



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF RANCHO CORDOVA, CALIFORNIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CITY OF RANCHO CORDOVA,
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019
Prepared by
FINANCE DEPARTMENT

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION:

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

FINANCIAL SECTION:

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	26
Statement of Activities	27

Fund Financial Statements: Governmental Funds:

Balance Sheet	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	34
Statement of Revenues, Expenditures and Changes in Fund Balances	35
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	37

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

General Fund	38
Sunrise Douglas Special Revenue Fund	39
Traffic Mitigation Special Revenue Fund	40
Grants Special Revenue Fund	41

Proprietary Funds:

Statement of Net Position	43
Statement of Revenues, Expenses and Changes in Fund Net Position	44
Statement of Cash Flows	45

Fiduciary Funds:

Statement of Fiduciary Net Position	47
Statement of Changes in Fiduciary Net Position	48

Notes to Basic Financial Statements	50
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CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019
TABLE OF CONTENTS (Continued)

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the City’s Proportionate Share of the Net Pension Liability	91
Schedule of Contributions – Pension	92
Schedule of Changes in the Net OPEB Liability and Related Ratios	93
Schedule of Contributions - OPEB	94

Supplementary Information:

Non-major Governmental Funds:

Combining Balance Sheet	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	105
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	111

General Fund:

Subcombining Balance Sheet	121
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	122
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	123

Sunrise Douglas (SD) Special Revenue Funds:

Subcombining Balance Sheet	125
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	127
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	129

Traffic Mitigation Special Revenue Funds:

Subcombining Balance Sheet	133
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	134
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	135

Grants Revenue Special Revenue Funds:

Subcombining Balance Sheet	137
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	138
Subcombining Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual	139

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

TABLE OF CONTENTS (Continued)

Villages of Zinfandel (VOZ) Special Revenue Funds:	
Subcombining Balance Sheet	141
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	142
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	143
Community Facilities Fees Special Revenue Funds:	
Subcombining Balance Sheet	145
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	146
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	147
Transit-Related Services Tax Special Revenue Funds:	
Subcombining Balance Sheet	149
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	150
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	151
Road Maintenance Special Revenue Funds:	
Subcombining Balance Sheet	153
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	154
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	155
Landscaping and Lighting Special Revenue Funds:	
Subcombining Balance Sheet	157
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	158
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	159
Measure A Special Revenue Funds:	
Subcombining Balance Sheet	161
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	162
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	163

CITY OF RANCHO CORDOVA

Comprehensive Annual Financial Report

For the Year Ended June 30, 2019

TABLE OF CONTENTS (Continued)

Capital Outlay Capital Projects Funds:
 Subcombining Balance Sheet 165
 Subcombining Schedule of Revenues, Expenditures and Changes
 in Fund Balances..... 166

Kilgore Cemetery Proprietary Fund:
 Subcombining Statement of Net Position 167
 Subcombining Schedule of Revenues, Expenses and Changes
 in Net Position..... 168

Storm Drain Proprietary Fund:
 Subcombining Statement of Net Position 169
 Subcombining Schedule of Revenues, Expenses and Changes
 in Net Position..... 170

Internal Service Funds:
 Combining Statement of Net Position 173
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position 174
 Combining Statement of Cash Flows..... 175

Agency Funds:
 Combining Statement of Changes in Assets and Liabilities 177

STATISTICAL SECTION:

Financial Trends:
 Net Position by Component – Last Ten Fiscal Years 181
 Changes in Net Position – Last Ten Fiscal Years 183
 Fund Balances of Governmental Funds – Last Ten Fiscal Years 187
 Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years 189

Revenue Capacity:
 General Governmental Tax Revenues by Source – Last Ten Fiscal Years 191
 Assessed and Estimated Value of Property – Last Ten Fiscal Years..... 193
 Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years..... 195
 Principal Taxpayers – Current and Nine Years Ago..... 197
 Property Tax Levies and Collections – Last Ten Fiscal Years 198

Debt Capacity:
 Ratio of Outstanding Debt by Type – Last Ten Fiscal Years 199
 Computation of Direct and Overlapping Debt..... 200
 Legal Debt Margin Information – Last Ten Fiscal Years 201

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

TABLE OF CONTENTS (Continued)

Demographic and Economic Information:	
Schedule of Demographic Statistics – Last Ten Fiscal Years.....	203
Ten Largest Area Employers – Current Year and Nine Years Ago.....	204
Operating Information:	
Government Employment Information – Last Ten Fiscal Years	205
Miscellaneous Statistics	207
Capital Asset and Infrastructure Statistics by Function/Program – Last Ten Fiscal Years	209

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December 30, 2019

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, 2019. We are pleased to report our fifteenth 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 operating surplus of \$5.7 million before transfers to reserves and capital projects.

At the time the budget was prepared we were anticipating a surplus of \$186,600. 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 \$31,323,118.

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 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 74,471, 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 Rancho Cordova Community Redevelopment Agency, a fiduciary fund reported separately since the State of California passed ABx1 26, resulting in the dissolution of the Redevelopment Agency as of January 31, 2012, was officially dissolved on February 28, 2019.

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. Since Fiscal Year 2013-14, the City has developed 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.

Rancho Cordova continues to enjoy a strong economy which is evidenced by a low unemployment rate, increased consumer spending, and record high hotel occupancy rates. It is also seen with a rise in new home development and building permit activity while office and industrial vacancy rates remain low.

The unemployment rate in Rancho Cordova was at the same level as the national average at 3.4% in October 2019, according to the U.S. Bureau of Labor Statistics. This is a decrease from 3.7% in the prior year and 4.3% 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 7.1% from the prior year. This growth is expected to continue into the coming years as property values

continue to increase and new growth and development occurs in the City.

According to CoStar Office and Industrial Market Reports, the commercial real estate vacancy rates continue to decline. The office vacancy rate in 2019 was 11.2%, down from 13.0% in 2014. The industrial vacancy also decreased to 4.08% in the Mather Industrial Area and 3.51% in the Sunrise Industrial Area from 7.35% and 3.66% in the prior year.

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 delivered annual surpluses in the General Fund since incorporation. 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 always kept pace with the increase in the revenue neutrality payment to the County. The revenue neutrality payment for fiscal year 2019-20 will increase by \$122,889, yielding a total payment of \$9,182,931. Thanks to a continued growth in secured property tax revenue for fiscal year 2019-20, the budgeted revenues of \$10,282,800 are once again greater than

the revenue neutrality payment obligation.

The future for Rancho Cordova looks bright as City finances are anticipated to remain strong and the City moves forward on several key initiatives:

- 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 \$8.3 million in revenue in the 2019-20 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 \$4.6 million, or 8.7%, in Fiscal Year 2018-19. While the City does not expect revenue growth to continue at this rate in coming years, moderate growth is still anticipated.
- Tax revenues remain our largest revenue source, with sales tax revenues remaining the largest revenue source. Property tax revenues rose 7.1% and sales tax revenues increased 5.7% 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 the fiscal year ended June 30, 2019 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 stand at \$12.1 million for fiscal year 2019-20.

MAJOR INITIATIVES

The City has many goals and projects planned for the 2019-20 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 Civic Center/Mills Station District Development Project on a recently purchased piece of property located on one of the City's major transportation corridors. It is anticipated

that this public/private development partnership 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 has made significant progress in beginning to transition off of end of life systems and on to new cloud-based technology. 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.

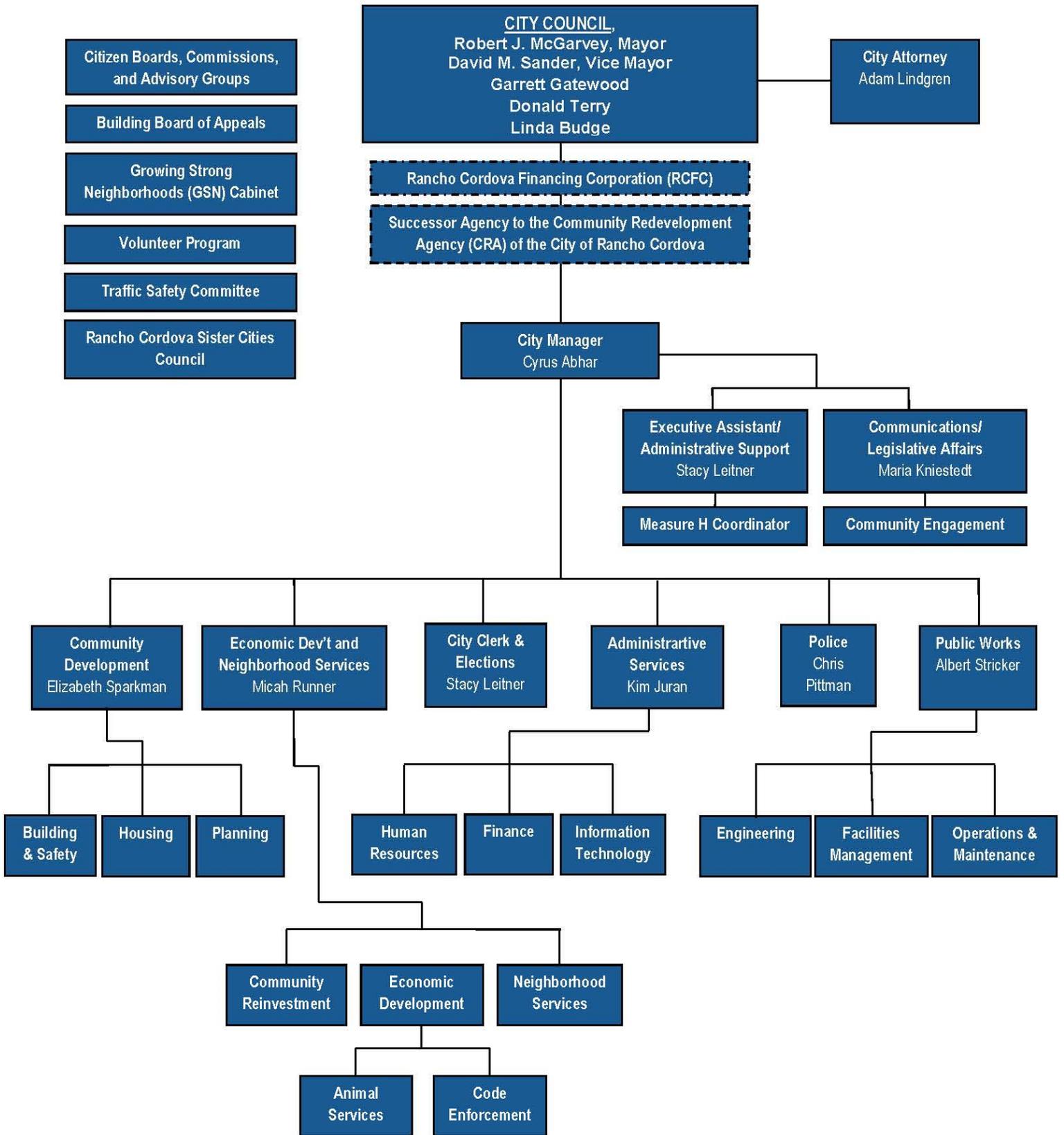
We want to thank the other City departments who assisted and contributed to the preparation of this report. Finally, we appreciate the dedication of the Mayor, City Council and City Manager's Office, who have supported our goal of excellence in all aspects of financial management, consistent with the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

Respectfully Submitted,



Kim Juran, Administrative Services Director

ORGANIZATION CHART - CITY OF RANCHO CORDOVA



**CITY OF RANCHO CORDOVA
PRINCIPAL OFFICERS
JUNE 30, 2019**

ELECTED OFFICIALS

Robert J. McGarvey
Mayor

David Sander
Vice Mayor

Garrett Gatewood
Council Member

Donald Terry
Council Member

Linda Budge
Council Member

EXECUTIVE TEAM

Cyrus Abhar
City Manager

Adam Lindgren
City Attorney

Stacy Leitner
City Clerk

Micah Runner
Deputy City Manager

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, 2018

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, 2019, 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, 2019, and the respective changes in the financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the City's proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions 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, combining and individual nonmajor fund financial statements and schedules, 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 combining and individual nonmajor fund financial statements and schedules 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 combining and individual nonmajor fund financial statements and schedules 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 30, 2019 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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in black ink and is positioned above the typed name of the firm.

Sacramento, California
December 30, 2019

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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, 2019. We encourage readers to consider the information presented here in conjunction with our letter of transmittal which begins on page i and the basic financial statements, beginning on page 26.

OVERALL FINANCIAL HIGHLIGHTS

- **The City's General Fund reported a surplus of \$670 thousand for the year ending June 30, 2019, creating an ending fund balance of \$31.3 million.**
- As of June 30, 2019, total assets and deferred outflows of resources of the City exceeded its total liabilities and inflows of resources by \$491.8 million (net position). Of this amount, \$64.9 million (unrestricted) may be used to meet ongoing obligations to citizens and creditors but was subject to designation for specific City programs; \$98.5 million was restricted net position and must be used only for specific purposes. The remaining \$328.4 million was invested in capital assets.
- As of June 30, 2019, the City's governmental activities reported a net position of \$336.1 million. Of that, \$51.2 million was available to meet the City's current and future needs (unrestricted net position), a decrease over the fiscal year ending June 30, 2018 by \$6.2 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, 2019, the City's economic uncertainty reserve balance totaled \$12.2 million, an increase from 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 Successor 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 regard 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, charges for services, sales tax and state and federal grants finance most of these activities.
- **Business-type activities** – The City intends to recover all or a significant portion of the cost to provide these services by charging a fee to customers. Both the Kilgore Cemetery and the Storm Drain System is reported here.

The Government-Wide Financial Statements can be found on pages 26 to 28 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 31 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 31.

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 43.

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

The fiduciary fund financial statements can be found on page 47.

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 50.

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.

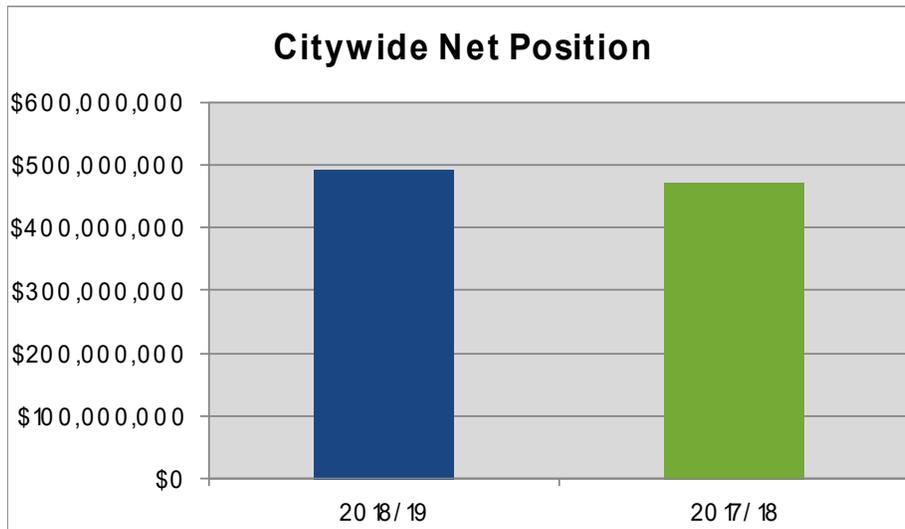
This report also contains statistical information that may be useful to readers of this report. This information can be found in the last section of this report, starting on page 180.

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, 2019, the total net position of the City was \$491.8 million, which is an increase of \$19.0 million from fiscal year ending June 30, 2018.. 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 2018/19 the business-type activities net position decreased by \$2.4 million to an ending net position of \$155.6 million. This decrease is primarily 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, 2019 and 2018, 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	
	<u>2018/19</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2017/18</u>
Current assets	\$ 167,015,441	\$ 146,552,511	\$ 13,972,973	\$ 12,042,583	\$ 180,988,414	\$ 158,595,094
Capital assets	<u>203,716,595</u>	<u>200,794,151</u>	<u>141,936,263</u>	<u>146,200,018</u>	<u>345,652,858</u>	<u>346,994,169</u>
Total Assets	<u>370,732,036</u>	<u>347,346,662</u>	<u>155,909,236</u>	<u>158,242,601</u>	<u>526,641,272</u>	<u>505,589,263</u>
Deferred outflows of resources						
related to pension	2,021,408	2,642,682	-	-	2,021,408	2,642,682
related to OPEB	108,145	102,139	-	-	108,145	102,139
Deferred amount of refunding	-	-	-	-	-	-
Total Deferred Outflow	<u>2,129,553</u>	<u>2,744,821</u>	<u>-</u>	<u>-</u>	<u>2,129,553</u>	<u>2,744,821</u>
Current liabilities	\$ 16,067,490	\$ 13,592,446	\$ 259,708	\$ 197,047	\$ 16,327,198	\$ 13,789,493
Long-term liabilities						
outstanding	<u>20,075,104</u>	<u>21,088,077</u>	<u>-</u>	<u>-</u>	<u>20,075,104</u>	<u>21,088,077</u>
Total Liabilities	<u>36,142,594</u>	<u>34,680,523</u>	<u>259,708</u>	<u>197,047</u>	<u>36,402,302</u>	<u>34,877,570</u>
Deferred inflows of resources						
related to pension	263,729	330,841	-	-	263,729	330,841
related to OPEB	<u>343,641</u>	<u>384,132</u>	<u>-</u>	<u>-</u>	<u>343,641</u>	<u>384,132</u>
Total Deferred Outflow	<u>607,370</u>	<u>714,973</u>	<u>-</u>	<u>-</u>	<u>607,370</u>	<u>714,973</u>
Net Position:						
Net Investment in capital assets	\$ 186,452,046	\$ 182,642,124	\$ 141,936,263	\$ 146,200,018	\$ 328,388,309	\$ 328,842,142
Restricted	98,469,319	87,030,622	26,523	-	98,495,842	87,030,622
Unrestricted	<u>51,190,260</u>	<u>45,023,241</u>	<u>13,686,742</u>	<u>11,845,536</u>	<u>64,877,002</u>	<u>56,868,777</u>
Total Net Position	<u>\$ 336,111,625</u>	<u>\$ 314,695,987</u>	<u>\$ 155,649,528</u>	<u>\$ 158,045,554</u>	<u>\$ 491,761,153</u>	<u>\$ 472,741,541</u>

The City's net position as of June 30, 2019, 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 \$328.4 million or 67% of total net position.
- Cash and investments comprised \$157.7 million in the city treasury and \$573 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 \$23.0 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 \$328.4 million represents the City's investment in infrastructure and other capital assets.
- Restricted net position, totaling \$98.5 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 \$64.9 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, 2019 and 2018:

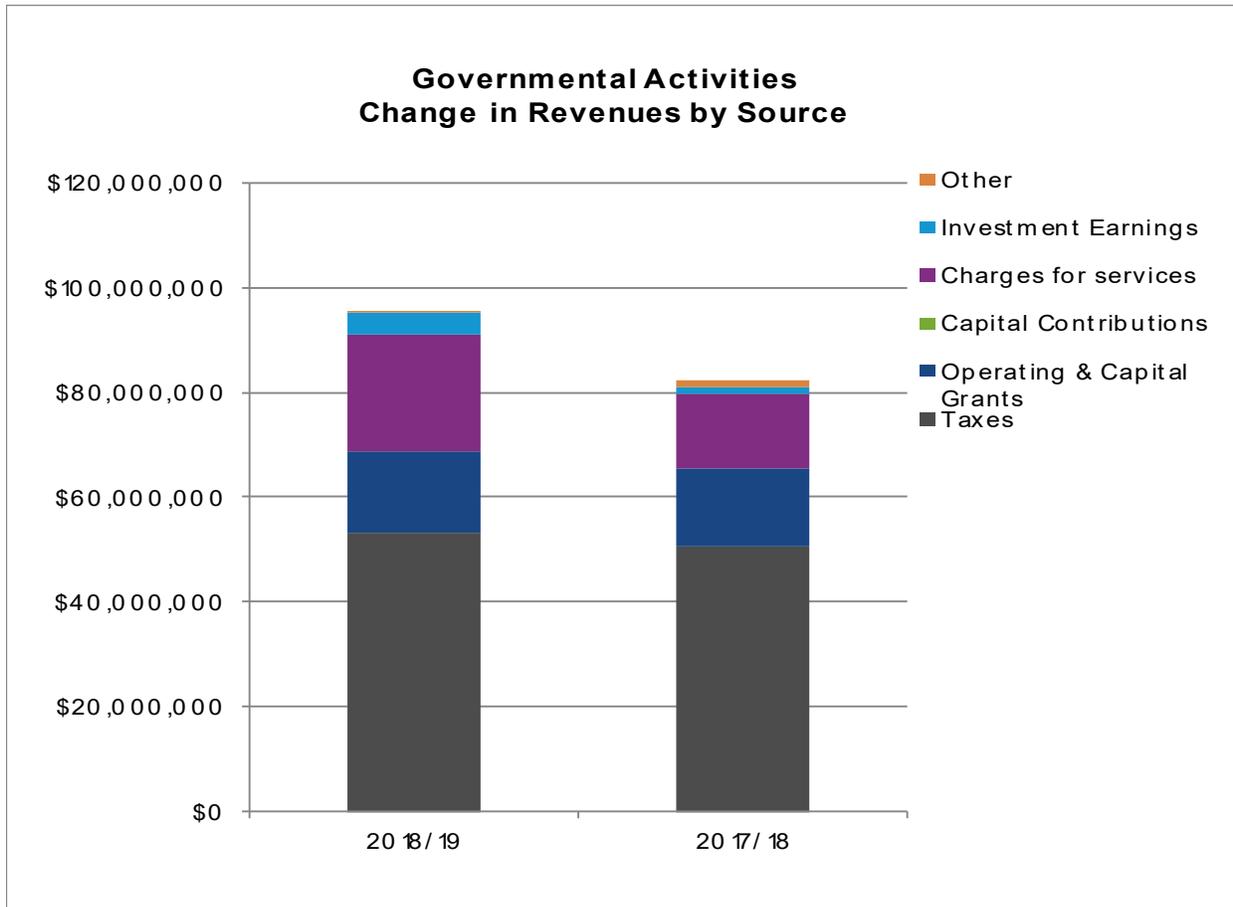
	Governmental Activities		Business-Type Activities		Total	
	2018/19	2017/18*	2018/19	2017/18	2018/19	2017/18*
Revenues:						
Program Revenues						
Charges for services	\$ 22,304,645	\$ 14,294,337	\$ 3,288,243	\$ 3,146,272	\$ 25,592,888	\$ 17,440,609
Operating grants & contributions	3,232,208	4,803,504	-	-	3,232,208	4,803,504
Capital grants	12,510,892	9,951,344	-	-	12,510,892	9,951,344
Capital contributions	-	-	1,814,559	17,919	1,814,559	17,919
General Revenues:						
Taxes	53,041,350	50,569,519	896,997	868,529	53,938,347	51,438,048
Investment Earnings	4,161,751	1,304,633	234,483	125,178	4,396,234	1,429,811
Other	174,516	1,398,851	-	-	174,516	1,398,851
Total Revenues	<u>95,425,362</u>	<u>82,322,188</u>	<u>6,234,282</u>	<u>4,157,898</u>	<u>101,659,644</u>	<u>86,480,086</u>
Expenses:						
General Government	36,859,529	31,398,023	-	-	36,859,529	31,398,023
Community Development	7,151,794	5,909,415	-	-	7,151,794	5,909,415
Public Safety	22,242,512	19,646,587	-	-	22,242,512	19,646,587
Public Works	7,162,089	8,822,024	-	-	7,162,089	8,822,024
Interest and fiscal charges	578,448	988,528	-	-	578,448	988,528
Cemetery	-	-	77,083	70,260	77,083	70,260
Storm Drain	-	-	8,568,577	8,444,537	8,568,577	8,444,537
Total Expenses	<u>73,994,372</u>	<u>66,764,577</u>	<u>8,645,660</u>	<u>8,514,797</u>	<u>82,640,032</u>	<u>75,279,374</u>
Change in Net Position, before Transfers and Special Items	<u>21,430,990</u>	<u>15,557,611</u>	<u>(2,411,378)</u>	<u>(4,356,899)</u>	<u>19,019,612</u>	<u>11,200,712</u>
Transfers and Special Items						
Transfers	(15,352)	(34,335)	15,352	34,335	-	-
Total Transfers	<u>(15,352)</u>	<u>(34,335)</u>	<u>15,352</u>	<u>34,335</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>21,415,638</u>	<u>15,523,276</u>	<u>(2,396,026)</u>	<u>(4,322,564)</u>	<u>19,019,612</u>	<u>11,200,712</u>
Net Position -- Beginning of Year	<u>314,695,987</u>	<u>299,172,711</u>	<u>158,045,554</u>	<u>162,368,118</u>	<u>472,741,541</u>	<u>461,540,829</u>
Net Position -- End of Year	<u>\$ 336,111,625</u>	<u>\$ 314,695,987</u>	<u>\$ 155,649,528</u>	<u>\$ 158,045,554</u>	<u>\$ 491,761,153</u>	<u>\$ 472,741,541</u>

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

Revenue Highlights

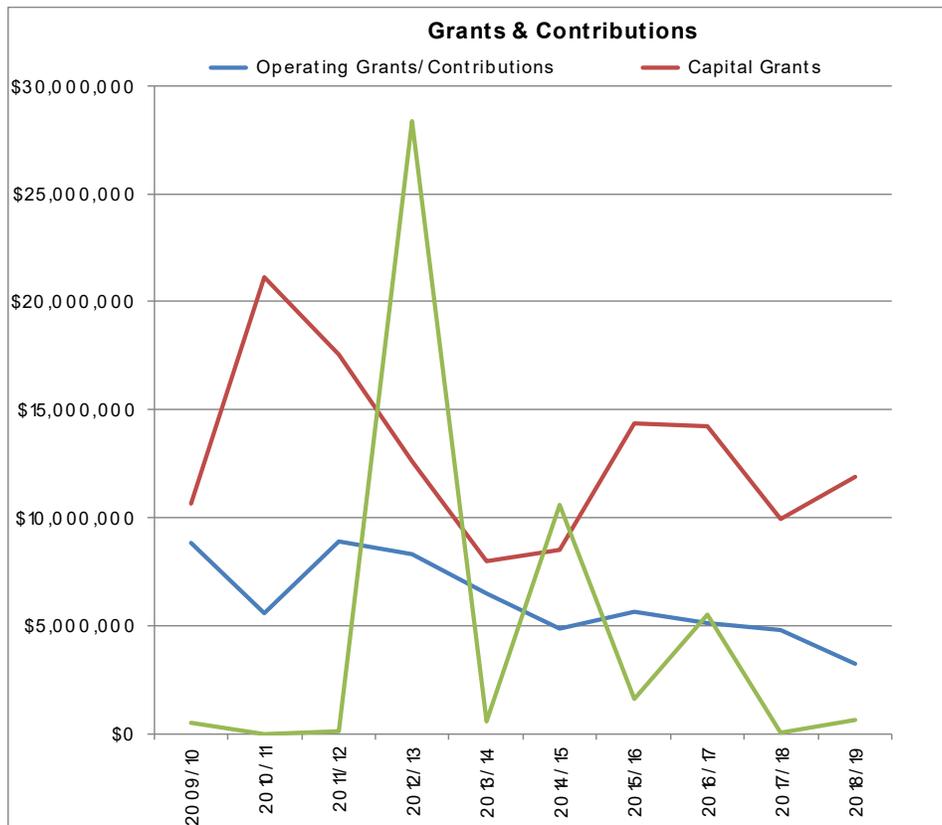
Total Governmental Activities revenues for fiscal year 2018/19 increased by \$13.1 million, or approximately 15.9%, from the prior year. As illustrated in the table above, this increase was due primarily to decreases in Charges for Services, Operating/Capital Grants and Taxes.

The chart below shows total revenues received from the Governmental Activities, as shown in the condensed Statement of Activities, by revenue source.



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 \$1.3 million from last year and up by \$4.3 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), which will be referred to as Community Enhancement Funds throughout the rest of this document. Property taxes increased by \$1.3 million as compared to last year and increased by \$3.8 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 an overall healthy economy.

As illustrated in the graph below, 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.

