

# COMPREHENSIVE FINANCIAL REPORT

2015

FISCAL YEAR ENDED  
JUNE 30, 2015



## Cosumnes Community Services District

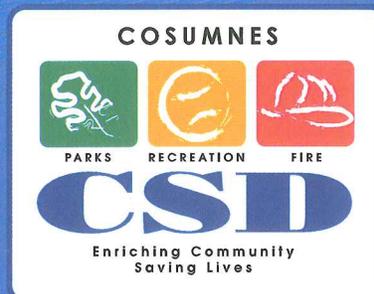
9355 E. Stockton Blvd. Ste. 185

Elk Grove, California 95624

Phone: (916) 405-7150

Fax: (916) 685-6942

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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, 2015**

**Prepared by:  
Jeff Ramos, General Manager**



# Cosumnes Community Services District

## Table of Contents

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	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Table of Contents .....	i
Letter of Transmittal.....	iii
List of Principal Officials.....	viii
Organization Chart.....	ix
GFOA Certificate of Achievement.....	x
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors' Report</b> .....	<b>1</b>
<b>Management's Discussion and Analysis</b> .....	<b>3</b>
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	17
Statement of Activities and Changes in Net Position.....	18
Fund Financial Statements:	
Balance Sheet .....	19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances .....	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position .....	22
<b>Notes to Basic Financial Statements</b> .....	<b>23</b>
<b>Required Supplementary Information:</b>	
Pension Plans (Unaudited) .....	58
OPEB Plan Schedule of Funding Progress of (Unaudited) .....	61
Budgetary Basis of Accounting .....	62
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP Budgetary Basis - General Fund.....	63
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Non-GAAP Budgetary Basis - Landscape and Lighting Special Revenue Fund.....	64
<b>Supplementary Information:</b>	
Combining and Individual Fund Statements:	
Non-Major Governmental Funds:	
Combining Balance Sheet.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	69

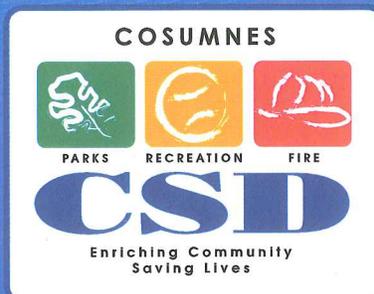
# Cosumnes Community Services District

## Table of Contents, Continued

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	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued</u></b>	
<b>Supplementary Information, Continued:</b>	
General Fund Schedules:	
Schedule of Revenues.....	72
Schedule of Expenditures .....	73
Schedule of Expenditures and Other Financing Uses Compared to Budget .....	74
Landscape and Lighting Special Revenue Fund Schedules:	
Balance Sheet Schedules by Benefit Zone.....	76
Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone.....	82
Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone - Budget and Actual.....	86
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules of Capital Assets by Source .....	101
Schedule of Capital Assets by Function and Activity .....	102
Schedule of Changes in Capital Assets by Function and Activity.....	103
<b><u>STATISTICAL SECTION (Unaudited)</u></b>	
Statistical Section Narrative.....	105
Net Position by Component.....	106
Changes in Net Position.....	108
Fund Balances of Governmental Funds.....	110
Changes in Fund Balances of Governmental Funds.....	112
Direct and Overlapping Property Tax Rates.....	114
Principal Property Tax Payers .....	115
Property Tax Levies and Collections .....	116
Assessed Value and Estimated Actual Value of Taxable Property .....	117
Ratios of Outstanding Debt by Type.....	118
Direct and Overlapping Debt.....	119
Legal Debt Margin.....	120
Pledged-Revenue Coverage .....	121
Demographic and Economic Statistics.....	122
Principal Employers .....	123
Full-Time District Employees by Function/Program.....	124
Operating Indicators by Function/program.....	125
Capital Asset Statistics by Function/Program .....	126

# INTRODUCTORY SECTION



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December 30, 2015

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, 2015, 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, 2015.

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, 2015. 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 184,564; operates eight fire stations, one fire training facility and ninety-three parks (two undeveloped) and employs two hundred fifty-six 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.

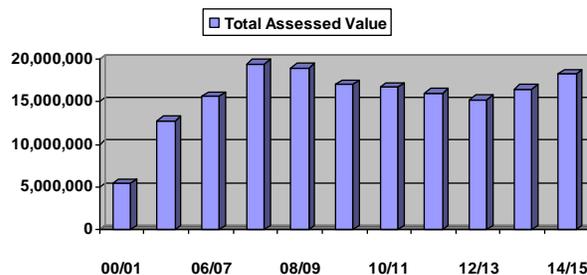
The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for fixed assets, which are controlled on the sub-object level. The expenditure portion of the budget is enacted into 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 2014-2015, 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 economies is improving, and as the population continues to grow and as political leaders are focused on bringing business and commerce to the region, the demand for housing emerges. Further, in Sacramento County, an annual 10,400 wages and salary jobs were created, representing a growth rate of 2.4% for the year. This is the fourth annual increase for Sacramento County since before the recession of 2007-2009. The unemployment -rate improved as well, falling from 6.9% in 2014 to 5.8% in 2015.

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 the current recovery has already lasted a year longer than the historic average despite soft U.S. economic growth, therefore the District is projecting an average annual growth in property tax revenues of 4% for next fiscal year.



The residential real estate market from a sales volume standpoint appears to be headed towards a more normal pattern, as home and condo sales are up 23 percent and the median sales price is up 7.1% in June of 2015 compared to the prior year. The District is estimating that property tax revenues will increase 4% in Fiscal Year 2015-16 compared to FY 2014-15 due to projected home appreciation between 1 to 5%, modest 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 21% 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, 2015 was invested in U.S. Treasury and Government Agency investments (67%), certificate of deposit (20%), time deposits (9%), and commercial paper (4%). The average yield on investments during fiscal year 2014-2015 was .28%.

At June 30, 2015, the District's separate investment portfolio of approximately \$23 million was invested 38% in certificates of deposit, 57% in corporate notes and bonds and 5% 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 2014-2015 was .90%.

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 (NCS DIA), a public entity risk pool of special districts within Northern California, for workers compensation. The District pays an annual premium to NCS DIA 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 NCS DIA.

### *Major initiatives*

The District is currently in the design and construction phase on three neighborhood parks totaling 34 acres. In addition, the District has purchased six acres of land for Derr-Okamoto Phase II, completed the addition to Nottoli Park, the Laguna Park Improvements, WCAC HVAC replacement, a fence at Derr-Okamoto Skate Park, and an Oneto Park security camera.

### *Awards and Acknowledgements*

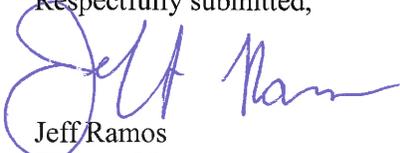
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cosumnes Community Services District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the seventeenth 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)**

<b>Gil Albiani</b>	<b>President</b>
<b>Michelle Orrock</b>	<b>Vice-President</b>
<b>Rod Brewer</b>	<b>Member</b>
<b>Guy Rutter</b>	<b>Member</b>
<b>Rich Lozano</b>	<b>Member</b>

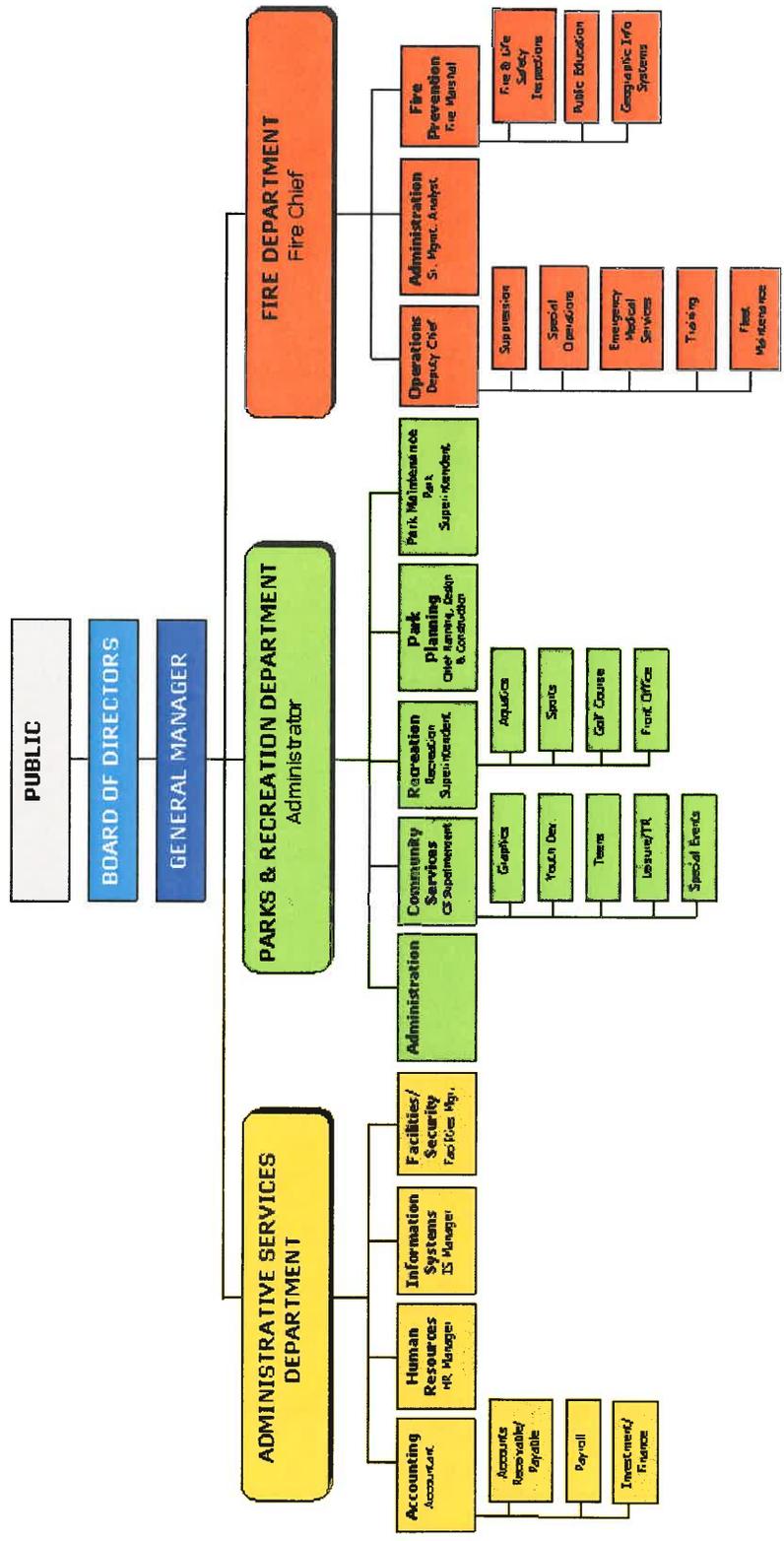
**Officials (Appointed)**

**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

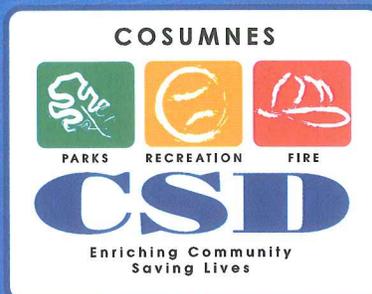
**Cosumnes Community Services District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# FINANCIAL SECTION



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## 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, 2015, 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, 2015, 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.

To the Board of Directors  
of the Cosumnes Community Services District  
Elk Grove, California  
Page 2

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, the OPEB schedule of funding progress, and budgetary comparison information on pages 3-14 and 58-64 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 72 to 103 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 72 to 103 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, and other supplementary schedules on pages 72 to 103 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 30, 2015

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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 2014-15 and 2013-14 fiscal years by \$174,852,978 and \$216,585,890 (*net position*), respectively. Of this amount, \$44,349,631 and \$42,341,817 is restricted for specific purposes (*restricted net position*), and \$184,981,570 and \$184,272,953 is net investment in capital assets. The decrease in net position is mainly due to the implementation of Statement No. 68, "Accounting and Financial Reporting for Pensions." This decrease is discussed further on pages 11 and 12 of this report.
- ◆ For FY 2014-15, total District governmental fund revenues, including program and general revenues, were \$71.3 million, an increase of \$4.7 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 (\$3.6 million), a 6% increase in charges for services (\$1.7 million), a 50% increase in intergovernmental (\$700 thousand) offset by a 46% decrease in developer fees and contributions (\$1.3 million). Total governmental fund expenses were \$68.6 million, an increase of \$7.4 million from the prior fiscal year. The increase is related to a 8% increase in public protection expenditures (\$2.7 million), a 13% increase in recreation and culture expenditures (\$2.4 million), a 35% increase in general government expenditures (\$1.1 million) and a 83% increase in capital outlay expenditures (\$2 million), which was offset by a 20% decrease in debt service expenditures (\$700 thousand).
- ◆ 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 \$61.2 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 expenditures (\$700 thousand), which was offset by a 1% increase in recreation and culture expenditures (\$200 thousand).
- ◆ As of June 30, 2015 and 2014, total District's governmental funds reported combined fund balances of \$70,882,155 and \$59,547,839, respectively, an increase of \$11,334,316 and an increase of \$7,018,274 in comparison with the prior year. Approximately 37% and 28% of the combined fund balances, \$26,108,555 and \$16,466,784 is available for spending at the government's discretion (*assigned fund balance*).
- ◆ At the close of the fiscal year ended June 30, 2015 and 2014, the total fund balance restricted for park and fire station construction, capital projects, landscape and lighting district operations and foundation activities was \$44,349,631 and \$42,341,817, respectively.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

- ◆ The District's total long-term obligations decreased by a net amount of \$716,994 during the 2014-15 fiscal year and decreased \$1,241,608 during the 2013-14 fiscal year. For FY 2014-15, the decrease resulted primarily from a \$700 thousand principal and interest reduction offset by the acquisition of new leases totaling \$1.4 million to purchase Zoll cardiac monitors, remount two ambulances, a Turfstar irrigation control system and several District copiers. 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.

### 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.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, the District's *major funds* are as follows:

- General Fund
- Landscape and Lighting Special Revenue Fund

# **COSUMNES COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015**

For the fiscal year ended June 30, 2015, 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 23-56 of this report.

### **Required Supplementary Information**

Supplemental information regarding the funding progress of the District's pension plan can be found on pages 58-61 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 68-69 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$174,852,978 at the close of the most recent fiscal year.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

### COSUMNES COMMUNITY SERVICES DISTRICT

#### SUMMARY OF NET POSITION JUNE 30, 2015, 2014 AND 2013

	2015	Governmental Activities 2014, as restated	2013
Current and other assets	\$ 73,248,586	\$ 61,892,958	\$ 55,436,352
Capital assets	<u>204,243,007</u>	<u>204,317,967</u>	<u>205,758,716</u>
<b>Total assets</b>	<u>277,491,593</u>	<u>266,210,925</u>	<u>261,195,068</u>
Long-term liabilities outstanding	96,662,022	99,668,813	45,353,536
Other liabilities	<u>2,468,440</u>	<u>2,380,187</u>	<u>2,724,324</u>
<b>Total liabilities</b>	<u>99,229,063</u>	<u>102,049,000</u>	<u>48,077,860</u>
Net position:			
Net investment in			
capital assets	184,981,570	183,997,497	184,141,637
Restricted	44,349,631	42,341,817	37,217,297
Unrestricted	<u>(54,478,223)</u>	<u>(62,177,389)</u>	<u>(8,241,726)</u>
<b>Total net position</b>	<u>\$ 174,852,978</u>	<u>\$ 164,161,925</u>	<u>\$ 213,117,208</u>

The largest portion of the District's net position of \$184,981,570 (85 percent) reflects its net 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 \$44,349,631 (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 \$54,478,223 is mainly due to the District recording \$49.2 million in pension liability amongst Safety and Miscellaneous employees.

