/>		<hr/>	
Total Expenditures	4,869,000	4,869,000	4,806,349	62,651
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,619,000)	(4,619,000)	527,346	5,146,346
<hr/>				
NET CHANGE IN FUND BALANCE	(4,619,000)	(4,619,000)	527,346	5,146,346
<hr/>				
Fund balance, July 1	4,820,881	4,820,881	4,820,881	
<hr/>				
Fund balance, June 30	\$201,881	\$201,881	\$5,348,227	\$5,146,346
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See accompanying notes to financial statements

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<b>MAJOR PROPRIETARY FUND</b>
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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, 2017

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments (Note 3)	\$21,690	\$10,346,520	\$10,368,210	\$837,946
Receivables:				
Interest	3	4,282	4,285	126
Due from other governments (Note 4)	<u>                    </u>	<u>262,307</u>	<u>262,307</u>	<u>                    </u>
Total current assets	<u>21,693</u>	<u>10,613,109</u>	<u>10,634,802</u>	<u>838,072</u>
Noncurrent assets:				
Capital assets (Note 6)				
Nondepreciable	225,000		225,000	
Depreciable, net	<u>1,220,683</u>	<u>150,451,543</u>	<u>151,672,226</u>	<u>23,392</u>
Total noncurrent assets	<u>1,445,683</u>	<u>150,451,543</u>	<u>151,897,226</u>	<u>23,392</u>
Total Assets	<u>1,467,376</u>	<u>161,064,652</u>	<u>162,532,028</u>	<u>861,464</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	<u>8,286</u>	<u>155,624</u>	<u>163,910</u>	<u>                    </u>
Total current liabilities	<u>8,286</u>	<u>155,624</u>	<u>163,910</u>	<u>                    </u>
Total Liabilities	<u>8,286</u>	<u>155,624</u>	<u>163,910</u>	<u>                    </u>
<b>NET POSITION (Note 9)</b>				
Net investment in capital assets	1,445,683	150,451,543	151,897,226	23,392
Unrestricted	<u>13,407</u>	<u>10,457,485</u>	<u>10,470,892</u>	<u>838,072</u>
Total Net Position	<u><u>\$1,459,090</u></u>	<u><u>\$160,909,028</u></u>	<u><u>\$162,368,118</u></u>	<u><u>\$861,464</u></u>

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, 2017

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
<b>OPERATING REVENUES</b>				
Service charges	\$10,650	\$3,035,363	\$3,046,013	
Other	2,000	44,029	46,029	\$23,392
<b>Total Operating Revenues</b>	<b>12,650</b>	<b>3,079,392</b>	<b>3,092,042</b>	<b>23,392</b>
<b>OPERATING EXPENSES</b>				
Administration	38,983	3,149,960	3,188,943	6,304
Depreciation	38,574	6,418,075	6,456,649	23,392
<b>Total Operating Expenses</b>	<b>77,557</b>	<b>9,568,035</b>	<b>9,645,592</b>	<b>29,696</b>
<b>Operating Income (Loss)</b>	<b>(64,907)</b>	<b>(6,488,643)</b>	<b>(6,553,550)</b>	<b>(6,304)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes		764,688	764,688	
Intergovernmental		500,189	500,189	
Other taxes		8,402	8,402	
Interest income	202	94,663	94,865	8,554
<b>Total Nonoperating Revenues (Expenses)</b>	<b>202</b>	<b>1,367,942</b>	<b>1,368,144</b>	<b>8,554</b>
<b>Income (Loss) Before Transfers</b>	<b>(64,705)</b>	<b>(5,120,701)</b>	<b>(5,185,406)</b>	<b>2,250</b>
<b>CAPITAL CONTRIBUTIONS (Note 6)</b>		<b>1,750,675</b>	<b>1,750,675</b>	
<b>TRANSFERS IN (Note 5)</b>	<b>25,070</b>		<b>25,070</b>	
<b>Net transfers and capital contributions</b>	<b>25,070</b>	<b>1,750,675</b>	<b>1,775,745</b>	
<b>Change in net position</b>	<b>(39,635)</b>	<b>(3,370,026)</b>	<b>(3,409,661)</b>	<b>2,250</b>
<b>BEGINNING NET POSITION, AS RESTATED (Note 1N)</b>	<b>1,498,725</b>	<b>164,279,054</b>	<b>165,777,779</b>	<b>859,214</b>
<b>ENDING NET POSITION</b>	<b>\$1,459,090</b>	<b>\$160,909,028</b>	<b>\$162,368,118</b>	<b>\$861,464</b>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Business-type Activities-Enterprise Fund</u>			Governmental Activities -
	<u>Kilgore Cemetery</u>	<u>Storm Drain</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$16,013	\$3,313,137	\$3,329,150	\$23,392
Payments to suppliers	(38,983)	(3,181,762)	(3,220,745)	(6,304)
Cash Flows from Operating Activities	<u>(22,970)</u>	<u>131,375</u>	<u>108,405</u>	<u>17,088</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental receipts		1,273,280	1,273,280	
Transfers in	25,070		25,070	
Cash Flows from Noncapital Financing Activities	<u>25,070</u>	<u>1,273,280</u>	<u>1,298,350</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(100)	(2)	(102)	
Cash Flows from Capital and Related Financing Activities	<u>(100)</u>	<u>(2)</u>	<u>(102)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	201	94,663	94,864	8,497
Cash Flows from Investing Activities	<u>201</u>	<u>94,663</u>	<u>94,864</u>	<u>8,497</u>
Net Cash Flows	2,201	1,499,316	1,501,517	25,585
Cash and investments at beginning of period	19,489	8,847,204	8,866,693	812,361
Cash and investments at end of period	<u>\$21,690</u>	<u>\$10,346,520</u>	<u>\$10,368,210</u>	<u>\$837,946</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	(\$64,907)	(\$6,488,643)	(\$6,553,550)	(\$6,304)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	38,574	6,418,075	6,456,649	23,392
Change in assets and liabilities:				
Interest receivable		(3,516)		
Due from other governments		233,745		
Accounts payable	3,363	(28,286)	205,306	
Cash Flows from Operating Activities	<u>(\$22,970)</u>	<u>\$131,375</u>	<u>\$108,405</u>	<u>\$17,088</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Contributions of Capital Assets		<u>\$1,750,675</u>	<u>\$1,750,675</u>	

See accompanying notes to financial statements

<b>FIDUCIARY FUNDS</b>
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**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, 2017

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Total Agency Funds
<b>ASSETS</b>		
Cash and investments (Note 3)	\$770,925	\$11,496,060
Restricted cash and investments with fiscal agents (Note 3)		11,129,807
Receivables:		
Accounts		157,877
Interest		22,852
Due from other government agencies		124,685
Other	119	
Land held for resale (Note 16B)	842,254	
Total Assets	1,613,298	\$22,931,281
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		\$919,723
Deposits payable		312,082
Due to assessment district bondholders		17,501,519
Due to other agencies		4,197,957
Long-term obligations (Note 16C):		
Due in more than one year	749,950	
Total Liabilities	749,950	\$22,931,281
<b>NET POSITION HELD IN TRUST FOR OTHER GOVERNMENTS</b>	<b>\$863,348</b>	

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, 2017

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund <hr style="border: 0.5px solid black;"/>
ADDITIONS	
Property taxes	\$587,602
Use of money and property	3,668
Total Additions	<hr style="border: 0.5px solid black;"/> 591,270
DEDUCTIONS	
General Government	2,200
Community Development	3,936
Debt service:	
Interest and fiscal charges	8,755
Total Deductions	<hr style="border: 0.5px solid black;"/> 14,891
CHANGE IN NET POSITION, BEFORE SPECIAL ITEM	576,379
SPECIAL ITEM (NOTE 16C)	4,725,310
BEGINNING NET POSITION (DEFICIT)	<hr style="border: 0.5px solid black;"/> (4,438,341)
ENDING NET POSITION	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> \$863,348

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, 2017**

**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.

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, 2017**

**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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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.

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

**Grant Fund Special Revenue Fund** – Established to account for grant monies awarded to the City.

**Financing Corporation Debt Service Fund** – Used to account for debt issued by the City.

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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

**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, 2017**

**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, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The changes in compensated absences were as follows:

	Governmental Activities
Beginning Balance	\$576,009
Additions	564,195
Payments	(525,947)
Ending Balance	\$614,257
Current Portion	\$539,961

Compensated absences are liquidated primarily by the General Fund.

**H. *Prepays***

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 former 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, 2017, 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, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

**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, 2017.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The provisions in statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. This statement had no impact on the City’s financial statements.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement No. 74 replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, statement 43, and statement No. 50, Pension Disclosures. The provisions in statement 74 are effective for fiscal years beginning after June 15, 2016. This statement had no impact on the City’s financial statements.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This statement is effective for reporting periods beginning after December 15, 2015. See Note 13 for tax abatement disclosure.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GASB Statement No. 78 – In December 2015, the GASB issued Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to State or local governmental employers who employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This Statement had no impact on the City's financial statements.

GASB Statement No. 80 – In January 2016, the GASB issued Statement No. 80, Blending Requirements for Certain Component Unit –an amendment to GASB Statement No. 14. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of GASB Statement No. 14, The Financial Reporting Entity. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment to GASB Statement No. 14. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 and had no impact on the City's financial statements.

GASB Statement No. 82 – In March 2016, the GASB issued Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to GASB Statement No. 67, Financial Reporting for Pension Plans—an amendment to GASB Statement No. 25, GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27, and GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement had no significant impact on the City's financial statements.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. 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.

**N. Prior Period Adjustment**

Upon completion of a multi-year capital-related project in fiscal year 2016-2017, the City determined that a portion of the costs recorded and classified as construction in progress in previous years were not capital in nature. As a result, the City decreased the beginning net position balances of the Kilgore Cemetery Enterprise Fund and business-type activities in the amount of \$171,549.

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budgeting Procedures**

Bi-annually, the City Manager submits to the City Council a proposed operating budget for the next two fiscal years. 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 Capital 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, 2017**

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

**B. Excess of Expenditures over Appropriations**

During fiscal 2017, the following major governmental funds had expenditures in excess of appropriations:

Fund	Excess of Expenditures Over Appropriations
<i>Major Funds:</i>	
<b>Local Housing</b>	\$24,879

**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.

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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**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	\$65 Million	None
California Asset Management Program	N/A	None	None	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
Asset-Backed Securities	5 years	20%	None	AA
Supranationals	5 years	30%	None	AA

(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, 2017**

**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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum investment in one issuer</u>	<u>Minimum Credit Quality</u>
Local Agency Investment Fund	N/A	None	\$65 Million	None
Local Agency Bonds	None	None	None	None
U.S. Treasury Obligations	None	None	None	None
U.S. Agency Securities	None	None	None	AA (1)
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	AAA or AAA-M-G
Investment Agreements (2)	None	None	None	A (1)
California Asset Management Program	None	None	None	None
Other Investments (including repurchase agreements (2))	None	None	None	None

(1) As required by the Official Statement for the Refunding COPs, Series 2017A and 2017B

(2) 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, 2017 consist of the following:

City cash and investments in primary government:	
Cash and investments	\$123,184,964
Restricted cash and investments with fiscal agents	36,721
Total City cash and investments in primary government	123,221,685
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	12,266,985
Restricted cash and investments with fiscal agents	11,129,807
Total cash and investments	\$146,618,477

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

As of June 30, 2017, the City’s cash and investments consisted of the following:

Cash on hand	\$5,358
Deposits with financial institutions	5,962,654
Investments	140,650,465
Total cash and investments	<u><u>\$146,618,477</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	\$9,396,720	\$4,479,211	\$4,795,964	\$682,062	\$19,353,957
U.S. Treasury Notes	2,496,134	1,095,828	797,352	11,924,633	16,313,947
Medium-Term Corporate Notes	8,151,889	4,030,257	3,432,728	753,223	16,368,097
Municipal and State Bonds	1,287,114				1,287,114
California Local Agency Investment Fund	9,327,966				9,327,966
California Asset Management Program	57,474,983				57,474,983
Commercial Paper	1,146,788				1,146,788
Negotiable Certificates of Deposit	2,051,608	3,384,435			5,436,043
Supranationals			698,176		698,176
Asset-Backed Securities				1,960,652	1,960,652
Money Market Mutual Funds (U.S. Securities)	116,214				116,214
<i>Held by Fiscal Agents:</i>					
California Asset Management Program	1,034,352				1,034,352
Money Market Mutual Funds (U.S. Securities)	10,132,176				10,132,176
Total Investments	<u>\$102,615,944</u>	<u>\$12,989,731</u>	<u>\$9,724,220</u>	<u>\$15,320,570</u>	<u>\$140,650,465</u>

Money market funds are available for withdrawal on demand and at June 30, 2017, have an average maturity of 26 days for the Fidelity Investments Government Portfolio Money Market Fund and 37 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, 2017**

**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, 2017 for the investment types provided by Standard and Poor's investment rating system.

Investments	AAA/AAAm	AA/AA+/AA-	A/A+/A-	A-1	Fair Value Total
U.S. Federal Agency Securities		\$19,353,957			\$19,353,957
Medium Term Corporate Notes	\$1,196,651	8,232,131	\$6,939,315		16,368,097
California Asset Management Program	58,509,335				58,509,335
Money Market Mutual Funds (U.S. Securities)	10,248,390				10,248,390
Municipal and State Bonds	550,050	587,064			1,137,114
Commercial Paper				\$1,146,788	1,146,788
Negotiable Certificates of Deposit		2,778,217	2,657,826		5,436,043
Supranationals	698,176				698,176
Asset-Backed Securities	1,960,652				1,960,652
Total rated	<u>\$73,163,254</u>	<u>\$30,951,369</u>	<u>\$9,597,141</u>	<u>\$1,146,788</u>	114,858,552
<b>Not rated:</b>					
California Local Agency Investment Fund					9,327,966
Municipal and State Bonds					150,000
<b>Exempt from credit rating:</b>					
U.S. Treasury Notes					<u>16,313,947</u>
Total Investments					<u>\$140,650,465</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, 2017:

Issuer	Investment Type	Amount
Federal National Mortgage Association	Federal Agency Securities	\$6,784,400

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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, 2017 these investments matured in an average of 194 days.

**I. *Investments in CAMP***

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the "Trust"). The Trust is a joint powers authority, and the public agency, created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, these investments have an average maturity of 49 days.

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

**J. *Fair Value Hierarchy***

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

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2017:

<i>Investments by Fair Value Level:</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value Total</u>
Federal Agency Securities		\$19,353,957	\$19,353,957
U.S. Treasury Notes	\$16,313,947		16,313,947
Medium Term Corporate Notes		16,368,097	16,368,097
Commercial Paper		1,146,788	1,146,788
Certificates of Deposit		5,436,043	5,436,043
Municipal and State Bonds		1,287,114	1,287,114
Supranationals		698,176	698,176
Asset-Backed Securities		1,960,652	1,960,652
Total Investments at Fair Value	<u>\$16,313,947</u>	<u>\$46,250,827</u>	<u>62,564,774</u>
 <i>Investments Measured at Net Asset Value Per Share:</i>			
California Asset Management Program			58,509,335
 <i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Fund			10,248,390
 <i>Investments Exempt from Fair Value Hierarchy:</i>			
California Local Agency Investment Fund			9,327,966
 <i>Cash in banks and on hand</i>			
Total Cash and investments			<u>5,968,012</u> <u>\$146,618,477</u>

Investments classified in Level 1 of the fair value hierarchy include U.S. Treasury Notes valued using quoted prices in active markets. Federal Agency Securities, Commercial Paper, Supranationals, and Asset-Backed Securities classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Certificates of Deposit, Medium-Term Corporate Notes and Municipal and State Bonds are valued using IDSI CD Pricing and IDSI Institutional Bond Quote Pricing. The California Local Agency Investment Fund is exempt from the fair value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 4 – RECEIVABLES**

**A. Accounts Receivable and Due from other Governments**

Accounts receivable and other receivables consisted of the following at June 30, 2017:

Developer deposits	\$191,857
UUT	389,875
TOT	549,722
Franchise Fees	172,800
Leases	41,386
Other Taxes	58,401
Fees	14,850
Fines	2,365
Other	198,336
Less: allowance for doubtful accounts	(116,283)
	<u>\$1,503,309</u>

Due from other governments consisted of the following at June 30, 2017:

	Governmental Funds	Proprietary Funds
Sales Tax	\$3,950,000	
Grants	4,731,541	
Franchise Fees	696,295	
Drainage Fees		\$262,307
Property Tax	550,537	
TDA Funds	248,508	
Measure A	184,324	
Fines	197,502	
Utility Taxes	37,784	
Fees	56,444	
	<u>\$10,652,935</u>	<u>\$262,307</u>

**CITY OF RANCHO CORDOVA  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2017**

**NOTE 4 – RECEIVABLES (Continued)**

**B. Loans Receivable**

Loans receivable consisted of the following at June 30, 2017:

**General Fund:**

Veterans Resource Center of America	\$190,567
Chamber of Commerce	205,880
Successor Agency to the Redevelopment Agency	749,950
Rancho Cordova Travel and Tourism	104,933
Economic Development Revolving Loan Program	274,098

**Grant Fund:**

Crossings @ New Rancho	4,621,180
CalHome Loans	322,685

**Community Development Block Grant Fund:**

Rehabilitation Loan Program	58,846
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**Local Housing Fund:**

Mercy Housing Loan	2,000,000
Total Loans Receivable	<u><u>\$8,528,139</u></u>

**Veterans Resource Center of America**

On November 10, 2015, the City agreed to a loan up to \$150,000 to Veterans Resource Center of America as a pre-development loan for Mather Veterans Village, Phase II. On October 3, 2016, the City agreed to increase the total loan to an amount not to exceed \$330,000. This loan does not require periodic payments and, unless the developer is in default of the DDLA, will not bear interest. The loan is due and payable in one lump sum upon the earliest of (i) event of default; (ii) termination of the DDLA or (iii) the closing date. As of June 30, 2017, the balance of this loan was \$190,567.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 4 – RECEIVABLES (Continued)**

*Chamber of Commerce Loan*

Under an agreement dated March 5, 2008, as amended on December 12, 2008, March 1, 2012, August 1, 2013, and June 1, 2016, 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 October 1, 2028. 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. Beginning June 1, 2016, the agreement was amended to make the loan a no-interest loan (0%) commencing retroactively to payments made after July 1, 2015. Loan repayments consisted of interest-only payments in years two through four, principal and interest payments through June 30, 2015 and principal only payments in the years thereafter. Unpaid principal on the loan totaled \$205,880 at June 30, 2017.

*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 2004-2007 in the amount of \$592,972; (2) An advance in 2007-2008 in the amount of \$589,624; (3) Advances between 2010-2012 in the amount of \$5,069,924. 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. See further details of these loans at Note 16C.

*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 1<sup>st</sup> of each month and to extend the due date to July 31, 2018. As of June 30, 2017, the outstanding balance with principal and accrued interest totaling \$104,933.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 4 – RECEIVABLES (Continued)**

***Economic Development Revolving Loan Program***

In November 2015, the City established the Rancho Cordova Economic development Loan Program, which is funded through Community Enhancement (Measure H) funds. The program is designed to promote development of new businesses, the expansion of existing businesses that will fill vacant, existing business space, and support enterprises that will hire or retain employees in the City. Interest rates on the loans will be fixed. The rates will be set based on the needs of the loan but will generally be equivalent to the Wall Street Journal prime rate most recently published as of the date the loan is approved, plus 2%. As of June 30, 2017, there were 2 loans outstanding with principal and accrued interest totaling \$274,098.

***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 57<sup>th</sup> 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, 2017.

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, 2017, there was one (1) loan outstanding with principal and accrued interest totaling \$58,846.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 4 – RECEIVABLES (Continued)**

***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, 2017, there were 8 loans outstanding with principle totaling \$322,685.

