COMPREHENSIVE ANNUAL FINANCIAL REPORT

2014

FISCAL YEAR ENDED
JUNE 30, 2014

Cosumnes Community Services District
8820 Elk Grove Boulevard, Elk Grove, California 95624
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COSUMNES COMMUNITY SERVICES DISTRICT

STATE OF CALIFORNIA

The Cosumnes Community Services District is the Local Government Provider of Fire & Emergency Services and Parks & Recreation Services

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared by:

Jeff Ramos, General Manager

Cosumnes Community Services District

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INTRODUCTORY SECTION

COSUMNES

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ADMINISTRATIVE SERVICES DEPARTMENT
COMMUNICATIONS DIVISION

8820 Elk Grove Blvd.
Elk Grove, CA 95624

(916) 405-7150
Fax (916) 685-5216
www.yourcsd.com

December 22, 2014

Honorable Board of Directors
Cosumnes Community Services District

The Comprehensive Annual Financial Report of the Cosumnes Community Services District (District) for the fiscal year ended June 30, 2014, is hereby submitted. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The District's accounting records for governmental funds are maintained on the modified accrual basis of accounting. This essentially involves the recording of revenues when they become measurable and available and the recording of expenditures when goods and services are received and the related liability incurred.

Badawi and Associates, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Cosumnes Community Services District's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The District is a political subdivision of the State of California. The Elk Grove Community Services District was established under Government Code Sections 56261.1 and 56439(c) on July 1, 1985, by a reorganization resulting in the dissolution of the Elk Grove Fire Protection District and the Elk Grove Recreation and Park District. In 2006, a reorganization of the Elk Grove CSD and the Galt Fire Protection District resulted in the creation of the Cosumnes Community Services District. This change expanded the delivery of CSD fire protection and emergency medical services from the Elk Grove Region to the City of Galt and additional unincorporated areas in south Sacramento County.

The governing body of the District is a five-member Board of Directors elected at large to four year staggered terms. Day-to-day operations are overseen by the District's General Manager.

The District provides fire protection services including fire suppression, fire prevention, inspection, plan checking and public education programs and provides emergency medical services, ambulance transport, advanced life support and rescue services and; in addition, provides parks, recreation facilities and programs. The District consists of approximately 157 square miles with a population of about 183,333; operates eight fire stations, one fire training facility and ninety-five parks (two undeveloped) and employs two hundred fifty-three full-time and over one hundred part-time staff.

The District Wide Landscape & Lighting Assessment District, which was organized under the Landscaping and Lighting Act of 1972, operates within the District to fund some capital and all maintenance and operations of parks and is governed by the same Board of Directors. All parcels of land in the District Wide Landscape & Lighting Assessment District are assessed at varying rates depending upon established benefit zones.

The Elk Grove Community Services District Foundation (the Foundation) was established on March 21, 1996 for the purpose of protecting lives through fire prevention educational programs, financially assisting residents who cannot afford to participate in recreational activities and beautifying the community of Elk Grove. On April 4, 1997, the Foundation was recognized as exempt under Section 501(c)(3) of the Internal Revenue Code. In June 2008, the Foundation was reorganized into an active community foundation. The name of the Foundation was changed to Cosumnes Legacy Foundation; the existing elected and appointed directors resigned their positions and seven (7) community members were appointed as Foundation Directors with two and three-year staggered terms. The Foundation is a legally separate component unit that is reported as a non-major governmental fund within the basic financial statements.

The Elk Grove Community Services District Public Facilities Acquisition Corporation (the Corporation) was established in March 2006 to facilitate financing the acquisition of capital assets of the District. The Corporation's Board is comprised of the members of the District's Board of Directors. The Corporation does not have any assets or liabilities. Its activities have been blended with the appropriate District funds. No separate financial statements are issued for the Corporation.

As required by the laws of the State of California, the District prepares and legally adopts a final operating budget on or before August 30 of each fiscal year. Each District department is required to submit their annual budget requests for the ensuing year. The General Manager reviews each request and a budget is presented to the Board of Directors. This budget reflects, as nearly as possible, the estimated revenues and expenditures for the upcoming year.

The budget is made available for public inspection through a public notice. On the dates stated in the notice, the Board of Directors conducts public hearings on the budget and at the conclusion of the hearings makes a final determination thereon. Annual budgets are adopted for the General Fund, Capital Projects Fund, Debt Service Fund, and Landscape and Lighting Special Revenue Fund. Until the adoption of the final budget, operations are governed by the adopted preliminary budget approved by the Board prior to June 30th. The final budget serves as an approved plan for operational control and performance evaluation.

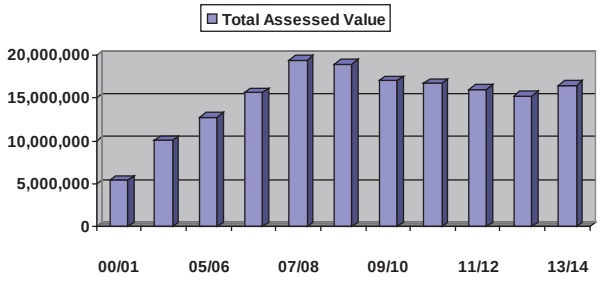
The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for fixed assets,

which are controlled on the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board of Directors. During 2013-2014, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report includes the effect of all approved budget amendments. Monthly comparison of actual-to-budgeted revenues and expenditures identify significant variances that may require the District to take corrective action.

Local Economy

The Cosumnes CSD local economy has picked up speed, but it hasn't reached a full recovery from the recession, and the effects of a downturn that began in 2007 still linger. However, in Sacramento County, 13,700 wage and salary jobs were created, representing a growth rate of 2.5%. This is the third annual increase for Sacramento County since before the recession of 2007-2009. The unemployment -rate improved as well, falling from 8.7% in 2013 to 6.9% in 2014.

The primary funding source of District operations is property taxes. Other revenue sources include recreation fees, ambulance fees, development impact fees and various other charges for services. Property tax revenues have increased by approximately 10% from the prior year but with housing prices beginning to level off, companies being afraid to invest or to hire, and with consumers being afraid to buy, the District is projecting an average annual growth in property tax revenues of 6% for next fiscal year.



The residential real estate market appears to be headed towards a more normal pattern, with new housing permits growing briskly 51% and foreclosures dropping moderately 24% when compared to the prior year. The District is estimating that property tax revenues will increase 6% in Fiscal Year 2014-15 compared to FY 2013-14 due to some degree of stability in the housing market with projected home appreciation between 1 to 5%, combined with local development, a projected increase in wage and salary jobs and a decrease in unemployment.

The District Wide Landscape & Lighting Assessment fees account for approximately 23% of total revenues of the District. These fees are levied on parcels within the various benefit zones to provide funds for the maintenance, repair, replacement, services, utilities and capital improvements associated with the parks, landscape medians and corridors, parkways, Camden Lake, open space of any nature, trail systems and other recreation facilities, amenities and appurtenances within the

District's parks thereto owned by the District which are designated for inclusion within the Assessment District.

Long-term financial planning

Elk Grove is expected to rebound in commercial, industrial, and residential growth during the next five to ten years. With approval of the Laguna Ridge specific plan, the Lent Ranch and South East Area specific plans, the District's largely undeveloped areas are well positioned for future growth. Commercial/industrial construction is anticipated to continue with the development of a regional shopping mall. It is the challenge of this District to maintain the high level of service that our residents and business leaders have come to expect from the District. One step in meeting these challenges is the annual review and update of the District's goals and strategies and Capital Improvement Plans. These Capital Improvement Plans provide an overview of the timing of future District facilities and corresponding revenue sources for development. This document, along with the annual budget, is the foundation upon which the District will build to meet the growing needs of the community.

Relevant financial policies

The District's unrestricted cash and investments are maintained in the State of California Local Agency Investment Fund (the Fund) and a separately managed investment portfolio. The State Treasurer is responsible for managing the investment of the Fund's resources. The Fund's investment policy is to maintain a high credit quality, short duration portfolio to provide participants with safety of principal, liquidity, public trust and a market average rate of return.

The Fund's portfolio at June 30, 2014 was invested in U.S. Treasury and Government Agency investments (67%), certificate of deposit (16%), time deposits (9%), and commercial paper (8%). The average yield on investments during fiscal year 2013-2014 was .30%.

At June 30, 2014, the District's separate investment portfolio of approximately $23.6 million was invested 42% in certificates of deposit, 40% in corporate notes and bonds, 12% in Federal Agency Notes and 6% in a money market account. All investments are rated AAA/A-1+ by Standard & Poors. Maturities range from 1 month to 48 months. The average yield on investments during fiscal year 2013-2014 was .74%.

The District is a member of the Special District Risk Management Authority, a joint powers agency comprised of California special districts and agencies that provides general liability, automobile and property insurance coverage for the District. The limits of liability range between $400,000 and $350 million per occurrence annually. This policy covers real and personal property of the District.

The District participates in the Northern California Special Districts Insurance Authority (NCSDIA), a public entity risk pool of special districts within Northern California, for workers compensation. The District pays an annual premium to NCSDIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the NCSDIA.

Major initiatives

The District is currently in the design and construction phase on two neighborhood parks totaling 11.4 acres. In addition, the District has completed the Buscher Park, the rebuild of Lawrence Park, Laguna Town Hall HVAC replacement, Laguna Community Park scoreboards with a security camera, and a Womack Park security camera.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cosumnes Community Services District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the sixteenth consecutive year that the Cosumnes Community Services District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another Certificate.

The preparation of this Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efficient and dedicated service of the entire staff of the Administrative Services Department and the cooperation and assistance received from the staff of the Parks and Recreation and Fire Departments.

In closing, we would like to commend the Board of Directors for its interest, support and leadership in planning and conducting the financial operations of the District in a responsive and progressive manner.

Respectfully submitted,

Jeff Ramos
General Manager

COSUMNES COMMUNITY SERVICES DISTRICT
LIST OF PRINCIPAL OFFICIALS

Board of Directors (Elected)

Rich Lozano	**President**
Gil Albiani	**Vice-President**
Rod Brewer	**Member**
Guy Rutter	**Member**
Michelle Orrock	**Member**

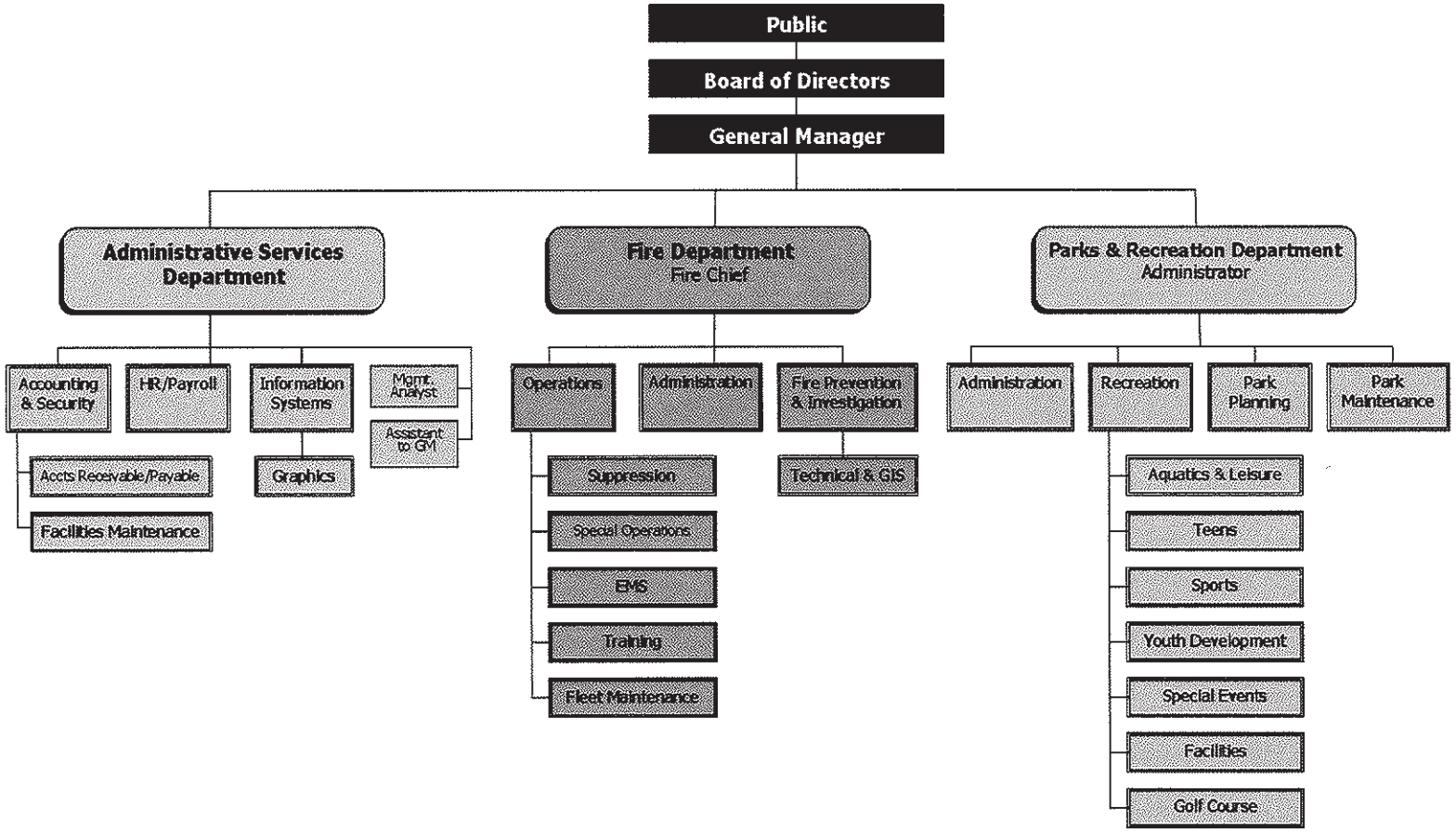
Officials (Appointed)

Jeff Ramos
General Manager/Chief Operating Officer

Tracey Hansen
Fire Chief

Bob Roessler
Parks and Recreation Department Administrator

COSUMNES CSD ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cosumnes Community Services District

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

FINANCIAL SECTION

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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Cosumnes Community Services District
Elk Grove, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cosumnes Community Services District, California (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Address: 180 Grand Avenue, Suite 1500 Oakland, CA 94612 • Phone: 510.768.8251 • Fax: 510.768.8249

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–14 and 53–54 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 District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary schedules on pages 61 to 93, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual nonmajor fund financial statements, and other supplementary schedules on pages 61 to 93 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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.

Badawi & Associates, CPAs
Oakland, California
December 22, 2014

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

As management of the Cosumnes Community Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-viii of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Cosumnes Community Services District exceeded its liabilities at the close of the 2013-14 and 2012-13 fiscal years by $216,585,890 and $213,117,208 (*net position*), respectively. Of this amount, $42,341,817 and $37,217,297 is restricted for specific purposes (*restricted net position*), and $184,272,953 and $184,141,637 is invested in capital assets, net of related debt. The increase in net position is mainly due to the landscape and lighting improvements and park development. This increase is discussed further on pages 11 and 12 of this report.

- For FY 2013-14, total District governmental fund revenues, including program and general revenues, were $66.6 million, an increase of $5.8 million from the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to an 11% increase in taxes ($3.2 million), an 8% increase in charges for services ($2.2 million), and a 62% increase in developer fees and contributions ($1.1 million). Total governmental fund expenses were $62.9 million, a decrease of $1.5 million from the prior fiscal year. The decrease is related to a 3% decrease in public protection expenditures ($1 million), a 16% decrease in debt service expenses ($700 thousand), which was offset by a 1% increase in recreation and culture expenditures ($200 thousand).

- For FY 2012-13, total District governmental fund revenues, including program and general revenues, were $60.8 million, which was relatively the same amount in the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to a 5% decrease in taxes ($1.7 million), a 1% decrease in charges for services ($200 thousand), a 43% decrease in donations and contributions ($100 thousand), offset by a 20% increase in developer fees and contributions ($300 thousand), a 211% increase in intergovernmental ($1.3 million), a 10% increase in the use of money and property ($100 thousand), and a 125% increase in miscellaneous revenue ($200 thousand). Total governmental fund expenses were $62.7 million, a decrease of $3.8 million from the prior fiscal year. The decrease is related to a 43% decrease in capital outlay expenditures ($1.9 million), a 26% decrease in debt service expenses ($1.5 million), a 6% decrease in recreation and culture expenses ($1.2 million), which was offset by a 3% increase in public protection expenditures ($900 thousand).

- As of June 30, 2014 and 2013, total District's governmental funds reported combined fund balances of $59,547,839 and $52,529,565, respectively, an increase of $7,018,274 and a decrease of $1,440,300 in comparison with the prior year. Approximately 28% and 29% of the combined fund balances, $16,466,784 and $15,204,930 is available for spending at the government's discretion (*assigned fund balance*).

- At the close of the fiscal year ended June 30, 2014 and 2013, the total fund balance restricted for park and fire station construction, capital projects, landscape and lighting district operations and foundation activities was $42,341,817 and $37,217,297, respectively.

- The District's total long-term obligations decreased by a net amount of $1,241,608 during the 2013-14 fiscal year and decreased $17,395,135 during the 2012-13 fiscal year. For FY 2013-14, the decrease resulted primarily from a $2.6 million principal reduction offset by the acquisition of new leases totaling $1.4 million to purchase two Pierce Fire Engines, remount three ambulances, a John Deere Tractor and a District copier. For FY 2012-13, the decrease resulted primarily from a $14.7 million reduction due to the District terminating the Reardon Property Option combined with a $1.3 million principal reduction offset by the acquisition of new leases totaling $326,000 to remount three ambulances and a District copier.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three major parts:

1) **Introductory section**, which includes the Transmittal Letter and general information,
2) **Financial section**, The Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the notes to these financial statements, Required Supplementary Information, and Combining and Individual Fund Financial Statements and Schedules, and
3) **Statistical section**.