# **COSUMNES COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015**

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 increase in property taxes offset by the increase in deferred inflows of resources from pensions combined with net pension and OPEB liabilities.

The District's net position increased by \$10,691,053 during the 2014/15 fiscal year, which accounts for 6 percent of total net position. The District's restricted and unrestricted net position increased approximately \$9.7 million, combined with an increase in investment in capital assets of approximately \$1 million. The increase is due to a 59% increase in assigned fund balance (\$9.6 million), a 8% increase in Landscape and Lighting improvements (\$2.1 million) and a 19% increase in fire station and equipment (\$600 thousand), which was offset by a decrease of 5% in park development (\$700 thousand) .

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).

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

The table below indicates the changes in net position for governmental activities:

### COSUMNES COMMUNITY SERVICES DISTRICT

#### STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2015, 2014 AND 2013

	<b>Governmental Activities</b>		
	2015	2014	2013
<b>REVENUES:</b>			
Program revenues:			
Charges for services	\$ 30,435,796	\$ 28,569,906	\$ 27,076,107
Operating grants and contributions	113,666	121,646	109,774
Capital grants and contributions	3,650,142	4,239,631	3,673,497
General revenues:			
Property taxes	36,173,988	32,626,823	29,456,296
Investment earnings	431,763	479,497	559,940
Miscellaneous	334,787	332,351	100,725
<b>TOTAL REVENUES</b>	<b>71,140,142</b>	<b>66,369,854</b>	<b>60,976,339</b>
 <b>EXPENSES:</b>			
Governmental activities:			
Public protection	31,393,533	37,447,237	40,245,993
Recreation and culture	24,737,509	21,984,207	22,612,070
General government	4,318,047	3,469,728	3,749,754
<b>TOTAL EXPENSES</b>	<b>60,449,089</b>	<b>62,901,172</b>	<b>66,607,817</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	10,691,053	3,468,682	(5,618,723)
Net position at begin of year (as restated)	164,161,925	213,117,208	218,735,931
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 174,852,978</b>	<b>\$ 216,585,890</b>	<b>\$ 213,117,208</b>

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

### Revenues

The District's total revenues per the Statement of Activities were \$71,140,142 and \$66,369,854 for the fiscal years ended June 30, 2015 and 2014, respectively. Property tax revenue of \$36,173,988 and \$32,626,823 comprised 50.85% and 50.73%, 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 42.78% and 43.05% and 6.57% and 5.29%, respectively, of the total governmental revenue of the District for the fiscal years ended June 30, 2015 and 2014. 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 and local development. The decrease in capital grant and contribution revenue is primarily due to the decrease in developer fees and contributions in the current year.

### Expenses

Expenses of the District totaled \$60,449,089 and \$62,901,172 for the fiscal years ended June 30, 2015 and 2014, respectively. Public protection costs represent 51.93% and 59.53%, 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, 2015. 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.

	<u>Total Cost of services</u>	<u>Net Revenue (Cost) of services</u>
Public protection	\$31,393,533	\$ (21,091,751)
Recreation and culture	24,737,509	(2,827,174)
General government	<u>4,318,047</u>	<u>(2,330,560)</u>
<b>TOTAL</b>	<u>\$60,449,089</u>	<u>\$ (26,249,485)</u>

The net cost to taxpayers for recreation and culture services, excluding developer fees, was \$4,327,829.

### 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.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015 and 2014 the District's governmental funds reported combined fund balances of \$70,882,155 and \$59,547,839, an increase of \$11,334,316 and an increase of \$7,018,274, respectively, in comparison with the prior year. The major reason for the increase was the increase of assigned fund balance (\$9.6 million) combined with the increase in landscape and lighting reserves (\$3.2 million). Approximately 37 and 28 percent of the combined fund balances, \$26,108,555 and \$16,466,784, 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 (\$16,247,274); 2) to use for specific purpose of the fund (\$27,898,816); and 3) to reflect amounts held on behalf of the Cosumnes Legacy Foundation (\$203,541).

The General Fund is the chief operating fund of the District. At June 30, 2015 and 2014, assigned fund balance of the general fund was \$26,108,555 and \$16,466,784, respectively, while total fund balance reached \$42,563,646 and \$33,351,099. The increase in total fund balance of \$9,212,547 represents an increase in other financing sources (\$9.9 million) offset by a difference in total expenditures over total revenues (\$700 thousand). 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 46 percent and 33 percent of total fund expenditures, while total fund balance represents 75 percent and 66 percent of that same amount.

The Landscape & Lighting Special Revenue Fund has a total fund balance of \$27,898,816 and \$25,774,685 at June 30, 2015 and 2014. These amounts are restricted for the specific purpose of the fund. Total fund balance increased by \$2,124,131 and \$3,252,642 for the fiscal year ended June 30, 2015 and 2014. 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, 2015, the Non-major Governmental Funds consist of the Capital Project Fund and the Foundation Special Revenue Fund. Total fund balance at June 30, 2015 is \$419,693. Of this amount, \$216,152 is restricted for capital projects and \$203,541 is restricted for foundation activities. The decrease in fund balance of \$2,362 is mainly related to the operating expenditures for the Cosumnes Legacy Foundation utilized within the Foundation Fund.

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.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

### General Fund Budgetary Highlights

For the fiscal year ended June 30, 2015, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling \$5,447,140. The increase is due to an increase in public protection expenditures for operational support combined with additional general government expenditures due to a fire within the District Administration building. Actual General Fund revenues were \$4,860,322 greater than the final budget. This variance is related to the increase in property taxes, charges for current services, and state aid for public funding. Actual General Fund expenditures were \$4,263,345 lower than the final budget, of which approximately \$3.7 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, 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.

### CAPITAL ASSET AND LONG-TERM DEBT

**Capital assets.** As of June 30, 2015 and 2014, the Districts' investment in capital assets amounted to \$204,243,007 and \$204,317,967, 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, 2015, 2014 AND 2013

	2015	2014	2013
Land	\$ 87,113,826	85,443,191	85,442,799
Land improvements	64,509,759	64,201,317	63,584,248
Construction in Progress	1,270,681	1,081,776	1,765,596
Structures and improvements	46,832,450	49,417,438	53,010,282
Equipment	<u>4,516,291</u>	<u>4,174,245</u>	<u>1,955,793</u>
<b>Total</b>	\$ <u>204,243,007</u>	<u>204,317,967</u>	<u>205,758,718</u>

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2015:

- ◆ Land – purchase of 6.2 acres of land designated for Derr-Okamoto Phase II.
- ◆ Land improvements – completion of Laguna Park improvements, and additional playground amenities at Nottoli Park.
- ◆ Structures and improvements – decrease is mainly due to the fire within the Administration building offset by the addition of a fence at Derr-Okamoto Skate Park and HVAC at Wackford Aquatic Community Complex and Laguna Town Hall.
- ◆ Construction in progress – increase is mainly related to the burn room at Fire Training Headquarters and George Park.
- ◆ Equipment – decrease is mainly due to the fire within the Administration building offset by the purchase of Zoll cardiac monitors, two remounted ambulances, Turfstar irrigation control system and several copiers within the District.

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.

Additional information on the District's capital assets can be found in Note 3 on page 37 to 38.

The District was in the process of reconstructing the District Administration building and constructing a maintenance building at Bartholomew Sports Park at June 30, 2015. The total amount committed at June 30, 2015 is \$1,910,518. Additional information on the District's commitments can be found in Note 10 on page 56.

**Long-term debt.** At June 30, 2015, the District had long-term debt obligations totaling \$19,261,437. District debt issues include \$664,100 in Certificates of Participation for the construction of two fire stations and Fire Training Facility land, a note agreement for \$84,606 for the financing of the Underwood Park Well, and \$18,512,731 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 \$783,577 (4%) during the current fiscal year mainly due to the principal reduction of \$2,060,546 offset by the funding for Zoll cardiac monitors (\$886,022), two remounted ambulances (\$282,408), a Turfstar irrigation control system (\$39,789) and several District copiers (\$68,750).

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

# **COSUMNES COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015**

### **ECONOMIC OUTLOOK**

The Cosumnes CSD local economies is improving, and as the population continues to grow and as political leaders are focused on bringing business and commerce to the region, the demand for housing emerges. Further, in Sacramento County, 10,400 wage and salary jobs were created, representing a growth rate of 2.4%. This is the third annual increase for Sacramento County since before the recession of 2007-2009. The unemployment rate improved as well, falling from 6.9% in 2014 to 5.8% in 2015.

The primary funding source of District operations is property taxes. Property tax revenues have increased by approximately 10% from the prior year but the current recovery has already lasted a year longer than the historic average despite soft U.S. economic growth, therefore the District is projecting an average annual growth in property tax revenues of 4% for next fiscal year.

The residential real estate market from a sales volume standpoint appears to be headed towards a more normal pattern, as home and condo sales are up 23 percent and the median sales price is up 7.1% in June of 2015 as compared to the prior year. The District is estimating that property tax revenues will increase 4% in Fiscal Year 2015-16 compared to FY 2014-15 due to projected home appreciation between 1 to 5%, modest 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, 9355 East Stockton Boulevard, Elk Grove, CA 95624, or visit the District's web page at [www.yourcsd.com](http://www.yourcsd.com).

## **BASIC FINANCIAL STATEMENTS**

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**Cosumnes Community Services District**  
**Statement of Net Position**  
**June 30, 2015**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 61,846,467
Receivables:	
Accounts	5,500
Interest	45,445
Intergovernmental	1,880,993
Ambulance	1,453,656
Other	4,807,081
Prepays	398,961
Restricted cash and investments	2,810,483
Total current assets	<u>73,248,586</u>
Noncurrent assets:	
Capital assets:	
Not being depreciated	152,894,266
Being depreciated, net	51,348,741
Total capital assets	<u>204,243,007</u>
Total noncurrent assets	<u>204,243,007</u>
<b>Total assets</b>	<u>277,491,593</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred employer pension contributions	5,060,661
<b>Total Deferred outflows of resources</b>	<u>5,060,661</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	1,594,275
Accrued interest payable	271,757
Unearned revenue	701,009
Total current liabilities	<u>2,567,041</u>
Noncurrent liabilities:	
Long-term liabilities:	
Due within one year	2,468,440
Due in more than one year	94,193,582
Total noncurrent liabilities	<u>96,662,022</u>
<b>Total liabilities</b>	<u>99,229,063</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - pension	8,470,213
<b>Total Deferred inflows of resources</b>	<u>8,470,213</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	184,981,570
Restricted for:	
Park development	12,370,376
Fire station and equipment	3,660,746
Capital projects	216,152
Landscape and lighting improvements	27,898,816
Foundation activities	203,541
Unrestricted	(54,478,223)
<b>Total net position</b>	<u>\$ 174,852,978</u>

See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Statement of Activities**  
**For the year ended June 30, 2015**

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue Governmental Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>						
Public protection	\$30,991,966	\$ 401,567	\$ 8,152,295	\$ -	\$ 2,149,487	\$ (21,091,751)
Recreation and culture	24,421,081	316,428	20,399,714	9,966	1,500,655	(2,827,174)
General government	4,262,813	55,234	1,883,787	103,700	-	(2,330,560)
Interest on long-term debt	773,229	(773,229)	-	-	-	-
Total governmental activities	<u>\$60,449,089</u>	<u>\$ -</u>	<u>\$ 30,435,796</u>	<u>\$ 113,666</u>	<u>\$ 3,650,142</u>	<u>(26,249,485)</u>

**General Revenues and Transfers:**

Taxes:	
Property taxes	36,173,988
Investment earnings	431,763
Miscellaneous	334,787
<b>Total general revenues and transfers</b>	<u>36,940,538</u>
<b>Change in net position</b>	10,691,053
<b>Net position - beginning of year (as restated)</b>	<u>164,161,925</u>
<b>Net position - end of year</b>	<u>\$ 174,852,978</u>

See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 33,546,249	\$ 28,071,629	\$ 228,589	\$ 61,846,467
Receivables:				
Accounts	5,500	-	-	5,500
Interest	22,669	22,776	-	45,445
Intergovernmental	1,625,880	255,113	-	1,880,993
Ambulance	1,453,656	-	-	1,453,656
Other	4,807,081	-	-	4,807,081
Due from other funds	45,274	-	191,454	236,728
Advances to other funds	25,008	-	-	25,008
Prepays	398,961	-	-	398,961
Restricted cash and investments	2,740,511	-	69,972	2,810,483
<b>Total assets</b>	<b>\$ 44,670,789</b>	<b>\$ 28,349,518</b>	<b>\$ 490,015</b>	<b>\$ 73,510,322</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,143,533	\$ 450,702	40	\$ 1,594,275
Due to other funds	191,454	-	45,274	236,728
Advances from other funds	-	-	25,008	25,008
Unearned revenue	701,009	-	-	701,009
<b>Total liabilities</b>	<b>2,035,996</b>	<b>450,702</b>	<b>70,322</b>	<b>2,557,020</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	71,147	-	-	71,147
<b>Fund Balances:</b>				
Nonspendable	423,969	-	-	423,969
Restricted for:				
Park development	12,370,376	-	-	12,370,376
Fire station and equipment	3,660,746	-	-	3,660,746
Capital projects	-	-	216,152	216,152
Specific purpose of the fund	-	27,898,816	-	27,898,816
Foundation activities of the fund	-	-	203,541	203,541
Assigned	26,108,555	-	-	26,108,555
<b>Total fund balances</b>	<b>42,563,646</b>	<b>27,898,816</b>	<b>419,693</b>	<b>70,882,155</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 44,670,789</b>	<b>\$ 28,349,518</b>	<b>\$ 490,015</b>	<b>\$ 73,510,322</b>

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, 2015**

**Total Fund Balances - Total Governmental Funds** \$ 70,882,155

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	252,736,569	
- Less: accumulated depreciation	(48,493,562)	
Total capital assets		204,243,007

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	71,147	
Total revenues		71,147

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. (271,757)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, these contributions are deferred. 5,060,661

In the Government-Wide Financial Statements, certain differences between actuarial assumptions and actual results for pension are deferred and amortized over a period of time, however these differences do not impact the Governmental Funds Balance Sheet:

- Deferred inflows of resources - pension (8,470,213)

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	(84,606)	
- Certificates of Participation - 1998 Series	(664,100)	
- Capital lease obligation	(18,512,731)	
- Compensated absences	(1,791,002)	
- Net OBEB obligation	(26,448,113)	
- Net pension liability	(49,161,470)	
Total long-term liabilities		(96,662,022)