***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, 2017, the loan had an outstanding balance of \$2,000,000.

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 57<sup>th</sup> anniversary of the loan origination date. The City determined during the current fiscal year the above project would not be competitive for grant funding therefore the project is being reevaluated and the remaining outstanding loan balance of \$453,261 was fully written off.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2017 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>
<b>General Fund</b>	Non-Major Governmental Funds	\$100,000 (A)
	Financing Corporation Debt Service Fund	32 (C)
<b>Financing Corporation Debt Service Fund</b>	General Fund	576,211 (B), (C)
	Non-Major Governmental Funds	965,650 (C)
<b>Non-Major Governmental Funds</b>	General Fund	1,505,539 (B), (C)
	Financing Corporation Debt Service Fund	53 (C)
<b>Enterprise Fund</b>		
Kilgore Cemetery Fund	General Fund	25,070 (D)
Total Interfund Transfers		<u>\$3,172,555</u>

The reasons for these transfers are set forth below:

- (A) To fund program
- (B) To fund capital projects
- (C) To fund debt service
- (D) To fund operating loss

**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, 2017, the Grants Special Revenue Fund owed \$3,716,734 and Non-Major Governmental Funds owed \$183,424 to the General Fund.

**C. Long-Term Advances**

At June 30, 2017, 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. At June 30, 2017, the Local Housing Special Revenue Fund owed the General Fund \$2,976,655. The advance accrues interest at the LAIF rate for each fiscal quarter and is repayable from future impact fees.

**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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 6 – CAPITAL ASSETS**

Contributed capital assets are valued at their acquisition value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at acquisition value. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. 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, 2017**

**NOTE 6 – CAPITAL ASSETS (Continued)**

**A. Capital Asset Additions and Retirements**

Capital assets at June 30 comprise:

	Balance at June 30, 2016, as restated (Note 1N)	Additions	Retirements	Transfers	Balance at June 30, 2017
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$8,029,444				\$8,029,444
Easements	538,897				538,897
Construction in progress	51,707,687	\$18,261,014	(\$3,176,858)	(\$2,183,070)	64,608,773
Total capital assets not being depreciated	<u>60,276,028</u>	<u>18,261,014</u>	<u>(3,176,858)</u>	<u>(2,183,070)</u>	<u>73,177,114</u>
Capital assets being depreciated:					
Infrastructure	270,770,355	3,965,632		2,033,874	276,769,861
Buildings and improvements	27,559,052	120,807		37,737	27,717,596
Office equipment and furniture	2,325,068	97,531			2,422,599
Software	2,232,939				2,232,939
Vehicles	296,491		(53,219)		243,272
Total capital assets being depreciated	<u>303,183,905</u>	<u>4,183,970</u>	<u>(53,219)</u>	<u>2,071,611</u>	<u>309,386,267</u>
Less accumulated depreciation for:					
Infrastructure	(162,592,706)	(8,278,902)			(170,871,608)
Buildings and improvements	(8,770,918)	(916,115)			(9,687,033)
Office equipment and furniture	(1,966,214)	(133,709)			(2,099,923)
Software	(2,229,340)	(3,599)			(2,232,939)
Vehicles	(247,639)	(24,426)	53,219		(218,846)
Total accumulated depreciation	<u>(175,806,817)</u>	<u>(9,356,751)</u>	<u>53,219</u>		<u>(185,110,349)</u>
Net capital assets being depreciated	<u>127,377,088</u>	<u>(5,172,781)</u>		<u>2,071,611</u>	<u>124,275,918</u>
Governmental activity capital assets, net	<u>\$187,653,116</u>	<u>\$13,088,233</u>	<u>(\$3,176,858)</u>	<u>(\$111,459)</u>	<u>\$197,453,032</u>
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$225,000				\$225,000
Construction in progress	281,811	\$102		(\$281,913)	
Total capital assets not being depreciated	<u>506,811</u>	<u>102</u>		<u>(281,913)</u>	<u>225,000</u>
Capital assets being depreciated:					
Infrastructure	255,680,524	1,639,215		393,372	257,713,111
Buildings	1,261,091				1,261,091
Software	6,049				6,049
Total capital assets being depreciated	<u>256,947,664</u>	<u>1,639,215</u>		<u>393,372</u>	<u>258,980,251</u>
Less accumulated depreciation for:					
Infrastructure	(100,561,582)	(6,425,122)			(106,986,704)
Buildings	(283,745)	(31,527)			(315,272)
Software	(6,049)				(6,049)
Total accumulated depreciation	<u>(100,851,376)</u>	<u>(6,456,649)</u>			<u>(107,308,025)</u>
Net capital assets being depreciated	<u>156,096,288</u>	<u>(4,817,434)</u>			<u>151,672,226</u>
Business-type activity capital assets, net	<u>\$156,603,099</u>	<u>(\$4,817,332)</u>		<u>\$111,459</u>	<u>\$151,897,226</u>

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 6 – CAPITAL ASSETS (Continued)**

During the year ended June 30, 2017, depreciation of \$9,333,359 was charged to the general government function, \$23,392 was charged to Internal Service Funds and \$6,456,649 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. As of June 30, 2017, the City received capital contributions totaling \$3,843,764, and the Storm Drain Fund received capital contributions totaling \$1,750,675. These were developer contributions of public infrastructure in Capital Village and the Sunridge Park Subdivision along with public street improvements as a result of the Mather Veterans Village Project.

**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, 2016	Additions	Retirements	Balance June 30, 2017	Due within one year
<b>Governmental Activity Debt</b>						
Certificates of Participation:						
2005 Series A						
3.00-5.00% , due 9/1/2035	\$3,695,000	\$2,710,000		\$2,710,000		
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	4,540,000		4,540,000		
Less: Issuance discounts		(225,834)		(225,834)		
2017 Series A						
3.63 to 4.00% , due 2/1/2035	11,925,000		\$11,925,000		\$11,925,000	
Add: Issuance premiums			1,212,175	27,675	1,184,500	
2017 Series B						
1.30 to 3.27% , due 2/1/2024	4,470,000		4,470,000		4,470,000	\$680,000
Total Certificates of Participation		19,124,166	17,607,175	19,151,841	17,579,500	680,000
Streetlight Retrofit Loan Payable	1,809,734	1,567,323		123,568	1,443,755	124,808
Total Governmental Activity Debt		<u>\$20,691,489</u>	<u>\$17,607,175</u>	<u>\$19,275,409</u>	<u>\$19,023,255</u>	<u>\$804,808</u>

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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. In September 2015, the Series B Certificate of Participation was fully repaid and remaining debt service reserve fund was defeased and used to pay down the balance on the City's Series 2005A Certificate of Participation.

In January 2017, proceeds from the 2017 Refunding Certificates of Participation were used to prepay remaining outstanding balance of the 2005 Refunding Certificates of Participation.

**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.

In January 2017, proceeds from the 2017 Refunding Certificates of Participation were used to advance refund the 2007 Refunding Certificates of Participation.

**D. 2017 Series A & B Refunding Certificates of Participation**

On January 25, 2017, the Rancho Cordova Financing Corporation issued Refunding Certificates of Participation, Series 2017A & Taxable 2017B in the amounts of \$11,925,000 and \$4,470,000, respectively. The proceeds of the lease obligation were used to prepay the 2005 and advance refund 2007 Certificates of Participation. As a result, the refunded bonds are considered to be defeased, and the liabilities have been removed from the City's Statement of Net Position. The reacquisition price of the new debt exceeded the net carrying amount of the old debt by \$393,565. This amount is being amortized over the remaining life of the new debt. In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, it is reported as a deferred outflow of resources on the Statement of Net Position. The unamortized balance as of June 30, 2017 was \$393,565.

The refunding resulted in an overall debt service savings of \$3,977,448. The net present value of the debt service savings is called an economic gain and amounted to \$1,427,263.

The 2017A Certificates of Participation are payable each February from 2024 through 2035, in amounts ranging from \$590,000 to \$1,235,000 and bear interest rates from 3.63 to 4%. Interest is payable semiannually on February 1 and August 1.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 7 – LONG-TERM DEBT (Continued)**

The 2017B Certificates of Participation are payable each February from 2018 through 2024, in amounts ranging from \$190,000 to \$755,000 and bear interest rates from 1.3% to 3.27%. Interest is payable semiannually on February 1 and August 1.

**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. 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, 2017, the City does not expect to incur a liability.

**G. Debt Service Requirements**

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

For the Year Ending June 30	Principal	Interest
2018	\$804,808	\$675,436
2019	821,058	647,618
2020	827,291	633,527
2021	843,599	616,821
2022	864,887	597,942
2023 - 2027	4,754,215	2,561,079
2028 - 2032	5,307,897	1,447,778
2033 - 2035	3,615,000	259,984
Total payments due	17,838,755	\$7,440,185

Reconciliation of Long Term Debt:

Issuance premiums	1,184,500
	\$19,023,255

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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 August 2016, the Sunridge Anatolia CFD 2003-1, Series 2005 & Series 2007, Special Tax Bonds were refunded by the Sunridge Anatolia CFD 2003-1, Series 2016, Special Tax Refunding Bonds.

As of June 30, 2017, Special Tax Bonds outstanding were as follows:

Sunridge Anatolia CFD 2003 - 1 - Series 2012	\$23,145,000
Sunridge Anatolia CFD 2003 - 1 - Series 2014	11,200,000
Sunridge Anatolia CFD 2003 - 1 - Series 2016	34,725,000
Sunridge Park CFD 2004 - 1 - Series 2007	12,780,000
Sunridge North Douglas CFD 2005 - 1 - Series 2015	<u>14,225,000</u>
	<u><u>\$96,075,000</u></u>

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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.

**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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

*Assigned* fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or 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.

Detailed classifications of the City’s Fund Balances, as of June 30, 2017, are below:

Fund Balance Classifications	General Fund	that Sunrise Douglas	Traffic Mitigation	Local Housing	Grants Fund	Financing Corporation Debt Service Fund	Other Governmental Funds	Total
<b>Nonspendables:</b>								
Items not in spendable form:								
Loans Receivable	\$1,525,428							\$1,525,428
Prepaid Expense	32,457							32,457
Advances to Other Funds	2,976,655							2,976,655
<b>Subtotal</b>	<b>4,534,540</b>							<b>4,534,540</b>
<b>Restricted for:</b>								
Development Improvements		\$21,125,318					\$7,942,964	29,068,282
Traffic Mitigation			\$21,561,476					21,561,476
Debt Service						\$36,721		36,721
Transportation							17,210,156	17,210,156
Capital Projects							9,454,843	9,454,843
Public Safety							113,642	113,642
Parks and Recreation							3,049,492	3,049,492
Transit Services							4,099,680	4,099,680
Community Development				\$2,000,000	\$5,604,023		125,974	7,729,997
Rental Code Compliance							13,115	13,115
General Plan							192,299	192,299
Landscaping and Lighting							801,024	801,024
<b>Subtotal</b>		<b>21,125,318</b>	<b>21,561,476</b>	<b>2,000,000</b>	<b>5,604,023</b>	<b>36,721</b>	<b>43,003,189</b>	<b>93,330,727</b>
<b>Unassigned:</b>								
General Fund	25,799,156							25,799,156
Other Governmental Funds								
Deficit Residuals				(1,236,566)	(255,796)		(842)	(1,493,204)
<b>Subtotal</b>	<b>25,799,156</b>			<b>(1,236,566)</b>	<b>(255,796)</b>		<b>(842)</b>	<b>24,305,952</b>
<b>Total Fund Balances</b>	<b>\$30,333,696</b>	<b>\$21,125,318</b>	<b>\$21,561,476</b>	<b>\$763,434</b>	<b>\$5,348,227</b>	<b>\$36,721</b>	<b>\$43,002,347</b>	<b>\$122,171,219</b>

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

**C. Minimum Fund Balance and Surplus Transfer 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, with City Council approval, as a funding source as last resort and used only after other reserve accounts have been accessed. At the end of the 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 Facilities Capital Project Fund and 25% Infrastructure Capital Project Fund. Additionally, 100% of the unencumbered surplus remaining in the Community Enhancement Fund, which is combined with the General Fund for CAFR reporting purposes, will also first be used to fully fund any General Fund required reserve funding gap, with the balance, at the City Manager’s discretion, being automatically appropriated and transferred to the Community Enhancement Capital Project Fund at the end of each fiscal year.

As of June 30, 2017, the General Fund Reserve, which is reported within the unassigned fund balance of the General Fund, had a balance of \$10,904,600. The ending balances of the City’s Capital Project Funds receiving General Fund surpluses are as follows:

Capital Facilities Fund	\$3,359,196
Infrastructure Repair and Replacement Fund	1,169,383
Community Enhancement Fund	4,688,973

These fund balances are reported within Other Governmental Funds, Restricted for Capital Projects.

**D. Fund Equity Deficits**

The following funds have a fund deficit at June 30, 2017:

Fund	Amount
CFD 2013-2 Police Services Special Revenue Fund	\$842

This deficit is expected to be eliminated by future user fee revenue.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN**

**A. General Information about the CalPERS Pension Plan**

**Plan Description and Summary of Balances by Plan** – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous (all other) Employee Pension Rate Plan. The City’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

The Plan’s provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Deferred Outflows of Resources	Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Miscellaneous	\$2,822,904	\$2,938,627	\$591,146

**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. 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. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)**

The Plan’s provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous</u>
	Prior to January 1, 2013	PEPRA 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	7.949%	6.250%
Required employer contribution rates	11.008%	6.555%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$108,446 in fiscal year 2017.

**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 the Plan 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, 2017, the City’s contributions to the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$651,411

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)**

As of June 30, 2017, the City reported \$2,938,627 in net pension liabilities for its proportionate share of the net pension liability of the Plan.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.08531%
Proportion - June 30, 2016	<u>0.08459%</u>
Change - Increase (Decrease)	<u><u>-0.00072%</u></u>

For the year ended June 30, 2017, the City recognized negative net pension expense of \$439,304 for the Miscellaneous Plan on the Statement of Activities. At June 30, 2017, 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	\$651,411	
Differences between actual and expected experience	21,443	(\$4,913)
Changes in assumptions		(202,873)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,094,164	(383,360)
Net differences between projected and actual earnings on plan investments	<u>1,055,886</u>	
Total	<u><u>\$2,822,904</u></u>	<u><u>(\$591,146)</u></u>

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)**

The \$651,411 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, 2018. 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	Annual Amortization
2018	\$438,547
2019	437,533
2020	430,780
2021	273,487
2022	0
Thereafter	0
	\$1,580,347

***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 the Plan, calculated using the discount rate for the 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:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net Pension Liability	\$4,876,959
Current Discount Rate	7.65%
Net Pension Liability	\$2,938,627
1% Increase	8.65%
Net Pension Liability	\$1,336,691

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial Assumptions** – For the measurement period ended June 30, 2016, the total pension liabilities were determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
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)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(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 CalPERS 2014 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2016 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.

**Change of Assumptions** – There were no changes of assumptions during the measurement period ended June 30, 2016.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the 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 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report that can be obtained from the CalPERS' website.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both member and employers will make their required contributions on time and as scheduled in future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) 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	51.0%	5.25%	5.71%
Global Debt Securities	20.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

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

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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).

The City's contribution for active employees and Council members is the minimum required amount (e.g., \$128 for 2017). Therefore, the City's 2017 contribution toward health plan benefits for retired employees is 5% times 12 (years in CalPERS medical) times \$128 or \$83.20. This amount will increase for 13 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, 2017, 5 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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**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, 2015 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) 6.65% discount rate; (b) 3.25% projected annual salary increase; (c) 4.5% health care cost trend rate increase; and (d) 2.75% 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.

To comply with newly revised Actuarial Standard of Practice No. 6 (ASOP 6), the July 1, 2015 actuarial valuation includes an implicit subsidy liability. This liability was not calculated in prior reports because of the former "community rating" exemption for employers participating in large pooled health plans like CalPERS. When premiums for retirees are determined using a blend of active employee and retiree experience, it creates an implicit subsidy to the retirees, since retiree healthcare costs are generally higher than active employees. ASOP 6 effectively requires most public agencies to calculate an implicit subsidy liability whenever their retirees participate in the group medical plans, but only pay the same premiums as active employees. ASOP 6 is effective for all actuarial valuations with a measurement date on or after March 31, 2015.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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. The calculation of the Annual OPEB cost and actual contributions are presented below:

	Explicit	Implicit	Total
Annual required contribution (ARC)	\$47,396	\$108,676	\$156,072
Annual OPEB cost	47,396	108,676	156,072
Payments on behalf of retirees	(4,821)	(21,287)	(26,108)
(Decrease) increase in net OPEB obligation	42,575	87,389	129,964
Net OPEB Obligation/(Asset) at June 30, 2016	0	0	0
<b>Net OPEB Obligation (Asset) at June 30, 2017</b>	<b>\$42,575</b>	<b>\$87,389</b>	<b>\$129,964</b>

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, 2015	\$40,228	(\$40,228)	100%	\$0
June 30, 2016	152,292	(152,292)	100%	0
June 30, 2017	156,072	(26,108)	17%	129,964

The City's prior year contributions, along with investment income net of administrative expenses resulted in assets with CERBT of \$778,777 as of June 30, 2017.

*Funding Status and Funding Progress* – As of July 1, 2015, the most recent actuarial valuation date, the plan was 59.1% funded. The Actuarial Accrued Liability (AAL) for benefits was \$980,487 and the Actuarial Value of Plan Asset was \$579,188 resulting in an unfunded Actuarial Accrued Liability (UAAL) of \$401,299. The covered payroll (annual payroll of active employees covered by the plan) was \$5,505,987 and the ratio of UAAL to the covered payroll was 7.3%.

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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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 \$506,774 for the year ended June 30, 2017. 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	550,000,000	50,000
Master Crime	15,000,000	2,500
Cyber Liability	2,000,000	50,000
Pollution	100,000,000	75,000

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

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.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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, 2017, property taxes retained by the County in accordance with the revenue neutrality agreement totaled \$8,489,190.

For financial reporting purposes, the GASB Statement No. 77 defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to the GASB 77, the substance of this agreement meets the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The taxes paid to the City are included in the revenue reported in these financial statements. The payments made to the County of Sacramento based upon the taxes paid are also included as expenditures in these financial statements. For the fiscal year ended June 30, 2017, under this program, the City has tax abatements totaling \$2,858,509.

The City has an agreement with the County which provides law enforcement services to the City through June 30, 2021. 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 2016-17 projects total costs of \$19,978,370.

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. Actual cost for the fiscal year ended June 30, 2017 totaled \$568,330.

The City had outstanding contracts for services in the amount of \$16,410,884 and outstanding contracts for construction in the amount of \$19,868,089 at June 30, 2017.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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, 2017, are as follows:

Year ending June 30,	Lease Payments
2018	\$144,169
2019	61,697
2020	33,655
2021	6,877
Total	<u>\$246,398</u>

Total costs of such leases were \$172,939 for the fiscal year ended June 30, 2017.

**NOTE 15 – SUBSEQUENT EVENT DISCLOSURE**

In December 2016, CalPERS' Board of Directors voted to lower the discount rate from 7.5% to 7.0% over the next three fiscal years, beginning in fiscal year 2018. The change in discount rate will affect the contribution rates beginning in fiscal year 2019 and result in increases to the normal costs and unfunded actuarial liabilities.

On July 18, 2017, the City issued Sunridge Park Community Facilities District 2004-1, Special Tax Bonds in the amount of \$11,825,000 for the purpose of refunding Series 2007 bonds. Principal payments of \$375,000 to \$830,000 are due annually on September 1, 2018 through September 1, 2037 with interest rate ranging from 2.0% to 5.0%.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**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.

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, 2017.

**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, 2017, 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 \$6,252,520 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 2004-2007 in the amount of \$592,972, (2) An advance in 2007-2008 in the amount of \$589,624 and (3) Advances between 2010-2012 in the amount of \$5,069,924. 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 fully repaid to the City.

Having received the 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 loans as enforceable obligations during its September 9, 2013 meeting. This action was approved by the Department of Finance on October 29, 2013 and the first repayment of the outstanding loans was approved by the Department of Finance during its review of Recognized Obligation Payment Schedule (ROPS) 15-16A in an amount of \$93,933.

**CITY OF RANCHO CORDOVA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

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

Subsequent to the first debt repayment, the Department of Finance (DOF), during its review of ROPS 16-17, reversed its original position regarding the enforceability of the outstanding loans. During its review, the DOF determined only \$589,624 of the outstanding \$5,659,548 met the definition of an enforceable obligation and therefore eligible for repayment.

