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RANCHO CORDOVA

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR 2017-18

**CITY OF RANCHO CORDOVA,
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

Prepared by

FINANCE DEPARTMENT

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For the Year Ended June 30, 2018

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December 7, 2018

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, 2018. We are pleased to report our fourteenth 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 \$319,308.

At the time the budget was prepared we were anticipating a surplus of \$28,900. Results for the fiscal year were larger than the original anticipated as a result of a combination of stronger than anticipated revenues along with controlled expenditures. Our final results comply with the City's policy of constraining current year expenses to current year revenues. The ending General Fund balance was \$30,652,734.

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

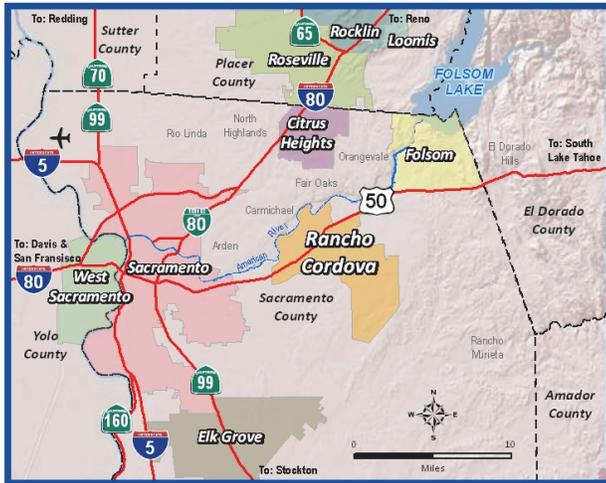
meet reporting standards set forth by the Government Finance Officers Association (GFOA). This report consists of management's representations concerning the finances of the City of Rancho Cordova. Consequently, management assumes full responsibility for the completeness and reliability of all of the 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 74,210, 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 3.7% in October 2018, according to the U.S. Bureau of Labor Statistics. This is a decrease from 4.3% in the prior year and 6.0% two years prior.

The City's Net Taxable Assessed Value Change for the 2018/19 Property Tax roll increased by 7.8% or \$633 million from the prior year. This increase is largely attributable to increased property values and new development.

Property tax revenues have experienced growth for three consecutive years, increasing 6.5% 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

decline. The office vacancy rate in 2018 was 11.7%, down from 13.0% in 2014. The industrial vacancy also decreased to 4.3% in the Mather Industrial Area and 2.7% in the Sunrise Industrial Area from 7.1% and 4.6% in the prior year. We expect to see continued 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 2018-19 will increase by \$428,010, yielding a total payment of \$9,060,042. Thanks to a continued growth in secured property tax revenue for fiscal year 2018/19, the budgeted revenues of \$9,590,600 are once again greater than the revenue neutrality payment obligation.

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

- The City's Community Enhancement Fund, a ½ cent local add-on sales tax approved by voters in 2014, is anticipated to generate an additional \$8 million



revenue in the 2018-19 fiscal year. The Community Enhancement Fund revenues fund projects and programs that would otherwise not be feasible.

- The General Fund, which is the largest of the City's operating funds, showed an increase in revenues of \$2.0 million, or 3.4%, in Fiscal Year 2017/18. 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. Property tax revenues rose 10.5% and sales tax revenues increased 8.4% year over year.
- The City anticipates the opening of two new hotels in the next two years. These are the first hotels to be built in the City in the last two decades and are a signal of the strong regional economy.

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, 2018 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 and will remain at \$10.9 million for fiscal year 2018/19.

MAJOR INITIATIVES

The City has many goals and projects planned for the 2018/19 fiscal year. Some of these projects may either affect the General Fund or be large enough to warrant mention in this letter.

- The City is currently developing its vision to construct a new Community Center on a recently purchased piece of property located on one of the City's major transportation corridors. It is anticipated that this new Community Center will

provide much needed space for a wide variety of community programs and events.

- 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 several years to build a reliable IT infrastructure, at a cost estimated between \$2 and \$3 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.

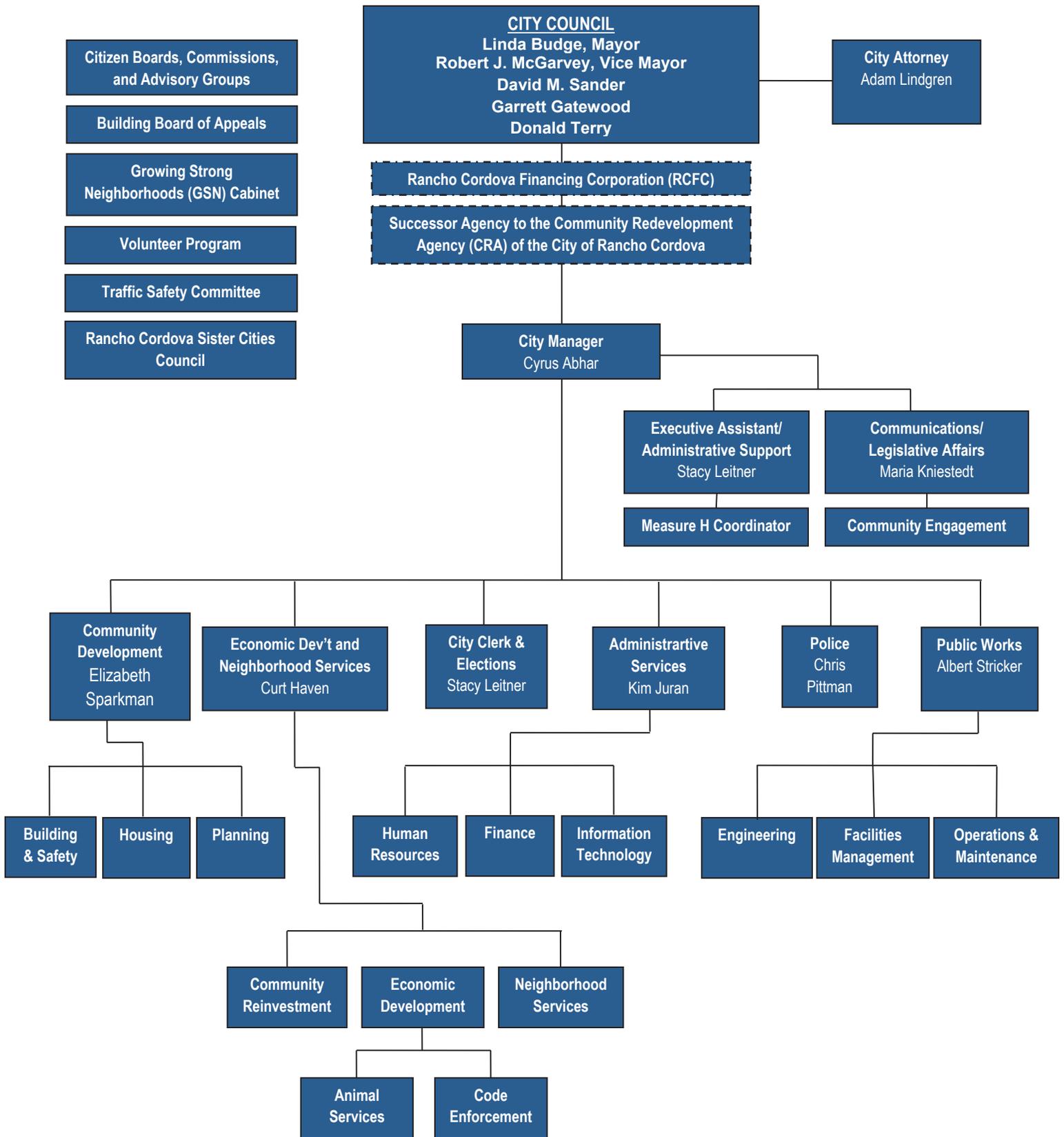
We want to thank the other City departments who assisted and contributed to the preparation of this report. Finally, we appreciate the dedication of the Mayor, City Council and City Manager's Office, who have supported our goal of excellence in all aspects of financial management, consistent with the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

Respectfully Submitted,



Kim Juran, Chief Financial Officer

ORGANIZATION CHART - CITY OF RANCHO CORDOVA



**CITY OF RANCHO CORDOVA
PRINCIPAL OFFICERS
JUNE 30, 2018**

ELECTED OFFICIALS

Linda Budge
Mayor

Robert J. McGarvey
Vice Mayor

David Sander
Council Member

Garrett Gatewood
Council Member

Donald Terry
Council Member

EXECUTIVE TEAM

Cyrus Abhar
City Manager

Adam Lindgren
City Attorney

Stacy Leither
City Clerk

Curt Haven
Director of Economic Development

Kim Juran-Karageorgiou
Administrative Services Director

Elizabeth Sparkman
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, 2017

Christopher P. Morill

Executive Director/CEO

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, 2018, 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, 2018, 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 9E.

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 5, 2018 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.

Maze & Associates

Pleasant Hill, California
December 5, 2018

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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, 2018. 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 25.

OVERALL FINANCIAL HIGHLIGHTS

- The City's General Fund reported a surplus of \$319 thousand for the year ending June 30, 2018, creating an ending fund balance of \$30.7 million.
- As of June 30, 2018, total assets of the City exceeded its total liabilities by \$472.9 million (net position). Of this amount, \$57.1 million (unrestricted) may be used to meet ongoing obligations to citizens and creditors, but was subject to designation for specific City programs; \$87.0 million was restricted net position and must be used only for specific purposes. The remaining \$328.8 million was invested in capital assets.
- As of June 30, 2018, the City's governmental activities reported a net position of \$314.9 million. Of that, \$45.2 million was available to meet the City's current and future needs (unrestricted net position), an increase over the fiscal year ending June 30, 2017 by \$5.5 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, 2018, 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 25 to 27 of this report.

Fund Financial Statements

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

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

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

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

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

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

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

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

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

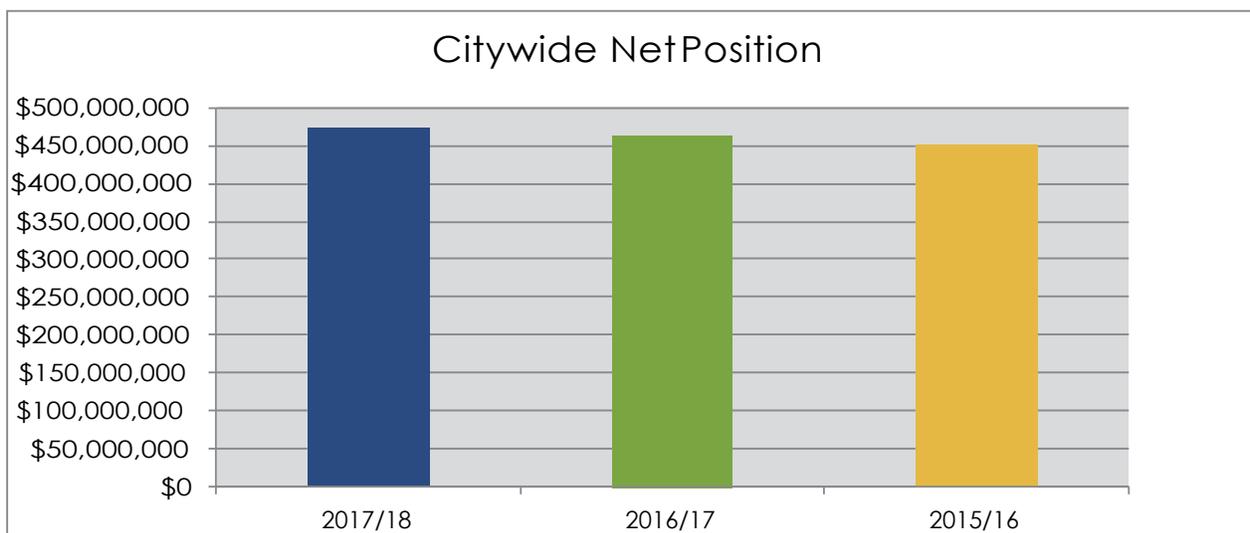
This report also contains statistical information that may be useful to readers of this report. This information can be found in the last section of this report, starting on page 180.

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, 2018, the total net position of the City was \$472.9 million, which is an increase of \$9.7 million from fiscal year ending June 30, 2017, and an increase of \$23.4 million from 2015/16. 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 2017/18 the business-type activities net position decreased by \$4.3 million to an ending net position of \$158.0 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, 2018, 2017 and 2016, 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		
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16
Current assets	\$ 146,552,511	\$ 133,631,724	\$ 129,533,729	\$ 12,042,583	\$ 10,634,802	\$ 9,363,513	\$ 158,595,094	\$ 144,266,526	\$ 138,897,242
Capital assets	200,794,151	197,453,032	187,653,116	146,200,018	151,897,226	156,774,648	346,994,169	349,350,258	344,427,764
Total Assets	347,346,662	331,084,756	317,186,845	158,242,601	162,532,028	166,138,161	505,589,263	493,616,784	483,325,006
Deferred outflows of resources related to pension related to OPEB	2,642,682	2,822,904	1,965,489	-	-	-	2,642,682	2,822,904	1,965,489
Deferred amount of refunding outstanding	102,139	-	-	-	-	-	102,139	-	-
Total Deferred Outflow	2,744,821	3,216,469	2,042,763	-	-	-	2,744,821	3,216,469	2,042,763
Current liabilities	\$ 13,395,002	\$ 11,462,799	\$ 12,551,354	\$ 197,047	\$ 163,910	\$ 188,833	\$ 13,592,049	\$ 11,626,709	\$ 12,740,187
Long-term liabilities outstanding	21,088,077	21,361,334	22,314,291	-	-	-	21,088,077	21,361,334	22,314,291
Total Liabilities	34,483,079	32,824,133	34,865,645	197,047	163,910	188,833	34,680,126	32,988,043	35,054,478
Deferred inflows of resources related to pension related to OPEB	330,841	591,146	771,074	-	-	-	330,841	591,146	771,074
Total Deferred Outflow	714,973	591,146	771,074	-	-	-	714,973	591,146	771,074
Net Position:									
Net Investment in capital assets	\$ 182,642,124	\$ 178,823,342	\$ 167,038,901	\$ 146,200,018	\$ 151,897,226	\$ 156,774,648	\$ 328,842,142	\$ 330,720,568	\$ 323,813,549
Restricted	87,030,622	82,302,253	75,522,853	-	-	-	87,030,622	82,302,253	75,522,853
Unrestricted	45,220,685	39,760,351	41,031,135	11,845,536	10,470,892	9,174,680	57,066,221	50,231,243	50,205,815
Total Net Position	\$ 314,893,431	\$ 300,885,946	\$ 283,592,889	\$ 158,045,554	\$ 162,368,118	\$ 165,949,328	\$ 472,938,985	\$ 463,254,064	\$ 449,542,217

The City's net position as of June 30, 2018, was comprised of the following:

- Again this year, the largest portion of total assets consists of capital assets (for example, land, buildings and infrastructure), totaling \$347.0 million or 73% of total net position.
- Cash and investments comprised \$139.5 million in the city treasury and \$67 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 \$19.1 million, consist of accounts receivable, notes receivable and monies due from other governments. Some of these are detailed in Note 4 of the financial statements.
- Net Investment in Capital Assets, of \$328.8 million represents the City's investment in infrastructure and other capital assets.
- Restricted net position, totaling \$87.0 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 \$57.1 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, 2018, 2017 and 2016:

Statement of Activities

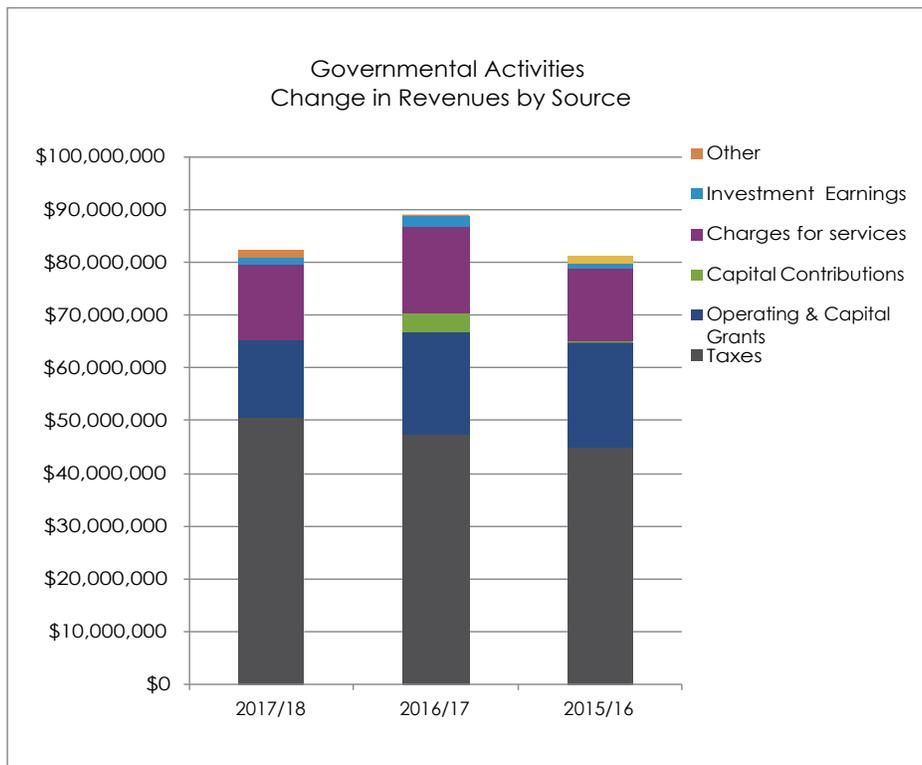
	Governmental Activities			Business-Type Activities			Total		
	2017/18*	2016/17	2015/16	2017/18	2016/17*	2015/16	2017/18	2016/17	2015/16
Revenues:									
Program Revenues									
Charges for services	\$ 14,294,337	\$ 16,360,270	\$ 13,703,500	\$ 3,146,272	\$ 3,092,042	\$ 4,964,222	\$ 17,440,609	\$ 19,452,312	\$ 18,667,722
Operating grants & contributions	4,803,504	5,100,799	5,625,882	-	-	-	4,803,504	5,100,799	5,625,882
Capital grants	9,951,344	14,206,895	14,335,984	-	-	-	9,951,344	14,206,895	14,335,984
Capital contributions	-	3,856,344	335,149	17,919	1,639,216	1,250,500	17,919	5,495,560	1,585,649
General Revenues:									
Taxes	50,569,519	47,318,030	44,798,192	868,529	1,273,279	-	51,438,048	48,591,309	44,798,192
Investment Earnings	1,304,633	1,840,891	1,050,502	125,178	94,865	33,987	1,429,811	1,935,756	1,084,489
Other	1,398,851	176,113	1,287,025	-	-	-	1,398,851	176,113	1,287,025
Total Revenues	<u>82,322,188</u>	<u>88,859,342</u>	<u>81,136,234</u>	<u>4,157,898</u>	<u>6,099,402</u>	<u>6,248,709</u>	<u>86,480,086</u>	<u>94,958,744</u>	<u>87,384,943</u>
Expenses:									
General Government	31,398,023	27,207,208	24,829,364	-	-	-	31,398,023	27,207,208	24,829,364
Community Development	5,909,415	7,952,283	7,212,179	-	-	-	5,909,415	7,952,283	7,212,179
Public Safety	19,646,587	20,023,498	19,359,149	-	-	-	19,646,587	20,023,498	19,359,149
Public Works	8,624,580	10,348,139	6,998,987	-	-	-	8,624,580	10,348,139	6,998,987
Interest and fiscal charges	988,528	1,173,318	986,125	-	-	-	988,528	1,173,318	986,125
Cemetery	-	-	-	70,260	77,557	60,138	70,260	77,557	60,138
Storm Drain	-	-	-	8,444,537	9,568,035	8,332,800	8,444,537	9,568,035	8,332,800
Total Expenses	<u>66,567,133</u>	<u>66,704,446</u>	<u>59,385,804</u>	<u>8,514,797</u>	<u>9,645,592</u>	<u>8,392,938</u>	<u>75,081,930</u>	<u>76,350,038</u>	<u>67,778,742</u>
Change in Net Position, before Transfers and Special Items	<u>15,755,055</u>	<u>22,154,896</u>	<u>21,750,430</u>	<u>(4,356,899)</u>	<u>(3,546,190)</u>	<u>(2,144,229)</u>	<u>11,398,156</u>	<u>18,608,706</u>	<u>19,606,201</u>
Transfers and Special Items									
Transfers	(34,335)	(136,529)	(1,408,554)	34,335	136,529	1,408,554	-	-	-
Special Item	-	(4,725,310)	-	-	-	-	-	(4,725,310)	-
Total Transfers and Special Items	<u>(34,335)</u>	<u>(4,861,839)</u>	<u>(1,408,554)</u>	<u>34,335</u>	<u>136,529</u>	<u>1,408,554</u>	<u>-</u>	<u>(4,725,310)</u>	<u>-</u>
Change in Net Position	<u>15,720,720</u>	<u>17,293,057</u>	<u>20,341,876</u>	<u>(4,322,564)</u>	<u>(3,409,661)</u>	<u>(735,675)</u>	<u>11,398,156</u>	<u>13,883,396</u>	<u>19,606,201</u>
Net Position -- Beginning of Year	<u>300,885,946</u>	<u>283,592,889</u>	<u>263,251,013</u>	<u>162,368,118</u>	<u>165,777,779</u>	<u>166,685,003</u>	<u>463,254,064</u>	<u>449,370,668</u>	<u>429,936,016</u>
Net Position -- End of Year	<u>\$ 316,606,666</u>	<u>\$ 300,885,946</u>	<u>\$ 283,592,889</u>	<u>\$ 158,045,554</u>	<u>\$ 162,368,118</u>	<u>\$ 165,949,328</u>	<u>\$ 474,652,220</u>	<u>\$ 463,254,064</u>	<u>\$ 449,542,217</u>

* Note: Beginning Net Position for 2016/17 and 2017/18 has been adjusted and restated.

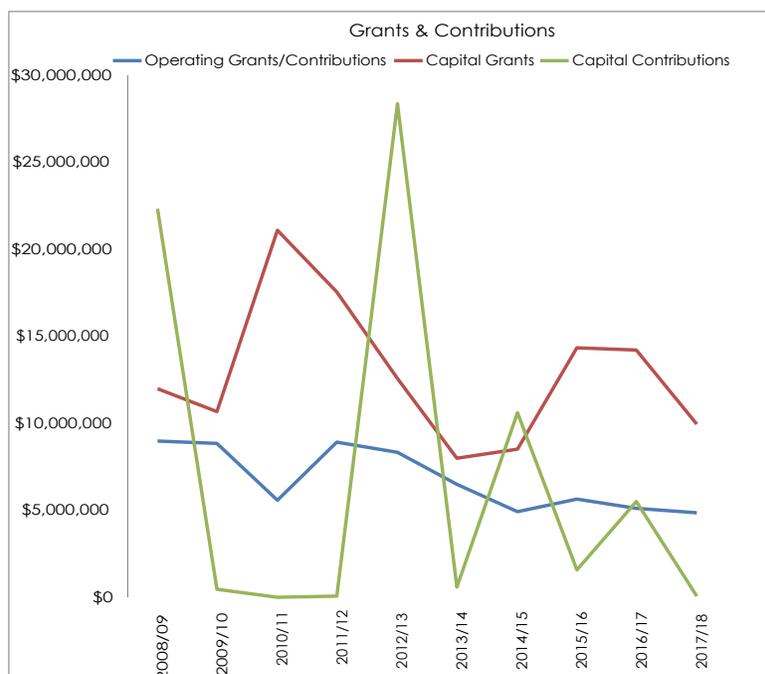
Revenue Highlights

Total Governmental Activities revenues for fiscal year 2017/18 decreased by \$6.5 million, or approximately 7.4%, from the prior year. As illustrated in the table above, this decrease was due primarily to decreases in both Operating/Capital Grants and Charges for Services.

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



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 \$1.8 million from last year and up by \$2.9 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 \$457K as compared to last year and increased by \$1.9 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.



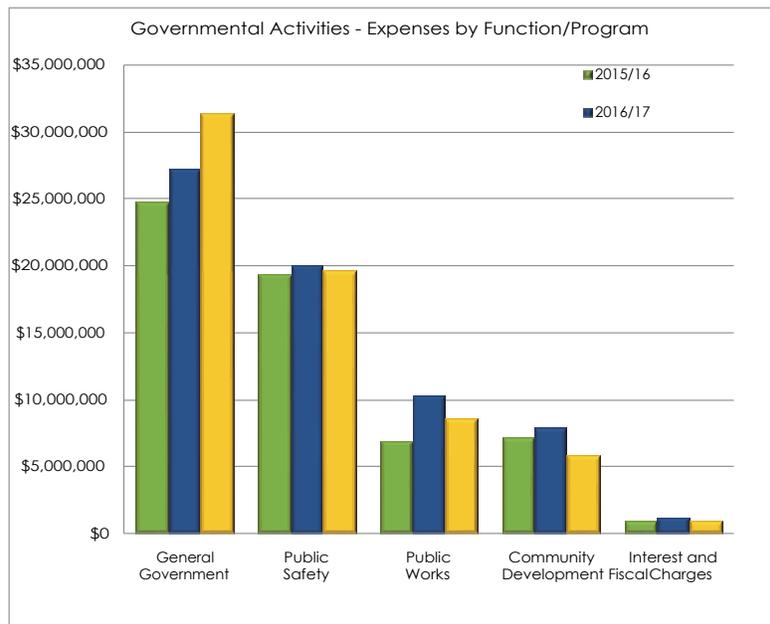
As illustrated in the graph on the prior page, the City's Capital Grants and Capital Contributions typically have large fluctuations from year to year while the Operating Grants/Contributions tend to be a little more stable.

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 below.



General Government expenses of \$31.4 million accounted for 47.2% of total expenses, and increased by \$4.2 million from the prior year. Public Safety costs, primarily for police protection, decreased \$377K, or 1.9% from fiscal year 2016/17. Public Works costs decreased \$1.7 million, to \$8.6 million, and represented 13.0% of total expenses. Lastly, Community Development expenses also saw a decrease of 25.7% from the prior year to \$5.9 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 four major funds as follows: General Fund, Sunrise Douglas Revenue Fund, Traffic Mitigation Special Revenue Fund and the Grants Special Revenue 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.