**Net Position of Governmental Activities** **\$ 174,852,978**

**Cosumnes Community Services District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2015**

	Major Funds			Total Governmental Funds
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	
<b>REVENUES:</b>				
Taxes	\$ 36,173,988	\$ -	\$ -	\$ 36,173,988
Charges for current services	14,811,737	14,708,161	-	29,519,898
Developer fees and contributions	1,500,655	-	-	1,500,655
Intergovernmental	2,149,487	-	-	2,149,487
Donations and contributions	103,700	-	9,966	113,666
Use of money and property	1,190,523	326,361	18	1,516,902
Miscellaneous	327,797	6,990	-	334,787
<b>Total revenues</b>	<b>56,257,887</b>	<b>15,041,512</b>	<b>9,984</b>	<b>71,309,383</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	36,077,297	-	-	36,077,297
Recreation and culture	9,815,700	11,323,523	8,491	21,147,714
General government	4,207,778	-	1,349	4,209,127
Capital outlay	4,305,760	49,402	220	4,355,382
Debt service:				
Principal	1,841,596	25,703	193,247	2,060,546
Interest	739,609	1,632	35,687	776,928
<b>Total expenditures</b>	<b>56,987,740</b>	<b>11,400,260</b>	<b>238,994</b>	<b>68,626,994</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(729,853)</b>	<b>3,641,252</b>	<b>(229,010)</b>	<b>2,682,389</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	131,650	1,497	-	133,147
Issuance of long-term liabilities	1,269,719	7,250	-	1,276,969
Insurance recovery	7,226,815	14,996	-	7,241,811
Transfers in	2,841,040	2,642,949	236,130	5,720,119
Transfers out	(1,526,824)	(4,183,813)	(9,482)	(5,720,119)
<b>Total other financing sources (uses)</b>	<b>9,942,400</b>	<b>(1,517,121)</b>	<b>226,648</b>	<b>8,651,927</b>
<b>Net change in fund balances</b>	<b>9,212,547</b>	<b>2,124,131</b>	<b>(2,362)</b>	<b>11,334,316</b>
<b>FUND BALANCES:</b>				
Beginning of year	33,351,099	25,774,685	422,055	59,547,839
End of year	\$ 42,563,646	\$ 27,898,816	\$ 419,693	\$ 70,882,155

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, 2015**

**Net Change in Fund Balances - Total Governmental Funds** \$ 11,334,316

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	4,353,510	
- Depreciation expense	(3,833,842)	
Total governmental funds		519,668

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		(133,147)
- Loss on disposal of capital assets are not recorded on Governmental Funds		(461,481)

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	(1,276,969)	
- Principal repayments on long-term liabilities	2,060,546	
Net of long-term debt proceeds and repayments		783,577

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.

(169,241)

OPEB expenses do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

(1,123,640)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, these contributions are deferred.

5,060,661

Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense does not require the use of current financial resources, and is not recognized in the governmental funds.

(5,207,718)

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	3,699	
- Change in compensated absences	84,359	
Total non-current expenses		88,058

**Change in Net Position of Governmental Activities** \$ 10,691,053

See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**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 184,564 residents. The District develops, owns and maintains all park, recreation and fire facilities within its service area. In April 2015, the District and the City of Elk Grove entered into an agreement with a four year term specifying the District and City will jointly develop park and recreation facilities within Laguna Ridge and Southeast Policy Area of the City, and the District will own and 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 93 parks (2 undeveloped) and employs 256 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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**J. Net Position/Fund Balance**

The District evaluated each of its funds at June 30, 2015 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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*M. Deferred Outflows/Inflows of Resources, Continued*

In addition to liabilities, the statement of net position or balance sheet 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 reports two items in this category, unavailable revenue and amounts related to changes in the District's net pension liability that are deferred and amortized over a stated period. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: grant revenues. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the District's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. The District reported the unamortized net difference between the projected and actual earnings on pension plans as deferred inflows of resources in the government-wide statement of net position.

*N. Pension*

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

*O. New Pronouncements*

In 2015, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 – This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The District restated beginning net position as part of implementation of this statement.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*N. New Pronouncements*

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

- GASB Statement No. 69, Government Combinations and Disposals of Government Operations – This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. There was no effect on net position as part of implementation of this standard.
- GASB Statement No. 71, Pension Transition for the Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68 – The objective of this statement is to address an issue regarding the application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The District restated beginning net position as part of implementation of this standard.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**2. CASH AND INVESTMENTS**

At June 30, 2015, the District's pooled cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	\$ 61,846,467
Restricted cash and investments	2,810,483
<b>Total cash and investments</b>	<b>64,656,950</b>
Cash and investments as of June 30, 2015 consisted of the following:	
Deposits with financial institutions	6,904,475
<b>Total cash</b>	<b>6,904,475</b>
U.S. Agency securities:	
U.S. Treasury Securities	302,258
Government Sponsored Enterprise Securities	175,150
Federal National Mortgage Association Medium Term Notes	544,010
Corporate Notes and Bonds	13,053,765
Certificates of deposit	8,700,078
Money Market Mutual Funds	1,139,821
Investments in Local Agency Investment Fund (LAIF)	33,837,393
<b>Total investments</b>	<b>57,752,475</b>
<b>Total cash and investments</b>	<b>\$ 64,656,950</b>

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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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 statutes 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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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:

	Fair Value	Investment Maturities in Years			
		Less Than 1 Year	1-2 years	2-3 years	3 years +
U.S. Treasury Securities	\$ 302,258	\$ 227,047	\$ 75,211	\$ -	\$ -
Government Sponsored Enterprise Securities	175,150	175,150	-	-	-
Federal National Mortgage Association Medium Term Notes	544,010	-	12,573	100,143	431,294
Certificates of Deposit	8,700,078	3,491,268	4,164,953	1,043,857	-
Corporate Notes	13,053,765	3,020,219	3,023,214	7,010,332	-
Money Market Mutual Funds	1,139,821	1,139,821	-	-	-
LAIF	33,837,393	33,837,393	-	-	-
<b>Total</b>	<b>\$ 57,752,475</b>	<b>\$ 41,890,898</b>	<b>\$ 7,275,951</b>	<b>\$ 8,154,332</b>	<b>\$ 431,294</b>

*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.

	Total	Ratings as of Year End							
		AAA	AA+	AA-	A+	A	A-	BBB+	Not Rated
U.S. Treasury Securities	\$ 302,258	\$ -	\$ 302,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government Sponsored Enterprise Securities	175,150	-	175,150	-	-	-	-	-	-
Federal National Mortgage Association Medium Term Notes	544,010	98,941	-	-	-	-	-	-	445,069
Corporate Notes	13,053,765	-	970,539	1,000,000	2,919,661	5,133,313	2,043,110	987,142	-
Certificates of Deposit	8,700,078	-	-	-	-	-	-	-	8,700,078
Money Market Mutual Funds	1,139,821	-	-	-	-	-	-	37,341	1,102,480
LAIF	33,837,393	-	-	-	-	-	-	-	33,837,393
<b>Total</b>	<b>\$ 57,752,475</b>	<b>\$ 98,941</b>	<b>\$ 1,447,947</b>	<b>\$ 1,000,000</b>	<b>\$ 2,919,661</b>	<b>\$ 5,133,313</b>	<b>\$ 2,043,110</b>	<b>\$ 1,024,483</b>	<b>\$ 44,085,020</b>

*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
American Express Corporation	Corporate Notes	\$1,259,213

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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, 2015, the carrying amount of the District’s deposits was \$6,904,475 and the balance in financial institutions was \$7,863,492. Of the balance in financial institutions, \$1,047,413 was covered by federal depository insurance and \$6,816,079 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, 2015, 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:

<u>Type of Investment</u>	<u>Total</u>
Corporate Notes and Bonds	\$ 13,053,765
U.S. Agency Securities	\$ 544,010

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, 2015 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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**2. CASH AND INVESTMENTS, Continued**

As of June 30 2015, the District had \$33,837,393 invested in LAIF, which had invested 2.08% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to 1.86% in fiscal year 2014. Fair value of LAIF was calculated by applying a factor of 1.000375979 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, 2015 was as follows:

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 85,443,191	\$ 1,670,635	\$ -	\$ -	\$ 87,113,826
Land improvements	64,201,317	-	-	308,442	64,509,759
Construction in progress	1,081,776	1,056,273	-	(867,368)	1,270,681
<b>Total capital assets not being depreciated</b>	<b>150,726,284</b>	<b>2,726,908</b>	<b>-</b>	<b>(558,926)</b>	<b>152,894,266</b>
Capital assets being depreciated:					
Structures and improvements	77,035,619	-	(1,127,991)	558,926	76,466,554
Equipment	25,049,626	1,626,602	(1,846,158)	-	24,830,070
<b>Total capital assets being depreciated</b>	<b>102,085,245</b>	<b>1,626,602</b>	<b>(2,974,149)</b>	<b>558,926</b>	<b>101,296,624</b>
Less accumulated depreciation for:					
Structures and improvements	(27,618,181)	(2,715,868)	699,945	-	(29,634,104)
Equipment	(20,875,381)	(1,117,974)	1,679,576	-	(20,313,779)
<b>Total accumulated depreciation</b>	<b>(48,493,562)</b>	<b>(3,833,842)</b>	<b>2,379,521</b>	<b>-</b>	<b>(49,947,883)</b>
Total capital assets being depreciated, net	53,591,683	(2,207,240)	(594,628)	558,926	51,348,741
<b>Capital assets, net</b>	<b>\$ 204,317,967</b>	<b>\$ 519,668</b>	<b>\$ (594,628)</b>	<b>\$ -</b>	<b>\$ 204,243,007</b>

The District incurred an impairment loss of \$594,628 on disposal of a number of items and damage caused by a fire that occurred during the year ended June 30, 2015.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**3. CAPITAL ASSETS, Continued**

Depreciation was charged to activities as follows:

Public Protection	\$	1,144,096
Recreation and culture		2,667,257
General government		22,489
		<u>22,489</u>
Total depreciation expense	\$	<u><u>3,833,842</u></u>

**4. INTERFUND TRANSACTIONS**

	<b>Due from other funds</b>		
	General Fund	Non-Major Governmental Fund	Total
<b>Due to other funds</b>			
General Fund	\$ -	\$ 191,454	\$ 191,454
Non-Major Governmental Fund	45,274	-	\$ 45,274
<b>Total</b>	<u>\$ 45,274</u>	<u>\$ 191,454</u>	<u>\$ 236,728</u>

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.

	<b>Advances to other funds</b>	
	Non-Major Governmental Fund	Total
<b>Advances from other funds</b>		
General Fund	\$ 25,008	\$ 25,008
<b>Total</b>	<u>\$ 25,008</u>	<u>\$ 25,008</u>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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			Total
		Major Fund		Non - Major	
		General Fund	Landscape and Lighting Special Revenue Fund	Governmental Fund	
Transfers Out	General Fund	\$ 1,290,694	\$ -	\$ 236,130	\$ 1,526,824
	Landscape and Lighting Special Revenue Fund	1,540,864	2,642,949	-	4,183,813
	Non - Major Governmental Fund	9,482	-	-	9,482
	<b>Total</b>	<u>\$ 2,841,040</u>	<u>\$ 2,642,949</u>	<u>\$ 236,130</u>	<u>\$ 5,720,119</u>

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, 2015 are as follows:

	Balance July 1, 2014 (as restated)	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Loans Payable	\$ 94,752	\$ -	\$ (10,146)	\$ 84,606	\$ 10,693
Certificates of Participation					
- 1998 Series	847,200	-	(183,100)	664,100	190,600
Capital lease obligation	19,103,062	1,276,969	(1,867,300)	18,512,731	1,910,671
Compensated absences	1,875,361	-	(84,359)	1,791,002	356,476
Net OPEB liability	25,324,473	4,545,065	(3,421,425)	26,448,113	-
Net pension liability	57,430,772	-	(8,269,302)	49,161,470	-
<b>Total long-term liabilities</b>	<u>\$ 104,675,620</u>	<u>\$ 5,822,034</u>	<u>\$ (13,835,632)</u>	<u>\$ 96,662,022</u>	<u>\$ 2,468,440</u>
Less: amount due within one year	<u>(2,171,607)</u>			<u>(2,468,440)</u>	
Amounts due in more than one year	<u>\$ 102,504,013</u>			<u>\$ 94,193,582</u>	

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**5. LONG-TERM LIABILITIES, Continued**

Net OPEB liability and net pension liability typically have been liquidated by the General Fund for governmental activities.

The certificates of participation and loans payable consist of the following as of June 30, 2015:

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, 2015 were \$84,606.

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, 2015 was \$664,100.

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.

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, 2015.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**5. LONG-TERM LIABILITIES, Continued**

Maturities of long-term liabilities are summarized below.

	Loans Payable			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
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	13,187	2,043	15,230	-	-	-
2021-2022	25,070	3,963	29,033	-	-	-
Total debt	\$ 84,606	\$ 20,575	\$ 105,181	\$ 664,100	\$ 46,536	\$ 710,636

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 \$691,188 at June 30, 2015. 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 \$786,726 at June 30, 2015. 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 \$676,558 at June 30, 2015. 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 \$769,068 at June 30, 2015. 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 \$160,005 at June 30, 2015.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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%.

On November 11, 2014, the District entered into a capital lease agreement in the amount of \$886,022 for various cardiac monitors. The lease agreement provides for 4 monthly payments of \$191,967 from November 11, 2014 through March 15, 2019. Payments include interest at 4.5%. On March 23, 2015, the District entered into a capital lease agreement in the amount of \$282,408 for two remounted ambulances and other equipment. The lease agreement provides for 60 monthly payments of \$5,046 from April 13, 2015 through March 13, 2020. Payments include interest at 2.77%.