The Basic Financial Statements

The Basic Financial Statements consist of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the District's activities as a whole, and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the District's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the District's activities and amounts in the Statement of Net Position and the Statement of Activities are considered Governmental Activities, as explained below.

- ***Government activities*** – All of the District's basic services are considered to be governmental activities, including general government, public protection, and recreation and culture. These services are supported by property taxes, and also by specific program revenues such as recreation fees, ambulance and plan check fees and developer fees.

The District's governmental activities include the activities of two separate legal entities, the Cosumnes Legacy Foundation and the Elk Grove Community Services District Public Facilities Acquisition Corporation, because the District is financially accountable for the Foundation and Acquisition Corporation. The Foundation and Acquisition Corporation have been included as an integral part of the primary government.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements 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 in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental 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.

The Governmental Fund Financial Statements provide detailed information about each of the District's most significant funds, called *major funds*. The concept of *major funds*, and the determination of which are *major funds*, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each *major fund* is presented individually, with all *non-major funds* summarized and presented only in a single column. Subordinate schedules present the detail of these *non-major funds*. *Major funds* present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities. For the fiscal year ending June 30, 2014, the District's *major funds* are as follows:

- General Fund
- Landscape and Lighting Special Revenue Fund

For the fiscal year ended June 30, 2014, the District adopted annual appropriated budgets for all funds, except for the following:

- Foundation Special Revenue Fund

A budgetary comparison statement has been provided for the General Fund and the Landscape and Lighting Special Revenue Fund.

The basic governmental fund financial statements can be found on pages 15 to 22 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements can be found on pages 23-50 of this report.

Required Supplementary Information

Supplemental information regarding the funding progress of the District's pension plan can be found on page 52 of this report.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 59-89 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $216,585,890 at the close of the most recent fiscal year.

COSUMNES COMMUNITY SERVICES DISTRICT

SUMMARY OF NET POSITION
JUNE 30, 2014, 2013 AND 2012

	Governmental Activities		
	2014	2013	2012
Current and other assets	$ 61,892,958	$ 55,436,352	$ 56,295,070
Capital assets	204,317,967	205,758,716	222,238,856
Total assets	266,210,925	261,195,068	278,533,926
Long-term liabilities outstanding	47,244,848	45,353,536	57,143,627
Other liabilities	2,380,187	2,724,324	2,654,368
Total liabilities	49,625,035	48,077,860	59,797,995
Net position:			
Invested in capital assets, net of related debt	184,272,953	184,141,637	183,173,511
Restricted	42,341,817	37,217,297	34,461,962
Unrestricted	(10,028,424)	(8,241,726)	1,100,458
Total net position	$ 216,585,890	$ 213,117,208	$ 218,735,931

The largest portion of the District's net position of $184,272,953 (85 percent) reflects its investment in capital assets (e.g. land, structures and improvements, equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the District's net position of $42,341,817 (20 percent) represents resources that are subject to external restrictions on how they may be used. The remaining negative balance of *unrestricted net position* of $10,028,880 is partially due to the increase in long term liabilities.

At the end of the current fiscal year, the District is able to report positive balance in two of the three categories of net position for the District as a whole, and the District is beginning to replenish reserve fund balance because of the concessions the District has made over the past several years.

The District's net position increased by $3,468,682 during the 2013/14 fiscal year, which accounts for 2 percent of total net position. The District's restricted and unrestricted net position increased approximately $3.6 million, which was offset by a decrease in investment in capital assets of approximately $100 thousand. The increase is due to a 14% increase in Landscape and Lighting improvements ($3.2 million) and a 13% increase in park development ($1.5 million), a 15% increase in fire station and equipment ($400 thousand), which was offset by a decrease of 18% in unrestricted ($1.5 million).

The District's net position decreased by $5,631,478 during the 2012/13 fiscal year, which accounts for 3 percent of total net position. The District's restricted and unrestricted net position decreased approximately $6.6 million, which was offset by an increase in investment in capital assets of approximately $1 million. The decrease is due to a 849% decrease in unrestricted ($9.3 million) combined with a 15% decrease in fire station and equipment ($500 thousand), which was offset by a 17% increase in Landscape and Lighting improvements ($3.3 million) and a 1% increase in investment in capital assets ($1 million).

The table on the next page indicates the changes in net position for governmental activities:

COSUMNES COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2014, 2013 AND 2012

	Governmental Activities		
	2014	2013	2012
REVENUES:			
Program revenues:			
Charges for services	$ 28,569,906	$ 27,076,107	$ 27,185,982
Operating grants and contributions	121,646	109,774	191,286
Capital grants and contributions	4,239,631	3,673,497	2,078,404
General revenues:			
Property taxes	32,626,823	29,456,296	31,186,985
Investment earnings	479,497	559,940	407,021
Miscellaneous	332,351	100,725	179,772
TOTAL REVENUES	66,369,854	60,976,339	61,229,450
EXPENSES:			
Governmental activities:			
Public protection	37,447,237	40,245,993	40,510,293
Recreation and culture	21,984,207	22,612,070	23,383,633
General government	3,469,728	3,749,754	3,754,597
TOTAL EXPENSES	62,901,172	66,607,817	67,648,523
INCREASE (DECREASE) IN NET POSITION	3,468,682	(5,618,723)	(6,419,073)
Net position at begin of year	213,117,208	218,735,931	225,155,004
NET POSITION AT END OF YEAR	$ 216,585,890	$ 213,117,208	$ 218,735,931

Revenues

The District's total revenues per the Statement of Activities were $66,369,854 and $60,976,339 for the fiscal years ended June 30, 2014 and 2013, respectively. Property tax revenue of $32,626,823 and $29,456,296 comprised 49.16% and 48.31%, respectively of the total governmental revenues of the District. Charges for services and capital grant and contribution revenue, which is comprised primarily of parkland dedications and fees from developers that is restricted for the construction of parks and fire stations, provided 43.05% and 44.40% and 6.57% and 6.02%, respectively, of the total governmental revenue of the District for the fiscal years ended June 30, 2014 and 2013. The increase in property tax revenues reflects the increase in proposition 13 adjustments on existing homes combined with the increase of sales on existing and new home properties. The increase in capital grant and contribution revenue is primarily due to the increase in developer fees and contributions.

Expenses

Expenses of the District totaled $62,901,172 and $66,607,817 for the fiscal years ended June 30, 2014 and 2013, respectively. Public protection costs represent 59.53% and 59.38%, respectively, of total governmental activities expenses and are the largest single expenditure in the governmental activities.

The following table shows the cost of each of the District's major programs and the net cost of the programs for the fiscal year ended June 30, 2014. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost of the public protection, recreation and culture and general government services reflects the financial burden that was placed on the District's taxpayers by each of the programs.

	Total Cost of services	Net Revenue (Cost) of services
Public protection	$37,447,237	$ (28,858,862)
Recreation and culture	21,984,207	579,438
General government	3,469,728	(1,690,565)
TOTAL	$62,901,172	$ (29,969,989)

The net cost to taxpayers for recreation and culture services, excluding developer fees, was $664,098.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2014 and 2013 the District's governmental funds reported combined fund balances of $59,547,839 and $52,529,565, an increase of $7,018,274 and a decrease of $1,440,300, respectively, in comparison with the prior year. The major reason for the increase was the increase of landscape and lighting reserves ($3.2 million) combined with the increase of park development reserves ($1.5 million) Approximately 28 and 29 percent of the combined fund balances, $16,466,784 and $15,207,930, respectively, constitutes *assigned fund balance*, which is available to meet the District's current and future needs. The remainder of fund balance is *restricted* to indicate that it is *not* available for new spending because it has been restricted: 1) to reflect amounts set aside for future construction ($16,362,310); 2) to use for specific purpose of the fund ($25,774,685); and 3) to reflect amounts held on behalf of the Cosumnes Legacy Foundation ($204,822).

The General Fund is the chief operating fund of the District. At June 30, 2014 and 2013, assigned fund balance of the general fund was $16,466,784 and $15,204,930, respectively, while total fund balance reached $33,351,099 and $29,550,973. The increase in total fund balance of $3,800,126 represents an increase in property taxes ($3.2 million), an increase in charges for current services ($2 million), which was offset by the increase in issuance of long-term liabilities ($1.1 million). As a measure of the general fund's liquidity, it may be useful to compare both assigned fund balance and total fund balance to total fund expenditures. Assigned fund balance represents 33 percent and 29 percent of total fund expenditures, while total fund balance represents 66 percent and 57 percent of that same amount.

The Landscape & Lighting Special Revenue Fund has a total fund balance of $25,774,685 and $22,522,043 at June 30, 2014 and 2013. These amounts are restricted for the specific purpose of the fund. Total fund balance increased by $3,252,642 and $3,276,746 for the fiscal year ended June 30, 2014 and 2013. The increase is mainly attributable to the revenue produced from the East Franklin zone combined with the Landscape and Lighting assessment increases which are based on the CPI index each year.

At June 30, 2014, the Non-major Governmental Funds consist of the Capital Project Fund and the Foundation Special Revenue Fund. Total fund balance at June 30, 2014 is $422,055. Of this amount, $217,233 is restricted for capital projects and $204,822 is restricted for foundation activities. The decrease in fund balance of $34,494 is mainly related to the capital outlay expenditures for the Fire Training Facility utilized within the Capital Project Fund.

At June 30, 2013, the Non-major Governmental Funds consist of the Capital Project Fund and the Foundation Special Revenue Fund. Total fund balance at June 30, 2013 is $456,549. Of this amount, $231,850 is restricted for capital projects and $224,699 is restricted for foundation activities. The decrease in fund balance of $39,964 is mainly related to the capital outlay expenditures for the Fire Training Facility utilized within the Capital Project Fund.

General Fund Budgetary Highlights

For the fiscal year ended June 30, 2014, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling $521,600. The increase is due to an increase in public protection expenditures for operational support. Actual General Fund revenues were $7,192,600 greater than the final budget. This variance is related to the increase in property taxes, charges for current services, and homeowner property tax relief and state aid for public funding. Actual General Fund expenditures were $4,416,888 lower than the final budget, of which approximately $2.9 million represented fire and park development projects which were not completed and/or not started during the fiscal year in addition to lower departmental expenditures.

For the fiscal year ended June 30, 2013, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling $658,985. The increase is due to an increase in public protection expenditures for operational support. Actual General Fund revenues were $1,131,178 greater than the final budget. This variance is related to the increase in homeowner property tax relief and state aid for public funding combined with the District's charges for current services. Actual General Fund expenditures were $4,391,521 lower than the final budget, of which approximately $2.8 million represented fire and park development projects which were not completed and/or not started during the fiscal year in addition to lower departmental expenditures.

CAPITAL ASSET AND LONG-TERM DEBT

Capital assets. As of June 30, 2014 and 2013, the Districts' investment in capital assets amounted to $204,317,967 and $205,758,718, respectively, net of depreciation. This investment in capital assets includes land, land improvements, structures and improvements, equipment and construction in progress costs for various parkland improvements and fire station construction.

COSUMNES COMMUNITY SERVICES DISTRICT

CAPITAL ASSETS (net of depreciation)
AS OF JUNE 30, 2014, 2013 AND 2012

		2014	2013	2012
Land	$	85,443,191	85,442,799	85,427,738
Land improvements		64,201,317	63,584,248	61,035,213
Construction in Progress		1,081,776	1,765,596	20,071,879
Structures and improvements		49,417,438	53,010,282	53,042,218
Equipment		4,174,245	1,955,793	2,661,808
Total	$	204,317,967	205,758,718	222,238,856

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2014:

- Land improvements – completion of Buscher Park, and the re-build of Lawrence Park.
- Structures and improvements – decrease is mainly due to depreciation for FY 2013-14 which is offset by the completion of Buscher and Lawrence Park and the Laguna Town Hall HVAC replacement.
- Construction in progress – decrease is mainly related to the completion of Buscher and Lawrence Park.
- Equipment – increase is mainly due to the purchase of two Pierce Arrow XT fire engines, three remounted ambulances, and a John Deere Tractor offset with depreciation for FY 2013-14.

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2013:

- Land –receipt of grant deed for Buscher Park Lot G.
- Land improvements – completion of Derr-Okamoto Park, Wackford Community Center floor, and playground sand removal at various locations.
- Structures and improvements – decrease is mainly due to depreciation for FY 2012-13 which is offset by Elk Grove Recreation Center roof and HVAC replacement.
- Construction in progress – decrease is directly related to removal of the Reardon Property Option.
- Equipment – decrease is due to the disposal of several vehicles, a mower, and a gator combined with depreciation for FY 2012-13.

Additional information on the District's capital assets can be found in Note 3 on page 36 to 37.

The District was in the process of acquiring the Fieldstone North Parkland at June 30, 2014. The total amount committed at June 30, 2014 is $1,631,683. Additional information on the District's commitments can be found in Note 10 on page 50.

Long-term debt. At June 30, 2014, the District had long-term debt obligations totaling $20,045,014. District debt issues include $847,200 in Certificates of Participation for the construction of two fire stations, a note agreement for $94,752 for the partial financing of the construction of the Wackford Aquatic/Community Complex, Fire Training Facility, Underwood Park Well, and funding for the Bartholomew Sports Park, and $19,103,062 in various capital lease obligations for the construction and equipping of a fire station and purchase of equipment and vehicles. The District's total debt decreased by $1,891,312 (6%) during the current fiscal year mainly due to the principal reduction of $2,678,562 offset by the funding for two Pierce Fire Engines ($1,073,150), three remounted ambulances ($297,741), a John Deere Tractor ($51,062) and a District copier ($15,000).

Additional information on the District's long-term debt can be found in Note 5 on pages 39-42.

ECONOMIC OUTLOOK

The Cosumnes CSD local economy has picked up speed, but it hasn't reached a full recovery from the recession, and the effects of a downturn that began in 2007 still linger. However, in Sacramento County, 13,700 wage and salary jobs were created, representing a growth rate of 2.5%. This is the third annual increase for Sacramento County since before the recession of 2007-2009. The unemployment rate improved as well, falling from 8.7% in 2013 to 6.9% in 2014.

The primary funding source of District operations is property taxes. Property tax revenues have increased by approximately 10% from the prior year but with housing prices beginning to level off, companies being afraid to invest or to hire, and with consumers being afraid to buy, the District is projecting an average annual growth in property tax revenues of 6% for next fiscal year.

The residential real estate market appears to be headed towards a more normal pattern, with new housing permits growing briskly 51% and foreclosures dropping sharply 24% when compared to the prior year. The District is estimating that property tax revenues will increase 6% in Fiscal Year 2013-14 compared to FY 2012-13 due to some degree of stability in the housing market with projected home appreciation between 1 to 5%, combined with local development, a projected increase in wage and salary jobs and a decrease in unemployment.

It is the challenge of this District to maintain the high level of service that our residents and business leaders have come to expect from the District. One step in meeting these challenges is the annual review and update of the District's goals and strategies and Capital Improvement Plans. These Capital Improvement Plans provide an overview of the timing of future District facilities and corresponding revenue sources for development. This document, along with the annual budget, is the foundation upon which the District will build to meet the growing needs of the community.

REQUESTS FOR INFORMATION

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Cosumnes Community Services District Administrative Services Department, 8820 Elk Grove Boulevard, Elk Grove, CA 95624, or visit the District's web page at www.yourcsd.com.