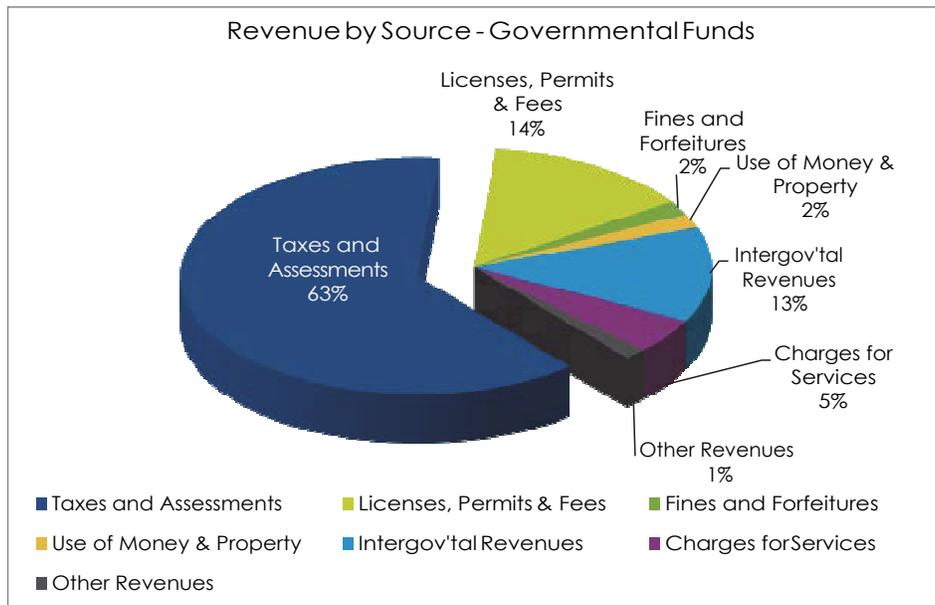
Revenues, Expenditures and Changes in Fund Balances Governmental Funds

	2017/18	2016/17	2015/16
Revenues:			
Taxes and Assessments	\$ 51,508,790	\$ 47,763,601	\$ 45,096,673
Licenses, Permits & Fees	11,675,925	17,397,470	15,678,918
Fines and Forfeitures	1,622,258	1,708,969	1,557,425
Use of Money & Property	1,554,313	1,762,065	1,025,083
Intergovernmental Revenues	10,664,610	11,270,527	8,872,748
Charges for Services	4,016,334	3,748,510	3,808,524
Other Revenues	<u>1,269,407</u>	<u>1,244,423</u>	<u>986,669</u>
Total Revenues	<u>82,311,637</u>	<u>84,895,565</u>	<u>77,026,040</u>
Expenditures:			
General Government	18,561,743	18,552,273	16,166,976
Community Development	5,909,415	7,952,283	7,207,451
Public Safety	20,376,939	20,023,498	19,358,495
Public Works	7,145,516	6,986,548	6,183,492
Debt Service	1,476,312	1,098,263	2,424,920
Capital Outlay	<u>15,873,229</u>	<u>18,175,004</u>	<u>8,559,341</u>
Total Expenditures	<u>69,343,154</u>	<u>72,787,869</u>	<u>59,900,675</u>
Excess (Deficiency) of Revenues over Expenditures	12,968,483	12,107,696	17,125,365
Other Financing Sources (Uses):			
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	6,448,198	3,147,485	8,546,556
Transfers Out	<u>(10,071,723)</u>	<u>(3,172,555)</u>	<u>(9,955,110)</u>
Total Other Financing Sources (Uses)	<u>(3,623,525)</u>	<u>(2,161,460)</u>	<u>(1,408,554)</u>
Special Item	<u>-</u>	<u>(4,725,310)</u>	<u>-</u>
Net Change in Fund Balances	9,344,958	5,220,926	15,716,811
Fund Balances, beginning of year	<u>120,717,053</u>	<u>116,950,293</u>	<u>101,233,482</u>
Fund Balances, end of year	<u>\$ 130,062,011</u>	<u>\$ 122,171,219</u>	<u>\$ 116,950,293</u>

At the end of fiscal year 2017/18, the City's governmental funds reported a total combined ending fund balance of \$130.1 million, a net increase of \$7.9 million from the prior year. Of the fund balance, \$853K was non-spendable and \$100.7 million was restricted with the balance of \$28.5 million being unassigned, as outlined in Note 9B of the financial statements.

Revenue Highlights

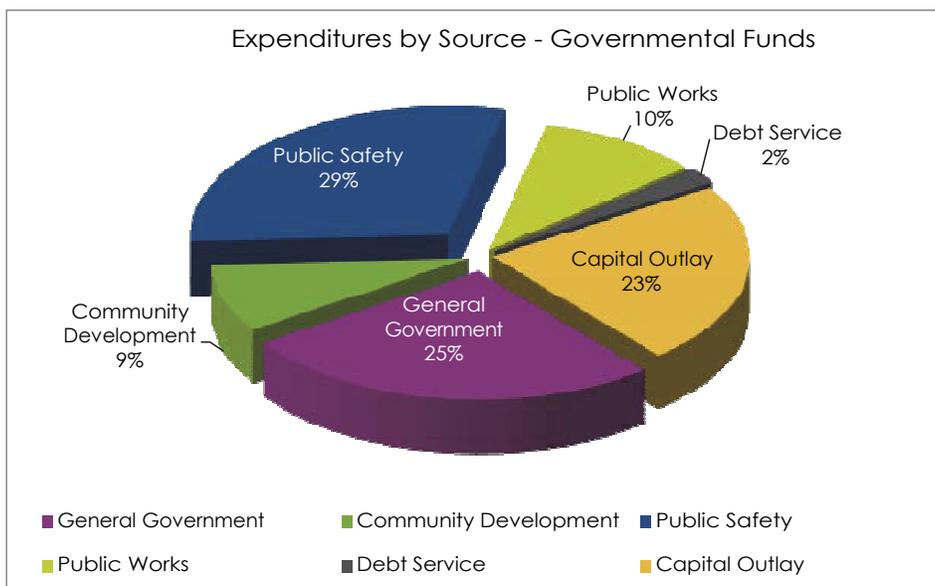
The table on the prior page shows total Governmental Revenues decreased by \$2.6 million, or 3.0% from the prior year, due primarily to a large decreases in Licenses, Permits and Fee Revenues.



Taxes and Assessments remain the largest revenue source, representing 62.6% of total revenues. The overall Taxes and Assessments increased by a total of \$3.7 million, or 7.8%, from the 2016/17 fiscal year while Licenses, Permits and Fees decreased a total of \$5.7 million, or 32.9% from the 2016/17 fiscal year. While the decrease in Licenses, Permits and Fees appear large, it is the result of a development project timing and the reclassification of prior year revenue and or fund types, and is not a revenue to be concerned with at this time.

Expenditure Highlights

The table on the prior page shows total Governmental Expenditures decreased by \$3.4 million, or 4.7% from the prior year, due primarily to a decrease in Capital Outlay expenditures.



Public Safety is our largest category of expense, representing 29.4% of total governmental expenditures. Current year costs of \$20.4 million were 1.5% 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 \$18.0 million and, like Public Safety, is largely accounted for within the General Fund and will be explain in greater detail further below.

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

GENERAL FUND FINANCIAL INFORMATION

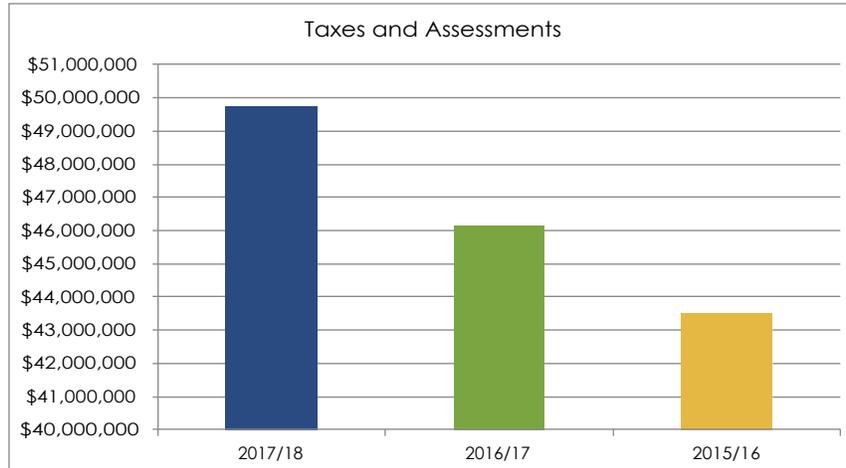
The General Fund is the chief operating fund of the City and, starting in FY 2014/15, includes all Community Enhancement Fund activity. The table below shows the General Fund Revenues, Expenditures, and Changes in Fund Balances for the fiscal years ending June 30, 2018, 2017 and 2016.

Revenues, Expenditures and Changes in Fund Balances General Fund

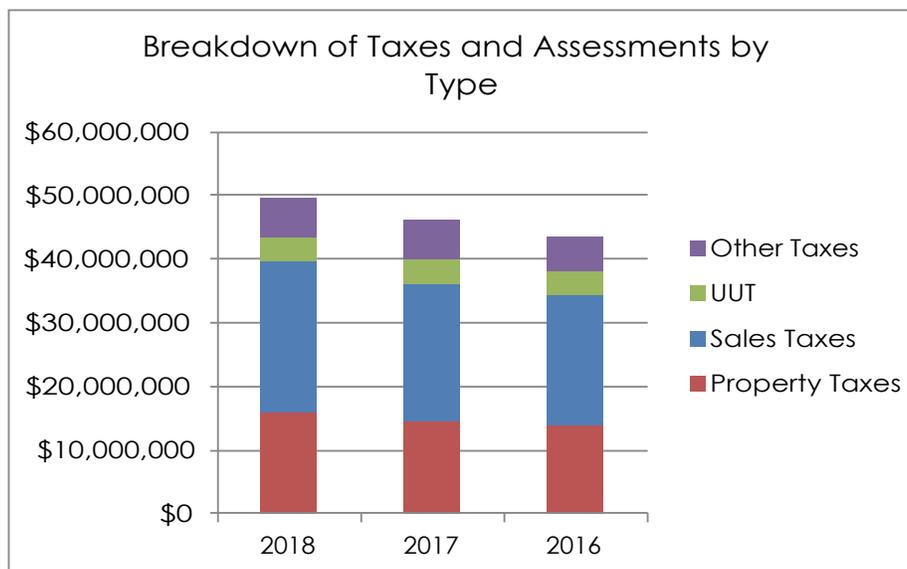
	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>
Revenues:			
Taxes and Assessments	\$ 49,730,774	\$ 46,129,061	\$ 43,519,886
Charges for Services	3,307,488	3,593,879	3,665,001
Licenses, Permits & Fees	5,294,683	5,561,287	5,441,470
Fines and Forfeitures	1,549,952	1,656,527	1,548,701
Intergovernmental Revenues	483,437	1,148,853	1,303,668
Use of Money & Property	520,726	881,243	680,322
Other Revenues	<u>97,104</u>	<u>18,048</u>	<u>479,628</u>
Total Revenues	<u>60,984,164</u>	<u>58,988,898</u>	<u>56,638,676</u>
Expenditures:			
General Government	17,979,707	18,003,017	15,574,800
Community Development	5,629,604	7,839,698	7,052,302
Public Safety	20,226,310	19,924,481	19,240,132
Public Works	4,014,645	4,445,427	3,569,676
Capital Outlay	3,504,000	1,966,401	1,496,837
Debt Service	<u>-</u>	<u>-</u>	<u>12,671</u>
Total Expenditures	<u>51,354,266</u>	<u>52,179,024</u>	<u>46,946,418</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,629,898</u>	<u>6,809,874</u>	<u>9,692,258</u>
Other Financing Sources (Uses):			
Transfers In	100,000	100,032	100,000
Transfers Out	<u>(9,410,860)</u>	<u>(2,106,820)</u>	<u>(8,875,334)</u>
Total Other Financing Sources (Uses)	<u>(9,310,860)</u>	<u>(2,006,788)</u>	<u>(8,775,334)</u>
Special Item	<u>-</u>	<u>(4,725,310)</u>	<u>-</u>
Net Change in Fund Balances	319,038	77,776	916,924
Fund Balances, beginning of year	<u>30,333,696</u>	<u>30,255,920</u>	<u>29,338,996</u>
Fund Balances, end of year	<u>\$ 30,652,734</u>	<u>\$ 30,333,696</u>	<u>\$ 30,255,920</u>

Revenue Highlights

As shown on the table on the prior page, total General Fund revenues increased over the prior year by \$2.0 million, or 3.4%, primarily due to an increase in Taxes and Assessment revenue which represents the majority, 81.5%, 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 10.5% 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 8.4% as compared to fiscal year 2016/17. The growth in both of these major revenue sources is the result of continued growth in the economy.

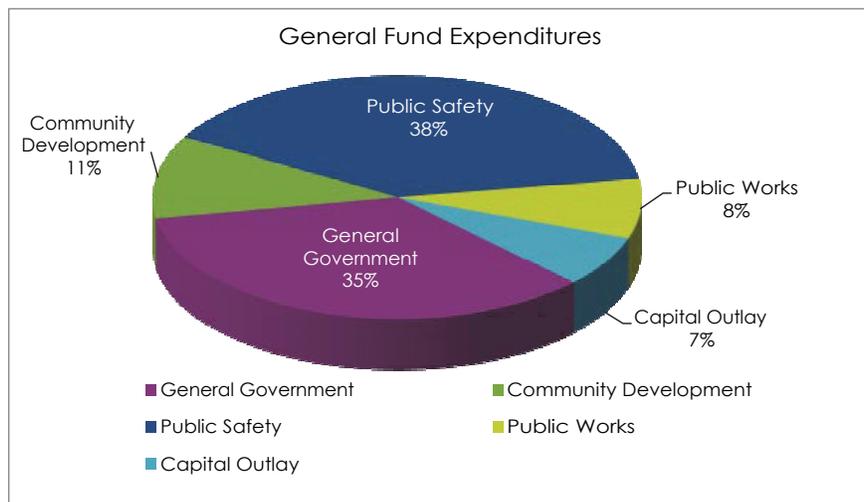
UUT and Other Taxes, which includes TOT, increased by 5.7% in the current year. All increases in these categories are just further indication the local economy continues to have steady, slow growth.

Licenses, Permits and Fees saw a 4.8% decrease compared to last year as a result in both a reduction in the total franchise fees collected and a decrease in residential building permit activity.

Use of Money and Property revenues decreased by 40.9%, or \$361K, as a result of a change in accounting for City owned property. Starting in 2017/18 fiscal year, the city started accounting for all city property in a newly created Internal Service Fund. Details for this newly created fund can be found in the subcombining schedules starting on page 172.

Expenditure Highlights

General Fund expenditures decreased by \$825K, or 1.6%, over the prior year. This decrease was anticipated when preparing the original budget and, thanks to staff's determination to maintain a balanced relationship of revenues to expenditures, has produced our fifteenth 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 \$20.2 million or 39.4% 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 \$302K, or 1.5%, primarily due to an increase in salaries and benefits cost.

General Government expenditures, the second largest expenditure, were \$18.0 million, or 35.0% 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 (\$8.6 million this year). General Government expenditures decreased by a total of \$23K.

Community Development, consisting of Economic Development, Facilities Management, Planning, Building & Safety and Neighborhood Services expended \$5.7 million, a decrease of \$2.2 million, which is a result of Facilities Management now being account for in a newly created Internal Service Fund.

Public Works General Fund expenditures totaled \$4.0 million, a decrease of approximately 9.7%, or \$431K from the prior year.

Capital Outlay also saw an increase of \$1.5 million in 2017/18, as a direct result of the purchase of new property along Folsom Blvd.

Fund Balance Highlights

The total fund balance has increased slightly to \$30.7 million, of which \$847K is non-spendable and \$29.8 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 two amendments to its 2017/18 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.

General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual	Variance	Variance w/ Final Budget
Revenues:					
Taxes and Assessments	\$ 45,944,700	\$ 47,844,700	\$ 49,730,774	\$ 1,886,074	3.9%
Licenses, Permits & Fees	4,464,900	4,464,900	5,294,683	829,783	18.6%
Fines and Forfeitures	1,548,400	1,548,400	1,549,952	1,552	0.1%
Use of Money & Property	150,000	150,000	520,726	370,726	247.2%
Intergovernmental Revenues	519,200	519,200	483,437	(35,763)	-6.9%
Charges for Services	4,309,700	4,309,700	3,307,488	(1,002,212)	-23.3%
Other Revenues and Transfers In	321,500	321,500	197,104	(124,396)	-38.7%
Total Revenues and Transfers	<u>57,258,400</u>	<u>59,158,400</u>	<u>61,084,164</u>	<u>1,925,764</u>	3.3%
Expenditures					
General Government	20,151,200	20,151,200	17,979,707	(2,171,493)	-10.8%
Community Development	6,346,600	6,346,600	5,629,604	(716,996)	-11.3%
Public Safety	20,905,900	20,905,900	20,226,310	(679,590)	-3.3%
Public Works	4,062,600	4,062,600	4,014,645	(47,955)	-1.2%
Capital Outlay	851,000	851,000	3,504,000	2,653,000	311.8%
Transfers Out	4,912,200	11,061,141	9,410,860	(1,650,281)	-14.9%
Total Expenditures and Transfers	<u>57,229,500</u>	<u>63,378,441</u>	<u>60,765,126</u>	<u>(2,613,315)</u>	-4.1%
Excess/(Deficiency) of					
Revenues over Expenditures	\$ 28,900	\$ (4,220,041)	\$ 319,038	\$ 4,539,079	-107.6%

Total Revenues exceeded the budget by 3.3%. Taxes and Assessments and Charges for Services had the largest budget variances from the original budget. Taxes and Assessments had a positive variance of \$1.9 million while Charges for Services had a negative variance of \$1.0 million. The variances in Taxes and Assessments was largely a result a stronger than anticipated economy while the decrease in Charges for Services was a result of fewer development project reviews than originally estimated.

Licenses, Permits and Fees had a positive variance of \$830K between the budgeted revenues to the actual. This increase is the result of more building permits being issued in FY 2017/18 than expected when the budget was originally prepared.

Use of Money & Property also varied from the original and final budget. This is a direct result of the staff not budgeting for interest income.

The City was able to manage its General Fund expenditure activity to produce actual expenditures that were 4.1% lower than the final budget and 6.2% higher the original budget. While the original budget had anticipated a surplus of \$28,900, this was revised in the final budget to reflect an anticipated loss of \$4.2 million. We are pleased that improvements in revenues, and the continued management of expenditures, led to an actual increase in net fund balance of \$319,038.

Financial Analysis of Major Governmental Funds

Three major funds, in addition to the General Fund, were separately stated in the City's governmental fund statements for fiscal year 2017/18. 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 \$3.0 million and interest earnings of \$248K. Expenditures this year included Public Works expenses of \$119K and capital outlay of \$2.8 million.

Traffic Mitigation Special Revenue Fund – This development impact fee is a citywide fee imposed on new development in the City to cover the fair share cost of traffic impacts resulting from new development. The funds collected are used for the construction of transportation improvements listed in the Transportation CIP Development Impact Fee Program. The revenues consist of impact fees totaling \$1.4 million, charges for services of \$720 and interest earnings of \$254K. Expenditures this year included Public Works expenses of \$321K and capital outlay of \$1.2 million.

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, 2018, the Grants Fund had received \$4.7 million in intergovernmental revenues, and posted \$4.2 million in expenditures. Grant revenues are received from federal, state, and local grant sources on an expenditure reimbursement basis.

Financial Analysis of Non-Major Governmental Funds

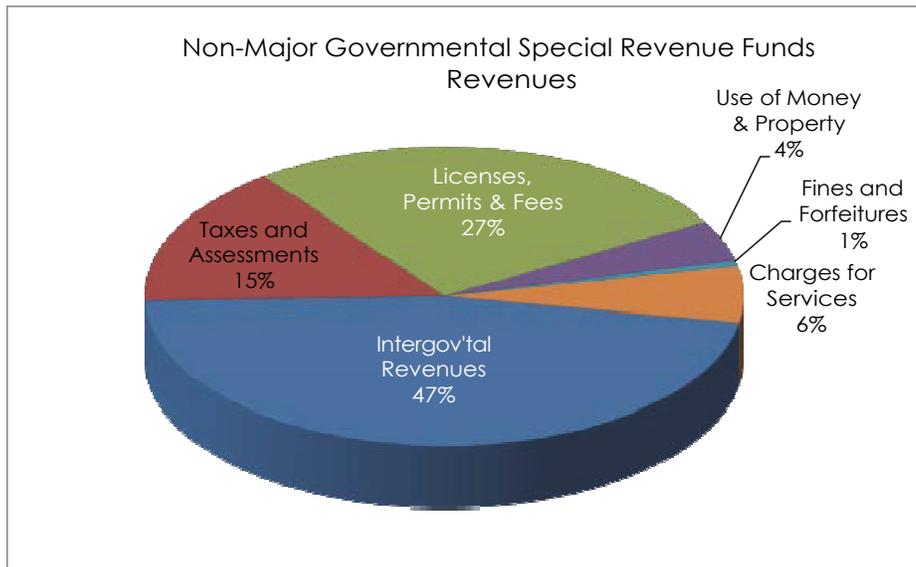
These funds, consisting mostly of Special Revenue Funds, were not of sufficient volume to warrant a "major-fund" designation. Some of these funds are as follows:

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 2017/18 were \$1.6 million. Public Works and capital improvement projects funded by the Gas Tax Fund totaled \$1.5 million, resulting in an increase in fund balance from \$3.0 million in 2017 to \$3.2 million in 2018.

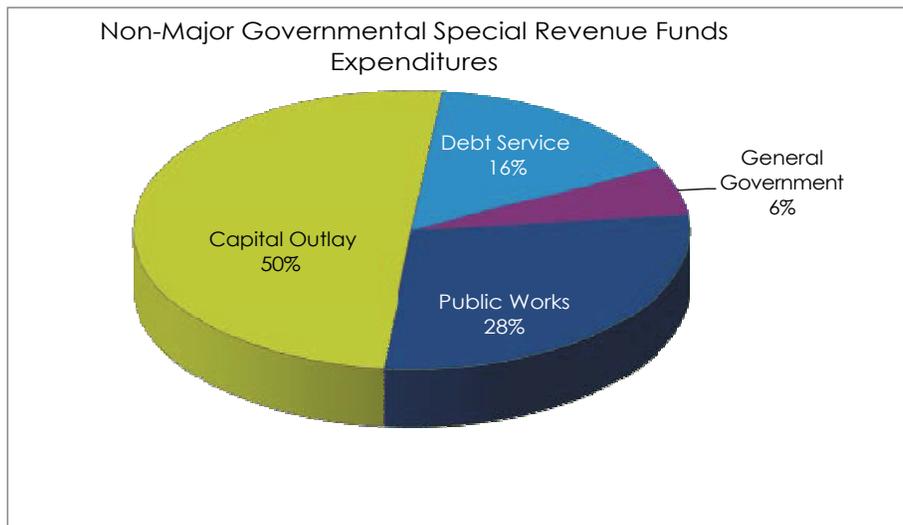
Community Facilities Fees Fund – These development impact fees are collected by the City to cover the costs of municipal facilities required to serve an increased population as a result of new development. These facilities primarily include city hall, police station, community center, corporation yard, library, city museum, and a parking structure. During fiscal year 2017/18, a total of \$1.1 million was collected. Transfers out of \$324K 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 \$5.0 million as of June 30, 2018.

Measure A Special Revenue Fund – Measure A is a voter approved one-half percent sales tax in Sacramento County. In 2004, voters approved a 30-year extension of this program that went into effect in April 2009. Once approved, bonds were sold to provide funding for capital projects. This funding was used in conjunction with the monies available from the first measure for maintenance and capital projects. This year the City received \$2.7 million in Measure A revenues along with \$8K in charges for services and \$71K in interest income. The City expended \$1.9 million on maintenance and capital improvement projects. This resulted in an ending fund balance of \$6.4 million.

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



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



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Capital Assets
For the fiscal years ending June 30, 2018, 2017, 2016

	Governmental Activities			Business Activities			Total		
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16
Land	\$ 11,258,856	\$ 8,568,341	\$ 8,568,341	\$ 225,000	\$ 225,000	\$ 225,000	\$ 11,483,856	\$ 8,793,341	\$ 8,793,341
Construction in progress	73,919,300	64,608,773	51,707,687	759,443	-	453,360	74,678,743	65,368,216	52,161,047
Infrastructure	277,212,827	276,769,861	270,770,355	257,713,111	257,713,111	255,680,524	534,925,938	534,482,972	526,450,879
Building & Improvements	27,717,596	27,717,596	27,559,052	1,261,091	1,261,091	1,261,091	28,978,687	28,978,687	28,820,143
Equipment & Software	5,169,344	4,898,810	4,854,498	6,049	6,049	6,049	5,175,393	4,904,859	4,860,547
Accumulated Depreciation	(194,483,772)	(185,110,349)	(175,806,817)	(113,764,676)	(107,308,025)	(100,851,376)	(308,248,448)	(298,875,025)	(276,658,193)
Total	\$ 200,794,151	\$ 197,453,032	\$ 187,653,116	\$ 146,200,018	\$ 151,897,226	\$ 156,774,648	\$ 346,994,169	\$ 343,653,050	\$ 344,427,764

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, 2018, 2017, 2016

	Governmental Activities			Business Activities			Total		
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16
Compensated Absences	\$ 575,643	\$ 539,961	\$ 535,227	\$ -	\$ -	\$ -	\$ 575,643	\$ 539,961	\$ 535,227
Certificates of Participation	15,715,000	16,395,000	19,350,000	-	-	-	15,715,000	16,395,000	19,350,000
Issuance premiums	1,118,080	1,184,500	(225,834)	-	-	-	1,118,080	1,184,500	(225,834)
Streetlight Retrofit Loan	1,318,947	1,443,755	1,567,323	-	-	-	1,318,947	1,443,755	1,567,323
Capital Lease Obligations	-	-	-	-	-	-	-	-	-
Total	\$ 18,727,670	\$ 19,563,216	\$ 21,226,716	\$ -	\$ -	\$ -	\$ 18,727,670	\$ 19,563,216	\$ 21,226,716

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 six 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 7.11% in Fiscal Year 2017/18 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 \$30.7 million as of June 30, 2018. Of this amount, the City's Economic Uncertainty Reserve is \$10.9 million, which represents slightly more than 20% of the 2018/19 General Fund budget, another \$847K is non-spendable, and the remaining \$18.9 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 2018/19.

The City's 2018/19 budget anticipates a slight growth in revenues over the 2017/18 fiscal year. Some of the gains expected in certain revenue categories such as property tax and sales tax will be offset by an anticipated decrease in License, Permits and Fees along with Charges for Services. 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 2018/19. The 2018/19 budget anticipates the filling of vacant positions along with the addition of newly created positions. The other significant additions to the 2018/19 budget include information technology enhancements, including the implementation of a new land management software. Overall, the City's budget remains strong and is anticipated to end the 2018/19 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. 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.