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 \$764,471 with accumulated depreciation of \$513,982 at June 30, 2015. As of June 30, 2015, future minimum lease payments under capital lease obligations were as follows:

<u>Fiscal Year ending June 30,</u>	
2016	\$ 2,599,851
2017	2,500,813
2018	2,456,604
2019	2,391,838
2020	2,127,830
2021-2025	7,433,807
2026-2029	3,449,497
Total payments	<u>22,960,240</u>
Less amounts representing interest	<u>4,447,509</u>
Net present value of future minimum lease payments	<u>\$ 18,512,731</u>

**6. DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plans**

*Plan Descriptions* – All qualified permanent and probationary employees are eligible to participate in the District’s separate Safety (fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**6. DEFINED BENEFIT PENSION PLAN, Continued**

*A. General Information about the Pension Plans, Continued*

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

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

	Safety	Miscellaneous
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	50
Benefit factor for each year of service as a % of annual salary	3% at age 50	2.5% at 55
Required employee contribution rates	9%	8%
Required employer contribution rates	27.397%	14.206%

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013 who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 plan and PEPRA safety members will be enrolled in a 2.7% at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**6. DEFINED BENEFIT PENSION PLAN, Continued**

**A. General Information about the Pension Plans, Continued**

*Employees Covered* - At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	44	62
Inactive employees entitled to but not yet receiving benefits	348	78
Active employees	169	154
Total	561	294

*Contributions* - Section 20814(C) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the average active employee contribution rate is 7.874 percent of annual pay for the Miscellaneous Plan and 9.056 percent of annual pay for the Safety Plan, and employer contribution rate is 13.519 percent of annual payroll for the Miscellaneous Plan and 26.942 percent of annual payroll for the Safety Plan

**B. Net Pension Liability**

The District's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**6. DEFINED BENEFIT PENSION PLAN, Continued**

*B. Net Pension Liability, Continued*

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	
Investment Rate of Return (1)	7.50%	7.50%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds	
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**6. DEFINED BENEFIT PENSION PLAN, Continued**

***B. Net Pension Liability, Continued***

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

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

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**6. DEFINED BENEFIT PENSION PLAN, Continued**

*B. Net Pension Liability, Continued*

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**6. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for each Plan follow:

*Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014 (1)</b>	\$ 32,020,338	\$ 22,897,743	\$ 9,122,595
<b>Changes in the year:</b>			
Service cost	1,279,630	-	1,279,630
Interest on the total pension liability	2,412,110	-	2,412,110
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	971,677	(971,677)
Contribution - employee	-	569,537	(569,537)
Investment income	-	4,051,774	(4,051,774)
Administrative expenses	-	(27,778)	27,778
Benefit payments , including refunds of employee contributions	(997,382)	(997,382)	-
<b>Net changes</b>	<b>2,694,358</b>	<b>4,567,828</b>	<b>(1,873,470)</b>
<b>Balance at June 30, 2015</b>	<b>\$ 34,714,696</b>	<b>\$ 27,465,571</b>	<b>\$ 7,249,125</b>

(1) - The fiduciary net position includes receivables for employee service buyback, deficiency reserve, fiduciary self-insurance, and OPEB expense.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**6. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Changes in the Net Pension Liability, Continued**

*Safety Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014 (1)</b>	\$ 129,422,997	\$ 81,114,820	\$ 48,308,177
<b>Changes in the year:</b>			
Service cost	4,500,842	-	4,500,842
Interest on the total pension liability	9,733,321	-	9,733,321
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	4,035,130	(4,035,130)
Contribution - employee	-	2,137,329	(2,137,329)
Net investment income	-	14,568,648	(14,568,648)
Administrative expenses		(111,112)	111,112
Benefit payments , including refunds of employee contributions	(3,791,597)	(3,791,597)	-
<b>Net changes</b>	<b>10,442,566</b>	<b>16,838,398</b>	<b>(6,395,832)</b>
<b>Balance at June 30, 2015</b>	<b>\$ 139,865,563</b>	<b>\$ 97,953,218</b>	<b>\$ 41,912,345</b>

(1) - The fiduciary net position includes receivables for employee service buyback, deficiency reserve, fiduciary self-insurance, and OPEB expense.

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

	Miscellaneous	Safety	Total
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$ 12,687,965	\$ 63,382,889	76,070,854
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$ 7,249,125	\$ 41,912,345	49,161,470
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$ 2,844,445	\$ 24,285,261	27,129,706



**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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. Retirees may enroll in any available CalPERS medical plan. The District contributed 100% of the costs. The District currently participates in an OPEB. For fiscal year ended June 30, 2015, there were 75 retirees receiving this benefit and total District costs amounted to \$1,260,087.

Beginning in the fiscal year 2014-15, the District pre-funds the Plan through CalPERS OPEB Trust (CERBT) by contributing the District's Annual Required Contribution (ARC) every year. For the fiscal year 2014-15, the District contributed \$3,421,425, including \$1,260,087 in benefit payments and a \$2,161,338 deposit to CERBT.

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the District, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

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.

The following table illustrates the District's June 30, 2015 Net OPEB Obligation:

Annual required contribution	\$ 4,695,401
Interest on net OPEB obligation	1,079,015
Amortization of net OPEB obligation	<u>(1,229,351)</u>
Annual OPEB cost	4,545,065
Payments made	<u>(3,421,425)</u>
Increase in net OPEB obligation	1,123,640
Net OPEB obligation - beginning of the year	<u>25,324,473</u>
Estimated NET OPEB Obligation June 30, 2014	<u>\$ 26,448,113</u>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**7. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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, 2015 was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of APC Contributed	Net OPEB Obligation
6/30/2013	6,540,277	11%	22,226,556
6/30/2014	4,267,288	27%	25,324,473
6/30/2015	4,545,065	75%	26,448,113

*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.

*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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**7. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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 (NCS DIA), a public entity risk pool of special districts within Northern California, for workers compensation insurance. Loss contingency reserves established by NCS DIA are funded by contributions from member agencies. The District pays an annual premium to NCS DIA 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 NCS DIA. NCS DIA retains the ability to assess its members' amounts in addition to annual premiums. NCS DIA has never made an additional assessment and is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

The 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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**8. RISK MANAGEMENT, Continued**

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

	<u>Pool Coverage</u>	<u>Commercial Coverage</u>	<u>Self-Insured Retention</u>
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	10,000,000	500 to 1,000
Uninsured motorists bodily injury	750,000	-	-
Public officials errors and omissions liability	600,000	10,000,000	-
Employment benefits and practices liability	600,000	1,000,000	-
Employee dishonesty	-	400,000	-
Public officials personal liability	-	500,000	500
Trailer and automobile physical damage	Replacement Cost	-	-

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**9. FUND BALANCE**

As of June 30, 2015, classifications of fund balance are as follows:

	<u>Major Governmental Funds</u>			Total Government
	General	Landscaping and Lighting Special Revenue Fund	Non-Major Government Funds	
Fund Balances				
<b>Nonspendable fund balance:</b>				
Advances to other funds	\$ 25,008	\$ -	\$ -	\$ 25,008
Prepays	398,961	-	-	398,961
Subtotal	<u>423,969</u>	<u>-</u>	<u>-</u>	<u>423,969</u>
<b>Restricted fund balance for:</b>				
Park Development	12,370,376	-	-	12,370,376
Fire station and equipment	3,660,746	-	-	3,660,746
Capital projects	-	-	216,152	216,152
Specific purpose of the fund	-	27,898,816	-	27,898,816
Foundation activities of the fund	-	-	203,541	203,541
Subtotal	<u>16,031,122</u>	<u>27,898,816</u>	<u>419,693</u>	<u>44,349,631</u>
<b>Assigned fund balance for:</b>				
Emergency reserve	2,844,752	-	-	2,844,752
Youth facility development	53,020	-	-	53,020
Apparatus replacement	1,467,524	-	-	1,467,524
Laguna town hall capital	40,000	-	-	40,000
BMW complex capital reserve	70,550	-	-	70,550
Park capital facilities	2,767,357	-	-	2,767,357
EG recreation center capital improvement	31,000	-	-	31,000
Fox aquatic capital improvement	20,700	-	-	20,700
Recreational activities	1,721,964	-	-	1,721,964
Public safety activities	8,682,932	-	-	8,682,932
Administrative activities	8,201,239	-	-	8,201,239
Fire capital facilities	7,528	-	-	7,528
Station 75 principal/repayment	10,488	-	-	10,488
Golf capital improvement	15,000	-	-	15,000
Dillard Ranch	98,346	-	-	98,346
HBSP deferred maintenance	43,290	-	-	43,290
Pavillion deferred maintenance	20,000	-	-	20,000
Sport Field Light Replacement Plan	12,865	-	-	12,865
Subtotal	<u>26,108,555</u>	<u>-</u>	<u>-</u>	<u>26,108,555</u>
Total Fund Balances	<u>42,563,646</u>	<u>27,898,816</u>	<u>419,693</u>	<u>70,882,155</u>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**10. COMMITMENT AND CONTINGENCIES**

The District is in the process of performing park land improvements and other projects as of June 30, 2015 as follows:

Project	Project Appropriation	Expended to June 30, 2015	Committed
Administration Building	\$ 1,791,602	\$ 81,084	\$ 1,710,518
Bartholomew Sports Park Maintenance Building	200,000	-	200,000
Total	<u>\$ 1,991,602</u>	<u>\$ 81,084</u>	<u>\$ 1,910,518</u>

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.

**11. PRIOR PERIOD ADJUSTMENT**

The District recorded prior period adjustments to record the beginning balance of the net pension liability, and to record employer contributions made for pension in fiscal year 2014 as a deferred outflow of resources.

Government-wide Statements

	Net Position, as Previously Reported	Prior Period Adjustment		Net Position, as Restated
		Deferred Employer Pension Contributions	Net Pension Liability	
Government-Wide Statements				
Governmental Activities	\$ 216,585,890	\$ 5,006,807	\$ (57,430,772)	\$ 164,161,925

**12. SUBSEQUENT EVENTS**

On July 16, 2015, the District issued Certificates of Participation 2015 Refinancing Project (Certificates of Participation), totaling \$9,105,000. The purpose of the Certificates of Participation is to refinance a portion of the unfunded actuarial accrued liability with respect to the obligation of the District to make certain payments to the California Public Employees' Retirement System (CalPERS) for both active and retired safety employees and miscellaneous employees of the District, and thereby realize interest savings.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

**1. DEFINED BENEFIT PENSION PLANS**

**A. Schedule of Changes in Net Pension Liability and Related Ratios  
During the Measurement Period**

Miscellaneous Plan

Measurement Period <sup>(1)</sup>	2013-14
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 1,279,630
Interest	2,412,110
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(997,382)
<b>Net Change in Total Pension Liability</b>	<b>2,694,358</b>
<b>Total Pension Liability - Beginning</b>	<b>32,020,338</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 34,714,696</b>
 <b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 971,677
Contributions - Employee	569,537
Net Investment Income <sup>(2)</sup>	4,023,996
Benefit Payments, Including Refunds of Employee Contributions	(997,382)
Other Changes in Fiduciary Net Position	-
<b>Net Change in Fiduciary Net Position</b>	<b>4,567,828</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>22,897,743</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 27,465,571</b>
 <b>Plan Net Position Liability/(Asset) - Ending (a) - (b)</b>	 <b>\$ 7,249,125</b>
 <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	 <b>79.12%</b>
 <b>Covered-Employee Payroll</b>	 <b>\$ 7,612,768</b>
 <b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	 <b>95.22%</b>

(1) - Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) - Net of administrative expenses.

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

**1. DEFINED BENEFIT PENSION PLANS, Continued**

**A. Schedule of Changes in Net Pension Liability and Related Ratios  
During the Measurement Period, Continued**

Safety Plan

Measurement Period <sup>(1)</sup>	2013-14
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 4,500,842
Interest	9,733,321
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(3,791,597)
<b>Net Change in Total Pension Liability</b>	<b>10,442,566</b>
<b>Total Pension Liability - Beginning</b>	<b>129,422,997</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 139,865,563</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 4,035,130
Contributions - Employee	2,137,329
Net Investment Income <sup>(2)</sup>	14,457,536
Benefit Payments, Including Refunds of Employee Contributions	(3,791,597)
Other Changes in Fiduciary Net Position	-
<b>Net Change in Fiduciary Net Position</b>	<b>16,838,398</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>81,114,820</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 97,953,218</b>
<b>Plan Net Position Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 41,912,345</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.03%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 18,120,791</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>231.29%</b>

(1) - Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) - Net of administrative expenses.

Notes to Schedules

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**1. DEFINED BENEFIT PENSION PLANS, Continued**

**B. Schedule of Plan Contributions**

<u>Miscellaneous Plan</u>	<u>Fiscal Year 2014-15 <sup>(1)</sup></u>
Actuarially determined contribution	\$ 1,073,403
Contribution in relation to the actuarially determined contributions	<u>(1,073,403)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 \$ 8,591,081
Contributions as a percentage of covered-employee payroll	12.49%

(1) - Historical information is required only for measurement periods for which GASB 68 is applicable

<u>Safety Plan</u>	<u>Fiscal Year 2014-15 <sup>(1)</sup></u>
Actuarially determined contribution	\$ 3,987,258
Contribution in relation to the actuarially determined contributions	<u>(3,987,258)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 \$ 17,949,636
Contributions as a percentage of covered-employee payroll	22.21%

(1) - Historical information is required only for measurement periods for which GASB 68 is applicable

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

**1. DEFINED BENEFIT PENSION PLANS, Continued**

**B. Schedule of Plan Contributions, Continued**

Notes to Schedules

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

	Miscellaneous Plan	Safety Plan
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Remaining amortization period	26 Years as of valuation date	28 Years as of valuation date
Asset valuation method	15-year smoothed market	15-year smoothed market
Inflation	2.75%	2.75%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth	3.00%	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation	
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	

**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.

**Cosumnes Community Services District**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2015**

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**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, 2015.

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, 2015, resulting in there being no difference between the GAAP basis and Non-GAAP Budgetary Basis for the year ended June 30, 2015.

**Cosumnes Community Services District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 34,343,612	\$ 36,024,612	\$ 36,173,988	\$ 149,376
Charges for current services	12,017,258	12,443,438	14,811,737	2,368,299
Developer fees and contributions	-	-	1,500,655	1,500,655
Intergovernmental	618,862	1,318,862	2,149,487	830,625
Donations and contributions	90,500	90,500	103,700	13,200
Use of money and property	1,044,453	1,082,363	1,190,523	108,160
Miscellaneous	437,790	437,790	327,797	(109,993)
<b>Total revenues</b>	<b>48,552,475</b>	<b>51,397,565</b>	<b>56,257,887</b>	<b>4,860,322</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	33,723,851	36,379,611	36,077,297	302,314
Recreation and culture	9,858,039	9,858,039	9,815,700	42,339
General government	3,759,723	4,394,403	4,207,778	186,625
Capital outlay	6,040,247	8,007,947	4,305,760	3,702,187
Debt service:				
Principal	1,707,207	1,865,207	1,841,596	23,611
Interest	714,878	745,878	739,609	6,269
Contingencies	-	-	-	-
<b>Total expenditures</b>	<b>55,803,945</b>	<b>61,251,085</b>	<b>56,987,740</b>	<b>4,263,345</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,251,470)</b>	<b>(9,853,520)</b>	<b>(729,853)</b>	<b>9,123,667</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	12,000	12,000	131,650	119,650
Issuance of long-term liabilities	456,000	1,306,640	1,269,719	(36,921)
Insurance recovery	-	756,000	7,226,815	6,470,815
Transfers in	2,801,586	3,910,510	2,841,040	(1,069,470)
Transfers out	(862,373)	(1,530,373)	(1,526,824)	3,549
<b>Total other financing sources (uses)</b>	<b>2,407,213</b>	<b>4,454,777</b>	<b>9,942,400</b>	<b>5,487,623</b>
<b>Net change in fund balances</b>	<b>(4,844,257)</b>	<b>(5,398,743)</b>	<b>9,212,547</b>	<b>14,611,290</b>
<b>FUND BALANCES:</b>				
Beginning of year	33,351,099	33,351,099	33,351,099	-
End of year	\$ 28,506,842	\$ 27,952,356	\$ 42,563,646	\$ 14,611,290

**Cosumnes Community Services District**  
**Schedule 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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 14,636,041	\$ 14,687,841	\$ 14,708,161	\$ 20,320
Use of money and property	324,953	324,953	326,361	1,408
Miscellaneous	500	500	6,990	6,490
<b>Total revenues</b>	<b>14,961,494</b>	<b>15,013,294</b>	<b>15,041,512</b>	<b>28,218</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	12,481,355	12,498,402	11,323,523	1,174,879
Capital outlay	35,300	49,500	49,402	98
Debt service				-
Principal	32,923	32,923	25,703	7,220
Interest	2,726	2,726	1,632	1,094
<b>Total expenditures</b>	<b>12,552,304</b>	<b>12,583,551</b>	<b>11,400,260</b>	<b>1,183,291</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,409,190</b>	<b>2,429,743</b>	<b>3,641,252</b>	<b>1,211,509</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	1,497	1,497
Issuance of long-term liabilities	-	2,350	7,250	4,900
Insurance recovery	-	-	14,996	14,996
Transfers in	2,926,061	2,924,761	2,642,949	(281,812)
Transfers out	(3,904,998)	(5,141,103)	(4,183,813)	957,290
<b>Total other financing sources (uses)</b>	<b>(978,937)</b>	<b>(2,213,992)</b>	<b>(1,517,121)</b>	<b>696,871</b>
<b>Net change in fund balances</b>	<b>1,430,253</b>	<b>215,751</b>	<b>2,124,131</b>	<b>1,908,380</b>
<b>FUND BALANCES:</b>				
Beginning of year	25,774,685	25,774,685	25,774,685	-
End of year	<u>\$ 27,204,938</u>	<u>\$ 25,990,436</u>	<u>\$ 27,898,816</u>	<u>\$ 1,908,380</u>