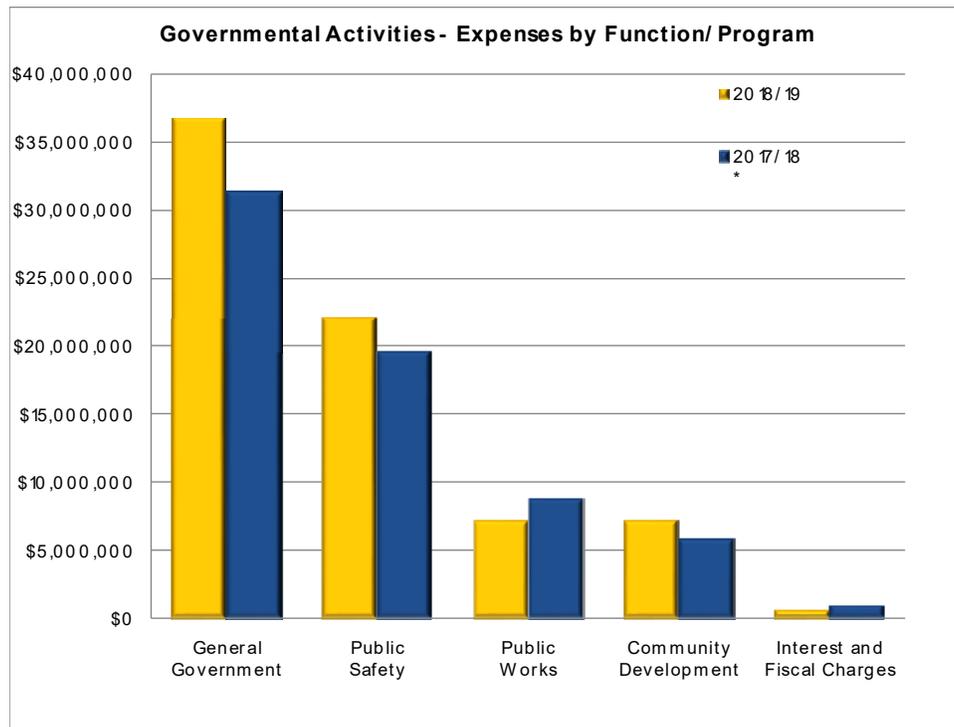


The majority of grant revenues received by the City are from reimbursement type grants where costs are incurred up front and then reimbursed from the grantor, usually on a quarterly basis. Grant revenue is recorded when the expenditure is incurred, not when the grant is awarded, or the funds received.

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 Activities, by functional program is shown on the chart below.



General Government expenses of \$36.9 million accounted for 49.8% of total expenses, an increase of \$5.5 million from the prior year. Public Safety costs, primarily for police protection, increased \$2.6 million, or 13.2% from fiscal year 2017/18. Public Works costs decreased \$1.7 million, to \$7.2 million, and represented 9.7% of total expenses. Lastly, Community Development expenses also saw an increase of 21.0% from the prior year to \$7.2 million in the current year.

GOVERNMENTAL FUND FINANCIAL ANALYSIS

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

The Governmental Funds financial statements break out 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

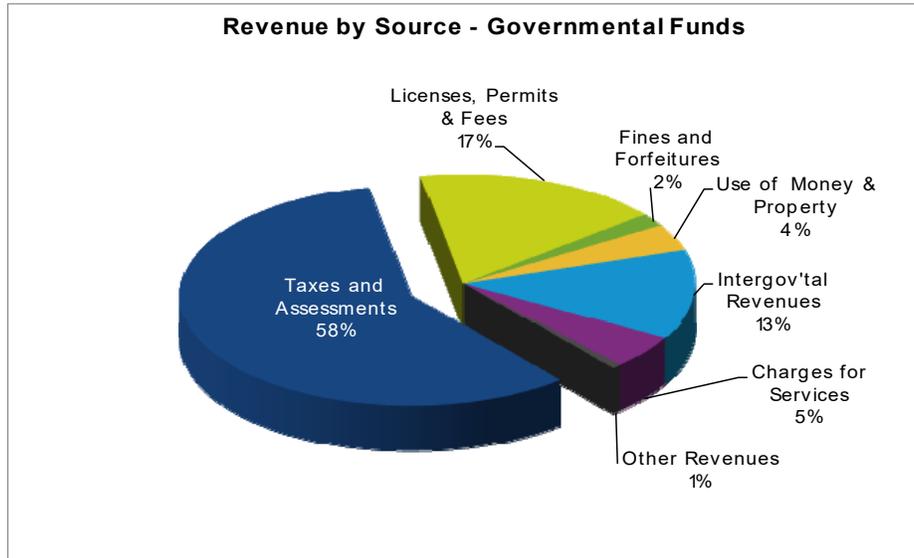
	<u>2018/19</u>	<u>2017/18</u>
Revenues:		
Taxes and Assessments	\$ 54,313,271	\$ 51,508,790
Licenses, Permits & Fees	16,156,321	11,675,925
Fines and Forfeitures	1,779,479	1,622,258
Use of Money & Property	3,638,720	1,554,313
Intergovernmental Revenues	12,310,458	10,664,610
Charges for Services	4,645,959	4,016,334
Other Revenues	<u>609,251</u>	<u>1,269,407</u>
Total Revenues	<u>93,453,459</u>	<u>82,311,637</u>
Expenditures:		
General Government	20,954,791	18,561,743
Community Development	7,151,794	5,909,415
Public Safety	22,242,512	20,376,939
Public Works	7,162,089	7,145,516
Debt Service	1,471,284	1,476,312
Capital Outlay	<u>14,636,896</u>	<u>15,873,229</u>
Total Expenditures	<u>73,619,366</u>	<u>69,343,154</u>
Excess (Deficiency) of Revenues over Expenditures	19,834,093	12,968,483
Other Financing Sources (Uses):		
Transfers In	6,710,557	6,448,198
Transfers Out	<u>(12,195,509)</u>	<u>(10,071,723)</u>
Total Other Financing Sources (Uses)	<u>(5,484,952)</u>	<u>(3,623,525)</u>
Net Change in Fund Balances	14,349,141	9,344,958
Fund Balances, beginning of year	<u>130,062,011</u>	<u>120,717,053</u>
Fund Balances, end of year	<u>\$ 144,411,152</u>	<u>\$ 130,062,011</u>

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

At the end of fiscal year 2018/19, the City's governmental funds reported a total combined ending fund balance of \$144.4 million, a net increase of \$14.3 million from the prior year. Of the fund balance, \$38K was non-spendable and \$113.1 million was restricted with the balance of \$31.3 million being unassigned, as outlined in Note 9B of the financial statements.

Revenue Highlights

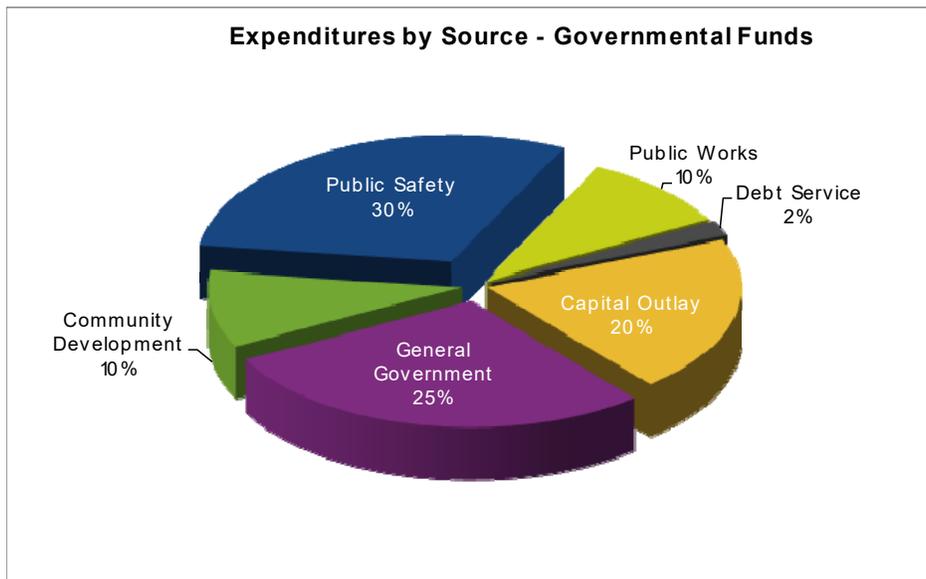
The table on the prior page shows total Governmental Revenues increased by \$11.1 million, or 13.5% from the prior year, due primarily to a large increase in Licenses, Permits and Fee Revenues and Taxes and Assessments.



Taxes and Assessments remain the largest revenue source, representing 58.1% of total revenues. The overall Taxes and Assessments increased by a total of \$2.8 million, or 5.4%, from the 2017/18 fiscal year while Licenses, Permits and Fees increased a total of \$4.5 million, or 38.4% from the 2017/18 fiscal year.

Expenditure Highlights

The table on the prior page shows total Governmental Expenditures increased by \$4.3 million, or 6.2% from the prior year, due primarily to increases in Public Safety and General Government expenditures.



Public Safety is our largest category of expense, representing 30.2% of total governmental expenditures. Current year costs of \$22.2 million were 9.2% 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 \$21.0 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.

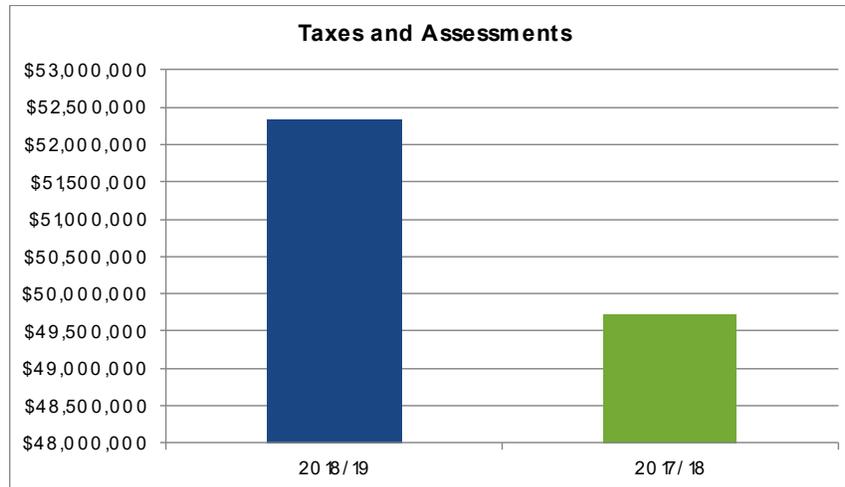
GENERAL FUND FINANCIAL INFORMATION

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, 2019 and 2018.

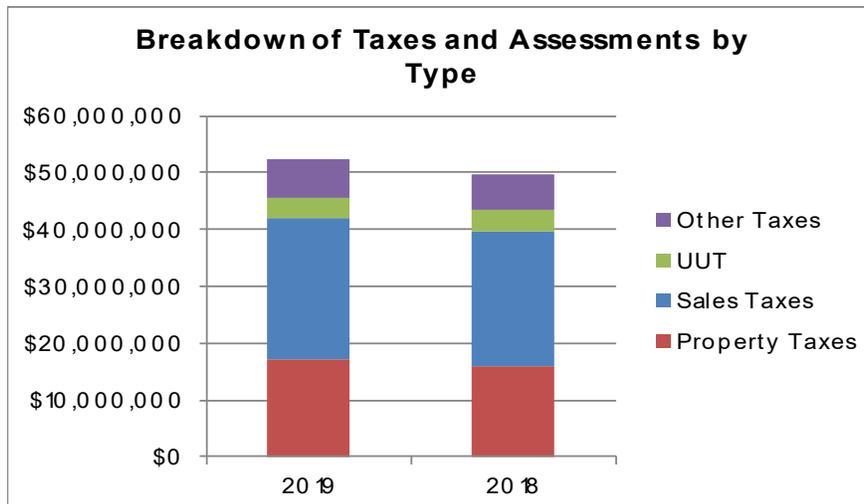
	<u>2018/19</u>	<u>2017/18</u>
Revenues:		
Taxes and Assessments	\$ 52,328,619	\$ 49,730,774
Charges for Services	4,404,993	3,307,488
Licenses, Permits & Fees	5,312,389	5,294,683
Fines and Forfeitures	1,759,320	1,549,952
Intergovernmental Revenues	742,246	483,437
Use of Money & Property	1,842,553	520,726
Other Revenues	<u>83,387</u>	<u>97,104</u>
Total Revenues	<u>66,473,507</u>	<u>60,984,164</u>
Expenditures:		
General Government	20,409,577	17,979,707
Community Development	6,269,027	5,629,604
Public Safety	22,142,382	20,226,310
Public Works	4,542,626	4,014,645
Capital Outlay	956,482	3,504,000
Debt Service	<u>-</u>	<u>-</u>
Total Expenditures	<u>54,320,094</u>	<u>51,354,266</u>
Excess (Deficiency) of Revenues over Expenditures	<u>12,153,413</u>	<u>9,629,898</u>
Other Financing Sources (Uses):		
Transfers In	100,000	100,000
Transfers Out	<u>(11,583,029)</u>	<u>(9,410,860)</u>
Total Other Financing Sources (Uses)	<u>(11,483,029)</u>	<u>(9,310,860)</u>
Special Item	<u>-</u>	<u>-</u>
Net Change in Fund Balances	670,384	319,038
Fund Balances, beginning of year	<u>30,652,734</u>	<u>30,333,696</u>
Fund Balances, end of year	<u>\$ 31,323,118</u>	<u>\$ 30,652,734</u>

Revenue Highlights

As shown on the table on the prior page, total General Fund revenues increased over the prior year by \$5.5 million, or 9.0%, primarily due to an increase in Taxes and Assessment revenue which represents the majority, 78.7%, 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 7.1% and Sales tax, which is now the largest source of tax revenue with the addition of Community Enhancement Funds, continued to see another year of growth, with an increase of 5.7% as compared to fiscal year 2017/18. The growth in both of these major revenue sources is the result of continued growth in the economy.

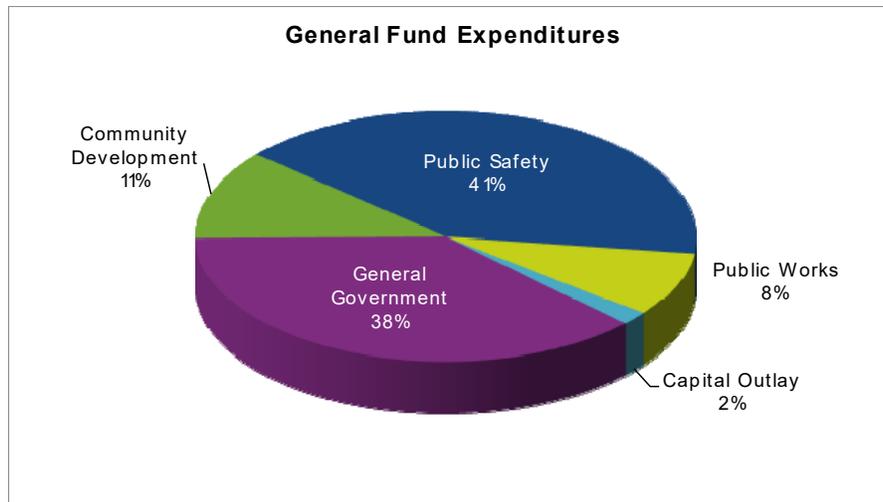
UUT decreased by \$386K while Other Taxes, which includes TOT, increased by \$497K in the current year.

Charges for Services saw a 33.2% increase compared to last year as a result of the continued increase in development activity throughout the city.

Use of Money and Property revenues increased by \$1.3 million, as a result of a change in accounting for City owned property. Rather than recording revenues directly into the Facilities Internal Service Fund, revenues are recorded into the general fund and a budgeted transfer is made to the Internal Service Fund on an annual basis.

Expenditure Highlights

General Fund expenditures increased by \$3.0 million, or 5.8%, over the prior year. This increase 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 sixteenth 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 \$22.1 million or 40.8% 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 \$1.9 million, or 9.5%, primarily due the addition of new Community Enhancement Funded positions.

General Government expenditures, the second largest expenditure, were \$20.4 million, or 37.6% 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 (\$9.1 million this year).

Community Development, consisting of Economic Development, Facilities Management, Planning, Building & Safety and Neighborhood Services expended \$6.3 million, an increase of \$639K from 2017/18.

Public Works General Fund expenditures totaled \$4.5 million, an increase of approximately 13.2%, or \$528K from the prior year.

Capital Outlay saw a decrease of \$2.5 million in 2018/19, as a direct result of the one-time purchase of new property along Folsom Blvd in 2017/18.

Fund Balance Highlights

The total fund balance has increased slightly to \$31.3 million, of which \$38K is non-spendable and \$31.3 million is unassigned. Included in the unassigned fund balance is the City’s Economic Uncertainty Reserve of \$12.2 million which represents 20% of next year’s General Fund, including the Community Enhancement Fund, expenditures.

Budgetary Highlights

The City had one amendment to its 2018/19 budget to adjust for significant variances not originally anticipated during the preparation of the second year of its two-year budget. This amendment affected the budgets of the General Fund along with various Special Revenue Funds, Internal Service Funds, Capital Project Funds and Enterprise 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 and was only needed for the Community Enhancement Fund in the 2018/19 fiscal year.

General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual	Variance	Variance w/ Final Budget
Revenues:					
Taxes and Assessments	\$ 47,099,600	\$ 51,680,600	\$ 52,328,619	\$ 648,019	1.3%
Licenses, Permits & Fees	4,344,900	5,194,900	5,312,389	117,489	2.3%
Fines and Forfeitures	1,548,400	1,898,400	1,759,320	(139,080)	-7.3%
Use of Money & Property	710,000	1,750,331	1,842,553	92,222	5.3%
Intergovernmental Revenues	543,900	543,900	742,246	198,346	36.5%
Charges for Services	4,127,000	4,127,000	4,404,993	277,993	6.7%
Other Revenues and Transfers In	319,700	319,700	183,387	(136,313)	-42.6%
Total Revenues and Transfers	<u>58,693,500</u>	<u>65,514,831</u>	<u>66,573,507</u>	<u>1,058,676</u>	1.6%
Expenditures					
General Government	18,697,400	19,617,700	20,409,577	791,877	4.0%
Community Development	5,917,100	5,917,100	6,269,027	351,927	5.9%
Public Safety	21,336,700	21,716,700	22,142,382	425,682	2.0%
Public Works	3,962,900	4,051,700	4,542,626	490,926	12.1%
Capital Outlay	1,450,000	1,450,000	956,482	(493,518)	-34.0%
Transfers Out	5,045,800	13,899,110	11,583,029	(2,316,081)	-16.7%
Total Expenditures and Transfers	<u>56,409,900</u>	<u>66,652,310</u>	<u>65,903,123</u>	<u>(749,187)</u>	-1.1%
Excess/(Deficiency) of					
Revenues over Expenditures	<u>\$ 2,283,600</u>	<u>\$ (1,137,479)</u>	<u>\$ 670,384</u>	<u>\$ 1,807,863</u>	-158.9%

Total revenues exceeded the budget by 1.6%. Taxes and Assessments and Intergovernmental Revenues had the largest budget variances from the original budget. Taxes and Assessments had a positive variance of \$648K and Intergovernmental Revenues had a positive variance of \$198K. The variances in Taxes and Assessments was largely a result a stronger than anticipated economy while the increase in Intergovernmental Revenues was a result of one-time funding received from the County for PEG project reimbursement.

Charges for Services also varied from the original and final budget by a total of \$278K. This is a result of the number of development project reviews performed by staff in fiscal year 2018/19.

Licenses, Permits and Fees had a positive variance of \$117K between the budgeted revenues to the actual. This increase is the result of more building permits being issued in FY 2018/19 than expected when the budget was originally prepared.

The City continues its practice of managing its General Fund expenditure activity to produce actual expenditures that were lower than actual revenues. While the original budget had anticipated a surplus of \$2.3 million, this was revised in the final budget to reflect an anticipated loss of \$1.1 million. We are pleased that improvements in revenues, and the continued management of expenditures, led to an actual increase in net fund balance of \$670K.

Financial Analysis of Major Governmental Funds

Four major funds, in addition to the General Fund, were separately stated in the City's governmental fund statements for fiscal year 2018/19. 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 \$5.1 million and interest earnings of \$403K. Expenditures this year included Community Development expenses of \$2K, Public Works expenses of \$82K and capital outlay of \$4.0 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 \$1.7 million, and interest earnings of \$400K. Expenditures this year included Community Development expenses of \$3K, Public Works expenses of \$263K and capital outlay of \$1.6 million.

Grants Special Revenue 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, 2019, the Grants Fund had received \$4.2 million in intergovernmental revenues, and posted \$6.0 million in expenditures. Grant revenues are received from federal, state, and local grant sources on an expenditure reimbursement basis.

Capital Projects Capital Outlay Fund – This fund was established to account for financial resources for the acquisition, construction, maintenance, replacement and enhancement of major capital facilities. The major source of revenue for this fund is transfers of surplus revenues from the city's general fund, \$4.8 million, and interest earnings, \$246K, while annual expenditures will be for capital outlay, which totaled \$167K in 2018/19.

Financial Analysis of Non-Major Governmental Funds

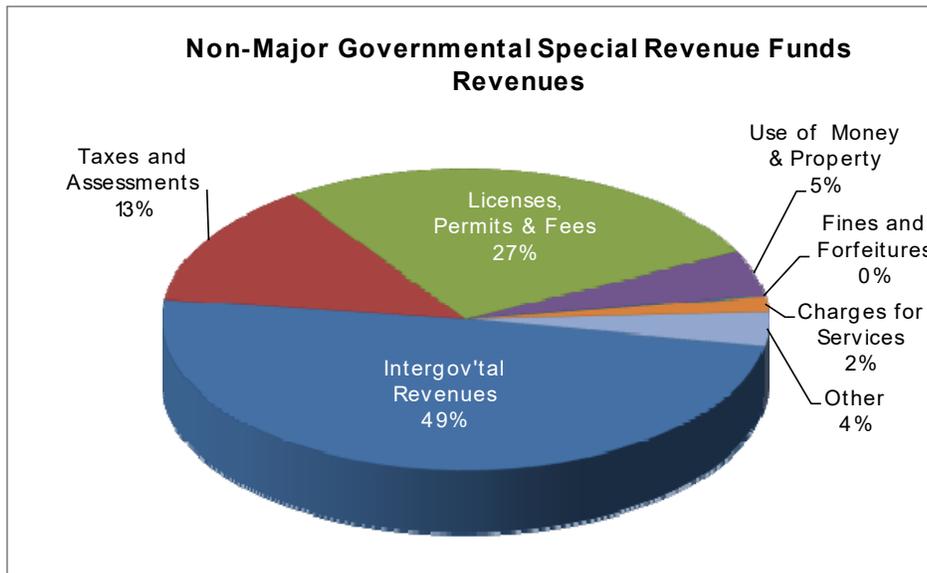
These funds, consisting mostly of Special Revenue Funds, were not of sufficient volume to warrant a "major-fund" designation. Some of these funds are as follows:

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 2018/19 were \$1.6 million. Public Works and capital improvement projects funded by the Gas Tax Fund totaled \$332K, resulting in an increase in fund balance from \$3.2 million in 2018 to \$4.5 million in 2019.

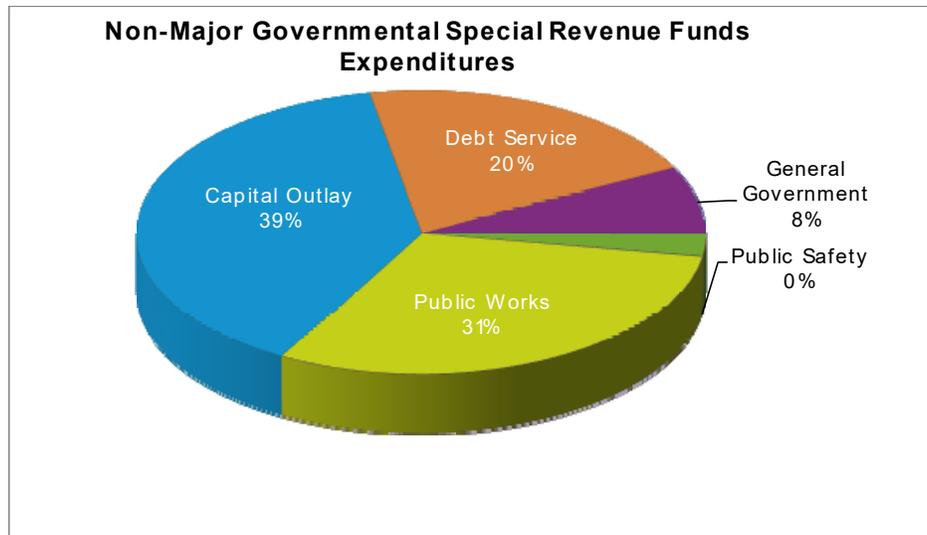
Community Facilities Fees Fund – These development impact fees are collected by the City to cover the costs of municipal facilities required to serve an increased population as a result of new development. These facilities primarily include city hall, police station, community center, corporation yard, library, city museum, and a parking structure. During fiscal year 2018/19, a total of \$1.5 million was collected. Transfers out of \$337K 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 \$6.0 million as of June 30, 2019.

Measure A Special Revenue Fund – Measure A is a voter approved one-half percent sales tax in Sacramento County. In 2004, voters approved a 30-year extension of this program that went into effect in April 2009. Once approved, bonds were sold to provide funding for capital projects. This funding was used in conjunction with the monies available from the first measure for maintenance and capital projects. This year the City received \$3.8 million in Measure A revenues along with \$128K in interest income. The City expended \$3.2 million on maintenance and capital improvement projects. This resulted in an ending fund balance of \$7.1 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, 2019, 2018**

	Governmental Activities		Business Activities		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Land	\$ 11,423,856	\$ 11,258,856	\$ 225,000	\$ 225,000	\$ 11,648,856	\$ 11,483,856
Construction in progress	79,417,021	73,919,300	1,359,817	759,443	80,776,838	74,678,743
Infrastructure	283,924,458	277,212,827	259,389,450	257,713,111	543,313,908	534,925,938
Building & Improvements	27,717,596	27,717,596	1,261,091	1,261,091	28,978,687	28,978,687
Equipment & Software	5,148,260	5,169,344	6,049	6,049	5,154,309	5,175,393
Accumulated Depreciation	(203,914,596)	(194,483,772)	(120,305,143)	(113,764,676)	(324,219,739)	(308,248,448)
Total	\$ 203,716,595	\$ 200,794,151	\$ 141,936,264	\$ 146,200,018	\$ 345,652,859	\$ 346,994,169

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, 2019, 2018**

	Governmental Activities		Business Activities		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Compensated Absences	\$ 645,469	\$ 575,643	\$ -	\$ -	\$ 645,469	\$ 575,643
Certificates of Participation	15,020,000	15,715,000	-	-	15,020,000	15,715,000
Issuance premiums	1,051,660	1,118,080	-	-	1,051,660	1,118,080
Streetlight Retrofit Loan	1,192,889	1,318,947	-	-	1,192,889	1,318,947
Capital Lease Obligations	-	-	-	-	-	-
Total	\$ 17,910,018	\$ 18,727,670	\$ -	\$ -	\$ 17,910,018	\$ 18,727,670

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 7.85% in Fiscal Year 2018/19 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 \$31.3 million as of June 30, 2019. Of this amount, the City's Economic Uncertainty Reserve is \$12.2 million, which represents 20% of the 2019/20 General Fund budget, another \$38K is non-spendable, and the remaining \$19.1 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 2019/20.

The City's 2019/20 budget anticipates a slight growth in revenues over the 2018/19 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 Charges for Services and License, Permits and Fees. 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 2019/20. The 2019/20 budget anticipates the filling of vacant positions along with the addition of newly created positions. The other significant additions to the 2019/20 budget include information technology enhancements, including the implementation of both a new land management software along with a new finance (ERP) software. Overall, the City's budget remains strong and is anticipated to end the 2019/20 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.