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CITY OF RANCHO CORDOVA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$128,116,477	\$11,338,423	\$139,454,900
Restricted cash and investments with fiscal agents (Note 3)	67		67
Receivables:			
Accounts, net	1,812,660		1,812,660
Interest	6,602	389	6,991
Due from other governments (Note 4)	8,526,386	703,771	9,230,157
Loans (Note 4)	7,940,708		7,940,708
Other	84,846		84,846
Prepays	64,569		64,569
Capital assets (Note 6):			
Nondepreciable	85,178,156	984,443	86,162,599
Depreciable, net	115,615,995	145,215,575	260,831,570
Total Assets	<u>347,346,466</u>	<u>158,242,601</u>	<u>505,589,067</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	2,642,682		2,642,682
Related to OPEB (Note 11)	102,139		102,139
Total deferred outflows of resources	<u>2,744,821</u>		<u>2,744,821</u>
Total Assets and Deferred Outflow of Resources	<u>350,091,287</u>	<u>158,242,601</u>	<u>508,333,888</u>
LIABILITIES			
Accounts payable and accrued liabilities	8,548,455	196,850	8,745,305
Interest payable	265,156	197	265,353
Refundable deposits	3,161,877		3,161,877
Unearned revenue	220,061		220,061
Compensated absences (Note 1G):			
Due within one year	575,643		575,643
Due in more than one year	7,137		7,137
Long-term debt (Note 7):			
Due within one year	821,058		821,058
Due in more than one year	17,330,969		17,330,969
Net pension liability (Note 10)	3,632,566		3,632,566
Net OPEB liability (Note 11)	117,405		117,405
Total Liabilities	<u>34,680,327</u>	<u>197,047</u>	<u>34,877,374</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	330,841		330,841
Related to OPEB (Note 11)	384,132		384,132
Total deferred inflows of resources	<u>714,973</u>		<u>714,973</u>
NET POSITION (Note 9)			
Net investment in capital assets	182,642,124	146,200,018	328,842,142
Restricted for:			
Debt service	67		67
Sunrise Douglas development	21,467,012		21,467,012
Traffic Mitigation	21,713,047		21,713,047
Community facilities	5,092,584		5,092,584
Park development	1,859,085		1,859,085
Villages of Zinfandel development	382,431		382,431
Mather Field traffic	13,526		13,526
Transit related services	4,318,998		4,318,998
Grant-funded projects	7,094,590		7,094,590
Asset forfeiture	137,468		137,468
Road improvements	15,651,578		15,651,578
Landscape and lighting	642,085		642,085
Rental code compliance	3,201		3,201
Local housing	2,232,790		2,232,790
Measure A funds	6,422,160		6,422,160
Total Restricted Net Position	<u>87,030,622</u>		<u>87,030,622</u>
Unrestricted	45,023,241	11,845,536	56,868,777
Total Net Position	<u>\$314,695,987</u>	<u>\$158,045,554</u>	<u>\$472,741,541</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$31,398,023	\$1,308,874		\$2,503,339
Community Development	5,909,415	3,042,634		387,795
Public Safety	19,646,587	3,226,878	\$567,328	
Public Works	8,822,024	6,715,951	4,236,176	7,060,210
Interest on long-term debt	988,528			
Total Governmental Activities	66,764,577	14,294,337	4,803,504	9,951,344
Business-type Activities:				
Cemetery	70,260	4,049		
Storm Drain	8,444,537	3,142,223		17,919
Total Business-type Activities	8,514,797	3,146,272		17,919
Total Primary Government	\$75,279,374	\$17,440,609	\$4,803,504	\$9,969,263

General revenues:

Taxes:

Property taxes

Sales taxes

Intergovernmental

Transient occupancy

Utility user taxes

Other taxes

Property taxes in lieu of vehicle license fees, unrestricted

Use of money and property

Other

Transfers (Note 5)

Total general revenues and transfers

Change in Net Position, before Special Item

Change in Net Position

Net Position - Beginning, as restated (Notes 1N and 9E)

Net Position - Ending

See accompanying notes to financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$27,585,810)		(\$27,585,810)
(2,478,986)		(2,478,986)
(15,852,381)		(15,852,381)
9,190,313		9,190,313
(988,528)		(988,528)
<u>(37,715,392)</u>		<u>(37,715,392)</u>
	(\$66,211)	(66,211)
	(5,284,395)	(5,284,395)
	<u>(5,350,606)</u>	<u>(5,350,606)</u>
<u>(37,715,392)</u>	<u>(5,350,606)</u>	<u>(43,065,998)</u>
10,334,571	860,419	11,194,990
23,531,768		23,531,768
3,984,489		3,984,489
3,835,713		3,835,713
2,811,340	8,110	2,819,450
6,071,638		6,071,638
1,304,633	125,178	1,429,811
1,398,851		1,398,851
(34,335)	34,335	
<u>53,238,668</u>	<u>1,028,042</u>	<u>54,266,710</u>
<u>15,523,276</u>	<u>(4,322,564)</u>	<u>11,200,712</u>
15,523,276	(4,322,564)	11,200,712
<u>299,172,711</u>	<u>162,368,118</u>	<u>461,540,829</u>
<u>\$314,695,987</u>	<u>\$158,045,554</u>	<u>\$472,741,541</u>

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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 year 2018. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

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

SUNRISE DOUGLAS SPECIAL REVENUE FUND

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

TRAFFIC MITIGATION SPECIAL REVENUE FUND

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

GRANTS FUND SPECIAL REVENUE FUND

Established to account for grant monies awarded to the City.

CITY OF RANCHO CORDOVA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	<u>General Fund</u>	<u>Sunrise Douglas</u>	<u>Traffic Mitigation</u>
ASSETS			
Cash and investments (Note 3)	\$31,448,487	\$21,679,648	\$21,719,824
Restricted cash and investments with fiscal agent (Note 3)			
Receivables:			
Accounts, net	1,250,497		510,381
Interest	3,368	743	738
Due from other governmental agencies (Note 4)	5,931,792		
Loans (Note 4)	797,055		
Other	84,846		
Prepays	50,019		
Due from other funds (Note 5)	982,030		
	<u>\$40,548,094</u>	<u>\$21,680,391</u>	<u>\$22,230,943</u>
Total Assets			
LIABILITIES			
Accounts payable	\$6,476,803		\$7,515
Interest payable	375		
Accrued liabilities	375,465		
Refundable deposits	2,934,498	\$213,379	
Due to other funds (Note 5)			
Unearned revenue			
	<u>9,787,141</u>	<u>213,379</u>	<u>7,515</u>
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	37,071		510,381
Unavailable revenue - due from other governmental agencies	71,148		
	<u>108,219</u>		<u>510,381</u>
Total Deferred Inflows of Resources			
FUND BALANCES (Note 9)			
Nonspendable	847,074		
Restricted		21,467,012	21,713,047
Unassigned	29,805,660		
	<u>30,652,734</u>	<u>21,467,012</u>	<u>21,713,047</u>
Total Fund Balances			
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$40,548,094</u>	<u>\$21,680,391</u>	<u>\$22,230,943</u>

See accompanying notes to financial statements

Grants	Nonmajor Governmental Funds	Total Governmental Funds
\$1,872,008	\$48,991,412 67	\$125,711,379 67
	50,782	1,811,660
62	1,653	6,564
1,672,350	922,244	8,526,386
5,083,348	2,060,305	7,940,708
		84,846
5,780		55,799
		982,030
<u>\$8,633,548</u>	<u>\$52,026,463</u>	<u>\$145,119,439</u>
\$734,365	\$767,728 305	\$7,986,411 680
	14,000	375,465
571,920	410,110	3,161,877
	183,059	982,030
		183,059
<u>1,306,285</u>	<u>1,375,202</u>	<u>12,689,522</u>
	50,782	598,234
<u>1,440,604</u>	<u>257,920</u>	<u>1,769,672</u>
<u>1,440,604</u>	<u>308,702</u>	<u>2,367,906</u>
5,780		852,854
7,088,810	50,468,235	100,737,104
(1,207,931)	(125,676)	28,472,053
<u>5,886,659</u>	<u>50,342,559</u>	<u>130,062,011</u>
<u>\$8,633,548</u>	<u>\$52,026,463</u>	<u>\$145,119,439</u>

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CITY OF RANCHO CORDOVA
 Reconciliation of the
 GOVERNMENTAL FUNDS -- BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2018

Total fund balances reported on the governmental funds balance sheet \$130,062,011

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and
 therefore are not reported in the Governmental Funds. 200,794,151

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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

Cash and investments	2,405,098
Interest receivable	38
Accounts receivable	1,000
Prepays items and deposits	8,770
Accounts payable and accrued liabilities	(186,579)
Unearned revenue	(37,002)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently
 are taken into revenue in the Statement of Activities. 2,367,906

LONG-TERM ASSETS, DEFERRED OUTFLOWS AND LIABILITIES

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

Collective net pension liability, and related deferred outflows and inflows of resources	(1,320,725)
OPEB obligation	(399,398)
Interest payable	(264,476)
Long-term debt	(18,152,027)
Governmental activities portion of compensated absences	(582,780)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$314,695,987

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General	Sunrise Douglas	Traffic Mitigation
REVENUES			
Property taxes	\$16,010,749		
Sales taxes	23,531,768		
Utility user taxes	3,835,713		
Other taxes	6,352,544		
Charges for services	3,307,488		\$720
Licenses, permits and fees	5,294,683	\$3,031,085	1,373,633
Fines, forfeitures and penalties	1,549,952		
Intergovernmental	483,437		
Use of money and property	520,726	247,804	253,654
Other	97,104		
Total Revenues	60,984,164	3,278,889	1,628,007
EXPENDITURES			
Current:			
General Government	17,979,707		
Community Development	5,629,604		
Public Safety	20,226,310		
Public Works	4,014,645	118,754	320,623
Capital outlay	3,504,000	2,818,441	1,155,813
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	51,354,266	2,937,195	1,476,436
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,629,898	341,694	151,571
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 5)	100,000		
Transfers (out) (Note 5)	(9,410,860)		
Total Other Financing Sources (Uses)	(9,310,860)		
NET CHANGE IN FUND BALANCES	319,038	341,694	151,571
BEGINNING FUND BALANCES (as adjusted Note 1N)	30,333,696	21,125,318	21,561,476
ENDING FUND BALANCES	\$30,652,734	\$21,467,012	\$21,713,047

See accompanying notes to financial statements

Grants	Nonmajor Governmental Funds	Total Governmental Funds
	\$1,778,016	\$17,788,765
		23,531,768
		3,835,713
		6,352,544
	708,126	4,016,334
	1,976,524	11,675,925
	72,306	1,622,258
\$4,723,831	5,457,342	10,664,610
21,977	510,152	1,554,313
	1,172,303	1,269,407
<u>4,745,808</u>	<u>11,674,769</u>	<u>82,311,637</u>
39,147	542,889	18,561,743
279,811		5,909,415
150,629		20,376,939
42,713	2,648,781	7,145,516
3,695,076	4,699,899	15,873,229
	804,808	804,808
	671,504	671,504
<u>4,207,376</u>	<u>9,367,881</u>	<u>69,343,154</u>
<u>538,432</u>	<u>2,306,888</u>	<u>12,968,483</u>
	6,348,198	6,448,198
	(660,863)	(10,071,723)
	5,687,335	(3,623,525)
538,432	7,994,223	9,344,958
<u>5,348,227</u>	<u>42,348,336</u>	<u>120,717,053</u>
<u>\$5,886,659</u>	<u>\$50,342,559</u>	<u>\$130,062,011</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, 2018

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 \$9,344,958

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	(3,265,414)
The capitalized expenditures are therefore added back to fund balance	15,645,267
Depreciation expense deducted from the fund balance	(9,312,382)

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.

Repayment of debt principal is added back to fund balance	804,808
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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	(393,565)
Interest payable	76,541
Unavailable revenue	1,588,906
Compensated absences	31,477
Net pension liability	(613,856)
OPEB obligation	(10,365)

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	1,626,901
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$15,523,276
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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$15,444,100	\$15,944,100	\$16,010,749	\$66,649
Sales taxes	20,896,800	22,296,800	23,531,768	1,234,968
Transient occupancy taxes	3,800,000	3,800,000	3,984,489	184,489
Utility user taxes	3,713,800	3,713,800	3,835,713	121,913
Other taxes	2,090,000	2,090,000	2,368,055	278,055
Charges for services	4,309,700	4,309,700	3,307,488	(1,002,212)
Licenses, permits and fees	4,464,900	4,464,900	5,294,683	829,783
Fines, forfeitures and penalties	1,548,400	1,548,400	1,549,952	1,552
Intergovernmental	519,200	519,200	483,437	(35,763)
Use of money and property	150,000	150,000	520,726	370,726
Other	35,200	35,200	97,104	61,904
Total Revenues	56,972,100	58,872,100	60,984,164	2,112,064
EXPENDITURES:				
Current				
General Government	20,151,200	20,151,200	17,979,707	2,171,493
Community Development	6,346,600	6,346,600	5,629,604	716,996
Public Safety	20,905,900	20,905,900	20,226,310	679,590
Public Works	4,062,600	4,062,600	4,014,645	47,955
Capital outlay	851,000	851,000	3,504,000	(2,653,000)
Total Expenditures	52,317,300	52,317,300	51,354,266	963,034
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,654,800	6,554,800	9,629,898	3,075,098
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 5)	286,300	286,300	100,000	(186,300)
Transfers (out) (Note 5)	(4,912,200)	(11,061,141)	(9,410,860)	1,650,281
Total other financing sources (uses)	(4,625,900)	(10,774,841)	(9,310,860)	1,463,981
NET CHANGE IN FUND BALANCE	28,900	(4,220,041)	319,038	4,539,079
Fund balance, July 1	30,333,696	30,333,696	30,333,696	
Fund balance, June 30	<u>\$30,362,596</u>	<u>\$26,113,655</u>	<u>\$30,652,734</u>	<u>\$4,539,079</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$10,947,600	\$10,947,600	\$3,031,085	(\$7,916,515)
Use of money and property			247,804	247,804
Total Revenues	10,947,600	10,947,600	3,278,889	(7,668,711)
EXPENDITURES:				
Current				
General government	10,000	10,000		10,000
Public Works	1,120,000	1,120,000	118,754	1,001,246
Capital outlay	22,871,200	22,871,200	2,818,441	20,052,759
Total Expenditures	24,001,200	24,001,200	2,937,195	21,064,005
NET CHANGE IN FUND BALANCE	(13,053,600)	(13,053,600)	341,694	13,395,294
Fund balance, July 1	21,125,318	21,125,318	21,125,318	
Fund balance, June 30	\$8,071,718	\$8,071,718	\$21,467,012	\$13,395,294

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, 2018

	<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			\$720	\$720
Licenses, permits and fees	\$5,556,463	\$5,556,463	1,373,633	(4,182,830)
Use of money and property			253,654	253,654
			<u>1,628,007</u>	<u>(3,928,456)</u>
Total Revenues	<u>5,556,463</u>	<u>5,556,463</u>	<u>1,628,007</u>	<u>(3,928,456)</u>
EXPENDITURES:				
Current				
General government	5,000	5,000		5,000
Public Works	1,015,000	1,015,000	320,623	694,377
Capital outlay	9,426,900	9,426,900	1,155,813	8,271,087
			<u>1,476,436</u>	<u>8,970,464</u>
Total Expenditures	<u>10,446,900</u>	<u>10,446,900</u>	<u>1,476,436</u>	<u>8,970,464</u>
NET CHANGE IN FUND BALANCE	(4,890,437)	(4,890,437)	151,571	5,042,008
Fund balance, July 1	<u>21,561,476</u>	<u>21,561,476</u>	<u>21,561,476</u>	
Fund balance, June 30	<u>\$16,671,039</u>	<u>\$16,671,039</u>	<u>\$21,713,047</u>	<u>\$5,042,008</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$16,186,100	\$16,186,100	\$4,723,831	(\$11,462,269)
Use of money and property			21,977	21,977
Total Revenues	16,186,100	16,186,100	4,745,808	(11,440,292)
EXPENDITURES				
Current:				
General Government			39,147	(39,147)
Community Development	340,000	340,000	279,811	60,189
Public Safety	150,000	150,000	150,629	(629)
Public Works	10,000	10,000	42,713	(32,713)
Capital outlay	15,686,100	15,686,100	3,695,076	11,991,024
Total Expenditures	16,186,100	16,186,100	4,207,376	11,978,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			538,432	538,432
NET CHANGE IN FUND BALANCE			538,432	538,432
Fund balance, July 1	5,348,227	5,348,227	5,348,227	
Fund balance, June 30	\$5,348,227	\$5,348,227	\$5,886,659	\$538,432

See accompanying notes to financial statements

MAJOR PROPRIETARY FUND

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

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

KILGORE CEMETERY

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

STORM DRAIN

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

INTERNAL SERVICE FUNDS

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

CITY OF RANCHO CORDOVA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments (Note 3)	\$22,573	\$11,315,850	\$11,338,423	\$2,405,098
Receivables:				
Accounts				1,000
Interest		389	389	38
Due from other governments (Note 4)		703,771	703,771	
Prepaid and other assets				8,770
	22,573	12,020,010	12,042,583	2,414,906
Total current assets				
Noncurrent assets:				
Capital assets (Note 6)				
Nondepreciable	225,000	759,443	984,443	201,415
Depreciable, net	1,182,108	144,033,467	145,215,575	95,625
	1,407,108	144,792,910	146,200,018	297,040
Total noncurrent assets				
	1,429,681	156,812,920	158,242,601	2,711,946
Total Assets				
LIABILITIES				
Current liabilities:				
Accounts payable	2,211	194,639	196,850	148,047
Interest payable		197	197	
Accrued payroll liabilities				38,532
Unearned revenue				37,002
	2,211	194,836	197,047	223,581
Total current liabilities				
	2,211	194,836	197,047	223,581
Total Liabilities				
NET POSITION (Note 9)				
Net investment in capital assets	1,407,108	144,792,910	146,200,018	297,040
Unrestricted	20,362	11,825,174	11,845,536	2,191,325
	\$1,427,470	\$156,618,084	\$158,045,554	\$2,488,365
Total Net Position				

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, 2018

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
OPERATING REVENUES				
Service charges	\$3,425	\$3,109,223	\$3,112,648	
Other	624	33,000	33,624	\$801,557
Total Operating Revenues	<u>4,049</u>	<u>3,142,223</u>	<u>3,146,272</u>	<u>801,557</u>
OPERATING EXPENSES				
Administration	31,685	2,026,461	2,058,146	2,703,192
Depreciation	38,575	6,418,076	6,456,651	71,205
Total Operating Expenses	<u>70,260</u>	<u>8,444,537</u>	<u>8,514,797</u>	<u>2,774,397</u>
Operating Income (Loss)	<u>(66,211)</u>	<u>(5,302,314)</u>	<u>(5,368,525)</u>	<u>(1,972,840)</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes		860,419	860,419	
Other taxes		8,110	8,110	
Interest income	256	124,922	125,178	10,551
Total Nonoperating Revenues (Expenses)	<u>256</u>	<u>993,451</u>	<u>993,707</u>	<u>10,551</u>
Income (Loss) Before Transfers	<u>(65,955)</u>	<u>(4,308,863)</u>	<u>(4,374,818)</u>	<u>(1,962,289)</u>
CAPITAL CONTRIBUTIONS		17,919	17,919	
TRANSFERS IN (Note 5)	34,335		34,335	3,589,190
Net transfers and capital contributions	<u>34,335</u>	<u>17,919</u>	<u>52,254</u>	<u>3,589,190</u>
Change in net position	(31,620)	(4,290,944)	(4,322,564)	1,626,901
BEGINNING NET POSITION	<u>1,459,090</u>	<u>160,909,028</u>	<u>162,368,118</u>	<u>861,464</u>
ENDING NET POSITION	<u>\$1,427,470</u>	<u>\$156,618,084</u>	<u>\$158,045,554</u>	<u>\$2,488,365</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	(\$2,026)	\$2,700,759	\$2,698,733	\$800,557
Payments to suppliers	(31,685)	(1,983,356)	(2,015,041)	(2,488,381)
Cash Flows from Operating Activities	(33,711)	717,403	683,692	(1,687,824)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental receipts		868,529	868,529	
Transfers in	34,335		34,335	3,589,190
Cash Flows from Noncapital Financing Activities	34,335	868,529	902,864	3,589,190
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets		(741,524)	(741,524)	(344,853)
Cash Flows from Capital and Related Financing Activities		(741,524)	(741,524)	(344,853)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	259	124,922	125,181	10,639
Cash Flows from Investing Activities	259	124,922	125,181	10,639
Net Cash Flows	883	969,330	970,213	1,567,152
Cash and investments at beginning of period	21,690	10,346,520	10,368,210	837,946
Cash and investments at end of period	<u>\$22,573</u>	<u>\$11,315,850</u>	<u>\$11,338,423</u>	<u>\$2,405,098</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	(\$66,211)	(\$5,302,314)	(\$5,368,525)	(\$1,972,840)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	38,575	6,418,076	6,456,651	71,205
Change in assets and liabilities:				
Accounts receivable				(1,000)
Prepaid and other assets				(8,770)
Interest receivable		3,893		
Interest payable		197		
Due from other governments		(441,464)		
Unearned revenue				37,002
Accrued payroll liabilities				38,532
Accounts payable	(6,075)	39,015	(404,434)	148,047
Cash Flows from Operating Activities	(\$33,711)	\$717,403	\$683,692	(\$1,687,824)
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributions of Capital Assets		\$17,919	\$17,919	

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

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

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

CITY OF RANCHO CORDOVA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Total Agency Funds
ASSETS		
Cash and investments (Note 3)	\$5,952	\$14,149,520
Restricted cash and investments with fiscal agents (Note 3)		12,263,319
Receivables:		
Accounts		
Interest		484
Due from other government agencies		37,297
Land held for resale (Note 15)	165,000	
Total Assets	170,952	\$26,450,620
LIABILITIES		
Accounts payable and accrued liabilities	1,460	\$30,867
Deposits payable		
Due to assessment district bondholders		19,976,435
Due to other agencies		6,443,318
Total Liabilities	1,460	\$26,450,620
NET POSITION HELD IN TRUST FOR OTHER GOVERNMENTS	\$169,492	

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, 2018

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS	
Property taxes	\$26,875
Use of money and property	407
Total Additions	27,282
DEDUCTIONS	
General Government	721,138
Total Deductions	721,138
CHANGE IN NET POSITION	(693,856)
BEGINNING NET POSITION	863,348
ENDING NET POSITION	\$169,492

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, 2018

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, 2018

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, 2018

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.

Grant Fund Special Revenue Fund – Established to account for grant monies awarded to 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 four Internal Service Funds. These funds accumulate funds to pay for potential litigation, insurance claims, information technology, facilities and replacement of vehicles and equipment.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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, 2018

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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The changes in compensated absences were as follows:

	Governmental Activities
Beginning Balance	\$614,257
Additions	636,788
Payments	(668,265)
Ending Balance	\$582,780
Current Portion	\$575,643

Compensated absences are liquidated primarily by the General Fund.

H. Prepaids

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

I. Refundable Deposits Payable

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

J. Land Held for Resale

The 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 15, 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, 2018, 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, 2018

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, 2018.

GASB Statement No. 75 – Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement was implemented by the City in the current year. See Note 9E and 11 for additional information.

GASB Statement No. 81 – Irrevocable Split-Interest Agreements. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement had no impact on the City's financial statements.

GASB Statement No. 85 – Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement was implemented by the City in the current year. See Note 11 for additional information.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 86 – *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement had no impact on the City’s financial statements.

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. *Fund Reclassification*

During fiscal year 2017-18, the City determined that the Capital Village Park Development Fund, formerly presented as a Special Revenue Fund, should be reclassified as an Agency Fund. As a result of this reclassification, the beginning net position of the Governmental Activities and beginning fund balance of Nonmajor Governmental funds were both reduced by \$1,454,166.

O. *New funds*

During fiscal year ended June 30, 2018, the City created the Community Places Fee and Road Maintenance and Rehabilitation Act (RMRA) Special Revenue Funds. Additionally, two new Internal Service Funds, were created, the Information Technology and Facilities Replacement Internal Service Funds.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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 and Mather Field Impact 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.

B. *Excess of Expenditures over Appropriations*

During fiscal 2018, there were no major governmental funds which had expenditures in excess of appropriations.

NOTE 3 – CASH AND INVESTMENTS

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

A. *Policies*

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

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

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

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

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

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	Minimum Credit Quality
Local Agency Investment Fund	N/A	None	\$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, 2018

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, 2018 consist of the following:

City cash and investments in primary government:	
Cash and investments	\$139,454,900
Restricted cash and investments with fiscal agents	67
Total City cash and investments in primary government	139,454,967
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	14,155,472
Restricted cash and investments with fiscal agents	12,263,319
Total cash and investments	\$165,873,758

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

As of June 30, 2018, the City’s cash and investments consisted of the following:

Cash on hand	\$3,915
Deposits with financial institutions	7,044,594
Investments	158,825,249
Total cash and investments	<u><u>\$165,873,758</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	\$9,497,786	\$5,876,589	\$3,073,035	\$1,138,668	\$19,586,078
U.S. Treasury Notes	999,669	2,683,497	3,295,102	5,847,158	12,825,426
Medium-Term Corporate Notes	3,671,279	5,299,790	4,020,297	1,247,687	14,239,053
California Local Agency Investment Fund	1,030,029				1,030,029
California Asset Management Program	72,422,815				72,422,815
Commercial Paper	2,084,717				2,084,717
Negotiable Certificates of Deposit	3,365,452	1,791,763	1,929,891		7,087,106
Supranationals		688,143	2,080,394		2,768,537
Asset-Backed Securities				4,452,884	4,452,884
Money Market Mutual Funds (U.S. Securities)	10,065,218				10,065,218
<i>Held by Fiscal Agents:</i>					
California Asset Management Program	1,039,950				1,039,950
Money Market Mutual Funds (U.S. Securities)	11,223,436				11,223,436
Total Investments	<u><u>\$115,400,351</u></u>	<u><u>\$16,339,782</u></u>	<u><u>\$14,398,719</u></u>	<u><u>\$12,686,397</u></u>	<u><u>\$158,825,249</u></u>

Money market funds are available for withdrawal on demand and at June 30, 2018, have an average maturity of 26 days for both Fidelity Investments Government Portfolio Money Market Fund and the Wells Fargo Advantage Treasury Plus Money Market Fund.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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, 2018 for the investment types provided by Standard and Poor’s investment rating system.

Investments	AAA/AAAm	AA/AA+/AA-	A/A+/A-	A-1	BBB+	Fair Value Total
U.S. Federal Agency Securities		\$19,586,078				\$19,586,078
Medium-Term Corporate Notes	\$1,036,935	5,504,532	\$6,436,976		\$1,260,610	14,239,053
California Asset Management Program	73,462,765					73,462,765
Money Market Mutual Funds (U.S. Securities)	21,288,654					21,288,654
Commercial Paper				\$2,084,717		2,084,717
Negotiable Certificates of Deposit		1,929,890	1,791,764	3,365,452		7,087,106
Supranationals	2,768,537					2,768,537
Asset-Backed Securities	3,857,480					3,857,480
Total rated	<u>\$102,414,371</u>	<u>\$27,020,500</u>	<u>\$8,228,740</u>	<u>\$5,450,169</u>	<u>\$1,260,610</u>	144,374,390
<i>Not rated:</i>						
California Local Agency Investment Fund						1,030,029
Asset-Backed Securities						595,404
<i>Exempt from credit rating:</i>						
U.S. Treasury Notes						<u>12,825,426</u>
Total Investments						<u>\$158,825,249</u>

G. 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, 2018 these investments matured in an average of 193 days.

H. 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. As of June 30, 2018, these investments have an average maturity of 35 days.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

I. 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.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2018:

<i>Investments by Fair Value Level:</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value Total</u>
Federal Agency Securities		\$19,586,078	\$19,586,078
U.S. Treasury Notes	\$12,825,426		12,825,426
Medium-Term Corporate Notes		14,239,053	14,239,053
Commercial Paper		2,084,717	2,084,717
Certificates of Deposit		7,087,106	7,087,106
Supranationals		2,768,537	2,768,537
Asset-Backed Securities		4,452,884	4,452,884
Total Investments at Fair Value	<u>\$12,825,426</u>	<u>\$50,218,375</u>	63,043,801
 <i>Investments Measured at Net Asset Value Per Share:</i>			
California Asset Management Program			73,462,765
 <i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Fund			21,288,654
 <i>Investments Exempt from Fair Value Hierarchy:</i>			
California Local Agency Investment Fund			1,030,029
 <i>Cash in banks and on hand</i>			
Total Cash and investments			<u>7,048,509</u> <u>\$165,873,758</u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

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 and Medium-Term Corporate Notes 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 the City' custodian bank.