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BASIC FINANCIAL STATEMENTS

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Cosumnes Community Services District
Statement of Net Position
June 30, 2014

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 54,670,858
Receivables:	
Accounts	140,630
Interest	94,571
Intergovernmental	1,736,155
Ambulance	1,217,076
Other	506,398
Prepaid expenses	715,447
Restricted cash and investments	2,811,823
Total current assets	61,892,958
Noncurrent assets:	
Capital assets:	
Not being depreciated	150,726,284
Being depreciated, net	53,591,683
Total capital assets	204,317,967
Total noncurrent assets	204,317,967
Total assets	266,210,925
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,310,755
Accrued interest payable	275,456
Unearned revenue	793,976
Total current liabilities	2,380,187
Noncurrent liabilities:	
Long-term liabilities:	
Due within one year	2,171,607
Due in more than one year	45,073,241
Total noncurrent liabilities	47,244,848
Total liabilities	49,625,035
NET POSITION	
Net Investment in Capital Assets	184,272,953
Restricted for:	
Park development	13,063,785
Fire station and equipment	3,081,292
Capital projects	217,233
Landscape and lighting improvements	25,774,685
Foundation activities	204,822
Unrestricted	(10,028,880)
Total net position	$ 216,585,890

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District

Statement of Activities

For the year ended June 30, 2014

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue Governmental Activities
Governmental activities:						
Public protection	$36,958,524	$ 488,713	$ 7,181,029	$ -	$ 1,407,346	$ (28,858,862)
Recreation and culture	21,697,297	286,910	19,711,526	19,834	2,832,285	579,438
General government	3,424,446	45,282	1,677,351	101,812	-	(1,690,565)
Interest on long-term debt	820,905	(820,905)	-	-	-	-
Total governmental activities	$62,901,172	$ -	$ 28,569,906	$ 121,646	$ 4,239,631	(29,969,989)

General Revenues and Transfers:	
Taxes:	
Property taxes	32,626,823
Investment earnings	479,497
Miscellaneous	332,351
Total general revenues and transfers	33,438,671
Change in net position	3,468,682
Net position - beginning of year	213,117,208
Net position - end of year	$ 216,585,890

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 28,783,348	$ 25,658,095	$ 229,415	$ 54,670,858
Receivables:				
Accounts	17,500	123,130	-	140,630
Interest	53,650	40,921	-	94,571
Intergovernmental	1,554,258	181,897	-	1,736,155
Ambulance	1,217,076	-	-	1,217,076
Other	506,398	-	-	506,398
Due from other funds	45,274	-	191,454	236,728
Advances to other funds	23,791	-	-	23,791
Prepaid expenses	715,447	-	-	715,447
Restricted cash and investments	2,740,770	-	71,053	2,811,823
Total assets	$ 35,657,512	$ 26,004,043	$ 491,922	$ 62,153,477
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 1,080,595	$ 229,358	802	$ 1,310,755
Due to other funds	191,454	-	45,274	236,728
Advances from other funds	-	-	23,791	23,791
Unearned revenue	793,976	-	-	793,976
Total liabilities	2,066,025	229,358	69,867	2,365,250
Deferred Inflows of Resources:				
Unavailable revenues	240,388	-	-	240,388
Fund Balances:				
Nonspendable	739,238	-	-	739,238
Restricted for:				
Park development	13,063,785	-	-	13,063,785
Fire station and equipment	3,081,292	-	-	3,081,292
Capital projects	-	-	217,233	217,233
Specific purpose of the fund	-	25,774,685	-	25,774,685
Foundation activities of the fund	-	-	204,822	204,822
Assigned	16,466,784	-	-	16,466,784
Total fund balances	33,351,099	25,774,685	422,055	59,547,839
Total liabilities, deferred inflows of resources, and fund balances	$ 35,657,512	$ 26,004,043	$ 491,922	$ 62,153,477

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2014

Total Fund Balances - Total Governmental Funds		$ 59,547,839
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and are therefore not reported in the funds:		
- Governmental capital assets	252,811,529	
- Less: accumulated depreciation	(48,493,562)	
Total capital assets		204,317,967
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis used in the government-wide statements. Those revenues consist of:		
- Ambulance charges	240,388	
Total revenues		240,388
Net OPEB liabilities are not due and payable in the current period and are therefore not reported in the funds		(25,324,473)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.		(275,456)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Those liabilities consist of:		
- Loans Payable	(94,751)	
- Certificates of Participation - 1998 Series	(847,200)	
- Capital lease obligation	(19,103,063)	
- Compensated absences	(1,875,361)	
Total long-term liabilities		(21,920,375)
Net Position of Governmental Activities		$ 216,585,890

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2014

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$ 32,626,823	$ -	$ -	$ 32,626,823
Charges for current services	13,420,426	14,415,446	-	27,835,872
Developer fees and contributions	2,832,285	-	-	2,832,285
Intergovernmental	1,407,346	-	-	1,407,346
Donations and contributions	101,812	-	19,834	121,646
Use of money and property	1,145,174	340,865	23	1,486,062
Miscellaneous	310,485	21,866	-	332,351
Total revenues	51,844,351	14,778,177	19,857	66,642,385
EXPENDITURES:				
Current:				
Public protection	33,362,739	-	-	33,362,739
Recreation and culture	9,306,774	9,415,366	15,825	18,737,965
General government	3,114,179	-	1,263	3,115,442
Capital outlay	2,302,192	96,161	13,861	2,412,214
Debt service:				
Principal	1,356,955	852,806	468,801	2,678,562
Interest	796,459	29,514	49,932	875,905
Total expenditures	50,239,298	10,393,847	549,682	61,182,827
REVENUES OVER (UNDER) EXPENDITURES	1,605,053	4,384,330	(529,825)	5,459,558
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	14,061	2,250	-	16,311
Issuance of long-term liabilities	1,385,891	51,062	-	1,436,953
Insurance recovery	105,452	-	-	105,452
Transfers in	1,813,321	2,287,354	524,515	4,625,190
Transfers out	(1,123,652)	(3,472,354)	(29,184)	(4,625,190)
Total other financing sources (uses)	2,195,073	(1,131,688)	495,331	1,558,716
Net change in fund balances	3,800,126	3,252,642	(34,494)	7,018,274
FUND BALANCES:				
Beginning of year	29,550,973	22,522,043	456,549	52,529,565
End of year	$ 33,351,099	$ 25,774,685	$ 422,055	$ 59,547,839

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities

For the year ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds		$ 7,018,274
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
- Capital asset additions	2,411,992	
- Depreciation expense	(3,848,897)	
Total governmental funds		(1,436,905)
In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds, proceeds from sales increase financial resources.		
- Proceeds from sale of assets not recorded on Statement of Activities		(16,311)
- Gain on disposal of capital assets are not recorded on Governmental Funds		12,467
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.		
- Proceeds from long-term liabilities	(1,436,953)	
- Principal repayments on long-term liabilities	2,678,562	
Net of long-term debt proceeds and repayments		1,241,609
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Amount represent the change in the ambulance receivable.		(272,531)
OPEB expenses do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.		(3,097,917)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
- Change in accrued interest payable	55,000	
- Change in compensated absences	(35,004)	
Total non-current expenses		19,996
Change in Net Position of Governmental Activities		$ 3,468,682

See accompanying Notes to Basic Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

A. Reporting Entity

The Elk Grove Community Services District (the District) was established under Government Code Sections 56261.1 and 56439(c) on July 1, 1985 by a reorganization resulting in the dissolution of the Elk Grove Fire Protection District and the Elk Grove Recreation and Park District. In November 2006, the District and the Galt Fire Protection District merged to become the Cosumnes Community Services District. It is governed by a five member Board of Directors elected to four year staggered terms. The District consists of approximately 157 square miles within the City's of Elk Grove and Galt and unincorporated areas of South Sacramento County with a population of approximately 183,259 residents. The District develops, owns and maintains all park, recreation and fire facilities within its service area, with the exception of park and recreation facilities located within the area commonly known as Laguna Ridge in the City of Elk Grove (the City). In August 2007, the District and the City entered into an agreement with a four year term specifying the District and City will jointly develop and own park and recreation facilities within Laguna Ridge and the District will maintain the facilities. The fire protection services provided by the District include fire suppression, fire prevention, inspection, plan checking, and public education programs and the District provides emergency medical services, ambulance transport, advanced life support and rescue services and recreation facilities and programs. The District operates eight fire stations, one fire training facility, one golf course, two community centers, five recreation centers, two aquatic complexes, and over 94 parks (3 undeveloped) and employs 253 full-time and over 100 part-time people. The District also leases 87 acres of land within Elk Grove Regional Park from the County of Sacramento under an agreement that expires September 14, 2053. Through the exercise of Joint Powers, the District is a member of the Sacramento Regional Fire/EMS Communications Center and the Northern California Special District Insurance Authority.

The District makes assessments and provides services under a District Wide Landscape and Lighting Assessment District, which operates under the Landscape and Lighting Act of 1972. Under the District Wide Landscape and Lighting Assessment District, areas within the original Elk Grove Community Services District boundary are divided into zones of benefit. All parcels within the original Elk Grove Community Services District boundary are assessed at varying rates depending upon the zone of benefit in which the parcel is located and the costs of installing, repairing, maintaining, and replacing landscape and lighting (including parks) within the benefit zone.

The District's reporting entity includes the following blended component units:

The Cosumnes Legacy Foundation: The Cosumnes Legacy Foundation (the Foundation) is a non-profit organization which primarily solicits contributions to provide funding for the District to provide the District's constituents charitable services through its programs. The Foundation is a legally separate component unit reported on a blended basis as part of the primary government because its activities mainly benefit the District's constituents. No separate financial statements are issued for the Foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

Elk Grove Community Services District Public Facilities Acquisition Corporation: The Elk Grove Community Services District Public Facilities Acquisition Corporation (the Corporation) was established in March 2006 to facilitate financing of the acquisition of capital assets by the District. The Corporation's Board is comprised of the members of the District's Board of Directors. The Corporation does not have any assets or liabilities. Its activities have been blended with the appropriate District funds. No separate financial statements are issued for the Corporation.

The District has also entered into a lease financing arrangement with the California Special Districts Association Financing Corporation for the purpose of facilitating the financing of capital projects within the District. For financial reporting purposes, the District's proportionate share of debt service payments of the underlying Certificate of Participation debt is reflected in the Debt Service Fund.

B. Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the District accompanied by a total column.

These government-wide financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the District in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated. However, interfund services provided and used are not eliminated in the process of consolidation. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

The District applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The District has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the Governmental Funds Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

The District reports the following major governmental fund types:

The General Fund is the District's primary operating fund. It is used to account for all activities of the general government, except those required to be accounted for in another fund.

The Landscape and Lighting Special Revenue Fund is used to account for the proceeds of specific landscape and lighting revenue sources that are legally restricted to expenditures for specific purposes. The transactions of the District Wide Landscape and Lighting Assessment District are recorded by the respective zones of benefit within the Special Revenue Fund. However, the zones of benefit do not represent separate special revenue funds.

Additionally the District reports the following fund types:

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, which are financed from the District's Certificate of Participation issues or capital lease financing arrangements.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt.

The Foundation Special Revenue Fund is used to account for revenues of the Cosumnes Legacy Foundation (the Foundation), which are legally restricted to expenditures approved by the Foundation board.

C. Cash, Cash Equivalents and Investments

The District pools its available cash for investment purposes. The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Restricted Cash and Investments

Certain resources set aside for the repayment of certificates of participation are classified as restricted cash and investments on the balance sheet because their use is limited by applicable debt covenants. In addition, developer fees have been restricted by the City of Elk Grove or County of Sacramento ordinances, or the Quimby Act for park development expenditures and the construction of fire stations. Contributions to the Foundation have been restricted for Foundation activities.

E. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements, are classified as nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

F. Capital Assets

Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets owned by the District are stated at historical cost or estimated historical cost, if actual historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the time received. Park improvements completed prior to the year ended June 30, 1995 were recorded at estimated historical cost developed by estimating replacement costs, which were discounted through the use of indices to acquisition dates. Land obtained from developers as donations in substitute of fees are estimated using average assessed values for similar parcels during the year these parcels are acquired. It is the District's policy to not depreciate the base of parks, which includes grading, irrigation systems and landscaping.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Structures and improvements	3 to 40 years
Equipment	5 to 15 years

It is the District's policy to capitalize all land, structures, improvements and equipment, except assets costing less than $1,500. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement. The proceeds from the sale of capital assets is included in the statement of revenues, expenditures and changes in fund balances of the related fund. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Compensated Absences

District employees are granted annual leave in varying amounts based on classification and length of service. Maximum annual leave hours eligible for carry forward to future years is limited to 1.5 times the employee's prior year accrual rate of annual leave, which ranges from 120 hours to 432 hours.

Compensated absences are accrued in the government-wide financial statements when earned. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and is currently payable. Each year's budget includes a provision for the estimated expenditure for the current year. Typically the General Fund is used to liquidate the compensated absence liability.

Sick leave is earned by regular, full-time employees. Any sick leave hours not used during the period are carried forward to future years, with no limit as to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee's retirement are added to the actual period of service when computing retirement benefits. It is the policy of the District not to buy back any accumulated sick leave. Accordingly, no provision for payment of sick leave has been included in the financial statements.

H. Property Taxes

The County of Sacramento is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Sacramento up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The District recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payment and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Property Taxes, Continued

The County uses the alternative method of property tax apportionment known as the "Teeter Plan." Under this method of property tax apportionment, the County purchases the delinquent secured taxes at June 30 of each fiscal year. These taxes are accrued as intergovernmental receivables only if they are received from the County within 60 days after year-end for the governmental funds and are accrued when earned for the government-wide presentation regardless of the timing of the related cash flows.

I. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and are amortized over the life of 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.

J. Net Position / Fund Balance

In the Government-Wide Financial Statements, net position are classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Additionally, this category presents restrictions placed as established by the District's Board of Directors.

Unrestricted net position – This category represents the net position of the District, which are not restricted or invested in capital assets net of related debt for any project or other purpose.

Fund balances presented in the governmental fund financial statements represent the difference between assets and liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position / Fund Balance

The District evaluated each of its funds at June 30, 2014 and classified fund balances into the following five categories:

Non-spendable – includes fund balance amounts that cannot be spent because they are either (a) not expected to be converted or (b) legally or contractually required to be maintained intact.

Restricted – includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions of the District's Board of Directors. The District's Board of Directors must take action to allow for removal or change the constraint.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The Board of Director approved Board Resolution 2011-72 authorizing the General Manager to assign fund balance.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The District reduced committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amount in any of those unrestricted fund balance classifications could be used. Additional information concerning the nature of The District's fund balances pursuant to GASB Statement No. 54 is provided in Note 9 Fund Balance.

K. Use of Restricted and Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: ambulance service revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N. New Pronouncements

In 2014, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*– This statement establishes financial and reporting accounting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. There was no effect on net position as part of implementation of this standard.

- GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB No. 10 and No. 62* – This statement was issued to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of GASB Statement No. 54 and No. 62. There was no effect on net position as part of the implementation of this standard.

- GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* – The objective of this statement is to improve financial reporting by state and local governmental pension plans. There was no effect on net position as part of the implementation of this standard.

- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* – This statement establishes improved accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. There was no effect on net position as part of the implementation of this standard.

2. CASH AND INVESTMENTS

At June 30, 2014, the District's pooled cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	$	54,670,858
Restricted cash and investments		2,811,823
Total cash and investments		57,482,681
Cash and investments as of June 30, 2014 consisted of the following:		
Deposits with financial institutions		4,524,260
Total cash		4,524,260
U.S. Agency securities:		
U.S. Treasury Securities		302,116
Government Sponsored Enterprise Securities		294,788
Federal National Mortgage Association Medium Term Notes		1,058,601
Corporate Notes and Bonds		6,454,620
Certificates of deposit		8,117,129
Money Market Mutual Funds		1,242,592
Investments in Local Agency Investment Fund (LAIF)		35,488,575
Total investments		52,958,421
Total cash and investments	$	57,482,681

Investment policy: Investments are stated at fair value. California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer
Local agency bonds	5 Years	None	None
U. S. Treasury obligations	5 Years	None	None
U.S. Agency securities	5 Years	None	None
California Local Agency debt	5 Years	None	None
Bankers acceptances	180 Days	40%	30%
High grade commercial paper	270 Days	25%	10%
Negotiable certificates of deposits	5 Years	30%	None
Medium term corporate notes	5 Years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage pass-through securities	5 Years	20%	None
Collateralized negotiable investments	5 Years	None	None
Repurchase agreements	92 Days	20%	None
LAIF	N/A	None	None
Local government investments pools	N/A	None	None

*Excluding amounts held by bond trustees that are not subject to California Government code restrictions.

2. CASH AND INVESTMENTS, Continued

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statues pertaining to public deposits and investments.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies provisions of the 1998 Certificates of Participation trust agreement that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio*	Maximum Investment In One Issuer
State Agency Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
Government sponsored agency obligations	None	None	None
U.S. Government agency obligations	None	None	None
Money Market Funds	None	None	None
Bankers acceptances	30 Days	None	None
Commercial Paper	270 Days	None	None
Negotiable certificates and times deposits	30 Days	None	None
Repurchase Agreements	270 Days	None	None
Money Market funds	None	None	None
LAIF	None	None	None
Investment agreements	None	None	None

*Excluding amounts held by bond trustee that are not subject to California Government code restrictions.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District's investment policy does not contain any provisions limiting interest rate risk other than what is specified in the California Government Code.

2. CASH AND INVESTMENTS, Continued

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

		Investment Maturities in Years			
	Fair Value	Less Than 1 Year	1-2 years	2-3 years	3-4 years
U.S. Treasury Securities	302,116		226,934	75,182	
Government Sponsored Enterprise Securities	294,788	119,646	175,142		
Federal National Mortgage Association Medium	-				
Term Notes	1,058,601		18,273	117,563	922,765
Certificates of Deposit	6,454,620	1,962,620	2,992,000	1,500,000	
Corporate Notes	8,117,129	2,572,623	4,224,113	1,320,393	
Money Market Mutual Funds	1,242,592	1,242,592			
LAIF	35,488,575	35,488,575			
Total	$ 52,958,421	$ 41,386,056	$ 7,636,462	$ 3,013,138	$ 922,765

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year end for each investment type.

		Ratings as of Year End					
	Total	AAA	AA+	A+	A	A-	Not Rated
U.S. Treasury Securities	$ 302,116		$ 302,116				
Government Sponored	294,788		294,788				
Enterprise Securities	-						
Federal National Mortgage	-						
Association Medium	-						
Term Notes	1,058,601	372,855	18,273				667,473
Corporate Notes	8,117,129		2,572,622	920,699	905,238	3,704,585	13,985
Certificates of Deposit	6,454,620						6,454,620
Money Market Mutual Funds	1,242,592	215,690					1,026,902
LAIF	35,488,575						35,488,575
Total	$ 52,958,421	$ 588,545	$ 3,187,799	$ 920,699	$ 905,238	$ 3,704,585	$ 43,651,555

Concentration of Credit Risk: The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The following are investments in one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments.

Issuer	Type of Investment	Total
General Electric Capital Corporation	Corporate Notes	$2,441,546
Southwestern Bell Telephone Company	Corporate Notes	$1,050,474
American Express Corporation	Corporate Notes	$1,026,450

2. CASH AND INVESTMENTS, Continued

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2014, the carrying amount of the District's deposits was $4,524,260 and the balance in financial institutions was $5,315,946. Of the balance in financial institutions, $458,764 was covered by federal depository insurance and $4,357,182 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District. As of June 30, 2014, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Type of Investment	Total
Corporate Notes and Bonds	$ 11,972,066
U.S. Agency Securities	$ 1,058,601

Investment in LAIF: The District invests in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

The District's investments with LAIF at June 30, 2014 included a portion of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMS) or credit card receivables.

2. CASH AND INVESTMENTS, Continued

As of June 30 2014, the District had $35,488,575 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to 1.96% in fiscal year 2013. Fair value of LAIF was calculated by applying a factor of 1.000298750 to total investments held by LAIF.