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**CITY OF RANCHO CORDOVA
STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

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

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

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

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

CITY OF RANCHO CORDOVA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 144,041,186	\$ 13,667,836	\$ 157,709,022
Restricted cash and investments with fiscal agents	573	-	573
Receivables:			
Accounts, net	3,226,281	-	3,226,281
Interest	57,803	3,701	61,504
Due from other governments	11,809,854	301,436	12,111,290
Loans	7,677,635	-	7,677,635
Other	174,699	-	174,699
Prepays	27,410	-	27,410
Capital assets:			
Nondepreciable	90,840,877	1,584,817	92,425,694
Depreciable, net	112,875,718	140,351,446	253,227,164
Total Assets	370,732,036	155,909,236	526,641,272
Deferred Outflows of Resources:			
Related to pension	2,021,408	-	2,021,408
Related to OPEB	108,145	-	108,145
Total deferred outflows of resources	2,129,553	-	2,129,553
Liabilities:			
Current liabilities:			
Accounts payable	10,710,786	259,708	10,970,494
Accrued liabilities	413,593	-	413,593
Refundable deposits	3,211,233	-	3,211,233
Interest payable	259,118	-	259,118
Compensated absences:			
Due within one year	645,469	-	645,469
Due in more than one year	7,463	-	7,463
Long-term debt:			
Due within one year	827,291	-	827,291
Due in more than one year	16,437,258	-	16,437,258
Net pension liability	3,507,124	-	3,507,124
Net OPEB liability	123,259	-	123,259
Total Liabilities	36,142,594	259,708	36,402,302
Deferred Inflows of Resources:			
Related to pension	263,729	-	263,729
Related to OPEB	343,641	-	343,641
Total Deferred Inflows of Resources	607,370	-	607,370
Net Position:			
Net investment in capital assets	186,452,046	141,936,263	328,388,309
Restricted for:			
Debt service	573	-	573
Sunrise Douglas development	23,858,763	-	23,858,763
Traffic mitigation	22,026,650	-	22,026,650
Community facilities	6,134,309	-	6,134,309
Park development	2,274,811	-	2,274,811
Villages of Zinfandel development	406,304	-	406,304
Mather Field traffic	13,778	-	13,778
Transit related services	5,016,059	-	5,016,059
Grant-funded projects	6,821,707	-	6,821,707
Asset forfeiture	144,398	-	144,398
Road improvements	21,464,470	-	21,464,470
Landscape and lighting	592,115	-	592,115
Rental code compliance	3,495	-	3,495
Local housing	2,616,264	-	2,616,264
Measure A funds	7,095,623	-	7,095,623
Endowments	-	26,523	26,523
Total Restricted Net Position	98,469,319	26,523	98,495,842
Unrestricted	51,190,260	13,686,742	64,877,002
Total Net Position	\$ 336,111,625	\$ 155,649,528	\$ 491,761,153

See accompanying notes to financial statements

**CITY OF RANCHO CORDOVA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 36,859,529	\$ 1,449,567	\$ 329,768	\$ -
Community development	7,151,794	3,629,296	-	6,207,440
Public safety	22,242,512	3,497,364	-	-
Public works	7,162,089	13,728,418	2,902,440	6,303,452
Interest on long-term debt	578,448	-	-	-
Total governmental activities	73,994,372	22,304,645	3,232,208	12,510,892
Business-type activities:				
Cemetery	77,083	27,774	-	-
Storm drain	8,568,577	3,260,469	-	1,814,559
Total business-type activities	8,645,660	3,288,243	-	1,814,559
Total primary government	\$ 82,640,032	\$ 25,592,888	\$ 3,232,208	\$ 14,325,451

General revenues:

Taxes:

Property taxes

Sales taxes

Transient occupancy

Utility user taxes

Other taxes

Property taxes in lieu of vehicle license fees, unrestricted

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in Net Position

Net Position - Beginning

Net Position at End of Year

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (35,080,194)	\$ -	\$ (35,080,194)
2,684,942	-	2,684,942
(18,745,148)	-	(18,745,148)
15,772,221	-	15,772,221
(578,448)	-	(578,448)
<u>(35,946,627)</u>	<u>-</u>	<u>(35,946,627)</u>
-	(49,309)	(49,309)
<u>-</u>	<u>(3,493,549)</u>	<u>(3,493,549)</u>
-	(3,542,858)	(3,542,858)
<u>(35,946,627)</u>	<u>(3,542,858)</u>	<u>(39,489,485)</u>
11,098,371	889,312	11,987,683
24,875,795	-	24,875,795
4,315,525	-	4,315,525
3,450,030	-	3,450,030
2,785,603	7,685	2,793,288
6,516,026	-	6,516,026
4,161,751	234,483	4,396,234
174,516	-	174,516
(15,352)	15,352	-
<u>57,362,265</u>	<u>1,146,832</u>	<u>58,509,097</u>
21,415,638	(2,396,026)	19,019,612
<u>314,695,987</u>	<u>158,045,554</u>	<u>472,741,541</u>
<u>\$ 336,111,625</u>	<u>\$ 155,649,528</u>	<u>\$ 491,761,153</u>

See accompanying notes to financial statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year. The funds described below were determined to be major governmental funds by the City for fiscal year 2019. Individual non-major funds, reported as total non-major governmental 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.

CAPITAL OUTLAY CAPITAL PROJECTS FUND

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

CITY OF RANCHO CORDOVA

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	General Fund	Special Revenue Funds Sunrise Douglas
Assets:		
Cash and investments	\$ 30,822,383	\$ 23,261,196
Restricted cash and investments with fiscal agent	-	-
Receivables:		
Accounts, net	1,901,966	928,474
Interest	47,976	948
Due from other governmental agencies	6,406,805	-
Loans	27,523	-
Other	174,699	-
Prepays	10,048	-
Due from other funds	2,031,756	-
	\$ 41,423,156	\$ 24,190,618
Total assets	\$ 41,423,156	\$ 24,190,618
Liabilities, deferred inflows of resources, and fund balances:		
Liabilities:		
Accounts payable	\$ 6,938,538	\$ 6,512
Accrued liabilities	371,048	-
Refundable deposits	2,689,668	325,343
Due to other funds	-	-
	9,999,254	331,855
Total liabilities	9,999,254	331,855
Deferred inflows of resources:		
Unavailable revenue - accounts receivable	100,784	928,474
Unavailable revenue - due from other governmental agencies	-	-
	100,784	928,474
Total deferred inflows of resources	100,784	928,474
Fund balances:		
Nonspendable	37,571	-
Restricted	-	22,930,289
Assigned	-	-
Unassigned	31,285,547	-
	31,323,118	22,930,289
Total fund balances	31,323,118	22,930,289
Total liabilities, deferred inflows of resources and fund balances	\$ 41,423,156	\$ 24,190,618

(Continued)

Special Revenue Funds		Capital Projects Fund	Total Non-major Governmental Funds	Total Governmental Funds
Traffic Mitigation	Grants	Capital Outlay		
\$ 22,042,430	\$ 1,282,465	\$ 18,166,443	\$ 44,258,750	\$ 139,833,667
-	-	-	573	573
154,769	-	-	241,072	3,226,281
898	53	546	7,356	57,777
-	4,535,615	-	867,434	11,809,854
-	5,083,348	-	2,566,764	7,677,635
-	-	-	-	174,699
-	8,900	-	-	18,948
-	-	-	-	2,031,756
<u>\$ 22,198,097</u>	<u>\$ 10,910,381</u>	<u>\$ 18,166,989</u>	<u>\$ 47,941,949</u>	<u>\$ 164,831,190</u>
\$ 141,754	\$ 2,339,188	\$ 16,693	\$ 1,041,541	\$ 10,484,226
-	-	-	-	371,048
29,693	-	-	166,529	3,211,233
-	1,818,841	-	212,915	2,031,756
<u>171,447</u>	<u>4,158,029</u>	<u>16,693</u>	<u>1,420,985</u>	<u>16,098,263</u>
154,770	-	-	131,152	1,315,180
-	2,566,311	-	440,284	3,006,595
<u>154,770</u>	<u>2,566,311</u>	<u>-</u>	<u>571,436</u>	<u>4,321,775</u>
-	-	-	-	37,571
21,871,880	4,186,041	-	45,949,528	94,937,738
-	-	18,150,296	-	18,150,296
-	-	-	-	31,285,547
<u>21,871,880</u>	<u>4,186,041</u>	<u>18,150,296</u>	<u>45,949,528</u>	<u>144,411,152</u>
<u>\$ 22,198,097</u>	<u>\$ 10,910,381</u>	<u>\$ 18,166,989</u>	<u>\$ 47,941,949</u>	<u>\$ 164,831,190</u>

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CITY OF RANCHO CORDOVA

**RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund balances of governmental funds \$ 144,411,152

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

CAPITAL ASSETS

Capital assets, used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 202,878,346

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 position of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position. 4,785,151

ACCRUAL OF NON-CURRENT REVENUES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are recognized as revenues in the Statement of Activities. 4,321,775

DEFERRED OUTFLOWS, LONG-TERM LIABILITIES, AND DEFERRED INFLOWS

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

Net pension liability	(3,507,124)
Deferred outflows related to pensions	2,021,408
Deferred inflows related to pensions	(263,729)
Net OPEB liability	(123,259)
Deferred outflows related to OPEB	108,145
Deferred inflows related to OPEB	(343,641)
Interest payable	(259,118)
Long-term debt	(17,264,549)
Governmental activities portion of compensated absences	(652,932)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 336,111,625

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, 2019**

	General	Special Revenue Funds Sunrise Douglas
Revenues:		
Property taxes	\$ 17,153,074	\$ -
Sales taxes	24,875,795	-
Utility user taxes	3,450,030	-
Other taxes	6,849,720	-
Charges for services	4,404,993	-
Licenses, permits and fees	5,312,389	5,119,031
Fines, forfeitures and penalties	1,759,320	-
Intergovernmental	742,246	-
Use of money and property	1,842,553	402,781
Other	83,387	-
	Total revenues	5,521,812
Expenditures:		
Current:		
General government	20,409,577	-
Community development	6,269,027	2,389
Public safety	22,142,382	-
Public works	4,542,626	82,192
Capital outlay	956,482	3,973,954
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
	Total expenditures	4,058,535
Excess (deficiency) of revenues over (under) expenditures	12,153,413	1,463,277
Other financing sources (uses):		
Transfers in	100,000	-
Transfers out	(11,583,029)	-
	Total other financing sources (uses)	-
Net change in fund balances	670,384	1,463,277
Fund balances, beginning of year	30,652,734	21,467,012
Fund balances, end of year	\$ 31,323,118	\$ 22,930,289

(Continued)

See accompanying notes to financial statements

Special Revenue Funds		Capital Projects Fund	Total Non-major Governmental Funds	Total Governmental Funds
Traffic Mitigation	Grants	Capital Outlay		
\$ -	\$ -	\$ -	\$ 1,984,652	\$ 19,137,726
-	-	-	-	24,875,795
-	-	-	-	3,450,030
-	-	-	-	6,849,720
-	-	-	240,966	4,645,959
1,669,233	-	-	4,055,668	16,156,321
-	-	-	20,159	1,779,479
-	4,223,728	-	7,344,484	12,310,458
400,161	30,359	245,586	717,280	3,638,720
-	-	-	525,864	609,251
<u>2,069,394</u>	<u>4,254,087</u>	<u>245,586</u>	<u>14,889,073</u>	<u>93,453,459</u>
-	-	-	545,214	20,954,791
2,676	698,976	-	178,726	7,151,794
-	95,021	-	5,109	22,242,512
263,247	72,289	-	2,201,735	7,162,089
1,644,638	5,088,419	167,241	2,806,162	14,636,896
-	-	-	821,058	821,058
-	-	-	650,226	650,226
<u>1,910,561</u>	<u>5,954,705</u>	<u>167,241</u>	<u>7,208,230</u>	<u>73,619,366</u>
<u>158,833</u>	<u>(1,700,618)</u>	<u>78,345</u>	<u>7,680,843</u>	<u>19,834,093</u>
-	-	4,755,309	1,855,248	6,710,557
-	-	-	(612,480)	(12,195,509)
-	-	4,755,309	1,242,768	(5,484,952)
158,833	(1,700,618)	4,833,654	8,923,611	14,349,141
<u>21,713,047</u>	<u>5,886,659</u>	<u>13,316,642</u>	<u>37,025,917</u>	<u>130,062,011</u>
<u>\$ 21,871,880</u>	<u>\$ 4,186,041</u>	<u>\$ 18,150,296</u>	<u>\$ 45,949,528</u>	<u>\$ 144,411,152</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2019

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	\$	14,349,141
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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.

This is the amount by which capital outlays exceeded depreciation expense in the current year		2,381,235
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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		887,478
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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):

Interest payable		5,358
Unavailable revenue		1,953,869
Compensated absences		(70,152)
Net pension liability		(428,720)
Net OPEB liability		40,643

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		<u>2,296,786</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>21,415,638</u></u>
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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, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 15,975,300	\$ 16,725,300	\$ 17,153,074	\$ 427,774
Sales taxes	21,300,000	24,131,000	24,875,795	744,795
Transient occupancy taxes	3,435,000	3,435,000	4,315,525	880,525
Utility user taxes	3,749,300	3,749,300	3,450,030	(299,270)
Other taxes	2,640,000	3,640,000	2,534,195	(1,105,805)
Charges for services	4,127,000	4,127,000	4,404,993	277,993
Licenses, permits and fees	4,344,900	5,194,900	5,312,389	117,489
Fines, forfeitures and penalties	1,548,400	1,898,400	1,759,320	(139,080)
Intergovernmental	543,900	543,900	742,246	198,346
Use of money and property	710,000	1,750,331	1,842,553	92,222
Other	37,600	37,600	83,387	45,787
Total revenues	58,411,400	65,232,731	66,473,507	1,240,776
Expenditures:				
Current:				
General government	18,697,400	19,617,700	20,409,577	(791,877)
Community development	5,917,100	5,917,100	6,269,027	(351,927)
Public safety	21,336,700	21,716,700	22,142,382	(425,682)
Public works	3,962,900	4,051,700	4,542,626	(490,926)
Capital outlay	1,450,000	1,450,000	956,482	493,518
Total expenditures	51,364,100	52,753,200	54,320,094	(1,566,894)
Excess (deficiency) of revenues over(under) expenditures	7,047,300	12,479,531	12,153,413	(326,118)
Other financing sources (uses):				
Transfers in	282,100	282,100	100,000	(182,100)
Transfers out	(5,045,800)	(13,899,110)	(11,583,029)	2,316,081
Total other financing sources (uses)	(4,763,700)	(13,617,010)	(11,483,029)	2,133,981
Net change in Fund Balance	2,283,600	(1,137,479)	670,384	1,807,863
Fund balance at beginning of the year	30,652,734	30,652,734	30,652,734	-
Fund balance at end of the year	<u>\$ 32,936,334</u>	<u>\$ 29,515,255</u>	<u>\$ 31,323,118</u>	<u>\$ 1,807,863</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, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Licenses, permits and fees	\$ 509,200	\$ 509,200	\$ 5,119,031	\$ 4,609,831
Use of money and property	-	-	402,781	402,781
Total revenues	<u>509,200</u>	<u>509,200</u>	<u>5,521,812</u>	<u>5,012,612</u>
Expenditures:				
Current:				
General government	-	-	2,389	(2,389)
Public works	655,000	655,000	82,192	572,808
Capital outlay	735,100	3,760,000	3,973,954	(213,954)
Total expenditures	<u>1,390,100</u>	<u>4,415,000</u>	<u>4,058,535</u>	<u>356,465</u>
Net change in fund balance	(880,900)	(3,905,800)	1,463,277	5,369,077
Fund balance at beginning of the year	<u>21,467,012</u>	<u>21,467,012</u>	<u>21,467,012</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 20,586,112</u>	<u>\$ 17,561,212</u>	<u>\$ 22,930,289</u>	<u>\$ 5,369,077</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA

**TRAFFIC MITIGATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Licenses, permits and fees	\$ 1,733,700	\$ 1,733,700	\$ 1,669,233	\$ (64,467)
Use of money and property	-	-	400,161	400,161
Total revenues	<u>1,733,700</u>	<u>1,733,700</u>	<u>2,069,394</u>	<u>335,694</u>
Expenditures:				
Current:				
Community development	-	-	2,676	(2,676)
Public works	570,000	570,000	263,247	306,753
Capital outlay	<u>5,046,000</u>	<u>5,046,000</u>	<u>1,644,638</u>	<u>3,401,362</u>
Total expenditures	<u>5,616,000</u>	<u>5,616,000</u>	<u>1,910,561</u>	<u>3,705,439</u>
Net change in fund balance	(3,882,300)	(3,882,300)	158,833	4,041,133
Fund balance at beginning of the year	<u>21,713,047</u>	<u>21,713,047</u>	<u>21,713,047</u>	-
Fund balance at end of the year	<u>\$ 17,830,747</u>	<u>\$ 17,830,747</u>	<u>\$ 21,871,880</u>	<u>\$ 4,041,133</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, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,039,000	\$ 5,655,000	\$ 4,223,728	\$ (1,431,272)
Use of money and property	-	-	30,359	30,359
Total revenues	<u>2,039,000</u>	<u>5,655,000</u>	<u>4,254,087</u>	<u>(1,400,913)</u>
Expenditures:				
Current:				
Community development	-	-	698,976	(698,976)
Public safety	170,000	170,000	95,021	74,979
Public works	-	-	72,289	(72,289)
Capital outlay	1,869,000	6,019,000	5,088,419	930,581
Total expenditures	<u>2,039,000</u>	<u>6,189,000</u>	<u>5,954,705</u>	<u>234,295</u>
Net change in fund balance	-	(534,000)	(1,700,618)	(1,166,618)
Fund balance at beginning of the year	<u>5,886,659</u>	<u>5,886,659</u>	<u>5,886,659</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 5,886,659</u>	<u>\$ 5,352,659</u>	<u>\$ 4,186,041</u>	<u>\$ (1,166,618)</u>

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, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Kilgore Cemetery Fund</u>	<u>Storm Drain Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
Assets:				
Current assets:				
Cash and investments	\$ 26,523	\$ 13,641,313	\$ 13,667,836	\$ 4,207,519
Receivables:				
Interest	-	3,701	3,701	26
Due from other governments	-	301,436	301,436	-
Prepaid items and other assets	-	-	-	8,462
Total current assets	<u>26,523</u>	<u>13,946,450</u>	<u>13,972,973</u>	<u>4,216,007</u>
Noncurrent assets:				
Capital assets				
Nondepreciable	225,000	1,359,817	1,584,817	653,699
Depreciable	<u>1,143,532</u>	<u>139,207,914</u>	<u>140,351,446</u>	<u>184,550</u>
Total noncurrent assets	<u>1,368,532</u>	<u>140,567,731</u>	<u>141,936,263</u>	<u>838,249</u>
Total assets	<u>1,395,055</u>	<u>154,514,181</u>	<u>155,909,236</u>	<u>5,054,256</u>
Liabilities:				
Current liabilities:				
Accounts payable	1,092	258,616	259,708	226,560
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,545</u>
Total current liabilities	<u>1,092</u>	<u>258,616</u>	<u>259,708</u>	<u>269,105</u>
Total liabilities	<u>1,092</u>	<u>258,616</u>	<u>259,708</u>	<u>269,105</u>
Net position:				
Net investment in capital assets	1,368,532	140,567,731	141,936,263	838,249
Restricted for endowments	26,523	-	26,523	-
Unrestricted	<u>(1,092)</u>	<u>13,687,834</u>	<u>13,686,742</u>	<u>3,946,902</u>
Total net position	<u>\$ 1,393,963</u>	<u>\$ 154,255,565</u>	<u>\$ 155,649,528</u>	<u>\$ 4,785,151</u>

See accompanying notes to financial statements.

CITY OF RANCHO CORDOVA

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Kilgore Cemetery Fund	Storm Drain Fund	Total	Internal Service Fund
Operating revenues:				
Service charges	\$ 24,274	\$ 3,230,515	\$ 3,254,789	\$ -
Other	3,500	29,954	33,454	30,239
Total operating revenues	27,774	3,260,469	3,288,243	30,239
Operating expenses:				
Administration	38,508	2,066,685	2,105,193	3,104,906
Depreciation	38,575	6,501,892	6,540,467	116,181
Total operating expenses	77,083	8,568,577	8,645,660	3,221,087
Operating loss	(49,309)	(5,308,108)	(5,357,417)	(3,190,848)
Nonoperating revenues (expenses):				
Property taxes	-	889,312	889,312	-
Other taxes	-	7,685	7,685	-
Interest income	450	234,033	234,483	18,034
Total nonoperating revenues (expenses)	450	1,131,030	1,131,480	18,034
Income before transfers and capital contributions	(48,859)	(4,177,078)	(4,225,937)	(3,172,814)
Other financing sources (uses):				
Transfers in	15,352	-	15,352	5,469,600
Capital contributions	-	1,814,559	1,814,559	-
Total other financing sources (uses)	15,352	1,814,559	1,829,911	5,469,600
Changes in net position	(33,507)	(2,362,519)	(2,396,026)	2,296,786
Net position at beginning of year	1,427,470	156,618,084	158,045,554	2,488,365
Net position at end of year	\$ 1,393,963	\$ 154,255,565	\$ 155,649,528	\$ 4,785,151

See accompanying notes to financial statements.

CITY OF RANCHO CORDOVA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Fund			Governmental Activities
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$ 27,775	\$ 3,662,804	\$ 3,690,579	\$ (36,002)
Payments to suppliers	(39,627)	(2,002,708)	(2,042,335)	(2,991,833)
Cash flows provided by (used by) operating activities	(11,852)	1,660,096	1,648,244	(3,027,835)
Cash flows from noncapital financing activities:				
Intergovernmental receipts	-	896,997	896,997	-
Transfer in	15,352	-	15,352	5,469,600
Cash flows provided by noncapital financing activities	15,352	896,997	912,349	5,469,600
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(462,351)	(462,351)	(657,390)
Cash flows from investing activities:				
Interest	450	230,721	231,171	18,046
Net cash flows	3,950	2,325,463	2,329,413	1,802,421
Cash and cash equivalents at beginning of year	22,573	11,315,850	11,338,423	2,405,098
Cash and cash equivalents at end of year	\$ 26,523	\$ 13,641,313	\$ 13,667,836	\$ 4,207,519
Reconciliation of operating (loss) to cash flows provided by (used for) operating activities:				
Operating loss	\$ (49,309)	\$ (5,308,108)	\$ (5,357,417)	\$ (3,190,848)
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	38,575	6,501,892	6,540,467	116,181
Changes in assets and liabilities				
Accounts receivable	-	-	-	1,000
Prepaid and other assets	-	-	-	308
Due from other governments	-	402,335	402,335	-
Unearned revenue	-	-	-	(37,002)
Accrued payroll liabilities	-	-	-	4,013
Accounts payable	(1,118)	63,977	62,859	78,513
Total adjustments	37,457	6,968,204	7,005,661	163,013
Net cash provided (used) by operating activities	\$ (11,852)	\$ 1,660,096	\$ 1,648,244	\$ (3,027,835)
Non-cash capital and related financing activities:				
Contributions of Capital Assets	\$ -	\$ 1,814,559	\$ 1,814,559	\$ -

See accompanying notes to financial statements.

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 CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
Additions:	
Property Taxes	\$ 3,875
Use of money and property	571
Total additions	4,446
Deductions:	
General Government	173,938
Total deductions	173,938
Changes in net position	(169,492)
Net position:	
Beginning Net Position	169,492
Ending Net Position	\$ -

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, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rancho Cordova (the City), a general law 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.

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 following financial statements be presented.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

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.

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.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Major Funds (Continued)

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.

Capital Outlay Capital Projects Fund - Established to account for financial resources for the acquisition, construction, maintenance, replacement, and enhancement of major capital facilities.

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.

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. The Successor Agency was able to move forward and complete the final dissolution on March 22, 2019. The dissolution was acknowledged by the California Department of Finance effective February 28, 2019. 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.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Accounting (Continued)

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.

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 has two items that qualify for reporting in this category. These items are related to the net pension liability and net other postemployment benefits. These amounts are further described in their respective footnotes.

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 three items that qualify for reporting in this category. Unavailable revenues, which arises only under a modified accrual basis of accounting, and is the recognition of revenues earned but not received within the period of availability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. There are two other items recognized in the government-wide statements that are related to the net pension liability and net other postemployment benefits. These amounts are further described in their respective footnotes 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.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The changes in compensated absences were as follows:

	Governmental Activities
Beginning Balance	\$ 582,780
Additions	940,442
Payments	(870,290)
Ending Balance	\$ 652,932
Current Portion	\$ 645,469

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

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

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. 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:

	<u>Useful Lives Years</u>
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.

k. 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.

CITY OF RANCHO CORDOVA

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. 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.

m. Fund Balance

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

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

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

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

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

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

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance (Continued)

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.

n. 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.

o. Other Post-employment Benefits

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.

p. 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.

CITY OF RANCHO CORDOVA

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a signification impact on the City’s financial reporting process. New standards applicable to the year ending June 30, 2019 are as follows:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City has determined that there is no material impact on the financial statements.

The City is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB statements:

GASB Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City has not determined its effect on the financial statements.

GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right- to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined its effect on the financial statements.

CITY OF RANCHO CORDOVA

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements (Continued)

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period.* This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statement prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined its effect on the financial statements.

GASB Statement No. 90 – *Conduit Debt Obligations.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City has not determined its effect on the financial statements.

GASB Statement No. 91 – *Majority Equity Interests - an amendment of GASB Statements No. 14 and 61.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City has not determined its effect on the financial statements.

r. 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.

s. New funds

During fiscal year ended June 30, 2019, the City created the CFD 2018-2 (Community Places & Neighborhood Green) and Donations Special Revenue Funds. Additionally, one new Agency Fund was created, the Grantline 208 CFD 2018-1 Fund.