NOTE 4 – RECEIVABLES

A. Due from other Governments

As of June 30, 2018 due from other governments consisted of the following:

	Governmental Funds	Proprietary Funds
Drainage Fees		\$656,645
Sales Tax	\$4,283,480	
Grants	2,021,923	
Property Tax	848,983	47,126
Franchise Fees	550,502	
TDA Funds	257,920	
Fines	163,656	
Gas Tax	156,571	
Measure A	147,243	
Utility Taxes	92,336	
Fees	\$3,968	
	\$8,526,582	\$703,771

B. Loans Receivable

Loans receivable consisted of the following at June 30, 2018:

General Fund:	
Veterans Resource Center of America	\$330,000
Chamber of Commerce	192,080
Economic Development Revolving Loan Program	274,975
Grant Fund:	
Crossings @ New Rancho	4,621,180
CalHome Loans	462,168
Community Development Block Grant Fund:	
Rehabilitation Loan Program	60,305
Local Housing Fund:	
Mercy Housing Loan	2,000,000
Total Loans Receivable	\$7,940,708

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 4 – RECEIVABLES (Continued)

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, 2018, the balance of this loan was \$330,000 but is expected to be forgiven in fiscal year 2018-2019.

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. As of June 30, 2018, the balance of this loan was \$192,080.

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, 2018, there were two loans outstanding with principal and accrued interest totaling \$274,975.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 4 – RECEIVABLES (Continued)

Crossings @ New Rancho Loans

In November 2010, the City agreed to loan up to \$4,621,180 to UHC 00516 Rancho Cordova, LP, for construction of an affordable residential rental project, The Crossings @ New Rancho (Permanent Loan). The Permanent Loan is being funded by two Neighborhood Stabilization Program (NSP) federal grants received by the City. In addition, the City agreed to provide a construction bridge loan (Bridge Loan) of up to \$3.8 million from the General Fund to pay approved construction disbursement requests from the developer, pending receipt of the NSP grant funds in accordance with the terms of the agreement. The Permanent Loan and Bridge Loan are secured by deeds of trust on the property. The Permanent Loan does not bear interest, is payable from residual receipts as defined in the agreement and is due the earlier of 55 years from the issuance of the final certificate of occupancy on the project or the 57th anniversary of the loan origination date. The Bridge Loan bears interest of 4.02% from the date of each disbursement, but total interest will not exceed \$80,000, and payments on the Bridge Loan are due on a quarterly basis as NSP grant proceeds are made available to the City. When the City receives the NSP grant proceeds, they automatically convert the Bridge Loan to the Permanent Loan. The balance of the Permanent Loan was \$4,621,180 as of June 30, 2018. There is a reasonable expectation that the Permanent Loan will be forgiven upon completion of the terms and conditions of the Loan.

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, 2018, there were eleven loans outstanding with principal totaling \$462,168.

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, 2018, there was one loan outstanding with principal and accrued interest totaling \$60,305.

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, 2018, the balance of this loan was \$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.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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, 2018 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>
General Fund	Non-Major Governmental Funds	\$100,000 (A)
Enterprise Fund		
Kilgore Cemetery Fund	General Fund	34,335 (B)
Internal Service Funds		
Insurance Fund	General Fund	253,400 (A)
Information Technology Fund	General Fund	1,886,100 (A)
	Non-Major Governmental Funds	237,290 (C)
Facilities Replacement Fund	General Fund	1,212,400 (A)
Non-Major Governmental Funds	General Fund	6,024,625 (A), (D), (E)
	Non-Major Governmental Funds	323,573 (E)
Total Interfund Transfers		<u>\$10,071,723</u>

The reasons for these transfers are set forth below:

- (A) To fund programs
- (B) To fund operating loss
- (C) To close fund
- (D) To fund capital projects
- (E) To fund debt service

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2018, the Grands Special Revenue Fund owed \$571,920 and Non-Major Governmental Funds owed \$410,110 to the General Fund.

C. 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, 2018

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, 2018

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets at June 30, 2018 comprise:

	Balance at June 30, 2017	Additions	Retirements	Transfers/ Adjustments	Balance at June 30, 2018
Governmental activities					
Capital assets not being depreciated:					
Land	\$8,029,444	\$2,690,515			\$10,719,959
Easements	538,897				538,897
Construction in progress	64,608,773	12,997,553	(\$3,265,414)	(\$421,612)	73,919,300
Total capital assets not being depreciated	<u>73,177,114</u>	<u>15,688,068</u>	<u>(3,265,414)</u>	<u>(421,612)</u>	<u>85,178,156</u>
Capital assets being depreciated:					
Infrastructure	276,769,861	21,354		421,612	277,212,827
Buildings and improvements	27,717,596				27,717,596
Office equipment and furniture	2,422,599	280,698	(10,164)		2,693,133
Software	2,232,939				2,232,939
Vehicles	243,272				243,272
Total capital assets being depreciated	<u>309,386,267</u>	<u>302,052</u>	<u>(10,164)</u>	<u>421,612</u>	<u>310,099,767</u>
Less accumulated depreciation for:					
Infrastructure	(170,871,608)	(8,226,171)			(179,097,779)
Buildings and improvements	(9,687,033)	(904,192)			(10,591,225)
Office equipment and furniture	(2,099,923)	(228,798)	10,164		(2,318,557)
Software	(2,232,939)				(2,232,939)
Vehicles	(218,846)	(24,426)			(243,272)
Total accumulated depreciation	<u>(185,110,349)</u>	<u>(9,383,587)</u>	<u>10,164</u>		<u>(194,483,772)</u>
Net capital assets being depreciated	<u>124,275,918</u>	<u>(9,081,535)</u>		<u>421,612</u>	<u>115,615,995</u>
Governmental activity capital assets, net	<u>\$197,453,032</u>	<u>\$6,606,533</u>	<u>(\$3,265,414)</u>		<u>\$200,794,151</u>
Business-type activities					
Capital assets not being depreciated:					
Land	\$225,000				\$225,000
Construction in progress		\$759,443			759,443
Total capital assets not being depreciated	<u>225,000</u>	<u>759,443</u>			<u>984,443</u>
Capital assets being depreciated:					
Infrastructure	257,713,111				257,713,111
Buildings	1,261,091				1,261,091
Software	6,049				6,049
Total capital assets being depreciated	<u>258,980,251</u>				<u>258,980,251</u>
Less accumulated depreciation for:					
Infrastructure	(106,986,704)	(6,425,123)			(113,411,827)
Buildings	(315,272)	(31,528)			(346,800)
Software	(6,049)				(6,049)
Total accumulated depreciation	<u>(107,308,025)</u>	<u>(6,456,651)</u>			<u>(113,764,676)</u>
Net capital assets being depreciated	<u>151,672,226</u>	<u>(6,456,651)</u>			<u>145,215,575</u>
Business-type activity capital assets, net	<u>\$151,897,226</u>	<u>(\$5,697,208)</u>			<u>\$146,200,018</u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 6 – CAPITAL ASSETS (Continued)

During the year ended June 30, 2018, depreciation of \$9,312,382 as charged to the general government function, \$71,205 as charged to Internal Service Funds and \$6,456,651 was charged to the Enterprise Funds.

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, 2017	Retirements	Balance June 30, 2018	Due within one year
<i>Governmental Activity Debt</i>					
Certificates of Participation:					
2017 Series A					
3.63 to 4.00%, due 2/1/2035	\$11,925,000	\$11,925,000		\$11,925,000	
Add: Issuance premiums		1,184,500	\$66,420	1,118,080	
2017 Series B					
1.30 to 3.27%, due 2/1/2024	4,470,000	4,470,000	680,000	3,790,000	\$695,000
Total Certificates of Participation		<u>17,579,500</u>	<u>746,420</u>	<u>16,833,080</u>	<u>695,000</u>
Streetlight Retrofit Loan Payable	1,809,734	<u>1,443,755</u>	<u>124,808</u>	<u>1,318,947</u>	<u>126,058</u>
Total Governmental Activity Debt		<u>\$19,023,255</u>	<u>\$871,228</u>	<u>\$18,152,027</u>	<u>\$821,058</u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 – LONG-TERM DEBT (Continued)

B. 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 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.

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.

C. 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.

D. 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. As of June 30, 2018, the City did not expect to incur a liability.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 – LONG-TERM DEBT (Continued)

E. Debt Service Requirements

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

For the Year Ending June 30	Principal	Interest
2019	\$821,058	\$647,618
2020	827,291	633,527
2021	843,599	616,821
2022	864,887	597,943
2023	886,190	576,061
2024 - 2028	4,940,922	2,373,806
2029 - 2033	5,425,000	1,188,240
2034 - 2036	2,425,000	130,736
Total payments due	17,033,947	\$6,764,752
Reconciliation of Long Term Debt:		
Issuance premiums	1,118,080	
	\$18,152,027	

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 July 2017, the Sunridge Park CFD 2004-1, Series 2007, Special Tax Bonds were refunded by the Sunridge Park CFD 2004-1, Series 2017, Special Tax Refunding Bonds.

As of June 30, 2018, Special Tax Bonds outstanding were as follows:

Sunridge Anatolia CFD 2003 - 1 - Series 2012	\$22,825,000
Sunridge Anatolia CFD 2003 - 1 - Series 2014	11,165,000
Sunridge Anatolia CFD 2003 - 1 - Series 2016	33,970,000
Sunridge Park CFD 2004 - 1 - Series 2017	11,825,000
Sunridge North Douglas CFD 2005 - 1 - Series 2015	14,135,000
Sunridge North Douglas CFD 2005 - 1 - Series 2018	5,450,000
	\$99,370,000

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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, 2018

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, 2018, are below:

Fund Balance Classifications	General Fund	Sunrise Douglas	Traffic Mitigation	Grants Fund	Other Governmental Funds	Total
Nonspendables:						
Items not in spendable form:						
Loans Receivable	\$797,055					\$797,055
Prepaid Expense	50,019			\$5,780		55,799
Advances to Other Funds						
Subtotal	<u>847,074</u>			<u>5,780</u>		<u>852,854</u>
Restricted for:						
Development Improvements		\$21,467,012			\$9,146,571	30,613,583
Traffic Mitigation			\$21,713,047			21,713,047
Debt Service					67	67
Transportation					18,383,274	18,383,274
Capital Projects					13,316,642	13,316,642
Public Safety					137,664	137,664
Parks and Recreation					1,993,272	1,993,272
Transit Services					4,318,998	4,318,998
Community Development				7,088,810	2,235,744	9,324,554
Rental Code Compliance					3,201	3,201
General Plan					279,166	279,166
Road Maintenance					11,551	11,551
Landscaping and Lighting					642,085	642,085
Subtotal		<u>21,467,012</u>	<u>21,713,047</u>	<u>7,088,810</u>	<u>50,468,235</u>	<u>100,737,104</u>
Unassigned:						
General Fund	29,805,660					29,805,660
Other Governmental Funds						
Deficit Residuals				(1,207,931)	(125,676)	(1,333,607)
Subtotal	<u>29,805,660</u>			<u>(1,207,931)</u>	<u>(125,676)</u>	<u>28,472,053</u>
Total Fund Balances	<u>\$30,652,734</u>	<u>\$21,467,012</u>	<u>\$21,713,047</u>	<u>\$5,886,659</u>	<u>\$50,342,559</u>	<u>\$130,062,011</u>

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

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, 2018, 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	\$3,854,905
Infrastructure Repair and Replacement Fund	947,075
Community Enhancement Fund	8,514,662

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, 2018:

Fund	Amount
Community Development Block Grant Special Revenue Fund	\$122,722

This deficit is expected to be eliminated by future grant revenue.

E. *Net Position Restatements*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which became effective during the year ended June 30, 2018. In June 2015, GASB issued Statement No. 75 and the intention of this Statement is to improve the usefulness of information for decisions made by the various users of the financial reports of governments whose employees – both active employees and inactive employees – are provided with postemployment benefits other than pensions by requiring recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense.

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

The implementation of the Statement required the City to make a prior period adjustment. As a result, the beginning net position of the Governmental Activities was reduced by \$259,069. See additional information in Note 11.

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, 2018, are summarized as follows:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$2,642,682	\$3,632,566	\$330,841

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, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous</u>
	Prior to	On or after
	January 1, 2013	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	7.951%	6.250%
Required employer contribution rates	11.049%	6.533%

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 \$131,413 in fiscal year 2018.

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, 2018, the City’s contributions to the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$712,521

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.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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.

As of June 30, 2018, the City reported \$3,632,566 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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.08459%
Proportion - June 30, 2017	0.09215%
Change - Increase (Decrease)	<u>0.00756%</u>

For the year ended June 30, 2018, the City recognized negative net pension expense of \$613,856 for the Miscellaneous Plan on the Statement of Activities. At June 30, 2018, 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	\$712,521	
Differences between actual and expected experience	6,039	(\$86,525)
Changes in assumptions	749,338	(57,138)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,005,315	(187,178)
Net differences between projected and actual earnings on plan investments	169,469	
Total	<u>\$2,642,682</u>	<u>(\$330,841)</u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued).

The \$712,521 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, 2019. 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
2019	\$725,207
2020	570,635
2021	404,097
2022	(100,619)
	\$1,599,320

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:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$6,102,599
Current Discount Rate	7.15%
Net Pension Liability	\$3,632,566
1% Increase	8.15%
Net Pension Liability	\$1,586,840

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liabilities were determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
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, 2017 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 be found on the CalPERS website.

Change of Assumptions In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% 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 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% 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, 2018

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	47.0%	4.90%	5.38%
Global Debt Securities	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
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, 2018

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the California Employer’s Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. *General Information about the City’s Other Post Employment Benefit (OPEB) Plan*

Plan Description – The City’s Post Employment Benefit Plan is an agent multiple-employer defined benefit OPEB plan.

Access to coverage - Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if new to PERS after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the City to be eligible to continue medical coverage through the City and be entitled to the benefits described below. In other words, it is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not the retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution. One exception to this requirement applies only to employees covered by the PEMHCA Vesting resolution who work at least 20 years for the City.

Benefits provided – Under PEMHCA, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree’s lifetime or until coverage is discontinued. Since 2004, the City has maintained an “unequal” resolution with CalPERS defining the level of the City’s contribution toward the cost medical plan premiums for active employees to be the PEMHCA minimum employer contribution (MEC). Under the unequal resolution, the employer’s contribution toward retiree medical benefits is determined by multiplying:

- 5% time
- The number of prior years the employer has been contracted with PEMHCA times
- The contribution provided toward active employee health benefits (i.e. the MEC).

For the year ended June 30, 2018, the City’s contributions to the Plan were \$102,139.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2017:

Active employees	72
Retirees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	0
Total	77

B. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability and net OPEB liability were determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

		Actuarial Assumptions
Valuation Date	June 30, 2017	
Measurement Date	June 30, 2017	
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay	
Asset Valuation Method	Market value of assets	
Actuarial Assumptions:		
Long Term Return on Assets	6.65%	
Discount Rate	6.65%	
Inflation	2.75%	
Salary Increase	3.25%	
Assumed Wage Inflation	3.00%	
General Inflation	2.75%	
Mortality Rate	Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008, then projected.	
Mortality Improvement	MacLeod Watts Scale 2017 applied generationally	
Healthcare Trend Rate	7.5% decreasing to 5% for years 2025 and thereafter. The required PEMHCA minimum employer contribution is assumed to increase by 4.5% annually.	

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.0%	8.32%
Fixed Income	27.0%	4.87%
Treasury Inflation Protection Securities	5.0%	3.94%
Real Estate Investment Trusts	8.0%	6.75%
Commodities	3.0%	4.84%
Total	100.0%	6.94%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.65%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at Measurement Date 6/30/2016	\$1,142,340	\$727,199	\$415,141
Changes Recognized for the Measurement Period:			
Service Cost	115,639		115,639
Interest	82,788		82,788
Net investment income		52,563	(52,563)
Contributions from the employer		26,108	(26,108)
Difference between expected and actual experience	(320,421)		(320,421)
Changes in benefit terms			0
Administrative expenses		(383)	383
Benefit payments	(26,108)	(26,108)	0
Changes of assumptions	(97,454)		(97,454)
Net changes	(245,556)	52,180	(297,736)
Balance at Measurement Date 6/30/2017	896,784	779,379	117,405

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Detailed information about the OPEB plan’s fiduciary net position is available in the separate CalPERS CAFR that may be obtained on the CalPERS website.

D. Sensitivity of the Net OPEB Liability rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(5.65 %)	(6.65%)	(7.65%)
\$252,609	\$117,405	\$6,462

Net OPEB Liability/(Asset)		
Current Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
(6.5% grade down to 4%)	(7.5% grade down to 5%)	(8.5% grade down to 6%)
(\$31,853)	\$117,405	\$350,245

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$112,504. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$102,139	
Differences between actual and expected experience		(291,960)
Changes of assumptions		(88,798)
Net differences between projected and actual earnings on plan investments		(3,374)
Total	\$102,139	(\$384,132)

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

\$102,139 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2019	(\$37,960)
2020	(37,960)
2021	(37,960)
2022	(37,962)
2023	(37,117)
Thereafter	(195,173)
Total	<u><u>(\$384,132)</u></u>

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 \$525,469 for the year ended June 30, 2018. 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.

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 12 – RISK MANAGEMENT (Continued)

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	600,000,000	0
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.

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. Any tax increment related to redevelopment project areas are excluded from this Tax Sharing Agreement. For the fiscal year ended June 30, 2018, property taxes retained by the County in accordance with the revenue neutrality agreement totaled \$8,632,032.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

For financial reporting purposes, the current auditing standards define 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. 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, 2018, under this program, the City has tax abatements totaling \$3,240,743.

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 2018-19 projects total costs of \$21,991,278.

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, 2018 totaled \$790,280.

The City had outstanding contracts for services in the amount of \$18,110,118 and outstanding contracts for construction in the amount of \$26,544,599 as of June 30, 2018.

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, 2018, are as follows:

Year ending June 30,	Lease Payments
2019	\$90,068
2020	48,741
2021	18,659
2022	<u>11,412</u>
Total	<u>\$168,880</u>

Total costs of such leases were \$161,928 for the fiscal year ended June 30, 2018.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

**NOTE 15 – 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, 2018.

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, 2018, the Successor Agency held one parcel with an acquisition cost 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.

The Successor Agency and the Local Oversight Board approved the sale of this property to the City of Rancho Cordova on June 25, 2018 for the appraised value of \$165,000. This action was then submitted to the Department of Finance for review. The Department of Finance originally indicated they would initiate a review of the Oversight Board action, it was later decided a review was not necessary since the proposed sale was in accordance with the approved Long Range Property Management Plan. While the sale of the property did not occur until September 26, 2018, the property's book value was reduced to the fair market value of \$165,000 as of June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

City of Rancho Cordova
Cost-Sharing Multiple-Employer Defined Pension Plan - Miscellaneous Plan
As of June 30, 2018

**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>	<u>6/30/2017</u>
Plan's Proportion of the Net Pension Liability (Asset)	0.003148%	0.08531%	0.08459%	0.09215%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$1,958,792	\$2,340,588	\$2,938,627	\$3,632,566
Plan's Covered Payroll	\$5,425,993	\$5,514,747	\$5,331,377	\$5,754,341
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	36.10%	42.44%	55.12%	63.13%
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%	79.77%

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

**City of Rancho Cordova
 Cost-Sharing Multiple Employer Defined Pension Plan - Miscellaneous Plan
 For the Fiscal Year Ended June 30, 2018**

**Schedule of Contributions
 Last 10 Years***

Fiscal Year Ended June 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$870,132	\$603,352	\$651,411	\$712,521
Contributions in relation to the actuarially determined contributions	<u>(870,132)</u>	<u>(603,352)</u>	<u>(651,411)</u>	<u>(712,521)</u>
Contribution deficiency (excess)	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
 Covered payroll	 \$5,514,747	 \$5,331,377	 \$5,754,341	 \$6,157,529
 Contributions as a percentage of covered payroll	 15.78%	 11.32%	 11.32%	 11.57%

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

CITY OF RANCHO CORDOVA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

OPEB Plan - Agent Multiple Employer Plan
Last 10 fiscal years*

Measurement Date	<u>6/30/17</u>
Total OPEB Liability	
Service Cost	\$115,639
Interest	82,788
Changes in benefit terms	
Differences between expected and actual experience	(320,421)
Changes of assumptions	(97,454)
Benefit payments	<u>(26,108)</u>
Net change in total OPEB liability	(245,556)
Total OPEB liability - beginning	<u>1,142,340</u>
Total OPEB liability - ending (a)	<u><u>\$896,784</u></u>
Plan fiduciary net position	
Contributions - employer	\$26,108
Net investment income	52,563
Administrative expense	(383)
Benefit payments	<u>(26,108)</u>
Net change in plan fiduciary net position	52,180
Plan fiduciary net position - beginning	<u>727,199</u>
Plan fiduciary net position - ending (b)	<u><u>\$779,379</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$117,405</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>86.91%</u></u>
Covered-employee payroll	<u><u>\$5,836,918</u></u>
Net OPEB liability as a percentage of covered-employee payroll	<u><u>2.01%</u></u>

* Fiscal year 2018 was the first year of implementation.

**CITY OF RANCHO CORDOVA
OPEB - SCHEDULE OF CONTRIBUTIONS**

OPEB Plan - Agent Multiple Employer Plan
Last 10 fiscal years*

Fiscal Year Ended June 30,	2018
Actuarially determined contribution	\$102,139
Contributions in relation to the actuarially determined contribution	<u>102,139</u>
Contribution deficiency (excess)	<u>\$0</u>
Covered-employee payroll	<u>\$6,163,084</u>
Contributions as a percentage of covered-employee payroll	1.66%
Valuation date:	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Assumptions:

Discount Rate	6.65%
General Inflation	2.75%
Salary increase	3.25%
Investment Rate of Return	6.65%
Mortality Rate	Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008, then projected.
Healthcare Trend Rate	7.5% and grade down to 5% for years 2025 and thereafter

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTARY INFORMATION

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NON-MAJOR SPECIAL REVENUE FUNDS
--

ASSET FORFEITURE FUND

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

VILLAGES OF ZINFANDEL FUND

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

COMMUNITY FACILITIES FEES FUND

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

PARK DEVELOPMENT FUND

Accounts for funds received from developers for the impact of development on existing parks and the need to build additional parks.

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.

TRANSPORTATION DEVELOPMENT ACT FUND

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

TRANSIT-RELATED SERVICES TAX FUND

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

NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
--

ROAD MAINTENANCE FUND

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

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

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

RENTAL CODE COMPLIANCE PROGRAM FUND

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

ROADWAY IMPROVEMENT FUND

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

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.

NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
--

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.

COMMUNITY PLACES FEES FUND

Established to account for revenue from development fees collected on new development projects to build City parks.

ROAD MAINTENANCE AND REHABILITATION ACCOUNT FUND

In 2017, Senate Bill 1 (SB) created the Road Maintenance and Rehabilitation Program to address deferred maintenance on the State Highway System and the local street and road system. Monies tracked in this fund from this legislation and are to be used for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

LOCAL HOUSING TRUST 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-residential buildings.