The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Capital assets not being depreciated:					
Land	$ 85,442,799	$ 392	$ -	$ -	$ 85,443,191
Land improvements	63,584,248	-	-	617,069	64,201,317
Construction in progress	1,765,595	787,689	-	(1,471,508)	1,081,776
Total capital assets not being depreciated	150,792,642	788,081	-	(854,439)	150,726,284
Capital assets being depreciated:					
Structures and improvements	76,251,380	-	(70,200)	854,439	77,035,619
Equipment	23,915,184	1,623,911	(489,469)	-	25,049,626
Total capital assets being depreciated	100,166,564	1,623,911	(559,669)	854,439	102,085,245
Less accumulated depreciation for:					
Structures and improvements	(24,927,796)	(2,760,585)	70,200	-	(27,618,181)
Equipment	(20,272,694)	(1,088,312)	485,625	-	(20,875,381)
Total accumulated depreciation	(45,200,490)	(3,848,897)	555,825	-	(48,493,562)
Total capital assets being depreciated, net	54,966,074	(2,224,986)	(3,844)	854,439	53,591,683
Capital assets, net	$ 205,758,716	$ (1,436,905)	$ (3,844)	$ -	$ 204,317,967

3. CAPITAL ASSETS, Continued

Depreciation was charged to activities as follows:

Public Protection	$ 1,613,163
Recreation and culture	2,176,145
General government	59,589
Total depreciation expense	$ 3,848,897

4. INTERFUND TRANSACTIONS

	Due from other funds		
	General Fund	Non-Major Governmental Fund	Total
Due to other funds			
General Fund	$ -	$ 191,454	$ 191,454
Non-Major Governmental Fund	45,274	-	45,274
Total	$ 45,274	$ 191,454	$ 236,728

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	Advances to other funds	
	Non-Major Governmental Fund	Total
Advances from other funds		
General Fund	$ 23,791	$ 23,791
Total	$ 23,791	$ 23,791

4. INTERFUND TRANSACTIONS, Continued

Advances from the General Fund to the Landscape and Lighting Special Revenue Fund and Non-Major Governmental Funds are to fund operating expenditures not otherwise covered by available resources.

		Transfers In			
		Major Fund			
		General Fund	Landscape and Lighting Special Revenue Fund	Non - Major Governmental Fund	Total
Transfers Out	General Fund	$ 599,137	$ -	$ 524,515	$ 1,123,652
	Landscape and Lighting Special Revenue Fund	1,185,000	2,287,354	-	3,472,354
	Non - Major Governmental Fund	29,184	-	-	29,184
	Total	$ 1,813,321	$ 2,287,354	$ 524,515	$ 4,625,190

Transfers are used to (1) pay for overhead expenditures incurred and to assist in paying for capital improvement projects, and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

5. LONG-TERM LIABILITIES

The activities of the District's long-term liabilities during the year ended June 30, 2014 are as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Loans Payable	$ 1,214,458	$ -	$ (1,119,706)	$ 94,752	$ 10,146
Certificates of Participation - 1998 Series	1,022,900	-	(175,700)	847,200	183,100
Capital lease obligation	19,049,265	1,436,953	(1,383,156)	19,103,062	1,641,019
Compensated absences	1,840,357	3,600,353	(3,565,349)	1,875,361	337,342
Net OPEB liability	22,226,556	4,267,288	(1,169,371)	25,324,473	-
Total long-term liabilities	$ 45,353,536	$ 9,304,594	$ (7,413,282)	$ 47,244,848	$ 2,171,607
Less: amount due within one year	(2,943,626)			(2,171,607)	
Amounts due in more than one year	$ 42,409,910			$ 45,073,241	

5. LONG-TERM LIABILITIES, Continued

The certificates of participation and loans payable consist of the following as of June 30, 2014:

Loans Payable - Obtained August 15, 2003 and May 1, 2007 in the amount of $3,010,000, and $200,000, respectively, for the partial funding of the acquisition and construction of the Barbara Morse Wackford Aquatic/Community Complex and a fire protection training facility and for the funding of the Underwood Park well. The District has pledged certain legally available revenues from the Landscape and Lighting Special Revenue Fund to secure the $3,010,000 loan. The revenues pledged must exceed 125% of the maximum annual debt service requirements of the loan and all future indebtedness payable from the revenues pledged under the terms of the agreement. Semi-annual interest payments at 4.56% ranging from $3,408 to $40,861 and semi-annual principal payments ranging from $104,211 to $142,579 are due January 15 and July 15 through January 14, 2014 on the $3,010,000 loan and semi-annual interest payments at 5.31% ranging from $252 to $5,310 and semi-annual principal payments ranging from $4,444 to $9,502 are due November 1 and May 1 through May 1, 2022 on the $200,000 loan. The outstanding balances as of June 30, 2014 were $98,219.

On May 5, 2010, the District entered into a loan agreement to fund certain improvements to the Bartholomew Sports Park in the amount of $3,098,995. The District has pledged certain legally available revenues from the Landscape and Lighting Special Revenue Fund to secure the loan. Semi-annual interest payments at 4.48% ranging from $9,230 to $68,488 and semi-annual principal payments ranging from $358,393 to $417,651 are due October 21 and April 21 through April 21, 2014. The outstanding balance as of June 30, 2014 was $0.

Certificates of Participation - Issued August 1998 for the acquisition and construction of two fire stations and certain real property for a fire protection training facility. On October 20, 2010 the District entered into lease agreement and site agreement for the refinance of the 1998 Certificates of Participation. Under the terms of the new agreement, the new loan will bear an interest rate of 4.05% and a final maturity of 2018. Annual principal payments of $68,400 to $206,700 are due August 1. The outstanding balance as of June 30, 2014 was $847,200.

Compensated Absences - Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

5. LONG-TERM LIABILITIES, Continued

Payments of principal and interest on the certificates of participation and loan payable are funded by assessments of residents and businesses within the Landscape and Lighting Assessment District. Shortfalls in assessment revenues are funded by General Fund revenues. There was no delinquent assessments receivable at June 30, 2014.

Maturities of long-term liabilities are summarized below.

	Loans Payable			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2015	$ 10,146	$ 5,083	$ 15,229	$ 183,100	$ 30,604	$ 213,704
2016	10,692	4,536	15,228	190,600	23,036	213,636
2017	11,268	3,962	15,230	198,400	15,159	213,559
2018	11,875	3,355	15,230	206,700	6,956	213,656
2019	12,514	2,716	15,230	68,400	1,385	69,785
2020-2023	38,257	3,963	42,220	-	-	-
Total debt	$ 94,752	$ 23,615	$ 118,367	$ 847,200	$ 77,140	$ 924,340

Capital Lease Obligation - Effective July 1, 2000, the District entered into a lease agreement to finance the construction and equipping of fire station 76. The lease agreement provides for 40 semi-annual payments of $78,777 through July 1, 2020. Payments under the agreements include interest at 3.03%. The capital assets acquired under the capital lease agreement consist of a fire station, land and equipment totaling $1,928,763, with accumulated depreciation of $635,893 at June 30, 2014. In July 2004, the District entered into a lease agreement to finance the construction of fire station 72. The lease agreement provides for 15 annual payments of $302,772 beginning July 31, 2005 through July 31, 2019. Payments include interest at 5.12%. The cost of this fire station was $3,034,122, with accumulated depreciation of $694,170 at June 30, 2014. In March 2006, the District entered into a lease agreement to acquire and improve 97 acres of land for a park site. The lease calls for 80 quarterly payments of $70,359 through March 30, 2026. Payments include interest at 1.67%. Capital assets acquired under this lease agreement include land and improvements of $4,381,059, with accumulated depreciation of $605,341 at June 30, 2014. In July 2006, the District entered into a lease agreement to fund the purchase of a golf course, which is recorded as land in the amount of $5,009,532. The lease agreement provides for 28 quarterly payments of $89,689 through July 2013, with the payments being reset on that date and paid through July 21, 2026. Payments include interest at 2.35%. On August 27, 2008, the District entered into a capital lease agreement in the amount of $10,024,366 to finance the construction of a fleet maintenance facility expansion and to refinance the April 1, 2007 lease agreement to expand the training facility. Under the agreement, principal and interest payments of $398,568 are due semi-annually at a fixed interest rate of 5.4% from March 4, 2009 through September 4, 2028. There is a no call provision for the first 10 years of the agreement but the loan may be prepaid or refinanced after that time. Capital assets acquired under this lease agreement include land and improvements of $10,000,000, with accumulated depreciation of $598,164 at June 30, 2014. On January 3, 2013, the District entered into a capital lease agreement in the amount of $320,004 for the improvement of three ambulances. The lease agreement provides for 60 monthly payments of $5,688 from March 1, 2013 through February 1, 2018. Payments include interest at 2.56%. Capital assets acquired under this lease agreement include equipment of $320,004, with accumulated depreciation of $96,003 at June 30, 2014.

5. LONG-TERM LIABILITIES, Continued

On March 25, 2014, the District entered into a capital lease agreement in the amount of $297,741 for three ambulances. The lease agreement provides for 60 monthly payments of $5,330 from April 15, 2014 through March 15, 2018. Payments include interest at 2.86%. On December 7, 2013, the District entered into a capital lease agreement in the amount of $1,073,150 for two fire engines. The lease agreement provides for 7 annual payments of $168,392 from December 7, 2013 through July 7, 2020. Payments include interest at 1.56%.

The District leased equipment and vehicles under numerous capital leases, which have various monthly, annual, and semiannual payments through November, 2029. Interest rates range from 3.07% to 11.91%. Capital assets acquired under these capital leases consist of equipment totaling $774,336 with accumulated depreciation of $464,409 at June 30, 2014. As of June 30, 2014, future minimum lease payments under capital lease obligations were as follows:

Fiscal Year ending June 30,	
2015	$ 2,338,789
2016	2,237,115
2017	2,179,703
2018	2,117,017
2019	2,066,045
2020-2024	7,433,807
2025-2029	3,449,497
Total payments	21,821,973
Less amounts representing interest	2,718,911
Net present value of future minimum lease payments	$ 19,103,062

6. DEFINED BENEFIT PENSION PLAN

Plan Description: The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. All permanent full and part time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times their highest average monthly salary over twelve consecutive months of employment. Benefit provisions and all other requirements are established by state statute. The establishment and amendment of specific benefit provisions of the plan is authorized by resolution of the District's Board. Copies of PERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy: Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2014 was 14.206% of annual covered payroll for non-safety employees and 27.397% for safety employees. The contribution requirements of plan members and the District are established and may be amended by PERS.

6. DEFINED BENEFIT PENSION PLAN, Continued

Annual Pension Cost: For the fiscal year ending June 30, 2014, the District's annual pension cost of $4,993,299 for PERS was equal to the District's required and actual contributions. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.30% to 14.20% for nonsafety members and 3.30% to 14.20% for safety members, and (c) 3.00% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization of the unfunded liability at June 30, 2011, was 31 years for non-safety and 31 years for safety employees.

Three-Year Trend Information For PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Non-Safety Employees:			
June 30, 2012	1,070,516	100%	-
June 30, 2013	907,831	100%	-
June 30, 2014	970,259	100%	-
Safety Employees:			
June 30, 2012	4,113,294	100%	-
June 30, 2013	4,136,747	100%	-
June 30, 2014	4,023,040	100%	-

Funding Status as of the Most Recent Actuarial Date

A schedule of funding progress as of the most recent actuarial date is presented below.

Safety Plan

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2013	81,076,477	124,231,900	43,155,423	65.3%	17,593,001	245.3%

6. DEFINED BENEFIT PENSION PLAN, Continued

Funding Status as of the Most Recent Actuarial Date, Continued

Miscellaneous Plan

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2013	22,839,029	30,771,325	7,932,296	74.2%	7,391,037	107.3%

7. OTHER POSTEMPLOYEMENT BENEFITS

The District participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEHMCA), providing lifetime medical benefits to District full-time employees who retire at age 50 or older with 5 or more years of service. Benefits are also provided to spouses and surviving spouses of eligible retirees. Retires may enroll in any available CalPERS medical plan. The District contributed 100% of the costs. The District currently pays for the cost of the retiree healthcare on a pay-as-you-go basis. For fiscal year ended June 30, 2014, there were 75 retirees receiving this benefit and total District costs amounted to $1,169,371.

The District is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you-go amount necessary to provide current benefits to retirees. The District has set up a trust fund, however the District has not been contributing to it. The District is currently paying benefits from the District's General Fund.

The District's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

7. OTHER POSTEMPLOYEMENT BENEFITS, Continued

The following table illustrates the District's June 30, 2014 Net OPEB Obligation:

Annual required contribution	$	4,360,646
Interest on net OPEB obligation		944,629
Amortization of net OPEB obligation		(1,037,987)
Annual OPEB cost		4,267,288
Payments made		(1,169,371)
Increase in net OPEB obligation		3,097,917
Net OPEB obligation - beginning of the year		22,226,556
Estimated NET OPEB Obligation June 30, 2014	$	25,324,473

The District annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of APC Contributed	Net OPEB Obligation
6/30/2012	6,048,727	12%	16,561,174
6/30/2013	6,540,277	11%	22,226,556
6/30/2014	4,267,288	27%	25,324,473

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was $48,678,128, and the actuarial value of plan assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $48,678,128. The covered payroll (annual payroll of active employees covered by the plan) was $20,364,480 and the ratio of UAAL to the covered payroll was 239.0%. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of including this information in the financial report, the data presented is limited.

7. OTHER POSTEMPLOYEMENT BENEFITS, Continued

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's July 1, 2013 retiree healthcare valuation was prepared using the Entry Age Normal (EAN) actuarial cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll throughout the participants' working lifetime. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior Normal Cost. For the retirees, the AAL is the present value of all projected benefits. The Unfunded AAL is being amortized as a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at July 1, 2013 of 25 years.

GASB 45 requires the interest rate to represent the underlying expected long-term rate of return for the source of funds used to pay benefits. The District has not commenced pre-funding the obligation, this valuation included a 4.25% interest rate rather than 7.75%. Another key assumption is that future healthcare inflation rate used to increase the PEMHCA minimum contribution is expected to increase at 5.5% a year.

The rate of increase in per capita health care costs is assumed to increase at 5.5% in the long term and aggregate payroll to increase at 3.25% per annum. The study also used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality, withdrawal, and disability based on CalPERS 1997-2002 Experience Study. Retirement assumption was also based on CalPERS 1997-2002 Experience Study of the Miscellaneous Plan 2.5% at 55 years, and Fire Plan 3% at 50 years.

8. RISK MANAGEMENT

The District participates in the Northern California Special Districts Insurance Authority (NCSDIA), a public entity risk pool of special districts within Northern California, for workers compensation insurance. Loss contingency reserves established by NCSDIA are funded by contributions from member agencies. The District pays an annual premium to NCSDIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the NCSDIA. NCSDIA retains the ability to assess its members' amounts in addition to annual premiums. NCSDIA 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.

8. RISK MANAGEMENT, Continued

The District also participates in the Special District Risk Management Authority (SDRMA), a joint powers agency comprised of California special districts, for general, property, automobile, and public officials' errors and omissions. Loss contingency reserves established by the SDRMA are funded by contributions from member agencies. The District pays an annual contribution to the SDRMA that 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 SDRMA. SDRMA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The District's self-insured retention level and maximum coverage under the NCSDIA and SDRMA are as follows:

	Pool Coverage	Commercial Coverage	Self-Insured Retention
NCSDIA			
Workers compensation and employers liability	$ 200,000	$ 5,000,000	$ -
SDRMA			
Property	-	1,000,000,000	2,000
Boiler and machinery	-	100,000,000	1,000
Personal Injury and property damage	600,000	9,400,000	500 to 1,000
Uninsured motorists bodily injury	750,000	-	-
Public officials errors and omissions liability	600,000	9,400,000	-
Employment benefits and practices liability	600,000	9,400,000	-
Employee dishonesty	-	400,000	-
Public officials personal liability	-	500,000	500
Trailer and automobile physical damage	Replacement Cost	-	-

9. FUND BALANCE, Continued

As of June 30, 2014, classifications of fund balance are as follows:

	Major Governmental Funds			
Fund Balances	General	Landscaping and Lighting Special Revenue Fund	Non-Major Government Funds	Total Government
Nonspendable fund balance:				
Advances to other funds	$ 23,791	$ -	$ -	$ 23,791
Prepaid expenses	715,447	-	-	715,447
Subtotal	739,238	-	-	739,238
Restricted fund balance for:				
Park Development	13,063,785	-	-	13,063,785
Fire station and equipment	3,081,292	-	-	3,081,292
Capital projects	-	-	217,233	217,233
Specific purpose of the fund	-	25,774,685	-	25,774,685
Foundation activies of the fund	-	-	204,822	204,822
Subtotal	16,145,077	25,774,685	422,055	42,341,817
Assigned fund balance for:				
Golf capital improvement	15,000	-	-	15,000
Emergency reserve	2,844,752	-	-	2,844,752
Youth facility development	33,020	-	-	33,020
Apparatus replacement	1,057,190	-	-	1,057,190
Retiree health	320,750	-	-	320,750
Laguna town hall capital	40,000	-	-	40,000
BMW complex capital reserve	68,050	-	-	68,050
Park capital facilities	2,767,357	-	-	2,767,357
EG recreation center capital improvement	31,000	-	-	31,000
Fire capital facilities	7,528	-	-	7,528
Station 75 principal/repayment	33,851	-	-	33,851
Recreational activities	1,982,400	-	-	1,982,400
Public safety activities	6,267,328	-	-	6,267,328
Administrative activities	843,151	-	-	843,151
Dillard ranch	79,647	-	-	79,647
Fox aquatic capital improvement	20,700	-	-	20,700
Pavillion deferred maintenance	20,000	-	-	20,000
HBSP deferred maintenance	35,060	-	-	35,060
Subtotal	16,466,784	-	-	16,466,784
Total Fund Balances	33,351,099	25,774,685	422,055	59,547,839

10. COMMITTMENT AND CONTINGENCIES

The District is in the process of performing park land improvements and other projects as of June 30, 2014 as follows:

Project	Project Appropriation	Expended to June 30, 2014	Committed
Fieldstone Phase II Land	$ 1,631,683	$ -	$ 1,631,683
Total	$ 1,631,683	$ -	$ 1,631,683

The District is a party to claims and lawsuits arising in the ordinary course of business. The District'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 District.