CITY OF RANCHO CORDOVA

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

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 Mather Field Impact Fees, Donations, Road Maintenance and Rehabilitation, and Community Places 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 appropriated 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. Excess expenditures over appropriations occurred in the following funds:

Fund	Amount in excess of appropriations
General Fund	\$ (1,566,894)
CFD 2018-2 Community Places Neighborhood Green	\$ (905)

NOTE 3 – CASH AND INVESTMENTS

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

a. Policies

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

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

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

a. Policies (Continued)

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 per account	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 (A)	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, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

b. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum investment in one issuer	Minimum Credit Quality
Local Agency Investment Fund	N/A	None	\$65 Million per account	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
Investment Agreements (2)	None	None	None	A (1)
California Asset Management Program	None	None	None	None
Other Investments	None	None	None	None

(including repurchase agreements (2))

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

(2) Approved in writing by Insurer.

c. Classification

Cash and investments are classified in the financial statements as shown below, based on whether their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments as of June 30, 2019 consist of the following:

City cash and investments in primary government:

Cash and investments	\$ 157,709,022
Restricted cash and investments with fiscal agents	573
Total City cash and investments in primary government	157,709,595

Cash and investments in Fiduciary Funds (separate statement):

Cash and investments	15,345,286
Restricted cash and investments with fiscal agents	10,646,446
Total cash and investments	\$ 183,701,327

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

As of June 30, 2019, the City’s cash and investments consisted of the following:

Cash on hand	\$ 3,665
Deposits with financial institutions	4,932,551
Investments	178,765,111
Total cash and investments	\$ 183,701,327

d. 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	\$ 9,740,930	\$ 4,493,620	\$ 2,914,471	\$ 6,441,156	\$ 23,590,177
U.S. Treasury Notes	2,599,510	1,626,133	7,380,693	12,046,360	23,652,696
Medium-Term Corporate Notes	4,842,074	6,780,118	4,267,957	2,220,121	18,110,270
California Local Agency Investment Fund	1,053,376	-	-	-	1,053,376
California Asset Management Program	78,483,540	-	-	-	78,483,540
Commercial Paper	740,717	-	-	-	740,717
Negotiable Certificates of Deposit	752,725	2,959,349	358,662	-	4,070,736
Supranationals	697,311	2,117,735	763,862	-	3,578,907
Asset-Backed Securities	-	-	2,916,494	1,645,207	4,561,701
Money Market Mutual Funds (U.S. Securities)	10,275,972	-	-	-	10,275,972
<i>Held by Fiscal Agents:</i>					
California Asset Management Program	1,064,857	-	-	-	1,064,857
Money Market Mutual Funds (U.S. Securities)	9,582,162	-	-	-	9,582,162
Total Investments	\$ 119,833,175	\$ 17,976,954	\$ 18,602,138	\$ 22,352,844	\$ 178,765,111

Money market funds are available for withdrawal on demand and at June 30, 2019, 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, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

e. 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, 2019 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+	Total
U.S. Federal Agency Securities	\$ -	\$ 23,590,177	\$ -	\$ -	\$ -	\$ 23,590,177
Medium-Term Corporate Notes	1,047,888	4,932,509	11,425,587	-	704,286	18,110,270
California Asset Management Program	79,548,397	-	-	-	-	79,548,397
Money Market Mutual Funds (U.S. Securities)	19,858,134	-	-	-	-	19,858,134
Commercial Paper	-	-	-	740,717	-	740,717
Negotiable Certificates of Deposit	-	1,959,415	1,358,596	752,725	-	4,070,736
Supranationals	3,578,907	-	-	-	-	3,578,907
Asset-Backed Securities	3,957,495	604,206	-	-	-	4,561,701
Total rated	<u>\$ 107,990,820</u>	<u>\$ 31,086,308</u>	<u>\$ 12,784,183</u>	<u>\$ 1,493,442</u>	<u>\$ 704,286</u>	154,059,039
<i>Not rated:</i>						
California Local Agency Investment Fund						1,053,376
<i>Exempt from credit rating:</i>						
U.S. Treasury Notes						23,652,696
Total Investments						<u>\$ 178,765,111</u>

f. 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, 2019 these investments matured in an average of 173 days.

g. Investments in CAMP

The City is a voluntary 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, 2019, these investments have an average maturity of 35 days.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

g. Investments in CAMP (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.

h. 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, 2019:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
Federal Agency Securities	\$ -	\$ 23,590,177	\$ 23,590,177
U.S. Treasury Notes	23,652,696	-	23,652,696
Medium-Term Corporate Notes	-	18,110,270	18,110,270
Commercial Paper	-	740,717	740,717
Certificates of Deposit	-	4,070,736	4,070,736
Supranationals	-	3,578,907	3,578,907
Asset-Backed Securities	-	4,561,701	4,561,701
Total Investments at Fair Value	<u>\$ 23,652,696</u>	<u>\$ 54,652,508</u>	78,305,204
 <i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Fund			19,858,134
<i>Investments Exempt from Fair Value Hierarchy:</i>			
California Asset Management Program			79,548,397
California Local Agency Investment Fund			1,053,376
Total Cash and investments			<u>\$ 178,765,111</u>

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

h. Fair Value Hierarchy (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. Deposits and withdrawals in governmental investment pools, such as LAIF and CAMP Investment Pools, are made on the basis of \$1 and not fair value. Accordingly, the City's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

NOTE 4 – RECEIVABLES

a. Due from other Governments

As of June 30, 2019 due from other governments consisted of the following:

	Governmental Funds	Proprietary Funds
Sales Tax	\$ 4,728,370	\$ -
Property Tax	835,271	56,945
Gas Tax	242,876	-
Grants	4,809,540	-
Franchise Fees	489,260	-
Drainage Fees	-	244,491
TDA Funds	321,363	-
Fines	144,676	-
Utility Taxes	39,145	-
Other	194,832	-
Fees	4,520	-
	\$ 11,809,854	\$ 301,436

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 – RECEIVABLES (Continued)

b. Loans Receivable

Loans receivable consisted of the following at June 30, 2019:

General Fund:

Economic Development Revolving Loan Program	\$ 19,079
Nelson Housing Assistance Rehab Loan	8,444

Grant Fund:

Crossings @ New Rancho Loans	4,621,180
CalHome Housing Rehabilitatin Program Loans	462,168

Community Development Block Grant Fund:

Rehabilitation Loan Program	61,764
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Local Housing Fund:

Mercy Housing Loan	2,000,000
Mathers Veterans Village Phase 2 LLC Loan	505,000
	\$ 7,677,635

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, 2019, there was one loan outstanding with principal and accrued interest totaling \$19,079.

Nelson Housing Assistance Rehab Loan

During fiscal year 2019, the City entered into a loan agreement to assist with the rehabilitation of a nuisance property. The loans bear simple interest of 3% and will be repaid through monthly payments over a period of no more than forty-three (43) consecutive months. The balance of the loan is due immediately if the home is sold or no longer occupied by the owner. The outstanding principal balance of this loan was \$8,444 as of June 30, 2019.

CITY OF RANCHO CORDOVA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4 – RECEIVABLES (Continued)

b. Loans Receivable (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, 2019. 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, 2019, 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, 2019, there was one loan outstanding with principal and accrued interest totaling \$61,764.

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, 2019, 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, 2019**

NOTE 4 – RECEIVABLES (Continued)

b. Loans Receivable (Continued)

Mathers Veterans Village Phase 2 LLC Loan

On April 8, 2015, the City entered into a loan agreement with Veterans Resource Centers of America in the amount of \$2,000,000 by which Sacramento County funded an escrow account for the full amount. The purpose of the loan is for the designing, financing, building, and operating of transitional 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 projects. In August 2018, an amendment was approved adding City monies to the loan. As of June 30, 2019, the City balance of this loan was \$505,000. There is a reasonable expectation that the Mathers Veterans Village Phase 2 LLC Loan will be forgiven upon completion of the terms and conditions of the Loan.

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, 2019 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>
General Fund	Rental Code Compliance Fund	\$ 100,000 (A)
Enterprise Fund		
Kilgore Cemetery Fund	General Fund	15,352 (B)
Internal Service Funds		
Insurance Fund	General Fund	268,600 (A)
Information Technology Fund	General Fund	3,836,500 (A)
Facilities Replacement Fund	General Fund	1,364,500 (A)
		<u>5,469,600</u>
Capital Facilities Fund		
Capital Facilities Fund	General Fund	1,200,000 (C)
Infrastructure Repair & Replacement Fund	General Fund	2,500,000 (C)
Community Enhancement Fund	General Fund	1,055,309 (C)
Nonmajor Governmental Funds		
Financing Corporation	General Fund	1,332,176 (D)
Donations	General Fund	1,125 (A)
Local Housing	Low/Moderate Income Housing	175,000 (A)
Roadway Improvement	General Fund	9,467 (C)
Roadway Improvement	Community Facilities Fees	337,480 (A)
		<u>\$ 12,195,509</u>

The reasons for these transfers are set forth below:

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

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

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 current fiscal year. At June 30, 2019, the Grands Special Revenue Fund owed \$1,818,841 and Non-Major Governmental Funds owed \$212,915 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, 2019**

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

	Balance at June 30, 2018	Additions	Retirements	Transfers/ Adjustments	Balance at June 30, 2019
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 10,719,959	\$ 165,000	\$ -	\$ -	\$ 10,884,959
Easements	538,897	-	-	-	538,897
Construction in progress	73,919,300	13,885,107	(506,599)	(7,880,787)	79,417,021
Total capital assets not being depreciated	<u>85,178,156</u>	<u>14,050,107</u>	<u>(506,599)</u>	<u>(7,880,787)</u>	<u>90,840,877</u>
Capital assets being depreciated:					
Infrastructure	277,212,827	-	-	6,711,631	283,924,458
Buildings and improvements	27,717,596	-	-	-	27,717,596
Office equipment and furniture	2,693,133	199,055	(205,319)	-	2,686,869
Software	2,232,939	-	(14,820)	-	2,218,119
Vehicles	243,272	-	-	-	243,272
Total capital assets being depreciated	<u>310,099,767</u>	<u>199,055</u>	<u>(220,139)</u>	<u>6,711,631</u>	<u>316,790,314</u>
Less accumulated depreciation for:					
Infrastructure	(179,097,779)	(8,489,844)	-	-	(187,587,623)
Buildings and improvements	(10,591,225)	(904,192)	-	-	(11,495,417)
Office equipment and furniture	(2,318,557)	(256,928)	205,319	-	(2,318,557)
Software	(2,232,939)	-	14,820	-	(2,218,119)
Vehicles	(243,272)	-	-	-	(243,272)
Total accumulated depreciation	<u>(194,483,772)</u>	<u>(9,650,964)</u>	<u>220,139</u>	<u>-</u>	<u>(203,914,596)</u>
Net capital assets being depreciated	<u>115,615,995</u>	<u>(9,451,908)</u>	<u>-</u>	<u>6,711,631</u>	<u>112,875,718</u>
Governmental activities capital assets, net	<u>\$ 200,794,151</u>	<u>\$ 4,598,199</u>	<u>\$ (506,599)</u>	<u>\$ (1,169,156)</u>	<u>\$ 203,716,595</u>
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000
Construction in progress	759,443	462,153	-	138,221	1,359,817
Total capital assets not being depreciated	<u>984,443</u>	<u>462,153</u>	<u>-</u>	<u>138,221</u>	<u>1,584,817</u>
Capital assets being depreciated:					
Infrastructure	257,713,111	645,403	-	1,030,935	259,389,449
Buildings	1,261,091	-	-	-	1,261,091
Software	6,049	-	-	-	6,049
Total capital assets being depreciated	<u>258,980,251</u>	<u>645,403</u>	<u>-</u>	<u>1,030,935</u>	<u>260,656,589</u>
Less accumulated depreciation for:					
Infrastructure	(113,411,827)	(6,508,940)	-	-	(119,920,767)
Buildings	(346,800)	(31,527)	-	-	(378,327)
Software	(6,049)	-	-	-	(6,049)
Total accumulated depreciation	<u>(113,764,676)</u>	<u>(6,540,467)</u>	<u>-</u>	<u>-</u>	<u>(120,305,143)</u>
Net capital assets being depreciated	<u>145,215,575</u>	<u>(5,895,064)</u>	<u>-</u>	<u>1,030,935</u>	<u>140,351,446</u>
Business-type activities capital assets, net	<u>\$ 146,200,018</u>	<u>\$ (5,432,911)</u>	<u>\$ -</u>	<u>\$ 1,169,156</u>	<u>\$ 141,936,263</u>

During the year ended June 30, 2019, depreciation of \$9,546,337 as charged to the general government function, \$116,181 as charged to Internal Service Funds and \$6,540,467 was charged to the Enterprise Funds.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 – LONG-TERM DEBT

a. Current Year Transactions and Balances

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

	Amount Issued	Balance June 30, 2018	Retirements	Balance June 30, 2019
Governmental Activity Debt				
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	1,118,080	66,420	1,051,660
2017 Series B				
1.30 to 3.27%, due 2/1/2024	4,470,000	3,790,000	695,000	3,095,000
Total Certificates of Participation		<u>16,833,080</u>	<u>761,420</u>	<u>16,071,660</u>
Direct Borrowing - Streetlight Retrofit Loan Payable	1,809,734	1,318,947	126,058	1,192,889
Total Governmental Activities Debt		<u>\$ 18,152,027</u>	<u>\$ 887,478</u>	<u>\$ 17,264,549</u>

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 Certificates of Participation and advance refund the 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 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 2020 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 – Direct Borrowing

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, 2019, the City did not expect to incur a liability.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 – LONG-TERM DEBT (Continued)

e. Debt Service Requirements

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

Certificates of Participation			
For the Year Ending June 30	Principal	Interest	Total
2020	\$ 700,000	\$ 621,884	\$ 1,321,884
2021	715,000	606,484	1,321,484
2022	735,000	588,895	1,323,895
2023	755,000	568,315	1,323,315
2024	780,000	545,061	1,325,061
2025-2029	4,470,000	2,150,988	6,620,988
2030-2034	5,675,000	643,090	6,318,090
2034-2035	1,190,000	43,138	1,233,138
Total payments due	15,020,000	\$ 5,767,855	\$ 20,787,855

Reconciliation of Long Term Debt:

Issuance premiums	1,051,660
	\$ 16,071,660

Direct Borrowings			
For the Year Ending June 30	Principal	Interest	Total
2020	\$ 127,291	\$ 11,643	\$ 138,934
2021	128,598	10,336	138,934
2022	129,888	9,047	138,935
2023	131,190	7,745	138,935
2024	132,488	6,445	138,933
2025-2029	543,434	12,304	555,738
2030-2034	-	-	-
2034-2035	-	-	-
Total payments due	\$ 1,192,889	\$ 57,520	\$ 1,250,409

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

As of June 30, 2019, Special Tax Bonds outstanding were as follows:

	<u>Outstanding Amount</u>
Sunridge Anatolia CFD 2003-1 - Series 2012	\$ 22,475,000
Sunridge Anatolia CFD 2003-1 - Series 2014	11,115,000
Sunridge Anatolia CFD 2003-1 - Series 2016	33,070,000
Sunridge Park CFD 2004-1 - Series 2017	11,450,000
Sunridge North Douglas CFD 2005-1 - Series 2015	14,025,000
Sunridge North Douglas CFD 2005-1 - Series 2018	5,450,000
	<u>\$ 97,585,000</u>

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 – NET POSITION AND FUND BALANCES

Detailed classifications of the City’s Fund Balances, as of June 30, 2019, are below:

Fund Balance Classifications	General Fund	Sunrise Douglas	Traffic Mitigation	Grants Fund	Capital Outlay Fund	Other Governmental Funds	Total
Nonspendables:							
Items not in spendable form:							
Loans receivable	\$ 27,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,523
Prepaid expense	10,048	-	-	-	-	-	10,048
Subtotal	<u>37,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,571</u>
Restricted for:							
Development improvements	-	22,930,289	-	-	-	6,460,178	29,390,467
Traffic Mitigation	-	-	21,871,880	-	-	-	21,871,880
Debt Service	-	-	-	-	-	573	573
Transportation	-	-	-	-	-	22,728,890	22,728,890
Public Safety	-	-	-	-	-	154,794	154,794
Parks and Recreation	-	-	-	-	-	2,513,954	2,513,954
Transit Services	-	-	-	-	-	4,687,744	4,687,744
Community Development	-	-	-	4,186,041	-	2,676,618	6,862,659
Rental Code Compliance	-	-	-	-	-	3,495	3,495
General Plan	-	-	-	-	-	380,736	380,736
Road Maintenance	-	-	-	-	-	5,728,235	5,728,235
Landscaping and Lighting	-	-	-	-	-	592,115	592,115
Others	-	-	-	-	-	22,196	22,196
Subtotal	<u>-</u>	<u>22,930,289</u>	<u>21,871,880</u>	<u>4,186,041</u>	<u>-</u>	<u>45,949,528</u>	<u>94,937,738</u>
Assigned for:							
Capital projects	-	-	-	-	18,150,296	-	18,150,296
Unassigned:							
General Fund	<u>31,285,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,285,547</u>
Total Fund Balances	<u>\$ 31,323,118</u>	<u>\$ 22,930,289</u>	<u>\$ 21,871,880</u>	<u>\$ 4,186,041</u>	<u>\$ 18,150,296</u>	<u>\$ 45,949,528</u>	<u>\$ 144,411,152</u>

b. 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.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

As of June 30, 2019, the General Fund Reserve, which is reported within the unassigned fund balance of the General Fund, had a balance of \$12,175,160. The ending balances of the City’s Capital Project Funds receiving General Fund surpluses are as follows:

Capital Facilities Fund	\$	5,126,351
Infrastructure Repair and Replacement Fund		3,296,169
Community Enhancement Fund		9,727,778

These fund balances are reported within Other Governmental Funds.

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, 2019, are summarized as follows:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 2,021,408	\$ 3,507,124	\$ 263,729

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

a. General Information about the CalPERS Pension Plan (Continued)

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.

The Plan’s provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.0% or 2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2% to 2.7%	2%
Required employee contribution rates	7.952%	6.250%
Required employer contribution rates	11.569%	6.842%

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, 2019, the City’s contributions to the Plan were \$823,925

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

As of June 30, 2019, the City reported \$3,507,124 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, 2018, 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, 2017 rolled forward to June 30, 2018 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 measured as of June 30, 2017 and 2018 was as follows:

	Miscellaneous
Proportion - June 30, 2017	0.09215%
Proportion - June 30, 2018	0.09306%
Change - Increase (Decrease)	0.00091%

For the year ended June 30, 2019, the City recognized net pension expense of (\$558,222) for the Miscellaneous Plan on the Statement of Activities. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 823,925	\$ -
Changes in assumptions	174,690	(59,446)
Differences between actual and expected experience	519,054	(127,210)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	481,230	(77,073)
Net difference between projected and actual earnings on plan investments	22,509	-
Total	\$ 2,021,408	\$ (263,729)

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The \$823,925 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
2020	\$ 626,797
2021	446,708
2022	(98,800)
2023	(40,951)
	\$ 933,754

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	\$ 6,267,495
Current Discount Rate	7.15%
Net Pension Liability	\$ 3,507,124
1% Increase	8.15%
Net Pension Liability	\$ 1,228,483

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liabilities were determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.70%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds (1 Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter
Post Retirement Benefit Increase	

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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.

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

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (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	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Asset	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	<u>100%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% 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, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

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% times
- 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, 2019, the City’s contributions to the Plan were \$105,425.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	72
Retirees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	10
Total	<u>87</u>

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

a. Net OPEB Liability

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2017, actuarial was determined based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
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.
PEMHCA	4.5% annually
Partipation at Retirement	Actives: 80% decreasing to 60% over 24 years Retirees: 100% if covered, 5% re-elect at age 65 if waived and under age 65

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

b. Net OPEB Liability (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	1-10 Year Expected Real Rate of Return	11+ Year Expected Real Rate of Return
Global Equity	40.0%	5.25%	5.71%
Fixed Income	39.0%	1.79%	2.40%
Treasury Inflation Protection Securities	10.0%	3.25%	7.88%
Real Estate Investment Trusts	8.0%	1.00%	2.25%
Commodities	3.0%	0.34%	4.95%
Total	100.0%	3.80%	4.69%

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.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

c. Changes in Net OPEB Liability

The changes in the net OPEB liability measured as of June 30, 2018, is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balance at June 30, 2018	\$ 896,784	\$ 779,379	\$ 117,405
Changes Recognized for the Measurement Period			
Service Cost	89,572	-	89,572
Interest	65,088	-	65,088
Differences between expected and actual experience	-	48,108	(48,108)
Contribution - employer	-	102,139	(102,139)
Benefit payments, including refunds of employee contributions	(15,180)	(15,180)	-
Administrative expenses	-	(1,441)	1,441
Net changes	139,480	133,626	5,854
Balance at June 30, 2019	\$ 1,036,264	\$ 913,005	\$ 123,259

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 to changes in the discount rate and healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25 percent) or 1 percentage point higher (7.25 percent) than the current discount rate:

Discount Rate -1% (5.65 %)	Current Discount Rate (6.65%)	Discount Rate +1% (7.65%)
\$ 277,279	\$ 123,259	\$ (3,156)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1 percentage point lower (6 percent decreasing to 4 percent) or 1 percentage point higher (8 percent decreasing to 6 percent) than the current healthcare cost trend rates:

1% Decrease (6.5% grade down to 4%)	Current Healthcare Cost Trend Rates (7.5% grade down to 5%)	1% Increase (8.5% grade down to 6%)
\$ (56,283)	\$ 123,259	\$ 405,349

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$64,782. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Amounts paid for OPEB benefits subsequent to the measurement date	\$ 105,425	\$ -
Changes in assumptions	-	(80,142)
Differences between actual and expected experience	-	(263,499)
Net difference between projected and actual earnings on plan investments	2,720	-
Total	\$ 108,145	\$ (343,641)

\$105,425 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
2020	\$ (36,647)
2021	(36,647)
2022	(36,649)
2023	(35,805)
2024	(37,117)
Thereafter	(158,056)
Total	\$ (340,921)

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 \$435,711 for the year ended June 30, 2019. CSAC EIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. CSAC EIA has never made an additional assessment and is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments. The City also purchases commercial insurance through CSAC EIA for other risks of loss.

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

	Pool Coverage	Self-Insured Retention
General liability	\$35,000,000	\$10,000
Workers' compensation	Statutory	0
Property - all risk	600,000,000	5,000
Property - all flood	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.

CITY OF RANCHO CORDOVA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, property taxes retained by the County in accordance with the revenue neutrality agreement totaled \$9,060,042.

For financial reporting purposes, the current accounting 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, 2019, under this program, the City has tax abatements totaling \$3,391,446.

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 2019-20 projects total costs of \$23,759,188.

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, 2019 totaled \$663,852.

The City had outstanding contracts for services in the amount of \$22,457,812 and outstanding contracts for construction in the amount of \$15,231,779 as of June 30, 2019.

CITY OF RANCHO CORDOVA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019, are as follows:

Year Ended June 30	Lease Payments
2020	\$ 106,635
2021	70,916
2022	59,759
2023	45,204
Total	\$ 282,514

Total costs of such leases were \$177,854 for the fiscal year ended June 30, 2019.

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, 2019. The Successor Agency was able to move forward and complete the final dissolution on March 22, 2019. The dissolution was acknowledged by the California Department of Finance effective February 28, 2019.

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. The Successor Agency sold its remaining parcel of land valued at \$842,254 which was disposed of in accordance with the Long-Range Property Management Plan approved by the Department of Finance on January 10, 2014 to the City of Rancho Cordova with the approval of the California department of Finance on September 27, 2018.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RANCHO CORDOVA

**COST-SHARING MULTIPLE-EMPLOYER DEFINED PENSION PLAN - MISCELLANEOUS PLAN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
LAST 10 YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.03148%	0.08531%	0.08459%	0.09215%	0.09306%
City's Proportionate Share of the Net Pension Liability	\$ 1,958,692	\$ 2,340,588	\$ 2,938,627	\$ 3,632,566	\$ 3,507,124
City's Covered Payroll	\$ 5,425,993	\$ 5,514,746	\$ 5,331,377	\$ 5,754,341	\$ 6,157,529
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	36.68%	42.44%	55.12%	63.13%	59.96%
Plan Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

CITY OF RANCHO CORDOVA

**COST-SHARING MULTIPLE EMPLOYER DEFINED PENSION PLAN - MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contributions					
Contributions in relation to the actuarially determined contributions	\$ 870,132 <u>(870,132)</u>	\$ 603,352 <u>(603,352)</u>	\$ 651,411 <u>(651,411)</u>	\$ 712,521 <u>(712,521)</u>	\$ 823,925 <u>(823,925)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 5,514,746	\$ 5,331,377	\$ 5,754,341	\$ 6,157,529	\$ 6,483,650
Contributions as a percentage of covered payroll	15.78%	11.32%	11.32%	11.57%	12.71%

* Fiscal year 2015 was the 1st year of implementation.

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***

	6/30/2018	6/30/2019
Total OPEB Liability		
Service Cost	\$ 115,639	\$ 89,572
Interest	82,788	65,088
Changes in benefit terms		
Difference between expected and actual experience	(320,421)	-
Changes in assumptions	(97,454)	-
Benefit payments	(26,108)	(15,180)
Net change in total OPEB Liability	(245,556)	139,480
Total OPEB Liability - beginning	1,142,340	896,784
Total OPEB Liability - ending (a)	\$ 896,784	\$ 1,036,264
 Plan fiduciary net position		
Contributions - employer	\$ 26,108	\$ 102,139
Net investment income	52,563	48,108
Administrative expense	(383)	(1,441)
Benefit payments	(26,108)	(15,180)
Net change in plan fiduciary net position	52,180	133,626
Plan fiduciary net position - beginning	727,199	779,379
Plan fiduciary net position - ending (b)	\$ 779,379	\$ 913,005
 City's net OPEB liability - ending (a)-(b)	\$ 117,405	\$ 123,259
 Plan fiduciary net position as a percentage of the total OPEB liability	86.91%	88.11%
 Covered-employee payroll	5,836,918	6,163,084
 Net OPEB liability as a percentage of covered-employee payroll	2.01%	2.00%
 Measurement Date	6/30/2017	6/30/2018

* Fiscal Year 2018 was the 1st year of implementation.

**CITY OF RANCHO CORDOVA
OPEB - SCHEDULE OF CONTRIBUTIONS
OPEB PLAN - AGENT MULTIPLE EMPLOYER PLAN
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 102,139	\$ 105,425
Contributions in relation to the actuarially determined contribution	<u>102,139</u>	<u>105,425</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 6,163,084</u>	<u>\$ 6,447,770</u>
Contributions as a percentage of covered-employee payroll	1.66%	1.64%
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	CalPERS 2014 Experience Study; Project with MW Scale 2017

Healthcare Trend Rate 7.5% in 2019, stepping down 0.5% each year to 5.0% in 2024

* Fiscal year 2018 was the first year of implementation.



SUPPLEMENTARY INFORMATION

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.

CFD 2018-2 COMMUNITY PLACES NEIGHBORHOOD GREEN FUND

The Community Places and Neighborhood Green District was formed to create a financing mechanism to provide maintenance services for public improvements resulting from new developments.

DONATIONS FUND

Established to account for donations received by the City with restrictions on what and how the donations can be used toward.

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.