NON-MAJOR DEBT SERVICE FUND

FINANCING CORPORATION DEBT SERVICE FUND

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

NON-MAJOR CAPITAL PROJECTS FUND
--

CAPITAL OUTLAY FUND

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

CITY OF RANCHO CORDOVA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	SPECIAL REVENUE FUNDS				
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax
ASSETS					
Cash and investments	\$137,230	\$382,419	\$4,958,048	\$1,859,021	\$3,222,049
Restricted cash and investments with fiscal agent					
Receivables:					
Accounts		16,104	34,678		
Interest	6	12	153	64	97
Due from other governmental agencies	232				
Loans					
Total Assets	\$137,468	\$398,535	\$4,992,879	\$1,859,085	\$3,222,146
LIABILITIES					
Accounts payable					\$49,850
Interest Payable					
Refundable deposits					
Due to other funds					
Unearned Revenue					
Total Liabilities					49,850
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable		\$16,104	\$34,678		
Unavailable revenue - due from other governmental agencies					
Total Deferred Inflows of Resources		16,104	34,678		
Fund balances (deficits)					
Restricted	137,468	382,431	4,958,201	1,859,085	3,172,296
Unassigned					
Total Fund Balances (Deficits)	137,468	382,431	4,958,201	1,859,085	3,172,296
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$137,468	\$398,535	\$4,992,879	\$1,859,085	\$3,222,146

SPECIAL REVENUE FUNDS

Street Cut Fees	Mather Field Traffic Impact Fees	Transportation Development Act	Transit- Related Services Tax	Road Maintenance	Community Development Block Grant	Rental Code Compliance Program
\$695,899	\$13,526	\$113,498	\$4,384,095	\$3,803,178		\$3,197
27		2 257,920	148 3,900	211 1,992	\$349,573 60,305	4
<u>\$695,926</u>	<u>\$13,526</u>	<u>\$371,420</u>	<u>\$4,388,143</u>	<u>\$3,805,381</u>	<u>\$409,878</u>	<u>\$3,201</u>
			\$68,946 199	\$12,961 7	\$84,474	
					265,067 183,059	
			69,145	12,968	532,600	
		\$257,920				
		257,920				
\$695,926	\$13,526	113,500	4,318,998	3,792,413	(122,722)	\$3,201
<u>695,926</u>	<u>13,526</u>	<u>113,500</u>	<u>4,318,998</u>	<u>3,792,413</u>	<u>(122,722)</u>	<u>3,201</u>
<u>\$695,926</u>	<u>\$13,526</u>	<u>\$371,420</u>	<u>\$4,388,143</u>	<u>\$3,805,381</u>	<u>\$409,878</u>	<u>\$3,201</u>

(Continued)

CITY OF RANCHO CORDOVA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	SPECIAL REVENUE FUNDS				
	Roadway Improvement	Landscaping and Lighting	Measure A	General Plan	CFD 2013-2 Police Services
ASSETS					
Cash and investments	\$7,979,896	\$710,306	\$6,605,451	\$279,157	\$14,196
Accounts					
Receivables:					
Accounts					
Interest	261	66	220	9	
Due from other governmental agencies		4,813	147,243		
Loans					
Total Assets	<u>\$7,980,157</u>	<u>\$715,185</u>	<u>\$6,752,914</u>	<u>\$279,166</u>	<u>\$14,196</u>
LIABILITIES					
Accounts payable	\$765	\$73,001	\$330,754		
Interest Payable		99			
Refundable deposits					\$14,000
Due to other funds					
Unearned Revenue					
Total Liabilities	<u>765</u>	<u>73,100</u>	<u>330,754</u>		<u>14,000</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable					
Unavailable revenue - due from other governmental agencies					
Total Deferred Inflows of Resources					
Fund balances (deficits)					
Restricted	7,979,392	642,085	6,422,160	\$279,166	196
Unassigned					
Total Fund Balances (Deficits)	<u>7,979,392</u>	<u>642,085</u>	<u>6,422,160</u>	<u>279,166</u>	<u>196</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$7,980,157</u>	<u>\$715,185</u>	<u>\$6,752,914</u>	<u>\$279,166</u>	<u>\$14,196</u>

Low/Moderate Income Housing	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
	Community Places Fees	Road Maintenance and Rehabilitation Account	Local Housing	Financing Corporation	Capital Outlay	
\$235,736	\$134,184			\$67	\$13,460,326	\$48,991,412 67
8	3	\$156,571	\$63		299	50,782 1,653 922,244 2,060,305
<u>\$235,744</u>	<u>\$134,187</u>	<u>\$156,571</u>	<u>\$2,000,063</u>	<u>\$67</u>	<u>\$13,460,625</u>	<u>\$52,026,463</u>
			\$2,994		\$143,983	\$767,728 305 14,000 410,110 183,059
		\$145,020	\$23			
		<u>145,020</u>	<u>3,017</u>		<u>143,983</u>	<u>1,375,202</u>
						50,782 257,920 308,702
\$235,744	134,187	11,551	2,000,000 (2,954)	67	13,316,642	50,468,235 (125,676)
<u>235,744</u>	<u>134,187</u>	<u>11,551</u>	<u>1,997,046</u>	<u>67</u>	<u>13,316,642</u>	<u>50,342,559</u>
<u>\$235,744</u>	<u>\$134,187</u>	<u>\$156,571</u>	<u>\$2,000,063</u>	<u>\$67</u>	<u>\$13,460,625</u>	<u>\$52,026,463</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, 2018

	SPECIAL REVENUE FUNDS				
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax
REVENUES					
Property taxes and assessments					
Licenses, permits and fees		\$1,568	\$1,101,556	\$248,422	
Fines, forfeitures and penalties	\$22,306				
Charges for services					
Intergovernmental					\$1,580,946
Use of money and property	1,520	4,452	51,221	20,683	32,025
Other revenue					
Total Revenues	23,826	6,020	1,152,777	269,105	1,612,971
EXPENDITURES					
Current:					
General Government			41,309	5,346	
Public Works					30,506
Capital outlay					1,437,487
Debt Service:					
Principal					
Interest and fiscal charges					
Total Expenditures			41,309	5,346	1,467,993
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	23,826	6,020	1,111,468	263,759	144,978
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers (out)			(323,572)		
Total Other Financing Sources (Uses)			(323,572)		
NET CHANGE IN FUND BALANCE					
	23,826	6,020	787,896	263,759	144,978
Fund Balances (Deficits), Beginning of the Year					
	113,642	376,411	4,170,305	1,595,326	3,027,318
ENDING FUND BALANCES (DEFICITS)					
	\$137,468	\$382,431	\$4,958,201	\$1,859,085	\$3,172,296

SPECIAL REVENUE FUNDS

Street Cut Fees	Mather Field Traffic Impact Fees	Transportation Development Act	Transit- Related Services Tax	Road Maintenance	Community Development Block Grant	Rental Code Compliance Program	Roadway Improvement
			\$762,394	\$468,877		\$89,301	\$161,475
\$83,611			7,500	22,500			669,554
7,645	\$157	\$50,000 1,341	48,490	41,676	\$503,339 1,459	785	86,910
<u>91,256</u>	<u>157</u>	<u>51,341</u>	<u>818,384</u>	<u>533,053</u>	<u>504,798</u>	<u>90,086</u>	<u>917,939</u>
			599,066	123,519	496,234		15,589
2,883		82,607			174,258		1,217,872
<u>2,883</u>		<u>82,607</u>	<u>599,066</u>	<u>123,519</u>	<u>670,492</u>		<u>1,233,461</u>
88,373	157	(31,266)	219,318	409,534	(165,694)	90,086	(315,522)
						(100,000)	320,154
						(100,000)	320,154
88,373	157	(31,266)	219,318	409,534	(165,694)	(9,914)	4,632
607,553	13,369	144,766	4,099,680	3,382,879	42,972	13,115	7,974,760
<u>\$695,926</u>	<u>\$13,526</u>	<u>\$113,500</u>	<u>\$4,318,998</u>	<u>\$3,792,413</u>	<u>(\$122,722)</u>	<u>\$3,201</u>	<u>\$7,979,392</u>

(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, 2018

	SPECIAL REVENUE FUNDS				
	Landscaping and Lighting	Measure A	General Plan	CFD 2013-2 Police Services	Low/Moderate Income Housing
REVENUES					
Property taxes and assessments	\$546,745				
Licenses, permits and fees			\$84,212		
Fines, forfeitures and penalties					
Charges for services		\$7,572		\$1,000	
Intergovernmental		2,739,210			\$149,990
Use of money and property	8,011	71,262	2,655	38	2,752
Other revenue					
Total Revenues	554,756	2,818,044	86,867	1,038	152,742
EXPENDITURES					
Current:					
General Government					
Public Works	574,761	1,221,546			
Capital outlay		630,097			
Debt Service:					
Principal	124,808				
Interest and fiscal charges	14,126				
Total Expenditures	713,695	1,851,643			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(158,939)	966,401	86,867	1,038	152,742
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers (out)					
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCE	(158,939)	966,401	86,867	1,038	152,742
Fund Balances (Deficits), Beginning of the Year	801,024	5,455,759	192,299	(842)	83,002
ENDING FUND BALANCES (DEFICITS)	\$642,085	\$6,422,160	\$279,166	\$196	\$235,744

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
Community Places Fees	Road Maintenance and Rehabilitation Act	Local Housing	Financing Corporation	Capital Outlay	
					\$1,778,016
\$132,946		\$73,433			1,976,524
		50,000			72,306
	\$432,857	1,000			708,126
1,241		20,670	\$123	\$105,036	5,457,342
		1,172,303			510,152
					1,172,303
<u>134,187</u>	<u>432,857</u>	<u>1,317,406</u>	<u>123</u>	<u>105,036</u>	<u>11,674,769</u>
					542,889
		83,794			2,648,781
	421,306			733,389	4,699,899
			680,000		804,808
			657,378		671,504
	<u>421,306</u>	<u>83,794</u>	<u>1,337,378</u>	<u>733,389</u>	<u>9,367,881</u>
<u>134,187</u>	<u>11,551</u>	<u>1,233,612</u>	<u>(1,337,255)</u>	<u>(628,353)</u>	<u>2,306,888</u>
			1,300,601	4,727,443	6,348,198
				(237,291)	(660,863)
			<u>1,300,601</u>	<u>4,490,152</u>	<u>5,687,335</u>
<u>134,187</u>	<u>11,551</u>	<u>1,233,612</u>	<u>(36,654)</u>	<u>3,861,799</u>	<u>7,994,223</u>
		763,434	36,721	9,454,843	42,348,336
<u>\$134,187</u>	<u>\$11,551</u>	<u>\$1,997,046</u>	<u>\$67</u>	<u>\$13,316,642</u>	<u>\$50,342,559</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, 2018

	VILLAGES OF ZINFANDEL			COMMUNITY FACILITIES FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Licenses, permits and fees	\$10,300	\$1,568	(\$8,732)	\$1,348,100	\$1,101,556	(\$246,544)
Fines, forfeitures and penalties						
Charges for services						
Intergovernmental						
Use of money and property		4,452	4,452		51,221	51,221
Other revenue						
Total Revenues	<u>10,300</u>	<u>6,020</u>	<u>(4,280)</u>	<u>1,348,100</u>	<u>1,152,777</u>	<u>(195,323)</u>
EXPENDITURES						
Current:						
General Government				50,600	41,309	9,291
Community Development						
Public Works	170,000		170,000			
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>170,000</u>		<u>170,000</u>	<u>50,600</u>	<u>41,309</u>	<u>9,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(159,700)</u>	<u>6,020</u>	<u>165,720</u>	<u>1,297,500</u>	<u>1,111,468</u>	<u>(186,032)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(345,600)	(323,572)	22,028
Total Other Financing Sources (Uses)				<u>(345,600)</u>	<u>(323,572)</u>	<u>22,028</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$159,700)</u></u>	<u>6,020</u>	<u><u>\$165,720</u></u>	<u><u>\$951,900</u></u>	<u>787,896</u>	<u><u>(\$164,004)</u></u>
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		<u>376,411</u>			<u>4,170,305</u>	
ENDING FUND BALANCES (DEFICITS)		<u><u>\$382,431</u></u>			<u><u>\$4,958,201</u></u>	

PARK DEVELOPMENT			GAS TAX			STREET CUT FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$332,100	\$248,422	(\$83,678)				\$26,100	\$83,611	\$57,511
	20,683	20,683	\$2,015,600	\$1,580,946	(434,654)		7,645	7,645
				32,025	32,025			
<u>332,100</u>	<u>269,105</u>	<u>(62,995)</u>	<u>2,015,600</u>	<u>1,612,971</u>	<u>(402,629)</u>	<u>26,100</u>	<u>91,256</u>	<u>65,156</u>
6,600	5,346	1,254						
			222,500	30,506	191,994			
			3,668,600	1,437,487	2,231,113	33,300	2,883	30,417
<u>6,600</u>	<u>5,346</u>	<u>1,254</u>	<u>3,891,100</u>	<u>1,467,993</u>	<u>2,423,107</u>	<u>33,300</u>	<u>2,883</u>	<u>30,417</u>
<u>325,500</u>	<u>263,759</u>	<u>(61,741)</u>	<u>(1,875,500)</u>	<u>144,978</u>	<u>2,020,478</u>	<u>(7,200)</u>	<u>88,373</u>	<u>95,573</u>
<u>\$325,500</u>	<u>263,759</u>	<u>(\$61,741)</u>	<u>(\$1,875,500)</u>	<u>144,978</u>	<u>\$2,020,478</u>	<u>(\$7,200)</u>	<u>88,373</u>	<u>\$95,573</u>
	<u>1,595,326</u>			<u>3,027,318</u>			<u>607,553</u>	
	<u>\$1,859,085</u>			<u>\$3,172,296</u>			<u>\$695,926</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, 2018

	TRANSPORTATION DEVELOPMENT ACT			TRANSIT-RELATED SERVICES TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$804,500	\$762,394	(\$42,106)
Licenses, permits and fees						
Fines, forfeitures and penalties						
Charges for services					7,500	7,500
Intergovernmental	\$54,000	\$50,000	(\$4,000)			
Use of money and property		1,341	1,341		48,490	48,490
Other revenue						
Total Revenues	54,000	51,341	(2,659)	804,500	818,384	13,884
EXPENDITURES						
Current:						
General Government						
Community Development						
Public Works				840,800	599,066	241,734
Capital outlay	85,000	82,607	2,393			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	85,000	82,607	2,393	840,800	599,066	241,734
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(31,000)</u>	<u>(31,266)</u>	<u>(266)</u>	<u>(36,300)</u>	<u>219,318</u>	<u>255,618</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u>(\$31,000)</u>	<u>(31,266)</u>	<u>(\$266)</u>	<u>(\$36,300)</u>	<u>219,318</u>	<u>\$255,618</u>
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		<u>144,766</u>			<u>4,099,680</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$113,500</u>			<u>\$4,318,998</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)
\$403,100	\$468,877	\$65,777				\$100,000	\$89,301	(\$10,699)
30,000	22,500	(7,500)	\$673,000	\$503,339	(\$169,661)		785	785
	41,676	41,676		1,459	1,459			
<u>433,100</u>	<u>533,053</u>	<u>99,953</u>	<u>673,000</u>	<u>504,798</u>	<u>(168,202)</u>	<u>100,000</u>	<u>90,086</u>	<u>(9,914)</u>
			400,700	496,234	(95,534)			
196,300	123,519	72,781	272,300	174,258	98,042			
<u>196,300</u>	<u>123,519</u>	<u>72,781</u>	<u>673,000</u>	<u>670,492</u>	<u>2,508</u>			
<u>236,800</u>	<u>409,534</u>	<u>172,734</u>		<u>(165,694)</u>	<u>(165,694)</u>	<u>100,000</u>	<u>90,086</u>	<u>(9,914)</u>
						(100,000)	(100,000)	
						(100,000)	(100,000)	
<u>\$236,800</u>	<u>409,534</u>	<u>\$172,734</u>	<u></u>	<u>(165,694)</u>	<u>(\$165,694)</u>	<u></u>	<u>(9,914)</u>	<u>(\$9,914)</u>
	<u>3,382,879</u>			<u>42,972</u>			<u>13,115</u>	
	<u>\$3,792,413</u>			<u>(\$122,722)</u>			<u>\$3,201</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, 2018

	ROADWAY IMPROVEMENT			LANDSCAPING AND LIGHTING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$550,500	\$546,745	(\$3,755)
Licenses, permits and fees	\$662,500	\$161,475	(\$501,025)			
Fines, forfeitures and penalties						
Charges for services		669,554	669,554			
Intergovernmental						
Use of money and property		86,910	86,910		8,011	8,011
Other revenue						
Total Revenues	662,500	917,939	255,439	550,500	554,756	4,256
EXPENDITURES						
Current:						
General Government						
Community Development						
Public Works	53,000	15,589	37,411	664,150	574,761	89,389
Capital outlay	2,557,450	1,217,872	1,339,578			
Debt service:						
Principal				123,500	124,808	(1,308)
Interest and fiscal charges				15,350	14,126	1,224
Total Expenditures	2,610,450	1,233,461	1,376,989	803,000	713,695	89,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,947,950)	(315,522)	1,632,428	(252,500)	(158,939)	93,561
OTHER FINANCING SOURCES (USES)						
Transfers in	332,000	320,154	(11,846)			
Transfers (out)						
Total Other Financing Sources (Uses)	332,000	320,154	(11,846)			
NET CHANGE IN FUND BALANCES	(\$1,615,950)	4,632	\$1,620,582	(\$252,500)	(158,939)	\$93,561
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		7,974,760			801,024	
ENDING FUND BALANCES (DEFICITS)		\$7,979,392			\$642,085	

MEASURE A			GENERAL PLAN			CFD 2013-2 POLICE SERVICES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$80,600	\$84,212	\$3,612			
\$7,035,800	\$7,572 2,739,210 71,262	\$7,572 (4,296,590) 71,262				\$7,000	\$1,000	(\$6,000)
				2,655	2,655		38	38
<u>7,035,800</u>	<u>2,818,044</u>	<u>(4,217,756)</u>	<u>80,600</u>	<u>86,867</u>	<u>6,267</u>	<u>7,000</u>	<u>1,038</u>	<u>(5,962)</u>
2,099,900	1,221,546	878,354						
6,359,500	630,097	5,729,403						
<u>8,459,400</u>	<u>1,851,643</u>	<u>6,607,757</u>						
<u>(1,423,600)</u>	<u>966,401</u>	<u>2,390,001</u>	<u>80,600</u>	<u>86,867</u>	<u>6,267</u>	<u>7,000</u>	<u>1,038</u>	<u>(5,962)</u>
<u>(\$1,423,600)</u>	<u>966,401</u>	<u>\$2,390,001</u>	<u>\$80,600</u>	<u>86,867</u>	<u>\$6,267</u>	<u>\$7,000</u>	<u>1,038</u>	<u>(\$5,962)</u>
	<u>5,455,759</u>			<u>192,299</u>			<u>(\$842)</u>	
	<u>\$6,422,160</u>			<u>\$279,166</u>			<u>\$196</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, 2018

	LOW/MODERATE INCOME HOUSING			COMMUNITY PLACES FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Licenses, permits and fees					\$132,946	\$132,946
Fines, forfeitures and penalties						
Charges for services						
Intergovernmental		\$149,990	\$149,990			
Use of money and property		2,752	2,752		1,241	1,241
Other revenue						
Total Revenues		152,742	152,742		134,187	134,187
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		152,742	152,742		134,187	134,187
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES		152,742	\$152,742		134,187	\$134,187
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR		\$83,002				
ENDING FUND BALANCES (DEFICITS)		\$235,744			\$134,187	

ROAD MAINTENANCE AND AND REHABILITATION ACCOUNT			LOCAL HOUSING			FINANCING CORPORATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$100,000	\$73,433	(\$26,567)			
\$450,000	\$432,857	(\$17,143)		50,000	50,000			
				1,000	1,000			
				20,670	20,670		\$123	\$123
				1,172,303	1,172,303			
<u>450,000</u>	<u>432,857</u>	<u>(17,143)</u>	<u>100,000</u>	<u>1,317,406</u>	<u>1,217,406</u>		<u>123</u>	<u>123</u>
			97,400	83,794	13,606			
450,000	421,306	28,694	150,000		150,000			
						\$680,000	680,000	
						666,400	657,378	9,022
<u>450,000</u>	<u>421,306</u>	<u>28,694</u>	<u>247,400</u>	<u>83,794</u>	<u>163,606</u>	<u>1,346,400</u>	<u>1,337,378</u>	<u>9,022</u>
	11,551	11,551	(147,400)	1,233,612	1,381,012	(1,346,400)	(1,337,255)	9,145
						1,346,400	1,300,601	(45,799)
						1,346,400	1,300,601	(45,799)
	11,551	\$11,551	(\$147,400)	1,233,612	\$1,381,012		(36,654)	(\$36,654)
				\$763,434			\$36,721	
	\$11,551			\$1,997,046			\$67	

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SUBCOMBINING FUND SCHEDULES

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2018

	<u>General Fund</u>	<u>Community Enhancement</u>	<u>Total General Fund</u>
ASSETS			
Cash and investments	\$31,964,026	(\$515,539)	\$31,448,487
Receivables:			
Accounts, net	1,243,812	6,685	1,250,497
Interest	3,251	117	3,368
Other	84,846		84,846
Due from other governmental agencies	4,630,043	1,301,749	5,931,792
Loans	522,080	274,975	797,055
Prepays	49,519	500	50,019
Due from other funds	982,030		982,030
	<u>\$39,479,607</u>	<u>\$1,068,487</u>	<u>\$40,548,094</u>
LIABILITIES			
Accounts payable	\$5,712,118	\$764,685	\$6,476,803
Accrued liabilities	366,992	8,473	375,465
Interest payable	375		375
Refundable deposits	2,933,998	500	2,934,498
Unearned revenue			
	<u>9,013,483</u>	<u>773,658</u>	<u>9,787,141</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	30,386	6,685	37,071
Unavailable revenue - interest receivable			
Unavailable revenue - due from other governmental agencies	71,148		71,148
	<u>101,534</u>	<u>6,685</u>	<u>108,219</u>
FUND BALANCES			
Nonspendable	558,930	288,144	847,074
Unassigned	29,805,660		29,805,660
	<u>30,364,590</u>	<u>288,144</u>	<u>30,652,734</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$39,479,607</u>	<u>\$1,068,487</u>	<u>\$40,548,094</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Community Enhancement</u>	<u>Total General Fund</u>
REVENUES			
Property taxes	\$16,010,749		\$16,010,749
Sales taxes	15,205,165	\$8,326,603	23,531,768
Utility user taxes	3,835,713		3,835,713
Other taxes	6,352,544		6,352,544
Charges for services	3,307,488		3,307,488
Licenses, permits and fees	5,294,683		5,294,683
Fines, forfeitures and penalties	1,549,952		1,549,952
Intergovernmental	483,437		483,437
Use of money and property	501,253	19,473	520,726
Other taxes	96,354	750	97,104
	<u>52,637,338</u>	<u>8,346,826</u>	<u>60,984,164</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	15,634,499	2,345,208	17,979,707
Community development	5,374,101	255,503	5,629,604
Public Safety	19,255,139	971,171	20,226,310
Public Works	3,725,174	289,471	4,014,645
Capital outlay	2,788,834	715,166	3,504,000
	<u>46,777,747</u>	<u>4,576,519</u>	<u>51,354,266</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>5,859,591</u>	<u>3,770,307</u>	<u>9,629,898</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000		100,000
Transfers (out)	<u>(5,640,552)</u>	<u>(3,770,308)</u>	<u>(9,410,860)</u>
	<u>(5,540,552)</u>	<u>(3,770,308)</u>	<u>(9,310,860)</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES			
	319,039	(1)	319,038
BEGINNING FUND BALANCES			
	<u>30,045,551</u>	<u>288,145</u>	<u>30,333,696</u>
ENDING FUND BALANCES			
	<u><u>\$30,364,590</u></u>	<u><u>\$288,144</u></u>	<u><u>\$30,652,734</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, 2018

	General Fund		Variance Positive (Negative)
	Final Budget	Actual	
REVENUES			
Property taxes	\$15,944,100	\$16,010,749	\$66,649
Sales taxes	22,296,800	15,205,165	(7,091,635)
Transient occupancy taxes	3,800,000	3,984,489	184,489
Utility user taxes	3,713,800	3,835,713	121,913
Other taxes	2,090,000	2,368,055	278,055
Charges for services	4,309,700	3,307,488	(1,002,212)
Licenses, permits and fees	4,464,900	5,294,683	829,783
Fines, forfeitures and penalties	1,548,400	1,549,952	1,552
Intergovernmental	519,200	483,437	(35,763)
Use of money and property	150,000	501,253	351,253
Other taxes	35,200	96,354	61,154
Total Revenues	58,872,100	52,637,338	(6,234,762)
EXPENDITURES			
Current:			
General Government	20,151,200	15,634,499	4,516,701
Community Development	6,346,600	5,374,101	972,499
Public Safety	20,905,900	19,255,139	1,650,761
Public Works	4,062,600	3,725,174	337,426
Capital outlay	851,000	2,788,834	(1,937,834)
Total Expenditures	52,317,300	46,777,747	5,539,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,554,800	5,859,591	(695,209)
OTHER FINANCING SOURCES (USES)			
Transfers in	286,300	100,000	(186,300)
Transfers (out)	(11,061,141)	(5,640,552)	5,420,589
Total Other Financing Sources (Uses)	(10,774,841)	(5,540,552)	5,234,289
SPECIAL ITEM			
NET CHANGE IN FUND BALANCES	(4,220,041)	319,039	4,539,080
BEGINNING FUND BALANCES	30,045,551	30,045,551	
ENDING FUND BALANCES	\$25,825,510	\$30,364,590	\$4,539,080

Community Enhancement			Total General Fund		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
			\$15,944,100	\$16,010,749	\$66,649
	\$8,326,603	\$8,326,603	22,296,800	23,531,768	1,234,968
			3,800,000	3,984,489	184,489
			3,713,800	3,835,713	121,913
			2,090,000	2,368,055	278,055
			4,309,700	3,307,488	(1,002,212)
			4,464,900	5,294,683	829,783
			1,548,400	1,549,952	1,552
			519,200	483,437	(35,763)
	19,473	19,473	150,000	520,726	370,726
	750	750	35,200	97,104	61,904
	<u>8,346,826</u>	<u>8,346,826</u>	<u>58,872,100</u>	<u>60,984,164</u>	<u>2,112,064</u>
	2,345,208	(2,345,208)	20,151,200	17,979,707	2,171,493
	255,503	(255,503)	6,346,600	5,629,604	716,996
	971,171	(971,171)	20,905,900	20,226,310	679,590
	289,471	(289,471)	4,062,600	4,014,645	47,955
	715,166	(715,166)	851,000	3,504,000	(2,653,000)
	<u>4,576,519</u>	<u>(4,576,519)</u>	<u>52,317,300</u>	<u>51,354,266</u>	<u>963,034</u>
	<u>3,770,307</u>	<u>3,770,307</u>	<u>6,554,800</u>	<u>9,629,898</u>	<u>3,075,098</u>
			286,300	100,000	(186,300)
	<u>(3,770,308)</u>	<u>(3,770,308)</u>	<u>(11,061,141)</u>	<u>(9,410,860)</u>	<u>1,650,281</u>
	<u>(3,770,308)</u>	<u>(3,770,308)</u>	<u>(10,774,841)</u>	<u>(9,310,860)</u>	<u>1,463,981</u>
	(1)	(1)	(4,220,041)	319,038	4,539,079
288,145	288,145		30,333,696	30,333,696	
<u>\$288,145</u>	<u>\$288,144</u>	<u>(\$1)</u>	<u>\$26,113,655</u>	<u>\$30,652,734</u>	<u>\$4,539,079</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund	Sunrise Douglas Traffic Impact Fund
ASSETS				
Cash and investments	\$202,185	\$171,832	\$151,216	\$19,793,252
Receivables:				
Interest	9	6	6	674
Total Assets	<u>\$202,194</u>	<u>\$171,838</u>	<u>\$151,222</u>	<u>\$19,793,926</u>
LIABILITIES				
Accounts payable				\$213,379
Total Liabilities				<u>213,379</u>
FUND BALANCES				
Restricted	<u>\$202,194</u>	<u>\$171,838</u>	<u>\$151,222</u>	<u>19,580,547</u>
Total Fund Balances	<u>202,194</u>	<u>171,838</u>	<u>151,222</u>	<u>19,580,547</u>
Total Liabilities and Fund Balances	<u>\$202,194</u>	<u>\$171,838</u>	<u>\$151,222</u>	<u>\$19,793,926</u>

Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Fund
\$482,344	\$878,819	\$21,679,648
<u>17</u>	<u>31</u>	<u>743</u>
<u>\$482,361</u>	<u>\$878,850</u>	<u>\$21,680,391</u>
		<u>\$213,379</u>
		<u>213,379</u>
<u>\$482,361</u>	<u>\$878,850</u>	<u>21,467,012</u>
<u>482,361</u>	<u>878,850</u>	<u>21,467,012</u>
<u>\$482,361</u>	<u>\$878,850</u>	<u>\$21,680,391</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, 2018

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund
REVENUES			
Licenses, permits and fees	\$13,253	\$176,566	\$436,243
Use of money and property	2,282	1,378	1,705
Total Revenues	<u>15,535</u>	<u>177,944</u>	<u>437,948</u>
EXPENDITURES			
Current:			
Public Works			
Capital outlay		26,366	430,313
Total Expenditures		<u>26,366</u>	<u>430,313</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,535</u>	<u>151,578</u>	<u>7,635</u>
NET CHANGE IN FUND BALANCES	15,535	151,578	7,635
BEGINNING FUND BALANCES	<u>186,659</u>	<u>20,260</u>	<u>143,587</u>
ENDING FUND BALANCES	<u><u>\$202,194</u></u>	<u><u>\$171,838</u></u>	<u><u>\$151,222</u></u>

Sunrise Douglas Traffic Impact Fund	Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Fund
\$2,290,828	\$12,643	\$101,552	\$3,031,085
227,087	5,555	9,797	247,804
<u>2,517,915</u>	<u>18,198</u>	<u>111,349</u>	<u>3,278,889</u>
58,247		60,507	118,754
2,361,660	102		2,818,441
<u>2,419,907</u>	<u>102</u>	<u>60,507</u>	<u>2,937,195</u>
98,008	18,096	50,842	341,694
98,008	18,096	50,842	341,694
19,482,539	464,265	828,008	21,125,318
<u>\$19,580,547</u>	<u>\$482,361</u>	<u>\$878,850</u>	<u>\$21,467,012</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, 2018