After multiple Meet and Confer meetings between the City and the DOF, the DOF's final determination was a total \$1,598,143 of the original \$6,252,520 advance from the City to the Former Redevelopment Agency qualified as an enforceable obligation and therefore reimbursable. After conference with legal counsel, it was determined there were no additional processes available to the City to collect these funds, outside of litigation, and it was unlikely the City would be successful in such a case. As such, the City had no other option but to write off \$4,725,310 of the original advance as uncollectable in the current fiscal year. At June 30, 2017, the remaining balance of advance amounted to \$749,950.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Rancho Cordova  
 Cost-Sharing Multiple-Employer Defined Pension Plan - Miscellaneous Plan  
 As of June 30, 2017**

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

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
Plan's Proportion of the Net Pension Liability (Asset)	0.003148%	0.08531%	0.08459%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$1,958,792	\$2,340,588	\$2,938,627
Plan's Covered Payroll	\$5,339,451	\$5,337,584	\$5,727,902
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	36.69%	43.85%	51.30%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%	82.32%	79.59%

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**City of Rancho Cordova  
 Cost-Sharing Multiple Employer Defined Pension Plan - Miscellaneous Plan  
 For the Fiscal Year Ended June 30, 2017**

**Schedule of Contributions  
 Last 10 Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$870,132	\$603,352	\$651,411
Contributions in relation to the actuarially determined contributions	<u>(870,132)</u>	<u>(603,352)</u>	<u>(651,411)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$5,339,451	\$5,337,584	\$5,727,902
Contributions as a percentage of covered payroll	16.30%	11.30%	11.37%

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**CITY OF RANCHO CORDOVA  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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]
7/1/2011	\$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%
7/1/2015	579,188	980,487	401,299	59.07%	5,505,987	7.29%

**SUPPLEMENTARY INFORMATION**

CITY OF RANCHO CORDOVA  
FINANCING CORPORATION DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property			\$8,877	\$8,877
Total Revenues			8,877	8,877
<b>EXPENDITURES</b>				
Debt service:				
Principal	\$635,000	\$635,000		635,000
Interest	930,700	930,700	933,775	(3,075)
Total Expenditures	1,565,700	1,565,700	933,775	631,925
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,565,700)</u>	<u>(1,565,700)</u>	<u>(924,898)</u>	<u>640,802</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt (Note 7)			16,395,000	16,395,000
Proceeds from issuance of premium (Note 7)			1,212,175	1,212,175
Payment to refunded debt escrow agent (Note 5)			(19,743,565)	(19,743,565)
Transfers in (Note 5)	1,541,861	1,565,700	1,541,861	(23,839)
Transfers (out) (Note 5)			(85)	(85)
Total other financing sources (uses)	1,541,861	1,565,700	(594,614)	(2,160,314)
<b>NET CHANGE IN FUND BALANCE</b>	(23,839)		(1,519,512)	(1,519,512)
Fund balance, July 1	1,556,233	1,556,233	1,556,233	
Fund balance, June 30	<u>\$1,532,394</u>	<u>\$1,556,233</u>	<u>\$36,721</u>	<u>(\$1,519,512)</u>

See accompanying notes to financial statements

<b>NON-MAJOR SPECIAL REVENUE FUNDS</b>
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**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.

**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.

<b>NON-MAJOR SPECIAL REVENUE FUNDS (Continued)</b>
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**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.

**LANDSCAPING AND LIGHTING FUND**

Accounts for funds received to mitigate the cost of maintaining public landscape areas in the majority of the City.

**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 future maintenance of that plan.

**POLICE SERVICES COMMUNITY FACILITIES DISTRICT 2013-2 FUND**

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

<b>NON-MAJOR SPECIAL REVENUE FUNDS (Continued)</b>
--

**LOW/MODERATE INCOME HOUSING FUND**

Used to account for the activities of the housing assets of the former Redevelopment Agency to the City of Rancho Cordova. The City will receive 20% of future loan repayments made by the Successor Agency Private-Purpose Trust Fund on outstanding loan balances approved for repayment by the Department of Finance under the dissolution law for which the City must for low and moderate income housing activities.

<b>NON-MAJOR CAPITAL PROJECTS FUND</b>
--

**CAPITAL OUTLAY FUND**

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

CITY OF RANCHO CORDOVA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017

	SPECIAL REVENUE FUNDS				
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax
<b>ASSETS</b>					
Cash and investments	\$113,624	\$376,353	\$4,358,837	\$1,645,081	\$3,276,330
Receivables:					
Accounts			105,954	28,005	
Interest	18	58	672	254	473
Due from other governmental agencies					
Loans					
Total Assets	\$113,642	\$376,411	\$4,465,463	\$1,673,340	\$3,276,803
<b>LIABILITIES</b>					
Accounts payable					\$249,485
Refundable deposits			\$189,204	\$50,009	
Due to other funds					
Total Liabilities			189,204	50,009	249,485
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - accounts receivable			105,954	28,005	
Unavailable revenue - due from other governmental agencies					
Total Deferred Inflows of Resources			105,954	28,005	
<b>FUND EQUITY</b>					
Fund balances (deficits)					
Restricted	\$113,642	\$376,411	4,170,305	1,595,326	3,027,318
Unassigned					
Total Fund Balances (Deficits)	113,642	376,411	4,170,305	1,595,326	3,027,318
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$113,642	\$376,411	\$4,465,463	\$1,673,340	\$3,276,803

SPECIAL REVENUE FUNDS

Street Cut Fees	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
\$637,399	\$13,367	\$1,453,942	\$144,744	\$4,180,578	\$3,402,495		\$13,128
98	2	224	22 248,508	2,896 3,404	1,544 567	\$303,092 58,846	17
<u>\$637,497</u>	<u>\$13,369</u>	<u>\$1,454,166</u>	<u>\$393,274</u>	<u>\$4,186,878</u>	<u>\$3,404,606</u>	<u>\$361,938</u>	<u>\$13,145</u>
\$29,944				\$87,198	\$11,920	\$130,280	\$30
					9,807	172,780	
<u>29,944</u>				<u>87,198</u>	<u>21,727</u>	<u>303,060</u>	<u>30</u>
			\$248,508			15,906	
			248,508			15,906	
607,553	\$13,369	\$1,454,166	144,766	4,099,680	3,382,879	42,972	13,115
<u>607,553</u>	<u>13,369</u>	<u>1,454,166</u>	<u>144,766</u>	<u>4,099,680</u>	<u>3,382,879</u>	<u>42,972</u>	<u>13,115</u>
<u>\$637,497</u>	<u>\$13,369</u>	<u>\$1,454,166</u>	<u>\$393,274</u>	<u>\$4,186,878</u>	<u>\$3,404,606</u>	<u>\$361,938</u>	<u>\$13,145</u>

(Continued)

CITY OF RANCHO CORDOVA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017

	SPECIAL REVENUE FUNDS				
	Roadway Improvement	Landscaping and Lighting	Measure A	General Plan	CFD 2013-2 Police Services
<b>ASSETS</b>					
Cash and investments	\$8,125,823	\$847,404	\$5,522,747	\$192,269	
Receivables:					
Accounts					
Interest	1,196	1,623	768	30	
Due from other governmental agencies		7,224	184,324		
Loans					
Total Assets	<u>\$8,127,019</u>	<u>\$856,251</u>	<u>\$5,707,839</u>	<u>\$192,299</u>	
<b>LIABILITIES</b>					
Accounts payable	\$152,259	\$55,227	\$252,080		
Refundable deposits					
Due to other funds					\$842
Total Liabilities	<u>152,259</u>	<u>55,227</u>	<u>252,080</u>		<u>842</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - accounts receivable					
Unavailable revenue - due from other governmental agencies					
Total Deferred Inflows of Resources					
<b>FUND EQUITY</b>					
Fund balances (deficits)					
Restricted	7,974,760	801,024	5,455,759	\$192,299	
Unassigned					(842)
Total Fund Balances (Deficits)	<u>7,974,760</u>	<u>801,024</u>	<u>5,455,759</u>	<u>192,299</u>	<u>(842)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$8,127,019</u>	<u>\$856,251</u>	<u>\$5,707,839</u>	<u>\$192,299</u>	

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
Low/Moderate Income Housing	Capital Outlay	
\$82,988	\$10,017,779	\$44,404,888
		133,959
14	1,379	11,288
		747,119
		58,846
<u>\$83,002</u>	<u>\$10,019,158</u>	<u>\$45,356,100</u>
	\$564,315	\$1,532,738
		239,213
		183,429
	<u>564,315</u>	<u>1,955,380</u>
		133,959
		264,414
		398,373
\$83,002	9,454,843	43,003,189
		(842)
<u>83,002</u>	<u>9,454,843</u>	<u>43,002,347</u>
<u>\$83,002</u>	<u>\$10,019,158</u>	<u>\$45,356,100</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, 2017

	SPECIAL REVENUE FUNDS				
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax
<b>REVENUES</b>					
Property taxes and assessments					
Licenses, permits and fees			\$1,664,312	\$271,622	
Fines, forfeitures and penalties	\$52,442				
Charges for services					\$7,511
Intergovernmental					1,400,178
Use of money and property	788	\$3,954	39,067	15,317	30,583
Total Revenues	53,230	3,954	1,703,379	286,939	1,438,272
<b>EXPENDITURES</b>					
Current:					
General Government			62,412	5,432	
Community Development					
Public Works		518			48,393
Capital outlay					1,494,417
Debt Service:					
Principal					
Interest and fiscal charges					
Total Expenditures		518	62,412	5,432	1,542,810
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	53,230	3,436	1,640,967	281,507	(104,538)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of debt					
Transfers in			53		
Transfers (out)			(965,650)		
Total Other Financing Sources (Uses)			(965,597)		
<b>NET CHANGE IN FUND BALANCE</b>	53,230	3,436	675,370	281,507	(104,538)
Fund Balances (Deficits), Beginning of the Year	60,412	372,975	3,494,935	1,313,819	3,131,856
<b>ENDING FUND BALANCES (DEFICITS)</b>	\$113,642	\$376,411	\$4,170,305	\$1,595,326	\$3,027,318

SPECIAL REVENUE FUNDS

Street Cut Fees	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
\$5,590		\$1,982,816		\$771,439	\$348,588		\$95,169
				5,000	29,000		
6,465	\$141	5,622	\$2,242	42,951	34,035	\$478,312 4,061	628
12,055	141	1,988,438	2,242	819,390	411,623	482,373	95,797
						451,620	
29,944		854,206	119,614	581,201	83,733	100,000	
29,944		854,206	119,614	581,201	83,733	551,620	
(17,889)	141	1,134,232	(117,372)	238,189	327,890	(69,247)	95,797
							(100,000)
							(100,000)
(17,889)	141	1,134,232	(117,372)	238,189	327,890	(69,247)	(4,203)
625,442	13,228	319,934	262,138	3,861,491	3,054,989	112,219	17,318
\$607,553	\$13,369	\$1,454,166	\$144,766	\$4,099,680	\$3,382,879	\$42,972	\$13,115

(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, 2017

	SPECIAL REVENUE FUNDS				CFD 2013-2 Police Services
	Roadway Improvement	Landscaping and Lighting	Measure A	General Plan	
<b>REVENUES</b>					
Property taxes and assessments		\$514,513			
Licenses, permits and fees	\$637,700			\$101,832	
Fines, forfeitures and penalties					
Charges for services	20,130		\$49,313		
Intergovernmental			2,877,778		
Use of money and property	78,547	9,865	52,166	1,036	\$315
<b>Total Revenues</b>	<b>736,377</b>	<b>524,378</b>	<b>2,979,257</b>	<b>102,868</b>	<b>315</b>
<b>EXPENDITURES</b>					
Current:					
General Government					
Community Development				2,871	
Public Works	43,329	432,452	815,683		
Capital outlay	746,006		1,378,610		
Debt Service:					
Principal		123,568			
Interest and fiscal charges		15,366			
<b>Total Expenditures</b>	<b>789,335</b>	<b>571,386</b>	<b>2,194,293</b>	<b>2,871</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(52,958)</b>	<b>(47,008)</b>	<b>784,964</b>	<b>99,997</b>	<b>315</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of debt					
Transfers in	370,654				
Transfers (out)					
<b>Total Other Financing Sources (Uses)</b>	<b>370,654</b>				
<b>NET CHANGE IN FUND BALANCE</b>	<b>317,696</b>	<b>(47,008)</b>	<b>784,964</b>	<b>99,997</b>	<b>315</b>
Fund Balances (Deficits), Beginning of the Year	7,657,064	848,032	4,670,795	92,302	(1,157)
<b>ENDING FUND BALANCES (DEFICITS)</b>	<b>\$7,974,760</b>	<b>\$801,024</b>	<b>\$5,455,759</b>	<b>\$192,299</b>	<b>(\$842)</b>

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
Low/Moderate Income Housing	Capital Outlay	
		\$1,634,540
		4,759,041
		52,442
		110,954
\$63,545		4,819,813
599	\$92,846	421,228
<u>64,144</u>	<u>92,846</u>	<u>11,798,018</u>
		519,464
		2,871
		2,005,309
	3,119,943	7,842,740
		123,568
		<u>15,366</u>
	<u>3,119,943</u>	<u>10,509,318</u>
<u>64,144</u>	<u>(3,027,097)</u>	<u>1,288,700</u>
	1,134,885	1,505,592
		<u>(1,065,650)</u>
	<u>1,134,885</u>	<u>439,942</u>
64,144	(1,892,212)	1,728,642
<u>18,858</u>	<u>11,347,055</u>	<u>41,273,705</u>
<u>\$83,002</u>	<u>\$9,454,843</u>	<u>\$43,002,347</u>

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, 2017

	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	\$19,100		(\$19,100)	\$806,200	\$1,664,312	\$858,112
Fines, forfeitures and penalties						
Charges for services						
Intergovernmental						
Use of money and property		\$3,954	3,954		39,067	39,067
Total Revenues	<u>19,100</u>	<u>3,954</u>	<u>(15,146)</u>	<u>806,200</u>	<u>1,703,379</u>	<u>897,179</u>
EXPENDITURES						
Current:						
General Government				36,200	62,412	(26,212)
Community Development						
Public Works	1,000	518	482			
Capital outlay				375,000		375,000
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,000</u>	<u>518</u>	<u>482</u>	<u>411,200</u>	<u>62,412</u>	<u>348,788</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,100</u>	<u>3,436</u>	<u>(14,664)</u>	<u>395,000</u>	<u>1,640,967</u>	<u>1,245,967</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of debt						
Transfers in					53	53
Transfers (out)				(978,500)	(965,650)	12,850
Total Other Financing Sources (Uses)				<u>(978,500)</u>	<u>(965,597)</u>	<u>12,903</u>
NET CHANGE IN FUND BALANCES	<u>\$18,100</u>	<u>3,436</u>	<u>(\$14,664)</u>	<u>(\$583,500)</u>	<u>675,370</u>	<u>\$1,258,870</u>
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		<u>372,975</u>			<u>3,494,935</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$376,411</u>			<u>\$4,170,305</u>	

PARK DEVELOPMENT			GAS TAX			STREET CUT FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$142,900	\$271,622	\$128,722				\$26,100	\$5,590	(\$20,510)
			\$1,459,300	\$7,511 1,400,178	\$7,511 (59,122)			
	<u>15,317</u>	<u>15,317</u>		<u>30,583</u>	<u>30,583</u>		<u>6,465</u>	<u>6,465</u>
<u>142,900</u>	<u>286,939</u>	<u>144,039</u>	<u>1,459,300</u>	<u>1,438,272</u>	<u>(21,028)</u>	<u>26,100</u>	<u>12,055</u>	<u>(14,045)</u>
6,400	5,432	968						
			1,447,500	48,393	1,399,107			
			110,000	1,494,417	(1,384,417)	30,000	29,944	56
<u>6,400</u>	<u>5,432</u>	<u>968</u>	<u>1,557,500</u>	<u>1,542,810</u>	<u>14,690</u>	<u>30,000</u>	<u>29,944</u>	<u>56</u>
<u>136,500</u>	<u>281,507</u>	<u>145,007</u>	<u>(98,200)</u>	<u>(104,538)</u>	<u>(6,338)</u>	<u>(3,900)</u>	<u>(17,889)</u>	<u>(13,989)</u>
<u>\$136,500</u>	<u>281,507</u>	<u>\$145,007</u>	<u>(\$98,200)</u>	<u>(104,538)</u>	<u>(\$6,338)</u>	<u>(\$3,900)</u>	<u>(17,889)</u>	<u>(\$13,989)</u>
	<u>1,313,819</u>			<u>3,131,856</u>			<u>625,442</u>	
	<u>\$1,595,326</u>			<u>\$3,027,318</u>			<u>\$607,553</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, 2017

	<u>TRANSPORTATION DEVELOPMENT ACT</u>			<u>TRANSIT-RELATED SERVICES TAX</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Property taxes				\$698,000	\$771,439	\$73,439
Other taxes						
Licenses, permits and fees						
Fines, forfeitures and penalties						
Charges for services					5,000	5,000
Intergovernmental	\$45,000		(\$45,000)			
Use of money and property		\$2,242	2,242		42,951	42,951
<b>Total Revenues</b>	<u>45,000</u>	<u>2,242</u>	<u>(42,758)</u>	<u>698,000</u>	<u>819,390</u>	<u>121,390</u>
EXPENDITURES						
Current:						
General Government						
Community Development						
Public Works				790,500	581,201	209,299
Capital outlay	125,000	119,614	5,386			
Debt service:						
Principal						
Interest and fiscal charges						
<b>Total Expenditures</b>	<u>125,000</u>	<u>119,614</u>	<u>5,386</u>	<u>790,500</u>	<u>581,201</u>	<u>209,299</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(80,000)</u>	<u>(117,372)</u>	<u>(37,372)</u>	<u>(92,500)</u>	<u>238,189</u>	<u>330,689</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of debt						
Transfers in						
Transfers (out)						
<b>Total Other Financing Sources (Uses)</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
NET CHANGE IN FUND BALANCES	<u>(\$80,000)</u>	<u>(117,372)</u>	<u>(\$37,372)</u>	<u>(\$92,500)</u>	<u>238,189</u>	<u>\$330,689</u>
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		<u>262,138</u>			<u>3,861,491</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$144,766</u>			<u>\$4,099,680</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)
\$386,600	\$348,588	(\$38,012)				\$100,000	\$95,169	(\$4,831)
	29,000	29,000						
	34,035	34,035	\$522,800	\$478,312	(\$44,488)		628	628
<u>386,600</u>	<u>411,623</u>	<u>25,023</u>	<u>522,800</u>	<u>482,373</u>	<u>(40,427)</u>	<u>100,000</u>	<u>95,797</u>	<u>(4,203)</u>
			522,800	451,620	71,180			
208,799	83,733	125,066	50,000	100,000	(50,000)			
<u>208,799</u>	<u>83,733</u>	<u>125,066</u>	<u>572,800</u>	<u>551,620</u>	<u>21,180</u>			
<u>177,801</u>	<u>327,890</u>	<u>150,089</u>	<u>(50,000)</u>	<u>(69,247)</u>	<u>(19,247)</u>	<u>100,000</u>	<u>95,797</u>	<u>(4,203)</u>
							(100,000)	(100,000)
							(100,000)	(100,000)
<u>\$177,801</u>	<u>327,890</u>	<u>\$150,089</u>	<u>(\$50,000)</u>	<u>(69,247)</u>	<u>(\$19,247)</u>	<u>\$100,000</u>	<u>(4,203)</u>	<u>(\$104,203)</u>
	<u>3,054,989</u>			<u>112,219</u>			<u>17,318</u>	
	<u>\$3,382,879</u>			<u>\$42,972</u>			<u>\$13,115</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, 2017

	ROADWAY IMPROVEMENT			LANDSCAPING AND LIGHTING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$496,500	\$514,513	\$18,013
Other taxes						
Licenses, permits and fees	\$497,000	\$637,700	\$140,700			
Fines, forfeitures and penalties						
Charges for services		20,130	20,130			
Intergovernmental	80,500		(80,500)			
Use of money and property		78,547	78,547		9,865	9,865
Total Revenues	577,500	736,377	158,877	496,500	524,378	27,878
EXPENDITURES						
Current:						
General Government						
Community Development						
Public Works	480,500	43,329	437,171	480,900	432,452	48,448
Capital outlay	325,000	746,006	(421,006)			
Debt service:						
Principal				123,600	123,568	32
Interest and fiscal charges				15,400	15,366	34
Total Expenditures	805,500	789,335	16,165	619,900	571,386	48,514
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(228,000)	(52,958)	175,042	(123,400)	(47,008)	76,392
OTHER FINANCING SOURCES (USES)						
Transfers in	328,600	370,654	42,054			
Transfers (out)						
Total Other Financing Sources (Uses)	328,600	370,654	42,054			
NET CHANGE IN FUND BALANCES	\$100,600	317,696	\$217,096	(\$123,400)	(47,008)	\$76,392
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		7,657,064			848,032	
ENDING FUND BALANCES (DEFICITS)		\$7,974,760			\$801,024	