10. SUBSEQUENT EVENTS

Only July 24, 2014 the District purchased the property Fieldstone North Parkland (6.2 acres) for $1,631,683 for the purposes of extending the existing Derr-Okamoto Community Park.

REQUIRED SUPPLEMENTARY INFORMATION

1. PENSION PLAN SCHEDULE OF FUNDING PROGRESS

The table below, which is from the latest available actuarial valuation, shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the funded status of the accrued liability as a percentage of the annual covered payroll for the District's contribution to PERS as of June 30:

Miscellaneous (Unaudited)

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
6/30/2011	20,429,191	28,024,379	7,595,188	72.9%	9,457,911	80.3%
6/30/2012	22,790,510	29,761,963	6,971,453	76.6%	7,861,085	88.7%
6/30/2013	22,839,029	30,771,325	7,932,296	74.2%	7,391,037	107.3%

Safety (Unaudited)

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
6/30/2011	72,234,098	106,706,001	34,471,903	67.7%	17,890,657	192.7%
6/30/2012	80,283,565	114,212,323	33,928,758	70.3%	17,685,187	191.8%
6/30/2013	81,076,477	124,231,900	43,155,423	65.3%	17,593,001	245.3%

2. OTHER POST EMPLOYMENT PENSION PLAN SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
7/1/2009	-	39,505,943	39,505,943	0.0%	24,272,882	162.8%
7/1/2011	-	54,874,483	54,874,483	0.0%	22,586,551	243.0%
7/1/2013	-	48,678,128	48,678,128	0.0%	20,364,480	239.0%

*Latest information available.

3. BUDGETARY BASIS OF ACCOUNTING

As required by the laws of the State of California, the District prepares and legally adopts a final operating budget on or before September 1 of each fiscal year. Until the adoption of this final budget, operations are governed by the adopted preliminary budget approved by the Board.

Annual budgets are adopted for the General Fund and Landscape and Lighting Special Revenue Fund. A formal budget is not developed for the Foundation Special Revenue Fund. Accordingly, comparison of actual results of operations to budgetary data for this fund is not presented. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. In addition, legal level of budgetary control for the Landscape and Lighting Special Revenue Fund is at the benefit zone level, which is presented in the Supplementary Information section of this report. Significant amendments, appropriation transfers between objects and transfers from contingencies must be approved by the District's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No significant supplemental appropriations were required during the year ended June 30, 2014.

The District prepares its annual budget on a basis (budgetary basis) which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the District's method (Non-GAAP budgetary basis) in the Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP Budgetary Basis for the Landscape and Lighting Special Revenue Fund to provide a meaningful comparison of actual results with the budget. The main difference between budgetary and GAAP basis is that park land improvements that have been contributed in lieu of developer fees in the Landscape and Lighting Special Revenue Fund are recorded as revenue and capital outlay expenditures on the GAAP basis, but these items are not reflected in the budget. No land improvements were contributed to the District during the year ended June 30, 2014, resulting in there being no difference between the GAAP basis and Non-GAAP Budgetary Basis for the year ended June 30, 2014.

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Cosumnes Community Services District

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

General Fund

For the year ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Taxes	$ 30,977,091	$ 30,977,091	$ 32,626,823	$ 1,649,732
Charges for current services	11,466,485	11,466,485	13,420,426	1,953,941
Developer fees and contributions	-	-	2,832,285	2,832,285
Intergovernmental	250,458	780,458	1,407,346	626,888
Donations and contributions	99,598	99,598	101,812	2,214
Use of money and property	1,027,880	1,027,880	1,145,174	117,294
Miscellaneous	300,239	300,239	310,485	10,246
Total revenues	44,121,751	44,651,751	51,844,351	7,192,600
EXPENDITURES:				
Current:				
Public protection	32,610,567	33,140,567	33,362,739	(222,172)
Recreation and culture	9,620,663	9,598,263	9,306,774	291,489
General government	3,306,048	3,306,048	3,114,179	191,869
Capital outlay	5,215,584	5,229,584	2,302,192	2,927,392
Debt service:				
Principal	1,770,220	1,770,220	1,356,955	413,265
Interest	1,111,504	1,111,504	796,459	315,045
Contingencies	500,000	500,000	-	500,000
Total expenditures	54,134,586	54,656,186	50,239,298	4,416,888
REVENUES OVER (UNDER) EXPENDITURES	(10,012,835)	(10,004,435)	1,605,053	11,609,488
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	12,000	12,000	14,061	2,061
Issuance of long-term liabilities	388,900	1,422,900	1,385,891	(37,009)
Insurance recovery	126,000	126,000	105,452	(20,548)
Transfers in	1,533,215	1,671,215	1,813,321	142,106
Transfers out	(985,929)	(1,123,929)	(1,123,652)	277
Total other financing sources (uses)	1,074,186	2,108,186	2,195,073	86,887
Net change in fund balances	(8,938,649)	(7,896,249)	3,800,126	11,696,375
FUND BALANCES:				
Beginning of year	29,550,973	29,550,973	29,550,973	-
End of year	$ 20,612,324	$ 21,654,724	$ 33,351,099	$ 11,696,375

Cosumnes Community Services District

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

Non-GAAP Budgetary Basis

Landscape and Lighting District

For the year ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Charges for current services	$ 14,324,222	$ 14,344,472	$ 14,415,446	$ 70,974
Use of money and property	310,975	310,975	340,865	29,890
Miscellaneous	500	500	21,866	21,366
Total revenues	14,635,697	14,655,947	14,778,177	122,230
EXPENDITURES:				
Current:				
Recreation and culture	10,392,306	10,452,055	9,415,366	1,036,689
Capital outlay	52,300	63,300	96,161	(32,861)
Debt service				-
Principal	859,193	863,772	852,806	10,966
Interest	30,216	30,501	29,514	987
Total expenditures	11,334,015	11,409,628	10,393,847	1,015,781
REVENUES OVER (UNDER) EXPENDITURES	3,301,682	3,246,319	4,384,330	1,138,011
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	2,250	2,250
Issuance of long-term liabilities	-	51,000	51,062	62
Transfers in	2,456,512	2,456,512	2,287,354	(169,158)
Transfers out	(3,576,392)	(3,702,648)	(3,472,354)	230,294
Total other financing sources (uses)	(1,119,880)	(1,195,136)	(1,131,688)	63,448
Net change in fund balances	2,181,802	2,051,183	3,252,642	1,201,459
FUND BALANCES:				
Beginning of year	22,522,043	22,522,043	22,522,043	-
End of year	$ 24,979,503	$ 24,848,984	$ 25,774,685	$ 1,201,459

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

Cosumnes Community Services District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Debt Service Fund	Foundation Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	$ -	$ 229,415	$ -	$ 229,415
Restricted cash and investments	-	-	71,053	71,053
Due from other Funds	-	-	191,454	191,454
Total assets	$ -	$ 229,415	$ 262,507	$ 491,922
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 802	$ -	$ 802
Due to other funds	-	-	45,274	45,274
Advances from other Funds	-	23,791	-	23,791
Total Liabilities	$ -	$ 24,593	$ 45,274	$ 69,867
Fund Balances:				
Restricted for:				
Capital projects	-	-	217,233	217,233
Foundation activities of the fund	-	204,822	-	204,822
Total fund balances	-	204,822	217,233	422,055
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 229,415	$ 262,507	$ 491,922

Cosumnes Community Services District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2014

	Debt Service Fund	Foundation Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Donations and contributions	$ -	$ 19,834	$ -	$ 19,834
Use of money and property	-	-	23	23
Total revenues	-	19,834	23	19,857
EXPENDITURES				
General government	-	263	1,000	1,263
Capital outlay	-	221	13,640	13,861
Services and supplies:				
Advertising	-	63	-	63
Membership	-	260	-	260
Office Supplies	-	1,749	-	1,749
Printing	-	378	-	378
Food Supplies	-	267	-	267
Professional Services	-	2,639	-	2,639
Recreation Supplies	-	10,469	-	10,469
Total Services and supplies	-	16,309	14,640	30,949
Debt service:				
Principal	468,801	-	-	468,801
Interest	49,932	-	-	49,932
Total debt service	518,733	-	-	518,733
Total expenditures	518,733	16,309	14,640	549,682
REVENUES OVER (UNDER) EXPENDITURES	(518,733)	3,525	(14,617)	(529,825)
OTHER FINANCING SOURCES (USES)				
Transfers in	518,733	5,782	-	524,515
Transfers out	-	(29,184)	-	(29,184)
Total other financing sources (uses)	518,733	(23,402)	-	495,331
Net change in fund balances	-	(19,877)	(14,617)	(34,494)
FUND BALANCES:				
Beginning of year	-	224,699	231,850	456,549
End of year	$ -	$ 204,822	$ 217,233	$ 422,055

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GENERAL FUND

To account for resources associated with the general governmental operations which are not required to be accounted for in another fund.

Cosumnes Community Services District
Schedule of Revenues
General Fund
June 30, 2014

	General Operations
Taxes:	
Current secured	$ 31,286,931
Current unsecured	1,296,839
Supplemental property taxes	10,833
Prior unsecured	32,220
Total taxes	32,626,823
Charges for current services:	
Recreation services charges	5,296,080
Ambulance service fees	7,181,029
Service fees/charges - other	943,317
Total charges for current services	13,420,426
Developer fees and contributions	2,832,285
Total developer fees and contributions	2,832,285
Intergovernmental:	
Homeowner's property tax relief	435,454
In lieu taxes - other	7,655
State aid - other miscellaneous programs	811,779
RDA passthrough	152,458
Total intergovernmental	1,407,346
Donations and contributions	101,812
Total donations and contributions	101,812
Use of money and property:	
Interest income	138,609
Building rental/lease	1,006,565
Total use of money and property	1,145,174
Miscellaneous:	
Other revenue	310,485
Total other revenue	310,485
Total revenues	$ 51,844,351

Cosumnes Community Services District
Schedule of Expenditures
General Fund
June 30, 2014

	Departments			
	Public Protection	Park (Recreation and Culture)	Administration (General Government)	Total
Current expenditures:				
Salaries and employee benefits:				
Salaries and wages	$ 19,909,696	$ 4,728,717	$ 1,536,486	$ 26,174,899
Retirement - employer costs	5,045,903	487,743	193,706	5,727,352
Group insurance - employer costs	3,987,850	878,041	445,767	5,311,658
Workers' compensation insurance	1,094,541	78,287	36,186	1,209,014
Other	274,226	137,454	27,316	438,996
Total salaries and employee benefits	30,312,216	6,310,242	2,239,461	38,861,919
Services and supplies:				
Automobile services and supplies	187,141	1,006	5,127	193,274
Buildings and grounds maintenance	128,746	263,521	25,229	417,496
Business conferences	165	7,017	2,159	9,341
Chemical supplies	-	68,140	-	68,140
Clothing/personal supplies	122,342	27,432	1,143	150,917
Communication system service	689,800	-	-	689,800
Education and training	44,329	22,651	11,176	78,156
Employee transportation	2,995	15	20	3,030
Fire equipment and maintenance	104,651	642	-	105,293
Equipment rents and leases	32,945	80,977	1,078	115,000
Food supplies	3,983	131,288	401	135,672
Fuel and lubricants	290,856	23,089	22,144	336,089
Insurance - liability	166,722	63,781	23,117	253,620
Medical services and supplies	206,625	6,885	410	213,920
Memberships	1,285	8,032	7,188	16,505
Miscellaneous	274,472	272,950	210,629	758,051
Office supplies	15,055	21,181	5,672	41,908
Professional services	419,244	1,126,329	516,010	2,061,583
Radio/electric service and supply	7,529	11,100	182	18,811
Recreational supplies	-	338,607	-	338,607
Taxes and assessments	114	-	13,922	14,036
Telephone	161,716	70,964	11,185	243,865
Utilities	189,808	450,925	17,926	658,659
Total services and supplies	3,050,523	2,996,532	874,718	6,921,773
Total current expenditures	33,362,739	9,306,774	3,114,179	45,783,692
Capital outlay:				
Land	-	392	-	392
Structures and improvements	-	761,569	-	761,569
Equipment	1,452,203	83,654	4,374	1,540,231
Total capital outlay	1,452,203	845,615	4,374	2,302,192
Debt service:				
Principal	852,007	19,555	485,393	1,356,955
Interest	602,635	8,834	184,990	796,459
Total debt service	1,454,642	28,389	670,383	2,153,414
Total expenditures	$ 36,269,584	$ 10,180,778	$ 3,788,936	$ 50,239,298

Cosumnes Community Services District

Schedule of Expenditures and Other Financing Sources and Uses Compared to Budget - General Fund

June 30, 2014

	Public Protection			Park Department		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
PUBLIC PROTECTION:						
Salaries and benefits	$ 29,799,502	$ 30,312,216	$ (512,714)	$ -	$ -	$ -
Service and supplies	3,341,065	3,050,523	290,542	-	-	-
Total public protection	33,140,567	33,362,739	(222,172)	-	-	-
RECREATION AND CULTURE:						
Salaries and benefits	-	-	-	6,433,891	6,310,242	123,649
Costs of sales and services	-	-	-	3,164,372	2,996,532	167,840
Total recreation and culture	-	-	-	9,598,263	9,306,774	291,489
GENERAL GOVERNMENT:						
Salaries and benefits	-	-	-	-	-	-
Services and supplies	-	-	-	-	-	-
Total general government	-	-	-	-	-	-
CAPITAL OUTLAY:						
Land	-	-	-	395	392	3
Equipment	1,453,039	1,452,203	836	83,708	83,654	54
Structures and improvements	410,829	-	410,829	2,824,453	761,569	2,062,884
Total capital outlay	1,863,868	1,452,203	411,665	2,908,556	845,615	2,062,941
LEASES/DEBT PAYMENTS:						
Debt service	1,544,792	1,454,642	90,150	36,077	28,389	7,688
OTHER FINANCING (SOURCES) AND USES:						
Proceeds from sale of capital assets	(12,000)	(12,000)	-	-	(1,005)	1,005
Issuance of long-term liabilities	(1,407,900)	(1,370,891)	(37,009)	(15,000)	(15,000)	-
Insurance Proceeds	-	-	-	(126,000)	(105,452)	(20,548)
Transfers in	(47,159)	(80,019)	32,860	(1,372,816)	(1,482,003)	109,187
Transfers out	284,152	283,890	262	824,875	824,860	15
Total other Financing uses	(1,182,907)	(1,179,020)	(3,887)	(688,941)	(778,600)	89,659
CONTINGENCIES	-	-	-	-	-	-
Total general fund	35,366,320	35,090,564	275,756	11,853,955	9,402,178	2,451,777

Administrative Services			Total		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ 29,799,502	$ 30,312,216	$ (512,714)
-	-	-	3,341,065	3,050,523	290,542
-	-	-	33,140,567	33,362,739	(222,172)
-	-	-	6,433,891	6,310,242	123,649
-	-	-	3,164,372	2,996,532	167,840
-	-	-	9,598,263	9,306,774	291,489
2,295,391	2,239,461	55,930	2,295,391	2,239,461	55,930
1,010,657	874,718	135,939	1,010,657	874,718	135,939
3,306,048	3,114,179	191,869	3,306,048	3,114,179	191,869
-	-	-	395	392	3
5,000	4,374	626	1,541,747	1,540,231	1,516
-	-	-	3,235,282	761,569	2,473,713
5,000	4,374	626	4,777,424	2,302,192	2,475,232
670,386	670,383	3	2,251,255	2,153,414	97,841
-	(1,056)	1,056	(12,000)	(14,061)	2,061
-	-	-	(1,422,900)	(1,385,891)	(37,009)
-	-	-	(126,000)	(105,452)	(20,548)
(251,240)	(251,299)	59	(1,671,215)	(1,813,321)	142,106
14,902	14,902	-	1,123,929	1,123,652	277
(236,338)	(237,453)	1,115	(2,108,186)	(2,195,073)	86,887
500,000	-	500,000	500,000	-	500,000
4,245,096	3,551,483	693,613	51,465,371	48,044,225	3,421,146

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LANDSCAPE AND LIGHTING SPECIAL REVENUE FUND

June 30, 2013

To account for specific revenue sources related to the District Wide Landscape and Lighting Assessment District pursuant to the Landscape and Lighting Act of 1972. The activities of the Assessment Districts are accounted for under the following zones of benefit, which do not represent separate special revenue funds:

Zone 1 - Laguna
Zone 2 - Camden
Zone 3 - Elk Grove/West Vineyard
Zone 4 - West Laguna
Zone 5 - Lakeside
Zone 6 - Central Elk Grove
Zone 8 - Other Rural Areas
Zone 9 - Waterman/Park Village
Zone 10 - Auto Mall
Zone 11 - East Elk Grove
Zone 12 - Laguna Stonelake
Zone 13 - East Franklin
Zone 14 - Camden Park
Zone 15 - Vista Creek
Zone 16 - Fallbrook Park Lane
Zone 17 - City Landscape
District Wide