	Sunrise Douglas Program Updates Fund			Sunrise Douglas Interim Sewer Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$16,900	\$13,253	(\$3,647)	\$1,227,700	\$176,566	(\$1,051,134)
Use of money and property		2,282	2,282		1,378	1,378
Total Revenues	<u>16,900</u>	<u>15,535</u>	<u>(1,365)</u>	<u>1,227,700</u>	<u>177,944</u>	<u>(1,049,756)</u>
EXPENDITURES						
Current:						
General government						
Public Works	100,000		100,000			
Capital outlay				1,226,000	26,366	1,199,634
Total Expenditures	<u>100,000</u>		<u>100,000</u>	<u>1,226,000</u>	<u>26,366</u>	<u>1,199,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(83,100)</u>	<u>15,535</u>	<u>98,635</u>	<u>1,700</u>	<u>151,578</u>	<u>149,878</u>
NET CHANGE IN FUND BALANCES	(83,100)	15,535	98,635	1,700	151,578	149,878
BEGINNING FUND BALANCES	<u>186,659</u>	<u>186,659</u>		<u>20,260</u>	<u>20,260</u>	
ENDING FUND BALANCES	<u>\$103,559</u>	<u>\$202,194</u>	<u>\$98,635</u>	<u>\$21,960</u>	<u>\$171,838</u>	<u>\$149,878</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)
\$407,700	\$436,243 1,705	\$28,543 1,705	\$9,151,000	\$2,290,828 227,087	(\$6,860,172) 227,087	\$16,000	\$12,643 5,555	(\$3,357) 5,555
407,700	437,948	30,248	9,151,000	2,517,915	(6,633,085)	16,000	18,198	2,198
			5,000		5,000			
616,500	430,313	186,187	575,000 21,028,700	58,247 2,361,660	516,753 18,667,040	50,000	102	50,000 (102)
616,500	430,313	186,187	21,608,700	2,419,907	19,188,793	50,000	102	49,898
(208,800)	7,635	216,435	(12,457,700)	98,008	12,555,708	(34,000)	18,096	52,096
(208,800)	7,635	216,435	(12,457,700)	98,008	12,555,708	(34,000)	18,096	52,096
143,587	143,587		19,482,539	19,482,539		464,265	464,265	
(\$65,213)	\$151,222	\$216,435	\$7,024,839	\$19,580,547	\$12,555,708	\$430,265	\$482,361	\$52,096

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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, 2018

	Sunrise Douglas Admin Fund			Total Sunrise Douglas Special Revenue Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$128,300	\$101,552	(\$26,748)	\$10,947,600	\$3,031,085	(\$7,916,515)
Use of money and property		9,797	9,797		247,804	247,804
Total Revenues	<u>128,300</u>	<u>111,349</u>	<u>(16,951)</u>	<u>10,947,600</u>	<u>3,278,889</u>	<u>(7,668,711)</u>
EXPENDITURES						
Current:						
General government	5,000		5,000	10,000		10,000
Public works	395,000	60,507	334,493	1,120,000	118,754	1,001,246
Capital outlay				22,871,200	2,818,441	20,052,759
Total Expenditures	<u>400,000</u>	<u>60,507</u>	<u>339,493</u>	<u>24,001,200</u>	<u>2,937,195</u>	<u>21,064,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(271,700)</u>	<u>50,842</u>	<u>322,542</u>	<u>(13,053,600)</u>	<u>341,694</u>	<u>13,395,294</u>
NET CHANGE IN FUND BALANCES	(271,700)	50,842	322,542	(13,053,600)	341,694	13,395,294
BEGINNING FUND BALANCES	<u>828,008</u>	<u>828,008</u>		<u>21,125,318</u>	<u>21,125,318</u>	
ENDING FUND BALANCES	<u>\$556,308</u>	<u>\$878,850</u>	<u>\$322,542</u>	<u>\$8,071,718</u>	<u>\$21,467,012</u>	<u>\$13,395,294</u>

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CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Fund
ASSETS			
Cash and investments	\$21,511,060	\$208,764	\$21,719,824
Receivables:			
Accounts	510,381		510,381
Interest	732	6	738
Total Assets	<u>\$22,022,173</u>	<u>\$208,770</u>	<u>\$22,230,943</u>
LIABILITIES			
Accounts payable	<u>\$7,515</u>		<u>\$7,515</u>
Total Liabilities	<u>7,515</u>		<u>7,515</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	<u>510,381</u>		<u>510,381</u>
Total Deferred Inflows of Resources	<u>510,381</u>		<u>510,381</u>
FUND BALANCES			
Restricted	<u>21,504,277</u>	<u>\$208,770</u>	<u>21,713,047</u>
Total Fund Balances	<u>21,504,277</u>	<u>208,770</u>	<u>21,713,047</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$22,022,173</u>	<u>\$208,770</u>	<u>\$22,230,943</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, 2018

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Licenses, permits and fees	\$1,322,822	\$50,811	1,373,633
Charges for services	720		720
Use of money and property	<u>251,752</u>	<u>1,902</u>	<u>253,654</u>
Total Revenues	<u>1,575,294</u>	<u>52,713</u>	<u>1,628,007</u>
EXPENDITURES			
Current:			
Public Works	301,400	19,223	320,623
Capital outlay	<u>1,155,813</u>		<u>1,155,813</u>
Total Expenditures	<u>1,457,213</u>	<u>19,223</u>	<u>1,476,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>118,081</u>	<u>33,490</u>	<u>151,571</u>
NET CHANGE IN FUND BALANCES	118,081	33,490	151,571
BEGINNING FUND BALANCES	<u>21,386,196</u>	<u>175,280</u>	<u>21,561,476</u>
ENDING FUND BALANCES	<u><u>\$21,504,277</u></u>	<u><u>\$208,770</u></u>	<u><u>\$21,713,047</u></u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Traffic Mitigation Fund			Traffic Mitigation Admin Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services		\$720	\$720			
Licenses, permits and fees	\$5,493,763	1,322,822	(4,170,941)	\$62,700	\$50,811	(\$11,889)
Use of money and property		251,752	251,752		1,902	1,902
Total Revenues	<u>5,493,763</u>	<u>1,575,294</u>	<u>(3,918,469)</u>	<u>62,700</u>	<u>52,713</u>	<u>(9,987)</u>
EXPENDITURES						
Current:						
General Government	5,000		5,000			
Public Works	965,000	301,400	663,600	50,000	19,223	30,777
Capital outlay	9,423,100	1,155,813	8,267,287	3,800		3,800
Total Expenditures	<u>10,393,100</u>	<u>1,457,213</u>	<u>8,935,887</u>	<u>53,800</u>	<u>19,223</u>	<u>34,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,899,337)</u>	<u>118,081</u>	<u>5,017,418</u>	<u>8,900</u>	<u>33,490</u>	<u>24,590</u>
NET CHANGE IN FUND BALANCES	(4,899,337)	118,081	5,017,418	8,900	33,490	24,590
BEGINNING FUND BALANCES	<u>21,386,196</u>	<u>21,386,196</u>		<u>175,280</u>	<u>175,280</u>	
ENDING FUND BALANCES	<u>\$16,486,859</u>	<u>\$21,504,277</u>	<u>\$5,017,418</u>	<u>\$184,180</u>	<u>\$208,770</u>	<u>\$24,590</u>

<u>Total Traffic Mitigation Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
	\$720	\$720
\$5,556,463	1,373,633	(4,182,830)
	<u>253,654</u>	<u>253,654</u>
<u>5,556,463</u>	<u>1,628,007</u>	<u>(3,928,456)</u>
5,000		5,000
1,015,000	320,623	694,377
<u>9,426,900</u>	<u>1,155,813</u>	<u>8,271,087</u>
<u>10,446,900</u>	<u>1,476,436</u>	<u>8,970,464</u>
<u>(4,890,437)</u>	<u>151,571</u>	<u>5,042,008</u>
(4,890,437)	151,571	5,042,008
<u>21,561,476</u>	<u>21,561,476</u>	
<u>\$16,671,039</u>	<u>\$21,713,047</u>	<u>\$5,042,008</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
GRANTS REVENUE SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>State Grant Fund</u>	<u>Federal Grant Fund</u>	<u>Total Grants Special Revenue Fund</u>
ASSETS			
Cash and investments	\$1,872,008		\$1,872,008
Receivables:			
Interest	62		62
Due from other governmental agencies	711,646	\$960,704	1,672,350
Loans	462,168	4,621,180	5,083,348
Prepays	<u>5,780</u>		<u>5,780</u>
Total Assets	<u>\$3,051,664</u>	<u>\$5,581,884</u>	<u>\$8,633,548</u>
LIABILITIES			
Accounts payable	\$98,354	\$636,011	\$734,365
Due to other funds		<u>571,920</u>	<u>571,920</u>
Total Liabilities	<u>98,354</u>	<u>1,207,931</u>	<u>1,306,285</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - due from other governmental agencies	<u>479,900</u>	<u>960,704</u>	<u>1,440,604</u>
Total Deferred Inflows of Resources	<u>479,900</u>	<u>960,704</u>	<u>1,440,604</u>
FUND BALANCES			
Nonspendable	5,780		5,780
Restricted	2,467,630	4,621,180	7,088,810
Unassigned		<u>(1,207,931)</u>	<u>(1,207,931)</u>
Total Fund Balances	<u>2,473,410</u>	<u>3,413,249</u>	<u>5,886,659</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$3,051,664</u>	<u>\$5,581,884</u>	<u>\$8,633,548</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, 2018

	State Grant Fund	Federal Grant Fund	Total Grants Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$2,481,933	\$2,241,898	\$4,723,831
Use of money and property	21,977		21,977
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	2,503,910	2,241,898	4,745,808
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Current:			
General Government		39,147	39,147
Community development	279,811		279,811
Public Safety	146,030	4,599	150,629
Public Works	42,713		42,713
Capital outlay	544,789	3,150,287	3,695,076
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	1,013,343	3,194,033	4,207,376
	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,490,567	(952,135)	538,432
	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	1,490,567	(952,135)	538,432
	<u> </u>	<u> </u>	<u> </u>
BEGINNING FUND BALANCES	982,843	4,365,384	5,348,227
	<u> </u>	<u> </u>	<u> </u>
ENDING FUND BALANCES	\$2,473,410	\$3,413,249	\$5,886,659
	<u> </u>	<u> </u>	<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, 2018

	State Grant Fund		Variance Positive (Negative)
	Final Budget	Actual	
REVENUES			
Intergovernmental	\$1,082,000	\$2,481,933	\$1,399,933
Use of money and property		21,977	21,977
Total Revenues	<u>1,082,000</u>	<u>2,503,910</u>	<u>1,421,910</u>
EXPENDITURES			
Current:			
General Government			
Community Development	340,000	279,811	60,189
Public Safety	135,000	146,030	(11,030)
Public Works	10,000	42,713	(32,713)
Capital outlay	<u>597,000</u>	<u>544,789</u>	<u>52,211</u>
Total Expenditures	<u>1,082,000</u>	<u>1,013,343</u>	<u>68,657</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		<u>1,490,567</u>	<u>1,490,567</u>
NET CHANGE IN FUND BALANCES		1,490,567	1,490,567
BEGINNING FUND BALANCES	<u>982,843</u>	<u>982,843</u>	
ENDING FUND BALANCES	<u><u>\$982,843</u></u>	<u><u>\$2,473,410</u></u>	<u><u>\$1,490,567</u></u>

Federal Grant Fund			Totals		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$15,104,100	\$2,241,898	(\$12,862,202)	\$16,186,100	\$4,723,831 21,977	(\$11,462,269) 21,977
15,104,100	2,241,898	(12,862,202)	16,186,100	4,745,808	(11,440,292)
	39,147	(39,147)		39,147	(39,147)
15,000	4,599	10,401	340,000 150,000 10,000	279,811 150,629 42,713	60,189 (629) (32,713)
\$15,089,100	3,150,287	11,938,813	15,686,100	3,695,076	11,991,024
15,104,100	3,194,033	11,910,067	16,186,100	4,207,376	11,978,724
	(952,135)	(952,135)		538,432	538,432
	(952,135)	(952,135)		538,432	538,432
4,365,384	4,365,384		5,348,227	5,348,227	
\$4,365,384	\$3,413,249	(\$952,135)	\$5,348,227	\$5,886,659	\$538,432

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
VILLAGES OF ZINFANDEL (VOZ) SPECIAL REVENUE FUNDS
JUNE 30, 2018

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$374,795	\$7,624	\$382,419
Receivables:			
Accounts	16,104		16,104
Interest	<u>12</u>		<u>12</u>
Total Assets	<u>\$390,911</u>	<u>\$7,624</u>	<u>\$398,535</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	<u>\$16,104</u>		<u>\$16,104</u>
Total Deferred Inflows of Resources	<u>16,104</u>		<u>16,104</u>
FUND BALANCE			
Restricted	<u>374,807</u>	<u>\$7,624</u>	<u>382,431</u>
Total Fund Balances	<u>374,807</u>	<u>7,624</u>	<u>382,431</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$390,911</u>	<u>\$7,624</u>	<u>\$398,535</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, 2018

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Licenses, permits and fees	\$1,194	\$374	\$1,568
Use of money and property	4,367	85	4,452
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	5,561	459	6,020
	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,561	459	6,020
	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	5,561	459	6,020
	<u> </u>	<u> </u>	<u> </u>
BEGINNING FUND BALANCES	369,246	7,165	376,411
	<u> </u>	<u> </u>	<u> </u>
ENDING FUND BALANCES	<u>374,807</u>	<u>7,624</u>	<u>382,431</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, 2018

	VOZ Traffic Mitigation Impact Fees Fund		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Licenses, permits and fees	\$10,000	\$1,194	(\$8,806)
Use of money and property		4,367	4,367
Total Revenues	<u>10,000</u>	<u>5,561</u>	<u>(4,439)</u>
EXPENDITURES			
Current:			
Capital Outlay	170,000		170,000
Total Expenditures	<u>170,000</u>		<u>170,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(160,000)</u>	<u>5,561</u>	<u>165,561</u>
NET CHANGE IN FUND BALANCES	(160,000)	5,561	165,561
BEGINNING FUND BALANCES	<u>369,246</u>	<u>369,246</u>	
ENDING FUND BALANCES	<u><u>\$209,246</u></u>	<u><u>\$374,807</u></u>	<u><u>\$165,561</u></u>

VOZ Administration Impact Fees Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$300	\$374	\$74	\$10,300	\$1,568	(\$8,732)
	85	85		4,452	4,452
300	459	159	10,300	6,020	(4,280)
			170,000		170,000
			170,000		170,000
300	459	159	(159,700)	6,020	165,720
300	459	159	(159,700)	6,020	165,720
7,165	7,165		376,411	376,411	
\$7,465	\$7,624	\$159	\$216,711	\$382,431	\$165,720

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
COMMUNITY FACILITIES FEES SPECIAL REVENUE FUNDS
JUNE 30, 2018

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$1,109,609	\$3,848,439	\$4,958,048
Receivables:			
Accounts		34,678	34,678
Interest	22	131	153
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$1,109,631</u>	<u>\$3,883,248</u>	<u>\$4,992,879</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - accounts receivable		<u>\$34,678</u>	<u>\$34,678</u>
FUND BALANCES			
Restricted	<u>\$1,109,631</u>	<u>3,848,570</u>	<u>4,958,201</u>
Total Fund Balances	<u>1,109,631</u>	<u>3,848,570</u>	<u>4,958,201</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$1,109,631</u>	<u>\$3,883,248</u>	<u>\$4,992,879</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, 2018

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Fund
REVENUES			
Licenses, permits and fees	\$945,113	\$156,443	\$1,101,556
Use of money and property	6,892	44,329	51,221
Total Revenues	<u>952,005</u>	<u>200,772</u>	<u>1,152,777</u>
EXPENDITURES			
Current:			
General government	35,442	5,867	41,309
Total Expenditures	<u>35,442</u>	<u>5,867</u>	<u>41,309</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>916,563</u>	<u>194,905</u>	<u>1,111,468</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(323,572)</u>		<u>(323,572)</u>
Total Other Financing Sources (Uses)	<u>(323,572)</u>		<u>(323,572)</u>
NET CHANGE IN FUND BALANCES	592,991	194,905	787,896
BEGINNING FUND BALANCES	<u>516,640</u>	<u>3,653,665</u>	<u>4,170,305</u>
ENDING FUND BALANCES	<u><u>\$1,109,631</u></u>	<u><u>\$3,848,570</u></u>	<u><u>\$4,958,201</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, 2018

	Community Facilities Fees Community Facilities Impact Fees Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Licenses, permits and fees	\$1,110,800	\$945,113	(\$165,687)
Use of money and property		6,892	6,892
Total Revenues	<u>1,110,800</u>	<u>952,005</u>	<u>(158,795)</u>
EXPENDITURES			
Current:			
General government	41,700	35,442	6,258
Total Expenditures	<u>41,700</u>	<u>35,442</u>	<u>6,258</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,069,100</u>	<u>916,563</u>	<u>(152,537)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers (out)	(345,600)	(323,572)	22,028
Total Other Financing Sources (Uses)	<u>(345,600)</u>	<u>(323,572)</u>	<u>22,028</u>
NET CHANGE IN FUND BALANCES	723,500	592,991	(130,509)
BEGINNING FUND BALANCES	<u>516,640</u>	<u>516,640</u>	
ENDING FUND BALANCES	<u><u>\$1,240,140</u></u>	<u><u>\$1,109,631</u></u>	<u><u>(\$130,509)</u></u>

Community Facilities Fees Library Impact Fees Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$237,300	\$156,443	(\$80,857)	\$1,348,100	\$1,101,556	(\$246,544)
	44,329	44,329		51,221	51,221
<u>237,300</u>	<u>200,772</u>	<u>(36,528)</u>	<u>1,348,100</u>	<u>1,152,777</u>	<u>(195,323)</u>
<u>8,900</u>	<u>5,867</u>	<u>3,033</u>	<u>50,600</u>	<u>41,309</u>	<u>9,291</u>
<u>8,900</u>	<u>5,867</u>	<u>3,033</u>	<u>50,600</u>	<u>41,309</u>	<u>9,291</u>
<u>228,400</u>	<u>194,905</u>	<u>(33,495)</u>	<u>1,297,500</u>	<u>1,111,468</u>	<u>(186,032)</u>
			<u>(345,600)</u>	<u>(323,572)</u>	<u>22,028</u>
			<u>(345,600)</u>	<u>(323,572)</u>	<u>22,028</u>
<u>228,400</u>	<u>194,905</u>	<u>(33,495)</u>	<u>951,900</u>	<u>787,896</u>	<u>(164,004)</u>
<u>3,653,665</u>	<u>3,653,665</u>		<u>4,170,305</u>	<u>4,170,305</u>	
<u>\$3,882,065</u>	<u>\$3,848,570</u>	<u>(\$33,495)</u>	<u>\$5,122,205</u>	<u>\$4,958,201</u>	<u>(\$164,004)</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
TRANSIT-RELATED SERVICES TAX SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Rancho Cordova Transit Tax Fund	Transit-Related Services Area Zone 1 Fund	Transit-Related Services Area Zone 2 Fund	Total Transit-Related Services Tax Special Revenue Fund
ASSETS				
Cash and investments	\$908,640	\$359,912	\$3,115,543	\$4,384,095
Interest receivable	30	12	106	148
Due from other government agencies	439	689	2,772	3,900
Total Assets	<u>\$909,109</u>	<u>\$360,613</u>	<u>\$3,118,421</u>	<u>\$4,388,143</u>
LIABILITIES				
Accounts payable	\$7,038	\$12,406	\$49,502	\$68,946
Interest payable	3	55	141	199
Total Liabilities	7,041	12,461	49,643	69,145
FUND BALANCES				
Restricted	902,068	348,152	3,068,778	4,318,998
Total Fund Balances	902,068	348,152	3,068,778	4,318,998
Total Liabilities and Fund Balances	<u>\$909,109</u>	<u>\$360,613</u>	<u>\$3,118,421</u>	<u>\$4,388,143</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, 2018

	Rancho Cordova Transit Tax Fund	Transit-Related Services Area Zone 1 Fund	Transit-Related Services Area Zone 2 Fund	Total Transit-Related Services Tax Special Revenue Fund
REVENUES				
Property taxes	\$180,965	\$116,492	\$464,937	\$762,394
Charges for services	7,500			7,500
Use of money and property	9,653	3,833	35,004	48,490
Total Revenues	198,118	120,325	499,941	818,384
EXPENDITURES				
Current:				
Public works	79,136	103,274	416,656	599,066
Total Expenditures	79,136	103,274	416,656	599,066
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	118,982	17,051	83,285	219,318
NET CHANGE IN FUND BALANCES	118,982	17,051	83,285	219,318
BEGINNING FUND BALANCES	783,086	331,101	2,985,493	4,099,680
ENDING FUND BALANCES	\$902,068	\$348,152	\$3,068,778	\$4,318,998

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, 2018

	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	\$165,400	\$180,965	\$15,565	\$136,800	\$116,492	(\$20,308)
Charges for services		7,500	7,500			
Use of money and property		9,653	9,653		3,833	3,833
Total Revenues	165,400	198,118	32,718	136,800	120,325	(16,475)
EXPENDITURES						
Current:						
Public works	140,800	79,136	61,664	160,100	103,274	56,826
Total Expenditures	140,800	79,136	61,664	160,100	103,274	56,826
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,600	118,982	94,382	(23,300)	17,051	40,351
NET CHANGE IN FUND BALANCES	24,600	118,982	94,382	(23,300)	17,051	40,351
BEGINNING FUND BALANCES	783,086	783,086		331,101	331,101	
ENDING FUND BALANCES	<u>\$807,686</u>	<u>\$902,068</u>	<u>\$94,382</u>	<u>\$307,801</u>	<u>\$348,152</u>	<u>\$40,351</u>

Transit Related Service Area Zone 2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$502,300	\$464,937	(\$37,363)	\$804,500	\$762,394	(\$42,106)
	35,004	35,004		7,500	7,500
				48,490	48,490
<u>502,300</u>	<u>499,941</u>	<u>(2,359)</u>	<u>804,500</u>	<u>818,384</u>	<u>13,884</u>
<u>539,900</u>	<u>416,656</u>	<u>123,244</u>	<u>840,800</u>	<u>599,066</u>	<u>241,734</u>
<u>539,900</u>	<u>416,656</u>	<u>123,244</u>	<u>840,800</u>	<u>599,066</u>	<u>241,734</u>
<u>(37,600)</u>	<u>83,285</u>	<u>120,885</u>	<u>(36,300)</u>	<u>219,318</u>	<u>255,618</u>
<u>(37,600)</u>	<u>83,285</u>	<u>120,885</u>	<u>(36,300)</u>	<u>219,318</u>	<u>255,618</u>
<u>2,985,493</u>	<u>2,985,493</u>		<u>3,316,594</u>	<u>4,099,680</u>	<u>783,086</u>
<u>\$2,947,893</u>	<u>\$3,068,778</u>	<u>\$120,885</u>	<u>\$3,280,294</u>	<u>\$4,318,998</u>	<u>\$1,038,704</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
ROAD MAINTENANCE SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Road Maintenance Assessment District Fund	Road Maintenance CFD 2008-1 Fund	Road Maintenance CFD 2014-2 Fund	Total Road Maintenance Special Revenue Funds
ASSETS				
Cash and investments	\$3,410,724	\$367,506	\$24,948	\$3,803,178
Receivables:				
Interest	154	15	42	211
Due from other government agencies	1,892	60	40	1,992
Total Assets	<u>\$3,412,770</u>	<u>\$367,581</u>	<u>\$25,030</u>	<u>\$3,805,381</u>
LIABILITIES				
Accounts payable	\$6,606	\$5,120	\$1,235	\$12,961
Interest payable		7		7
Total Liabilities	<u>6,606</u>	<u>5,127</u>	<u>1,235</u>	<u>12,968</u>
FUND BALANCES (DEFICITS)				
Restricted	<u>3,406,164</u>	<u>\$362,454</u>	<u>23,795</u>	<u>3,792,413</u>
Total Fund Balances	<u>3,406,164</u>	<u>362,454</u>	<u>23,795</u>	<u>3,792,413</u>
Total Liabilities and Fund Balances	<u>\$3,412,770</u>	<u>\$367,581</u>	<u>\$25,030</u>	<u>\$3,805,381</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, 2018

	Road Maintenance Assessment District Fund	Road Maintenance CFD 2008-1 Fund	Road Maintenance CFD 2014-2 Fund	Total Road Maintenance Special Revenue Funds
REVENUES				
Property taxes	\$373,245	\$61,388	\$34,244	\$468,877
Charges for services		12,500	10,000	22,500
Use of money and property	37,738	3,826	112	41,676
Total Revenues	<u>410,983</u>	<u>77,714</u>	<u>44,356</u>	<u>533,053</u>
EXPENDITURES				
Current:				
Public works	93,260	19,444	10,815	123,519
Total Expenditures	<u>93,260</u>	<u>19,444</u>	<u>10,815</u>	<u>123,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>317,723</u>	<u>58,270</u>	<u>33,541</u>	<u>409,534</u>
NET CHANGE IN FUND BALANCES	317,723	58,270	33,541	409,534
BEGINNING FUND BALANCES (DEFICITS)	<u>3,088,441</u>	<u>304,184</u>	<u>(9,746)</u>	<u>3,382,879</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>\$3,406,164</u></u>	<u><u>\$362,454</u></u>	<u><u>\$23,795</u></u>	<u><u>\$3,792,413</u></u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD MAINTENANCE SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Road Maintenance Assessment District Fund			Road Maintenance CFD 2008-1 Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$319,400	\$373,245	\$53,845	\$60,800	\$61,388	\$588
Charges for services				15,000	12,500	(2,500)
Use of money and property		37,738	37,738		3,826	3,826
Total Revenues	<u>319,400</u>	<u>410,983</u>	<u>91,583</u>	<u>75,800</u>	<u>77,714</u>	<u>1,914</u>
EXPENDITURES						
Current:						
Public works	102,300	93,260	9,040	71,000	19,444	51,556
Total Expenditures	<u>102,300</u>	<u>93,260</u>	<u>9,040</u>	<u>71,000</u>	<u>19,444</u>	<u>51,556</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>217,100</u>	<u>317,723</u>	<u>100,623</u>	<u>4,800</u>	<u>58,270</u>	<u>53,470</u>
NET CHANGE IN FUND BALANCES	217,100	317,723	100,623	4,800	58,270	53,470
BEGINNING FUND BALANCES (DEFICITS)	<u>3,088,441</u>	<u>3,088,441</u>		<u>304,184</u>	<u>304,184</u>	
ENDING FUND BALANCES (DEFICITS)	<u><u>\$3,305,541</u></u>	<u><u>\$3,406,164</u></u>	<u><u>\$100,623</u></u>	<u><u>\$308,984</u></u>	<u><u>\$362,454</u></u>	<u><u>\$53,470</u></u>