MEASURE A			GENERAL PLAN			CFD 2013-2 POLICE SERVICES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$64,400	\$101,832	\$37,432			
\$4,727,800	\$49,313 2,877,778	\$49,313 (1,850,022)				\$7,000		(\$7,000)
	52,166	52,166		1,036	1,036		\$315	315
<u>4,727,800</u>	<u>2,979,257</u>	<u>(1,748,543)</u>	<u>64,400</u>	<u>102,868</u>	<u>38,468</u>	<u>7,000</u>	<u>315</u>	<u>(6,685)</u>
						2,500		\$2,500
1,849,300	815,683	1,033,617	5,000	2,871	2,129			
2,984,800	1,378,610	1,606,190						
<u>4,834,100</u>	<u>2,194,293</u>	<u>2,639,807</u>	<u>5,000</u>	<u>2,871</u>	<u>2,129</u>	<u>2,500</u>		<u>2,500</u>
<u>(106,300)</u>	<u>784,964</u>	<u>891,264</u>	<u>59,400</u>	<u>99,997</u>	<u>40,597</u>	<u>4,500</u>	<u>315</u>	<u>(4,185)</u>
<u>(\$106,300)</u>	<u>784,964</u>	<u>\$891,264</u>	<u>\$59,400</u>	<u>99,997</u>	<u>\$40,597</u>	<u>\$4,500</u>	<u>315</u>	<u>(\$4,185)</u>
	<u>4,670,795</u>			<u>92,302</u>			<u>(\$1,157)</u>	
	<u>\$5,455,759</u>			<u>\$192,299</u>			<u>(\$842)</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, 2017

	<u>LOW/MODERATE INCOME HOUSING</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes			
Other taxes			
Licenses, permits and fees			
Fines, forfeitures and penalties			
Charges for services			
Intergovernmental		\$63,545	\$63,545
Use of money and property		599	599
Total Revenues		64,144	64,144
EXPENDITURES			
Current:			
General Government			
Community Development			
Public Works			
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		64,144	64,144
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers (out)			
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES		64,144	\$64,144
BEGINNING FUND BALANCES (DEFICITS)			
BEGINNING OF YEAR		<u>\$18,858</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$83,002</u>	

**SUBCOMBINING FUND SCHEDULES**

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2017

	<u>General Fund</u>	<u>Community Enhancement</u>	<u>Total General Fund</u>
<b>ASSETS</b>			
Cash and investments	\$22,438,496	(\$480,123)	\$21,958,373
Receivables:			
Accounts, net	1,114,020		1,114,020
Interest	42,284	124	42,408
Other	191,857		191,857
Due from other governmental agencies	4,327,469	1,149,900	5,477,369
Loans	1,251,330	274,098	1,525,428
Prepays	27,457	5,000	32,457
Due from other funds	3,900,163		3,900,163
Advances to other funds	<u>2,976,655</u>		<u>2,976,655</u>
 Total Assets	 <u>\$36,269,731</u>	 <u>\$948,999</u>	 <u>\$37,218,730</u>
<b>LIABILITIES</b>			
Accounts payable	\$4,842,924	\$660,854	\$5,503,778
Accrued liabilities	260,440		260,440
Refundable deposits	778,808		778,808
Unearned revenue	<u>36,345</u>		<u>36,345</u>
 Total Liabilities	 <u>5,918,517</u>	 <u>660,854</u>	 <u>6,579,371</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - accounts receivable	40,386		40,386
Unavailable revenue - interest receivable	199,996		199,996
Unavailable revenue - due from other governmental agencies	<u>65,281</u>		<u>65,281</u>
 Total Deferred Inflows of Resources	 <u>305,663</u>		 <u>305,663</u>
<b>FUND BALANCES</b>			
Nonspendable	4,246,395	288,145	4,534,540
Unassigned	<u>25,799,156</u>		<u>25,799,156</u>
 Total Fund Balances	 <u>30,045,551</u>	 <u>288,145</u>	 <u>30,333,696</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$36,269,731</u>	 <u>\$948,999</u>	 <u>\$37,218,730</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Community Enhancement</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Property taxes	\$14,484,922		\$14,484,922
Sales taxes	13,955,727	\$7,748,950	21,704,677
Utility user taxes	3,678,209		3,678,209
Other taxes	6,261,253		6,261,253
Charges for services	3,593,879		3,593,879
Licenses, permits and fees	5,561,287		5,561,287
Fines, forfeitures and penalties	1,656,527		1,656,527
Intergovernmental	1,148,853		1,148,853
Use of money and property	860,732	20,511	881,243
Other taxes	17,548	500	18,048
	<u>51,218,937</u>	<u>7,769,961</u>	<u>58,988,898</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Current:			
General Government	15,685,058	2,317,959	18,003,017
Community development	6,824,136	1,015,562	7,839,698
Public Safety	18,874,481	1,050,000	19,924,481
Public Works	3,617,185	828,242	4,445,427
Capital outlay	309,752	1,656,649	1,966,401
	<u>45,310,612</u>	<u>6,868,412</u>	<u>52,179,024</u>
<b>Total Expenditures</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,908,325</u>	<u>901,549</u>	<u>6,809,874</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	100,032		100,032
Transfers (out)	<u>(1,205,271)</u>	<u>(901,549)</u>	<u>(2,106,820)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,105,239)</u>	<u>(901,549)</u>	<u>(2,006,788)</u>
<b>SPECIAL ITEM</b>	<u>(4,725,310)</u>		<u>(4,725,310)</u>
<b>NET CHANGE IN FUND BALANCES</b>	77,776		77,776
<b>BEGINNING FUND BALANCES</b>	<u>29,967,775</u>	<u>288,145</u>	<u>30,255,920</u>
<b>ENDING FUND BALANCES</b>	<u><u>\$25,320,241</u></u>	<u><u>\$288,145</u></u>	<u><u>\$30,333,696</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, 2017

	General Fund		
	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$14,328,900	\$14,484,922	\$156,022
Sales taxes	13,375,600	13,955,727	580,127
Transient occupancy taxes	3,275,000	3,866,250	591,250
Utility user taxes	3,723,700	3,678,209	(45,491)
Other taxes	1,971,000	2,395,003	424,003
Charges for services	3,270,000	3,593,879	323,879
Licenses, permits and fees	4,517,900	5,561,287	1,043,387
Fines, forfeitures and penalties	1,660,900	1,656,527	(4,373)
Intergovernmental	512,800	1,148,853	636,053
Use of money and property	1,004,400	860,732	(143,668)
Other taxes	41,400	17,548	(23,852)
<b>Total Revenues</b>	<b>47,681,600</b>	<b>51,218,937</b>	<b>3,537,337</b>
<b>EXPENDITURES</b>			
Current:			
General Government	16,407,600	15,685,058	722,542
Community Development	7,998,300	6,824,136	1,174,164
Public Safety	18,515,400	18,874,481	(359,081)
Public Works	2,928,000	3,617,185	(689,185)
Capital outlay	480,000	309,752	170,248
<b>Total Expenditures</b>	<b>46,329,300</b>	<b>45,310,612</b>	<b>1,018,688</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,352,300</b>	<b>5,908,325</b>	<b>4,556,025</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	100,000	100,032	32
Transfers (out)	(101,146)	(1,205,271)	(1,104,125)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,146)</b>	<b>(1,105,239)</b>	<b>(1,104,093)</b>
<b>SPECIAL ITEM</b>		<b>(4,725,310)</b>	<b>(4,725,310)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,351,154</b>	<b>77,776</b>	<b>(1,273,378)</b>
<b>BEGINNING FUND BALANCES</b>	<b>29,967,775</b>	<b>29,967,775</b>	
<b>ENDING FUND BALANCES</b>	<b>\$31,318,929</b>	<b>\$25,320,241</b>	<b>(\$1,273,378)</b>

Community Enhancement			Total General Fund		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
			\$14,328,900	\$14,484,922	\$156,022
\$7,000,000	\$7,748,950	\$748,950	20,375,600	21,704,677	1,329,077
			3,275,000	3,866,250	591,250
			3,723,700	3,678,209	(45,491)
			1,971,000	2,395,003	424,003
			3,270,000	3,593,879	323,879
			4,517,900	5,561,287	1,043,387
			1,660,900	1,656,527	(4,373)
			512,800	1,148,853	636,053
	20,511	20,511	1,004,400	881,243	(123,157)
	500	500	41,400	18,048	(23,352)
7,000,000	7,769,961	769,961	54,681,600	58,988,898	4,307,298
7,000,000	2,317,959	4,682,041	23,407,600	18,003,017	5,404,583
	1,015,562	(1,015,562)	7,998,300	7,839,698	158,602
	1,050,000	(1,050,000)	18,515,400	19,924,481	(1,409,081)
	828,242	(828,242)	2,928,000	4,445,427	(1,517,427)
	1,656,649	(1,656,649)	480,000	1,966,401	(1,486,401)
7,000,000	6,868,412	131,588	53,329,300	52,179,024	1,150,276
	901,549	901,549	1,352,300	6,809,874	5,457,574
(2,573,139)	(901,549)	1,671,590	100,000	100,032	32
			(2,674,285)	(2,106,820)	567,465
(2,573,139)	(901,549)	1,671,590	(2,574,285)	(2,006,788)	567,497
				(4,725,310)	(4,725,310)
(2,573,139)		2,573,139	(1,221,985)	4,803,086	1,299,761
288,145	288,145		30,255,920	30,255,920	
(\$2,284,994)	\$288,145	\$2,573,139	\$29,033,935	\$30,333,696	\$1,299,761

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund	Sunrise Douglas Traffic Impact Fund
<b>ASSETS</b>				
Cash and investments	\$186,630	\$68,235	\$143,565	\$19,628,204
Receivables:				
Accounts		26,872		
Interest	29	11	22	3,024
Total Assets	<u>\$186,659</u>	<u>\$95,118</u>	<u>\$143,587</u>	<u>\$19,631,228</u>
<b>LIABILITIES</b>				
Accounts payable		\$47,986		\$148,689
Total Liabilities		<u>47,986</u>		<u>148,689</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - accounts receivable		26,872		
Total Deferred Inflows of Resources		<u>26,872</u>		
<b>FUND BALANCES</b>				
Restricted	\$186,659	20,260	\$143,587	19,482,539
Total Fund Balances	<u>186,659</u>	<u>20,260</u>	<u>143,587</u>	<u>19,482,539</u>
Total Liabilities and Fund Balances	<u>\$186,659</u>	<u>\$95,118</u>	<u>\$143,587</u>	<u>\$19,631,228</u>

Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Fund
\$464,193	\$827,880	\$21,318,707
<u>72</u>	<u>128</u>	26,872 <u>3,286</u>
<u>\$464,265</u>	<u>\$828,008</u>	<u>\$21,348,865</u>
		<u>\$196,675</u>
		<u>196,675</u>
		<u>26,872</u>
		<u>26,872</u>
<u>\$464,265</u>	<u>\$828,008</u>	<u>21,125,318</u>
<u>464,265</u>	<u>828,008</u>	<u>21,125,318</u>
<u>\$464,265</u>	<u>\$828,008</u>	<u>\$21,348,865</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, 2017

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund	Sunrise Douglas Traffic Impact Fund
<b>REVENUES</b>				
Licenses, permits and fees	\$18,224	\$161,643	\$96,716	\$2,716,730
Use of money and property	1,856	3,393	1,159	194,550
Other				1,200,000
<b>Total Revenues</b>	<b>20,080</b>	<b>165,036</b>	<b>97,875</b>	<b>4,111,280</b>
<b>EXPENDITURES</b>				
Current:				
Public Works				35,876
Capital outlay		530,663		2,385,163
<b>Total Expenditures</b>		<b>530,663</b>		<b>2,421,039</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,080</b>	<b>(365,627)</b>	<b>97,875</b>	<b>1,690,241</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>20,080</b>	<b>(365,627)</b>	<b>97,875</b>	<b>1,690,241</b>
<b>BEGINNING FUND BALANCES</b>	<b>166,579</b>	<b>385,887</b>	<b>45,712</b>	<b>17,792,298</b>
<b>ENDING FUND BALANCES</b>	<b>\$186,659</b>	<b>\$20,260</b>	<b>\$143,587</b>	<b>\$19,482,539</b>

Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Fund
\$14,862	\$121,405	\$3,129,580
4,794	9,020	214,772
		<u>1,200,000</u>
<u>19,656</u>	<u>130,425</u>	<u>4,544,352</u>
	169,450	205,326
		<u>2,915,826</u>
	<u>169,450</u>	<u>3,121,152</u>
<u>19,656</u>	<u>(39,025)</u>	<u>1,423,200</u>
19,656	(39,025)	1,423,200
<u>444,609</u>	<u>867,033</u>	<u>19,702,118</u>
<u><u>\$464,265</u></u>	<u><u>\$828,008</u></u>	<u><u>\$21,125,318</u></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, 2017

	Sunrise Douglas Program Updates Fund			Sunrise Douglas Interim Sewer Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Licenses, permits and fees	\$12,000	\$18,224	\$6,224	\$143,900	\$161,643	\$17,743
Use of money and property		1,856	1,856		3,393	3,393
Other						
Total Revenues	<u>12,000</u>	<u>20,080</u>	<u>8,080</u>	<u>143,900</u>	<u>165,036</u>	<u>21,136</u>
<b>EXPENDITURES</b>						
Current:						
General government						
Public Works	15,000		15,000			
Capital outlay				543,900	530,663	13,237
Total Expenditures	<u>15,000</u>		<u>15,000</u>	<u>543,900</u>	<u>530,663</u>	<u>13,237</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,000)</u>	<u>20,080</u>	<u>23,080</u>	<u>(400,000)</u>	<u>(365,627)</u>	<u>34,373</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,000)	20,080	23,080	(400,000)	(365,627)	34,373
<b>BEGINNING FUND BALANCES</b>	<u>166,579</u>	<u>166,579</u>		<u>385,887</u>	<u>385,887</u>	
<b>ENDING FUND BALANCES</b>	<u><u>\$163,579</u></u>	<u><u>\$186,659</u></u>	<u><u>\$23,080</u></u>	<u><u>(\$14,113)</u></u>	<u><u>\$20,260</u></u>	<u><u>\$34,373</u></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)
\$548,100	\$96,716 1,159	(\$451,384) 1,159	\$6,576,900	\$2,716,730 194,550 1,200,000	(\$3,860,170) 194,550 1,200,000	\$11,500	\$14,862 4,794	\$3,362 4,794
<u>548,100</u>	<u>97,875</u>	<u>(450,225)</u>	<u>6,576,900</u>	<u>4,111,280</u>	<u>(2,465,620)</u>	<u>11,500</u>	<u>19,656</u>	<u>8,156</u>
<u>500,000</u>		<u>500,000</u>	<u>180,000</u> <u>2,930,000</u>	<u>35,876</u> <u>2,385,163</u>	<u>144,124</u> <u>544,837</u>			
<u>500,000</u>		<u>500,000</u>	<u>3,110,000</u>	<u>2,421,039</u>	<u>688,961</u>			
<u>48,100</u>	<u>97,875</u>	<u>49,775</u>	<u>3,466,900</u>	<u>1,690,241</u>	<u>(1,776,659)</u>	<u>11,500</u>	<u>19,656</u>	<u>8,156</u>
<u>48,100</u>	<u>97,875</u>	<u>49,775</u>	<u>3,466,900</u>	<u>1,690,241</u>	<u>(1,776,659)</u>	<u>11,500</u>	<u>19,656</u>	<u>8,156</u>
<u>45,712</u>	<u>45,712</u>		<u>17,792,298</u>	<u>17,792,298</u>		<u>444,609</u>	<u>444,609</u>	
<u>\$93,812</u>	<u>\$143,587</u>	<u>\$49,775</u>	<u>\$21,259,198</u>	<u>\$19,482,539</u>	<u>(\$1,776,659)</u>	<u>\$456,109</u>	<u>\$464,265</u>	<u>\$8,156</u>

(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, 2017

	Sunrise Douglas Admin Fund			Total Sunrise Douglas Special Revenue Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Licenses, permits and fees	\$91,900	\$121,405	\$29,505	\$7,384,300	\$3,129,580	(\$4,254,720)
Use of money and property		9,020	9,020		214,772	214,772
Other					1,200,000	1,200,000
<b>Total Revenues</b>	<b>91,900</b>	<b>130,425</b>	<b>38,525</b>	<b>7,384,300</b>	<b>4,544,352</b>	<b>(2,839,948)</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public works	175,000	169,450	5,550	370,000	205,326	164,674
Capital outlay				3,973,900	2,915,826	1,058,074
<b>Total Expenditures</b>	<b>175,000</b>	<b>169,450</b>	<b>5,550</b>	<b>4,343,900</b>	<b>3,121,152</b>	<b>1,222,748</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(83,100)</b>	<b>(39,025)</b>	<b>44,075</b>	<b>3,040,400</b>	<b>1,423,200</b>	<b>(1,617,200)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(83,100)</b>	<b>(39,025)</b>	<b>44,075</b>	<b>3,040,400</b>	<b>1,423,200</b>	<b>(1,617,200)</b>
<b>BEGINNING FUND BALANCES</b>	<b>867,033</b>	<b>867,033</b>		<b>19,702,118</b>	<b>19,702,118</b>	
<b>ENDING FUND BALANCES</b>	<b>\$783,933</b>	<b>\$828,008</b>	<b>\$44,075</b>	<b>\$22,742,518</b>	<b>\$21,125,318</b>	<b>(\$1,617,200)</b>

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$21,662,057	\$175,413	\$21,837,470
Receivables:			
Accounts	36,601		36,601
Interest	3,336	27	3,363
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$21,701,994</u>	<u>\$175,440</u>	<u>\$21,877,434</u>
<b>LIABILITIES</b>			
Accounts payable	\$213,837	\$160	\$213,997
Refundable deposits	65,360		65,360
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>279,197</u>	<u>160</u>	<u>279,357</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - accounts receivable	36,601		36,601
	<u>          </u>	<u>          </u>	<u>          </u>
Total Deferred Inflows of Resources	<u>36,601</u>	<u>          </u>	<u>36,601</u>
<b>FUND BALANCES</b>			
Restricted	21,386,196	175,280	21,561,476
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>21,386,196</u>	<u>175,280</u>	<u>21,561,476</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$21,701,994</u>	<u>\$175,440</u>	<u>\$21,877,434</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, 2017

	<u>Traffic Mitigation Fund</u>	<u>Traffic Mitigation Admin Fund</u>	<u>Total Traffic Mitigation Special Revenue Fund</u>
<b>REVENUES</b>			
Licenses, permits and fees	\$3,708,670	\$142,758	3,851,428
Use of money and property	<u>211,217</u>	<u>745</u>	<u>211,962</u>
 Total Revenues	 <u>3,919,887</u>	 <u>143,503</u>	 <u>4,063,390</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	242,697	66,855	309,552
Capital outlay	<u>765,820</u>	<u>          </u>	<u>765,820</u>
 Total Expenditures	 <u>1,008,517</u>	 <u>66,855</u>	 <u>1,075,372</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>2,911,370</u>	 <u>76,648</u>	 <u>2,988,018</u>
 NET CHANGE IN FUND BALANCES	 2,911,370	 76,648	 2,988,018
 BEGINNING FUND BALANCES	 <u>18,474,826</u>	 <u>98,632</u>	 <u>18,573,458</u>
 ENDING FUND BALANCES	 <u><u>\$21,386,196</u></u>	 <u><u>\$175,280</u></u>	 <u><u>\$21,561,476</u></u>

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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, 2017