## **SUPPLEMENTARY INFORMATION**

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## **NON-MAJOR GOVERNMENTAL FUNDS**

**Cosumnes Community Services District**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2015**

	Debt Service Fund	Foundation Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 228,589	\$ -	\$ 228,589
Restricted cash and investments	-	-	69,972	69,972
Due from other Funds	-	-	191,454	191,454
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 228,589</b>	<b>\$ 261,426</b>	<b>\$ 490,015</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 40	\$ -	\$ 40
Due to other funds	-	-	45,274	45,274
Advances from other Funds	-	25,008	-	25,008
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 25,048</b>	<b>\$ 45,274</b>	<b>\$ 70,322</b>
<b>Fund Balances:</b>				
Restricted for:				
Capital projects	-	-	216,152	216,152
Foundation activities of the fund	-	203,541	-	203,541
<b>Total fund balances</b>	<b>-</b>	<b>203,541</b>	<b>216,152</b>	<b>419,693</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 228,589</b>	<b>\$ 261,426</b>	<b>\$ 490,015</b>

**Cosumnes Community Services District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2015**

	Debt Service Fund	Foundation Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Donations and contributions	\$ -	\$ 9,966	\$ -	\$ 9,966
Use of money and property	-		18	18
<b>Total revenues</b>	<b>-</b>	<b>9,966</b>	<b>18</b>	<b>9,984</b>
<b>EXPENDITURES</b>				
General government	-	250	1,099	1,349
Capital outlay	-	220		220
Services and supplies:				
Advertising	-	75	-	75
Membership	-	860	-	860
Office Supplies	-	646	-	646
Food Supplies	-	293	-	293
Professional Services	-	5,988	-	5,988
Recreation Supplies	-	629	-	629
<b>Total Services and supplies</b>	<b>-</b>	<b>8,961</b>	<b>1,099</b>	<b>10,060</b>
Debt service:				
Principal	193,247	-	-	193,247
Interest	35,687	-	-	35,687
<b>Total debt service</b>	<b>228,934</b>	<b>-</b>	<b>-</b>	<b>228,934</b>
<b>Total expenditures</b>	<b>228,934</b>	<b>8,961</b>	<b>1,099</b>	<b>238,994</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(228,934)</b>	<b>1,005</b>	<b>(1,081)</b>	<b>(229,010)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	228,934	7,196	-	236,130
Transfers out	-	(9,482)	-	(9,482)
<b>Total other financing sources (uses)</b>	<b>228,934</b>	<b>(2,286)</b>	<b>-</b>	<b>226,648</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(1,281)</b>	<b>(1,081)</b>	<b>(2,362)</b>
<b>FUND BALANCES:</b>				
Beginning of year	-	204,822	217,233	422,055
End of year	\$ -	\$ 203,541	\$ 216,152	\$ 419,693

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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, 2015**

	<u>General Operations</u>
Taxes:	
Current secured	\$ 34,184,015
Current unsecured	1,402,974
Supplemental property taxes	558,128
Prior unsecured	28,871
<b>Total taxes</b>	<u>36,173,988</u>
Charges for current services:	
Recreation services charges	5,691,553
Ambulance service fees	8,152,295
Service fees/charges - other	967,889
<b>Total charges for current services</b>	<u>14,811,737</u>
Developer fees and contributions	<u>1,500,655</u>
<b>Total developer fees and contributions</b>	<u>1,500,655</u>
Intergovernmental:	
Homeowner's property tax relief	446,601
State aid - other miscellaneous programs	1,211,347
Federal aid - public safety	59,512
Aid from other local governments	183,907
RDA passthrough	248,120
<b>Total intergovernmental</b>	<u>2,149,487</u>
Donations and contributions	<u>103,700</u>
<b>Total donations and contributions</b>	<u>103,700</u>
Use of money and property:	
Interest income	105,384
Building rental/lease	1,085,139
<b>Total use of money and property</b>	<u>1,190,523</u>
Miscellaneous:	
Other revenue	<u>327,797</u>
<b>Total other revenue</b>	<u>327,797</u>
<b>Total revenues</b>	<u><u>\$ 56,257,887</u></u>

**Cosumnes Community Services District**  
**Schedule of Expenditures**  
**General Fund**  
**June 30, 2015**

	Departments			Total
	Public Protection	Park (Recreation and Culture)	Administration (General Government)	
<b>Current expenditures:</b>				
Salaries and employee benefits:				
Salaries and wages	\$ 20,998,929	\$ 4,658,043	\$ 1,871,567	\$ 27,528,539
Retirement - employer costs	4,197,123	501,073	229,207	4,927,403
Group insurance - employer costs	5,663,267	1,092,814	535,746	7,291,827
Workers' compensation insurance	1,248,244	88,834	43,377	1,380,455
Other	454,055	134,387	34,617	623,059
<b>Total salaries and employee benefits</b>	<b>32,561,618</b>	<b>6,475,151</b>	<b>2,714,514</b>	<b>41,751,283</b>
<b>Services and supplies:</b>				
Automobile services and supplies	172,100	9,198	7,380	188,678
Books	4,048	1,284	316	5,648
Buildings and grounds maintenance	182,834	373,981	16,129	572,944
Business conferences	11,798	6,091	2,876	20,765
Chemical supplies	-	96,254	-	96,254
Clothing/personal supplies	159,561	26,607	2,274	188,442
Communication system service	697,856	-	-	697,856
Education and training	58,784	35,932	8,370	103,086
Employee transportation	5,089	-	342	5,431
Fire equipment and maintenance	172,048	1,034	-	173,082
Equipment rents and leases	35,641	108,430	66,998	211,069
Food supplies	12,946	134,579	1,152	148,677
Fuel and lubricants	257,693	19,061	19,346	296,100
Insurance - liability	163,580	66,764	21,779	252,123
Medical services and supplies	267,054	10,026	576	277,656
Memberships	3,307	13,884	8,138	25,329
Miscellaneous	176,444	1,440,087	736,078	2,352,609
Office supplies	12,791	18,848	27,885	59,524
Professional services	739,772	54,478	518,644	1,312,894
Radio/electric service and supply	19,583	-	-	19,583
Recreational supplies	-	390,737	12,253	402,990
Taxes and assessments	68	-	13,437	13,505
Telephone	174,958	85,478	14,572	275,008
Utilities	187,724	447,796	14,719	650,239
<b>Total services and supplies</b>	<b>3,515,679</b>	<b>3,340,549</b>	<b>1,493,264</b>	<b>8,349,492</b>
<b>Total current expenditures</b>	<b>36,077,297</b>	<b>9,815,700</b>	<b>4,207,778</b>	<b>50,100,775</b>
<b>Capital outlay:</b>				
Land	-	1,670,635	-	1,670,635
Structures and improvements	367,438	692,448	4,071	1,063,957
Equipment	1,322,563	157,492	91,113	1,571,168
<b>Total capital outlay</b>	<b>1,690,001</b>	<b>2,520,575</b>	<b>95,184</b>	<b>4,305,760</b>
<b>Debt service:</b>				
Principal	1,275,781	15,940	549,875	1,841,596
Interest	580,498	6,541	152,570	739,609
<b>Total debt service</b>	<b>1,856,279</b>	<b>22,481</b>	<b>702,445</b>	<b>2,581,205</b>
<b>Total expenditures</b>	<b>\$ 39,623,577</b>	<b>\$ 12,358,756</b>	<b>\$ 5,005,407</b>	<b>\$ 56,987,740</b>

**Cosumnes Community Services District**  
**Schedule of Expenditures and Other Financing Sources and Uses Compared to Budget -**  
**General Fund**  
**June 30, 2015**

	Public Protection			Park Department		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>PUBLIC PROTECTION:</b>						
Salaries and benefits	\$ 32,562,240	\$ 32,561,618	\$ 622	\$ -	\$ -	\$ -
Service and supplies	3,817,371	3,515,679	301,692	-	-	-
<b>Total public protection</b>	<b>36,379,611</b>	<b>36,077,297</b>	<b>302,314</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RECREATION AND CULTURE:</b>						
Salaries and benefits	-	-	-	6,514,581	6,475,151	39,430
Costs of sales and services	-	-	-	3,343,458	3,340,549	2,909
<b>Total recreation and culture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,858,039</b>	<b>9,815,700</b>	<b>42,339</b>
<b>GENERAL GOVERNMENT:</b>						
Salaries and benefits	-	-	-	-	-	-
Services and supplies	-	-	-	-	-	-
<b>Total general government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL OUTLAY:</b>						
Land	250,000	-	250,000	1,670,650	1,670,635	15
Equipment	1,350,237	1,322,563	27,674	156,970	157,492	(522)
Structures and improvements	411,329	367,438	43,891	4,070,841	692,448	3,378,393
<b>Total capital outlay</b>	<b>2,011,566</b>	<b>1,690,001</b>	<b>321,565</b>	<b>5,898,461</b>	<b>2,520,575</b>	<b>3,377,886</b>
<b>LEASES/DEBT PAYMENTS:</b>						
Debt service	1,857,314	1,856,279	1,035	44,128	22,481	21,647
<b>OTHER FINANCING (SOURCES) AND USES:</b>						
Proceeds from sale of capital assets	(12,000)	(131,650)	119,650	-	-	-
Issuance of long-term liabilities	(1,206,000)	(1,168,430)	(37,570)	(70,540)	(70,539)	(1)
Insurance Proceeds	-	(21,039)	21,039	-	(25,000)	25,000
Transfers in	(47,317)	(60,090)	12,773	(3,608,814)	(2,526,571)	(1,082,243)
Transfers out	213,704	213,704	-	1,301,767	1,298,218	3,549
<b>Total other Financing uses</b>	<b>(1,051,613)</b>	<b>(1,167,505)</b>	<b>115,892</b>	<b>(2,377,587)</b>	<b>(1,323,892)</b>	<b>(1,053,695)</b>
<b>CONTINGENCIES</b>						
	-	-	-	-	-	-
<b>Total general fund</b>	<b>39,196,878</b>	<b>38,456,072</b>	<b>740,806</b>	<b>13,423,041</b>	<b>11,034,864</b>	<b>2,388,177</b>

Administrative Services			Total		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 32,562,240	\$ 32,561,618	\$ 622
-	-	-	3,817,371	3,515,679	301,692
-	-	-	36,379,611	36,077,297	302,314
-	-	-	6,514,581	6,475,151	39,430
-	-	-	3,343,458	3,340,549	2,909
-	-	-	9,858,039	9,815,700	42,339
2,817,481	2,714,514	102,967	2,817,481	2,714,514	102,967
1,576,922	1,493,264	83,658	1,576,922	1,493,264	83,658
4,394,403	4,207,778	186,625	4,394,403	4,207,778	186,625
-	-	-	1,920,650	1,670,635	250,015
92,920	91,113	1,807	1,600,127	1,571,168	28,959
5,000	4,071	929	4,487,170	1,063,957	3,423,213
97,920	95,184	2,736	8,007,947	4,305,760	3,702,187
709,643	702,445	7,198	2,611,085	2,581,205	29,880
-	-	-	(12,000)	(131,650)	119,650
(30,100)	(30,750)	650	(1,306,640)	(1,269,719)	(36,921)
(756,000)	(7,180,776)	6,424,776	(756,000)	(7,226,815)	6,470,815
(254,379)	(254,379)	-	(3,910,510)	(2,841,040)	(1,069,470)
14,902	14,902	-	1,530,373	1,526,824	3,549
(1,025,577)	(7,451,003)	6,425,426	(4,454,777)	(9,942,400)	5,487,623
-	-	-	-	-	-
4,176,389	(2,445,596)	6,621,985	56,796,308	47,045,340	9,750,968

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## LANDSCAPE AND LIGHTING SPECIAL REVENUE FUND

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, 2015**

	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
<b>ASSETS</b>						
Cash and investments	\$ 4,601,884	\$ 187,447	\$ 661,819	\$ 1,126,418	\$ 1,083,427	\$ 233,560
Receivables:						
Interest	3,828	144	652	895	890	402
Intergovernmental	31,529	1,347	7,121	7,031	5,160	5,015
<b>Total assets</b>	<b>\$ 4,637,241</b>	<b>\$ 188,938</b>	<b>\$ 669,592</b>	<b>\$ 1,134,344</b>	<b>\$ 1,089,477</b>	<b>\$ 238,977</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 205,519	\$ 2,909	\$ 10,674	\$ 52,383	\$ 8,699	\$ 1,799
<b>Total liabilities</b>	<b>205,519</b>	<b>2,909</b>	<b>10,674</b>	<b>52,383</b>	<b>8,699</b>	<b>1,799</b>
<b>Fund Balances:</b>						
Restricted for:						
Specific purpose of the fund	4,431,722	186,029	658,918	1,081,961	1,080,778	237,178
<b>Total fund balances</b>	<b>4,431,722</b>	<b>186,029</b>	<b>658,918</b>	<b>1,081,961</b>	<b>1,080,778</b>	<b>237,178</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,637,241</b>	<b>\$ 188,938</b>	<b>\$ 669,592</b>	<b>\$ 1,134,344</b>	<b>\$ 1,089,477</b>	<b>\$ 238,977</b>

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
\$ 1,145,070	\$ 194,265	\$ 150,993	\$ 4,004,633	\$ 893,277	\$ 12,406,442	\$ 352,280	\$ 68,957
1,098	152	126	4,089	825	10,121	313	57
5,677	2,529	342	15,183	4,040	27,728	696	167
<u>\$ 1,151,845</u>	<u>\$ 196,946</u>	<u>\$ 151,461</u>	<u>\$ 4,023,905</u>	<u>\$ 898,142</u>	<u>\$ 12,444,291</u>	<u>\$ 353,289</u>	<u>\$ 69,181</u>
\$ 349	\$ 3,691	\$ 41	\$ 7,340	\$ 3,738	\$ 22,276	\$ -	\$ -
349	3,691	41	7,340	3,738	22,276	-	-
1,151,496	193,255	151,420	4,016,565	894,404	12,422,015	353,289	69,181
1,151,496	193,255	151,420	4,016,565	894,404	12,422,015	353,289	69,181
<u>\$ 1,151,845</u>	<u>\$ 196,946</u>	<u>\$ 151,461</u>	<u>\$ 4,023,905</u>	<u>\$ 898,142</u>	<u>\$ 12,444,291</u>	<u>\$ 353,289</u>	<u>\$ 69,181</u>

(Continued)

**Cosumnes Community Services District**  
**Balance Sheet Schedules by Benefit Zone**  
**Landscaping and Lighting Special Revenue Fund**  
**June 30, 2015**