CITY OF RANCHO CORDOVA

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019 2019**

	Special Revenue Funds			
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development
Assets:				
Cash and investments	\$ 128,242	\$ 406,288	\$ 6,101,996	\$ 2,259,807
Restricted cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	-	94,213	36,939
Interest	5	16	251	92
Due from other governments	16,151	-	-	-
Loans	-	-	-	-
Total assets	\$ 144,398	\$ 406,304	\$ 6,196,460	\$ 2,296,838
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Refundable deposits	-	-	62,151	22,027
Due to other funds	-	-	-	-
Total liabilities	-	-	62,151	22,027
Deferred Inflows of Resources:				
Unavailable revenues - accounts receivable	-	-	94,213	36,939
Unavailable revenues - due from other governments	-	-	-	-
Total Deferred Inflows of Resources	-	-	94,213	36,939
Fund balances:				
Restricted	144,398	406,304	6,040,096	2,237,872
Total fund balances	144,398	406,304	6,040,096	2,237,872
Total liabilities, deferred inflows of resources and fund balances	\$ 144,398	\$ 406,304	\$ 6,196,460	\$ 2,296,838

(continued)

Special Revenue Funds

Gas Tax	Street Cut Fees	Mather Field Traffic Impact Fees	Transportation Development Act	Transit-Related Services Tax	Road Maintenance	Community Development Block Grant
\$ 4,485,166	\$ 788,485	\$ 13,777	\$ 6,951	\$ 4,769,163	\$ 4,356,827	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
174	32	1	1	2,642	1,702	-
-	-	-	321,363	4,635	3,185	273,924
-	-	-	-	-	-	61,764
<u>\$ 4,485,340</u>	<u>\$ 788,517</u>	<u>\$ 13,778</u>	<u>\$ 328,315</u>	<u>\$ 4,776,440</u>	<u>\$ 4,361,714</u>	<u>\$ 335,688</u>
\$ 34,068	\$ 2,335	\$ -	\$ -	\$ 88,696	\$ 15,813	\$ 53,418
-	-	-	-	-	-	-
-	-	-	-	-	-	212,915
<u>34,068</u>	<u>2,335</u>	<u>-</u>	<u>-</u>	<u>88,696</u>	<u>15,813</u>	<u>266,333</u>
-	-	-	-	-	-	-
-	-	-	321,363	-	-	9,001
-	-	-	321,363	-	-	9,001
4,451,272	786,182	13,778	6,952	4,687,744	4,345,901	60,354
<u>4,451,272</u>	<u>786,182</u>	<u>13,778</u>	<u>6,952</u>	<u>4,687,744</u>	<u>4,345,901</u>	<u>60,354</u>
<u>\$ 4,485,340</u>	<u>\$ 788,517</u>	<u>\$ 13,778</u>	<u>\$ 328,315</u>	<u>\$ 4,776,440</u>	<u>\$ 4,361,714</u>	<u>\$ 335,688</u>

(continued)

CITY OF RANCHO CORDOVA

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

	Special Revenue Funds			
	Rental Code Compliance Program	Roadway Improvement	Landscape and Lighting	Measure A
Assets:				
Cash and investments	\$ 3,491	\$ 10,468,523	\$ 635,188	\$ 7,889,887
Restricted cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	109,920	-	-
Interest	4	412	1,625	319
Due from other governments	-	-	5,300	-
Loans	-	-	-	-
Total assets	\$ 3,495	\$ 10,578,855	\$ 642,113	\$ 7,890,206
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 2,630	\$ 49,998	\$ 794,583
Refundable deposits	-	77,444	-	-
Due to other funds	-	-	-	-
Total liabilities	-	80,074	49,998	794,583
Deferred Inflows of Resources:				
Unavailable revenues - accounts receivable	-	-	-	-
Unavailable revenues - due from other governments	-	109,920	-	-
Total Deferred Inflows of Resources	-	109,920	-	-
Fund balances:				
Restricted	3,495	10,388,861	592,115	7,095,623
Total fund balances	3,495	10,388,861	592,115	7,095,623
Total liabilities, deferred inflows of resources and fund balances	\$ 3,495	\$ 10,578,855	\$ 642,113	\$ 7,890,206

(continued)

Special Revenue Funds

General Plan	CFD 2013-2 Police Services	CFD 2018-2 Community Places Neighborhood Green	Donations	Low/Moderate Income Housing	Community Places Fees	Road Maintenance and Rehabilitation Account
\$ 380,720	\$ 15,302	\$ 8,095	\$ 22,195	\$ 62,691	\$ 267,976	\$ 1,139,412
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16	1	-	1	3	11	46
-	-	-	-	-	-	242,876
-	-	-	-	-	-	-
<u>\$ 380,736</u>	<u>\$ 15,303</u>	<u>\$ 8,095</u>	<u>\$ 22,196</u>	<u>\$ 62,694</u>	<u>\$ 267,987</u>	<u>\$ 1,382,334</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,907	-	-	-	-	-
-	-	-	-	-	-	-
-	4,907	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>380,736</u>	<u>10,396</u>	<u>8,095</u>	<u>22,196</u>	<u>62,694</u>	<u>267,987</u>	<u>1,382,334</u>
<u>380,736</u>	<u>10,396</u>	<u>8,095</u>	<u>22,196</u>	<u>62,694</u>	<u>267,987</u>	<u>1,382,334</u>
<u>\$ 380,736</u>	<u>\$ 15,303</u>	<u>\$ 8,095</u>	<u>\$ 22,196</u>	<u>\$ 62,694</u>	<u>\$ 267,987</u>	<u>\$ 1,382,334</u>

(continued)

CITY OF RANCHO CORDOVA

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Local Housing	Financing Corporation	
Assets:			
Cash and investments	\$ 48,568	\$ -	\$ 44,258,750
Restricted cash and investments with fiscal agent	-	573	573
Receivables:			
Accounts	-	-	241,072
Interest	2	-	7,356
Due from other governments	-	-	867,434
Loans	2,505,000	-	2,566,764
Total assets	\$ 2,553,570	\$ 573	\$ 47,941,949
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,041,541
Refundable deposits	-	-	166,529
Due to other funds	-	-	212,915
Total liabilities	-	-	1,420,985
Deferred Inflows of Resources:			
Unavailable revenues - accounts receivable	-	-	131,152
Unavailable revenues - due from other governments	-	-	440,284
Total Deferred Inflows of Resources	-	-	571,436
Fund balances:			
Restricted	2,553,570	573	45,949,528
Total fund balances	2,553,570	573	45,949,528
Total liabilities, deferred inflows of resources and fund balances	\$ 2,553,570	\$ 573	\$ 47,941,949

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CITY OF RANCHO CORDOVA

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds				
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax
Revenues:					
Property taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	16,637	1,372,230	348,650	-
Fines, forfeitures and penalties	20,159	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	1,541,562
Use of money and property	2,381	7,236	98,604	37,110	69,812
Other revenues	-	-	-	-	-
Total revenues	22,540	23,873	1,470,834	385,760	1,611,374
Expenditures:					
Current:					
General government	-	-	51,459	6,973	-
Community development	-	-	-	-	-
Public safety	5,109	-	-	-	-
Public works	-	-	-	-	42,890
Capital outlay	10,501	-	-	-	289,508
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	15,610	-	51,459	6,973	332,398
Excess (deficiency) of revenues over (under) expenditures	6,930	23,873	1,419,375	378,787	1,278,976
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(337,480)	-	-
Total Other Financing Sources (Uses)	-	-	(337,480)	-	-
Net change in fund balances	6,930	23,873	1,081,895	378,787	1,278,976
Fund balances (deficit), beginning of year	137,468	382,431	4,958,201	1,859,085	3,172,296
Fund balances, end of year	\$ 144,398	\$ 406,304	\$ 6,040,096	\$ 2,237,872	\$ 4,451,272

(continued)

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
\$ -	\$ -	\$ -	\$ 861,224	\$ 564,193	\$ -	\$ -
76,853	-	-	-	-	-	99,200
-	-	-	-	-	-	-
-	-	-	8,000	18,000	-	-
-	-	-	-	-	667,826	-
13,862	252	1,842	83,141	74,570	1,459	1,094
-	-	-	-	-	-	-
<u>90,715</u>	<u>252</u>	<u>1,842</u>	<u>952,365</u>	<u>656,763</u>	<u>669,285</u>	<u>100,294</u>
-	-	-	876	-	483,674	-
-	-	-	573	96	-	-
-	-	-	-	-	-	-
-	-	-	582,170	103,179	-	-
459	-	108,390	-	-	2,535	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>459</u>	<u>-</u>	<u>108,390</u>	<u>583,619</u>	<u>103,275</u>	<u>486,209</u>	<u>-</u>
90,256	252	(106,548)	368,746	553,488	183,076	100,294
-	-	-	-	-	-	-
-	-	-	-	-	-	(100,000)
-	-	-	-	-	-	(100,000)
90,256	252	(106,548)	368,746	553,488	183,076	294
695,926	13,526	113,500	4,318,998	3,792,413	(122,722)	3,201
<u>\$ 786,182</u>	<u>\$ 13,778</u>	<u>\$ 6,952</u>	<u>\$ 4,687,744</u>	<u>\$ 4,345,901</u>	<u>\$ 60,354</u>	<u>\$ 3,495</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, 2019**

	Special Revenue Funds				
	Roadway Improvement	Landscape and Lighting	Measure A	General Plan	CFD 2013-2 Police Services
Revenues:					
Property taxes and assessments	\$ -	\$ 559,235	\$ -	\$ -	\$ -
Licenses, permits and fees	1,865,370	-	-	95,550	-
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	189,782	-	-	-	11,184
Intergovernmental	-	-	3,774,218	-	-
Use of money and property	162,760	12,074	127,900	6,020	255
Other revenues	-	-	-	-	-
Total revenues	2,217,912	571,309	3,902,118	101,570	11,439
Expenditures:					
Current:					
General government	-	-	-	-	1,239
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	5,842	482,345	983,434	-	-
Capital outlay	149,548	-	2,245,221	-	-
Debt service:					
Principal	-	126,058	-	-	-
Interest and fiscal charges	-	12,876	-	-	-
Total expenditures	155,390	621,279	3,228,655	-	1,239
Excess (deficiency) of revenues over (under) expenditures	2,062,522	(49,970)	673,463	101,570	10,200
Other financing sources (uses):					
Transfers in	346,947	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	346,947	-	-	-	-
Net change in fund balances	2,409,469	(49,970)	673,463	101,570	10,200
Fund balances (deficit), beginning of year	7,979,392	642,085	6,422,160	279,166	196
Fund balances, end of year	\$ 10,388,861	\$ 592,115	\$ 7,095,623	\$ 380,736	\$ 10,396

(continued)

Special Revenue Funds						Debt Service Fund
CFD 2018-2 Community Places Neighborhood Green	Donations	Low/Moderate Income Housing	Community Places Fees	Road Maintenance and Rehabilitation Account	Local Housing	Financing Corporation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	130,175	-	51,003	-
-	-	-	-	-	-	-
14,000	-	-	-	-	-	-
-	-	-	-	1,360,878	-	-
-	207	1,950	3,625	9,905	521	700
-	20,864	-	-	-	505,000	-
14,000	21,071	1,950	133,800	1,370,783	556,524	700
973	-	-	-	-	-	20
3,057	-	-	-	-	175,000	-
-	-	-	-	-	-	-
1,875	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	695,000
-	-	-	-	-	-	637,350
5,905	-	-	-	-	175,000	1,332,370
8,095	21,071	1,950	133,800	1,370,783	381,524	(1,331,670)
-	1,125	-	-	-	175,000	1,332,176
-	-	(175,000)	-	-	-	-
-	1,125	(175,000)	-	-	175,000	1,332,176
8,095	22,196	(173,050)	133,800	1,370,783	556,524	506
-	-	235,744	134,187	11,551	1,997,046	67
\$ 8,095	\$ 22,196	\$ 62,694	\$ 267,987	\$ 1,382,334	\$ 2,553,570	\$ 573

(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, 2019**

	Total Nonmajor Governmental Funds
Revenues:	
Property taxes and assessments	\$ 1,984,652
Licenses, permits and fees	4,055,668
Fines, forfeitures and penalties	20,159
Charges for services	240,966
Intergovernmental	7,344,484
Use of money and property	717,280
Other revenues	525,864
Total revenues	14,889,073
Expenditures:	
Current:	
General government	545,214
Community development	178,726
Public safety	5,109
Public works	2,201,735
Capital outlay	2,806,162
Debt service:	
Principal	821,058
Interest and fiscal charges	650,226
Total expenditures	7,208,230
Excess (deficiency) of revenues over (under) expenditures	7,680,843
Other financing sources (uses):	
Transfers in	1,855,248
Transfers out	(612,480)
Total Other Financing Sources (Uses)	1,242,768
Net change in fund balances	8,923,611
Fund balances (deficit), beginning of year	37,025,917
Fund balances, end of year	\$ 45,949,528

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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, 2019**

	Asset Forfeiture			Villages of Zinfandel		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	11,100	16,637	5,537
Fines, forfeitures and penalties	10,000	20,159	10,159	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Use of money and property	-	2,381	2,381	-	7,236	7,236
Other revenues	-	-	-	-	-	-
Total revenues	10,000	22,540	12,540	11,100	23,873	12,773
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public safety	50,000	5,109	44,891	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	10,501	(10,501)	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	50,000	15,610	34,390	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(40,000)	6,930	(21,850)	11,100	23,873	12,773
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	(40,000)	6,930	(21,850)	11,100	23,873	12,773
Fund balance at beginning of the year	137,468	137,468	-	382,431	382,431	-
Fund balance at end of the year	\$ 97,468	\$ 144,398	\$ (21,850)	\$ 393,531	\$ 406,304	\$ 12,773

(continued)

Communities Facilities Fees			Park Development			Gas Tax		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,255,900	1,372,230	116,330	229,500	348,650	119,150	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,868,400	1,541,562	(1,326,838)
-	98,604	98,604	-	37,110	37,110	-	69,812	69,812
-	-	-	-	-	-	-	-	-
<u>1,255,900</u>	<u>1,470,834</u>	<u>214,934</u>	<u>229,500</u>	<u>385,760</u>	<u>156,260</u>	<u>2,868,400</u>	<u>1,611,374</u>	<u>(1,257,026)</u>
-	-	-	8,000	6,973	1,027	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
70,100	51,459	18,641	-	-	-	222,500	42,890	179,610
-	-	-	-	-	-	2,798,000	289,508	2,508,492
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>70,100</u>	<u>51,459</u>	<u>18,641</u>	<u>8,000</u>	<u>6,973</u>	<u>1,027</u>	<u>3,020,500</u>	<u>332,398</u>	<u>2,688,102</u>
1,185,800	1,419,375	196,293	221,500	378,787	155,233	(152,100)	1,278,976	(3,945,128)
-	-	-	-	-	-	-	-	-
(339,900)	(337,480)	2,420	-	-	-	-	-	-
<u>(339,900)</u>	<u>(337,480)</u>	<u>2,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
845,900	1,081,895	198,713	221,500	378,787	155,233	(152,100)	1,278,976	(3,945,128)
4,958,201	4,958,201	-	1,859,085	1,859,085	-	3,172,296	3,172,296	-
<u>\$ 5,804,101</u>	<u>\$ 6,040,096</u>	<u>\$ 198,713</u>	<u>\$ 2,080,585</u>	<u>\$ 2,237,872</u>	<u>\$ 155,233</u>	<u>\$ 3,020,196</u>	<u>\$ 4,451,272</u>	<u>\$ (3,945,128)</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, 2019**

	Street Cut Fees			Transportation Development Act		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	26,100	76,853	50,753	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	54,000	-	(54,000)
Use of money and property	-	13,862	13,862	-	1,842	1,842
Other revenues	-	-	-	-	-	-
Total revenues	<u>26,100</u>	<u>90,715</u>	<u>64,615</u>	<u>54,000</u>	<u>1,842</u>	<u>(52,158)</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	1,000	459	541	125,000	108,390	16,610
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,000</u>	<u>459</u>	<u>541</u>	<u>125,000</u>	<u>108,390</u>	<u>16,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,100</u>	<u>90,256</u>	<u>64,074</u>	<u>(71,000)</u>	<u>(106,548)</u>	<u>(68,768)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>25,100</u>	<u>90,256</u>	<u>64,074</u>	<u>(71,000)</u>	<u>(106,548)</u>	<u>(68,768)</u>
Fund balance at beginning of the year	<u>695,926</u>	<u>695,926</u>	<u>-</u>	<u>113,500</u>	<u>113,500</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 721,026</u>	<u>\$ 786,182</u>	<u>\$ 64,074</u>	<u>\$ 42,500</u>	<u>\$ 6,952</u>	<u>\$ (68,768)</u>

(continued)

Transit-Related Services Tax			Road Maintenance			Community Development Block Grant		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 828,800	\$ 861,224	\$ 32,424	\$ 429,700	\$ 564,193	\$ 134,493	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	8,000	8,000	30,000	18,000	(12,000)	-	-	-
-	-	-	-	-	-	550,000	667,826	117,826
-	83,141	83,141	-	74,570	74,570	-	1,459	1,459
-	-	-	-	-	-	-	-	-
<u>828,800</u>	<u>952,365</u>	<u>123,565</u>	<u>459,700</u>	<u>656,763</u>	<u>197,063</u>	<u>550,000</u>	<u>669,285</u>	<u>119,285</u>
-	-	-	-	-	-	550,000	483,674	66,326
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
953,800	582,170	371,630	190,300	103,179	87,121	-	-	-
-	-	-	-	-	-	-	2,535	(2,535)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>953,800</u>	<u>582,170</u>	<u>371,630</u>	<u>190,300</u>	<u>103,179</u>	<u>87,121</u>	<u>550,000</u>	<u>486,209</u>	<u>63,791</u>
<u>(125,000)</u>	<u>370,195</u>	<u>(248,065)</u>	<u>269,400</u>	<u>553,584</u>	<u>109,942</u>	<u>-</u>	<u>183,076</u>	<u>55,494</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(125,000)	370,195	(248,065)	269,400	553,584	109,942	-	183,076	55,494
<u>4,318,998</u>	<u>4,318,998</u>	<u>-</u>	<u>3,792,413</u>	<u>3,792,413</u>	<u>-</u>	<u>(122,722)</u>	<u>(122,722)</u>	<u>-</u>
<u>\$ 4,193,998</u>	<u>\$ 4,689,193</u>	<u>\$ (248,065)</u>	<u>\$ 4,061,813</u>	<u>\$ 4,345,997</u>	<u>\$ 109,942</u>	<u>\$ (122,722)</u>	<u>\$ 60,354</u>	<u>\$ 55,494</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, 2019**

	Rental Code			Roadway Improvement		
	Compliance Program		Variance	Roadway Improvement		Variance
	Budget	Actual Amounts	Positive/ (Negative)	Budget	Actual Amounts	Positive/ (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	100,000	99,200	(800)	550,000	1,865,370	1,315,370
Fines, forfeitures and penalties	-	-	-	-	-	-
Charges for services	-	-	-	-	189,782	189,782
Intergovernmental	-	-	-	-	-	-
Use of money and property	-	1,094	1,094	-	162,760	162,760
Other revenues	-	-	-	-	-	-
Total revenues	<u>100,000</u>	<u>100,294</u>	<u>294</u>	<u>550,000</u>	<u>2,217,912</u>	<u>1,667,912</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	3,000	5,842	(2,842)
Capital outlay	-	-	-	781,990	149,548	632,442
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,990</u>	<u>155,390</u>	<u>629,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>100,294</u>	<u>294</u>	<u>(234,990)</u>	<u>2,062,522</u>	<u>1,038,312</u>
Other financing sources (uses)						
Transfers in	-	-	-	358,000	346,947	(11,053)
Transfers out	(100,000)	(100,000)	-	-	-	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>358,000</u>	<u>346,947</u>	<u>(11,053)</u>
Net change in fund balance	-	294	294	123,010	2,409,469	1,027,259
Fund balance at beginning of the year	<u>3,201</u>	<u>3,201</u>	<u>-</u>	<u>7,979,392</u>	<u>7,979,392</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 3,201</u>	<u>\$ 3,495</u>	<u>\$ 294</u>	<u>\$ 8,102,402</u>	<u>\$ 10,388,861</u>	<u>\$ 1,027,259</u>

(continued)

Landscaping and Lighting Districts			Measure A			General Plan		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 520,600	\$ 559,235	\$ 38,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	72,500	95,550	23,050
-	-	-	-	-	-	-	-	-
-	-	-	2,305,400	3,774,218	1,468,818	-	-	-
-	12,074	12,074	-	127,900	127,900	-	6,020	6,020
-	-	-	-	-	-	-	-	-
<u>520,600</u>	<u>571,309</u>	<u>50,709</u>	<u>2,305,400</u>	<u>3,902,118</u>	<u>1,596,718</u>	<u>72,500</u>	<u>101,570</u>	<u>29,070</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
540,100	482,345	57,755	2,112,500	983,434	1,129,066	-	-	-
-	-	-	2,192,000	2,245,221	(53,221)	-	-	-
124,850	126,058	(1,208)	-	-	-	-	-	-
14,150	12,876	1,274	-	-	-	-	-	-
<u>679,100</u>	<u>621,279</u>	<u>57,821</u>	<u>4,304,500</u>	<u>3,228,655</u>	<u>1,075,845</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(158,500)</u>	<u>(49,970)</u>	<u>(7,112)</u>	<u>(1,999,100)</u>	<u>673,463</u>	<u>520,873</u>	<u>72,500</u>	<u>101,570</u>	<u>29,070</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(158,500)	(49,970)	(7,112)	(1,999,100)	673,463	520,873	72,500	101,570	29,070
642,085	642,085	-	6,422,160	6,422,160	-	279,166	279,166	-
<u>\$ 483,585</u>	<u>\$ 592,115</u>	<u>\$ (7,112)</u>	<u>\$ 4,423,060</u>	<u>\$ 7,095,623</u>	<u>\$ 520,873</u>	<u>\$ 351,666</u>	<u>\$ 380,736</u>	<u>\$ 29,070</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, 2019**

	CFD 2013-2 Police Services			CFD 2018-2 Community Places Neighborhood Green		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Charges for services	7,000	11,184	4,184	-	14,000	14,000
Intergovernmental	-	-	-	-	-	-
Use of money and property	-	255	255	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>7,000</u>	<u>11,439</u>	<u>4,439</u>	<u>-</u>	<u>14,000</u>	<u>14,000</u>
Expenditures:						
Current:						
General government	5,000	1,239	3,761	-	973	(973)
Community development	-	-	-	-	3,057	(3,057)
Public safety	-	-	-	-	-	-
Public works	-	-	-	5,000	1,875	3,125
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>5,000</u>	<u>1,239</u>	<u>3,761</u>	<u>5,000</u>	<u>5,905</u>	<u>(905)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,000</u>	<u>10,200</u>	<u>678</u>	<u>(5,000)</u>	<u>8,095</u>	<u>14,905</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>2,000</u>	<u>10,200</u>	<u>678</u>	<u>(5,000)</u>	<u>8,095</u>	<u>14,905</u>
Fund balance at beginning of the year	<u>196</u>	<u>196</u>	<u>-</u>	<u>11,551</u>	<u>11,551</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 2,196</u>	<u>\$ 10,396</u>	<u>\$ 678</u>	<u>\$ 6,551</u>	<u>\$ 19,646</u>	<u>\$ 14,905</u>

(continued)

Low/Moderate Income Housing			Local Housing			Financing Corporation		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	100,000	51,003	(48,997)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,950	1,950	-	521	521	-	700	700
-	-	-	-	505,000	505,000	-	-	-
-	1,950	1,950	100,000	556,524	456,524	-	700	700
-	-	-	90,000	-	90,000	-	20	(20)
-	-	-	-	175,000	(175,000)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	100,000	-	100,000	-	-	-
-	-	-	-	-	-	695,000	695,000	-
-	-	-	-	-	-	639,800	637,350	2,450
-	-	-	190,000	175,000	15,000	1,334,800	1,332,370	2,430
-	1,950	1,950	(90,000)	381,524	441,524	(1,334,800)	(1,331,670)	(1,730)
-	-	-	175,000	175,000	-	1,334,800	1,332,176	(2,624)
(175,000)	(175,000)	-	-	-	-	-	-	-
(175,000)	(175,000)	-	175,000	175,000	-	1,334,800	1,332,176	(2,624)
(175,000)	(173,050)	1,950	85,000	556,524	441,524	-	506	(4,354)
235,744	235,744	-	1,997,046	1,997,046	-	67	67	-
\$ 60,744	\$ 62,694	\$ 1,950	\$ 2,082,046	\$ 2,553,570	\$ 441,524	\$ 67	\$ 573	\$ (4,354)

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SUBCOMBINING FUND SCHEDULES

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2019

	General Fund	Community Enhancement Fund	Total General Fund
Assets:			
Cash and investments	\$ 29,105,824	\$ 1,716,559	\$ 30,822,383
Receivables:			
Accounts	1,901,011	955	1,901,966
Interest	47,855	121	47,976
Due from other governments	5,017,639	1,389,166	6,406,805
Loans	8,444	19,079	27,523
Other	174,699	-	174,699
Prepays	8,640	1,408	10,048
Due from other funds	2,031,756	-	2,031,756
Total assets	\$ 38,295,868	\$ 3,127,288	\$ 41,423,156
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 4,108,431	\$ 2,830,107	\$ 6,938,538
Accrued liabilities	362,512	8,536	371,048
Refundable deposits	2,689,168	500	2,689,668
Total liabilities	7,160,111	2,839,143	9,999,254
Deferred Inflows of Resources:			
Unavailable revenues - accounts receivable	100,784	-	100,784
Total Deferred Inflows of Resources	100,784	-	100,784
Fund balances:			
Nonspendable	17,084	20,487	37,571
Unassigned	31,017,889	267,658	31,285,547
Total fund balances	31,034,973	288,145	31,323,118
Total liabilities, deferred inflows of resources and fund balances	\$ 38,295,868	\$ 3,127,288	\$ 41,423,156

CITY OF RANCHO CORDOVA

**SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Community Enhancement Fund	Elimination Entries	Total General Fund
Revenues:				
Property taxes	\$ 17,153,074	\$ -	\$ -	\$ 17,153,074
Sales taxes	16,145,248	8,730,547	-	24,875,795
Utility user taxes	3,450,030	-	-	3,450,030
Other taxes	6,849,720	-	-	6,849,720
Charges for services	4,404,993	-	-	4,404,993
Licenses, permits and fees	5,312,389	-	-	5,312,389
Fines, forfeitures and penalties	1,759,320	-	-	1,759,320
Intergovernmental	742,246	-	-	742,246
Use of money and property	1,815,724	26,829	-	1,842,553
Other revenues	83,387	-	-	83,387
Total revenues	57,716,131	8,757,376	-	66,473,507
Expenditures:				
Current:				
General government	15,599,521	4,810,056	-	20,409,577
Community development	5,909,559	359,468	-	6,269,027
Public safety	20,844,243	1,298,139	-	22,142,382
Public works	4,262,426	280,200	-	4,542,626
Capital outlay	178,327	778,155	-	956,482
Total expenditures	46,794,076	7,526,018	-	54,320,094
Excess (deficiency) of revenues over (under) expenditures	10,922,055	1,231,358	-	12,153,413
Other financing sources (uses):				
Transfers in	276,048	-	(176,048)	100,000
Transfers out	(10,527,720)	(1,231,357)	176,048	(11,583,029)
Total Other Financing Sources (Uses)	(10,251,672)	(1,231,357)	-	(11,483,029)
Net change in fund balances	670,383	1	-	670,384
Fund balances, beginning of year	30,364,590	288,144	-	30,652,734
Fund balances, end of year	\$ 31,034,973	\$ 288,145	\$ -	\$ 31,323,118

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, 2019**

	General Fund		
	Final Budget	Actual Amounts	Variance with Final Budget Positive/ (Negative)
Revenues:			
Property taxes	\$ 16,725,300	\$ 17,153,074	\$ 427,774
Sales taxes	15,931,000	16,145,248	214,248
Transient Occupancy Taxes	3,435,000	4,315,525	880,525
Utility user taxes	3,749,300	3,450,030	(299,270)
Other taxes	3,640,000	2,534,195	(1,105,805)
Charges for services	4,127,000	4,404,993	277,993
Licenses, permits and fees	5,194,900	5,312,389	117,489
Fines, forfeitures and penalties	1,898,400	1,759,320	(139,080)
Intergovernmental	543,900	742,246	198,346
Use of money and property	1,750,331	1,815,724	65,393
Other	37,600	83,387	45,787
Total revenues	\$ 57,032,731	\$ 57,716,131	\$ 683,400
Expenditures:			
Current:			
General government	15,997,500	15,599,521	397,979
Community development	5,917,100	5,909,559	7,541
Public safety	20,316,700	20,844,243	(527,543)
Public works	3,812,900	4,262,426	(449,526)
Capital outlay	700,000	178,327	521,673
Total expenditures	46,744,200	46,794,076	(49,876)
Excess (deficiency) of revenues over(under) expenditures	10,288,531	10,922,055	633,524
Other financing sources (uses):			
Transfers in	282,100	276,048	(6,052)
Transfers out	(10,563,700)	(10,527,720)	35,980
Total other financing sources (uses)	(10,281,600)	(10,251,672)	29,928
Net change in Fund Balance	6,931	670,383	663,452
Fund balance at beginning of the year	30,364,590	30,364,590	-
Fund balance at end of the year	\$ 30,371,521	\$ 31,034,973	\$ 663,452

Community Enhancement			Total General Fund		
<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
\$ -	\$ -	\$ -	\$ 16,725,300	\$ 17,153,074	\$ 427,774
8,200,000	8,730,547	530,547	24,131,000	24,875,795	744,795
-	-	-	3,435,000	4,315,525	880,525
-	-	-	3,749,300	3,450,030	(299,270)
-	-	-	3,640,000	2,534,195	(1,105,805)
-	-	-	4,127,000	4,404,993	277,993
-	-	-	5,194,900	5,312,389	117,489
-	-	-	1,898,400	1,759,320	(139,080)
-	-	-	543,900	742,246	198,346
-	26,829	26,829	1,750,331	1,842,553	92,222
-	-	-	37,600	83,387	45,787
<u>\$ 8,200,000</u>	<u>\$ 8,757,376</u>	<u>\$ 557,376</u>	<u>\$ 65,232,731</u>	<u>\$ 66,473,507</u>	<u>\$ 1,240,776</u>
3,620,200	4,810,056	(1,189,856)	19,617,700	20,409,577	(791,877)
-	359,468	(359,468)	5,917,100	6,269,027	(351,927)
1,400,000	1,298,139	101,861	21,716,700	22,142,382	(425,682)
238,800	280,200	(41,400)	4,051,700	4,542,626	(490,926)
750,000	778,155	(28,155)	1,450,000	956,482	493,518
<u>6,009,000</u>	<u>7,526,018</u>	<u>(1,517,018)</u>	<u>52,753,200</u>	<u>54,320,094</u>	<u>(1,566,894)</u>
<u>2,191,000</u>	<u>1,231,358</u>	<u>(959,642)</u>	<u>12,479,531</u>	<u>12,153,413</u>	<u>(326,118)</u>
-	-	-	282,100	276,048	(6,052)
<u>(3,335,410)</u>	<u>(1,231,357)</u>	<u>2,104,053</u>	<u>(13,899,110)</u>	<u>(11,759,077)</u>	<u>2,140,033</u>
<u>(3,335,410)</u>	<u>(1,231,357)</u>	<u>2,104,053</u>	<u>(13,617,010)</u>	<u>(11,483,029)</u>	<u>2,133,981</u>
(1,144,410)	1	1,144,411	(1,137,479)	670,384	1,807,863
288,144	288,144	-	30,652,734	30,652,734	-
<u>\$ (856,266)</u>	<u>\$ 288,145</u>	<u>\$ 1,144,411</u>	<u>\$ 29,515,255</u>	<u>\$ 31,323,118</u>	<u>\$ 1,807,863</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and investments	\$ 231,342	\$ 185,209	\$ 216,304
Receivables:			
Accounts	348	31,455	44,175
Interest	9	8	9
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 231,699</u></u>	<u><u>\$ 216,672</u></u>	<u><u>\$ 260,488</u></u>
 Liabilities, deferred inflows of resources, and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Refundable deposits	-	18,744	27,184
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u>18,744</u>	<u>27,184</u>
Deferred Inflows of Resources:			
Unavailable revenues - accounts receivable	348	31,455	44,175
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>348</u>	<u>31,455</u>	<u>44,175</u>
Fund balances:			
Restricted	231,351	166,473	189,129
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>231,351</u>	<u>166,473</u>	<u>189,129</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 231,699</u></u>	 <u><u>\$ 216,672</u></u>	 <u><u>\$ 260,488</u></u>