	Traffic Mitigation Fund			Traffic Mitigation Admin Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services				\$40,000		(\$40,000)
Licenses, permits and fees	\$2,919,000	\$3,708,670	\$789,670	35,800	\$142,758	106,958
Use of money and property		211,217	211,217		745	745
Total Revenues	<u>2,919,000</u>	<u>3,919,887</u>	<u>1,000,887</u>	<u>75,800</u>	<u>143,503</u>	<u>67,703</u>
EXPENDITURES						
Current:						
Public Works	245,000	242,697	2,303	75,000	66,855	8,145
Capital outlay	<u>4,781,000</u>	<u>765,820</u>	<u>4,015,180</u>			
Total Expenditures	<u>5,026,000</u>	<u>1,008,517</u>	<u>4,017,483</u>	<u>75,000</u>	<u>66,855</u>	<u>8,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,107,000)</u>	<u>2,911,370</u>	<u>5,018,370</u>	<u>800</u>	<u>76,648</u>	<u>75,848</u>
NET CHANGE IN FUND BALANCES	(2,107,000)	2,911,370	5,018,370	800	76,648	75,848
BEGINNING FUND BALANCES	<u>18,474,826</u>	<u>18,474,826</u>		<u>98,632</u>	<u>98,632</u>	
ENDING FUND BALANCES	<u>\$16,367,826</u>	<u>\$21,386,196</u>	<u>\$5,018,370</u>	<u>\$99,432</u>	<u>\$175,280</u>	<u>\$75,848</u>

Total Traffic Mitigation Special Revenue Fund

<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$40,000		(\$40,000)
2,954,800	\$3,851,428	896,628
	211,962	211,962
<u>2,994,800</u>	<u>4,063,390</u>	<u>1,068,590</u>
320,000	309,552	10,448
4,781,000	765,820	4,015,180
<u>5,101,000</u>	<u>1,075,372</u>	<u>4,025,628</u>
<u>(2,106,200)</u>	<u>2,988,018</u>	<u>5,094,218</u>
(2,106,200)	2,988,018	5,094,218
<u>18,573,458</u>	<u>18,573,458</u>	
<u>\$16,467,258</u>	<u>\$21,561,476</u>	<u>\$5,094,218</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
GRANTS REVENUE SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	State Grant Fund	Federal Grant Fund	Total Grants Special Revenue Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$706,060		\$706,060
Receivables:			
Interest	116		116
Due from other governmental agencies	33,851	\$4,394,596	4,428,447
Loans	322,685	4,621,180	4,943,865
Prepays	550		550
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$1,063,262</u>	<u>\$9,015,776</u>	<u>\$10,079,038</u>
<b>LIABILITIES</b>			
Accounts payable	\$77,497	\$925,089	\$1,002,586
Due to other funds		3,716,734	3,716,734
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>77,497</u>	<u>4,641,823</u>	<u>4,719,320</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - due from other governmental agencies	2,922	8,569	11,491
	<u>          </u>	<u>          </u>	<u>          </u>
Total Deferred Inflows of Resources	<u>2,922</u>	<u>8,569</u>	<u>11,491</u>
<b>FUND BALANCES</b>			
Restricted	982,843	4,621,180	5,604,023
Unassigned		(255,796)	(255,796)
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>982,843</u>	<u>4,365,384</u>	<u>5,348,227</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,063,262</u>	<u>\$9,015,776</u>	<u>\$10,079,038</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GRANTS REVENUE SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	State Grant Fund	Federal Grant Fund	Total Grants Special Revenue Fund
<b>REVENUES</b>			
Intergovernmental	\$484,575	\$4,817,286	\$5,301,861
Use of money and property	5,459		5,459
Other	26,375		26,375
	<u>516,409</u>	<u>4,817,286</u>	<u>5,333,695</u>
<b>EXPENDITURES</b>			
Current:			
General Government		29,792	29,792
Community development	16,747		16,747
Public Safety	90,446	8,571	99,017
Public Works	16,011	4,923	20,934
Capital outlay	138,881	4,500,978	4,639,859
	<u>262,085</u>	<u>4,544,264</u>	<u>4,806,349</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>254,324</u>	<u>273,022</u>	<u>527,346</u>
<b>NET CHANGE IN FUND BALANCES</b>	254,324	273,022	527,346
<b>BEGINNING FUND BALANCES</b>	<u>728,519</u>	<u>4,092,362</u>	<u>4,820,881</u>
<b>ENDING FUND BALANCES</b>	<u><u>\$982,843</u></u>	<u><u>\$4,365,384</u></u>	<u><u>\$5,348,227</u></u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GRANTS REVENUE SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	State Grant Fund		Variance Positive (Negative)
	Final Budget	Actual	
REVENUES			
Intergovernmental	\$250,000	\$484,575	\$234,575
Use of money and property		5,459	5,459
Other		26,375	26,375
Total Revenues	<u>250,000</u>	<u>516,409</u>	<u>266,409</u>
EXPENDITURES			
Current:			
General Government			
Community Development		16,747	(16,747)
Public Safety		90,446	(90,446)
Public Works		16,011	(16,011)
Capital outlay		138,881	(138,881)
Total Expenditures		<u>262,085</u>	<u>(262,085)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>250,000</u>	<u>254,324</u>	<u>4,324</u>
NET CHANGE IN FUND BALANCES	250,000	254,324	4,324
BEGINNING FUND BALANCES	<u>728,519</u>	<u>728,519</u>	
ENDING FUND BALANCES	<u>\$978,519</u>	<u>\$982,843</u>	<u>\$4,324</u>

Federal Grant Fund			Totals		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
	\$4,817,286	\$4,817,286	\$250,000	\$5,301,861	\$5,051,861
				5,459	5,459
				26,375	26,375
	4,817,286	4,817,286	250,000	5,333,695	5,083,695
	29,792	(29,792)		29,792	(29,792)
	8,571	(8,571)		16,747	(16,747)
	4,923	(4,923)		99,017	(99,017)
\$4,869,000	4,500,978	368,022	4,869,000	20,934	(20,934)
				4,639,859	229,141
4,869,000	4,544,264	324,736	4,869,000	4,806,349	62,651
(4,869,000)	273,022	5,142,022	(4,619,000)	527,346	5,146,346
(4,869,000)	273,022	5,142,022	(4,619,000)	527,346	5,146,346
4,092,362	4,092,362		4,820,881	4,820,881	
(\$776,638)	\$4,365,384	\$5,142,022	\$201,881	\$5,348,227	\$5,146,346

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
VILLAGES OF ZINFANDEL (VOZ) SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	<u>VOZ Traffic Mitigation Impact Fees Fund</u>	<u>VOZ Administration Impact Fees Fund</u>	<u>Total VOZ Special Revenue Fund</u>
<b>ASSETS</b>			
Cash and investments	\$369,189	\$7,164	\$376,353
Receivables:			
Interest	<u>57</u>	<u>1</u>	<u>58</u>
Total Assets	<u>\$369,246</u>	<u>\$7,165</u>	<u>\$376,411</u>
<b>FUND BALANCES</b>			
Restricted	<u>\$369,246</u>	<u>\$7,165</u>	<u>\$376,411</u>
Total Fund Balances	<u>369,246</u>	<u>7,165</u>	<u>376,411</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$369,246</u>	<u>\$7,165</u>	<u>\$376,411</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, 2017

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
REVENUES			
Use of money and property	\$3,876	\$78	\$3,954
Total Revenues	<u>3,876</u>	<u>78</u>	<u>3,954</u>
EXPENDITURES			
Public works		518	518
Total Expenditures		<u>518</u>	<u>518</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,876</u>	<u>(440)</u>	<u>3,436</u>
NET CHANGE IN FUND BALANCES	3,876	(440)	3,436
BEGINNING FUND BALANCES	<u>365,370</u>	<u>7,605</u>	<u>372,975</u>
ENDING FUND BALANCES	<u><u>\$369,246</u></u>	<u><u>\$7,165</u></u>	<u><u>\$376,411</u></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, 2017

	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	\$18,500		(\$18,500)	\$600		(\$600)
Use of money and property		\$3,876	3,876		\$78	78
Total Revenues	<u>18,500</u>	<u>3,876</u>	<u>(14,624)</u>	<u>600</u>	<u>78</u>	<u>(522)</u>
EXPENDITURES						
Current:						
Public works				1,000	518	482
Total Expenditures				<u>1,000</u>	<u>518</u>	<u>482</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>18,500</u>	<u>3,876</u>	<u>(14,624)</u>	<u>(400)</u>	<u>(440)</u>	<u>(40)</u>
NET CHANGE IN FUND BALANCES	18,500	3,876	(14,624)	(400)	(440)	(40)
BEGINNING FUND BALANCES	<u>365,370</u>	<u>365,370</u>		<u>7,605</u>	<u>7,605</u>	
ENDING FUND BALANCES	<u><u>\$383,870</u></u>	<u><u>\$369,246</u></u>	<u><u>(\$14,624)</u></u>	<u><u>\$7,205</u></u>	<u><u>\$7,165</u></u>	<u><u>(\$40)</u></u>

Totals		
Budget	Actual	Variance Positive (Negative)
\$19,100	\$3,954	(\$19,100) 3,954
19,100	3,954	(15,146)
1,000	518	482
1,000	518	482
18,100	3,436	(14,664)
18,100	3,436	(14,664)
372,975	372,975	
<u>\$391,075</u>	<u>\$376,411</u>	<u>(\$14,664)</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
COMMUNITY FACILITIES FEES SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Fund
<b>ASSETS</b>			
Cash and investments	\$673,575	\$3,685,262	\$4,358,837
Receivables:			
Accounts	87,942	18,012	105,954
Interest	104	568	672
Total Assets	<u>\$761,621</u>	<u>\$3,703,842</u>	<u>\$4,465,463</u>
<b>LIABILITIES</b>			
Refundable deposits	<u>\$157,039</u>	<u>\$32,165</u>	<u>\$189,204</u>
Total Liabilities	<u>157,039</u>	<u>32,165</u>	<u>189,204</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - accounts receivable	<u>87,942</u>	<u>18,012</u>	<u>105,954</u>
<b>FUND BALANCES</b>			
Restricted	<u>516,640</u>	<u>3,653,665</u>	<u>4,170,305</u>
Total Fund Balances	<u>516,640</u>	<u>3,653,665</u>	<u>4,170,305</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$761,621</u>	<u>\$3,703,842</u>	<u>\$4,465,463</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, 2017

	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	\$1,390,111	\$274,201	\$1,664,312
Use of money and property	2,403	36,664	39,067
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	1,392,514	310,865	1,703,379
EXPENDITURES			
Current:			
General government	52,130	10,282	62,412
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	52,130	10,282	62,412
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,340,384</u>	<u>300,583</u>	<u>1,640,967</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	53		53
Transfers (out)	(965,650)		(965,650)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Other Financing Sources (Uses)	(965,597)		(965,597)
NET CHANGE IN FUND BALANCES	374,787	300,583	675,370
BEGINNING FUND BALANCES	<u>141,853</u>	<u>3,353,082</u>	<u>3,494,935</u>
ENDING FUND BALANCES	<u><u>\$516,640</u></u>	<u><u>\$3,653,665</u></u>	<u><u>\$4,170,305</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, 2017

	Community Facilities Fees Community Facilities Impact Fees Fund			Community Facilities Fees Library Impact Fees Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$672,800	\$1,390,111	\$717,311	\$133,400	\$274,201	\$140,801
Use of money and property		2,403	2,403		36,664	36,664
Total Revenues	<u>672,800</u>	<u>1,392,514</u>	<u>719,714</u>	<u>133,400</u>	<u>310,865</u>	<u>177,465</u>
EXPENDITURES						
Current:						
Public works	25,200	52,130	(26,930)	11,000	10,282	718
Capital outlay	<u>375,000</u>		<u>375,000</u>			
Total Expenditures	<u>400,200</u>	<u>52,130</u>	<u>348,070</u>	<u>11,000</u>	<u>10,282</u>	<u>718</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>272,600</u>	<u>1,340,384</u>	<u>1,067,784</u>	<u>122,400</u>	<u>300,583</u>	<u>178,183</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		53	53			
Transfers (out)	<u>(978,500)</u>	<u>(965,650)</u>	<u>12,850</u>			
Total Other Financing Sources (Uses)	<u>(978,500)</u>	<u>(965,597)</u>	<u>12,903</u>			
NET CHANGE IN FUND BALANCES	(705,900)	374,787	1,080,687	122,400	300,583	178,183
BEGINNING FUND BALANCES	<u>141,853</u>	<u>141,853</u>		<u>3,353,082</u>	<u>3,353,082</u>	
ENDING FUND BALANCES	<u>(\$564,047)</u>	<u>\$516,640</u>	<u>\$1,080,687</u>	<u>\$3,475,482</u>	<u>\$3,653,665</u>	<u>\$178,183</u>

Totals		
Budget	Actual	Variance Positive (Negative)
\$806,200	\$1,664,312	\$858,112
	39,067	39,067
806,200	1,703,379	897,179
36,200	62,412	(26,212)
375,000		375,000
411,200	62,412	348,788
395,000	1,640,967	1,245,967
	53	53
(978,500)	(965,650)	12,850
(978,500)	(965,597)	12,903
(583,500)	675,370	1,258,870
3,494,935	3,494,935	
\$2,911,435	\$4,170,305	\$1,258,870

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
TRANSIT-RELATED SERVICES TAX SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	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
<b>ASSETS</b>				
Cash and investments	\$789,594	\$345,612	\$3,045,372	\$4,180,578
Interest receivable	591	437	1,868	2,896
Due from other government agencies	145	766	2,493	3,404
Total Assets	<u>\$790,330</u>	<u>\$346,815</u>	<u>\$3,049,733</u>	<u>\$4,186,878</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$7,244</u>	<u>\$15,714</u>	<u>\$64,240</u>	<u>\$87,198</u>
Total Deferred Inflows of Resources	<u>7,244</u>	<u>15,714</u>	<u>64,240</u>	<u>87,198</u>
<b>FUND BALANCES</b>				
Restricted	<u>783,086</u>	<u>331,101</u>	<u>2,985,493</u>	<u>4,099,680</u>
Total Fund Balances	<u>783,086</u>	<u>331,101</u>	<u>2,985,493</u>	<u>4,099,680</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$790,330</u>	<u>\$346,815</u>	<u>\$3,049,733</u>	<u>\$4,186,878</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, 2017

	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
<b>REVENUES</b>				
Property taxes	\$160,520	\$131,419	\$479,500	\$771,439
Charges for services	5,000			5,000
Use of money and property	7,813	3,494	31,644	42,951
<b>Total Revenues</b>	<b>173,333</b>	<b>134,913</b>	<b>511,144</b>	<b>819,390</b>
<b>EXPENDITURES</b>				
Current:				
Public works	77,064	100,816	403,321	581,201
<b>Total Expenditures</b>	<b>77,064</b>	<b>100,816</b>	<b>403,321</b>	<b>581,201</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>96,269</b>	<b>34,097</b>	<b>107,823</b>	<b>238,189</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>96,269</b>	<b>34,097</b>	<b>107,823</b>	<b>238,189</b>
<b>BEGINNING FUND BALANCES</b>	<b>686,817</b>	<b>297,004</b>	<b>2,877,670</b>	<b>3,861,491</b>
<b>ENDING FUND BALANCES</b>	<b>\$783,086</b>	<b>\$331,101</b>	<b>\$2,985,493</b>	<b>\$4,099,680</b>

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, 2017

	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	\$145,900	\$160,520	\$14,620	\$108,800	\$131,419	\$22,619
Charges for services		5,000	5,000			
Use of money and property		7,813	7,813		3,494	3,494
Total Revenues	<u>145,900</u>	<u>173,333</u>	<u>27,433</u>	<u>108,800</u>	<u>134,913</u>	<u>26,113</u>
EXPENDITURES						
Current:						
Public works	<u>127,600</u>	<u>77,064</u>	<u>50,536</u>	<u>169,100</u>	<u>100,816</u>	<u>68,284</u>
Total Expenditures	<u>127,600</u>	<u>77,064</u>	<u>50,536</u>	<u>169,100</u>	<u>100,816</u>	<u>68,284</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>18,300</u>	<u>96,269</u>	<u>77,969</u>	<u>(60,300)</u>	<u>34,097</u>	<u>94,397</u>
NET CHANGE IN FUND BALANCES	18,300	96,269	77,969	(60,300)	34,097	94,397
BEGINNING FUND BALANCES	<u>686,817</u>	<u>686,817</u>		<u>297,004</u>	<u>297,004</u>	
ENDING FUND BALANCES	<u><u>\$705,117</u></u>	<u><u>\$783,086</u></u>	<u><u>\$77,969</u></u>	<u><u>\$236,704</u></u>	<u><u>\$331,101</u></u>	<u><u>\$94,397</u></u>

Transit Related Service Area Zone 2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$443,300	\$479,500	\$36,200	\$698,000	\$771,439	\$73,439
	31,644	31,644		5,000	5,000
				42,951	42,951
<u>443,300</u>	<u>511,144</u>	<u>67,844</u>	<u>698,000</u>	<u>819,390</u>	<u>121,390</u>
<u>493,800</u>	<u>403,321</u>	<u>90,479</u>	<u>790,500</u>	<u>581,201</u>	<u>209,299</u>
<u>493,800</u>	<u>403,321</u>	<u>90,479</u>	<u>790,500</u>	<u>581,201</u>	<u>209,299</u>
<u>(50,500)</u>	<u>107,823</u>	<u>158,323</u>	<u>(92,500)</u>	<u>238,189</u>	<u>330,689</u>
<u>(50,500)</u>	<u>107,823</u>	<u>158,323</u>	<u>(92,500)</u>	<u>238,189</u>	<u>330,689</u>
<u>2,877,670</u>	<u>2,877,670</u>		<u>3,174,674</u>	<u>3,861,491</u>	<u>686,817</u>
<u>\$2,827,170</u>	<u>\$2,985,493</u>	<u>\$158,323</u>	<u>\$3,082,174</u>	<u>\$4,099,680</u>	<u>\$1,017,506</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
ROAD MAINTENANCE SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Road Maintenance Assessment District Fund	Road Maintenance CFD 2008-1 Fund	Road Maintenance CFD 2014-2 Fund	Total Road Maintenance Special Revenue Funds
<b>ASSETS</b>				
Cash and investments	\$3,098,527	\$303,968		\$3,402,495
Receivables:				
Interest	1,306	216	\$22	1,544
Due from other government agencies	528		39	567
Total Assets	<u>\$3,100,361</u>	<u>\$304,184</u>	<u>\$61</u>	<u>\$3,404,606</u>
<b>LIABILITIES</b>				
Accounts payable	\$11,920			\$11,920
Due to other funds			\$9,807	9,807
Total Liabilities	<u>11,920</u>		<u>9,807</u>	<u>21,727</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	<u>3,088,441</u>	<u>\$304,184</u>	<u>(9,746)</u>	<u>3,382,879</u>
Total Fund Balances	<u>3,088,441</u>	<u>304,184</u>	<u>(9,746)</u>	<u>3,382,879</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$3,100,361</u>	<u>\$304,184</u>	<u>\$61</u>	<u>\$3,404,606</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, 2017

	Road Maintenance Assessment District Fund	Road Maintenance CFD 2008-1 Fund	Road Maintenance CFD 2014-2 Fund	Total Road Maintenance Special Revenue Funds
<b>REVENUES</b>				
Property taxes	\$283,419	\$57,763	\$7,406	\$348,588
Charges for services		22,000	7,000	29,000
Use of money and property	31,221	2,792	22	34,035
<b>Total Revenues</b>	<b>314,640</b>	<b>82,555</b>	<b>14,428</b>	<b>411,623</b>
<b>EXPENDITURES</b>				
Current:				
Public works	58,542	14,782	10,409	83,733
<b>Total Expenditures</b>	<b>58,542</b>	<b>14,782</b>	<b>10,409</b>	<b>83,733</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>256,098</b>	<b>67,773</b>	<b>4,019</b>	<b>327,890</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>256,098</b>	<b>67,773</b>	<b>4,019</b>	<b>327,890</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>	<b>2,832,343</b>	<b>236,411</b>	<b>(13,765)</b>	<b>3,054,989</b>
<b>ENDING FUND BALANCES (DEFICITS)</b>	<b>\$3,088,441</b>	<b>\$304,184</b>	<b>(\$9,746)</b>	<b>\$3,382,879</b>

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, 2017

	Road Maintenance Assessment District Fund			Road Maintenance CFD 2008-1 Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$299,300	\$283,419	(\$15,881)	\$60,800	\$57,763	(\$3,037)
Charges for services					22,000	22,000
Use of money and property		31,221	31,221		2,792	2,792
Total Revenues	<u>299,300</u>	<u>314,640</u>	<u>15,340</u>	<u>60,800</u>	<u>82,555</u>	<u>21,755</u>
EXPENDITURES						
Current:						
Public works	78,800	58,542	20,258	112,000	14,782	97,218
Total Expenditures	<u>78,800</u>	<u>58,542</u>	<u>20,258</u>	<u>112,000</u>	<u>14,782</u>	<u>97,218</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>220,500</u>	<u>256,098</u>	<u>35,598</u>	<u>(51,200)</u>	<u>67,773</u>	<u>118,973</u>
NET CHANGE IN FUND BALANCES	220,500	256,098	35,598	(51,200)	67,773	118,973
BEGINNING FUND BALANCES (DEFICITS)	<u>2,832,343</u>	<u>2,832,343</u>		<u>236,411</u>	<u>236,411</u>	
ENDING FUND BALANCES (DEFICITS)	<u>\$3,052,843</u>	<u>\$3,088,441</u>	<u>\$35,598</u>	<u>\$185,211</u>	<u>\$304,184</u>	<u>\$118,973</u>