Landscape and Lighting Assessment District - Zones of Benefit

	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	District Wide	Total
<b>ASSETS</b>				
Cash and investments	\$ 355,021	\$ 210,729	\$ 395,407	\$ 28,071,629
Receivables:				
Interest	299	200	(1,315)	22,776
Intergovernmental	1,016	140,532	-	255,113
<b>Total assets</b>	<u>\$ 356,336</u>	<u>\$ 351,461</u>	<u>\$ 394,092</u>	<u>\$ 28,349,518</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ (80)	\$ 56,234	\$ 75,130	\$ 450,702
<b>Total liabilities</b>	<u>(80)</u>	<u>56,234</u>	<u>75,130</u>	<u>450,702</u>
<b>Fund Balances:</b>				
Restricted for:				
Specific purpose of the fund	356,416	295,227	318,962	27,898,816
<b>Total fund balances</b>	<u>356,416</u>	<u>295,227</u>	<u>318,962</u>	<u>27,898,816</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 356,336</u>	<u>\$ 351,461</u>	<u>\$ 394,092</u>	<u>\$ 28,349,518</u>

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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, 2015**

	Landscape and Lighting Assessment District - Zones of Benefit					
	Zone 3		Zone 4	Zone 5	Zone 6	
	Zone 1	Zone 2			Elk Grove/ West	West
	Laguna	Camden	Vineyard	Laguna		
<b>REVENUES:</b>						
Charges for current services	\$ 3,757,497	\$ 160,540	\$ 855,085	\$ 838,006	\$ 615,023	\$ 597,681
Use of money and property	114,642	298	28,459	1,832	2,003	92
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,872,139</b>	<b>160,838</b>	<b>883,544</b>	<b>839,838</b>	<b>617,026</b>	<b>597,773</b>
<b>EXPENDITURES:</b>						
Current:						
Recreation and culture	2,427,275	150,757	571,867	574,987	422,783	164,840
Capital outlay	8,148	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,435,423</b>	<b>150,757</b>	<b>571,867</b>	<b>574,987</b>	<b>422,783</b>	<b>164,840</b>
<b>REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<b>1,436,716</b>	<b>10,081</b>	<b>311,677</b>	<b>264,851</b>	<b>194,243</b>	<b>432,933</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from sale of capital assets	-	-	-	-	-	-
Issuance of long-term liabilities	-	-	-	-	-	-
Insurance recovery	14,032	-	-	964	-	-
Transfers in	-	32,000	6,042	25,000	-	1,300
Transfers out	(652,481)	(42,034)	(259,512)	(140,194)	(105,796)	(364,490)
<b>Total other financing sources (uses)</b>	<b>(638,449)</b>	<b>(10,034)</b>	<b>(253,470)</b>	<b>(114,230)</b>	<b>(105,796)</b>	<b>(363,190)</b>
<b>Net change in fund balances</b>	<b>798,267</b>	<b>47</b>	<b>58,207</b>	<b>150,621</b>	<b>88,447</b>	<b>69,743</b>
<b>FUND BALANCES:</b>						
Beginning of year	3,633,455	185,982	600,711	931,340	992,331	167,435
End of year	\$ 4,431,722	\$ 186,029	\$ 658,918	\$ 1,081,961	\$ 1,080,778	\$ 237,178

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
\$ 676,341	\$ 301,395	\$ 40,678	\$ 1,808,784	\$ 481,461	\$ 3,306,745	\$ 136,127	\$ 20,514
1,826	23,753	300	9,579	39,771	53,097	581	126
-	-	-	-	-	-	-	-
678,167	325,148	40,978	1,818,363	521,232	3,359,842	136,708	20,640
22,357	257,487	2,268	811,606	356,730	2,137,435	1,200	550
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22,357	257,487	2,268	811,606	356,730	2,137,435	1,200	550
655,810	67,661	38,710	1,006,757	164,502	1,222,407	135,508	20,090
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	75,350	-	-	-	1,300	-	-
(365,027)	(113,527)	(14,690)	(1,321,902)	(152,193)	(403,229)	(64,350)	(6,042)
(365,027)	(38,177)	(14,690)	(1,321,902)	(152,193)	(401,929)	(64,350)	(6,042)
290,783	29,484	24,020	(315,145)	12,309	820,478	71,158	14,048
860,713	163,771	127,400	4,331,710	882,095	11,601,537	282,131	55,133
\$ 1,151,496	\$ 193,255	\$ 151,420	\$ 4,016,565	\$ 894,404	\$ 12,422,015	\$ 353,289	\$ 69,181

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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, 2015**

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Landscape and Lighting Assessment District - Zones of Benefit

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	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	District Wide	Total
<b>REVENUES:</b>				
Charges for current services	\$ 124,753	\$ 983,264	\$ 4,267	\$ 14,708,161
Use of money and property	587	704	48,711	326,361
Miscellaneous	-	-	6,990	6,990
<b>Total revenues</b>	<b>125,340</b>	<b>983,968</b>	<b>59,968</b>	<b>15,041,512</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	1,500	963,760	2,456,121	11,323,523
Capital outlay	-	-	41,254	49,402
Debt service:				
Principal	-	-	25,703	25,703
Interest	-	-	1,632	1,632
<b>Total expenditures</b>	<b>1,500</b>	<b>963,760</b>	<b>2,524,710</b>	<b>11,400,260</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>123,840</b>	<b>20,208</b>	<b>(2,464,742)</b>	<b>3,641,252</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	1,497	1,497
Issuance of long-term liabilities	-	-	7,250	7,250
Insurance recovery	-	-	-	14,996
Transfers in	-	-	2,501,957	2,642,949
Transfers out	(43,000)	(21,768)	(113,578)	(4,183,813)
<b>Total other financing sources (uses)</b>	<b>(43,000)</b>	<b>(21,768)</b>	<b>2,397,126</b>	<b>(1,517,121)</b>
<b>Net change in fund balances</b>	<b>80,840</b>	<b>(1,560)</b>	<b>(67,616)</b>	<b>2,124,131</b>
<b>FUND BALANCES:</b>				
End of year	275,576	296,787	386,578	25,774,685
End of year	\$ 356,416	\$ 295,227	\$ 318,962	\$ 27,898,816

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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, 2015**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 1 - Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 3,752,171	\$ 3,752,171	\$ 3,757,497	\$ 5,326
Donations and contributions	-	-	-	-
Use of money and property	113,000	113,000	114,642	1,642
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 3,865,171</b>	<b>\$ 3,865,171</b>	<b>3,872,139</b>	<b>\$ 6,968</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	\$ 400,199	\$ 400,199	\$ 366,314	\$ 33,885
Services and supplies	2,350,670	2,348,520	2,060,961	287,559
Capital outlay				
Equipment	6,000	8,150	8,148	2
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>2,756,869</b>	<b>2,756,869</b>	<b>2,435,423</b>	<b>321,446</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>1,108,302</b>	<b>1,108,302</b>	<b>1,436,716</b>	<b>328,414</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Insurance recovery	-	-	14,032	14,032
Transfers in	-	-	-	-
Transfers out	(956,773)	(956,773)	(652,481)	304,292
<b>Total other financing sources (uses)</b>	<b>(956,773)</b>	<b>(956,773)</b>	<b>(638,449)</b>	<b>318,324</b>
<b>Net change in fund balances</b>	<b>151,529</b>	<b>151,529</b>	<b>798,267</b>	<b>646,738</b>
<b>FUND BALANCES:</b>				
Beginning of year	3,633,455	3,633,455	3,633,455	-
End of year	<b>\$ 3,784,984</b>	<b>\$ 3,784,984</b>	<b>\$ 4,431,722</b>	<b>\$ 646,738</b>

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)
\$ 160,308	\$ 160,308	\$ 160,540	\$ 232	\$ 847,394	\$ 847,394	\$ 855,085	\$ 7,691
-	-	-	-	-	-	-	-
300	300	298	(2)	29,400	29,400	28,459	(941)
-	-	-	-	-	-	-	-
<u>\$ 160,608</u>	<u>\$ 160,608</u>	<u>160,838</u>	<u>\$ 230</u>	<u>\$ 876,794</u>	<u>\$ 876,794</u>	<u>883,544</u>	<u>\$ 6,750</u>
\$ 34,370	\$ 34,370	\$ 33,551	\$ 819	\$ 78,100	\$ 78,100	\$ 76,863	\$ 1,237
134,847	134,547	117,206	17,341	538,821	535,321	495,004	40,317
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>169,217</u>	<u>168,917</u>	<u>150,757</u>	<u>18,160</u>	<u>616,921</u>	<u>613,421</u>	<u>571,867</u>	<u>41,554</u>
<u>(8,609)</u>	<u>(8,309)</u>	<u>10,081</u>	<u>18,390</u>	<u>259,873</u>	<u>263,373</u>	<u>311,677</u>	<u>48,304</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
70,490	70,490	32,000	(38,490)	6,042	6,042	6,042	-
(41,824)	(42,124)	(42,034)	90	(256,296)	(259,796)	(259,512)	284
<u>28,666</u>	<u>28,366</u>	<u>(10,034)</u>	<u>(38,400)</u>	<u>(250,254)</u>	<u>(253,754)</u>	<u>(253,470)</u>	<u>284</u>
20,057	20,057	47	(20,010)	9,619	9,619	58,207	48,588
<u>185,982</u>	<u>185,982</u>	<u>185,982</u>	<u>-</u>	<u>600,711</u>	<u>600,711</u>	<u>600,711</u>	<u>-</u>
<u>\$ 206,039</u>	<u>\$ 206,039</u>	<u>\$ 186,029</u>	<u>\$ (20,010)</u>	<u>\$ 610,330</u>	<u>\$ 610,330</u>	<u>\$ 658,918</u>	<u>\$ 48,588</u>

(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, 2015**

Landscape and Lighting Assessment District - Zones of Benefit				
Zone 4 - West Laguna				
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 836,767	\$ 836,767	\$ 838,006	\$ 1,239
Donations and contributions	-	-	-	-
Use of money and property	2,500	2,500	1,832	(668)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 839,267</b>	<b>\$ 839,267</b>	<b>839,838</b>	<b>\$ 571</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	\$ 53,007	\$ 53,007	\$ 51,558	\$ 1,449
Services and supplies	567,185	567,185	523,429	43,756
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>620,192</b>	<b>620,192</b>	<b>574,987</b>	<b>45,205</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>219,075</b>	<b>219,075</b>	<b>264,851</b>	<b>45,776</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Insurance recovery	-	-	964	964
Transfers in	-	-	25,000	25,000
Transfers out	(176,605)	(176,605)	(140,194)	36,411
<b>Total other financing sources (uses)</b>	<b>(176,605)</b>	<b>(176,605)</b>	<b>(114,230)</b>	<b>62,375</b>
<b>Net change in fund balances</b>	<b>42,470</b>	<b>42,470</b>	<b>150,621</b>	<b>108,151</b>
<b>FUND BALANCES:</b>				
Beginning of year	931,340	931,340	931,340	-
End of year	<b>\$ 973,810</b>	<b>\$ 973,810</b>	<b>\$ 1,081,961</b>	<b>\$ 108,151</b>

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)
\$ 614,125	\$ 614,125	\$ 615,023	\$ 898	\$ 596,761	\$ 596,761	\$ 597,681	\$ 920
-	-	-	-	-	-	-	-
2,500	2,500	2,003	(497)	1,400	1,400	92	(1,308)
-	-	-	-	-	-	-	-
<u>\$ 616,625</u>	<u>\$ 616,625</u>	<u>617,026</u>	<u>\$ 401</u>	<u>\$ 598,161</u>	<u>\$ 598,161</u>	<u>597,773</u>	<u>\$ (388)</u>
\$ 52,254	\$ 56,001	\$ 50,884	\$ 5,117	\$ 26,761	\$ 26,761	\$ 25,953	\$ 808
428,676	426,176	371,899	54,277	153,509	149,509	138,887	10,622
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>480,930</u>	<u>482,177</u>	<u>422,783</u>	<u>59,394</u>	<u>180,270</u>	<u>176,270</u>	<u>164,840</u>	<u>11,430</u>
<u>135,695</u>	<u>134,448</u>	<u>194,243</u>	<u>59,795</u>	<u>417,891</u>	<u>421,891</u>	<u>432,933</u>	<u>11,042</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,300	-	1,300	1,300
<u>(103,525)</u>	<u>(106,025)</u>	<u>(105,796)</u>	<u>229</u>	<u>(361,138)</u>	<u>(365,138)</u>	<u>(364,490)</u>	<u>648</u>
<u>(103,525)</u>	<u>(106,025)</u>	<u>(105,796)</u>	<u>229</u>	<u>(359,838)</u>	<u>(365,138)</u>	<u>(363,190)</u>	<u>1,948</u>
32,170	28,423	88,447	60,024	58,053	56,753	69,743	12,990
<u>992,331</u>	<u>992,331</u>	<u>992,331</u>	<u>-</u>	<u>167,435</u>	<u>167,435</u>	<u>167,435</u>	<u>-</u>
<u>\$ 1,024,501</u>	<u>\$ 1,020,754</u>	<u>\$ 1,080,778</u>	<u>\$ 60,024</u>	<u>\$ 225,488</u>	<u>\$ 224,188</u>	<u>\$ 237,178</u>	<u>\$ 12,990</u>

(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, 2015**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 8 - Other Rural Areas			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 675,535	\$ 675,535	\$ 676,341	\$ 806
Donations and contributions	-	-	-	-
Use of money and property	4,375	4,375	1,826	(2,549)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 679,910</b>	<b>\$ 679,910</b>	<b>678,167</b>	<b>\$ (1,743)</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	\$ 14,862	\$ 14,862	\$ 14,822	\$ 40
Services and supplies	18,095	14,095	7,535	6,560
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>32,957</b>	<b>28,957</b>	<b>22,357</b>	<b>6,600</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>646,953</b>	<b>650,953</b>	<b>655,810</b>	<b>4,857</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(361,214)	(365,214)	(365,027)	187
<b>Total other financing sources (uses)</b>	<b>(361,214)</b>	<b>(365,214)</b>	<b>(365,027)</b>	<b>187</b>
<b>Net change in fund balances</b>	<b>285,739</b>	<b>285,739</b>	<b>290,783</b>	<b>5,044</b>
<b>FUND BALANCES:</b>				
Beginning of year	860,713	860,713	860,713	-
End of year	<b>\$ 1,146,452</b>	<b>\$ 1,146,452</b>	<b>\$ 1,151,496</b>	<b>\$ 5,044</b>