Sunrise Douglas Traffic Impact Fund	Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Funds
\$ 21,052,029	\$ 515,518	\$ 1,060,794	\$ 23,261,196
852,164	332	-	928,474
858	21	43	948
<u>\$ 21,905,051</u>	<u>\$ 515,871</u>	<u>\$ 1,060,837</u>	<u>\$ 24,190,618</u>
\$ 6,512	\$ -	\$ -	\$ 6,512
279,415	-	-	325,343
<u>285,927</u>	<u>-</u>	<u>-</u>	<u>331,855</u>
852,164	332	-	928,474
<u>852,164</u>	<u>332</u>	<u>-</u>	<u>928,474</u>
20,766,960	515,539	1,060,837	22,930,289
<u>20,766,960</u>	<u>515,539</u>	<u>1,060,837</u>	<u>22,930,289</u>
<u>\$ 21,905,051</u>	<u>\$ 515,871</u>	<u>\$ 1,060,837</u>	<u>\$ 24,190,618</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, 2019**

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund
Revenues:			
Licenses, permits and fees	\$ 25,232	\$ 290,308	\$ 426,962
Use of money and property	3,925	3,285	2,958
Total revenues	<u>29,157</u>	<u>293,593</u>	<u>429,920</u>
Expenditures:			
Current:			
Community development	-	-	-
Public works	-	-	-
Capital outlay	-	298,958	392,013
Total expenditures	<u>-</u>	<u>298,958</u>	<u>392,013</u>
Net change in fund balances	29,157	(5,365)	37,907
Fund balances, beginning of year	202,194	171,838	151,222
Fund balances, end of year	<u><u>\$ 231,351</u></u>	<u><u>\$ 166,473</u></u>	<u><u>\$ 189,129</u></u>

Sunrise Douglas Traffic Impact Fund	Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Funds
\$ 4,157,115	\$ 24,066	\$ 195,348	\$ 5,119,031
366,058	9,112	17,443	402,781
<u>4,523,173</u>	<u>33,178</u>	<u>212,791</u>	<u>5,521,812</u>
-	-	2,389	2,389
53,777	-	28,415	82,192
3,282,983	-	-	3,973,954
<u>3,336,760</u>	<u>-</u>	<u>30,804</u>	<u>4,058,535</u>
1,186,413	33,178	181,987	1,463,277
19,580,547	482,361	878,850	21,467,012
<u>\$ 20,766,960</u>	<u>\$ 515,539</u>	<u>\$ 1,060,837</u>	<u>\$ 22,930,289</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, 2019**

	Sunrise Douglas Program Updates Fund			Sunrise Douglas Interim Sewer Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Licenses, permits and fees	\$ 16,200	\$ 25,232	\$ 9,032	\$ 133,300	\$ 290,308	\$ 157,008
Use of money & property	-	3,925	3,925	-	3,285	3,285
Total revenues	<u>16,200</u>	<u>29,157</u>	<u>12,957</u>	<u>133,300</u>	<u>293,593</u>	<u>160,293</u>
Expenditures:						
Current:						
Community development	-	-	-	-	-	-
Public works	25,000	-	25,000	-	-	-
Capital outlay	-	-	-	260,000	298,958	(38,958)
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>260,000</u>	<u>298,958</u>	<u>(38,958)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,800)</u>	<u>29,157</u>	<u>(12,043)</u>	<u>(126,700)</u>	<u>(5,365)</u>	<u>199,251</u>
Net change in fund balance	<u>(8,800)</u>	<u>29,157</u>	<u>(12,043)</u>	<u>(126,700)</u>	<u>(5,365)</u>	<u>199,251</u>
Fund balance at beginning of the year	<u>202,194</u>	<u>202,194</u>	<u>-</u>	<u>171,838</u>	<u>171,838</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 193,394</u>	<u>\$ 231,351</u>	<u>\$ (12,043)</u>	<u>\$ 45,138</u>	<u>\$ 166,473</u>	<u>\$ 199,251</u>

(continued)

Sunrise Douglas Offsite Water Fund			Sunrise Douglas Traffic Impact Fund			Sunrise Douglas Transit Shuttle Fund		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 359,700	\$ 426,962	\$ 67,262	\$ 1,261,100	\$ 4,157,115	\$ 2,896,015	\$ 15,200	\$ 24,066	\$ 8,866
-	2,958	2,958	-	366,058	366,058	-	9,112	9,112
<u>359,700</u>	<u>429,920</u>	<u>70,220</u>	<u>1,261,100</u>	<u>4,523,173</u>	<u>3,262,073</u>	<u>15,200</u>	<u>33,178</u>	<u>17,978</u>
-	-	-	-	-	-	-	-	-
-	-	-	450,000	53,777	396,223	50,000	-	50,000
<u>400,000</u>	<u>392,013</u>	<u>7,987</u>	<u>3,100,000</u>	<u>3,282,983</u>	<u>(182,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>400,000</u>	<u>392,013</u>	<u>7,987</u>	<u>3,550,000</u>	<u>3,336,760</u>	<u>213,240</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
(40,300)	37,907	62,233	(2,288,900)	1,186,413	3,048,833	(34,800)	33,178	(32,022)
(40,300)	37,907	62,233	(2,288,900)	1,186,413	3,048,833	(34,800)	33,178	(32,022)
<u>151,222</u>	<u>151,222</u>	<u>-</u>	<u>19,580,547</u>	<u>19,580,547</u>	<u>-</u>	<u>482,361</u>	<u>482,361</u>	<u>-</u>
<u>\$ 110,922</u>	<u>\$ 189,129</u>	<u>\$ 62,233</u>	<u>\$ 17,291,647</u>	<u>\$ 20,766,960</u>	<u>\$ 3,048,833</u>	<u>\$ 447,561</u>	<u>\$ 515,539</u>	<u>\$ (32,022)</u>

(continued)

CITY OF RANCHO CORDOVA

**SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Sunrise Douglas Admin Fund			Sunrise Douglas Totals		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Licenses, permits and fees	\$ 122,300	\$ 195,348	\$ 73,048	\$ 509,200	\$ 5,119,031	\$ 4,609,831
Use of money & property	-	17,443	17,443	-	402,781	402,781
Total revenues	<u>122,300</u>	<u>212,791</u>	<u>90,491</u>	<u>509,200</u>	<u>5,521,812</u>	<u>5,012,612</u>
Expenditures:						
Current:						
Community development	-	2,389	(2,389)	-	2,389	(2,389)
Public works	130,000	28,415	101,585	655,000	82,192	572,808
Capital outlay	-	-	-	3,760,000	3,973,954	(213,954)
Total expenditures	<u>130,000</u>	<u>30,804</u>	<u>99,196</u>	<u>4,415,000</u>	<u>4,058,535</u>	<u>356,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,700)</u>	<u>181,987</u>	<u>(8,705)</u>	<u>(3,905,800)</u>	<u>1,463,277</u>	<u>4,656,147</u>
Net change in fund balance	<u>(7,700)</u>	<u>181,987</u>	<u>(8,705)</u>	<u>(3,905,800)</u>	<u>1,463,277</u>	<u>4,656,147</u>
Fund balance at beginning of the year	<u>878,850</u>	<u>878,850</u>	<u>-</u>	<u>21,467,012</u>	<u>21,467,012</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 871,150</u>	<u>\$ 1,060,837</u>	<u>\$ (8,705)</u>	<u>\$ 17,561,212</u>	<u>\$ 22,930,289</u>	<u>\$ 4,656,147</u>

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CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Funds
Assets:			
Cash and investments	\$ 21,790,012	\$ 252,418	\$ 22,042,430
Receivables:			
Accounts	154,769	-	154,769
Interest	890	8	898
Total assets	\$ 21,945,671	\$ 252,426	\$ 22,198,097
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 141,754	\$ -	\$ 141,754
Refundable deposits	29,693	-	29,693
Total liabilities	171,447	-	171,447
Deferred Inflows of Resources:			
Unavailable revenues - accounts receivable	154,770	-	154,770
Total Deferred Inflows of Resources	154,770	-	154,770
Fund balances:			
Restricted	21,619,454	252,426	21,871,880
Total fund balances	21,619,454	252,426	21,871,880
Total liabilities, deferred inflows of resources and fund balances	\$ 21,945,671	\$ 252,426	\$ 22,198,097

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, 2019**

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Funds
Revenues:			
Licenses, permits and fees	\$ 1,607,970	\$ 61,263	\$ 1,669,233
Use of money and property	396,402	3,759	400,161
Total revenues	2,004,372	65,022	2,069,394
Expenditures:			
Current:			
Community development	1,338	1,338	2,676
Public works	243,219	20,028	263,247
Capital outlay	1,644,638	-	1,644,638
Total expenditures	1,889,195	21,366	1,910,561
Net change in fund balances	115,177	43,656	158,833
Fund balances, beginning of year	21,504,277	208,770	21,713,047
Fund balances, end of year	\$ 21,619,454	\$ 252,426	\$ 21,871,880

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, 2019**

	Traffic Mitigation Fund			Traffic Mitigation Admin Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Licenses, permits and fees	\$ 1,670,500	\$ 1,607,970	\$ (62,530)	\$ 63,200	\$ 61,263	\$ (1,937)
Use of money & property	-	396,402	396,402	-	3,759	3,759
Total revenues	<u>1,670,500</u>	<u>2,004,372</u>	<u>333,872</u>	<u>63,200</u>	<u>65,022</u>	<u>1,822</u>
Expenditures:						
Current:						
General government		1,338	(1,338)		1,338	(1,338)
Public works	515,000	243,219	271,781	55,000	20,028	34,972
Capital outlay	<u>5,046,000</u>	<u>1,644,638</u>	<u>3,401,362</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,561,000</u>	<u>1,889,195</u>	<u>3,671,805</u>	<u>55,000</u>	<u>21,366</u>	<u>33,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,890,500)</u>	<u>115,177</u>	<u>(3,337,933)</u>	<u>8,200</u>	<u>43,656</u>	<u>(31,812)</u>
Net change in fund balance	<u>(3,890,500)</u>	<u>115,177</u>	<u>(3,337,933)</u>	<u>8,200</u>	<u>43,656</u>	<u>(31,812)</u>
Fund balance at beginning of the year	<u>21,504,277</u>	<u>21,504,277</u>	<u>-</u>	<u>208,770</u>	<u>208,770</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 17,613,777</u>	<u>\$ 21,619,454</u>	<u>\$ (3,337,933)</u>	<u>\$ 216,970</u>	<u>\$ 252,426</u>	<u>\$ (31,812)</u>

Traffic Mitigation
Totals

Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 1,733,700	\$ 1,669,233	\$ (64,467)
<u>-</u>	<u>400,161</u>	<u>400,161</u>
<u>1,733,700</u>	<u>2,069,394</u>	<u>335,694</u>
-	2,676	(2,676)
570,000	263,247	306,753
<u>5,046,000</u>	<u>1,644,638</u>	<u>3,401,362</u>
<u>5,616,000</u>	<u>1,910,561</u>	<u>3,705,439</u>
<u>(3,882,300)</u>	<u>158,833</u>	<u>4,041,133</u>
(3,882,300)	158,833	4,041,133
<u>21,713,047</u>	<u>21,713,047</u>	<u>-</u>
<u>\$ 17,830,747</u>	<u>\$ 21,871,880</u>	<u>\$ 4,041,133</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
GRANTS REVENUE SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	State Grant Fund	Federal Grant Fund	Total Grants Special Revenue Funds
Assets:			
Cash and investments	\$ 1,282,465	\$ -	\$ 1,282,465
Receivables:			
Accounts	-	-	-
Interest	53	-	53
Due from other governments	816,249	3,719,366	4,535,615
Loans	462,168	4,621,180	5,083,348
Prepays	8,900	-	8,900
Total assets	\$ 2,569,835	\$ 8,340,546	\$ 10,910,381
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 125,172	\$ 2,214,016	\$ 2,339,188
Due to other funds	-	1,818,841	1,818,841
Total liabilities	125,172	4,032,857	4,158,029
Deferred Inflows of Resources:			
Unavailable revenues - due from other governments	486,523	2,079,788	2,566,311
Total Deferred Inflows of Resources	486,523	2,079,788	2,566,311
Fund balances.:			
Restricted	1,958,140	2,227,901	4,186,041
Total fund balances	1,958,140	2,227,901	4,186,041
Total liabilities, deferred inflows of resources and fund balances	\$ 2,569,835	\$ 8,340,546	\$ 10,910,381

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, 2019**

	State Grant Fund	Federal Grant Fund	Total Grants Special Revenue Funds
Revenues:			
Intergovernmental	\$ 677,178	\$ 3,546,550	\$ 4,223,728
Use of money and property	30,357	2	30,359
Total revenues	707,535	3,546,552	4,254,087
Expenditures:			
Current:			
Community Development	698,976	-	698,976
Public safety	55,440	39,581	95,021
Public works	71,515	774	72,289
Capital outlay	396,874	4,691,545	5,088,419
Total expenditures	1,222,805	4,731,900	5,954,705
Net change in fund balances	(515,270)	(1,185,348)	(1,700,618)
Fund balances, beginning of year	2,473,410	3,413,249	5,886,659
Fund balances, end of year	\$ 1,958,140	\$ 2,227,901	\$ 4,186,041

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, 2019**

	State Grants Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:			
Intergovernmental	\$ 746,000	\$ 677,178	\$ (68,822)
Use of money & property	-	30,357	30,357
Total revenues	<u>746,000</u>	<u>707,535</u>	<u>(38,465)</u>
Expenditures:			
Current:			
Community development	-	698,976	(698,976)
Public safety	130,000	55,440	74,560
Public works	-	71,515	(71,515)
Capital outlay	1,150,000	396,874	753,126
Total expenditures	<u>1,280,000</u>	<u>1,222,805</u>	<u>57,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(534,000)</u>	<u>(515,270)</u>	<u>(95,660)</u>
Net change in fund balance	(534,000)	(515,270)	(95,660)
Fund balance at beginning of the year	<u>2,473,410</u>	<u>2,473,410</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ 1,939,410</u></u>	<u><u>\$ 1,958,140</u></u>	<u><u>\$ (95,660)</u></u>

Federal Grants Fund			Grants Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 4,909,000	\$ 3,546,550	\$ (1,362,450)	\$ 5,655,000	\$ 4,223,728	\$ (1,431,272)
-	2	2	-	30,359	30,359
<u>4,909,000</u>	<u>3,546,552</u>	<u>(1,362,448)</u>	<u>5,655,000</u>	<u>4,254,087</u>	<u>(1,400,913)</u>
-	-	-	-	698,976	(698,976)
40,000	39,581	419	170,000	95,021	74,979
-	774	(774)	-	72,289	(72,289)
<u>4,869,000</u>	<u>4,691,545</u>	<u>177,455</u>	<u>6,019,000</u>	<u>5,088,419</u>	<u>930,581</u>
<u>4,909,000</u>	<u>4,731,900</u>	<u>177,100</u>	<u>6,189,000</u>	<u>5,954,705</u>	<u>234,295</u>
-	(1,185,348)	(1,539,548)	(534,000)	(1,700,618)	(1,166,618)
-	(1,185,348)	(1,539,548)	(534,000)	(1,700,618)	(1,166,618)
<u>3,413,249</u>	<u>3,413,249</u>	<u>-</u>	<u>5,886,659</u>	<u>5,886,659</u>	<u>-</u>
<u>\$ 3,413,249</u>	<u>\$ 2,227,901</u>	<u>\$ (1,539,548)</u>	<u>\$ 5,352,659</u>	<u>\$ 4,186,041</u>	<u>\$ (1,166,618)</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
VILLAGES OF ZINFANDEL (VOZ) SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Funds
Assets:			
Cash and investments	\$ 398,296	\$ 7,992	\$ 406,288
Receivables:			
Interest	16	-	16
Total assets	\$ 398,312	\$ 7,992	\$ 406,304
Fund balances:			
Restricted	398,312	7,992	406,304
Total fund balances	\$ 398,312	\$ 7,992	\$ 406,304

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, 2019**

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Funds
Revenues:			
Licenses, permits and fees	\$ 16,414	\$ 223	\$ 16,637
Use of money and property	7,091	145	7,236
Total revenues	23,505	368	23,873
Net change in fund balances	23,505	368	23,873
Fund balances, beginning of year	374,807	7,624	382,431
Fund balances, end of year	\$ 398,312	\$ 7,992	\$ 406,304

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, 2019**

	VOZ Traffic Mitigation Impact Fees Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:			
Licenses, permits and fees	\$ 10,700	\$ 16,414	\$ 5,714
Use of money & property	-	7,091	7,091
Total revenues	<u>10,700</u>	<u>23,505</u>	<u>12,805</u>
Net change in fund balance	10,700	23,505	12,805
Fund balance at beginning of the year	<u>374,807</u>	<u>374,807</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ 385,507</u></u>	<u><u>\$ 398,312</u></u>	<u><u>\$ 12,805</u></u>

VOZ Adminsitration Impact Fees Fund			Villages of Zinfandel Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 400	\$ 223	\$ (177)	\$ 11,100	\$ 16,637	\$ 5,537
-	145	145	-	7,236	7,236
<u>400</u>	<u>368</u>	<u>(32)</u>	<u>11,100</u>	<u>23,873</u>	<u>12,773</u>
400	368	(32)	11,100	23,873	12,773
<u>7,624</u>	<u>7,624</u>	<u>-</u>	<u>382,431</u>	<u>382,431</u>	<u>-</u>
<u>\$ 8,024</u>	<u>\$ 7,992</u>	<u>\$ (32)</u>	<u>\$ 393,531</u>	<u>\$ 406,304</u>	<u>\$ 12,773</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
COMMUNITY FACILITIES FEES SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Funds
Assets:			
Cash and investments	\$ 1,946,172	\$ 4,155,824	\$ 6,101,996
Receivables:			
Accounts	90,788	3,425	94,213
Interest	81	170	251
Total assets	\$ 2,037,041	\$ 4,159,419	\$ 6,196,460
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Refundable deposits	\$ 62,151	\$ -	\$ 62,151
Total liabilities	62,151	-	62,151
Deferred Inflows of Resources:			
Unavailable revenues - accounts receivable	90,788	3,425	94,213
Total Deferred Inflows of Resources	90,788	3,425	94,213
Fund balances:			
Restricted	1,884,102	4,155,994	6,040,096
Total fund balances	1,884,102	4,155,994	6,040,096
Total liabilities, deferred inflows of resources and fund balances	\$ 2,037,041	\$ 4,159,419	\$ 6,196,460

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, 2019**

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Funds
Revenues:			
Licenses, permits and fees	\$ 1,128,791	\$ 243,439	\$ 1,372,230
Use of money and property	25,490	73,114	98,604
Total revenues	1,154,281	316,553	1,470,834
Expenditures:			
Current:			
General government	42,330	9,129	51,459
Total expenditures	42,330	9,129	51,459
Excess (deficiency) of revenues over (under) expenditures	1,111,951	307,424	1,419,375
Other financing sources (uses):			
Transfers out	(337,480)	-	(337,480)
Total Other Financing Sources (Uses)	(337,480)	-	(337,480)
Net change in fund balances	774,471	307,424	1,081,895
Fund balances, beginning of year	1,109,631	3,848,570	4,958,201
Fund balances, end of year	\$ 1,884,102	\$ 4,155,994	\$ 6,040,096

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, 2019**

	Community Facilities Fees Community Facilities Impact Fees Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:			
Licenses, permits and fees	\$ 1,037,300	\$ 1,128,791	\$ 91,491
Use of money & property	-	25,490	25,490
Total revenues	<u>1,037,300</u>	<u>1,154,281</u>	<u>116,981</u>
Expenditures:			
Current:			
Public works	60,100	42,330	17,770
Total expenditures	<u>60,100</u>	<u>42,330</u>	<u>17,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>977,200</u>	<u>1,111,951</u>	<u>99,211</u>
Other financing sources (uses)			
Transfers out	(339,900)	(337,480)	2,420
Total other financing sources (uses)	<u>(339,900)</u>	<u>(337,480)</u>	<u>2,420</u>
Net change in fund balance	637,300	774,471	101,631
Fund balance at beginning of the year	<u>1,109,631</u>	<u>1,109,631</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ 1,746,931</u></u>	<u><u>\$ 1,884,102</u></u>	<u><u>\$ 101,631</u></u>

Community Facilities Fees Library Impact Fees Fund			Community Facilities Fees Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 218,600	\$ 243,439	\$ 24,839	\$ 1,255,900	\$ 1,372,230	\$ 116,330
-	73,114	73,114	-	98,604	98,604
<u>218,600</u>	<u>316,553</u>	<u>97,953</u>	<u>1,255,900</u>	<u>1,470,834</u>	<u>214,934</u>
10,000	9,129	871	70,100	51,459	18,641
<u>10,000</u>	<u>9,129</u>	<u>871</u>	<u>70,100</u>	<u>51,459</u>	<u>18,641</u>
<u>208,600</u>	<u>307,424</u>	<u>97,082</u>	<u>1,185,800</u>	<u>1,419,375</u>	<u>196,293</u>
-	-	-	(339,900)	(337,480)	2,420
<u>-</u>	<u>-</u>	<u>-</u>	<u>(339,900)</u>	<u>(337,480)</u>	<u>2,420</u>
208,600	307,424	97,082	845,900	1,081,895	198,713
<u>3,848,570</u>	<u>3,848,570</u>	<u>-</u>	<u>4,958,201</u>	<u>4,958,201</u>	<u>-</u>
<u>\$ 4,057,170</u>	<u>\$ 4,155,994</u>	<u>\$ 97,082</u>	<u>\$ 5,804,101</u>	<u>\$ 6,040,096</u>	<u>\$ 198,713</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
TRANSIT-RELATED SERVICES TAX SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	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 Funds
Assets:				
Cash and investments	\$ 1,055,450	\$ 407,412	\$ 3,306,301	\$ 4,769,163
Receivables:				
Interest	582	411	1,649	2,642
Due from other governments	632	1,498	2,505	4,635
Total assets	<u>\$ 1,056,664</u>	<u>\$ 409,321</u>	<u>\$ 3,310,455</u>	<u>\$ 4,776,440</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 11,859	\$ 15,431	\$ 61,406	\$ 88,696
Total liabilities	<u>11,859</u>	<u>15,431</u>	<u>61,406</u>	<u>88,696</u>
Fund balances:				
Restricted	1,044,805	393,890	3,249,049	4,687,744
Total fund balances	<u>1,044,805</u>	<u>393,890</u>	<u>3,249,049</u>	<u>4,687,744</u>
Total liabilities and fund balances	<u>\$ 1,056,664</u>	<u>\$ 409,321</u>	<u>\$ 3,310,455</u>	<u>\$ 4,776,440</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, 2019**

	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 Funds
Revenues:				
Property taxes and assessments	\$ 187,629	\$ 137,596	\$ 535,999	\$ 861,224
Charges for services	8,000	-	-	8,000
Use of money and property	17,842	6,905	58,394	83,141
Total revenues	213,471	144,501	594,393	952,365
Expenditures:				
Current:				
General governmnet	876	-	-	876
Community development	191	191	191	573
Public works	69,667	98,572	413,931	582,170
Total expenditures	70,734	98,763	414,122	583,619
Net change in fund balances	142,737	45,738	180,271	368,746
Fund balances, beginning of year	902,068	348,152	3,068,778	4,318,998
Fund balances, end of year	\$ 1,044,805	\$ 393,890	\$ 3,249,049	\$ 4,687,744

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, 2019**

	Rancho Cordova Transit Tax Fund			Transit-Related Services Area Zone 1 Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Property taxes and assessments	\$ 170,400	\$ 187,629	\$ 17,229	\$ 141,000	\$ 137,596	\$ (3,404)
Charges for services	-	8,000	8,000	-	-	-
Use of money & property	-	17,842	17,842	-	6,905	6,905
Total revenues	<u>170,400</u>	<u>213,471</u>	<u>43,071</u>	<u>141,000</u>	<u>144,501</u>	<u>3,501</u>
Expenditures:						
Current:						
General Government	-	876	(876)	-	-	-
Community Development	-	191	(191)	-	191	(191)
Public works	157,600	69,667	87,933	179,300	98,572	80,728
Total expenditures	<u>157,600</u>	<u>70,734</u>	<u>86,866</u>	<u>179,300</u>	<u>98,763</u>	<u>80,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,800</u>	<u>142,737</u>	<u>(43,795)</u>	<u>(38,300)</u>	<u>45,738</u>	<u>(77,036)</u>
Net change in fund balance	12,800	142,737	(43,795)	(38,300)	45,738	(77,036)
Fund balance at beginning of the year	<u>902,068</u>	<u>902,068</u>	<u>-</u>	<u>348,152</u>	<u>348,152</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 914,868</u>	<u>\$ 1,044,805</u>	<u>\$ (43,795)</u>	<u>\$ 309,852</u>	<u>\$ 393,890</u>	<u>\$ (77,036)</u>

Transit-Related Services Area Zone 2 Fund			Transit-Related Services Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 517,400	\$ 535,999	\$ 18,599	\$ 828,800	\$ 861,224	\$ 32,424
-	-	-	-	8,000	8,000
-	58,394	58,394	-	83,141	83,141
<u>517,400</u>	<u>594,393</u>	<u>76,993</u>	<u>828,800</u>	<u>952,365</u>	<u>123,565</u>
-	-	-	-	876	(876)
-	191	(191)	-	573	(573)
616,900	413,931	202,969	953,800	582,170	371,630
<u>616,900</u>	<u>414,122</u>	<u>202,778</u>	<u>953,800</u>	<u>582,170</u>	<u>370,181</u>
<u>(99,500)</u>	<u>180,271</u>	<u>(125,785)</u>	<u>(125,000)</u>	<u>368,746</u>	<u>(246,616)</u>
(99,500)	180,271	(125,785)	(125,000)	368,746	(246,616)
3,068,778	3,068,778	-	4,318,998	4,318,998	-
<u>\$ 2,969,278</u>	<u>\$ 3,249,049</u>	<u>\$ (125,785)</u>	<u>\$ 4,193,998</u>	<u>\$ 4,687,744</u>	<u>\$ (246,616)</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
ROAD MAINTENANCE SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	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	\$ 3,837,508	\$ 462,147	\$ 57,172	\$ 4,356,827
Receivables:				
Interest	1,314	265	123	1,702
Due from other governments	2,796	221	168	3,185
Total assets	<u>\$ 3,841,618</u>	<u>\$ 462,633</u>	<u>\$ 57,463</u>	<u>\$ 4,361,714</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 15,243	\$ 570	\$ -	\$ 15,813
Total liabilities	<u>15,243</u>	<u>570</u>	<u>-</u>	<u>15,813</u>
Fund balances:				
Restricted	3,826,375	462,063	57,463	4,345,901
Total fund balances	<u>3,826,375</u>	<u>462,063</u>	<u>57,463</u>	<u>4,345,901</u>
Total liabilities and fund balances	<u>\$ 3,841,618</u>	<u>\$ 462,633</u>	<u>\$ 57,463</u>	<u>\$ 4,361,714</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, 2019**

	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 and assessments	\$ 436,764	\$ 85,558	\$ 41,871	\$ 564,193
Charges for services	-	18,000	-	18,000
Use of money and property	66,411	7,463	696	74,570
Total revenues	503,175	111,021	42,567	656,763
Expenditures:				
Current:				
Community Development	-	-	96	96
Public works	82,964	11,412	8,803	103,179
Total expenditures	82,964	11,412	8,899	103,275
Net change in fund balances	420,211	99,609	33,668	553,488
Fund balances, beginning of year	3,406,164	362,454	23,795	3,792,413
Fund balances, end of year	\$ 3,826,375	\$ 462,063	\$ 57,463	\$ 4,345,901