Road Maintenance CFD 2014-2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$22,900	\$34,244	\$11,344	\$403,100	\$468,877	\$65,777
15,000	10,000	(5,000)	30,000	22,500	(7,500)
	112	112		41,676	41,676
<u>37,900</u>	<u>44,356</u>	<u>6,456</u>	<u>433,100</u>	<u>533,053</u>	<u>99,953</u>
<u>23,000</u>	<u>10,815</u>	<u>12,185</u>	<u>196,300</u>	<u>123,519</u>	<u>72,781</u>
<u>23,000</u>	<u>10,815</u>	<u>12,185</u>	<u>196,300</u>	<u>123,519</u>	<u>72,781</u>
<u>14,900</u>	<u>33,541</u>	<u>18,641</u>	<u>236,800</u>	<u>409,534</u>	<u>172,734</u>
14,900	33,541	18,641	236,800	409,534	172,734
<u>(9,746)</u>	<u>(9,746)</u>		<u>294,438</u>	<u>3,382,879</u>	<u>3,088,441</u>
<u>\$5,154</u>	<u>\$23,795</u>	<u>\$18,641</u>	<u>\$531,238</u>	<u>\$3,792,413</u>	<u>\$3,261,175</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
LANDSCAPE AND LIGHTING SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Landscape and Lighting District No. 2005-1 Fund	Rancho Cordova Lighting District No. 2012-1 Fund	Landscape and Lighting CFD 2005-2 Fund	Total Landscape and Lighting Special Revenue Funds
ASSETS				
Cash and investments	\$260,220	\$260,567	\$189,519	\$710,306
Receivables:				
Interest	11	10	45	66
Due from other government agencies	141	4,036	636	4,813
Total Assets	\$260,372	\$264,613	\$190,200	\$715,185
LIABILITIES				
Accounts payable	\$9,133	\$58,732	\$5,136	\$73,001
Interest payable	20	79		99
Total Liabilities	9,153	58,811	5,136	73,100
FUND BALANCES				
Restricted	251,219	205,802	185,064	642,085
Total Fund Balances	251,219	205,802	185,064	642,085
Total Liabilities and Fund Balances	\$260,372	\$264,613	\$190,200	\$715,185

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, 2018

	Landscape and Lighting District No. 2005-1 Fund	Rancho Cordova Lighting District No. 2012-1 Fund	Landscape and Lighting CFD 2005-2 Fund	Total Landscape and Lighting Special Revenue Funds
REVENUES				
Property taxes	\$91,164	\$356,316	\$99,265	\$546,745
Use of money and property	2,765	3,373	1,873	8,011
Total Revenues	93,929	359,689	101,138	554,756
EXPENDITURES				
Current:				
Public works	98,856	404,219	71,686	574,761
Debt service:				
Principal		124,808		124,808
Interest and fiscal charges		14,126		14,126
Total Expenditures	98,856	543,153	71,686	713,695
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,927)	(183,464)	29,452	(158,939)
NET CHANGE IN FUND BALANCES	(4,927)	(183,464)	29,452	(158,939)
BEGINNING FUND BALANCES	256,146	389,266	155,612	801,024
ENDING FUND BALANCES	\$251,219	\$205,802	\$185,064	\$642,085

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, 2018

	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	\$91,100	\$91,164	\$64	\$359,400	\$356,316	(\$3,084)
Use of money and property		2,765	2,765		3,373	3,373
Total Revenues	<u>91,100</u>	<u>93,929</u>	<u>2,829</u>	<u>359,400</u>	<u>359,689</u>	<u>289</u>
EXPENDITURES						
Current:						
Public works	129,600	98,856	30,744	454,250	404,219	50,031
Debt service:						
Principal				123,500	124,808	(1,308)
Interest and fiscal charges				15,350	14,126	1,224
Total Expenditures	<u>129,600</u>	<u>98,856</u>	<u>30,744</u>	<u>593,100</u>	<u>543,153</u>	<u>49,947</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,500)</u>	<u>(4,927)</u>	<u>33,573</u>	<u>(233,700)</u>	<u>(183,464)</u>	<u>50,236</u>
NET CHANGE IN FUND BALANCES	(38,500)	(4,927)	33,573	(233,700)	(183,464)	50,236
BEGINNING FUND BALANCES	<u>256,146</u>	<u>256,146</u>		<u>389,266</u>	<u>389,266</u>	
ENDING FUND BALANCES	<u><u>\$217,646</u></u>	<u><u>\$251,219</u></u>	<u><u>\$33,573</u></u>	<u><u>\$155,566</u></u>	<u><u>\$205,802</u></u>	<u><u>\$50,236</u></u>

Landscape and Lighting District CFD 2005-2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$100,000	\$99,265 1,873	(\$735) 1,873	\$550,500	\$546,745 8,011	(\$3,755) 8,011
100,000	101,138	1,138	550,500	554,756	4,256
80,300	71,686	8,614	664,150	574,761	89,389
			123,500	124,808	(1,308)
			15,350	14,126	1,224
80,300	71,686	8,614	803,000	713,695	89,305
19,700	29,452	9,752	(252,500)	(158,939)	93,561
19,700	29,452	9,752	(252,500)	(158,939)	93,561
155,612	155,612		544,878	801,024	256,146
\$175,312	\$185,064	\$9,752	\$292,378	\$642,085	\$349,707

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
MEASURE A SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
ASSETS				
Cash and investments	\$1,752	\$4,904,976	\$1,698,723	\$6,605,451
Receivables:				
Interest		164	56	220
Due from other government agencies			147,243	147,243
Total Assets	<u>\$1,752</u>	<u>\$4,905,140</u>	<u>\$1,846,022</u>	<u>\$6,752,914</u>
LIABILITIES				
Accounts payable		\$199,878	\$130,876	\$330,754
Total Liabilities		<u>199,878</u>	<u>130,876</u>	<u>330,754</u>
FUND BALANCES				
Restricted	<u>\$1,752</u>	<u>4,705,262</u>	<u>1,715,146</u>	<u>6,422,160</u>
Total Fund Balances	<u>1,752</u>	<u>4,705,262</u>	<u>1,715,146</u>	<u>6,422,160</u>
Total Liabilities and Fund Balances	<u>\$1,752</u>	<u>\$4,905,140</u>	<u>\$1,846,022</u>	<u>\$6,752,914</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, 2018

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
REVENUES				
Charges for services		\$7,572		\$7,572
Intergovernmental		1,860,078	\$879,132	2,739,210
Use of money and property		52,375	18,887	71,262
Total Revenues		1,920,025	898,019	2,818,044
EXPENDITURES				
Current:				
Public works		1,021,562	199,984	1,221,546
Capital outlay			630,097	630,097
Total Expenditures		1,021,562	830,081	1,851,643
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		898,463	67,938	966,401
NET CHANGE IN FUND BALANCES		898,463	67,938	966,401
BEGINNING FUND BALANCES	\$1,752	3,806,799	1,647,208	5,455,759
ENDING FUND BALANCES	\$1,752	\$4,705,262	\$1,715,146	\$6,422,160

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, 2018

	Measure A Construction Fund			New Measure A Maintenance Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental				\$1,788,700	\$1,860,078	\$71,378
Charges for services					7,572	7,572
Use of money and property					52,375	52,375
Total Revenues				<u>1,788,700</u>	<u>1,920,025</u>	<u>131,325</u>
EXPENDITURES						
Current:						
Public works				1,899,900	1,021,562	878,338
Capital outlay	\$1,300		\$1,300	589,200		589,200
Total Expenditures	<u>1,300</u>		<u>1,300</u>	<u>2,489,100</u>	<u>1,021,562</u>	<u>1,467,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,300)</u>		<u>(1,300)</u>	<u>(700,400)</u>	<u>898,463</u>	<u>(1,336,213)</u>
NET CHANGE IN FUND BALANCES	(1,300)		(1,300)	(700,400)	898,463	(1,336,213)
BEGINNING FUND BALANCES	<u>1,752</u>	<u>\$1,752</u>		<u>3,806,799</u>	<u>3,806,799</u>	
ENDING FUND BALANCES	<u>\$452</u>	<u>\$1,752</u>	<u>(\$1,300)</u>	<u>\$3,106,399</u>	<u>\$4,705,262</u>	<u>(\$1,336,213)</u>

New Measure A Construction Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$5,247,100	\$879,132	(\$4,367,968)	\$7,035,800	\$2,739,210	(\$4,296,590)
	18,887	18,887		7,572	7,572
				71,262	71,262
<u>5,247,100</u>	<u>898,019</u>	<u>(4,349,081)</u>	<u>7,035,800</u>	<u>2,818,044</u>	<u>(4,217,756)</u>
200,000	199,984	16	2,099,900	1,221,546	878,354
<u>5,769,000</u>	<u>630,097</u>	<u>5,138,903</u>	<u>6,359,500</u>	<u>630,097</u>	<u>5,729,403</u>
<u>5,969,000</u>	<u>830,081</u>	<u>5,138,919</u>	<u>8,459,400</u>	<u>1,851,643</u>	<u>6,607,757</u>
<u>(721,900)</u>	<u>67,938</u>	<u>789,838</u>	<u>(1,423,600)</u>	<u>966,401</u>	<u>2,390,001</u>
(721,900)	67,938	789,838	(1,423,600)	966,401	2,390,001
<u>1,647,208</u>	<u>1,647,208</u>		<u>5,455,759</u>	<u>5,455,759</u>	
<u>\$925,308</u>	<u>\$1,715,146</u>	<u>\$789,838</u>	<u>\$4,032,159</u>	<u>\$6,422,160</u>	<u>\$2,390,001</u>

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CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
CAPITAL OUTLAY CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	<u>Capital Facilities</u>	<u>Infrastructure Repair and Replacement</u>	<u>Community Enhancement</u>	<u>Total Capital Projects Special Revenue Fund</u>
ASSETS				
Cash and investments	\$3,859,600	\$1,086,226	\$8,514,500	\$13,460,326
Receivables:				
Interest	<u>109</u>	<u>28</u>	<u>162</u>	<u>299</u>
Total Assets	<u>\$3,859,709</u>	<u>\$1,086,254</u>	<u>\$8,514,662</u>	<u>\$13,460,625</u>
LIABILITIES				
Accounts payable	<u>\$4,804</u>	<u>\$139,179</u>		<u>\$143,983</u>
Total Liabilities	<u>4,804</u>	<u>139,179</u>		<u>143,983</u>
FUND BALANCES				
Restricted	<u>3,854,905</u>	<u>947,075</u>	<u>\$8,514,662</u>	<u>13,316,642</u>
Total Fund Balances	<u>3,854,905</u>	<u>947,075</u>	<u>8,514,662</u>	<u>13,316,642</u>
Total Liabilities and Fund Balances	<u>\$3,859,709</u>	<u>\$1,086,254</u>	<u>\$8,514,662</u>	<u>\$13,460,625</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, 2018

	Capital Facilities	Infrastructure Repair and Replacement	Enhancement and Replacement
REVENUES			
Use of money and property	\$37,872	\$11,783	
Total Revenues	<u>37,872</u>	<u>11,783</u>	
EXPENDITURES			
Capital outlay	180,253	553,136	
Total Expenditures	<u>180,253</u>	<u>553,136</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(142,381)</u>	<u>(541,353)</u>	
OTHER FINANCING SOURCES (USES)			
Transfers in	638,090	319,045	
Transfer out			(\$237,291)
Total Other Financing Sources (Uses)	<u>638,090</u>	<u>319,045</u>	<u>(237,291)</u>
NET CHANGE IN FUND BALANCES	495,709	(222,308)	(237,291)
BEGINNING FUND BALANCES	<u>3,359,196</u>	<u>1,169,383</u>	<u>237,291</u>
ENDING FUND BALANCES	<u><u>\$3,854,905</u></u>	<u><u>\$947,075</u></u>	

Community Enhancement	Total Capital Projects Special Revenue Fund
\$55,381	\$105,036
55,381	105,036
	733,389
	733,389
55,381	(628,353)
3,770,308	4,727,443 (237,291)
3,770,308	4,490,152
3,825,689	3,861,799
4,688,973	9,454,843
<u>\$8,514,662</u>	<u>\$13,316,642</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING STATEMENT OF NET POSITION
KILGORE CEMETERY PROPRIETARY FUND
JUNE 30, 2018

	<u>Kilgore Cemetery Fund</u>	<u>Kilgore Cemetery Endowment Care Fund</u>	<u>Total Kilgore Cemetery Proprietary Fund</u>
ASSETS			
Current assets:			
Cash and investments		\$22,573	\$22,573
Total current assets		22,573	22,573
Noncurrent assets:			
Capital assets:			
Nondepreciable	\$225,000		225,000
Depreciable, net	1,182,108		1,182,108
Total noncurrent assets	1,407,108		1,407,108
Total Assets	1,407,108	22,573	1,429,681
LIABILITIES			
Current liabilities:			
Accounts payable	2,211		2,211
Total current liabilities	2,211		2,211
Total liabilities	2,211		2,211
NET POSITION			
Net investment in capital assets	1,407,108		1,407,108
Unrestricted	(2,211)	22,573	20,362
Total Net Position	\$1,404,897	\$22,573	\$1,427,470

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
KILGORE CEMETERY PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Kilgore Cemetery Fund	Kilgore Cemetery Endowment Care Fund	Total Kilgore Cemetery Proprietary Fund
OPERATING REVENUES			
Service charges	\$3,425		\$3,425
Other		\$624	624
Total Operating Revenues	3,425	624	4,049
OPERATING EXPENSES			
Administration	31,685		31,685
Depreciation	38,575		38,575
Total Operating Expenses	70,260		70,260
NONOPERATING REVENUES (EXPENSES)			
Interest income		256	256
Total Nonoperating Revenues (Expenses)		256	256
Income (Loss) Before Transfers	(66,835)	880	(65,955)
OTHER FINANCING SOURCES (USES)			
Transfers in	34,335		34,335
Total Other Financing Sources (Uses)	34,335		34,335
NET CHANGE IN NET POSITION	(32,500)	880	(31,620)
BEGINNING NET POSITION	1,437,397	21,693	1,459,090
ENDING NET POSITION	\$1,404,897	\$22,573	\$1,427,470

CITY OF RANCHO CORDOVA
SUBCOMBINING STATEMENT OF NET POSITION
STORM DRAIN PROPRIETARY FUND
JUNE 30, 2018

	Storm Drain I Fund	Storm Drain II Fund	Total Storm Drain Proprietary Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and investments	\$11,210,322	\$105,528	\$11,315,850
Receivables:			
Interest	384	5	389
Due from other government agencies	<u>692,817</u>	<u>10,954</u>	<u>703,771</u>
Total current assets	<u>11,903,523</u>	<u>116,487</u>	<u>12,020,010</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	759,443		759,443
Depreciable, net	<u>142,501,413</u>	<u>1,532,054</u>	<u>144,033,467</u>
Total noncurrent assets	<u>143,260,856</u>	<u>1,532,054</u>	<u>144,792,910</u>
Total Assets	<u>155,164,379</u>	<u>1,648,541</u>	<u>156,812,920</u>
LIABILITIES			
Current liabilities:			
Accounts payable	193,349	\$1,290	194,639
Interest payable	<u>197</u>	<u> </u>	<u>197</u>
Total current liabilities	<u>193,546</u>	<u>1,290</u>	<u>194,836</u>
Total liabilities	<u>193,546</u>	<u>1,290</u>	<u>194,836</u>
NET POSITION			
Net investment in capital assets	143,260,856	1,532,054	144,792,910
Unrestricted	<u>11,709,977</u>	<u>115,197</u>	<u>11,825,174</u>
Total Net Position	<u>\$154,970,833</u>	<u>\$1,647,251</u>	<u>\$156,618,084</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, 2018

	Storm Drain I Fund	Storm Drain II Fund	Total Storm Drain Proprietary Fund
OPERATING REVENUES			
Service charges	\$3,064,686	\$44,537	\$3,109,223
Other		33,000	33,000
Total Operating Revenues	<u>3,064,686</u>	<u>77,537</u>	<u>3,142,223</u>
OPERATING EXPENSES			
Administration	2,011,134	15,327	2,026,461
Depreciation	6,376,936	41,140	6,418,076
Total Operating Expenses	<u>8,388,070</u>	<u>56,467</u>	<u>8,444,537</u>
Operating Income (Loss)	<u>(5,323,384)</u>	<u>21,070</u>	<u>(5,302,314)</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes	860,419		860,419
Intergovernmental			
Other taxes	8,110		8,110
Interest income	124,081	841	124,922
Total Nonoperating Revenues (Expenses)	<u>992,610</u>	<u>841</u>	<u>993,451</u>
Income (Loss) Before Transfers	<u>(4,330,774)</u>	<u>21,911</u>	<u>(4,308,863)</u>
OTHER FINANCING SOURCES (USES)			
Capital contributions	17,919		17,919
Total Other Financing Sources (Uses)	<u>17,919</u>		<u>17,919</u>
NET CHANGE IN NET POSITION	(4,312,855)	21,911	(4,290,944)
BEGINNING NET POSITION	<u>159,283,688</u>	<u>1,625,340</u>	<u>160,909,028</u>
ENDING NET POSITION	<u>\$154,970,833</u>	<u>\$1,647,251</u>	<u>\$156,618,084</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.

INFORMATION TECHNOLOGY FUND – To account for the services rendered to all City departments for management of the City's information technology systems.

FACILITIES REPLACEMENT FUND – To account for the repair and maintenance of all City owned and operated facilities.

CITY OF RANCHO CORDOVA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Insurance</u>	<u>Vehicle & Equipment Replacement</u>	<u>Information Technology</u>	<u>Facilities Replacement</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and investments	\$424,114	\$432,906	\$934,689	\$613,389	\$2,405,098
Receivables:					
Accounts				1,000	1,000
Interest	16	14	8		38
Prepaid and other assets			8,287	483	8,770
Total current assets	<u>424,130</u>	<u>432,920</u>	<u>942,984</u>	<u>614,872</u>	<u>2,414,906</u>
Noncurrent assets:					
Capital assets:					
Non Depreciable			201,415		201,415
Depreciable, net			95,625		95,625
Total noncurrent assets			<u>297,040</u>		<u>297,040</u>
Total Assets	<u>424,130</u>	<u>432,920</u>	<u>1,240,024</u>	<u>614,872</u>	<u>2,711,946</u>
LIABILITIES					
Current liabilities:					
Accounts payable	4,496		33,085	110,466	148,047
Accrued payroll liabilities			14,877	23,655	38,532
Unearned Revenue				37,002	37,002
Total current liabilities	<u>4,496</u>		<u>47,962</u>	<u>171,123</u>	<u>223,581</u>
Total liabilities	<u>4,496</u>		<u>47,962</u>	<u>171,123</u>	<u>223,581</u>
NET POSITION					
Net investment in capital assets			297,040		297,040
Unrestricted	419,634	432,920	895,022	443,749	2,191,325
Total Net Position	<u>\$419,634</u>	<u>\$432,920</u>	<u>\$1,192,062</u>	<u>\$443,749</u>	<u>\$2,488,365</u>

CITY OF RANCHO CORDOVA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Insurance	Vehicle & Equipment Replacement	Information Technology	Facilities Replacement	Total
OPERATING REVENUES					
Other	\$30,159	\$23,392	\$200	\$747,806	\$801,557
Total Operating Revenues	30,159	23,392	200	747,806	801,557
OPERATING EXPENSES					
Administration	300,214		886,521	1,516,457	2,703,192
Depreciation		23,392	47,813		71,205
Total Operating Expenses	300,214	23,392	934,334	1,516,457	2,774,397
Operating Income (Loss)	(270,055)		(934,134)	(768,651)	(1,972,840)
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,965	4,780	2,806		10,551
Total Nonoperating Revenues	2,965	4,780	2,806		10,551
Income (Loss) Before Transfers	(267,090)	4,780	(931,328)	(768,651)	(1,962,289)
TRANSFERS IN	253,400		2,123,390	1,212,400	3,589,190
Change in Net Position	(13,690)	4,780	1,192,062	443,749	1,626,901
BEGINNING NET POSITION	433,324	428,140			861,464
ENDING NET POSITION	\$419,634	\$432,920	\$1,192,062	\$443,749	\$2,488,365

CITY OF RANCHO CORDOVA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Insurance	Vehicle & Equipment Replacement	Information Technology	Facilities Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Reimbursements from suppliers	\$30,159	\$23,392	\$200	\$746,806	\$800,557
Payments to suppliers	(295,718)		(846,846)	(1,345,817)	(2,488,381)
Cash Flows from (Used by) Operating Activities	(265,559)	23,392	(846,646)	(599,011)	(1,687,824)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers in	253,400		2,123,390	1,212,400	3,589,190
Cash Flows from Noncapital Financing Activities	253,400		2,123,390	1,212,400	3,589,190
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets			(344,853)		(344,853)
Cash Flows from Noncapital Financing Activities			(344,853)		(344,853)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	3,016	4,825	2,798		10,639
Cash Flows from Investing Activities	3,016	4,825	2,798		10,639
Net Cash Flows	(9,143)	28,217	934,689	613,389	1,567,152
Cash and investments at beginning of period	433,257	404,689			837,946
Cash and investments at end of period	\$424,114	\$432,906	\$934,689	\$613,389	\$2,405,098
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	(\$270,055)		(\$934,134)	(\$768,651)	(\$1,972,840)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Accounts receivable				(1,000)	(1,000)
Accounts payable	4,496		33,085	110,466	148,047
Accrued payroll liabilities			14,877	23,655	38,532
Unearned revenue				37,002	37,002
Prepaid and other assets			(8,287)	(483)	(8,770)
Depreciation		\$23,392	47,813		71,205
Cash Flows from (Used by) Operating Activities	(265,559)	23,392	(846,646)	(599,011)	(1,687,824)

AGENCY FUNDS

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

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

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

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

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.

CAPITAL VILLAGE PARK DEVELOPMENT FEES FUND – to account for park construction in new development areas.

CITY OF RANCHO CORDOVA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<u>Sunridge Anatolia CFD 2003-1</u>				
Cash and investments	\$4,371,566	\$4,663,372	\$4,218,377	\$4,816,561
Restricted cash and investments	7,888,750		\$318,735	7,570,015
Due from other governmental agencies	113,554	27,214	113,554	27,214
Interest receivable	14,214	164	\$14,214	164
Total Assets	<u>\$12,388,084</u>	<u>\$4,690,750</u>	<u>\$4,664,880</u>	<u>\$12,413,954</u>
Due to assessment district bondholders	<u>\$12,388,084</u>	<u>\$4,690,750</u>	<u>\$4,664,880</u>	<u>\$12,413,954</u>
Total Liabilities	<u>\$12,388,084</u>	<u>\$4,690,750</u>	<u>\$4,664,880</u>	<u>\$12,413,954</u>
<u>Sunridge Park CFD 2004-1</u>				
Cash and investments	\$3,778,683	\$1,492,537	\$893,944	\$4,377,276
Restricted cash and investments	1,321,570		445,302	876,268
Due from other governmental agencies	8,476	8,250	8,476	8,250
Interest receivable	4,706	149	4,706	149
Total Assets	<u>\$5,113,435</u>	<u>\$1,500,936</u>	<u>\$1,352,428</u>	<u>\$5,261,943</u>
Due to assessment district bondholders	<u>\$5,113,435</u>	<u>\$1,500,936</u>	<u>\$1,352,428</u>	<u>\$5,261,943</u>
Total Liabilities	<u>\$5,113,435</u>	<u>\$1,500,936</u>	<u>\$1,352,428</u>	<u>\$5,261,943</u>
<u>Sunridge North Douglas CFD 2005-1</u>				
Cash and investments	\$1,430,078	\$401,095	\$50,000	\$1,781,173
Restricted cash and investments	1,919,487	1,897,549		3,817,036
Due from other governmental agencies	2,655	1,833	\$2,655	1,833
Interest receivable	3,637	61	3,637	61
Total Assets	<u>\$3,355,857</u>	<u>\$2,300,538</u>	<u>\$56,292</u>	<u>\$5,600,103</u>
Accounts payable	\$13,000		\$13,000	
Deposits payable	37,000		37,000	
Due to other assessment district bondholders	<u>3,305,857</u>	<u>\$2,300,538</u>	<u>6,292</u>	<u>5,600,103</u>
Total Liabilities	<u>\$3,355,857</u>	<u>\$2,300,538</u>	<u>\$56,292</u>	<u>\$5,600,103</u>

(Continued)

CITY OF RANCHO CORDOVA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<u>Sunrise Douglas Park Fund</u>				
Cash and investments	\$1,915,733	\$1,697,918	\$2,163,738	\$1,449,913
Accounts receivable	157,877		157,877	
Interest receivable	295		245	50
Total Assets	<u>\$2,073,905</u>	<u>\$1,697,918</u>	<u>\$2,321,860</u>	<u>\$1,449,963</u>
Accounts payable	\$906,723	\$30,867	\$906,723	\$30,867
Deposits payable	275,082		275,082	
Due to other agencies	892,100	1,667,051	1,140,055	1,419,096
Total Liabilities	<u>\$2,073,905</u>	<u>\$1,697,918</u>	<u>\$2,321,860</u>	<u>\$1,449,963</u>
<u>Capital Village Park Development</u>				
Cash and investments	\$1,453,942	\$270,655		\$1,724,597
Interest receivable	224	60	\$224	60
Total Assets	<u>\$1,454,166</u>	<u>\$270,715</u>	<u>\$224</u>	<u>\$1,724,657</u>
Due to other agencies	1,454,166	\$270,715	\$224	1,724,657
Total Liabilities	<u>\$1,454,166</u>	<u>\$270,715</u>	<u>\$224</u>	<u>\$1,724,657</u>
<u>Total Agency Funds</u>				
Cash and investments	\$12,950,002	\$8,525,577	\$7,326,059	\$14,149,520
Restricted cash and investments with fiscal agents	11,129,807	1,897,549	764,037	12,263,319
Accounts receivable	157,877		157,877	
Interest receivable	23,076	434	23,026	484
Due from other governmental agencies	124,685	37,297	124,685	37,297
Total Assets	<u>\$24,385,447</u>	<u>\$10,460,857</u>	<u>\$8,395,684</u>	<u>\$26,450,620</u>
Accounts payable	\$919,723	\$30,867	\$919,723	\$30,867
Deposits payable	312,082		312,082	
Due to assessment district bondholders	17,501,519	8,492,224	6,017,308	19,976,435
Due to other agencies	5,652,123	1,937,766	1,146,571	6,443,318
Total Liabilities	<u>\$24,385,447</u>	<u>\$10,460,857</u>	<u>\$8,395,684</u>	<u>\$26,450,620</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)

	2009	2010	2011	2012
Governmental activities				
In capital assets	\$ 265,248,656	\$ 272,812,541	\$ 284,145,506	\$ 291,926,279
Restricted	67,519,112	59,207,574	56,953,066	62,607,924
Unrestricted	25,297,053	28,260,267	29,934,891	24,692,937
Total governmental activities net position	<u>358,064,821</u>	<u>360,280,382</u>	<u>371,033,463</u>	<u>379,227,140</u>
Business-type activities				
In capital assets	1,489,554	1,477,013	1,502,122	1,472,178
Restricted	-	-	-	-
Unrestricted	(1,401,825)	(1,471,042)	(1,570,040)	(1,592,398)
Total business-type activities net position	<u>87,729</u>	<u>5,971</u>	<u>(67,918)</u>	<u>(120,220)</u>
Primary government				
In capital assets	266,738,210	274,289,554	285,647,628	293,398,457
Restricted	67,519,112	59,207,574	56,953,066	62,607,924
Unrestricted	23,895,228	26,789,225	28,364,851	23,100,539
Total primary government net position	<u>\$ 358,152,550</u>	<u>\$ 360,286,353</u>	<u>\$ 370,965,545</u>	<u>\$ 379,106,920</u>