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)
\$ 300,952	\$ 300,952	\$ 301,395	\$ 443	\$ 40,659	\$ 40,659	\$ 40,678	\$ 19
-	-	-	-	-	-	-	-
23,618	23,618	23,753	135	50	50	300	250
-	-	-	-	-	-	-	-
<u>\$ 324,570</u>	<u>\$ 324,570</u>	<u>325,148</u>	<u>\$ 578</u>	<u>\$ 40,709</u>	<u>\$ 40,709</u>	<u>40,978</u>	<u>\$ 269</u>
\$ 47,103	\$ 47,103	\$ 45,745	\$ 1,358	\$ -	\$ -	\$ -	\$ -
271,966	271,966	211,742	60,224	4,954	4,754	2,268	2,486
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>319,069</u>	<u>319,069</u>	<u>257,487</u>	<u>61,582</u>	<u>4,954</u>	<u>4,754</u>	<u>2,268</u>	<u>2,486</u>
5,501	5,501	67,661	62,160	35,755	35,955	38,710	2,755
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
376,231	376,231	75,350	(300,881)	-	-	-	-
<u>(379,714)</u>	<u>(379,714)</u>	<u>(113,527)</u>	<u>266,187</u>	<u>(14,493)</u>	<u>(14,693)</u>	<u>(14,690)</u>	<u>3</u>
<u>(3,483)</u>	<u>(3,483)</u>	<u>(38,177)</u>	<u>(34,694)</u>	<u>(14,493)</u>	<u>(14,693)</u>	<u>(14,690)</u>	<u>3</u>
2,018	2,018	29,484	27,466	21,262	21,262	24,020	2,758
163,771	163,771	163,771	-	127,400	127,400	127,400	-
<u>\$ 165,789</u>	<u>\$ 165,789</u>	<u>\$ 193,255</u>	<u>\$ 27,466</u>	<u>\$ 148,662</u>	<u>\$ 148,662</u>	<u>\$ 151,420</u>	<u>\$ 2,758</u>

(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, 2015**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 11 - East Elk Grove			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 1,806,883	\$ 1,806,883	\$ 1,808,784	\$ 1,901
Donations and contributions	-	-	-	-
Use of money and property	10,000	10,000	9,579	(421)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 1,816,883</b>	<b>\$ 1,816,883</b>	<b>1,818,363</b>	<b>\$ 1,480</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	\$ 161,956	\$ 161,956	\$ 152,298	\$ 9,658
Services and supplies	865,749	863,249	659,308	203,941
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>1,027,705</b>	<b>1,025,205</b>	<b>811,606</b>	<b>213,599</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>789,178</b>	<b>791,678</b>	<b>1,006,757</b>	<b>215,079</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(179,069)	(1,322,369)	(1,321,902)	467
<b>Total other financing sources (uses)</b>	<b>(179,069)</b>	<b>(1,322,369)</b>	<b>(1,321,902)</b>	<b>467</b>
<b>Net change in fund balances</b>	<b>610,109</b>	<b>(530,691)</b>	<b>(315,145)</b>	<b>215,546</b>
<b>FUND BALANCES:</b>				
Beginning of year	4,331,710	4,331,710	4,331,710	-
End of year	<b>\$ 4,941,819</b>	<b>\$ 3,801,019</b>	<b>\$ 4,016,565</b>	<b>\$ 215,546</b>

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)
\$ 480,757	\$ 480,757	\$ 481,461	\$ 704	\$ 3,299,934	\$ 3,299,934	\$ 3,306,745	\$ 6,811
-	-	-	-	-	-	-	-
39,860	39,860	39,771	(89)	36,500	36,500	53,097	16,597
-	-	-	-	-	-	-	-
<u>\$ 520,617</u>	<u>\$ 520,617</u>	<u>521,232</u>	<u>\$ 615</u>	<u>\$ 3,336,434</u>	<u>\$ 3,336,434</u>	<u>3,359,842</u>	<u>\$ 23,408</u>
\$ 53,407	\$ 53,407	\$ 52,933	\$ 474	\$ 466,750	\$ 466,750	\$ 428,272	\$ 38,478
342,279	341,279	303,797	37,482	1,939,295	1,930,645	1,709,163	221,482
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>395,686</u>	<u>394,686</u>	<u>356,730</u>	<u>37,956</u>	<u>2,406,045</u>	<u>2,397,395</u>	<u>2,137,435</u>	<u>259,960</u>
<u>124,931</u>	<u>125,931</u>	<u>164,502</u>	<u>38,571</u>	<u>930,389</u>	<u>939,039</u>	<u>1,222,407</u>	<u>283,368</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,300	1,300
<u>(80,113)</u>	<u>(152,268)</u>	<u>(152,193)</u>	<u>75</u>	<u>(397,495)</u>	<u>(403,645)</u>	<u>(403,229)</u>	<u>416</u>
<u>(80,113)</u>	<u>(152,268)</u>	<u>(152,193)</u>	<u>75</u>	<u>(397,495)</u>	<u>(403,645)</u>	<u>(401,929)</u>	<u>1,716</u>
44,818	(26,337)	12,309	38,646	532,894	535,394	820,478	285,084
<u>882,095</u>	<u>882,095</u>	<u>882,095</u>	<u>-</u>	<u>11,601,537</u>	<u>11,601,537</u>	<u>11,601,537</u>	<u>-</u>
<u>\$ 926,913</u>	<u>\$ 855,758</u>	<u>\$ 894,404</u>	<u>\$ 38,646</u>	<u>\$ 12,134,431</u>	<u>\$ 12,136,931</u>	<u>\$ 12,422,015</u>	<u>\$ 285,084</u>

(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, 2015**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 14 - Camden Park			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 137,110	\$ 137,110	\$ 136,127	\$ (983)
Donations and contributions	-	-	-	-
Use of money and property	300	300	581	281
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 137,410</b>	<b>\$ 137,410</b>	<b>136,708</b>	<b>\$ (702)</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	\$ -	\$ -	\$ -	\$ -
Services and supplies	1,200	1,200	1,200	-
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>136,210</b>	<b>136,210</b>	<b>135,508</b>	<b>(702)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(310,903)	(310,903)	(64,350)	246,553
<b>Total other financing sources (uses)</b>	<b>(310,903)</b>	<b>(310,903)</b>	<b>(64,350)</b>	<b>246,553</b>
<b>Net change in fund balances</b>	<b>(174,693)</b>	<b>(174,693)</b>	<b>71,158</b>	<b>245,851</b>
<b>FUND BALANCES:</b>				
Beginning of year	282,131	282,131	282,131	-
End of year	<b>\$ 107,438</b>	<b>\$ 107,438</b>	<b>\$ 353,289</b>	<b>\$ 245,851</b>

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)
\$ 20,629	\$ 20,629	\$ 20,514	\$ (115)	\$ 125,103	\$ 125,103	\$ 124,753	\$ (350)
-	-	-	-	-	-	-	-
50	50	126	76	200	200	587	387
-	-	-	-	-	-	-	-
<u>\$ 20,679</u>	<u>\$ 20,679</u>	<u>20,640</u>	<u>\$ (39)</u>	<u>\$ 125,303</u>	<u>\$ 125,303</u>	<u>125,340</u>	<u>\$ 37</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
950	950	550	400	1,600	1,600	1,500	100
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>950</u>	<u>950</u>	<u>550</u>	<u>400</u>	<u>1,600</u>	<u>1,600</u>	<u>1,500</u>	<u>100</u>
<u>19,729</u>	<u>19,729</u>	<u>20,090</u>	<u>361</u>	<u>123,703</u>	<u>123,703</u>	<u>123,840</u>	<u>137</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(6,042)</u>	<u>(6,042)</u>	<u>(6,042)</u>	<u>-</u>	<u>(135,818)</u>	<u>(135,818)</u>	<u>(43,000)</u>	<u>92,818</u>
<u>(6,042)</u>	<u>(6,042)</u>	<u>(6,042)</u>	<u>-</u>	<u>(135,818)</u>	<u>(135,818)</u>	<u>(43,000)</u>	<u>92,818</u>
<u>13,687</u>	<u>13,687</u>	<u>14,048</u>	<u>361</u>	<u>(12,115)</u>	<u>(12,115)</u>	<u>80,840</u>	<u>92,955</u>
<u>55,133</u>	<u>55,133</u>	<u>55,133</u>	<u>-</u>	<u>275,576</u>	<u>275,576</u>	<u>275,576</u>	<u>-</u>
<u>\$ 68,820</u>	<u>\$ 68,820</u>	<u>\$ 69,181</u>	<u>\$ 361</u>	<u>\$ 263,461</u>	<u>\$ 263,461</u>	<u>\$ 356,416</u>	<u>\$ 92,955</u>

(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, 2015**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 17 - City Landscape			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 940,953	\$ 992,753	\$ 983,264	\$ (9,489)
Donations and contributions	-	-	-	-
Use of money and property	-	-	704	704
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>\$ 940,953</u>	<u>\$ 992,753</u>	<u>983,968</u>	<u>\$ (8,785)</u>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	\$ 115,622	\$ 119,222	\$ 119,174	\$ 48
Services and supplies	796,430	844,630	844,586	44
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<u>912,052</u>	<u>963,852</u>	<u>963,760</u>	<u>92</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>28,901</u>	<u>28,901</u>	<u>20,208</u>	<u>(8,693)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term liabilities	-	-	-	-
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(21,768)	(21,768)	(21,768)	-
<b>Total other financing sources (uses)</b>	<u>(21,768)</u>	<u>(21,768)</u>	<u>(21,768)</u>	<u>-</u>
<b>Net change in fund balances</b>	7,133	7,133	(1,560)	(8,693)
<b>FUND BALANCES:</b>				
Beginning of year	296,787	296,787	296,787	-
End of year	<u>\$ 303,920</u>	<u>\$ 303,920</u>	<u>\$ 295,227</u>	<u>\$ (8,693)</u>

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)
\$ -	\$ -	\$ 4,267	\$ 4,267	\$ 14,636,041	\$ 14,687,841	\$ 14,708,161	\$ 20,320
-	-	-	-	-	-	-	-
60,900	60,900	48,711	(12,189)	324,953	324,953	326,361	1,408
500	500	6,990	6,490	500	500	6,990	6,490
<u>\$ 61,400</u>	<u>\$ 61,400</u>	<u>59,968</u>	<u>\$ (1,432)</u>	<u>\$ 14,961,494</u>	<u>\$ 15,013,294</u>	<u>\$ 15,041,512</u>	<u>\$ 28,218</u>
\$ 1,015,523	\$ 1,107,323	\$ 1,107,292	\$ 31	\$ 2,519,914	\$ 2,619,061	\$ 2,525,659	\$ 93,402
1,545,215	1,443,715	1,348,829	94,886	9,961,441	9,879,341	8,797,864	1,081,477
29,300	41,350	41,254	96	35,300	49,500	49,402	98
32,923	32,923	25,703	7,220	32,923	32,923	25,703	7,220
2,726	2,726	1,632	1,094	2,726	2,726	1,632	1,094
<u>2,625,687</u>	<u>2,628,037</u>	<u>2,524,710</u>	<u>103,327</u>	<u>12,552,304</u>	<u>12,583,551</u>	<u>11,400,260</u>	<u>1,183,291</u>
<u>(2,564,287)</u>	<u>(2,566,637)</u>	<u>(2,464,742)</u>	<u>101,895</u>	<u>2,409,190</u>	<u>2,429,743</u>	<u>3,641,252</u>	<u>1,211,509</u>
-	-	1,497	1,497	-	-	1,497	1,497
-	2,350	7,250	4,900	-	2,350	7,250	4,900
-	-	-	-	-	-	14,996	14,996
2,471,998	2,471,998	2,501,957	29,959	2,926,061	2,924,761	2,642,949	(281,812)
(122,208)	(122,208)	(113,578)	8,630	(3,904,998)	(5,141,103)	(4,183,813)	957,290
<u>2,349,790</u>	<u>2,352,140</u>	<u>2,397,126</u>	<u>44,986</u>	<u>(978,937)</u>	<u>(2,213,992)</u>	<u>(1,517,121)</u>	<u>696,871</u>
<u>(214,497)</u>	<u>(214,497)</u>	<u>(67,616)</u>	<u>146,881</u>	<u>1,430,253</u>	<u>215,751</u>	<u>2,124,131</u>	<u>1,908,380</u>
386,578	386,578	386,578	-	25,774,685	25,774,685	25,774,685	-
<u>\$ 172,081</u>	<u>\$ 172,081</u>	<u>\$ 318,962</u>	<u>\$ 146,881</u>	<u>\$ 27,204,938</u>	<u>\$ 25,990,436</u>	<u>\$ 27,898,816</u>	<u>\$ 1,908,380</u>

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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, 2015**

	2015	2014
<b>CAPITAL ASSETS:</b>		
Land	\$ 87,113,826	\$ 85,443,191
Land improvements	64,509,759	64,201,317
Construction in progress	1,270,681	1,081,776
Structures and improvements	76,466,554	77,035,619
Equipment	24,830,070	25,049,626
<b>Total capital assets</b>	<b>\$ 254,190,890</b>	<b>\$ 252,811,529</b>
<b>INVESTMENT IN CAPITAL ASSETS BY SOURCE:</b>		
Land, structures and improvements contributed as in-lieu fees	\$ 72,566,340	\$ 72,566,340
Current operations	109,352,222	109,249,830
Long-term debt proceeds	72,272,328	70,995,359
<b>Investment in capital assets by source</b>	<b>\$ 254,190,890</b>	<b>\$ 252,811,529</b>

**Cosumnes Community Services District**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Capital Assets by Function and Activity**  
**June 30, 2015**

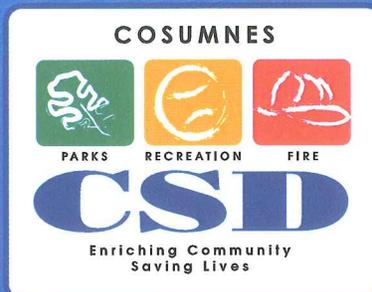
Function and Activity	Land	Land Improvement	Construction in Progress	Structures and Improvements	Equipment	Total
<b>PUBLIC PROTECTION:</b>						
Fire	4,520,289	\$ -	\$ 639,135	\$ 24,115,421	\$ 21,724,288	\$ 50,999,133
<b>RECREATION AND CULTURE:</b>						
Recreation	5,765,990	-	25,000	3,951,369	1,687,588	11,429,947
Parks	76,485,797	64,509,759	606,546	48,242,189	915,956	190,760,247
<b>Total recreation and culture</b>	<b>82,251,787</b>	<b>64,509,759</b>	<b>631,546</b>	<b>52,193,558</b>	<b>2,603,544</b>	<b>202,190,194</b>
<b>GENERAL GOVERNMENT:</b>						
Administration	341,750	-	-	157,575	502,238	1,001,563
<b>Total capital assets</b>	<b>\$ 87,113,826</b>	<b>\$ 64,509,759</b>	<b>\$ 1,270,681</b>	<b>\$ 76,466,554</b>	<b>\$ 24,830,070</b>	<b>\$ 254,190,890</b>

**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, 2015**

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
<b>PUBLIC PROTECTION:</b>				
Fire	\$ 50,474,565	\$ 1,688,879	\$ (1,164,311)	\$ 50,999,133
<b>RECREATION AND CULTURE:</b>				
Recreation	10,942,950	849,409	(362,412)	11,429,947
Parks	189,165,546	1,720,038	(125,337)	190,760,247
<b>Total recreation and culture</b>	<u>200,108,496</u>	<u>2,569,447</u>	<u>(487,749)</u>	<u>202,190,194</u>
<b>GENERAL GOVERNMENT:</b>				
Administration	2,228,468	95,184	(1,322,089)	1,001,563
<b>Total capital assets</b>	<u>\$ 252,811,529</u>	<u>\$ 4,353,510</u>	<u>\$ (2,974,149)</u>	<u>\$ 254,190,890</u>

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# STATISTICAL SECTION



Enriching Community ● Saving Lives



## 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 overall 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		
	2015	2014 (2)	2013
Governmental activities			
Net investment in capital assets	\$ 184,981,570	183,997,497	184,141,637
Restricted	44,349,631	42,341,817	37,217,297
Unrestricted	<u>(54,478,223)</u>	<u>(62,177,389)</u>	<u>(8,241,726)</u>
Total governmental activities net position	<u>\$ 174,852,978</u>	<u>164,161,925</u>	<u>213,117,208</u>
Primary government			
Net investment in capital assets	\$ 184,981,570	183,997,497	184,141,637
Restricted	44,349,631	42,341,817	37,217,297
Unrestricted	<u>(54,478,223)</u>	<u>(62,177,389)</u>	<u>(8,241,726)</u>
Total primary government net position	<u>\$ 174,852,978</u>	<u>164,161,925</u>	<u>213,117,208</u>

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) The District recorded prior period adjustments to record the beginning balance of the net pension liability, and to record employer contributions made for pension in fiscal year 2014 as a deferred outflow of resources.