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, 2019**

	Road Maintenance Assessment District Fund			Road Maintenance CFD 2008-1 Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Property taxes and assessments	\$ 329,000	\$ 436,764	\$ 107,764	\$ 61,400	\$ 85,558	\$ 24,158
Charges for services	-	-	-	15,000	18,000	3,000
Use of money & property	-	66,411	66,411	-	7,463	7,463
Total revenues	<u>329,000</u>	<u>503,175</u>	<u>174,175</u>	<u>76,400</u>	<u>111,021</u>	<u>34,621</u>
Expenditures:						
Current:						
Community development	-	-	-	-	-	-
Public works	96,300	82,964	13,336	71,000	11,412	59,588
Total expenditures	<u>96,300</u>	<u>82,964</u>	<u>13,336</u>	<u>71,000</u>	<u>11,412</u>	<u>59,588</u>
Excess (deficiency) of revenues over (under) expenditures	<u>232,700</u>	<u>420,211</u>	<u>160,839</u>	<u>5,400</u>	<u>99,609</u>	<u>(24,967)</u>
Net change in fund balance	232,700	420,211	160,839	5,400	99,609	(24,967)
Fund balance at beginning of the year	<u>3,406,164</u>	<u>3,406,164</u>	<u>-</u>	<u>362,454</u>	<u>362,454</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 3,638,864</u>	<u>\$ 3,826,375</u>	<u>\$ 160,839</u>	<u>\$ 367,854</u>	<u>\$ 462,063</u>	<u>\$ (24,967)</u>

Road Maintenance CFD 2014-2 Fund			Road Maintenance Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 39,300	\$ 41,871	\$ 2,571	\$ 429,700	\$ 564,193	\$ 134,493
15,000	-	(15,000)	30,000	18,000	(12,000)
-	696	696	-	74,570	74,570
<u>54,300</u>	<u>42,567</u>	<u>(11,733)</u>	<u>459,700</u>	<u>656,763</u>	<u>197,063</u>
-	96	(96)	-	96	(96)
<u>23,000</u>	<u>8,803</u>	<u>14,197</u>	<u>190,300</u>	<u>103,179</u>	<u>87,121</u>
<u>23,000</u>	<u>8,899</u>	<u>14,101</u>	<u>190,300</u>	<u>103,179</u>	<u>87,025</u>
<u>31,300</u>	<u>33,668</u>	<u>(25,834)</u>	<u>269,400</u>	<u>553,488</u>	<u>110,038</u>
31,300	33,668	(25,834)	269,400	553,488	110,038
<u>23,795</u>	<u>23,795</u>	<u>-</u>	<u>3,792,413</u>	<u>3,792,413</u>	<u>-</u>
<u>\$ 55,095</u>	<u>\$ 57,463</u>	<u>\$ (25,834)</u>	<u>\$ 4,061,813</u>	<u>\$ 4,345,901</u>	<u>\$ 110,038</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
LANDSCAPE AND LIGHTING SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Landscape & Lighting District No. 2005-1 Fund	Rancho Cordova Lighting District No. 2012-1 Fund	Landscape & Lighting District No. 2005-2 Fund	Total Landscape & Lighting Special Revenue Funds
Assets:				
Cash and investments	\$ 236,050	\$ 144,543	\$ 254,595	\$ 635,188
Receivables:				
Interest	265	1,027	333	1,625
Due from other governments	119	4,169	1,012	5,300
Total assets	\$ 236,434	\$ 149,739	\$ 255,940	\$ 642,113
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 11,334	\$ 30,328	\$ 8,336	\$ 49,998
Total liabilities	11,334	30,328	8,336	49,998
Fund balances:				
Restricted	225,100	119,411	247,604	592,115
Total fund balances	225,100	119,411	247,604	592,115
Total liabilities and fund balances	\$ 236,434	\$ 149,739	\$ 255,940	\$ 642,113

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, 2019**

	Landscape & Lighting District No. 2005-1 Fund	Rancho Cordova Lighting District No. 2012-1 Fund	Landscape & Lighting District No. 2005-2 Fund	Total Landscape & Lighting Special Revenue Funds
Revenues:				
Property taxes and assessments	\$ 88,762	\$ 358,105	\$ 112,368	\$ 559,235
Use of money and property	4,580	3,546	3,948	12,074
Total revenues	93,342	361,651	116,316	571,309
Expenditures:				
Current:				
Public works	119,461	309,108	53,776	482,345
Debt service:				
Principal	-	126,058	-	126,058
Interest and fiscal charges	-	12,876	-	12,876
Total expenditures	119,461	448,042	53,776	621,279
Net change in fund balances	(26,119)	(86,391)	62,540	(49,970)
Fund balances, beginning of year	251,219	205,802	185,064	642,085
Fund balances, end of year	\$ 225,100	\$ 119,411	\$ 247,604	\$ 592,115

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, 2019**

	Landscape & Lighting District No. 2005-1 Fund			Rancho Cordova Lighting District No. 2012-1 Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Property taxes and assessments	\$ 91,100	\$ 88,762	\$ (2,338)	\$ 359,400	\$ 358,105	\$ (1,295)
Use of money & property	-	4,580	4,580	-	3,546	3,546
Total revenues	<u>91,100</u>	<u>93,342</u>	<u>2,242</u>	<u>359,400</u>	<u>361,651</u>	<u>2,251</u>
Expenditures:						
Current:						
Public works	132,500	119,461	13,039	339,100	309,108	29,992
Debt service:						
Principal	-	-	-	124,850	126,058	(1,208)
Interest and fiscal charges	-	-	-	14,150	12,876	1,274
Total expenditures	<u>132,500</u>	<u>119,461</u>	<u>13,039</u>	<u>478,100</u>	<u>448,042</u>	<u>30,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,400)</u>	<u>(26,119)</u>	<u>(10,797)</u>	<u>(118,700)</u>	<u>(86,391)</u>	<u>(27,807)</u>
Net change in fund balance	<u>(41,400)</u>	<u>(26,119)</u>	<u>(10,797)</u>	<u>(118,700)</u>	<u>(86,391)</u>	<u>(27,807)</u>
Fund balance at beginning of the year	<u>251,219</u>	<u>251,219</u>	<u>-</u>	<u>205,802</u>	<u>205,802</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 209,819</u>	<u>\$ 225,100</u>	<u>\$ (10,797)</u>	<u>\$ 87,102</u>	<u>\$ 119,411</u>	<u>\$ (27,807)</u>

Landscape & Lighting District CFD 2005-2 Fund			Landscape & Lighting Districts Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 70,100	\$ 112,368	\$ 42,268	\$ 520,600	\$ 559,235	\$ 38,635
-	3,948	3,948	-	12,074	12,074
<u>70,100</u>	<u>116,316</u>	<u>46,216</u>	<u>520,600</u>	<u>571,309</u>	<u>50,709</u>
68,500	53,776	14,724	540,100	482,345	57,755
-	-	-	124,850	126,058	(1,208)
-	-	-	14,150	12,876	1,274
<u>68,500</u>	<u>53,776</u>	<u>14,724</u>	<u>679,100</u>	<u>621,279</u>	<u>57,821</u>
1,600	62,540	31,492	(158,500)	(49,970)	(7,112)
1,600	62,540	31,492	(158,500)	(49,970)	(7,112)
185,064	185,064	-	642,085	642,085	-
<u>\$ 186,664</u>	<u>\$ 247,604</u>	<u>\$ 31,492</u>	<u>\$ 483,585</u>	<u>\$ 592,115</u>	<u>\$ (7,112)</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
MEASURE A SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and investments	\$ 1,752	\$ 6,121,766	\$ 1,766,369	\$ 7,889,887
Receivables:				
Interest	-	246	73	319
Total assets	<u>\$ 1,752</u>	<u>\$ 6,122,012</u>	<u>\$ 1,766,442</u>	<u>\$ 7,890,206</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 221,722	\$ 572,861	\$ 794,583
Total liabilities	<u>-</u>	<u>221,722</u>	<u>572,861</u>	<u>794,583</u>
Fund balances:				
Restricted	1,752	5,900,290	1,193,581	7,095,623
Total fund balances	<u>1,752</u>	<u>5,900,290</u>	<u>1,193,581</u>	<u>7,095,623</u>
Total liabilities and fund balances	<u>\$ 1,752</u>	<u>\$ 6,122,012</u>	<u>\$ 1,766,442</u>	<u>\$ 7,890,206</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, 2019**

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
Revenues:				
Intergovernmental	\$ -	\$ 1,976,487	\$ 1,797,731	\$ 3,774,218
Use of money and property	-	100,792	27,108	127,900
Total revenues	-	2,077,279	1,824,839	3,902,118
Expenditures:				
Current:				
Public works	-	882,251	101,183	983,434
Capital outlay	-	-	2,245,221	2,245,221
Total expenditures	-	882,251	2,346,404	3,228,655
Net change in fund balances	-	1,195,028	(521,565)	673,463
Fund balances, beginning of year	1,752	4,705,262	1,715,146	6,422,160
Fund balances, end of year	\$ 1,752	\$ 5,900,290	\$ 1,193,581	\$ 7,095,623

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, 2019**

	Measure A Construction Fund			New Measure A Maintenance Fund		
	Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,842,400	\$ 1,976,487	\$ 134,087
Use of money & property	-	-	-	-	100,792	100,792
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,842,400</u>	<u>2,077,279</u>	<u>234,879</u>
Expenditures:						
Current:						
Public works	-	-	-	1,912,500	882,251	1,030,249
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,912,500</u>	<u>882,251</u>	<u>1,030,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,100)</u>	<u>1,195,028</u>	<u>(795,370)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,100)</u>	<u>1,195,028</u>	<u>(795,370)</u>
Fund balance at beginning of the year	<u>1,752</u>	<u>1,752</u>	<u>-</u>	<u>4,705,262</u>	<u>4,705,262</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 1,752</u>	<u>\$ 1,752</u>	<u>\$ -</u>	<u>\$ 4,635,162</u>	<u>\$ 5,900,290</u>	<u>\$ (795,370)</u>

New Measure A Construction Fund			Measure A Totals		
Budget	Actual Amounts	Variance Positive/ (Negative)	Budget	Actual Amounts	Variance Positive/ (Negative)
\$ 463,000	\$ 1,797,731	\$ 1,334,731	\$ 2,305,400	\$ 3,774,218	\$ 1,468,818
-	27,108	27,108	-	127,900	127,900
<u>463,000</u>	<u>1,824,839</u>	<u>1,361,839</u>	<u>2,305,400</u>	<u>3,902,118</u>	<u>1,596,718</u>
200,000	101,183	98,817	2,112,500	983,434	1,129,066
2,192,000	2,245,221	(53,221)	2,192,000	2,245,221	(53,221)
<u>2,392,000</u>	<u>2,346,404</u>	<u>45,596</u>	<u>4,304,500</u>	<u>3,228,655</u>	<u>1,075,845</u>
<u>(1,929,000)</u>	<u>(521,565)</u>	<u>1,316,243</u>	<u>(1,999,100)</u>	<u>673,463</u>	<u>520,873</u>
(1,929,000)	(521,565)	1,316,243	(1,999,100)	673,463	520,873
<u>1,715,146</u>	<u>1,715,146</u>	<u>-</u>	<u>6,422,160</u>	<u>6,422,160</u>	<u>-</u>
<u>\$ (213,854)</u>	<u>\$ 1,193,581</u>	<u>\$ 1,316,243</u>	<u>\$ 4,423,060</u>	<u>\$ 7,095,623</u>	<u>\$ 520,873</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING BALANCE SHEET
CAPITAL OUTLAY CAPITAL PROJECTS FUNDS
JUNE 30, 2019**

	Capital Facilities	Infrastructure Repair and Replacement	Community Enhancement	Total Capital Outlay Capital Projects Funds
Assets:				
Cash and investments	\$ 5,126,191	\$ 3,312,828	\$ 9,727,424	\$ 18,166,443
Receivables:				
Interest	160	33	353	546
Total assets	\$ 5,126,351	\$ 3,312,861	\$ 9,727,777	\$ 18,166,989
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 16,693	\$ -	\$ 16,693
Total liabilities	-	16,693	-	16,693
Fund balances:				
Assigned	5,126,351	3,296,168	9,727,777	18,150,296
Total fund balances	5,126,351	3,296,168	9,727,777	18,150,296
Total liabilities and fund balances	\$ 5,126,351	\$ 3,312,861	\$ 9,727,777	\$ 18,166,989

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, 2019**

	Capital Facilities	Infrastructure Repair and Replacement	Community Enhancement	Total Capital Outlay Capital Projects Funds
Revenues:				
Use of money and property	\$ 71,446	\$ 16,334	\$ 157,806	\$ 245,586
Total revenues	71,446	16,334	157,806	245,586
Expenditures:				
Current:				
Capital outlay	-	167,241	-	167,241
Total expenditures	-	167,241	-	167,241
Excess (deficiency) of revenues over (under) expenditures	71,446	(150,907)	157,806	78,345
Other financing sources (uses):				
Transfers in	1,200,000	2,500,000	1,055,309	4,755,309
Net change in fund balances	1,271,446	2,349,093	1,213,115	4,833,654
Fund balances, beginning of year	3,854,905	947,075	8,514,662	13,316,642
Fund balances, end of year	\$ 5,126,351	\$ 3,296,168	\$ 9,727,777	\$ 18,150,296

CITY OF RANCHO CORDOVA

**SUBCOMBINING STATEMENT OF NET POSITION
KILGORE CEMETERY PROPRIETARY FUND
JUNE 30, 2019**

	<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	\$ -	\$ 26,523	\$ 26,523
Total current assets	<u>-</u>	<u>26,523</u>	<u>26,523</u>
Noncurrent assets:			
Capital assets			
Nondepreciable	225,000	-	225,000
Depreciable	1,143,532	-	1,143,532
Total noncurrent assets	<u>1,368,532</u>	<u>-</u>	<u>1,368,532</u>
Total assets	<u>1,368,532</u>	<u>26,523</u>	<u>1,395,055</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,092	-	1,092
Total current liabilities	<u>1,092</u>	<u>-</u>	<u>1,092</u>
Total liabilities	<u>1,092</u>	<u>-</u>	<u>1,092</u>
Net position:			
Net investment in capital assets	1,368,532	-	1,368,532
Restricted for endowments	-	26,523	26,523
Unrestricted	(1,092)	-	(1,092)
Total net position	<u>\$ 1,367,440</u>	<u>\$ 26,523</u>	<u>\$ 1,393,963</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
KILGORE CEMETERY PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Kilgore Cemetery Fund	Kilgore Cemetery Endowment Care Fund	Total Kilgore Cemetery Fund
Operating revenues:			
Service charges	\$ 24,274	\$ -	\$ 24,274
Other	-	3,500	3,500
Total operating revenues	<u>24,274</u>	<u>3,500</u>	<u>27,774</u>
Operating expenses:			
Administration	38,508	-	38,508
Depreciation	38,575	-	38,575
Total operating expenses	<u>77,083</u>	<u>-</u>	<u>77,083</u>
Operating income	<u>(52,809)</u>	<u>3,500</u>	<u>(49,309)</u>
Nonoperating revenues (expenses):			
Interest income	-	450	450
Total nonoperating revenues (expenses)	<u>-</u>	<u>450</u>	<u>450</u>
Income before transfers and capital contributions	<u>(52,809)</u>	<u>3,950</u>	<u>(48,859)</u>
Other financing sources (uses):			
Transfers in	15,352	-	15,352
Total other financing sources (uses)	<u>15,352</u>	<u>-</u>	<u>15,352</u>
Changes in net position	<u>(37,457)</u>	<u>3,950</u>	<u>(33,507)</u>
Net position at beginning of year	<u>1,404,897</u>	<u>22,573</u>	<u>1,427,470</u>
Net position at end of year	<u>\$ 1,367,440</u>	<u>\$ 26,523</u>	<u>\$ 1,393,963</u>

CITY OF RANCHO CORDOVA

**SUBCOMBINING STATEMENT OF NET POSITION
STORM DRAIN PROPRIETARY FUND
JUNE 30, 2019**

	<u>Storm Drain I Fund</u>	<u>Storm Drain II Fund</u>	<u>Total Storm Drain Fund</u>
Assets:			
Current assets:			
Cash and investments	\$ 13,419,655	\$ 221,658	\$ 13,641,313
Receivables:			
Interest	3,692	9	3,701
Due from other governments	293,378	8,058	301,436
Total current assets	<u>13,716,725</u>	<u>229,725</u>	<u>13,946,450</u>
Noncurrent assets:			
Capital assets			
Nondepreciable	1,359,817	-	1,359,817
Depreciable	137,717,000	1,490,914	139,207,914
Total noncurrent assets	<u>139,076,817</u>	<u>1,490,914</u>	<u>140,567,731</u>
Total assets	<u>152,793,542</u>	<u>1,720,639</u>	<u>154,514,181</u>
Liabilities:			
Current liabilities:			
Accounts payable	258,616	-	258,616
Total current liabilities	<u>258,616</u>	<u>-</u>	<u>258,616</u>
Total liabilities	<u>258,616</u>	<u>-</u>	<u>258,616</u>
Net position:			
Net investment in capital assets	139,076,817	1,490,914	140,567,731
Unrestricted	13,458,109	229,725	13,687,834
Total net position	<u>\$ 152,534,926</u>	<u>\$ 1,720,639</u>	<u>\$ 154,255,565</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, 2019**

	Storm Drain I Fund	Storm Drain II Fund	Total Storm Drain Fund
Operating revenues:			
Service charges	\$ 3,130,858	\$ 99,657	\$ 3,230,515
Other	4,954	25,000	29,954
Total operating revenues	<u>3,135,812</u>	<u>124,657</u>	<u>3,260,469</u>
Operating expenses:			
Administration	2,053,627	13,058	2,066,685
Depreciation	6,460,752	41,140	6,501,892
Total operating expenses	<u>8,514,379</u>	<u>54,198</u>	<u>8,568,577</u>
Operating income	<u>(5,378,567)</u>	<u>70,459</u>	<u>(5,308,108)</u>
Nonoperating revenues (expenses):			
Property taxes	889,312	-	889,312
Other taxes	7,685	-	7,685
Interest income	231,104	2,929	234,033
Total nonoperating revenues (expenses)	<u>1,128,101</u>	<u>2,929</u>	<u>1,131,030</u>
Income before transfers and capital contributions	<u>(4,250,466)</u>	<u>73,388</u>	<u>(4,177,078)</u>
Other financing sources (uses):			
Capital Contributions	1,814,559	-	1,814,559
Total other financing sources (uses)	1,814,559	-	1,814,559
Changes in net position	<u>(2,435,907)</u>	<u>73,388</u>	<u>(2,362,519)</u>
Net position at beginning of year	<u>154,970,833</u>	<u>1,647,251</u>	<u>156,618,084</u>
Net position at end of year	<u>\$ 152,534,926</u>	<u>\$ 1,720,639</u>	<u>\$ 154,255,565</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, 2019**

	<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	\$ 462,399	\$ 440,925	\$ 3,061,012	\$ 243,183	\$ 4,207,519
Receivables:					
Interest	8	18	-	-	26
Prepaid items and other assets	-	-	5,985	2,477	8,462
Total current assets	<u>462,407</u>	<u>440,943</u>	<u>3,066,997</u>	<u>245,660</u>	<u>4,216,007</u>
Noncurrent assets:					
Capital assets, not being depreciated	-	-	653,699	-	653,699
Capital assets, depreciable	-	-	161,441	23,109	184,550
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>815,140</u>	<u>23,109</u>	<u>838,249</u>
Total assets	<u>462,407</u>	<u>440,943</u>	<u>3,882,137</u>	<u>268,769</u>	<u>5,054,256</u>
Liabilities:					
Current liabilities:					
Accounts payable	2,937	-	116,922	106,701	226,560
Accrued payroll liabilities	-	-	14,867	27,678	42,545
Total current liabilities	<u>2,937</u>	<u>-</u>	<u>131,789</u>	<u>134,379</u>	<u>269,105</u>
Total liabilities	<u>2,937</u>	<u>-</u>	<u>131,789</u>	<u>134,379</u>	<u>269,105</u>
Net position:					
Net investment in capital assets	-	-	815,140	23,109	838,249
Unrestricted	459,470	440,943	2,935,208	111,281	3,946,902
Total net position	<u>\$ 459,470</u>	<u>\$ 440,943</u>	<u>\$ 3,750,348</u>	<u>\$ 134,390</u>	<u>\$ 4,785,151</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, 2019**

	Insurance	Vehicle & Equipment Replacement	Information Technology	Facilities Replacement	Total
Operating revenues:					
Other	\$ 30,239	\$ -	\$ -	\$ -	\$ 30,239
Total operating revenues	30,239	-	-	-	30,239
Operating expenses:					
Administration	262,486	-	1,178,495	1,663,925	3,104,906
Depreciation	-	-	104,627	11,554	116,181
Total operating expenses	262,486	-	1,283,122	1,675,479	3,221,087
Operating income (loss)	(232,247)	-	(1,283,122)	(1,675,479)	(3,190,848)
Nonoperating revenues (expenses):					
Investment income	3,483	8,023	4,908	1,620	18,034
Total nonoperating revenues (expenses)	3,483	8,023	4,908	1,620	18,034
Income (loss) before transfers	(228,764)	8,023	(1,278,214)	(1,673,859)	(3,172,814)
Transfers:					
Transfers in	268,600	-	3,836,500	1,364,500	5,469,600
Total transfers	268,600	-	3,836,500	1,364,500	5,469,600
Change in net position	39,836	8,023	2,558,286	(309,359)	2,296,786
Net position at beginning of Year	419,634	432,920	1,192,062	443,749	2,488,365
Net position at end of year	\$ 459,470	\$ 440,943	\$ 3,750,348	\$ 134,390	\$ 4,785,151

CITY OF RANCHO CORDOVA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Insurance	Vehicle & Equipment Replacement	Information Technology	Facilities Replacement	Total
Cash flows from operating activities:					
Payments from user departments	\$ -	\$ -	\$ -	\$ (36,002)	\$ (36,002)
Reimbursements from suppliers	30,239	-	-	-	30,239
Cash payments to suppliers	<u>(264,045)</u>	<u>-</u>	<u>(1,092,366)</u>	<u>(1,665,661)</u>	<u>(3,022,072)</u>
Net cash provided by (used for) operating activities	<u>(233,806)</u>	<u>-</u>	<u>(1,092,366)</u>	<u>(1,701,663)</u>	<u>(3,027,835)</u>
Cash flows from non-capital financing activities:					
Cash transfers in	<u>268,600</u>	<u>-</u>	<u>3,836,500</u>	<u>1,364,500</u>	<u>5,469,600</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>(622,727)</u>	<u>(34,663)</u>	<u>(657,390)</u>
Cash flows from investing activities:					
Interest received	<u>3,491</u>	<u>8,019</u>	<u>4,916</u>	<u>1,620</u>	<u>18,046</u>
Net increase (decreased) in cash and cash equivalents	38,285	8,019	2,126,323	(370,206)	1,802,421
Cash and Cash Equivalents at Beginning of Year	424,114	432,906	934,689	613,389	2,405,098
Cash and Cash Equivalents at End of Year	<u>\$ 462,399</u>	<u>\$ 440,925</u>	<u>\$ 3,061,012</u>	<u>\$ 243,183</u>	<u>\$ 4,207,519</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (232,247)	\$ -	\$ (1,283,122)	\$ (1,675,479)	\$ (3,190,848)
Adjustments to reconcile operating income (loss) net cash provided by (used for) operating activities:					
Depreciation	-	-	104,627	11,554	116,181
(Increase) decrease in prepaid expenses	-	-	2,302	(1,994)	308
(Increase) decrease in accounts receivable	-	-	-	1,000	1,000
Increase (decrease) in accounts payable	(1,559)	-	83,837	(3,765)	78,513
Increase (decrease) in accrued liabilities	-	-	(10)	4,023	4,013
Increase (decrease) in unearned revenues	-	-	-	(37,002)	(37,002)
Total adjustments	<u>(1,559)</u>	<u>-</u>	<u>190,756</u>	<u>(26,184)</u>	<u>163,013</u>
Net cash provided by (used for) operating activities	<u>\$ (233,806)</u>	<u>\$ -</u>	<u>\$ (1,092,366)</u>	<u>\$ (1,701,663)</u>	<u>\$ (3,027,835)</u>

AGENCY FUNDS

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

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

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

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

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, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Sunridge Anatolia CFD 2003-1</u>				
Assets				
Cash and investments	\$ 4,816,561	\$ 4,956,664	\$ 4,816,561	\$ 4,956,664
Restricted cash and investments	7,570,015	6,405,403	7,570,015	6,405,403
Due from other governmental agencies	27,214	24,404	27,214	24,404
Interest receivable	164	13,083	164	13,083
Total Assets	\$ 12,413,954	\$ 11,399,554	\$ 12,413,954	\$ 11,399,554
Liabilities				
Accounts payable	\$ -	\$ 4,170	\$ -	\$ 4,170
Due to assessment district bondholders	12,413,954	11,395,384	12,413,954	11,395,384
Total Liabilities	\$ 12,413,954	\$ 11,399,554	\$ 12,413,954	\$ 11,399,554
<u>Sunridge Park CFD 2004-1</u>				
Assets				
Cash and investments	\$ 4,377,276	\$ 4,994,057	\$ 4,377,276	\$ 4,994,057
Restricted cash and investments	876,268	887,869	876,268	887,869
Due from other governmental agencies	8,250	2,264	8,250	2,264
Interest receivable	149	4,406	149	4,406
Total Assets	\$ 5,261,943	\$ 5,888,596	\$ 5,261,943	\$ 5,888,596
Liabilities				
Accounts payable	\$ -	\$ 5,211	\$ -	\$ 5,211
Due to assessment district bondholders	5,261,943	5,883,385	5,261,943	5,883,385
Total Liabilities	\$ 5,261,943	\$ 5,883,385	\$ 5,261,943	\$ 5,888,596
<u>Sunridge North Douglas CFD 2005-1</u>				
Assets				
Cash and investments	\$ 1,781,173	\$ 109,582	\$ 1,781,173	\$ 109,582
Restricted cash and investments	3,817,036	3,353,174	3,817,036	3,353,174
Due from other governmental agencies	1,833	8,454	1,833	8,454
Interest receivable	61	3,495	61	3,495
Total Assets	\$ 5,600,103	\$ 3,474,705	\$ 5,600,103	\$ 3,474,705
Liabilities				
Accounts payable	\$ -	\$ 1,550	\$ -	\$ 1,550
Deposits payable	-	-	-	-
Due to assessment district bondholders	5,600,103	3,473,155	5,600,103	3,473,155
Total Liabilities	\$ 5,600,103	\$ 3,474,705	\$ 5,600,103	\$ 3,474,705

CITY OF RANCHO CORDOVA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Sunrise Douglas Park Fund</u>				
Assets				
Cash and investments	\$ 1,449,913	\$ 3,528,435	\$ 1,449,913	\$ 3,528,435
Accounts receivable	-	263,922	-	263,922
Interest receivable	50	145	50	145
Total Assets	\$ 1,449,963	\$ 3,792,502	\$ 1,449,963	\$ 3,792,502
Liabilities				
Accounts payable	\$ 30,867	\$ 48,554	\$ 30,867	\$ 48,554
Deposits payable	-	183,342	-	183,342
Unearned revenues	-	263,922	-	263,922
Due to other agencies	1,419,096	3,560,606	1,419,096	3,296,684
Total Liabilities	\$ 1,449,963	\$ 4,056,424	\$ 1,449,963	\$ 3,792,502
<u>Capital Village Park Development</u>				
Assets				
Cash and investments	\$ 1,724,597	\$ 1,756,548	\$ 1,724,597	\$ 1,756,548
Interest receivable	60	72	60	72
Total Assets	\$ 1,724,657	\$ 1,756,620	\$ 1,724,657	\$ 1,756,620
Liabilities				
Due to other agencies	\$ 1,724,657	\$ 1,756,620	\$ 1,724,657	\$ 1,756,620
<u>Total Agency Funds</u>				
Assets				
Cash and investments	\$ 14,149,520	\$ 15,345,286	\$ 14,149,520	\$ 15,345,286
Restricted cash and investments	12,263,319	10,646,446	12,263,319	10,646,446
Accounts receivable	-	263,922	-	263,922
Interest receivable	484	21,201	484	21,201
Due from other governmental agencies	37,297	35,122	37,297	35,122
Total Assets	\$ 26,450,620	\$ 26,311,977	\$ 26,450,620	\$ 26,311,977
Liabilities				
Accounts payable	\$ 30,867	\$ 59,485	\$ 30,867	\$ 59,485
Deposits payable	-	183,342	-	183,342
Unearned revenues	-	263,922	-	263,922
Due to assessment district bondholders	23,276,000	20,751,924	23,276,000	20,751,924
Due to other agencies	3,143,753	5,317,226	3,143,753	5,053,304
Total Liabilities	\$ 26,450,620	\$ 26,575,899	\$ 26,450,620	\$ 26,311,977