Source: Annual financial reports

2013	2014	2015	2016	2017	2018
\$ 320,087,426	\$ 313,935,860	\$ 163,293,796	\$ 167,038,901	\$ 178,823,342	\$ 182,642,124
64,124,648	65,172,962	67,232,596	75,522,853	82,302,253	87,030,622
28,612,663	29,430,909	32,724,621	41,031,135	39,760,351	45,016,556
<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>	<u>314,689,302</u>
1,442,253	1,412,328	161,907,927	156,774,648	151,897,226	146,200,018
-	-	-	-	-	-
<u>(1,622,508)</u>	<u>(1,455,770)</u>	<u>4,777,076</u>	<u>9,174,680</u>	<u>10,470,892</u>	<u>11,845,536</u>
<u>(180,255)</u>	<u>(43,442)</u>	<u>166,685,003</u>	<u>165,949,328</u>	<u>162,368,118</u>	<u>158,045,554</u>
321,529,679	315,348,188	325,201,723	323,813,549	330,720,568	328,842,142
64,124,648	65,172,962	67,232,596	75,522,853	82,302,253	87,030,622
26,990,155	27,975,139	37,501,697	50,205,815	50,231,243	56,862,092
<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>	<u>\$ 472,734,856</u>

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

Expenses	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:				
General government	\$ 23,835,036	\$ 23,975,190	\$ 31,391,098	\$ 26,389,142
Community Development	6,972,540	6,139,788	5,948,790	7,627,192
Public Safety	16,027,526	15,288,923	15,310,983	15,878,548
Public Works	9,797,172	5,781,813	4,955,151	9,911,194
Interest on long term debt	<u>1,439,074</u>	<u>1,384,583</u>	<u>1,584,644</u>	<u>1,221,777</u>
Total governmental activities expenses	<u>58,071,348</u>	<u>52,570,297</u>	<u>59,190,666</u>	<u>61,027,853</u>
Business-type activities:				
Cemetery	86,381	89,905	80,919	63,809
Storm Drain	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>86,381</u>	<u>89,905</u>	<u>80,919</u>	<u>63,809</u>
Total primary government expenses	<u>58,157,729</u>	<u>52,660,202</u>	<u>59,271,585</u>	<u>61,091,662</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	1,101,483	723,545	981,611	1,045,377
Community Development	2,997,656	2,800,846	3,137,047	2,607,312
Public Safety	1,560,634	2,054,171	2,166,447	2,107,741
Public Works	3,485,309	3,590,042	3,568,562	3,787,812
Operating grants and contributions	8,976,488	8,816,551	5,543,162	8,924,056
Capital grants and contributions	<u>34,079,529</u>	<u>11,145,048</u>	<u>21,104,022</u>	<u>17,600,808</u>
Total governmental activities program revenues	<u>52,201,099</u>	<u>29,130,203</u>	<u>36,500,851</u>	<u>36,073,106</u>
Business-type activities:				
Charges for services	48,277	8,000	6,850	11,400
Cemetery				
Storm Drain				
Capital grants and contributions	-	-	-	-
Cemetery				
Storm Drain	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>48,277</u>	<u>8,000</u>	<u>6,850</u>	<u>11,400</u>
Total primary government program revenues	<u>52,249,376</u>	<u>29,138,203</u>	<u>36,507,701</u>	<u>36,084,506</u>
Net (expense)/revenue				
Governmental activities	(5,870,249)	(23,440,094)	(22,689,815)	(24,954,747)
Business-type activities	<u>(38,104)</u>	<u>(81,905)</u>	<u>(74,069)</u>	<u>(52,409)</u>
Total primary government net (expense)/revenue	<u>\$ (5,908,353)</u>	<u>\$ (23,521,999)</u>	<u>\$ (22,763,884)</u>	<u>\$ (25,007,156)</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

	2013	2014	2015	2016	2017	2018
\$	27,907,919	\$ 30,105,912	\$ 25,499,679	\$ 24,829,364	\$ 27,207,208	\$ 31,398,023
	5,452,232	6,200,258	8,195,273	7,212,179	7,952,283	5,909,415
	16,476,763	17,187,388	17,369,893	19,359,149	20,023,498	19,646,587
	8,276,583	11,280,959	8,779,342	6,998,987	10,348,139	8,828,709
	1,107,696	1,063,097	1,018,838	986,125	1,173,318	988,528
	<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>	<u>66,771,262</u>
	69,629	180,274	71,369	60,138	77,557	70,260
	-	-	9,209,502	8,332,800	9,568,035	8,444,537
	<u>69,629</u>	<u>180,274</u>	<u>9,280,871</u>	<u>8,392,938</u>	<u>9,645,592</u>	<u>8,514,797</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>	<u>75,286,059</u>
	642,864	1,033,345	2,332,412	2,001,068	2,836,223	1,308,874
	3,149,670	2,917,407	2,894,914	3,503,993	3,623,019	3,042,634
	2,268,689	2,626,799	2,437,829	2,894,664	3,093,955	3,226,878
	3,722,318	4,037,491	4,331,040	5,303,775	6,807,073	6,715,951
	8,306,015	6,484,293	4,883,127	5,625,882	5,100,799	4,803,504
	40,963,959	8,525,538	8,897,303	14,671,133	18,063,239	9,951,344
	<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>	<u>29,049,185</u>
	9,500	4,700				
			69,519	94,613	12,650	4,049
			4,053,796	4,869,609	3,079,392	3,142,223
	-	-				
	-	-				
	<u>-</u>	<u>-</u>	<u>10,192,180</u>	<u>1,250,500</u>	<u>1,639,216</u>	<u>17,919</u>
	9,500	4,700	14,315,495	6,214,722	4,731,258	3,164,191
	<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>	<u>32,213,376</u>
	(167,678)	(40,212,741)	(35,086,400)	(25,385,289)	(27,180,138)	(37,722,077)
	(60,129)	(175,574)	5,034,624	(2,178,216)	(4,914,334)	(5,350,606)
\$	<u>(227,807)</u>	<u>\$ (40,388,315)</u>	<u>\$ (30,051,776)</u>	<u>\$ (27,563,505)</u>	<u>\$ (32,094,472)</u>	<u>\$ (43,072,683)</u>

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

	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property	\$ 11,127,070	\$ 9,970,988	\$ 8,271,587	\$ 7,250,433	\$ 7,712,950
Sales and use	9,040,890	8,824,813	11,167,725	11,354,606	12,060,818
Transient occupancy	2,183,506	1,821,607	2,514,865	2,625,755	2,636,893
Utility users	1,953,249	2,177,275	2,712,564	3,380,600	3,411,126
Other	402,924	285,702	1,908,640	1,907,975	2,295,517
Franchise fees	1,213,596	1,359,669	-	-	-
Property taxes in lieu of vehicle license fees	5,097,792	4,881,275	4,823,953	5,012,950	4,793,814
Use of money and property	2,983,325	1,958,977	1,789,392	1,122,769	959,979
Other	-	-	-	-	-
Transfers and miscellaneous	1,364,550	828,474	254,170	227,747	658,883
Extraordinary item	-	-	-	265,589	(144,949)
Total governmental activities	<u>35,366,902</u>	<u>32,108,780</u>	<u>33,442,896</u>	<u>33,148,424</u>	<u>34,385,031</u>
Business-type activities:					
Property	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	-
Use of money and property	210	147	180	107	94
Transfers and miscellaneous	-	-	-	-	-
Total business-type activities	<u>210</u>	<u>147</u>	<u>180</u>	<u>107</u>	<u>94</u>
Total primary government	<u>35,367,112</u>	<u>32,108,927</u>	<u>33,443,076</u>	<u>33,148,531</u>	<u>34,385,125</u>
Special Item	-	-	-	-	-
Change in Net Position					
Governmental activities	29,496,653	8,668,686	10,753,081	8,193,677	34,217,353
Business-type activities	(37,894)	(81,758)	(73,889)	(52,302)	(60,035)
Total primary government	<u>\$ 29,458,759</u>	<u>\$ 8,586,928</u>	<u>\$ 10,679,192</u>	<u>\$ 8,141,375</u>	<u>\$ 34,157,318</u>

Source: Annual financial reports

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	8,083,269	\$ 8,679,924	\$ 9,204,706	\$ 9,520,811	\$ 10,334,571
	12,797,765	15,280,124	20,599,228	21,704,677	23,531,768
	2,859,013	3,160,028	3,441,447	3,866,250	3,984,489
	3,439,608	3,718,885	3,698,001	3,678,209	3,835,713
	2,695,318	2,223,960	2,547,703	2,884,395	2,811,340
	-	-	-	-	-
	4,864,721	5,109,178	5,307,107	5,663,688	6,071,638
	1,098,942	901,102	1,050,502	1,840,891	1,304,633
	-	-	1,287,025	176,113	1,398,851
	89,099	(161,237,086)	(1,408,554)	(136,529)	(34,335)
	-	-	-	-	-
	<u>35,927,735</u>	<u>(122,163,885)</u>	<u>45,727,165</u>	<u>49,198,505</u>	<u>53,238,668</u>
	-	-	-	764,688	860,419
	-	-	-	500,189	-
	-	-	-	8,402	8,110
	107	14,598	33,987	94,865	125,178
	<u>312,280</u>	<u>161,679,223</u>	<u>1,408,554</u>	<u>136,529</u>	<u>34,335</u>
	<u>312,387</u>	<u>161,693,821</u>	<u>1,442,541</u>	<u>1,504,673</u>	<u>1,028,042</u>
	<u>36,240,122</u>	<u>39,529,936</u>	<u>47,169,706</u>	<u>50,703,178</u>	<u>54,266,710</u>
	-	-	-	(4,725,310)	-
	(4,285,006)	(157,250,285)	20,341,876	17,293,057	15,516,591
	<u>136,813</u>	<u>166,728,445</u>	<u>(735,675)</u>	<u>(3,409,661)</u>	<u>(4,322,564)</u>
\$	<u>(4,148,193)</u>	<u>\$ 9,478,160</u>	<u>\$ 19,606,201</u>	<u>\$ 13,883,396</u>	<u>\$ 11,194,027</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)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund			
Reserved	\$ 5,221,880	\$ 4,480,074	
Unreserved, designated for economic uncertainty	9,419,717	9,419,717	
Unreserved, designated for unrealized gains	629,322	629,322	
Unreserved, reported in the General Fund	<u>11,884,585</u>	<u>12,108,482</u>	
Nonspendable			\$ 8,811,161
Unassigned			<u>16,963,918</u>
Total General Fund	<u>\$ 27,155,504</u>	<u>\$ 26,637,595</u>	<u>\$ 25,775,079</u>
All Other Governmental Funds			
Reserved	\$ 3,618,585	\$ 3,721,515	
Unreserved, designated for projects		1,615,007	
Unreserved, reported in:			
Special Revenue Funds	59,627,221	52,130,207	
Capital Projects Funds	<u>585,439</u>	<u>1,719,350</u>	
Nonspendable			\$ 405,963
Restricted			56,972,277
Committed			3,209,102
Unassigned			<u>(2,047,218)</u>
Total All Other Governmental Funds	<u>\$ 63,831,245</u>	<u>\$ 59,186,079</u>	<u>\$ 58,540,124</u>

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

Source: Annual financial reports

2012	2013	2014	2015	2016	2017	2018
\$ 12,178,697	\$ 9,333,571	\$ 9,616,390	\$ 12,196,147	\$ 10,093,480	\$ 4,534,540	\$ 847,074
<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>29,805,660</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>	<u>\$ 30,652,734</u>
\$ -	\$ -	\$ -	\$ 3,450	\$ 316,581	\$ -	\$ 5,780
61,928,667	63,518,924	69,737,246	73,387,979	88,067,253	93,330,727	100,737,104
-	-	-	-	-	-	-
<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>(1,333,607)</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>	<u>\$ 99,409,277</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)

	2009	2010	2011	2012
Revenues				
Taxes and assessments	\$ 31,795,690	\$ 30,133,667	\$ 31,763,342	\$ 34,165,037
Charges for services	4,215,834	3,078,720	3,918,943	3,533,612
Licenses, fees and permits	11,606,702	9,719,697	8,392,039	9,894,338
Fines and forfeitures	777,339	1,135,908	1,236,844	1,083,794
Intergovernmental	13,609,918	14,183,280	14,169,350	15,148,811
Use of money and property	3,135,499	1,927,424	1,750,334	1,015,217
Miscellaneous	353,094	575,108	477,040	338,618
Total revenues	<u>65,494,076</u>	<u>60,753,804</u>	<u>61,707,892</u>	<u>65,179,427</u>
Expenditures				
General government	15,117,347	13,780,896	14,868,621	14,855,261
Community Development	6,972,540	6,135,973	5,948,790	6,469,795
Public Safety	16,027,526	15,288,923	15,310,983	15,795,913
Public Works	4,689,463	3,970,479	4,938,302	6,466,683
Estimated reduction in fair value of land held for resale	-	-	-	1,157,397
Capital outlay	16,370,213	17,962,305	20,406,701	18,901,174
Debt service:				
Principal retirement	1,118,011	725,000	765,000	815,025
Interest and fiscal charges	1,414,494	1,354,950	1,555,863	1,193,725
Bond issuance costs	-	-	-	-
Total expenditures	<u>61,709,594</u>	<u>59,218,526</u>	<u>63,794,260</u>	<u>65,654,973</u>
Excess of revenues over (under) expenditures	<u>3,784,482</u>	<u>1,535,278</u>	<u>(2,086,368)</u>	<u>(475,546)</u>
Other financing sources (uses)				
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	22,288,975	24,838,370	26,720,749	17,732,940
Transfers out	<u>(23,536,456)</u>	<u>(25,066,927)</u>	<u>(26,198,217)</u>	<u>(19,215,839)</u>
Total other financing sources (uses)	<u>(1,247,481)</u>	<u>(228,557)</u>	<u>577,897</u>	<u>(1,482,899)</u>
Net change in fund balances before extraordinary/special item	-	-	-	(1,958,445)
Extraordinary/Special Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,589</u>
Net Change in Fund Balance	<u>\$ 2,537,001</u>	<u>\$ 1,306,721</u>	<u>\$ (1,508,471)</u>	<u>\$ (1,692,856)</u>
Debt services as a percentage of non-capital expenditures	5.1%	5.1%	4.9%	4.1%

Source: Annual financial reports

	2013	2014	2015	2016	2017	2018
\$	35,506,292	\$ 34,620,251	\$ 38,747,079	\$ 45,096,673	\$ 42,132,259	\$ 51,508,790
	3,042,033	3,242,051	3,418,386	3,808,524	3,748,510	4,016,334
	12,028,868	10,419,315	9,971,584	15,678,918	17,397,470	11,675,925
	1,336,428	1,424,763	1,191,306	1,557,425	1,708,969	1,622,258
	13,145,345	9,913,819	10,478,647	8,872,748	16,901,869	10,664,610
	986,863	1,104,518	870,009	1,025,083	1,788,440	1,554,313
	315,467	517,541	212,924	986,669	1,218,048	1,269,407
	<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>	<u>82,311,637</u>
	15,156,251	15,278,010	15,558,096	16,166,976	18,552,273	18,561,743
	5,452,232	5,923,004	8,203,054	7,207,451	7,952,283	5,909,415
	16,354,005	17,093,766	17,753,700	19,358,495	20,023,498	20,376,939
	7,628,907	9,527,340	9,212,399	6,183,492	6,986,548	7,145,516
	-	-	-	-	-	-
	13,418,857	6,491,784	9,171,682	8,559,341	18,175,004	15,873,229
	850,445	896,017	941,621	1,413,271	123,568	804,808
	1,107,653	1,063,960	1,020,631	1,011,649	974,695	671,504
	-	-	-	-	-	-
	<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>69,343,154</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>	<u>12,968,483</u>
	-	-	-	-	-	-
	-	428,011	1,250,326	-	-	-
	-	-	-	-	16,395,000	-
	-	-	-	-	1,212,175	-
	-	-	-	-	(19,743,565)	-
	18,071,384	9,827,272	4,702,549	8,546,556	3,147,485	6,448,198
	<u>(19,996,312)</u>	<u>(6,913,113)</u>	<u>(9,213,271)</u>	<u>(9,955,110)</u>	<u>(3,172,555)</u>	<u>(10,071,723)</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>	<u>(3,623,525)</u>
	4,468,018	8,310,547	(231,644)	15,716,811	9,946,236	9,344,958
	<u>(144,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,725,310)</u>	<u>-</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>	<u>\$ 9,344,958</u>
	4.2%	3.9%	3.7%	4.7%	2.0%	2.7%

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

<u>Fiscal Year</u>	<u>Property Tax (1)</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Utility Users Tax</u>
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
2017/18	16,010,749	23,531,768	2,116,754	3,835,713
TOTAL	\$ 138,070,991	\$ 146,362,414	\$ 17,264,287	\$ 32,005,230

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

Source: Annual financial reports

Transient Occup. Tax	Property Transfer Tax	Other	Total
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
3,984,489	402,973	1,965,082	51,847,528
<u>\$ 29,093,853</u>	<u>\$ 2,913,830</u>	<u>\$ 13,771,590</u>	<u>\$ 379,482,195</u>

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

Fiscal Year ⁽¹⁾	Secured Property	Public Utility	Unsecured Property	Less: Exemptions	Net Assessed Valuation ⁽²⁾	Full Market Value	Total Direct Tax Rate ⁽³⁾
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%
2017/18	7,601,411,581	182,199	459,086,381	68,731,066	7,991,949,095	8,060,680,161	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
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%
2017/18	1.0000%	0.0000%	0.0000%	0.0130%	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%	0.0505%	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%
0.0000%	0.0566%	0.1878%	0.1017%	1.3591%

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

Taxpayer	Land Use	2017/18 Assessed Valuation	Percentage of Total Assessed Valuation *	2008/09 Assessed Valuation	Pct of Total Assessed Valuation		
Franklin Resources Inc	Office Building	\$ 80,182,766	1	1.05%	60,106,587	5	0.95%
Karlin Capital Center LLC	Office Building	64,935,678	2	0.85%			
MSCP Capital Center Investor LLC	Office Building	61,359,847	3	0.81%			
D. Bruce/Darlyne Fite Family Rev. Tr	Office Building	54,130,932	4	0.71%			
Rreef America REIT II Corporation	Office Building	51,250,000	5	0.67%			
Ethan Conrad	Office Building	51,059,402	6	0.67%			
Chesapeake Apts Holdings LLC	Apartments	44,035,720	7	0.58%			
VSP Holding Company	Office Building	43,951,827	8	0.58%			
Mather Development Partners	Office Building	42,739,418	9	0.56%			
CEGM Rancho Cordova LLC	Office Building	39,725,000	10	0.52%			
PGOCC LLC	Office Building				\$ 107,062,225	1	1.69%
DL Capital Cernter, LP	Office Building				95,543,060	2	1.50%
Rreef America Reit Corp	Office Building				75,523,077	3	1.19%
Altair Holding Company	Office Building				72,902,410	4	1.15%
Montelena Douglas LLC	Residential Dev't				59,600,824	6	0.94%
JB Management LP	Commercial				40,656,018	7	0.64%
Wasatch Pool Holdings LLC	Apartments				39,213,386	8	0.62%
Cordova LLC	Office Building				36,875,116	9	0.58%
Lennar Renaissance Inc.	Residential Dev't				36,850,274	10	0.58%
		\$ 533,370,590			\$ 624,332,977		

* 2017/18 Local Secured Assessed Valuation: \$7,601,411,581

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>
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%	-
2017/18	9,244,096	9,244,096	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 ⁽¹⁾	Per Capita ⁽¹⁾
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
2017/18	1,318,947	-	-	15,715,000	1,118,080	18,152,027	0.47%	245

(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)

2017-18 Assessed Valuation:	\$	8,060,680,161	%	City's Share of Debt
		Total Debt	Applicable	of Debt
		6/30/18	(1)	6/30/2018
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>				
Los Rios Community College District	\$	413,020,000	4.396%	\$ 18,156,359
Elk Grove Unified School District		82,100,000	3.987%	3,273,327
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 1		22,173,657	84.544%	18,746,497
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 3		45,624,785	58.627%	26,748,443
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 4		112,858,831	87.888%	99,189,369
Sacramento Unified School District		502,412,966	2.437%	12,243,804
San Juan Unified School District		441,659,706	0.062%	273,829
Elk Grove Unified School District Facilities Imprv Dist. No. 1		201,614,259	3.987%	8,038,361
City of Rancho Cordova Community Facilities District No. 2003-1		67,980,000	100.00%	67,980,000
City of Rancho Cordova Community Facilities District No. 2004-1		11,825,000	100.00%	11,825,000
City of Rancho Cordova Community Facilities District No. 2005-1		19,585,000	100.00%	19,585,000
Sac Area Flood Control Agency 1915 Act Bonds		278,195,000	0.429%	1,193,457
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				\$ 287,253,445
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>				
Sacramento County General Fund Obligations	\$	213,680,900	5.346%	\$ 11,423,381
Sacramento County Pension Obligations		925,700,052	5.346%	49,487,925
Sacramento County Office of Education Certificates of Participation		4,840,000	5.346%	258,746
Los Rios Community College District Certificates of Participation		440,000	4.396%	19,342
Folsom-Cordova Unified School District Certificates of Participation		9,450,000	29.868%	2,822,526
Sacramento Unified School District Certificates of Participation		65,565,000	2.437%	1,597,819
San Juan Unified School District General Fund Obligations		251,352	0.062%	156
City of Rancho Cordova Certificates of Participation		15,715,000	100.00%	15,715,000
City of Rancho Cordova Certificates of Participation - Bond Premium		1,118,080	100.00%	1,118,080
City of Rancho Cordova Streetlight Retrofit Loan		1,318,947	100.00%	1,318,947
Cordova Recreation and Park District General Fund Obligations		7,798,043	58.665%	4,574,722
Sacramento Metropolitan Fire District General Fund Obligations		9,090,000	12.822%	1,165,520
Sacramento Metropolitan Fire District Pension Obligation Bonds		49,423,975	12.822%	6,337,142
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				\$ 95,839,306
Less: Sacramento County supported obligations				961,793
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				\$ 94,877,513
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		67,215,000	9.013%	\$ 6,058,088
TOTAL DIRECT DEBT				\$ 18,152,027
TOTAL GROSS OVERLAPPING DEBT				\$ 370,998,812
TOTAL NET OVERLAPPING DEBT				\$ 370,037,019
GROSS COMBINED TOTAL DEBT ⁽²⁾				\$ 389,150,839
NET COMBINED TOTAL DEBT				\$ 388,189,046

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

Ratios to 2017-18 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.56%
Total Direct Debt (\$17,033,947)	0.23%
Gross Combined Total Debt	4.83%
Net Combined Total Debt	4.82%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$542,021,340):

Total Overlapping Tax Increment Debt	1.12%
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Source: California Municipal Statistics, Inc.

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

	2009	2010	2011	2012
Debt limit	\$ 1,011,284,606	\$ 967,592,911	\$ 924,550,025	\$ 959,031,974
Total net debt applicable to limit	-	-	-	-
Legal debt margin	1,011,284,606	967,592,911	924,550,025	959,031,974
Total net debt applicable to the limit as a percentage of debt limit	n.a.	n.a.	n.a.	n.a.

2013	2014	2015	2016	2017	2018
\$ 943,452,466	\$ 959,026,344	\$ 1,008,293,162	\$ 1,050,527,170	\$ 1,118,475,316	\$ 1,198,792,364
-	-	-	-	-	-
943,452,466	959,026,344	1,008,293,162	1,050,527,170	1,118,475,316	1,198,792,364
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	8,060,680,161
Less: Exemptions	<u>(68,731,066)</u>
<i>Net assessed value</i>	7,991,949,095
Debt limit (15% of total assessed value)	1,198,792,364
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>\$ 1,198,792,364</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	Median Age (4)	Unemployment
	City (1)	County (1)		Sacramento Metro Area (3)		Rate County (5)
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%
2017/18	74,210	1,529,501	2,441,212,160	32,896	34.5	4.2%

(1) Source: 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 (Oct 2017)

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

<u>Employer</u>	<u>2018</u>		<u>2009</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%		
Delta Dental	1600	2.91%	1000	2.22%
Sacramento County Off of Edu.	1300	2.36%		
Franklin Templeton	1000	1.82%	1000	2.22%
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)			1600	3.56%
Verizon Wireless			1100	2.44%
EDS Corporation			1000	2.22%
Health Net Federal Svc LLC			1000	2.22%
Sutter Health/Sutter Connect			800	1.78%
Catholic Healthcare West			700	1.56%
CA Employment Development Dept. (EDD)			700	1.56%

(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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	4	3	3	3	3	3	3	3	3	3
City Clerk	4	3	3	2	2	2	2	2	2	2.5
Administrative Services	5	4	4	4	4	4	4	5	5	4.5
Comm, Leg. Affair, Com Eng.	1	1	2	2	1.5	1.5	1.5	2	2	5
Human Resources	3	3	3	3	3	3	3	2	2	2
Finance	9	8	9	9	9	9	9	9	8	8
Information Technology	2	2	2	3	3	3	3	3	3	3
Building& Inspection	9	6	6	5	5	5	5	7	7	6
Animal Services	2	2	1	1	2	1	1	2	2	2
Economic Development	4	4	4	3	2.5	2.5	2.5	3	3	3
Facilities Management	2	3	4	4	4	4	4	5	5	5
Code Enforcement	8	6	6	10	9	10	10	12	12	12
Housing	2	3	2	2	3	3	3	3	3	2
Planning	-	-	-	-	1	1	1	4	4	3
Public Works	17	18	15	14	16.6	16.6	16.6	18	18	19
Total employees	77	71	69	70	73.6	73.6	73.6	85	84	85

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)

	2010	2011	2012
	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	71	69	70
Part-time	-	-	-
Number of contract employees (excludes public safety which is shown on next page)	14	19	20
Area in square miles	33	35	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	21	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

2013	2014	2015	2016	2017	2018
July 1, 2003					
General Law					
74	74	74	85	84	85
-	-	-	-	-	-
22	22	22	25	23	32
35	35	35	35	35	35
32	33	33	33	33	34
309	316	316	316	316	336
2	2	2	2	2	2
27	27	27	27	27	28
3	3	3	3	3	3
1	1	1	1	1	2
21	21	21	21	21	27
5	5	5	5	5	5
4	4	4	4	4	4
13	13	13	13	13	14
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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn personnel	64	58	58	58	58	57	57	62	62	62
Non-sworn personnel	16	14	14	14	14	11	11	12	14	14
Highways and Streets										
Streets (miles)	235	235	235	235	235	235	235	238.5	238.5	238.5
Streetlights	4,435	4,435	4,435	4,435	4,435	4,859	4,859	4,921	4,921	4,921
Traffic Signals	76	76	76	76	76	87	87	87	87	87

Source: Departments within the City of Rancho Cordova