Road Maintenance CFD 2014-2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$26,500	\$7,406	(\$19,094)	\$386,600	\$348,588	(\$38,012)
	7,000	7,000		29,000	29,000
	22	22		34,035	34,035
<u>26,500</u>	<u>14,428</u>	<u>(12,072)</u>	<u>386,600</u>	<u>411,623</u>	<u>25,023</u>
<u>17,999</u>	<u>10,409</u>	<u>7,590</u>	<u>208,799</u>	<u>83,733</u>	<u>125,066</u>
<u>17,999</u>	<u>10,409</u>	<u>7,590</u>	<u>208,799</u>	<u>83,733</u>	<u>125,066</u>
<u>8,501</u>	<u>4,019</u>	<u>(4,482)</u>	<u>177,801</u>	<u>327,890</u>	<u>150,089</u>
8,501	4,019	(4,482)	177,801	327,890	150,089
<u>(13,765)</u>	<u>(13,765)</u>		<u>222,646</u>	<u>3,054,989</u>	<u>2,832,343</u>
<u>(\$5,264)</u>	<u>(\$9,746)</u>	<u>(\$4,482)</u>	<u>\$400,447</u>	<u>\$3,382,879</u>	<u>\$2,982,432</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
LANDSCAPE AND LIGHTING SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	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
<b>ASSETS</b>				
Cash and investments	\$271,978	\$418,416	\$157,010	\$847,404
Receivables:				
Interest	307	1,099	217	1,623
Due from other government agencies	675	6,376	173	7,224
<b>Total Assets</b>	<b>\$272,960</b>	<b>\$425,891</b>	<b>\$157,400</b>	<b>\$856,251</b>
<b>LIABILITIES</b>				
Accounts payable	\$16,814	\$36,625	\$1,788	\$55,227
<b>Total Liabilities</b>	<b>16,814</b>	<b>36,625</b>	<b>1,788</b>	<b>55,227</b>
<b>FUND BALANCES</b>				
Restricted	256,146	389,266	155,612	801,024
<b>Total Fund Balances</b>	<b>256,146</b>	<b>389,266</b>	<b>155,612</b>	<b>801,024</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$272,960</b>	<b>\$425,891</b>	<b>\$157,400</b>	<b>\$856,251</b>

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, 2017

	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
<b>REVENUES</b>				
Property taxes	\$91,317	\$357,189	\$66,007	\$514,513
Use of money and property	3,041	5,318	1,506	9,865
<b>Total Revenues</b>	<b>94,358</b>	<b>362,507</b>	<b>67,513</b>	<b>524,378</b>
<b>EXPENDITURES</b>				
Current:				
Public works	109,622	288,294	34,536	432,452
Debt service:				
Principal		123,568		123,568
Interest and fiscal charges		15,366		15,366
<b>Total Expenditures</b>	<b>109,622</b>	<b>427,228</b>	<b>34,536</b>	<b>571,386</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,264)</b>	<b>(64,721)</b>	<b>32,977</b>	<b>(47,008)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(15,264)</b>	<b>(64,721)</b>	<b>32,977</b>	<b>(47,008)</b>
<b>BEGINNING FUND BALANCES</b>	<b>271,410</b>	<b>453,987</b>	<b>122,635</b>	<b>848,032</b>
<b>ENDING FUND BALANCES</b>	<b>\$256,146</b>	<b>\$389,266</b>	<b>\$155,612</b>	<b>\$801,024</b>

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, 2017

	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	\$91,600	\$91,317	(\$283)	\$357,100	\$357,189	\$89
Use of money and property		3,041	3,041		5,318	5,318
Total Revenues	<u>91,600</u>	<u>94,358</u>	<u>2,758</u>	<u>357,100</u>	<u>362,507</u>	<u>5,407</u>
EXPENDITURES						
Current:						
Public works	119,500	109,622	9,878	334,100	288,294	45,806
Debt service:						
Principal				123,600	123,568	32
Interest and fiscal charges				15,400	15,366	34
Total Expenditures	<u>119,500</u>	<u>109,622</u>	<u>9,878</u>	<u>473,100</u>	<u>427,228</u>	<u>45,872</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,900)</u>	<u>(15,264)</u>	<u>12,636</u>	<u>(116,000)</u>	<u>(64,721)</u>	<u>51,279</u>
NET CHANGE IN FUND BALANCES	(27,900)	(15,264)	12,636	(116,000)	(64,721)	51,279
BEGINNING FUND BALANCES	<u>271,410</u>	<u>271,410</u>		<u>453,987</u>	<u>453,987</u>	
ENDING FUND BALANCES	<u><u>\$243,510</u></u>	<u><u>\$256,146</u></u>	<u><u>\$12,636</u></u>	<u><u>\$337,987</u></u>	<u><u>\$389,266</u></u>	<u><u>\$51,279</u></u>

Landscape and Lighting District CFD 2005-2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$47,800	\$66,007	\$18,207	\$496,500	\$514,513	\$18,013
	1,506	1,506		9,865	9,865
47,800	67,513	19,713	496,500	524,378	27,878
27,300	34,536	(7,236)	480,900	432,452	48,448
			123,600	123,568	32
			15,400	15,366	34
27,300	34,536	(7,236)	619,900	571,386	48,514
20,500	32,977	12,477	(123,400)	(47,008)	76,392
20,500	32,977	12,477	(123,400)	(47,008)	76,392
122,635	122,635		576,622	848,032	271,410
\$143,135	\$155,612	\$12,477	\$453,222	\$801,024	\$347,802

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
MEASURE A SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
<b>ASSETS</b>				
Cash and investments	\$1,752	\$3,974,113	\$1,546,882	\$5,522,747
Receivables:				
Interest		533	235	768
Due from other government agencies			184,324	184,324
Total Assets	<u>\$1,752</u>	<u>\$3,974,646</u>	<u>\$1,731,441</u>	<u>\$5,707,839</u>
<b>LIABILITIES</b>				
Accounts payable		\$167,847	\$84,233	\$252,080
Total Liabilities		<u>167,847</u>	<u>84,233</u>	<u>252,080</u>
<b>FUND BALANCES</b>				
Restricted	\$1,752	3,806,799	1,647,208	5,455,759
Total Fund Balances	<u>1,752</u>	<u>3,806,799</u>	<u>1,647,208</u>	<u>5,455,759</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,752</u>	<u>\$3,974,646</u>	<u>\$1,731,441</u>	<u>\$5,707,839</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, 2017

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
<b>REVENUES</b>				
Charges for services		\$49,313		\$49,313
Intergovernmental	\$35,096	1,758,603	\$1,084,079	2,877,778
Use of money and property		37,027	15,139	52,166
<b>Total Revenues</b>	<b>35,096</b>	<b>1,844,943</b>	<b>1,099,218</b>	<b>2,979,257</b>
<b>EXPENDITURES</b>				
Current:				
Public works		680,663	135,020	815,683
Capital outlay	35,362	589,184	754,064	1,378,610
<b>Total Expenditures</b>	<b>35,362</b>	<b>1,269,847</b>	<b>889,084</b>	<b>2,194,293</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(266)</b>	<b>575,096</b>	<b>210,134</b>	<b>784,964</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(266)</b>	<b>575,096</b>	<b>210,134</b>	<b>784,964</b>
<b>BEGINNING FUND BALANCES</b>	<b>2,018</b>	<b>3,231,703</b>	<b>1,437,074</b>	<b>4,670,795</b>
<b>ENDING FUND BALANCES</b>	<b>\$1,752</b>	<b>\$3,806,799</b>	<b>\$1,647,208</b>	<b>\$5,455,759</b>

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, 2017

	Measure A Construction Fund			New Measure A Maintenance Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental		\$35,096	\$35,096	\$1,607,700	\$1,758,603	\$150,903
Charges for services					49,313	49,313
Use of money and property					37,027	37,027
Total Revenues		<u>35,096</u>	<u>35,096</u>	<u>1,607,700</u>	<u>1,844,943</u>	<u>237,243</u>
EXPENDITURES						
Current:						
Public works				1,674,300	680,663	993,637
Capital outlay	\$40,000	35,362	4,638		589,184	(589,184)
Total Expenditures	<u>40,000</u>	<u>35,362</u>	<u>4,638</u>	<u>1,674,300</u>	<u>1,269,847</u>	<u>404,453</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(40,000)</u>	<u>(266)</u>	<u>30,458</u>	<u>(66,600)</u>	<u>575,096</u>	<u>(167,210)</u>
NET CHANGE IN FUND BALANCES	(40,000)	(266)	30,458	(66,600)	575,096	(167,210)
BEGINNING FUND BALANCES	<u>2,018</u>	<u>2,018</u>		<u>3,231,703</u>	<u>3,231,703</u>	
ENDING FUND BALANCES	<u>(\$37,982)</u>	<u>\$1,752</u>	<u>\$30,458</u>	<u>\$3,165,103</u>	<u>\$3,806,799</u>	<u>(\$167,210)</u>

New Measure A Construction Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$3,120,100	\$1,084,079	(\$2,036,021)	\$4,727,800	\$2,877,778	(\$1,850,022)
	15,139	15,139		49,313	49,313
				52,166	52,166
<u>3,120,100</u>	<u>1,099,218</u>	<u>(2,020,882)</u>	<u>4,727,800</u>	<u>2,979,257</u>	<u>(1,748,543)</u>
175,000	135,020	39,980	1,849,300	815,683	1,033,617
<u>2,944,800</u>	<u>754,064</u>	<u>2,190,736</u>	<u>2,984,800</u>	<u>1,378,610</u>	<u>1,606,190</u>
<u>3,119,800</u>	<u>889,084</u>	<u>2,230,716</u>	<u>4,834,100</u>	<u>2,194,293</u>	<u>2,639,807</u>
300	210,134	209,834	(106,300)	784,964	891,264
300	210,134	209,834	(106,300)	784,964	891,264
<u>1,437,074</u>	<u>1,437,074</u>		<u>4,670,795</u>	<u>4,670,795</u>	
<u>\$1,437,374</u>	<u>\$1,647,208</u>	<u>\$209,834</u>	<u>\$4,564,495</u>	<u>\$5,455,759</u>	<u>\$891,264</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING BALANCE SHEET  
CAPITAL OUTLAY CAPITAL PROJECTS FUNDS  
JUNE 30, 2017

	<u>Capital Facilities</u>	<u>Infrastructure Repair and Replacement</u>	<u>Enhancement and Replacement</u>
<b>ASSETS</b>			
Cash and investments	\$3,406,073	\$1,686,063	\$237,254
Receivables:			
Interest	<u>502</u>	<u>256</u>	<u>37</u>
Total Assets	<u><u>\$3,406,575</u></u>	<u><u>\$1,686,319</u></u>	<u><u>\$237,291</u></u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$47,379</u>	<u>\$516,936</u>	
Total Liabilities	<u>47,379</u>	<u>516,936</u>	
<b>FUND BALANCES</b>			
Restricted	<u>3,359,196</u>	<u>1,169,383</u>	<u>\$237,291</u>
Total Fund Balances	<u>3,359,196</u>	<u>1,169,383</u>	<u>237,291</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$3,406,575</u></u>	<u><u>\$1,686,319</u></u>	<u><u>\$237,291</u></u>

<u>Community Enhancement</u>	<u>Total Capital Projects Special Revenue Fund</u>
\$4,688,389	\$10,017,779
<u>584</u>	<u>1,379</u>
<u>\$4,688,973</u>	<u>\$10,019,158</u>
	<u>\$564,315</u>
	<u>564,315</u>
<u>\$4,688,973</u>	<u>9,454,843</u>
<u>4,688,973</u>	<u>9,454,843</u>
<u>\$4,688,973</u>	<u>\$10,019,158</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, 2017

	<u>Capital Facilities</u>	<u>Infrastructure Repair and Replacement</u>	<u>Enhancement and Replacement</u>
REVENUES			
Use of money and property	\$42,964	\$18,839	\$2,493
Total Revenues	<u>42,964</u>	<u>18,839</u>	<u>2,493</u>
EXPENDITURES			
Capital outlay	2,087,039	1,032,904	
Total Expenditures	<u>2,087,039</u>	<u>1,032,904</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,044,075)</u>	<u>(1,014,065)</u>	<u>2,493</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	155,557	77,779	
Total Other Financing Sources (Uses)	<u>155,557</u>	<u>77,779</u>	
NET CHANGE IN FUND BALANCES	(1,888,518)	(936,286)	2,493
BEGINNING FUND BALANCES	<u>5,247,714</u>	<u>2,105,669</u>	<u>234,798</u>
ENDING FUND BALANCES	<u><u>\$3,359,196</u></u>	<u><u>\$1,169,383</u></u>	<u><u>\$237,291</u></u>

<u>Community Enhancement</u>	<u>Total Capital Projects Special Revenue Fund</u>
<u>\$28,550</u>	<u>\$92,846</u>
<u>28,550</u>	<u>92,846</u>
	<u>3,119,943</u>
	<u>3,119,943</u>
<u>28,550</u>	<u>(3,027,097)</u>
<u>901,549</u>	<u>1,134,885</u>
<u>901,549</u>	<u>1,134,885</u>
930,099	(1,892,212)
<u>3,758,874</u>	<u>11,347,055</u>
<u><u>\$4,688,973</u></u>	<u><u>\$9,454,843</u></u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING STATEMENT OF NET POSITION  
KILGORE CEMETERY PROPRIETARY FUND  
JUNE 30, 2017

	<u>Kilgore Cemetery Fund</u>	<u>Kilgore Cemetery Endowment Care Fund</u>	<u>Total Kilgore Cemetery Proprietary Fund</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments		\$21,690	\$21,690
Receivables:			
Interest		3	3
Total current assets	21,693	21,693	21,693
Noncurrent assets:			
Capital assets:			
Nondepreciable	\$225,000		225,000
Depreciable, net	1,220,683		1,220,683
Total noncurrent assets	1,445,683		1,445,683
Total Assets	1,445,683	21,693	1,467,376
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,286		8,286
Total current liabilities	8,286		8,286
Total liabilities	8,286		8,286
<b>NET POSITION</b>			
Net investment in capital assets	1,445,683		1,445,683
Unrestricted	(8,286)	21,693	13,407
Total Net Position	\$1,437,397	\$21,693	\$1,459,090

CITY OF RANCHO CORDOVA  
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
KILGORE CEMETERY PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Kilgore Cemetery Fund	Kilgore Cemetery Endowment Care Fund	Total Kilgore Cemetery Proprietary Fund
<b>OPERATING REVENUES</b>			
Service charges	\$10,650		\$10,650
Other		\$2,000	2,000
<b>Total Operating Revenues</b>	<b>10,650</b>	<b>2,000</b>	<b>12,650</b>
<b>OPERATING EXPENSES</b>			
Administration	38,983		38,983
Depreciation	38,574		38,574
<b>Total Operating Expenses</b>	<b>77,557</b>		<b>77,557</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income		202	202
<b>Total Nonoperating Revenues (Expenses)</b>		<b>202</b>	<b>202</b>
<b>Income (Loss) Before Transfers</b>	<b>(66,907)</b>	<b>2,202</b>	<b>(64,705)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	25,070		25,070
<b>Total Other Financing Sources (Uses)</b>	<b>25,070</b>		<b>25,070</b>
<b>NET CHANGE IN NET POSITION</b>	<b>(41,837)</b>	<b>2,202</b>	<b>(39,635)</b>
<b>BEGINNING NET POSITION, AS RESTATED</b>	<b>1,479,234</b>	<b>19,491</b>	<b>1,498,725</b>
<b>ENDING NET POSITION</b>	<b>\$1,437,397</b>	<b>\$21,693</b>	<b>\$1,459,090</b>

CITY OF RANCHO CORDOVA  
SUBCOMBINING STATEMENT OF NET POSITION  
STORM DRAIN PROPRIETARY FUND  
JUNE 30, 2017

	<u>Storm Drain I Fund</u>	<u>Storm Drain II Fund</u>	<u>Total Storm Drain Proprietary Fund</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$10,296,827	\$49,693	\$10,346,520
Receivables:			
Interest	4,274	8	4,282
Due from other government agencies	<u>259,862</u>	<u>2,445</u>	<u>262,307</u>
Total current assets	<u>10,560,963</u>	<u>52,146</u>	<u>10,613,109</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable			
Depreciable, net	<u>148,878,349</u>	<u>1,573,194</u>	<u>150,451,543</u>
Total noncurrent assets	<u>148,878,349</u>	<u>1,573,194</u>	<u>150,451,543</u>
Total Assets	<u>159,439,312</u>	<u>1,625,340</u>	<u>161,064,652</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	<u>155,624</u>	<u></u>	<u>155,624</u>
Total current liabilities	<u>155,624</u>	<u></u>	<u>155,624</u>
Total liabilities	<u>155,624</u>	<u></u>	<u>155,624</u>
<b>NET POSITION</b>			
Net investment in capital assets	148,878,349	1,573,194	150,451,543
Unrestricted	<u>10,405,339</u>	<u>52,146</u>	<u>10,457,485</u>
Total Net Position	<u>\$159,283,688</u>	<u>\$1,625,340</u>	<u>\$160,909,028</u>

CITY OF RANCHO CORDOVA  
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
STORM DRAIN PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Storm Drain I Fund	Storm Drain II Fund	Total Storm Drain Proprietary Fund
OPERATING REVENUES			
Service charges	\$3,002,195	\$33,168	\$3,035,363
Other	16,029	28,000	44,029
Total Operating Revenues	<u>3,018,224</u>	<u>61,168</u>	<u>3,079,392</u>
OPERATING EXPENSES			
Administration	3,129,976	19,984	3,149,960
Depreciation	6,376,935	41,140	6,418,075
Total Operating Expenses	<u>9,506,911</u>	<u>61,124</u>	<u>9,568,035</u>
Operating Income (Loss)	<u>(6,488,687)</u>	<u>44</u>	<u>(6,488,643)</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes	764,688		764,688
Intergovernmental	500,189		500,189
Other taxes	8,402		8,402
Interest income	94,497	166	94,663
Total Nonoperating Revenues (Expenses)	<u>1,367,776</u>	<u>166</u>	<u>1,367,942</u>
Income (Loss) Before Transfers	<u>(5,120,911)</u>	<u>210</u>	<u>(5,120,701)</u>
OTHER FINANCING SOURCES (USES)			
Capital contributions	1,355,579	395,096	1,750,675
Total Other Financing Sources (Uses)	<u>1,355,579</u>	<u>395,096</u>	<u>1,750,675</u>
NET CHANGE IN NET POSITION	(3,765,332)	395,306	(3,370,026)
BEGINNING NET POSITION	<u>163,049,020</u>	<u>1,230,034</u>	<u>164,279,054</u>
ENDING NET POSITION	<u><u>\$159,283,688</u></u>	<u><u>\$1,625,340</u></u>	<u><u>\$160,909,028</u></u>

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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, 2017

	Insurance	Vehicle & Equipment Replacement	Total
ASSETS			
Current assets:			
Cash and investments	\$433,257	\$404,689	\$837,946
Receivables:			
Interest	67	59	126
Total current assets	433,324	404,748	838,072
Noncurrent assets:			
Capital assets:			
Depreciable, net		23,392	23,392
Total noncurrent assets		23,392	23,392
Total Assets	433,324	428,140	861,464
NET POSITION			
Net investment in capital assets		23,392	23,392
Unrestricted	433,324	404,748	838,072
Total Net Position	\$433,324	\$428,140	\$861,464