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**CITY OF RANCHO CORDOVA
STATISTICAL SECTION
JUNE 30, 2019**

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

CITY OF RANCHO CORDOVA, CALIFORNIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(FISCAL YEAR ENDED JUNE 30)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities				
In capital assets	\$ 272,812,541	\$ 284,145,506	\$ 291,926,279	\$ 320,087,426
Restricted	59,207,574	56,953,066	62,607,924	64,124,648
Unrestricted	<u>28,260,267</u>	<u>29,934,891</u>	<u>24,692,937</u>	<u>28,612,663</u>
Total governmental activities net position	<u>360,280,382</u>	<u>371,033,463</u>	<u>379,227,140</u>	<u>412,824,737</u>
Business-type activities				
In capital assets	1,477,013	1,502,122	1,472,178	1,442,253
Restricted	-	-	-	-
Unrestricted	<u>(1,471,042)</u>	<u>(1,570,040)</u>	<u>(1,592,398)</u>	<u>(1,622,508)</u>
Total business-type activities net position	<u>5,971</u>	<u>(67,918)</u>	<u>(120,220)</u>	<u>(180,255)</u>
Primary government				
In capital assets	274,289,554	285,647,628	293,398,457	321,529,679
Restricted	59,207,574	56,953,066	62,607,924	64,124,648
Unrestricted	<u>26,789,225</u>	<u>28,364,851</u>	<u>23,100,539</u>	<u>26,990,155</u>
Total primary government net position	<u>\$ 360,286,353</u>	<u>\$ 370,965,545</u>	<u>\$ 379,106,920</u>	<u>\$ 412,644,482</u>

Source: Annual financial reports

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 313,935,860	\$ 163,293,796	\$ 167,038,901	\$ 178,823,342	\$ 182,642,124	\$ 186,452,046
65,172,962	67,232,596	75,522,853	82,302,253	87,030,622	98,469,319
<u>29,430,909</u>	<u>32,724,621</u>	<u>41,031,135</u>	<u>39,760,351</u>	<u>45,016,556</u>	<u>51,190,260</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>	<u>336,111,625</u>
1,412,328	161,907,927	156,774,648	151,897,226	146,200,018	141,936,263
-	-	-	-	-	26,523
<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>13,686,742</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>	<u>155,649,528</u>
315,348,188	325,201,723	323,813,549	330,720,568	328,842,142	328,388,309
65,172,962	67,232,596	75,522,853	82,302,253	87,030,622	98,495,842
<u>27,975,139</u>	<u>37,501,697</u>	<u>50,205,815</u>	<u>50,231,243</u>	<u>56,862,092</u>	<u>64,877,002</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>	<u>\$ 491,761,153</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
General government	\$ 23,975,190	\$ 31,391,098	\$ 26,389,142	\$ 27,907,919
Community Development	6,139,788	5,948,790	7,627,192	5,452,232
Public Safety	15,288,923	15,310,983	15,878,548	16,476,763
Public Works	5,781,813	4,955,151	9,911,194	8,276,583
Interest on long term debt	1,384,583	1,584,644	1,221,777	1,107,696
Total governmental activities expenses	<u>52,570,297</u>	<u>59,190,666</u>	<u>61,027,853</u>	<u>59,221,193</u>
Business-type activities:				
Cemetery	89,905	80,919	63,809	69,629
Storm Drain	-	-	-	-
Total business-type activities expenses	<u>89,905</u>	<u>80,919</u>	<u>63,809</u>	<u>69,629</u>
Total primary government expenses	<u>52,660,202</u>	<u>59,271,585</u>	<u>61,091,662</u>	<u>59,290,822</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	723,545	981,611	1,045,377	642,864
Community Development	2,800,846	3,137,047	2,607,312	3,149,670
Public Safety	2,054,171	2,166,447	2,107,741	2,268,689
Public Works	3,590,042	3,568,562	3,787,812	3,722,318
Operating grants and contributions	8,816,551	5,543,162	8,924,056	8,306,015
Capital grants and contributions	11,145,048	21,104,022	17,600,808	40,963,959
Total governmental activities program revenues	<u>29,130,203</u>	<u>36,500,851</u>	<u>36,073,106</u>	<u>59,053,515</u>
Business-type activities:				
Charges for services	8,000	6,850	11,400	9,500
Cemetery				
Storm Drain				
Capital grants and contributions	-	-	-	-
Cemetery				
Storm Drain	-	-	-	-
Total business-type activities program revenues	<u>8,000</u>	<u>6,850</u>	<u>11,400</u>	<u>9,500</u>
Total primary government program revenues	<u>29,138,203</u>	<u>36,507,701</u>	<u>36,084,506</u>	<u>59,063,015</u>
Net (expense)/revenue				
Governmental activities	(23,440,094)	(22,689,815)	(24,954,747)	(167,678)
Business-type activities	(81,905)	(74,069)	(52,409)	(60,129)
Total primary government net (expense)/revenue	<u>\$ (23,521,999)</u>	<u>\$ (22,763,884)</u>	<u>\$ (25,007,156)</u>	<u>\$ (227,807)</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

2014	2015	2016	2017	2018	2019
\$ 30,105,912	\$ 25,499,679	\$ 24,829,364	\$ 27,207,208	\$ 31,398,023	\$ 36,859,529
6,200,258	8,195,273	7,212,179	7,952,283	5,909,415	7,151,794
17,187,388	17,369,893	19,359,149	20,023,498	19,646,587	22,242,512
11,280,959	8,779,342	6,998,987	10,348,139	8,828,709	7,162,089
<u>1,063,097</u>	<u>1,018,838</u>	<u>986,125</u>	<u>1,173,318</u>	<u>988,528</u>	<u>578,448</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>	<u>73,994,372</u>
180,274	71,369	60,138	77,557	70,260	77,083
-	9,209,502	8,332,800	9,568,035	8,444,537	8,568,577
<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>8,645,660</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>	<u>82,640,032</u>
1,033,345	2,332,412	2,001,068	2,836,223	1,308,874	1,449,567
2,917,407	2,894,914	3,503,993	3,623,019	3,042,634	3,629,296
2,626,799	2,437,829	2,894,664	3,093,955	3,226,878	3,497,364
4,037,491	4,331,040	5,303,775	6,807,073	6,715,951	13,728,418
6,484,293	4,883,127	5,625,882	5,100,799	4,803,504	3,232,208
<u>8,525,538</u>	<u>8,897,303</u>	<u>14,671,133</u>	<u>18,063,239</u>	<u>9,951,344</u>	<u>12,510,892</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>	<u>38,047,745</u>
4,700	69,519	94,613	12,650	4,049	27,774
-	4,053,796	4,869,609	3,079,392	3,142,223	3,260,469
-	-	-	-	-	-
<u>-</u>	<u>10,192,180</u>	<u>1,250,500</u>	<u>1,639,216</u>	<u>17,919</u>	<u>1,814,559</u>
<u>4,700</u>	<u>14,315,495</u>	<u>6,214,722</u>	<u>4,731,258</u>	<u>3,164,191</u>	<u>5,102,802</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>	<u>43,150,547</u>
(40,212,741)	(35,086,400)	(25,385,289)	(27,180,138)	(37,722,077)	(35,946,627)
<u>(175,574)</u>	<u>5,034,624</u>	<u>(2,178,216)</u>	<u>(4,914,334)</u>	<u>(5,350,606)</u>	<u>(3,542,858)</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>	<u>\$ (39,489,485)</u>

CITY OF RANCHO CORDOVA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(FISCAL YEAR ENDED JUNE 30)
(ACCRUAL BASIS OF ACCOUNTING)

	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 9,970,988	\$ 8,271,587	\$ 7,250,433	\$ 7,712,950
Sales and use	8,824,813	11,167,725	11,354,606	12,060,818
Transient occupancy	1,821,607	2,514,865	2,625,755	2,636,893
Utility users	2,177,275	2,712,564	3,380,600	3,411,126
Other	285,702	1,908,640	1,907,975	2,295,517
Franchise fees	1,359,669	-	-	-
Property taxes in lieu of vehicle license fees	4,881,275	4,823,953	5,012,950	4,793,814
Use of money and property	1,958,977	1,789,392	1,122,769	959,979
Other	-	-	-	-
Transfers and miscellaneous	828,474	254,170	227,747	658,883
Extraordinary item	-	-	265,589	(144,949)
Total governmental activities	<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	147	180	107	94
Transfers and miscellaneous	-	-	-	-
Total business-type activities	<u>147</u>	<u>180</u>	<u>107</u>	<u>94</u>
Total primary government	<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	8,668,686	10,753,081	8,193,677	34,217,353
Business-type activities	(81,758)	(73,889)	(52,302)	(60,035)
Total primary government	<u>\$ 8,586,928</u>	<u>\$ 10,679,192</u>	<u>\$ 8,141,375</u>	<u>\$ 34,157,318</u>

Source: Annual financial reports

	2014	2015	2016	2017	2018	2019
\$	8,083,269	\$ 8,679,924	\$ 9,204,706	\$ 9,520,811	\$ 10,334,571	\$ 11,098,371
	12,797,765	15,280,124	20,599,228	21,704,677	23,531,768	24,875,795
	2,859,013	3,160,028	3,441,447	3,866,250	3,984,489	4,315,525
	3,439,608	3,718,885	3,698,001	3,678,209	3,835,713	3,450,030
	2,695,318	2,223,960	2,547,703	2,884,395	2,811,340	2,785,603
	-	-	-	-	-	-
	4,864,721	5,109,178	5,307,107	5,663,688	6,071,638	6,516,026
	1,098,942	901,102	1,050,502	1,840,891	1,304,633	4,161,751
	-	-	1,287,025	176,113	1,398,851	174,516
	89,099	(161,237,086)	(1,408,554)	(136,529)	(34,335)	(15,352)
	-	-	-	-	-	-
	<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>	<u>57,362,265</u>
	-	-	-	764,688	860,419	889,312
	-	-	-	500,189	-	-
	-	-	-	8,402	8,110	7,685
	107	14,598	33,987	94,865	125,178	234,483
	<u>312,280</u>	<u>161,679,223</u>	<u>1,408,554</u>	<u>136,529</u>	<u>34,335</u>	<u>15,352</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>1,146,832</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>	<u>58,509,097</u>
	-	-	-	(4,725,310)	-	-
	(4,285,006)	(157,250,285)	20,341,876	17,293,057	15,516,591	21,415,638
	136,813	166,728,445	(735,675)	(3,409,661)	(4,322,564)	(2,396,026)
\$	<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>	<u>\$ 19,019,612</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Reserved	\$ 4,480,074			
Unreserved, designated for economic uncertainty	9,419,717			
Unreserved, designated for unrealized gains	629,322			
Unreserved, reported in the General Fund	<u>12,108,482</u>			
Nonspendable		\$ 8,811,161	\$ 12,178,697	\$ 9,333,571
Unassigned		<u>16,963,918</u>	<u>14,070,687</u>	<u>17,549,125</u>
Total General Fund	<u>\$ 26,637,595</u>	<u>\$ 25,775,079</u>	<u>\$ 26,249,384</u>	<u>\$ 26,882,696</u>
All Other Governmental Funds				
Reserved	\$ 3,721,515			
Unreserved, designated for projects	1,615,007			
Unreserved, reported in:				
Special Revenue Funds	52,130,207			
Capital Projects Funds	<u>1,719,350</u>			
Nonspendable		\$ 405,963	\$ -	\$ -
Restricted		56,972,277	61,928,667	63,518,924
Committed		3,209,102	-	-
Unassigned	<u>-</u>	<u>(2,047,218)</u>	<u>(5,555,704)</u>	<u>(3,456,204)</u>
Total All Other Governmental Funds	<u>\$ 59,186,079</u>	<u>\$ 58,540,124</u>	<u>\$ 56,372,963</u>	<u>\$ 60,062,720</u>

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

Source: Annual financial reports

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 9,616,390	\$ 12,196,147	\$ 10,093,480	\$ 4,534,540	\$ 847,074	\$ 37,571
<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>31,285,547</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>	<u>\$ 31,323,118</u>
\$ -	\$ 3,450	\$ 316,581	\$ -	\$ 5,780	\$ -
69,737,246	73,387,979	88,067,253	93,330,727	100,737,104	94,937,738
-	-	-	-	-	-
-	-	-	-	-	18,150,296
<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>-</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>	<u>\$ 113,088,034</u>

CITY OF RANCHO CORDOVA, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(FISCAL YEAR ENDED JUNE 30)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues				
Taxes and assessments	\$ 30,133,667	\$ 31,763,342	\$ 34,165,037	\$ 35,506,292
Charges for services	3,078,720	3,918,943	3,533,612	3,042,033
Licenses, fees and permits	9,719,697	8,392,039	9,894,338	12,028,868
Fines and forfeitures	1,135,908	1,236,844	1,083,794	1,336,428
Intergovernmental	14,183,280	14,169,350	15,148,811	13,145,345
Use of money and property	1,927,424	1,750,334	1,015,217	986,863
Miscellaneous	<u>575,108</u>	<u>477,040</u>	<u>338,618</u>	<u>315,467</u>
Total revenues	<u>60,753,804</u>	<u>61,707,892</u>	<u>65,179,427</u>	<u>66,361,296</u>
Expenditures				
General government	13,780,896	14,868,621	14,855,261	15,156,251
Community Development	6,135,973	5,948,790	6,469,795	5,452,232
Public Safety	15,288,923	15,310,983	15,795,913	16,354,005
Public Works	3,970,479	4,938,302	6,466,683	7,628,907
Estimated reduction in fair value of land held for resale	-	-	1,157,397	-
Capital outlay	17,962,305	20,406,701	18,901,174	13,418,857
Debt service:				
Principal retirement	725,000	765,000	815,025	850,445
Interest and fiscal charges	1,354,950	1,555,863	1,193,725	1,107,653
Bond issuance costs	-	-	-	-
Total expenditures	<u>59,218,526</u>	<u>63,794,260</u>	<u>65,654,973</u>	<u>59,968,350</u>
Excess of revenues over (under) expenditures	<u>1,535,278</u>	<u>(2,086,368)</u>	<u>(475,546)</u>	<u>6,392,946</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	24,838,370	26,720,749	17,732,940	18,071,384
Transfers out	<u>(25,066,927)</u>	<u>(26,198,217)</u>	<u>(19,215,839)</u>	<u>(19,996,312)</u>
Total other financing sources (uses)	<u>(228,557)</u>	<u>577,897</u>	<u>(1,482,899)</u>	<u>(1,924,928)</u>
Net change in fund balances before extraordinary/special item	-	-	(1,958,445)	4,468,018
Extraordinary/Special Item	<u>-</u>	<u>-</u>	<u>265,589</u>	<u>(144,949)</u>
Net Change in Fund Balance	<u>\$ 1,306,721</u>	<u>\$ (1,508,471)</u>	<u>\$ (1,692,856)</u>	<u>\$ 4,323,069</u>
Debt services as a percentage of non-capital expenditures	5.1%	4.9%	4.1%	4.2%

Source: Annual financial reports

2014	2015	2016	2017	2018	2019
\$ 34,620,251	\$ 38,747,079	\$ 45,096,673	\$ 42,132,259	\$ 51,508,790	\$ 54,313,271
3,242,051	3,418,386	3,808,524	3,748,510	4,016,334	4,645,959
10,419,315	9,971,584	15,678,918	17,397,470	11,675,925	16,156,321
1,424,763	1,191,306	1,557,425	1,708,969	1,622,258	1,779,479
9,913,819	10,478,647	8,872,748	16,901,869	10,664,610	12,310,458
1,104,518	870,009	1,025,083	1,788,440	1,554,313	3,638,720
517,541	212,924	986,669	1,218,048	1,269,407	609,251
<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>	<u>93,453,459</u>
15,278,010	15,558,096	16,166,976	18,552,273	18,561,743	20,954,791
5,923,004	8,203,054	7,207,451	7,952,283	5,909,415	7,151,794
17,093,766	17,753,700	19,358,495	20,023,498	20,376,939	22,242,512
9,527,340	9,212,399	6,183,492	6,986,548	7,145,516	7,162,089
-	-	-	-	-	-
6,491,784	9,171,682	8,559,341	18,175,004	15,873,229	14,636,896
896,017	941,621	1,413,271	123,568	804,808	821,058
1,063,960	1,020,631	1,011,649	974,695	671,504	650,226
-	-	-	-	-	-
<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>73,619,366</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>	<u>19,834,093</u>
-	-	-	-	-	-
428,011	1,250,326	-	-	-	-
-	-	-	16,395,000	-	-
-	-	-	1,212,175	-	-
-	-	-	(19,743,565)	-	-
9,827,272	4,702,549	8,546,556	3,147,485	6,448,198	6,710,557
(6,913,113)	(9,213,271)	(9,955,110)	(3,172,555)	(10,071,723)	(12,195,509)
<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>	<u>(5,484,952)</u>
8,310,547	(231,644)	15,716,811	9,946,236	9,344,958	14,349,141
-	-	-	(4,725,310)	-	-
<u>\$ 8,310,547</u>	<u>\$ (231,644)</u>	<u>\$ 15,716,811</u>	<u>\$ 5,220,926</u>	<u>\$ 9,344,958</u>	<u>\$ 14,349,141</u>
3.9%	3.7%	4.7%	2.0%	2.7%	2.4%

CITY OF RANCHO CORDOVA, CALIFORNIA
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>
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
2018/19	19,137,726	24,875,795	2,058,391	3,450,030
TOTAL	\$ 140,983,855	\$ 162,197,319	\$ 18,109,082	\$ 33,502,011

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

Source: Annual financial reports

Transient Occup. Tax	Property Transfer Tax	Other	Total
\$ 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
4,315,525	425,702	2,108,493	56,371,662
\$ 31,225,872	\$ 3,082,513	\$ 15,002,205	\$ 404,102,857

CITY OF RANCHO CORDOVA, CALIFORNIA
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⁾
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%
2018/19	8,182,581,672	182,199	476,047,331	68,854,025	8,589,957,177	8,658,811,202	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, CALIFORNIA
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
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%
2018/19	1.0000%	0.0000%	0.0000%	0.0131%	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%	0.0985%	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%
0.0000%	0.0555%	0.1451%	0.1093%	1.3230%

**CITY OF RANCHO CORDOVA, CALIFORNIA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO
(FISCAL YEAR ENDED JUNE 30)**

Taxpayer	Land Use	2018/19 Assessed Valuation	Percentage of Total Assessed Valuation *	2009/10 Assessed Valuation	Pct of Total Assessed Valuation
Franklin Resources Inc	Office Building	\$ 81,399,562	1 0.99%	60,164,632	5 1.00%
Karlin Capital Center LLC	Office Building	66,234,388	2 0.81%		
Raintree Reality II LLC	Office Building	62,587,039	3 0.76%		
Rreef America REIT II Corporation	Office Building	58,400,000	4 0.71%		
Ethan Conrad	Office Building	58,086,060	5 0.71%		
D. Bruce/Darlyne Fite Family Rev. Tr	Office Building	56,191,089	6 0.69%		
Chesapeake Apts Holdings LLC	Apartments	44,952,425	7 0.55%		
VSP Holding Company	Office Building	44,327,501	8 0.54%		
CEGM Rancho Cordova LLC	Office Building	40,519,500	9 0.50%		
Laurelhurst Drive Fee Owner LLC	Apartments	38,250,000	10 0.47%		
PGOCC LLC	Office Building			\$ 109,203,464	1 1.82%
DL Capital Cernter, LP	Office Building			99,016,500	2 1.65%
Rreef America Reit Corp	Office Building			77,033,535	3 1.28%
Altair Holding Company	Office Building			74,895,182	4 1.25%
Wasatch Pool Holdings LLC	Apartments			39,922,701	6 0.66%
Cordova LLC	Office Building			37,612,617	7 0.63%
Mather Development Partners LP	Office Building			35,936,207	8 0.60%
Lexington Lion Rancho Cordova LP	Office Building			34,421,341	9 0.57%
Hines REIT 3400 Data Dr. LP	Office Building			34,151,130	10 0.57%
		<u>\$ 550,947,564</u>		<u>\$ 602,357,309</u>	

* 2018/19 Local Secured Assessed Valuation: \$8,182,581,672

Source: California Municipal Statistics, Inc.

**CITY OF RANCHO CORDOVA, CALIFORNIA
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>
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%	-
2018/19	9,845,322	9,845,322	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, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(FISCAL YEAR ENDED JUNE 30)

Fiscal Year	Streetlight Retrofit Loan	Capital Lease	Certificates of Participation	Bond (Discount)/ Premium	Total Primary Government	Pct of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
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	0.46%	245
2018/19	1,192,889	-	15,020,000	1,051,660	17,264,549	0.40%	232

(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, CALIFORNIA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
(UNAUDITED)**

2018-19 Assessed Valuation:	\$	8,658,811,202		
			%	City's Share
		Total Debt	Applicable	of Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>6/30/19</u>	<u>(1)</u>	<u>6/30/2019</u>
Los Rios Community College District	\$	396,190,000	4.427%	\$ 17,539,331
Elk Grove Unified School District		193,000,000	4.068%	7,851,240
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 1		19,637,035	84.699%	16,632,372
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 3		43,886,053	58.919%	25,857,224
Folsom-Cordova Unified School District Facilities Imprv Dist. No. 4		110,103,831	87.924%	96,807,692
Sacramento Unified School District		470,327,966	2.407%	11,320,794
San Juan Unified School District		606,880,956	0.064%	388,404
Elk Grove Unified School District Facilities Imprv Dist. No. 1		197,766,133	4.068%	8,045,126
City of Rancho Cordova Community Facilities District No. 2003-1		66,660,000	100.00%	66,660,000
City of Rancho Cordova Community Facilities District No. 2004-1		11,450,000	100.00%	11,450,000
City of Rancho Cordova Community Facilities District No. 2005-1		19,475,000	100.00%	19,475,000
Sac Area Flood Control Agency 1915 Act Bonds		273,395,000	0.429%	1,172,865
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				\$ 283,200,048
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>				
Sacramento County General Fund Obligations	\$	174,027,519	5.374%	\$ 9,352,239
Sacramento County Pension Obligations		885,670,052	5.374%	47,595,909
Sacramento County Office of Education Certificates of Participation		3,975,000	5.374%	213,617
		12,612,000	4.068%	513,056
Folsom-Cordova Unified School District Certificates of Participation		6,455,000	30.019%	1,937,726
Sacramento Unified School District Certificates of Participation		63,120,000	2.407%	1,519,298
San Juan Unified School District General Fund Obligations		126,302	0.064%	81
City of Rancho Cordova Certificates of Participation		15,020,000	100.00%	15,020,000
City of Rancho Cordova Certificates of Participation - Bond Premium		1,051,660	100.00%	1,051,660
City of Rancho Cordova Streetlight Retrofit Loan		1,192,889	100.00%	1,192,889
Cordova Recreation and Park District General Fund Obligations		7,514,131	59.324%	4,457,683
Sacramento Metropolitan Fire District General Fund Obligations		8,865,000	12.979%	1,150,588
Sacramento Metropolitan Fire District Pension Obligation Bonds		46,958,975	12.979%	6,094,805
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				\$ 90,099,551
Less: Sacramento County supported obligations				916,134
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				\$ 89,183,417
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		65,445,000	9.181%	\$ 6,008,505
TOTAL DIRECT DEBT				\$ 17,264,549
TOTAL GROSS OVERLAPPING DEBT				\$ 362,043,556
TOTAL NET OVERLAPPING DEBT				\$ 361,127,422
GROSS COMBINED TOTAL DEBT ⁽²⁾				\$ 379,308,105
NET COMBINED TOTAL DEBT				\$ 378,391,971

(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 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.27%
Total Direct Debt (\$16,212,889)	0.20%
Gross Combined Total Debt	4.38%
Net Combined Total Debt	4.37%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$559,943,374):

Total Overlapping Tax Increment Debt	1.07%
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Source: California Municipal Statistics, Inc.

CITY OF RANCHO CORDOVA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(FISCAL YEAR ENDED JUNE 30)
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 967,592,911	\$ 924,550,025	\$ 959,031,974	\$ 943,452,466
Total net debt applicable to limit	-	-	-	-
Legal debt margin	967,592,911	924,550,025	959,031,974	943,452,466
Total net debt applicable to the limit as a percentage of debt limit	n.a.	n.a.	n.a.	n.a.

	2014	2015	2016	2017	2018	2019
\$	959,026,344	\$ 1,008,293,162	\$ 1,050,527,170	\$ 1,118,475,316	\$ 1,198,792,364	\$ 1,288,493,577
	-	-	-	-	-	-
	959,026,344	1,008,293,162	1,050,527,170	1,118,475,316	1,198,792,364	1,288,493,577
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	8,658,811,202
Less: Exemptions	<u>(68,854,025)</u>
<i>Net assessed value</i>	8,589,957,177
Debt limit (15% of total assessed value)	1,288,493,577
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><u>\$ 1,288,493,577</u></u>

**CITY OF RANCHO CORDOVA, CALIFORNIA
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 Rate County (5)
	City (1)	County (1)		Sacramento Metro Area (3)		
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%
2018/19	74,471	1,546,174	2,498,353,108	33,548	34.0	3.9%

(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, CALIFORNIA
TEN LARGEST AREA EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

<u>Employer</u>	<u>2019</u>		<u>2010</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%		
Centene	2100	3.82%		
Delta Dental	1600	2.91%	1000	2.00%
Sacramento County Off of Edu.	1300	2.36%		
Franklin Templeton	1000	1.82%	900	1.80%
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 Federal Svc LLC			2000	4.00%
Vision Service Plan			1750	3.50%
Verizon Wireless			1000	2.00%
GenCorp, Inc. (Aerojet)			1000	2.00%
Volcano Corporation			700	1.40%
Bank of America			600	1.20%
Catholic Healthcare West			600	1.20%
Sutter Health/Sutter Connect			500	1.00%

(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, CALIFORNIA
GOVERNMENT EMPLOYMENT INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	3	3	3	3	3	3	3	3	3	3
City Clerk	3	3	2	2	2	2	2	2	2.5	2
Administrative Services	4	4	4	4	4	4	5	5	4.5	5
Comm, Leg. Affair, Com Eng.	1	2	2	1.5	1.5	1.5	2	2	5	4
Human Resources	3	3	3	3	3	3	2	2	2	2
Finance	8	9	9	9	9	9	9	8	8	8
Information Technology	2	2	3	3	3	3	3	3	3	3
Building& Inspection	6	6	5	5	5	5	7	7	6	6
Animal Services	2	1	1	2	1	1	2	2	2	2
Economic Development	4	4	3	2.5	2.5	2.5	3	3	3	3
Facilities Management	3	4	4	4	4	4	5	5	5	5
Code Enforcement	6	6	10	9	10	10	12	12	12	12
Housing	3	2	2	3	3	3	3	3	2	2
Planning	-	-	-	1	1	1	4	4	3	3
Public Works	18	15	14	16.6	16.6	16.6	18	18	19	19
Total employees	71	69	70	73.6	73.6	73.6	85	84	85	84

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, CALIFORNIA
MISCELLANEOUS STATISTICS
LAST TEN FISCAL YEARS
(FISCAL YEAR ENDED JUNE 30)
(UNAUDITED)

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

Source: Departments within the City of Rancho Cordova

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>July 1, 2003</u>					
General Law					
74	74	85	84	85	84
-	-	-	-	-	-
22	22	25	23	32	31
35	35	35	35	35	35
33	33	33	33	34	34
316	316	316	316	336	336
2	2	2	2	2	2
27	27	27	27	28	28
3	3	3	3	3	3
1	1	1	1	2	2
21	21	21	21	27	27
5	5	5	5	5	5
4	4	4	4	4	4
13	13	13	13	14	14
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1

**CITY OF RANCHO CORDOVA, CALIFORNIA
 CAPITAL ASSET AND INFRASTRUCTURE
 STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (FISCAL YEAR ENDED JUNE 30)
 (UNAUDITED)**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn personnel	58	58	58	58	57	57	62	62	62	62
Non-sworn personnel	14	14	14	14	11	11	12	14	14	14
Highways and Streets										
Streets (miles)	235	235	235	235	235	235	238.5	238.5	238.5	238.5
Streetlights	4,435	4,435	4,435	4,435	4,859	4,859	4,921	4,921	4,921	4,921
Traffic Signals	76	76	76	76	87	87	87	87	87	87

Source: Departments within the City of Rancho Cordova