Cosumnes Community Services District
Balance Sheet Schedules by Benefit Zone
Landscaping and Lighting Special Revenue Fund
June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit					
	Zone 1 Laguna	Zone 2 Camden	Zone 3 Elk Grove/ West Vineyard	Zone 4 West Laguna	Zone 5 Lakeside	Zone 6 Central Elk Grove
ASSETS						
Cash and investments	$ 3,625,646	$ 184,094	$ 597,242	$ 925,723	$ 988,851	$ 159,278
Receivables:						
Accounts	-	-	-	-	-	503
Interest	6,683	254	1,096	1,696	1,543	593
Intergovernmental	50,657	2,178	11,351	11,397	8,353	8,089
Total assets	$ 3,682,986	$ 186,526	$ 609,689	$ 938,816	$ 998,747	$ 168,463
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenditures	$ 49,531	$ 544	$ 8,978	$ 7,476	$ 6,416	$ 1,028
Total liabilities	49,531	544	8,978	7,476	6,416	1,028
Fund Balances:						
Restricted for:						
Specific purpose of the fund	3,633,455	185,982	600,711	931,340	992,331	167,435
Total fund balances	3,633,455	185,982	600,711	931,340	992,331	167,435
Total liabilities, deferred inflows of resources, and fund balances	$ 3,682,986	$ 186,526	$ 609,689	$ 938,816	$ 998,747	$ 168,463

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 8 Other Rural Areas	Zone 9 Waterman/ Park Village	Zone 10 Auto Mall	Zone 11 East Elk Grove	Zone 12 Laguna Stonelake	Zone 13 East Franklin	Zone 14 Camden Park	Zone 15 Vista Creek
$ 850,501	$ 159,684	$ 126,802	$ 4,305,506	$ 876,886	$ 11,552,691	$ 279,713	$ 54,788
-	-	-	-	-	-	-	-
1,672	269	202	6,480	1,362	17,692	437	87
8,592	4,092	437	22,624	6,536	44,517	1,981	258
$ 860,765	$ 164,045	$ 127,441	$ 4,334,610	$ 884,784	$ 11,614,900	$ 282,131	$ 55,133
$ 52	$ 274	$ 41	$ 2,900	$ 2,689	$ 13,363	$ -	$ -
52	274	41	2,900	2,689	13,363	-	-
860,713	163,771	127,400	4,331,710	882,095	11,601,537	282,131	55,133
860,713	163,771	127,400	4,331,710	882,095	11,601,537	282,131	55,133
$ 860,765	$ 164,045	$ 127,441	$ 4,334,610	$ 884,784	$ 11,614,900	$ 282,131	$ 55,133

Cosumnes Community Services District
Balance Sheet Schedules by Benefit Zone
Landscaping and Lighting Special Revenue Fund
June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	District Wide	Total
ASSETS				
Cash and investments	$ 274,228	$ 254,733	$ 441,729	$ 25,658,095
Receivables:				
Accounts	80	122,547	-	123,130
Interest	433	422	-	40,921
Intergovernmental	835	-	-	181,897
Total assets	$ 275,576	$ 377,702	$ 441,729	$ 26,004,043
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	$ -	$ 80,915	$ 55,151	$ 229,358
Total liabilities	-	80,915	55,151	229,358
Fund Balances:				
Restricted for:				
Specific purpose of the fund	275,576	296,787	386,578	25,774,685
Total fund balances	275,576	296,787	386,578	25,774,685
Total liabilities, deferred inflows of resources, and fund balances	$ 275,576	$ 377,702	$ 441,729	$ 26,004,043

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Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances

Landscaping and Lighting Special Revenue Fund

June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit					
	Zone 1 Laguna	Zone 2 Camden	Zone 3 Elk Grove/ West Vineyard	Zone 4 West Laguna	Zone 5 Lakeside	Zone 6 Central Elk Grove
REVENUES:						
Charges for current services	$ 3,731,714	$ 160,403	$ 836,148	$ 839,596	$ 615,347	$ 595,883
Donations and contributions	-	-	-	-	-	-
Use of money and property	116,491	391	28,325	2,962	3,040	1,266
Miscellaneous	15,840	-	-	-	-	-
Total revenues	3,864,045	160,794	864,473	842,558	618,387	597,149
EXPENDITURES:						
Current:						
Recreation and culture	2,242,158	144,368	557,586	460,499	322,108	136,640
Capital outlay	12,481	-	-	-	-	-
Debt service:						
Principal	573,678	-	-	-	-	-
Interest	19,076	-	-	-	-	-
Total expenditures	2,847,393	144,368	557,586	460,499	322,108	136,640
REVENUES OVER (UNDER) EXPENDITURES	1,016,652	16,426	306,887	382,059	296,279	460,509
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	-	-	-	-	-	-
Issuance of long-term liabilities	-	-	-	-	-	-
Transfers in	-	30,000	6,000	-	-	1,300
Transfers out	(1,064,708)	(41,449)	(269,626)	(288,089)	(109,907)	(423,450)
Total other financing sources (uses)	(1,064,708)	(11,449)	(263,626)	(288,089)	(109,907)	(422,150)
Net change in fund balances	(48,056)	4,977	43,261	93,970	186,372	38,359
FUND BALANCES:						
Beginning of year	3,681,511	181,005	557,450	837,370	805,959	129,076
End of year	$ 3,633,455	$ 185,982	$ 600,711	$ 931,340	$ 992,331	$ 167,435

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 8 Other Rural Areas	Zone 9 Waterman/ Park Village	Zone 10 Auto Mall	Zone 11 East Elk Grove	Zone 12 Laguna Stonelake	Zone 13 East Franklin	Zone 14 Camden Park	Zone 15 Vista Creek
$ 633,041	$ 301,435	$ 32,176	$ 1,666,573	$ 481,482	$ 3,279,514	$ 136,373	$ 20,447
-	-	-	-	-	-	-	-
2,985	23,237	338	10,734	41,517	53,094	751	148
-	-	-	2,495	-	-	-	-
636,026	324,672	32,514	1,679,802	522,999	3,332,608	137,124	20,595
15,964	240,401	23	582,645	270,457	1,378,263	1,200	950
-	-	-	-	-	-	-	-
252,927	-	-	-	-	-	-	-
8,431	-	-	-	-	-	-	-
277,322	240,401	23	582,645	270,457	1,378,263	1,200	950
358,704	84,271	32,491	1,097,157	252,542	1,954,345	135,924	19,645
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	30,000	-	-	-	1,300	-	-
(313,428)	(103,105)	(10,567)	(163,321)	(98,597)	(377,919)	(30,000)	(6,000)
(313,428)	(73,105)	(10,567)	(163,321)	(98,597)	(376,619)	(30,000)	(6,000)
45,276	11,166	21,924	933,836	153,945	1,577,726	105,924	13,645
815,437	152,605	105,476	3,397,874	728,150	10,023,811	176,207	41,488
$ 860,713	$ 163,771	$ 127,400	$ 4,331,710	$ 882,095	$ 11,601,537	$ 282,131	$ 55,133

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances

Landscaping and Lighting Special Revenue Fund

June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	District Wide	Total
REVENUES:				
Charges for current services	$ 123,934	$ 961,380	$ -	$ 14,415,446
Donations and contributions	-	-	-	-
Use of money and property	754	119	54,713	340,865
Miscellaneous	-	-	3,531	21,866
Total revenues	124,688	961,499	58,244	14,778,177
EXPENDITURES:				
Current:				
Recreation and culture	1,500	970,324	2,090,280	9,415,366
Capital outlay	-	-	83,680	96,161
Debt service:				
Principal	-	-	26,201	852,806
Interest	-	-	2,007	29,514
Total expenditures	1,500	970,324	2,202,168	10,393,847
REVENUES OVER (UNDER) EXPENDITURES	123,188	(8,825)	(2,143,924)	4,384,330
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	2,250	2,250
Issuance of long-term liabilities	-	-	51,062	51,062
Transfers in	-	-	2,218,754	2,287,354
Transfers out	(30,000)	(22,993)	(119,195)	(3,472,354)
Total other financing sources (uses)	(30,000)	(22,993)	2,152,871	(1,131,688)
Net change in fund balances	93,188	(31,818)	8,947	3,252,642
FUND BALANCES:				
Beginning of year	182,388	328,605	377,631	22,522,043
End of year	$ 275,576	$ 296,787	$ 386,578	$ 25,774,685

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Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual

For the year ended June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 1 - Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	$ 3,701,959	$ 3,701,959	$ 3,731,714	$ 29,755
Use of money and property	109,400	109,400	116,491	7,091
Miscellaneous	-	-	15,840	15,840
Total revenues	$ 3,811,359	$ 3,811,359	$ 3,864,045	$ 52,686
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	$ 316,310	$ 316,310	$ 312,887	$ 3,423
Services and supplies	2,025,561	2,025,561	1,929,271	96,290
Capital outlay				
Equipment	13,000	13,000	12,481	519
Debt service:				
Principal	578,389	578,389	573,678	4,711
Interest	19,243	19,243	19,076	167
Total expenditures	2,952,503	2,952,503	2,847,393	105,110
REVENUES OVER (UNDER) EXPENDITURES	858,856	858,856	1,016,652	157,796
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities			-	-
Transfers in			-	-
Transfers out	(1,123,524)	(1,123,524)	(1,064,708)	58,816
Total other financing sources (uses)	(1,123,524)	(1,123,524)	(1,064,708)	58,816
Net change in fund balances	(264,668)	(264,668)	(48,056)	216,612
FUND BALANCES:				
Beginning of year	3,681,511	3,681,511	3,681,511	-
End of year	$ 3,416,843	$ 3,416,843	$ 3,633,455	$ 216,612

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 2 - Camden				Zone 3 - Elk Grove/West Vineyard			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
$ 159,126	$ 159,126	$ 160,403	$ 1,277	$ 829,476	$ 829,476	$ 836,148	$ 6,672
300	300	391	91	25,800	25,800	28,325	2,525
-	-	-	-				-
$ 159,426	$ 159,426	$ 160,794	$ 1,368	$ 855,276	$ 855,276	$ 864,473	$ 9,197
$ 26,241	$ 26,891	$ 26,859	$ 32	$ 70,845	$ 72,545	$ 72,541	$ 4
135,511	134,861	117,509	17,352	506,799	505,099	485,045	20,054
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
161,752	161,752	144,368	17,384	577,644	577,644	557,586	20,058
(2,326)	(2,326)	16,426	18,752	277,632	277,632	306,887	29,255
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
70,000	70,000	30,000	(40,000)	6,000	6,000	6,000	-
(50,247)	(50,247)	(41,449)	8,798	(280,031)	(280,031)	(269,626)	10,405
19,753	19,753	(11,449)	(31,202)	(274,031)	(274,031)	(263,626)	10,405
17,427	17,427	4,977	(12,450)	3,601	3,601	43,261	39,660
181,005	181,005	181,005	-	557,450	557,450	557,450	-
$ 198,432	$ 198,432	$ 185,982	$ (12,450)	$ 561,051	$ 561,051	$ 600,711	$ 39,660

(Continued)

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual, Continued

For the year ended June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 4 - West Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	$ 832,901	$ 832,901	$ 839,596	$ 6,695
Use of money and property	2,500	2,500	2,962	462
Miscellaneous				-
Total revenues	$ 835,401	$ 835,401	$ 842,558	$ 7,157
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	$ 43,879	$ 43,879	$ 43,289	$ 590
Services and supplies	463,871	463,871	417,210	46,661
Capital outlay				
Equipment	5,000	5,000	-	5,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	512,750	512,750	460,499	52,251
REVENUES OVER (UNDER) EXPENDITURES	322,651	322,651	382,059	59,408
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets			-	-
Issuance of long-term liabilities			-	-
Transfers in			-	-
Transfers out	(183,213)	(288,213)	(288,089)	124
Total other financing sources (uses)	(183,213)	(288,213)	(288,089)	124
Net change in fund balances	139,438	34,438	93,970	59,532
FUND BALANCES:				
Beginning of year	837,370	837,370	837,370	-
End of year	$ 976,808	$ 871,808	$ 931,340	$ 59,532

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 5 - Lakeside				Zone 6 - Central Elk Grove			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
$ 610,450	$ 610,450	$ 615,347	$ 4,897	$ 591,113	$ 591,113	$ 595,883	$ 4,770
2,500	2,500	3,040	540	1,400	1,400	1,266	(134)
			-			-	-
$ 612,950	$ 612,950	$ 618,387	$ 5,437	$ 592,513	$ 592,513	$ 597,149	$ 4,636
$ 43,181	$ 43,181	$ 42,610	$ 571	$ 24,311	$ 24,911	$ 24,836	$ 75
378,097	378,097	279,498	98,599	133,008	132,408	111,804	20,604
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
421,278	421,278	322,108	99,170	157,319	157,319	136,640	20,679
191,672	191,672	296,279	104,607	435,194	435,194	460,509	25,315
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-		1,300	1,300
(113,755)	(113,755)	(109,907)	3,848	(434,276)	(434,276)	(423,450)	10,826
(113,755)	(113,755)	(109,907)	3,848	(434,276)	(434,276)	(422,150)	12,126
77,917	77,917	186,372	108,455	918	918	38,359	37,441
805,959	805,959	805,959	-	129,076	129,076	129,076	-
$ 883,876	$ 883,876	$ 992,331	$ 108,455	$ 129,994	$ 129,994	$ 167,435	$ 37,441

(Continued)

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual, Continued

For the year ended June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 8 - Other Rural Areas			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	$ 627,913	$ 627,913	$ 633,041	$ 5,128
Use of money and property	4,375	4,375	2,985	(1,390)
Miscellaneous	-	-	-	-
Total revenues	$ 632,288	$ 632,288	$ 636,026	$ 3,738
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	$ 8,625	$ 8,710	$ 8,706	$ 4
Services and supplies	12,316	12,316	7,258	5,058
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	247,881	253,166	252,927	239
Interest	8,247	8,247	8,431	(184)
Total expenditures	277,069	282,439	277,322	5,117
REVENUES OVER (UNDER) EXPENDITURES	355,219	349,849	358,704	8,855
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(325,214)	(319,844)	(313,428)	6,416
Total other financing sources (uses)	(325,214)	(319,844)	(313,428)	6,416
Net change in fund balances	30,005	30,005	45,276	15,271
FUND BALANCES:				
Beginning of year	815,437	815,437	815,437	-
End of year	$ 845,442	$ 845,442	$ 860,713	$ 15,271

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 9 - Waterman/Park Village				Zone 10 - Auto Mall			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
$ 299,036	$ 299,036	$ 301,435	$ 2,399	$ 31,920	$ 31,920	$ 32,176	$ 256
23,150	23,150	23,237	87	50	50	338	288
-	-	-	-	-	-	-	-
$ 322,186	$ 322,186	$ 324,672	$ 2,486	$ 31,970	$ 31,970	$ 32,514	$ 544
$ 37,892	$ 38,692	$ 38,672	$ 20	$ -	$ -	$ -	$ -
239,501	238,701	201,729	36,972	4,946	4,946	23	4,923
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
277,393	277,393	240,401	36,992	4,946	4,946	23	4,923
44,793	44,793	84,271	39,478	27,024	27,024	32,491	5,467
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
63,000	63,000	30,000	(33,000)	-	-	-	-
(105,744)	(105,744)	(103,105)	2,639	(11,079)	(11,079)	(10,567)	512
(42,744)	(42,744)	(73,105)	(30,361)	(11,079)	(11,079)	(10,567)	512
2,049	2,049	11,166	9,117	15,945	15,945	21,924	5,979
152,605	152,605	152,605	-	105,476	105,476	105,476	-
$ 154,654	$ 154,654	$ 163,771	$ 9,117	$ 121,421	$ 121,421	$ 127,400	$ 5,979

(Continued)

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual, Continued

For the year ended June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 11 - East Elk Grove			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	$ 1,653,309	$ 1,653,309	$ 1,666,573	$ 13,264
Use of money and property	10,000	10,000	10,734	734
Miscellaneous	-	-	2,495	2,495
Total revenues	$ 1,663,309	$ 1,663,309	$ 1,679,802	$ 16,493
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	$ 98,911	$ 98,911	$ 81,298	$ 17,613
Services and supplies	698,876	698,876	501,347	197,529
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	797,787	797,787	582,645	215,142
REVENUES OVER (UNDER) EXPENDITURES	865,522	865,522	1,097,157	231,635
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(169,086)	(169,086)	(163,321)	5,765
Total other financing sources (uses)	(169,086)	(169,086)	(163,321)	5,765
Net change in fund balances	696,436	696,436	933,836	237,400
FUND BALANCES:				
Beginning of year	3,397,874	3,397,874	3,397,874	-
End of year	$ 4,094,310	$ 4,094,310	$ 4,331,710	$ 237,400

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 12 - Laguna Stonelake				Zone 13 - East Franklin			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
$ 477,650	$ 477,650	$ 481,482	$ 3,832	$ 3,253,224	$ 3,253,224	$ 3,279,514	$ 26,290
32,000	32,000	41,517	9,517	36,500	36,500	53,094	16,594
-	-	-	-	-	-	-	-
$ 509,650	$ 509,650	$ 522,999	$ 13,349	$ 3,289,724	$ 3,289,724	$ 3,332,608	$ 42,884
$ 44,226	$ 44,226	$ 43,775	$ 451	$ 360,465	$ 360,465	$ 322,393	$ 38,072
282,435	282,455	226,682	55,773	1,267,493	1,267,993	1,055,870	212,123
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
326,661	326,681	270,457	56,224	1,627,958	1,628,458	1,378,263	250,195
182,989	182,969	252,542	69,573	1,661,766	1,661,266	1,954,345	293,079
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,300	1,300
(101,662)	(101,662)	(98,597)	3,065	(388,169)	(388,169)	(377,919)	10,250
(101,662)	(101,662)	(98,597)	3,065	(388,169)	(388,169)	(376,619)	11,550
81,327	81,307	153,945	72,638	1,273,597	1,273,097	1,577,726	304,629
728,150	728,150	728,150	-	10,023,811	10,023,811	10,023,811	-
$ 809,477	$ 809,457	$ 882,095	$ 72,638	$ 11,297,408	$ 11,296,908	$ 11,601,537	$ 304,629