CITY OF RANCHO CORDOVA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Insurance</u>	<u>Vehicle &amp; Equipment Replacement</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Other		\$23,392	\$23,392
Total Operating Revenues		23,392	23,392
<b>OPERATING EXPENSES</b>			
Administration	\$6,304		6,304
Depreciation		23,392	23,392
Total Operating Expenses	6,304	23,392	29,696
Operating Income (Loss)	(6,304)		(6,304)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	4,607	3,947	8,554
Total Nonoperating Revenues	4,607	3,947	8,554
Change in Net Position	(1,697)	3,947	2,250
<b>BEGINNING NET POSITION</b>	<u>435,021</u>	<u>424,193</u>	<u>859,214</u>
<b>ENDING NET POSITION</b>	<u>\$433,324</u>	<u>\$428,140</u>	<u>\$861,464</u>

CITY OF RANCHO CORDOVA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Insurance</u>	<u>Vehicle &amp; Equipment Replacement</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Reimbursements from suppliers		\$23,392	\$23,392
Payments to suppliers	(\$6,304)		(6,304)
	<u>(6,304)</u>	<u>23,392</u>	<u>17,088</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest	4,578	3,919	8,497
	<u>4,578</u>	<u>3,919</u>	<u>8,497</u>
Cash Flows from Investing Activities	<u>4,578</u>	<u>3,919</u>	<u>8,497</u>
Net Cash Flows	(1,726)	27,311	25,585
Cash and investments at beginning of period	<u>434,983</u>	<u>377,378</u>	<u>812,361</u>
Cash and investments at end of period	<u>\$433,257</u>	<u>\$404,689</u>	<u>\$837,946</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>			
Operating income (loss)	(\$6,304)		(\$6,304)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation		\$23,392	23,392
	<u>(6,304)</u>	<u>\$23,392</u>	<u>\$17,088</u>
Cash Flows from (Used by) Operating Activities	<u>(6,304)</u>	<u>\$23,392</u>	<u>\$17,088</u>

<b>AGENCY FUNDS</b>
---------------------

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, 2017

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
<u>Sunridge Anatolia CFD 2003-1</u>				
Cash and investments	\$4,681,582	\$4,770,369	\$5,080,385	\$4,371,566
Restricted cash and investments	6,509,262	1,379,488		7,888,750
Due from other governmental agencies	82,609	30,945		113,554
Interest receivable	3,431	10,783		14,214
Total Assets	<u>\$11,276,884</u>	<u>\$6,191,585</u>	<u>\$5,080,385</u>	<u>\$12,388,084</u>
Accounts payable	\$536,256		\$536,256	
Due to assessment district bondholders	10,740,628	\$6,191,585	4,544,129	\$12,388,084
Total Liabilities	<u>\$11,276,884</u>	<u>\$6,191,585</u>	<u>\$5,080,385</u>	<u>\$12,388,084</u>
<u>Sunridge Park CFD 2004-1</u>				
Cash and investments	\$3,784,234		\$5,551	\$3,778,683
Restricted cash and investments	4,421,153		3,099,583	1,321,570
Due from other governmental agencies	10,190		1,714	8,476
Interest receivable	1,451	\$3,255		4,706
Total Assets	<u>\$8,217,028</u>	<u>\$3,255</u>	<u>\$3,106,848</u>	<u>\$5,113,435</u>
Due to assessment district bondholders	\$8,217,028	\$3,255	\$3,106,848	\$5,113,435
Total Liabilities	<u>\$8,217,028</u>	<u>\$3,255</u>	<u>\$3,106,848</u>	<u>\$5,113,435</u>
<u>Sunridge North Douglas CFD 2005-1</u>				
Cash and investments	\$890,925	\$539,153		\$1,430,078
Restricted cash and investments	3,453,496		\$1,534,009	1,919,487
Due from other governmental agencies	920	1,735		2,655
Interest receivable	985	2,652		3,637
Total Assets	<u>\$4,346,326</u>	<u>\$543,540</u>	<u>\$1,534,009</u>	<u>\$3,355,857</u>
Accounts payable		\$13,000		\$13,000
Deposits payable		37,000		37,000
Due to other agencies	\$4,346,326	493,540	\$1,534,009	3,305,857
Total Liabilities	<u>\$4,346,326</u>	<u>\$543,540</u>	<u>\$1,534,009</u>	<u>\$3,355,857</u>

(Continued)

CITY OF RANCHO CORDOVA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
<u>Montelena CFD</u>				
Cash and investments				
Interest receivable				
Total Assets				
Deposits				
Due to other agencies				
Total Liabilities				
<u>Sunrise Douglas Park Fund</u>				
Cash and investments	\$7,177,285	\$875,087	\$6,136,639	\$1,915,733
Accounts receivable		157,877		157,877
Interest receivable	625	275,082	275,412	295
Total Assets	<u>\$7,177,910</u>	<u>\$1,308,046</u>	<u>\$6,412,051</u>	<u>\$2,073,905</u>
Accounts payable	\$31,636	\$875,087		\$906,723
Deposits payable		275,082		275,082
Due to other agencies	7,146,274	157,877	\$6,412,051	892,100
Total Liabilities	<u>\$7,177,910</u>	<u>\$1,308,046</u>	<u>\$6,412,051</u>	<u>\$2,073,905</u>
<u>Total Agency Funds</u>				
Cash and investments	\$16,534,026	\$6,184,609	\$11,222,575	\$11,496,060
Restricted cash and investments with fiscal agents	14,383,911	1,379,488	4,633,592	11,129,807
Accounts receivable		157,877		157,877
Interest receivable	6,492	291,772	275,412	22,852
Due from other governmental agencies	93,719	32,680	1,714	124,685
Total Assets	<u>\$31,018,148</u>	<u>\$8,046,426</u>	<u>\$16,133,293</u>	<u>\$22,931,281</u>
Accounts payable	\$567,892	\$888,087	\$536,256	\$919,723
Deposits payable		312,082		312,082
Due to assessment district bondholders	18,957,656	6,194,840	7,650,977	17,501,519
Due to other agencies	11,492,600	651,417	7,946,060	4,197,957
Total Liabilities	<u>\$31,018,148</u>	<u>\$8,046,426</u>	<u>\$16,133,293</u>	<u>\$22,931,281</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.

**City of Rancho Cordova, California**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Accrual basis of accounting)**

	2008	2009	2010	2011
<b>Governmental activities</b>				
In capital assets	\$ 242,668,370	\$ 265,248,656	\$ 272,812,541	\$ 284,145,506
Restricted	66,637,771	67,519,112	59,207,574	56,953,066
Unrestricted	19,262,027	25,297,053	28,260,267	29,934,891
Total governmental activities net position	<u>328,568,168</u>	<u>358,064,821</u>	<u>360,280,382</u>	<u>371,033,463</u>
<b>Business-type activities</b>				
In capital assets	1,470,806	1,489,554	1,477,013	1,502,122
Restricted	-	-	-	-
Unrestricted	(1,345,183)	(1,401,825)	(1,471,042)	(1,570,040)
Total business-type activities net position	<u>125,623</u>	<u>87,729</u>	<u>5,971</u>	<u>(67,918)</u>
<b>Primary government</b>				
In capital assets	244,139,176	266,738,210	274,289,554	285,647,628
Restricted	66,637,771	67,519,112	59,207,574	56,953,066
Unrestricted	17,916,844	23,895,228	26,789,225	28,364,851
Total primary government net position	<u>\$ 328,693,791</u>	<u>\$ 358,152,550</u>	<u>\$ 360,286,353</u>	<u>\$ 370,965,545</u>

Source: Annual financial reports

2012	2013	2014	2015	2016	2017
\$ 291,926,279	\$ 320,087,426	\$ 313,935,860	\$ 163,293,796	\$ 167,038,901	\$ 178,823,342
62,607,924	64,124,648	65,172,962	67,232,596	75,522,853	82,302,253
24,692,937	28,612,663	29,430,909	32,724,621	41,031,135	39,760,351
<u>379,227,140</u>	<u>412,824,737</u>	<u>408,539,731</u>	<u>263,251,013</u>	<u>283,592,889</u>	<u>300,885,946</u>
1,472,178	1,442,253	1,412,328	161,907,927	156,774,648	151,897,226
-	-	-	-	-	-
(1,592,398)	(1,622,508)	(1,455,770)	4,777,076	9,174,680	10,470,892
<u>(120,220)</u>	<u>(180,255)</u>	<u>(43,442)</u>	<u>166,685,003</u>	<u>165,949,328</u>	<u>162,368,118</u>
293,398,457	321,529,679	315,348,188	325,201,723	323,813,549	330,720,568
62,607,924	64,124,648	65,172,962	67,232,596	75,522,853	82,302,253
23,100,539	26,990,155	27,975,139	37,501,697	50,205,815	50,231,243
<u>\$ 379,106,920</u>	<u>\$ 412,644,482</u>	<u>\$ 408,496,289</u>	<u>\$ 429,936,016</u>	<u>\$ 449,542,217</u>	<u>\$ 463,254,064</u>

City of Rancho Cordova, California  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Accrual basis of accounting)**

<b>Expenses</b>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:				
General government	\$ 28,454,471	\$ 23,835,036	\$ 23,975,190	\$ 31,391,098
Community Development	7,353,683	6,972,540	6,139,788	5,948,790
Public Safety	15,614,787	16,027,526	15,288,923	15,310,983
Public Works	4,950,568	9,797,172	5,781,813	4,955,151
Interest on long term debt	1,563,374	1,439,074	1,384,583	1,584,644
Total governmental activities expenses	<u>57,936,883</u>	<u>58,071,348</u>	<u>52,570,297</u>	<u>59,190,666</u>
Business-type activities:				
Cemetery	71,680	86,381	89,905	80,919
Storm Drain	-	-	-	-
Total business-type activities expenses	<u>71,680</u>	<u>86,381</u>	<u>89,905</u>	<u>80,919</u>
Total primary government expenses	<u>58,008,563</u>	<u>58,157,729</u>	<u>52,660,202</u>	<u>59,271,585</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	12,500,088	1,101,483	723,545	981,611
Community Development	3,555,238	2,997,656	2,800,846	3,137,047
Public Safety	878,827	1,560,634	2,054,171	2,166,447
Public Works	5,651,648	3,485,309	3,590,042	3,568,562
Operating grants and contributions	3,578,050	8,976,488	8,816,551	5,543,162
Capital grants and contributions	9,461,811	34,079,529	11,145,048	21,104,022
Total governmental activities program revenues	<u>35,625,662</u>	<u>52,201,099</u>	<u>29,130,203</u>	<u>36,500,851</u>
Business-type activities:				
Charges for services		48,277	8,000	6,850
Cemetery				
Storm Drain				
Capital grants and contributions	-	-	-	-
Cemetery				
Storm Drain	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>48,277</u>	<u>8,000</u>	<u>6,850</u>
Total primary government program revenues	<u>35,625,662</u>	<u>52,249,376</u>	<u>29,138,203</u>	<u>36,507,701</u>
<b>Net (expense)/revenue</b>				
Governmental activities	(22,311,221)	(5,870,249)	(23,440,094)	(22,689,815)
Business-type activities	<u>(71,680)</u>	<u>(38,104)</u>	<u>(81,905)</u>	<u>(74,069)</u>
Total primary government net (expense)/revenue	<u>\$ (22,382,901)</u>	<u>\$ (5,908,353)</u>	<u>\$ (23,521,999)</u>	<u>\$ (22,763,884)</u>

*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*

	2012	2013	2014	2015	2016	2017
\$	26,389,142	\$ 27,907,919	\$ 30,105,912	\$ 25,499,679	\$ 24,829,364	\$ 27,207,208
	7,627,192	5,452,232	6,200,258	8,195,273	7,212,179	7,952,283
	15,878,548	16,476,763	17,187,388	17,369,893	19,359,149	20,023,498
	9,911,194	8,276,583	11,280,959	8,779,342	6,998,987	10,348,139
	1,221,777	1,107,696	1,063,097	1,018,838	986,125	1,173,318
	<u>61,027,853</u>	<u>59,221,193</u>	<u>65,837,614</u>	<u>60,863,025</u>	<u>59,385,804</u>	<u>66,704,446</u>
	63,809	69,629	180,274	71,369	60,138	77,557
	-	-	-	9,209,502	8,332,800	9,568,035
	<u>63,809</u>	<u>69,629</u>	<u>180,274</u>	<u>9,280,871</u>	<u>8,392,938</u>	<u>9,645,592</u>
	<u>61,091,662</u>	<u>59,290,822</u>	<u>66,017,888</u>	<u>70,143,896</u>	<u>67,778,742</u>	<u>76,350,038</u>
	1,045,377	642,864	1,033,345	2,332,412	2,001,068	2,836,223
	2,607,312	3,149,670	2,917,407	2,894,914	3,503,993	3,623,019
	2,107,741	2,268,689	2,626,799	2,437,829	2,894,664	3,093,955
	3,787,812	3,722,318	4,037,491	4,331,040	5,303,775	6,807,073
	8,924,056	8,306,015	6,484,293	4,883,127	5,625,882	5,100,799
	17,600,808	40,963,959	8,525,538	8,897,303	14,671,133	18,063,239
	<u>36,073,106</u>	<u>59,053,515</u>	<u>25,624,873</u>	<u>25,776,625</u>	<u>34,000,515</u>	<u>39,524,308</u>
	11,400	9,500	4,700			
				69,519	94,613	12,650
				4,053,796	4,869,609	3,079,392
	-	-	-			
	-	-	-			
	<u>11,400</u>	<u>9,500</u>	<u>4,700</u>	<u>10,192,180</u>	<u>1,250,500</u>	<u>1,639,216</u>
	<u>36,084,506</u>	<u>59,063,015</u>	<u>25,629,573</u>	<u>40,092,120</u>	<u>40,215,237</u>	<u>44,255,566</u>
	(24,954,747)	(167,678)	(40,212,741)	(35,086,400)	(25,385,289)	(27,180,138)
	(52,409)	(60,129)	(175,574)	5,034,624	(2,178,216)	(4,914,334)
\$	<u>(25,007,156)</u>	<u>(227,807)</u>	<u>(40,388,315)</u>	<u>(30,051,776)</u>	<u>(27,563,505)</u>	<u>(32,094,472)</u>

City of Rancho Cordova, California  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Accrual basis of accounting)**

	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property	\$ 12,252,371	\$ 11,127,070	\$ 9,970,988	\$ 8,271,587	\$ 7,250,433
Sales and use	9,304,724	9,040,890	8,824,813	11,167,725	11,354,606
Transient occupancy	2,518,771	2,183,506	1,821,607	2,514,865	2,625,755
Utility users	1,930,878	1,953,249	2,177,275	2,712,564	3,380,600
Other	1,371,957	402,924	285,702	1,908,640	1,907,975
Franchise fees	-	1,213,596	1,359,669	-	-
Property taxes in lieu of vehicle license fees	5,118,290	5,097,792	4,881,275	4,823,953	5,012,950
Use of money and property	5,188,665	2,983,325	1,958,977	1,789,392	1,122,769
Other	-	-	-	-	-
Transfers and miscellaneous	6,621,970	1,364,550	828,474	254,170	227,747
Extraordinary item	-	-	-	-	265,589
Total governmental activities	<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>
Business-type activities:					
Property	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	-
Use of money and property	120	210	147	180	107
Transfers and miscellaneous	-	-	-	-	-
Total business-type activities	<u>120</u>	<u>210</u>	<u>147</u>	<u>180</u>	<u>107</u>
Total primary government	<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>
Special Item	-	-	-	-	-
<b>Change in Net Position</b>					
Governmental activities	21,996,405	29,496,653	8,668,686	10,753,081	8,193,677
Business-type activities	(71,560)	(37,894)	(81,758)	(73,889)	(52,302)
Total primary government	<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>

Source: Annual financial reports

2013	2014	2015	2016	2017
\$ 7,712,950	\$ 8,083,269	\$ 8,679,924	\$ 9,204,706	\$ 9,520,811
12,060,818	12,797,765	15,280,124	20,599,228	21,704,677
2,636,893	2,859,013	3,160,028	3,441,447	3,866,250
3,411,126	3,439,608	3,718,885	3,698,001	3,678,209
2,295,517	2,695,318	2,223,960	2,547,703	2,884,395
-	-	-	-	-
4,793,814	4,864,721	5,109,178	5,307,107	5,663,688
959,979	1,098,942	901,102	1,050,502	1,840,891
-	-	-	1,287,025	176,113
658,883	89,099	(161,237,086)	(1,408,554)	(136,529)
(144,949)	-	-	-	-
<u>34,385,031</u>	<u>35,927,735</u>	<u>(122,163,885)</u>	<u>45,727,165</u>	<u>49,198,505</u>
-	-	-	-	764,688
-	-	-	-	500,189
-	-	-	-	8,402
94	107	14,598	33,987	94,865
-	<u>312,280</u>	<u>161,679,223</u>	<u>1,408,554</u>	<u>136,529</u>
94	<u>312,387</u>	<u>161,693,821</u>	<u>1,442,541</u>	<u>1,504,673</u>
<u>34,385,125</u>	<u>36,240,122</u>	<u>39,529,936</u>	<u>47,169,706</u>	<u>50,703,178</u>
-	-	-	-	(4,725,310)
34,217,353	(4,285,006)	(157,250,285)	20,341,876	17,293,057
(60,035)	136,813	166,728,445	(735,675)	(3,409,661)
<u>\$ 34,157,318</u>	<u>\$ (4,148,193)</u>	<u>\$ 9,478,160</u>	<u>\$ 19,606,201</u>	<u>\$ 13,883,396</u>

**City of Rancho Cordova, California**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Modified accrual basis of accounting)**

	2008	2009	2010
General Fund			
Reserved	\$ 5,109,382	\$ 5,221,880	\$ 4,480,074
Unreserved, designated for economic uncertainty	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>12,292,739</u>	<u>11,884,585</u>	<u>12,108,482</u>
Nonspendable			
Unassigned			
Total General Fund	<u>\$ 26,821,838</u>	<u>\$ 27,155,504</u>	<u>\$ 26,637,595</u>
All Other Governmental Funds			
Reserved	\$ 3,161,629	\$ 3,618,585	\$ 3,721,515
Unreserved, designated for projects			1,615,007
Unreserved, reported in:			
Special Revenue Funds	59,277,713	59,627,221	52,130,207
Capital Projects Funds	<u>(828,103)</u>	<u>585,439</u>	<u>1,719,350</u>
Nonspendable			
Restricted			
Committed			
Unassigned			
Total All Other Governmental Funds	<u>\$ 61,611,239</u>	<u>\$ 63,831,245</u>	<u>\$ 59,186,079</u>

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

Source: Annual financial reports

2011	2012	2013	2014	2015	2016	2017
\$ 8,811,161	\$ 12,178,697	\$ 9,333,571	\$ 9,616,390	\$ 12,196,147	\$ 10,093,480	\$ 4,534,540
<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>	<u>20,162,440</u>	<u>25,799,156</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>	<u>\$ 30,255,920</u>	<u>\$ 30,333,696</u>
\$ 405,963	\$ -	\$ -	\$ -	\$ 3,450	\$ 316,581	\$ -
56,972,277	61,928,667	63,518,924	69,737,246	73,387,979	88,067,253	93,330,727
3,209,102	-	-	-	-	-	-
<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>	<u>(1,689,461)</u>	<u>(1,493,204)</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>	<u>\$ 86,694,373</u>	<u>\$ 91,837,523</u>

City of Rancho Cordova  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Fiscal year ended June 30)  
(Modified accrual basis of accounting)

	2008	2009	2010	2011
<b>Revenues</b>				
Taxes and assessments	\$ 32,140,342	\$ 31,795,690	\$ 30,133,667	\$ 31,763,342
Charges for services	5,443,068	4,215,834	3,078,720	3,918,943
Licenses, fees and permits	16,406,734	11,606,702	9,719,697	8,392,039
Fines and forfeitures	735,999	777,339	1,135,908	1,236,844
Intergovernmental	13,000,346	13,609,918	14,183,280	14,169,350
Use of money and property	5,095,186	3,135,499	1,927,424	1,750,334
Miscellaneous	1,581,394	353,094	575,108	477,040
Total revenues	<u>74,403,069</u>	<u>65,494,076</u>	<u>60,753,804</u>	<u>61,707,892</u>
<b>Expenditures</b>				
General government	20,729,058	15,117,347	13,780,896	14,868,621
Community Development	7,353,683	6,972,540	6,135,973	5,948,790
Public Safety	15,614,787	16,027,526	15,288,923	15,310,983
Public Works	4,950,568	4,689,463	3,970,479	4,938,302
Estimated reduction in fair value of land held for resale	-	-	-	-
Capital outlay	15,697,381	16,370,213	17,962,305	20,406,701
Debt service:				
Principal retirement	1,003,012	1,118,011	725,000	765,000
Interest and fiscal charges	1,528,116	1,414,494	1,354,950	1,555,863
Bond issuance costs	-	-	-	-
Total expenditures	<u>66,876,605</u>	<u>61,709,594</u>	<u>59,218,526</u>	<u>63,794,260</u>
Excess of revenues over (under) expenditures	<u>7,526,464</u>	<u>3,784,482</u>	<u>1,535,278</u>	<u>(2,086,368)</u>
<b>Other financing sources (uses)</b>				
Issuance of capital lease	-	-	-	55,365
Issuance of debt	-	-	-	-
Proceeds from issuance of refunding debt	-	-	-	-
Premium on refunding debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	18,212,921	22,288,975	24,838,370	26,720,749
Transfers out	(18,712,921)	(23,536,456)	(25,066,927)	(26,198,217)
Total other financing sources (uses)	<u>(500,000)</u>	<u>(1,247,481)</u>	<u>(228,557)</u>	<u>577,897</u>
Net change in fund balances before extraordinary/special item	-	-	-	-
Extraordinary/Special Item	-	-	-	-
Net Change in Fund Balance	<u>\$ 7,026,464</u>	<u>\$ 2,537,001</u>	<u>\$ 1,306,721</u>	<u>\$ (1,508,471)</u>
Debt services as a percentage of non-capital expenditures	5.2%	5.1%	5.1%	4.9%

Source: Annual financial reports

2012	2013	2014	2015	2016	2017
\$ 34,165,037	\$ 35,506,292	\$ 34,620,251	\$ 38,747,079	\$ 45,096,673	\$ 42,132,259
3,533,612	3,042,033	3,242,051	3,418,386	3,808,524	3,748,510
9,894,338	12,028,868	10,419,315	9,971,584	15,678,918	17,397,470
1,083,794	1,336,428	1,424,763	1,191,306	1,557,425	1,708,969
15,148,811	13,145,345	9,913,819	10,478,647	8,872,748	16,901,869
1,015,217	986,863	1,104,518	870,009	1,025,083	1,788,440
338,618	315,467	517,541	212,924	986,669	1,218,048
<u>65,179,427</u>	<u>66,361,296</u>	<u>61,242,258</u>	<u>64,889,935</u>	<u>77,026,040</u>	<u>84,895,565</u>
14,855,261	15,156,251	15,278,010	15,558,096	16,166,976	18,552,273
6,469,795	5,452,232	5,923,004	8,203,054	7,207,451	7,952,283
15,795,913	16,354,005	17,093,766	17,753,700	19,358,495	20,023,498
6,466,683	7,628,907	9,527,340	9,212,399	6,183,492	6,986,548
1,157,397	-	-	-	-	-
18,901,174	13,418,857	6,491,784	9,171,682	8,559,341	18,175,004
815,025	850,445	896,017	941,621	1,413,271	123,568
1,193,725	1,107,653	1,063,960	1,020,631	1,011,649	974,695
-	-	-	-	-	-
<u>65,654,973</u>	<u>59,968,350</u>	<u>56,273,881</u>	<u>61,861,183</u>	<u>59,900,675</u>	<u>72,787,869</u>
<u>(475,546)</u>	<u>6,392,946</u>	<u>4,968,377</u>	<u>3,028,752</u>	<u>17,125,365</u>	<u>12,107,696</u>
-	-	-	-	-	-
-	-	428,011	1,250,326	-	-
-	-	-	-	-	16,395,000
-	-	-	-	-	1,212,175
-	-	-	-	-	(19,743,565)
17,732,940	18,071,384	9,827,272	4,702,549	8,546,556	3,147,485
(19,215,839)	(19,996,312)	(6,913,113)	(9,213,271)	(9,955,110)	(3,172,555)
<u>(1,482,899)</u>	<u>(1,924,928)</u>	<u>3,342,170</u>	<u>(3,260,396)</u>	<u>(1,408,554)</u>	<u>(2,161,460)</u>
(1,958,445)	4,468,018	8,310,547	(231,644)	15,716,811	9,946,236
<u>265,589</u>	<u>(144,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,725,310)</u>
\$ <u>(1,692,856)</u>	\$ <u>4,323,069</u>	\$ <u>8,310,547</u>	\$ <u>(231,644)</u>	\$ <u>15,716,811</u>	\$ <u>5,220,926</u>
4.1%	4.2%	3.9%	3.7%	4.7%	2.0%

**City of Rancho Cordova**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Accrual basis of accounting)**

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Utility Users Tax
2007/08	17,370,661	9,304,724	1,332,257	1,930,878
2008/09	16,224,862	9,040,890	1,213,596	1,953,249
2009/10	14,852,263	8,824,813	1,359,669	2,177,275
2010/11	13,095,540	11,167,725	1,605,332	2,712,564
2011/12	12,027,442	11,354,606	1,580,803	3,380,600
2012/13	12,008,690	12,060,818	1,972,151	3,411,126
2013/14	12,421,203	12,797,765	1,845,459	3,439,608
2014/15	13,185,809	15,280,124	1,649,628	3,718,885
2015/16	13,759,511	20,599,228	1,907,022	3,698,001
2016/17	14,484,922	21,704,677	2,013,873	3,678,209
TOTAL	<u>\$ 139,430,903</u>	<u>\$ 132,135,370</u>	<u>\$ 16,479,790</u>	<u>\$ 30,100,395</u>

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

Source: Annual financial reports

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Transient Occup. Tax	Property Transfer Tax	Other	Total
2,518,771	297,122	1,074,835	33,829,248
2,183,506	257,019	877,878	31,751,000
1,821,607	145,555	1,024,500	30,205,682
2,514,865	173,973	1,094,442	32,364,441
2,625,755	217,172	1,161,104	32,347,482
2,636,893	215,116	1,228,246	33,533,040
2,859,013	242,617	1,379,082	34,984,747
3,160,028	330,784	1,553,175	38,878,433
3,441,447	371,664	1,650,035	45,426,908
3,866,250	556,957	1,838,046	48,142,934
<u>\$ 27,628,135</u>	<u>\$ 2,807,979</u>	<u>\$ 12,881,343</u>	<u>\$ 361,463,915</u>

**City of Rancho Cordova  
Assessed and Estimated Value of Property  
Last Ten Fiscal Years  
(Fiscal year ended June 30)**

Fiscal Year <sup>(1)</sup>	Secured Property	Public Utility	Unsecured Property	Less: Exemptions	Net Assessed Valuation <sup>(2)</sup>	Full Market Value	Total Direct Tax Rate <sup>(3)</sup>
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%
2015/16	6,601,582,669	182,199	452,081,086	67,375,718	6,986,470,236	7,053,845,954	1.0%
2016/17	7,071,163,868	182,199	452,987,641	67,831,603	7,456,502,105	7,524,333,708	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

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**City of Rancho Cordova  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Fiscal year ended June 30)**

Fiscal Year	Basic Prop 13 Statewide Tax Rate*	City	Voter Approved (or) Pre 1978 Debt Service			
			School Districts		Special Districts	
			Sacramento Unified GOB	Los Rios College GOB	Sac Regional County Sanitation	Folsom Cordova CFD #1
2007/08	1.0000%	0.0000%	0.0890%	0.0066%	0.0055%	0.0512%
2008/09	1.0000%	0.0000%	0.0000%	0.0074%	0.0000%	0.0477%
2009/10	1.0000%	0.0000%	0.0000%	0.0124%	0.0000%	0.0537%
2010/11	1.0000%	0.0000%	0.0000%	0.0192%	0.0000%	0.0702%
2011/12	1.0000%	0.0000%	0.0000%	0.0072%	0.0000%	0.0507%
2012/13	1.0000%	0.0000%	0.0000%	0.0193%	0.0000%	0.0000%
2013/14	1.0000%	0.0000%	0.0000%	0.0181%	0.0000%	0.0000%
2014/15	1.0000%	0.0000%	0.0000%	0.0113%	0.0000%	0.0000%
2015/16	1.0000%	0.0000%	0.0000%	0.0091%	0.0000%	0.0000%
2016/17	1.0000%	0.0000%	0.0000%	0.0141%	0.0000%	0.0000%

\* The Total Direct Tax Rate was not available.

NOTE: 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.

Source: Sacramento County Auditor-Controller

Voter Approved (or) Pre 1978 Debt Service				
Special Districts				
Folsom Cordova CFD #2	Folsom Cordova Imp 1	Folsom Cordova Imp 3	Folsom Cordova Imp 4	Total Property Tax Rate
0.0000%	0.0000%	0.0370%	0.0600%	*
0.0000%	0.0000%	0.0505%	0.0343%	1.1399%
0.0000%	0.0000%	0.0985%	0.0599%	1.2245%
0.0000%	0.0000%	0.0916%	0.0756%	1.2566%
0.0000%	0.0000%	0.0000%	0.0000%	1.0579%
0.0000%	0.0708%	0.1155%	0.0726%	1.2782%
0.0000%	0.0739%	0.1125%	0.1314%	1.3359%
0.0000%	0.0832%	0.1129%	0.1610%	1.3684%
0.0000%	0.0506%	0.1129%	0.0941%	1.2667%
0.0000%	0.0619%	0.1259%	0.1219%	1.3238%

**City of Rancho Cordova  
Principal Taxpayers  
Current and Nine Years Ago  
(Fiscal year ended June 30)**

Taxpayer	Land Use	2016/2017 Assessed Valuation		Percentage of Total Assessed Valuation *	2007/08 Assessed Valuation		Pct of Total Assessed Valuation
Franklin Resources Inc	Office Building	\$ 80,830,486	1	1.14%	58,090,820	9	7.83%
MSCP Capital Center Investor LLC	Office Building	74,676,025	2	1.06%			
Karlin Capital Center LLC	Office Building	63,662,433	3	0.90%			
D. Bruce/Darlyne Fite Family Rev. Tr	Office Building	53,689,378	4	0.76%			
VSP Holding Company	Office Building	52,130,735	5	0.74%			
Rreef America REIT II Corporation	Office Building	49,200,000	6	0.70%			
Wasatch Pool Holdings LLC	Apartments	43,049,309	7	0.61%			
Mather Development Partners	Office Building	36,992,937	8	0.52%			
Ethan Conrad	Industrial	35,506,283	9	0.50%			
Elliott Whiterock LLC	Industrial	34,777,004	10	0.49%			
PGOCC LLC	Office Building				\$ 104,962,967	1	1.64%
North Market Center, LP	Industrial				100,117,436	2	1.56%
DL Capital Cernter, LP	Office Building				93,321,102	3	1.46%
JB Management LP	Commercial				75,043,855	4	1.17%
Rreef America Reit Corp	Office Building				74,042,233	5	1.16%
Altair Holding Company	Office Building				71,725,172	6	1.12%
CP Sunridge LLC	Residential Dev't				58,432,285	7	0.91%
Beazer Homes Holdings Corp	Residential Dev't				58,098,661	8	0.91%
Pulte Home Corp	Residential Dev't				48,345,882	10	0.76%
		<b>\$ 524,514,590</b>			<b>\$ 742,180,413</b>		

\* 2016/2017 Local Secured Assessed Valuation: \$7,071,163,868

Source: California Municipal Statistics, Inc.

**City of Rancho Cordova  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Fiscal year ended June 30)**

<u>Fiscal Year*</u>	<u>Total Current Tax Levy</u>	<u>Total Current Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Receivables (1)</u>
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%	-
2015/16	8,340,422	8,340,422	100.00%	-
2016/17	8,793,202	8,793,202	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**  
**(Fiscal year ended June 30)**

Fiscal Year	Streetlight Retrofit Loan	Capital Lease	Notes	Certificates of Participation	Bond (Discount)/ Premium	Total Primary Government	Pct of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
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
2015/16	1,567,323	-	-	19,350,000	(225,834)	20,691,489	0.56%	299
2016/17	1,443,755	-	-	16,395,000	1,184,500	19,023,255	0.49%	258

(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)**

2016-17 Assessed Valuation:	\$	7,524,333,708	%	City's Share of Debt
		<b>Total Debt</b>	<b>Applicable</b>	<b>of Debt</b>
		<b>6/30/17</b>	<b>(1)</b>	<b>6/30/2016</b>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>				
Los Rios Community College District	\$	340,100,000	4.355%	\$ 14,811,355
Elk Grove Unified School District		82,100,000	3.947%	3,240,487
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 1		24,618,264	83.970%	20,671,956
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 3		47,119,785	59.434%	28,005,173
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 4		115,333,831	87.431%	100,837,522
Sacramento Unified School District		528,757,966	2.437%	12,885,832
San Juan Unified School District		476,114,659	0.065%	309,475
Elk Grove Unified School District Facilities Imprv Dist. No. 1		205,377,561	3.947%	8,106,252
City of Rancho Cordova Community Facilities District No. 2003-1		69,070,000	100.00%	69,070,000
City of Rancho Cordova Community Facilities District No. 2004-1 <sup>(2)</sup>		12,780,000	100.00%	12,780,000
City of Rancho Cordova Community Facilities District No. 2005-1		14,225,000	100.00%	14,225,000
Sac Area Flood Control Agency 1915 Act Bonds		280,885,000	0.4% - 2.5%	1,260,949
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>				<b>\$ 286,204,001</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>				
Sacramento County General Fund Obligations	\$	235,694,277	5.305%	\$ 12,503,581
Sacramento County Pension Obligations		944,016,200	5.305%	50,080,059
Sacramento County Office of Education Certificates of Participation		5,675,000	5.305%	301,059
Los Rios Community College District Certificates of Participation		700,000	4.355%	30,485
Folsom-Cordova Unified School District Certificates of Participation		12,305,000	29.440%	3,622,592
Sacramento Unified School District Certificates of Participation		67,920,000	2.437%	1,655,210
San Juan Unified School District General Fund Obligations		497,741	0.065%	324
<b>City of Rancho Cordova Certificates of Participation</b>		<b>16,395,000</b>	<b>100.00%</b>	<b>16,395,000</b>
<b>City of Rancho Cordova Streetlight Retrofit Loan</b>		<b>1,443,755</b>	<b>100.00%</b>	<b>1,443,755</b>
Sacramento Metropolitan Fire District General Fund Obligations		9,305,000	12.701%	1,181,828
Sacramento Metropolitan Fire District Pension Obligation Bonds		52,363,975	12.701%	6,650,748
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>				<b>\$ 93,864,642</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>		<b>68,900,000</b>	<b>9.153%</b>	<b>\$ 6,306,417</b>
<b>TOTAL DIRECT DEBT</b>				<b>\$ 17,838,755</b>
<b>TOTAL OVERLAPPING DEBT</b>				<b>\$ 368,536,305</b>
<b>COMBINED TOTAL DEBT <sup>(3)</sup></b>				<b>\$ 386,375,060</b>

(1) The pct of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable pct's 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 refunding issue dated July 18, 2017. Includes issue to be refunded

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

Ratios to 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.80%
<b>Total Direct Debt (\$17,838,755)</b>	<b>0.24%</b>
Combined Total Debt	5.14%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$318,856,241):

Total Overlapping Tax Increment Debt	1.98%
--------------------------------------	-------

Source: California Municipal Statistics, Inc.

**City of Rancho Cordova**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Unaudited)**

	2008	2009	2010	2011
Debt limit	\$ 1,015,741,979	\$ 1,011,284,606	\$ 967,592,911	\$ 924,550,025
Total net debt applicable to limit	-	-	-	-
Legal debt margin	1,015,741,979	1,011,284,606	967,592,911	924,550,025
Total net debt applicable to the limit as a percentage of debt limit	n.a.	n.a.	n.a.	n.a.

2012	2013	2014	2015	2016	2017
\$ 959,031,974	\$ 943,452,466	\$ 959,026,344	\$ 1,008,293,162	\$ 1,050,527,170	\$ 1,118,475,316
-	-	-	-	-	-
959,031,974	943,452,466	959,026,344	1,008,293,162	1,050,527,170	1,118,475,316
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed value	7,524,333,708
Less: Exemptions	<u>(67,831,603)</u>
<i>Net assessed value</i>	7,456,502,105
Debt limit (15% of total assessed value)	1,118,475,316
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>\$ 1,118,475,316</u>

City of Rancho Cordova  
 Schedule of Demographic Statistics  
 Last Ten Fiscal Years  
 (Fiscal year ended June 30)  
 (Unaudited)

Fiscal Year	Population		Personal Income (2)	Per Capita Personal Income Sacramento Metro Area (3)	Median Age (4)	Unemployment Rate County (5)
	City (1)	County (1)				
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%
2015/16	72,203	1,495,297	2,207,173,507	30,569	34.3	5.4%
2016/17	73,872	1,514,770	2,258,193,168	30,569	34.3	4.3%

(1) Source: [www.dof.ca.gov/research/demographic/reports/estimates/e-5/](http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/)

(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](http://www.labormarketinfo.edd.ca.gov) (Oct 2017)

**City of Rancho Cordova  
 Ten Largest Area Employers  
 Current Year and Nine Years Ago  
 (Unaudited)**

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Number of Employees (1)</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees (1)</u>	<u>Percentage of Total City Employment</u>
State of California	3000	5.45%	700	1.56%
Delta Dental	1600	2.91%	1100	2.44%
Sacramento County Off of Edu.	1300	2.36%		
Franklin Templeton	1000	1.82%	1200	2.67%
VSP Global	1000	1.82%		
Foundation Health Special Svc	900	1.64%		
J P Aerospace	709	1.29%		
Mather Aerospace Modelers Inc.	709	1.29%		
Dignity Health	600	1.09%		
Health Net	600	1.09%		
Vision Service Plan			1750	3.89%
GenCorp, Inc. (Aerojet)			1400	3.11%
Verizon Wireless			1100	2.44%
EDS Corporation			1000	2.22%
Health Net Federal Svc LLC			1000	2.22%
Catholic Healthcare West			700	1.56%
Ed Fund			600	1.33%

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

**City of Rancho Cordova  
Government Employment Information  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	4	4	3	3	3	3	3	3	3	3
City Clerk	4	4	3	3	2	2	2	2	2	2
Administrative Services	5	5	4	4	4	4	4	4	5	5
Human Resources	3	3	3	3	3	3	3	3	2	2
Finance	8	9	8	9	9	9	9	9	9	9
Information Technology	2	2	2	2	3	3	3	3	3	3
Building & Inspection	10	9	6	6	5	5	5	5	7	7
Animal Services	2	2	2	1	1	2	1	1	2	2
Economic Development	3	4	4	4	3	2.5	2.5	2.5	3	3
Facilities Management	2	2	3	4	4	4	4	4	5	5
Code Enforcement	9	8	6	6	10	9	10	10	12	12
Housing	2	2	3	2	2	3	3	3	3	3
Planning	-	-	-	-	-	1	1	1	4	4
Public Information Officer	-	1	1	2	2	1.5	1.5	1.5	2	2
Public Works	17	17	18	15	14	16.6	16.6	16.6	18	18
<b>Total employees</b>	<b>76</b>	<b>77</b>	<b>71</b>	<b>69</b>	<b>70</b>	<b>73.6</b>	<b>73.6</b>	<b>73.6</b>	<b>85</b>	<b>85</b>

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

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**City of Rancho Cordova  
Miscellaneous Statistics  
Last Ten Fiscal Years  
(Fiscal year ended June 30)  
(Unaudited)**

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

*Source: Departments within the City of Rancho Cordova*

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>July 1, 2003</u>					
<u>General Law</u>					
70	74	74	74	85	85
-	-	-	-	-	-
20	22	22	22	25	23
35	35	35	35	35	35
31	32	33	33	33	33
304	309	316	316	316	316
2	2	2	2	2	2
27	27	27	27	27	27
3	3	3	3	3	3
1	1	1	1	1	1
21	21	21	21	21	21
5	5	5	5	5	5
4	4	4	4	4	4
13	13	13	13	13	13
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1

**City of Rancho Cordova**  
**Capital Asset and Infrastructure**  
**Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**(Fiscal year ended June 30)**  
**(Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn personnel	68	64	58	58	58	58	57	57	62	62
Non-sworn personnel	13	16	14	14	14	14	11	11	12	12
Highways and Streets										
Streets (miles)	295	235	235	235	235	235	235	235	239	239
Streetlights	4,435	4,435	4,435	4,435	4,435	4,435	4,859	4,859	4,921	4,921
Traffic Signals	76	76	76	76	76	76	87	87	87	87

Source: Departments within the City of Rancho Cordova