(Continued)

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual, Continued

For the year ended June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 14 - Camden Park			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	$ 136,103	$ 136,103	$ 136,373	$ 270
Use of money and property	-	-	751	751
Miscellaneous	-	-	-	-
Total revenues	$ 136,103	$ 136,103	$ 137,124	$ 1,021
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	$ -	$ -	$ -	$ -
Services and supplies	1,200	1,200	1,200	-
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,200	1,200	1,200	-
REVENUES OVER (UNDER) EXPENDITURES	134,903	134,903	135,924	1,021
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(81,000)	(81,000)	(30,000)	51,000
Total other financing sources (uses)	(81,000)	(81,000)	(30,000)	51,000
Net change in fund balances	53,903	53,903	105,924	52,021
FUND BALANCES:				
Beginning of year	176,207	176,207	176,207	-
End of year	$ 230,110	$ 230,110	$ 282,131	$ 52,021

Landscape and Lighting Assessment District - Zones of Benefit							
Zone 15 - Vista Creek				Zone 16 - Fallbrook Park Lane			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
$ 20,477	$ 20,477	$ 20,447	$ (30)	$ 124,196	$ 124,196	$ 123,934	$ (262)
-	-	148	148	-	-	754	754
-	-	-	-	-	-	-	-
$ 20,477	$ 20,477	$ 20,595	$ 118	$ 124,196	$ 124,196	$ 124,688	$ 492
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
950	950	950	-	1,600	1,600	1,500	100
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
950	950	950	-	1,600	1,600	1,500	100
19,527	19,527	19,645	118	122,596	122,596	123,188	592
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(6,000)	(6,000)	(6,000)	-	(52,000)	(52,000)	(30,000)	22,000
(6,000)	(6,000)	(6,000)	-	(52,000)	(52,000)	(30,000)	22,000
13,527	13,527	13,645	118	70,596	70,596	93,188	22,592
41,488	41,488	41,488	-	182,388	182,388	182,388	-
$ 55,015	$ 55,015	$ 55,133	$ 118	$ 252,984	$ 252,984	$ 275,576	$ 22,592

(Continued)

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual, Continued

For the year ended June 30, 2014

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 17 - City Landscape			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	$ 975,369	$ 995,619	$ 961,380	$ (34,239)
Use of money and property	-	-	119	119
Miscellaneous	-	-	-	-
Total revenues	$ 975,369	$ 995,619	$ 961,499	$ (34,120)
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	$ 107,194	$ 107,844	$ 107,799	$ 45
Services and supplies	843,246	862,746	862,525	221
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	950,440	970,590	970,324	266
REVENUES OVER (UNDER) EXPENDITURES	24,929	25,029	(8,825)	(33,854)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(22,903)	(23,003)	(22,993)	10
Total other financing sources (uses)	(22,903)	(23,003)	(22,993)	10
Net change in fund balances	2,026	2,026	(31,818)	(33,844)
FUND BALANCES:				
Beginning of year	328,605	328,605	328,605	-
End of year	$ 330,631	$ 330,631	$ 296,787	$ (33,844)

Landscape and Lighting Assessment District - Zones of Benefit							
District Wide				Totals			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ 14,324,222	$ 14,344,472	$ 14,415,446	$ 70,974
63,000	63,000	54,713	(8,287)	310,975	310,975	340,865	29,890
500	500	3,531	3,031	500	500	21,866	21,366
$ 63,500	$ 63,500	$ 58,244	$ (5,256)	$ 14,635,697	$ 14,655,947	$ 14,778,177	$ 122,230
$ 945,335	$ 912,420	$ 905,422	$ 6,998	$ 2,127,415	$ 2,098,985	$ 2,031,087	$ 67,898
1,269,481	1,341,390	1,184,858	156,532	8,264,891	8,353,070	7,384,279	968,791
34,300	45,300	83,680	(38,380)	52,300	63,300	96,161	(32,861)
32,923	32,217	26,201	6,016	859,193	863,772	852,806	10,966
2,726	3,011	2,007	1,004	30,216	30,501	29,514	987
2,284,765	2,334,338	2,202,168	132,170	11,334,015	11,409,628	10,393,847	1,015,781
(2,221,265)	(2,270,838)	(2,143,924)	126,914	3,301,682	3,246,319	4,384,330	1,138,011
-	-	2,250	2,250	-	-	2,250	2,250
-	51,000	51,062	62	-	51,000	51,062	62
2,317,512	2,317,512	2,218,754	(98,758)	2,456,512	2,456,512	2,287,354	(169,158)
(128,489)	(155,015)	(119,195)	35,820	(3,576,392)	(3,702,648)	(3,472,354)	230,294
2,189,023	2,213,497	2,152,871	(60,626)	(1,119,880)	(1,195,136)	(1,131,688)	63,448
(32,242)	(57,341)	8,947	66,288	2,181,802	2,051,183	3,252,642	1,201,459
377,631	377,631	377,631	-	22,522,043	22,522,043	22,522,043	-
$ 345,389	$ 320,290	$ 386,578	$ 66,288	$ 24,703,845	$ 24,573,226	$ 25,774,685	$ 1,201,459

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CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

The capital asset accounts in the government-wide statement of net assets provide accountability for the District's capital assets. A capital asset is accounted for in this account when it has been purchased using general governmental resources and is used for general governmental purposes. Assets are recorded at historical cost if purchased, or if historical cost is not available, estimated historical cost, or fair market value on the date donated, if donated. Depreciation is recognized on these assets over their estimated useful lives.

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Cosumnes Community Services District

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedule of Capital Assets by Source

June 30, 2014

	2014	2013
CAPITAL ASSETS:		
Land	$ 85,443,191	$ 85,442,799
Land improvements	64,201,317	63,584,248
Construction in progress	1,081,776	1,765,595
Structures and improvements	77,035,619	76,251,380
Equipment	25,049,626	23,915,184
Total capital assets	$ 252,811,529	$ 250,959,206
INVESTMENT IN CAPITAL ASSETS BY SOURCE:		
Land, structures and improvements contributed as in-lieu fees	$ 72,566,340	$ 72,566,340
Current operations	109,249,830	108,834,460
Long-term debt proceeds	70,995,359	69,558,406
Investment in capital assets by source	$ 252,811,529	$ 250,959,206

Cosumnes Community Services District

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Function and Activity

June 30, 2014

Function and Activity	Land	Land Improvement	Construction in Progress	Structures and Improvements	Equipment	Total
PUBLIC PROTECTION:						
Fire	4,520,289	$ -	$ 351,150	$ 24,051,458	$ 21,551,668	$ 50,474,565
RECREATION AND CULTURE:						
Recreation	5,765,990	-	21,900	3,262,025	1,893,036	10,942,951
Parks	74,815,162	64,201,317	708,726	48,498,449	941,891	189,165,545
Total recreation and culture	80,581,152	64,201,317	730,626	51,760,474	2,834,927	200,108,496
GENERAL GOVERNMENT:						
Administration	341,750	-	-	1,223,687	663,031	2,228,468
Total capital assets	$ 85,443,191	$ 64,201,317	$ 1,081,776	$ 77,035,619	$ 25,049,626	$ 252,811,529

Cosumnes Community Services District

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes in Capital Assets by Function and Activity
June 30, 2014

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
PUBLIC PROTECTION:				
Fire	$ 49,395,855	$ 1,465,842	$ (387,132)	$ 50,474,565
RECREATION AND CULTURE:				
Recreation	10,873,603	105,554	(36,207)	10,942,950
Parks	188,452,481	836,222	(123,157)	189,165,546
Total recreation and culture	199,326,084	941,776	(159,364)	200,108,496
GENERAL GOVERNMENT:				
Administration	2,237,267	4,374	(13,173)	2,228,468
Total capital assets	$ 250,959,206	$ 2,411,992	$ (559,669)	$ 252,811,529

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STATISTICAL SECTION

COSUMNES

PARKS RECREATION FIRE

CSD

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STATISTICAL SECTION

This part of the Cosumnes Community Services District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's over all financial health.

Financial Trends

These schedules contain financial trend information for assessing the District's financial performance and well-being over time.

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules present revenue capacity information to assess the District's ability to generate revenues. Property taxes, charges for services and developer fees and contributions are the District's most significant revenue sources.

1. Direct and Overlapping Property Tax Rates
2. Principal Property Taxpayers
3. Property Tax Levies and Collections
4. Assessed Value of Taxable Property

Debt Capacity

These schedules present information to assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Debt Margin Information
4. Debt Pledged Revenue Coverage

Demographic and Economic Information

These schedules provide information on the demographic and economic environment in which the District conducts business.

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules provide information on the District's service infrastructure to assist the reader in understanding how the information in the District's financial report relates to the services the District provides and the activities it performs.

1. Full-Time District Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant years.

Cosumnes Community Services District
Net Position by Component
(accrual basis of accounting)

	Fiscal Year			
	2014	**2013**	**2012**	**2011**
Governmental activities				
Net investment in capital assets	$ 184,272,953	184,141,637	183,173,511	179,698,464
Restricted	42,341,817	37,217,297	34,461,962	35,770,912
Unrestricted	-10,028,880	-8,241,726	1,100,458	9,685,628
Total governmental activities net position	$ 216,585,890	213,117,208	218,735,931	225,155,004
Primary government				
Net investment in capital assets	$ 183,997,497	184,141,637	183,173,511	179,698,464
Restricted	42,341,817	37,217,297	34,461,962	35,770,912
Unrestricted	-9,753,424	-8,241,726	1,100,458	9,685,628
Total primary government net position	$ 216,585,890	213,117,208	218,735,931	225,155,004

Note: The Cosumnes Community Services District implemented GASB 34 during the year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

Source: Cosumnes CSD Administrative Services Department

(1) Information was restated to correct prior year capital assets balances.

(2) Information was restated to include the Galt Fire Protection District, which merged with the District during the year ended June 30, 2007.

Fiscal Year					
2010	2009	2008, as restated (1)	2007, as restated (1)	2006, as restated (1)	2005, as restated (1)
174,181,494	162,115,206	157,157,902	147,925,210	155,092,494	130,750,288
26,886,848	35,194,322	31,766,453	45,748,555	33,018,911	30,015,858
33,867,845	43,279,283	48,978,356	34,537,638	26,468,395	31,536,824
234,936,187	240,588,811	237,902,711	228,211,403	214,579,800	192,302,970
174,181,494	162,115,206	157,157,902	147,925,210	155,092,494	130,750,288
26,886,848	35,194,322	31,766,453	45,748,555	33,018,911	30,015,858
33,867,845	43,279,283	48,978,356	34,537,638	26,486,395	31,536,824
234,936,187	240,588,811	237,902,711	228,211,403	214,597,800	192,302,970

Cosumnes Community Services District
Changes in Net Position
(accrual basis of accounting)

	Fiscal Year		
	2014	**2013**	**2012**
Expenses			
Governmental activities:			
Public protection	$ 36,958,524	39,550,114	39,708,302
Recreation and culture	21,697,297	22,221,093	22,920,702
General Government	3,424,446	3,672,163	3,680,267
Interest on long-term debt	820,905	1,151,692	1,339,252
Total governmental activities expenses	62,901,172	66,595,062	67,648,523
Total primary government expenses	62,901,172	66,595,062	67,648,523
Program Revenues			
Governmental activities:			
Charges for services:			
Public protection	7,181,029	5,428,004	5,612,920
Recreation and culture	19,711,526	19,673,718	20,049,112
General Government	1,677,351	1,974,385	1,523,950
Operating grants and contributions	121,646	109,774	191,286
Capital grants and contributions	4,239,631	3,673,497	2,078,404
Total governmental activities program revenues	32,931,183	30,859,378	29,455,672
Total primary government program revenues	32,931,183	30,859,378	29,455,672
Net revenues (expenses):			
Governmental activities	(29,969,989)	(35,735,684)	(38,192,851)
Total net revenues (expenses)	(29,969,989)	(35,735,684)	(38,192,851)
General revenues and other changes in net position			
Governmental activities:			
Taxes			
Property Taxes	32,626,823	29,456,296	31,186,985
Other taxes			
Investment earnings	479,497	559,940	407,021
Miscellaneous	332,351	100,725	179,772
Total governmental activities	33,438,671	30,116,961	31,773,778
Total primary government	33,438,671	30,116,961	31,773,778
Changes in net position			
Governmental activities	3,468,682	(5,618,723)	(6,419,073)
Total primary government	$ 3,468,682	(5,618,723)	(6,419,073)

Source: Cosumnes CSD Administrative Services Department

			Fiscal Year			
2011	2010	2009	2008	2007	2006	2005
39,892,892	41,217,023	39,910,342	39,356,634	32,466,772	25,974,872	19,819,232
23,053,144	20,872,734	20,417,898	17,725,070	17,696,578	13,297,719	11,361,158
4,147,243	4,336,910	4,917,600	4,969,610	4,128,206	4,803,236	2,158,212
3,190,945	1,874,954	1,987,109	1,537,561	1,490,798	943,770	412,585
70,284,224	68,301,621	67,232,949	63,588,875	55,782,354	45,019,597	33,751,187
70,284,224	68,301,621	67,232,949	63,588,875	55,782,354	45,019,597	33,751,187
3,589,834	5,226,512	4,323,291	5,675,162	5,831,435	5,181,281	5,019,334
6,497,058	18,140,280	16,522,188	14,898,141	16,079,235	12,235,566	10,607,973
14,488,849	1,173,276	1,364,097	1,964,317	386,549	596,505	538,289
258,509	119,007	180,942	929,167	137,459	171,522	67,916
2,891,068	3,416,858	6,039,124	5,568,915	4,814,865	14,630,306	31,162,706
27,725,318	28,075,933	28,429,642	29,035,702	27,249,543	32,815,180	47,396,218
27,725,318	28,075,933	28,429,642	29,035,702	27,249,543	32,815,180	47,396,218
(42,558,906)	(40,225,688)	(38,803,307)	(34,553,173)	(28,532,811)	(12,204,417)	13,645,031
(42,558,906)	(40,225,688)	(38,803,307)	(34,553,173)	(28,532,811)	(12,204,417)	13,645,031
32,253,420	33,603,024	38,695,990	39,350,015	37,568,715	31,692,872	25,284,795
		0	516,427	506,330	437,604	398,655
361,833	633,265	2,252,726	3,778,975	2,717,402	1,859,244	923,551
162,470	336,775	540,691	1,054,479	1,353,967	509,527	601,057
32,777,723	34,573,064	41,489,407	44,699,896	42,146,414	34,499,247	27,208,058
32,777,723	34,573,064	41,489,407	44,699,896	42,146,414	34,499,247	27,208,058
(9,781,183)	(5,652,624)	2,686,100	10,146,723	13,613,603	22,294,830	40,853,089
(9,781,183)	(5,652,624)	2,686,100	10,146,723	13,613,603	22,294,830	40,853,089

Cosumnes Community Services District
Fund Balances of Governmental Funds
(modified accrual basis of accounting)

		Fiscal Year			
		2014	**2013**	**2012**	**2011**
General fund:					
Nonspendable	$	739,238	107,338	20,770	16,207
Restricted		16,145,077	14,238,705	14,720,152	17,954,979
Assigned		16,466,784	15,204,930	19,487,133	23,234,797
Total general fund	$	33,351,099	29,550,973	34,228,055	41,205,983
All other governmental funds:					
Restricted	$	26,196,740	22,978,592	19,741,810	17,815,933
Assigned, reported in:					
Special revenue fund		0	0	0	0
Total all other governmental funds	$	26,196,740	22,978,592	19,741,810	17,815,933

Source: Cosumnes CSD Administrative Services Department

Fiscal Year					
2010	2009	2008	2007	2006	2005
15,048					
20,139,539	23,966,205	27,636,829	40,876,680	28,221,568	29,147,743
26,396,387	31,788,249	35,380,874	28,915,291	24,146,365	19,750,595
46,550,974	55,754,454	63,017,703	69,791,971	52,367,933	48,898,338
6,732,261	11,228,117	4,129,624	3,945,988	3,871,456	1,664,799
14,270,117	14,482,116	12,499,960	8,876,199	6,189,330	4,113,129
21,002,378	25,710,233	16,629,584	12,822,187	10,060,786	5,777,928

Cosumnes Community Services District
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year		
	2014	**2013**	**2012**
Revenues:			
Taxes	$ 32,626,823	29,456,296	31,186,985
Charges for services	27,835,872	25,669,576	25,833,814
Developer fees and contributions	2,832,285	1,747,613	1,458,624
Intergovernmental	1,407,346	1,925,884	619,780
Donations and contributions	121,646	109,774	191,286
Use of money and property	1,486,062	1,504,489	1,367,064
Miscellaneous	332,351	404,965	179,772
Total revenues	66,642,385	60,818,597	60,837,325
Expenditures:			
Current:			
Public protection	33,362,739	34,372,236	33,478,192
Recreation and culture	18,737,965	18,571,201	19,767,882
General government	3,115,442	3,117,972	3,224,873
Capital outlay	2,412,214	2,462,853	4,478,538
Debt service:			
Principal	2,678,562	3,021,871	4,344,153
Interest	875,905	1,201,336	1,367,625
Total expenditures	61,182,827	62,747,469	66,661,263
Excess of revenues over expenditures	5,459,558	(1,928,872)	(5,823,938)
Other financing sources (uses):			
Proceeds from sale of capital assets	16,311	162,586	156,250
Issuance of long-term liabilities	1,436,953	325,986	122,386
Insurance recoveries	105,452		493,251
Transfers in	4,625,190	4,273,702	5,544,330
Transfers out	(4,625,190)	(4,273,702)	(5,544,330)
Total other financing sources (uses)	1,558,716	488,572	771,887
Net change in fund balances	$ 7,018,274	(1,440,300)	(5,052,051)
Debt service as a percentage of noncapital expenditures	6.0%	7.0%	9.2%

Source: Cosumnes CSD Administrative Services Department

Fiscal Year						
2011	2010	2009	2008	2007	2006	2005
32,253,420	33,603,024	38,695,990	39,866,442	37,267,052	31,603,088	25,191,701
25,077,392	23,100,046	22,896,520	22,203,832	19,855,774	16,467,838	15,147,639
1,993,759	994,588	3,428,132	3,449,473	19,893,358	4,454,221	22,411,494
897,309	2,422,270	2,610,992	2,119,442	1,549,143	1,937,895	2,639,878
258,509	119,007	180,942	929,167	277,558	158,969	56,480
1,521,106	1,544,523	3,232,037	4,728,139	3,603,807	2,742,800	1,488,649
162,470	336,775	540,691	1,044,637	863,089	366,422	552,682
62,163,965	62,120,233	71,585,304	74,341,132	83,309,781	57,731,233	67,488,523
33,893,997	34,953,709	35,355,540	34,901,437	30,013,881	24,801,485	18,470,254
20,342,559	18,059,421	17,878,449	17,710,709	16,096,014	11,000,985	11,110,697
3,577,708	3,944,833	4,645,014	4,962,430	3,925,493	4,862,605	2,318,108
3,823,032	17,356,702	15,331,594	16,159,800	23,988,702	32,316,307	29,422,973
6,865,298	3,332,703	4,739,988	3,212,237	2,252,999	1,528,303	1,114,470
3,386,607	1,889,017	1,852,098	1,568,973	1,251,448	624,987	412,585
71,889,201	79,536,385	79,802,683	78,515,586	77,528,537	75,134,672	62,849,087
(9,725,236)	(17,416,152)	(8,217,379)	(4,174,454)	5,781,244	(17,403,439)	4,639,436
299,216	273,189	34,779	108,755	612,556	5,951	
388,747	3,231,628	10,000,000	1,088,986	13,767,937	25,085,979	3,710,763
505,836			9,842	23,702	63,962	
5,539,122	10,881,176	5,902,928	3,790,486	4,682,941	2,577,213	3,680,491
(5,539,122)	(10,881,176)	(5,902,928)	(3,790,486)	(4,682,941)	(2,577,213)	(3,680,491)
1,193,799	3,504,817	10,034,779	1,207,583	14,404,195	25,155,892	3,710,763
(8,531,437)	(13,911,335)	1,817,400	(2,966,871)	20,185,439	7,752,453	8,350,199
15.1%	8.4%	10.2%	7.7%	6.5%	5.0%	4.6%

Cosumnes Community Services District
Direct and Overlapping Property Tax Rates
(Rate per $100 of assessed value)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Rate	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137
Overlapping Rates:										
County of Sacramento	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606
County Library	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037
Elk Grove Unified School District	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487
Elk Grove-Cosumnes Cemetery District	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275
City of Elk Grove	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738
Los Rios Community College	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641
Sacramento-Yolo Mosquito Abatement District	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866
Other	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213
Regional Sanitation District Bonds	0.00670	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550
Los Rios Community College GO Bonds	0.00600	0.00320	0.00320	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720
Total Direct Rate	1.01270	1.00870	1.00870	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270

Notes:

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

Rates are within the City of Elk Grove boundaries. No data is available for areas outside City boundaries.

Source: HdL Coren & Cone

Cosumnes Community Services District
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2014 Taxable Assessed Value (1)	2014 Percentage of Total District Taxable Assessed Value	2005 Taxable Assessed Value	2005 Percentage of Total District Taxable Assessed Value
Apple Computer, Inc	$147,576,261	1.03%		
Donahue Schriber Realty Group L P	145,756,813	1.01%		
Pappas Laguna 2 Limited Partnership	87,907,407	0.61%		
Oakmont Properties II LP	45,713,800	0.32%		
Jackson II LLC	38,972,381	0.27%		
9130 Nolan State LLC	35,428,800	0.25%		
Kaiser Foundation Health Plan	30,085,818	0.21%		
JJD HOV Elk Grove LLC	30,291,816	0.21%		
Orion Citrus Grove Associates LLC	25,803,500	0.18%		
Elk Grove Franklin Retail LLC	25,494,559	0.18%		
Donahue Schriber Realty Group L P			90,444,561	1.10%
Pappas Laguna 2 Limited Partnership			46,892,550	0.57%
Reynen Bardis LLC			34,060,923	0.41%
Kaiser Foundation Health Plan			28,443,871	0.35%
Williamette Industries, Inc.			28,364,848	0.35%
Centex Homes			25,208,547	0.31%
Citrus Grove Apartment Associates LLC			23,874,171	0.29%
Aspen Laguna Apartments			20,560,590	0.25%
Lennar Renaissance Inc			19,755,813	0.24%
Dayton Hudson Corporation			17,585,915	0.21%
Total	$ 613,031,155	4.27%	335,191,789	4.08%

Notes:

(1) Amounts represent assessed values within the City of Elk Grove boundaries.

Source: County of Sacramento Assessor's Office and HdL Coren & Cone

Cosumnes Community Services District
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	19,810,371	19,723,962	99.56%	2,681,863	25,191,701	78.30%
2006	25,133,955	25,101,309	99.87%	3,132,224	31,603,088	79.43%
2007	30,793,122	30,707,966	99.72%	6,559,086	37,267,052	82.40%
2008	38,793,725	36,949,440	95.25%	2,917,002	39,866,442	92.68%
2009	37,904,491	32,007,117	84.44%	6,688,873	38,695,990	82.71%
2010	33,523,739	32,007,036	95.48%	1,595,988	33,603,024	95.25%
2011	32,950,787	31,301,110	94.99%	952,310	32,253,420	97.05%
2012	31,299,748	31,053,637	99.21%	133,348	31,186,985	99.57%
2013	31,299,748	29,456,296	94.11%	476,125	29,932,421	98.41%
2014	33,605,628	32,626,823	97.09%	435,454	33,062,277	98.68%

Sources: Sacramento County Auditor-Controller and Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate
2005	9,956,047	151,285	10,107,332	0.22137
2006	12,581,342	196,470	12,777,812	0.22137
2007	15,410,401	244,466	15,654,867	0.22137
2008	19,433,337	288,944	19,722,281	0.22137
2009	18,929,854	340,351	19,270,205	0.22137
2010	16,674,643	368,438	17,043,081	0.22137
2011	16,410,866	340,933	16,751,799	0.22137
2012	15,691,279	326,105	16,017,384	0.22137
2013	14,907,283	324,293	15,231,576	0.22137
2014	16,202,973	299,789	16,502,762	0.22137

Notes:

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

Source: Sacramento County Auditor-Controller and Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities	Percentage of Assessed Valuation	Debt Per Capita
	Certificates of Participation	Loans	Capital Leases			
2005	2,160,000	2,102,761	7,663,373	11,926,134	0.12%	91.74
2006	2,060,000	1,910,368	16,663,442	20,633,810	0.16%	151.61
2007	1,960,000	1,909,186	28,429,561	32,298,747	0.21%	191.12
2008	1,850,000	1,647,379	26,682,640	30,180,019	0.15%	178.06
2009	1,735,000	1,418,854	32,295,308	35,449,162	0.16%	203.23
2010	1,615,000	4,278,280	29,454,966	35,348,246	0.21%	199.84
2011	1,341,000	3,302,285	23,564,327	28,207,612	0.17%	154.25
2012	1,191,700	2,281,623	20,512,651	23,985,974	0.15%	130.83
2013	1,022,900	1,217,925	19,049,265	21,290,090	0.14%	116.17
2014	847,200	98,219	19,103,063	20,048,482	0.12%	109.36

Note:

Total personal income not available for 2007, therefore assessed value percentage used instead.

Source: Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Direct and Overlapping Debt
June 30, 2014

District Assessed Valuation (in thousands)	$ 16,502,762

	Estimated Percentage Applicable (1)	Outstanding Debt 6/30/13	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes and Assessments:			
Los Rios Community College District	10.109%	$ 370,270,000	37,430,594
San Joaquin Delta Community College District	0.006%	118,117,891	7,087
River Delta Joint Unified School District			
School Facilities Improvement District No. 1	0.2860%	8,244,996	23,581
Sacramento Unified School District	0.1930%	372,362,966	718,661
Grant Joint Union High School District and School District	0.106% & 0.044%	35,228,684	32,641
Elk Grove Community Facilities District	100.00%	155,680,000	155,680,000
Elk Grove Unified School District Community Facilities District No. 1	56.383%	182,043,915	102,641,821
Sacramento County Community Facilities Districts	100.00%	31,739,471	31,739,471
California Statewide Community Development Authority 915 Act Bonds	100.00%	5,993,051	5,993,051
Total overlapping debt repaid with property taxes and assessments		1,279,680,974	334,266,907
Overlapping Other Debt:			
Sacramento County General Fund Obligations	12.311%	$ 297,541,055	36,630,279
Sacramento County Pension Obligations	12.311%	990,307,535	121,916,761
Sacramento County Board of Education Certificates of Participation	12.311%	8,010,000	986,111
Los Rios Community College District Certificates of Participation	10.109%	5,670,000	573,180
Sacramento Unified School District Certificates of Participation	0.1930%	74,285,000	143,370
Sacramento Unified School District Pension Obligations	0.1930%	1,740,000	3,358
City of Elk Grove General Fund Obligations	100.00%	22,200,000	22,200,000
Total overlapping other debt		1,399,753,590	182,453,059
Total overlapping debt		$ 2,679,434,564	516,719,966
District direct debt			20,048,482
Total direct and overlapping debt			$ 536,768,448

Notes:

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the District's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cosumnes Community Services District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

Source: California Municipal Statistics, Inc.

Cosumnes Community Services District
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed valuation	$ 10,107,332	12,777,812	15,654,867	19,722,281	19,270,205	17,043,081	16,751,799	16,017,384	15,231,576	16,502,762
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 2,526,833	3,194,453	3,913,717	4,930,570	4,817,551	4,260,770	4,187,950	4,004,346	3,807,894	4,125,691
Debt limit percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Debt limit	126,342	159,723	195,686	246,529	240,878	213,039	209,397	200,217	190,395	206,285
Total net debt applicable to limit:										
General obligation bonds	0	0	0	0	0	0	0	0	0	0
Legal debt margin	$ 126,342	159,723	195,686	246,529	240,878	213,039	209,397	200,217	190,395	206,285
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The Government Code of the State of California provides for a legal debt limit of 5% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Cosumnes CSD Administrative Services Department and Sacramento County Assessor's Office

Cosumnes Community Services District
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Special Assessment Debt					
				Debt Service		
Fiscal Year	Special Assessment Collections	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2005	7,602,974	5,407,199	2,195,775	219,137	74,485	7.48
2006	8,437,316	5,902,160	2,535,156	192,393	98,246	8.72
2007	10,197,278	6,716,506	3,480,772	201,182	88,963	12.00
2008	11,333,259	7,277,479	4,055,780	371,958	172,876	7.44
2009	12,342,506	7,826,819	4,515,687	343,675	162,645	8.92
2010	12,837,355	8,051,156	4,786,199	359,719	148,140	9.42
2011	14,295,157	9,862,791	4,432,366	376,439	93,784	9.43
2012	13,953,831	9,847,285	4,106,546	785,729	99,627	4.64
2013	14,213,219	9,624,008	4,589,211	822,796	65,448	5.17
2014	14,537,993	9,386,859	5,151,134	852,806	29,514	5.84

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements. Special assessments pledged for the loan payable are reported in the Landscape and Lighting Special Revenue Fund and related debt service expenditures are reported in the Debt Service Fund. Operating expenses do not include debt service or capital outlay expenditures.

Source: Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	District Population (1)	Per Capita Personal Income (2)	Sacramento County Unemployment Rate (3)
2005	130,000	34,805	4.5%
2006	136,000	N/A	4.8%
2007	169,000	N/A	5.0%
2008	169,500	N/A	7.0%
2009	174,430	N/A	11.9%
2010	176,885	N/A	12.6%
2011	182,870	N/A	12.7%
2012	183,333	N/A	11.0%
2013	183,259	N/A	8.7%
2014	183,333	N/A	6.9%

N/A Information is not available.

Sources:
1 Cosumnes Community Services District
2 US Department of Commerce, Bureau of Economic Analysis (data shown is for Sacramento County)
3 State of California Employment Development Department (data shown is for Sacramento County)

Cosumnes Community Services District
Principal Employers
Last Ten Calendar Years

	2014		2005	
Employer	**Employees**	**Percentage of Total Employment**	**Employees**	**Percentage of Total Employment**
Elk Grove Unified School District	3,049	8.58%	2,207	(1)
Bel Air/Raleys Supermarkets	500	1.41%	381	(1)
Apple Computer	500	1.41%	1,000	(1)
Alldata	398	1.12%	349	(1)
City of Elk Grove	286	0.80%	-	(1)
Cosumnes Community Services District	253	0.71%	192	(1)
Bimbo Bakeries, Inc.	235	0.66%	-	(1)
Wal Mart	161	0.45%	400	(1)
Maita Chevrolet	113	0.32%	-	(1)
Home Depot	110	0.31%	250	(1)
Decorative Specialties	-	0.00%	202	(1)
AAA Call Center	-	0.00%	690	(1)
Elk Grove Ford/Chrysler	-	0.00%	179	(1)

Source: Cosumnes Community Services District and State of CA Employment Dev Dept

(1) Information is not available.

Cosumnes Community Services District
Full-time District Employees by Function
Last Ten Fiscal Years

	Full-time District Employees as of June 30									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Function										
General government	12	16	28	27	27	23	23	22	21	21
Public safety	134	169	191	180	179	169	167	168	167	167
Recreation and culture	46	54	79	79	78	76	76	71	65	65
Total	192	239	298	286	284	268	266	261	253	253

Source: Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Fire										
Emergency responses	9,243	10,205	10,269	13,934	13,424	13,493	14,011	14,374	14,679	15,170
Field Inspections	(1)	(1)	(1)	(1)	(1)	(1)	1,602	1,687	2,290	2,165
Plan checks	1,295	1,066	1,195	882	795	551	629	808	989	1,093
Resubmitted Plan Checks	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	222
Weed Abatement	(1)	(1)	(1)	(1)	(1)	(1)	480	584	599	488
Fire Investigations	40	45	36	30	24	27	82	69	50	41
Code Enforcement	(1)	(1)	(1)	(1)	(1)	704	18	32	31	11
Parks and recreation										
Number of recreation programs	499	514	592	610	585	534	579	550	548	509

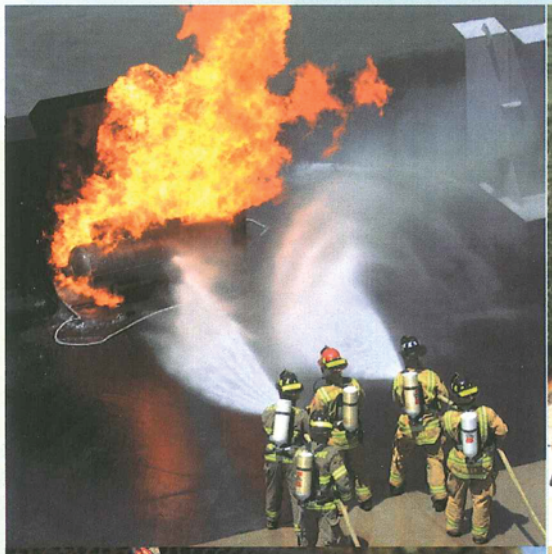
Source: Various District departments

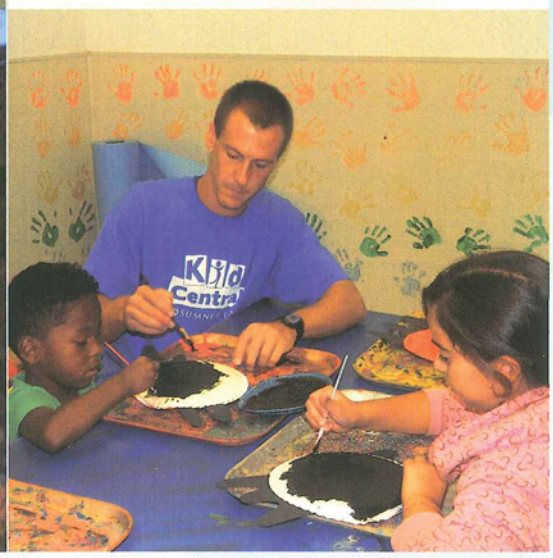
(1) Information is not available.

Cosumnes Community Services District
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Fire										
Fire stations	6	6	8	8	8	8	8	8	8	8
Training facility	1	1	1	1	1	1	1	1	1	1
Fire engines	11	12	25	28	27	27	26	24	24	26
Other Fire vehicles	45	49	52	71	71	74	76	76	74	77
Parks and recreation										
Parks	67	73	74	80	82	86	87	92	94	95
Acreage	632	704	740	765	804	841	925	940	1040	1028
Playgrounds	62	66	93	103	106	116	118	121	122	125
Baseball/softball diamonds	40	42	38	41	44	49	49	50	50	50
Soccer/football fields	27	28	34	35	37	41	41	42	42	42
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	26	26	25	27	27	31	31	33	33	33
Skate board park	1	1	1	1	1	1	1	1	1	1
Bike Park	-	-	-	-	-	-	-	1	1	1

Sources: Various District departments





Cosumnes CSD