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

Fiscal Year						
2012	2011	2010	2009	2008, as restated (1)	2007, as restated (1)	2006, as restated (1)
183,173,511	179,698,464	174,181,494	162,115,206	157,157,902	147,925,210	155,092,494
34,461,962	35,770,912	26,886,848	35,194,322	31,766,453	45,748,555	33,018,911
1,100,458	9,685,628	33,867,845	43,279,283	48,978,356	34,537,638	26,468,395
<u>218,735,931</u>	<u>225,155,004</u>	<u>234,936,187</u>	<u>240,588,811</u>	<u>237,902,711</u>	<u>228,211,403</u>	<u>214,579,800</u>
183,173,511	179,698,464	174,181,494	162,115,206	157,157,902	147,925,210	155,092,494
34,461,962	35,770,912	26,886,848	35,194,322	31,766,453	45,748,555	33,018,911
1,100,458	9,685,628	33,867,845	43,279,283	48,978,356	34,537,638	26,486,395
<u>218,735,931</u>	<u>225,155,004</u>	<u>234,936,187</u>	<u>240,588,811</u>	<u>237,902,711</u>	<u>228,211,403</u>	<u>214,597,800</u>

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

	Fiscal Year		
	2015	2014	2013
Expenses			
Governmental activities:			
Public protection	\$ 30,991,966	36,958,524	39,550,114
Recreation and culture	24,421,081	21,697,297	22,221,093
General Government	4,262,813	3,424,446	3,672,163
Interest on long-term debt	773,229	820,905	1,151,692
Total governmental activities expenses	<u>60,449,089</u>	<u>62,901,172</u>	<u>66,595,062</u>
Total primary government expenses	<u>60,449,089</u>	<u>62,901,172</u>	<u>66,595,062</u>
Program Revenues			
Governmental activities:			
Charges for services:			
Public protection	8,152,295	7,181,029	5,428,004
Recreation and culture	20,399,714	19,711,526	19,673,718
General Government	1,883,787	1,677,351	1,974,385
Operating grants and contributions	113,666	121,646	109,774
Capital grants and contributions	3,650,142	4,239,631	3,673,497
Total governmental activities program revenues	<u>34,199,604</u>	<u>32,931,183</u>	<u>30,859,378</u>
Total primary government program revenues	<u>34,199,604</u>	<u>32,931,183</u>	<u>30,859,378</u>
Net revenues (expenses):			
Governmental activities	<u>(26,249,485)</u>	<u>(29,969,989)</u>	<u>(35,735,684)</u>
Total net revenues (expenses)	<u>(26,249,485)</u>	<u>(29,969,989)</u>	<u>(35,735,684)</u>
General revenues and other changes in net position			
Governmental activities:			
Taxes			
Property Taxes	36,173,988	32,626,823	29,456,296
Other taxes			
Investment earnings	431,763	479,497	559,940
Miscellaneous	334,787	332,351	100,725
Total governmental activities	<u>36,940,538</u>	<u>33,438,671</u>	<u>30,116,961</u>
Total primary government	<u>36,940,538</u>	<u>33,438,671</u>	<u>30,116,961</u>
Changes in net position			
Governmental activities	<u>10,691,053</u>	<u>3,468,682</u>	<u>(5,618,723)</u>
Total primary government	<u>\$ 10,691,053</u>	<u>3,468,682</u>	<u>(5,618,723)</u>

Source: Cosumnes CSD Administrative Services Department

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

Fiscal Year						
2012	2011	2010	2009	2008	2007	2006
39,708,302	39,892,892	41,217,023	39,910,342	39,356,634	32,466,772	25,974,872
22,920,702	23,053,144	20,872,734	20,417,898	17,725,070	17,696,578	13,297,719
3,680,267	4,147,243	4,336,910	4,917,600	4,969,610	4,128,206	4,803,236
1,339,252	3,190,945	1,874,954	1,987,109	1,537,561	1,490,798	943,770
<u>67,648,523</u>	<u>70,284,224</u>	<u>68,301,621</u>	<u>67,232,949</u>	<u>63,588,875</u>	<u>55,782,354</u>	<u>45,019,597</u>
<u>67,648,523</u>	<u>70,284,224</u>	<u>68,301,621</u>	<u>67,232,949</u>	<u>63,588,875</u>	<u>55,782,354</u>	<u>45,019,597</u>
5,612,920	3,589,834	5,226,512	4,323,291	5,675,162	5,831,435	5,181,281
20,049,112	6,497,058	18,140,280	16,522,188	14,898,141	16,079,235	12,235,566
1,523,950	14,488,849	1,173,276	1,364,097	1,964,317	386,549	596,505
191,286	258,509	119,007	180,942	929,167	137,459	171,522
2,078,404	2,891,068	3,416,858	6,039,124	5,568,915	4,814,865	14,630,306
<u>29,455,672</u>	<u>27,725,318</u>	<u>28,075,933</u>	<u>28,429,642</u>	<u>29,035,702</u>	<u>27,249,543</u>	<u>32,815,180</u>
<u>29,455,672</u>	<u>27,725,318</u>	<u>28,075,933</u>	<u>28,429,642</u>	<u>29,035,702</u>	<u>27,249,543</u>	<u>32,815,180</u>
<u>(38,192,851)</u>	<u>(42,558,906)</u>	<u>(40,225,688)</u>	<u>(38,803,307)</u>	<u>(34,553,173)</u>	<u>(28,532,811)</u>	<u>(12,204,417)</u>
<u>(38,192,851)</u>	<u>(42,558,906)</u>	<u>(40,225,688)</u>	<u>(38,803,307)</u>	<u>(34,553,173)</u>	<u>(28,532,811)</u>	<u>(12,204,417)</u>
31,186,985	32,253,420	33,603,024	38,695,990	39,350,015	37,568,715	31,692,872
			0	516,427	506,330	437,604
407,021	361,833	633,265	2,252,726	3,778,975	2,717,402	1,859,244
179,772	162,470	336,775	540,691	1,054,479	1,353,967	509,527
<u>31,773,778</u>	<u>32,777,723</u>	<u>34,573,064</u>	<u>41,489,407</u>	<u>44,699,896</u>	<u>42,146,414</u>	<u>34,499,247</u>
<u>31,773,778</u>	<u>32,777,723</u>	<u>34,573,064</u>	<u>41,489,407</u>	<u>44,699,896</u>	<u>42,146,414</u>	<u>34,499,247</u>
<u>(6,419,073)</u>	<u>(9,781,183)</u>	<u>(5,652,624)</u>	<u>2,686,100</u>	<u>10,146,723</u>	<u>13,613,603</u>	<u>22,294,830</u>
<u>(6,419,073)</u>	<u>(9,781,183)</u>	<u>(5,652,624)</u>	<u>2,686,100</u>	<u>10,146,723</u>	<u>13,613,603</u>	<u>22,294,830</u>

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

	<b>Fiscal Year</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
General fund:			
Nonspendable	\$ 423,969	739,238	107,338
Restricted	16,031,122	16,145,077	14,238,705
Assigned	26,108,555	16,466,784	15,204,930
Total general fund	<u>\$ 42,563,646</u>	<u>33,351,099</u>	<u>29,550,973</u>
All other governmental funds:			
Restricted	\$ 28,318,509	26,196,740	22,978,592
Assigned, reported in:			
Special revenue fund	-	-	-
Total all other governmental funds	<u>\$ 28,318,509</u>	<u>26,196,740</u>	<u>22,978,592</u>

Source: Cosumnes CSD Administrative Services Department

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

Fiscal Year						
2012	2011	2010	2009	2008	2007	2006
20,770	16,207	15,048				
14,720,152	17,954,979	20,139,539	23,966,205	27,636,829	40,876,680	28,221,568
19,487,133	23,234,797	26,396,387	31,788,249	35,380,874	28,915,291	24,146,365
<u>34,228,055</u>	<u>41,205,983</u>	<u>46,550,974</u>	<u>55,754,454</u>	<u>63,017,703</u>	<u>69,791,971</u>	<u>52,367,933</u>
19,741,810	17,815,933	6,732,261	11,228,117	4,129,624	3,945,988	3,871,456
-	-	14,270,117	14,482,116	12,499,960	8,876,199	6,189,330
<u>19,741,810</u>	<u>17,815,933</u>	<u>21,002,378</u>	<u>25,710,233</u>	<u>16,629,584</u>	<u>12,822,187</u>	<u>10,060,786</u>

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

	Fiscal Year		
	2015	2014	2013
Revenues:			
Taxes	\$ 36,173,988	32,626,823	29,456,296
Charges for services	29,519,898	27,835,872	25,669,576
Developer fees and contributions	1,500,655	2,832,285	1,747,613
Intergovernmental	2,149,487	1,407,346	1,925,884
Donations and contributions	113,666	121,646	109,774
Use of money and property	1,516,902	1,486,062	1,504,489
Miscellaneous	334,787	332,351	404,965
Total revenues	<u>71,309,383</u>	<u>66,642,385</u>	<u>60,818,597</u>
Expenditures:			
Current:			
Public protection	36,077,297	33,362,739	34,372,236
Recreation and culture	21,147,714	18,737,965	18,571,201
General government	4,209,127	3,115,442	3,117,972
Capital outlay	4,355,382	2,412,214	2,462,853
Debt service:			
Principal	2,060,546	2,678,562	3,021,871
Interest	776,928	875,905	1,201,336
Total expenditures	<u>68,626,994</u>	<u>61,182,827</u>	<u>62,747,469</u>
Excess of revenues over expenditures	<u>2,682,389</u>	<u>5,459,558</u>	<u>(1,928,872)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	133,147	16,311	162,586
Issuance of long-term liabilities	1,276,969	1,436,953	325,986
Insurance recoveries	7,241,811	105,452	
Transfers in	5,720,119	4,625,190	4,273,702
Transfers out	<u>(5,720,119)</u>	<u>(4,625,190)</u>	<u>(4,273,702)</u>
Total other financing sources (uses)	<u>8,651,927</u>	<u>1,558,716</u>	<u>488,572</u>
Net change in fund balances	<u>\$ 11,334,316</u>	<u>7,018,274</u>	<u>(1,440,300)</u>
Debt service as a percentage of noncapital expenditures	4.4%	6.0%	7.0%

Source: Cosumnes CSD Administrative Services Department

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

Fiscal Year						
2012	2011	2010	2009	2008	2007	2006
31,186,985	32,253,420	33,603,024	38,695,990	39,866,442	37,267,052	31,603,088
25,833,814	25,077,392	23,100,046	22,896,520	22,203,832	19,855,774	16,467,838
1,458,624	1,993,759	994,588	3,428,132	3,449,473	19,893,358	4,454,221
619,780	897,309	2,422,270	2,610,992	2,119,442	1,549,143	1,937,895
191,286	258,509	119,007	180,942	929,167	277,558	158,969
1,367,064	1,521,106	1,544,523	3,232,037	4,728,139	3,603,807	2,742,800
179,772	162,470	336,775	540,691	1,044,637	863,089	366,422
<u>60,837,325</u>	<u>62,163,965</u>	<u>62,120,233</u>	<u>71,585,304</u>	<u>74,341,132</u>	<u>83,309,781</u>	<u>57,731,233</u>
33,478,192	33,893,997	34,953,709	35,355,540	34,901,437	30,013,881	24,801,485
19,767,882	20,342,559	18,059,421	17,878,449	17,710,709	16,096,014	11,000,985
3,224,873	3,577,708	3,944,833	4,645,014	4,962,430	3,925,493	4,862,605
4,478,538	3,823,032	17,356,702	15,331,594	16,159,800	23,988,702	32,316,307
4,344,153	6,865,298	3,332,703	4,739,988	3,212,237	2,252,999	1,528,303
1,367,625	3,386,607	1,889,017	1,852,098	1,568,973	1,251,448	624,987
<u>66,661,263</u>	<u>71,889,201</u>	<u>79,536,385</u>	<u>79,802,683</u>	<u>78,515,586</u>	<u>77,528,537</u>	<u>75,134,672</u>
<u>(5,823,938)</u>	<u>(9,725,236)</u>	<u>(17,416,152)</u>	<u>(8,217,379)</u>	<u>(4,174,454)</u>	<u>5,781,244</u>	<u>(17,403,439)</u>
156,250	299,216	273,189	34,779	108,755	612,556	5,951
122,386	388,747	3,231,628	10,000,000	1,088,986	13,767,937	25,085,979
493,251	505,836			9,842	23,702	63,962
5,544,330	5,539,122	10,881,176	5,902,928	3,790,486	4,682,941	2,577,213
<u>(5,544,330)</u>	<u>(5,539,122)</u>	<u>(10,881,176)</u>	<u>(5,902,928)</u>	<u>(3,790,486)</u>	<u>(4,682,941)</u>	<u>(2,577,213)</u>
<u>771,887</u>	<u>1,193,799</u>	<u>3,504,817</u>	<u>10,034,779</u>	<u>1,207,583</u>	<u>14,404,195</u>	<u>25,155,892</u>
<u>(5,052,051)</u>	<u>(8,531,437)</u>	<u>(13,911,335)</u>	<u>1,817,400</u>	<u>(2,966,871)</u>	<u>20,185,439</u>	<u>7,752,453</u>
9.2%	15.1%	8.4%	10.2%	7.7%	6.5%	5.0%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550
Los Rios Community College GO Bonds	<u>0.00320</u>	<u>0.00320</u>	<u>0.00720</u>							
<b>Total Direct Rate</b>	<b>1.00870</b>	<b>1.00870</b>	<b>1.01270</b>							

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	2015		2006	
	Taxable Assessed Value (1)	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value
Apple Computer, Inc	\$ 170,789,847	1.08%		
Donahue Schriber Realty Group L P	102,568,002	0.65%		
Pappas Laguna 2 Limited Partnership	88,066,855	0.55%		
Laguna Springs Corporation Center	69,703,997	0.44%		
Kaiser Foundation Health Plan	60,767,698	0.38%		
Oakmont Properties II LP	48,456,628	0.31%		
Jackson II LLC	37,798,769	0.24%		
9130 Nolan Street LLC	37,554,528	0.24%		
Walmart Real Estate Business Trust	34,745,583	0.22%		
Zhu Yanzhi 2014 Trust	31,956,314	0.20%		
ACI Real Properties			67,874,181	1.87%
Draper Ranney E/TR/ETAL			21,470,955	0.59%
Grupe Development Associates			20,785,626	0.57%
Winncrest Homes			16,776,944	0.46%
DFT Properties			15,710,882	0.43%
Western Investments Real Estate			12,507,579	0.34%
Laguna West 829 LP			11,657,355	0.32%
JVC America Inc.			11,432,080	0.31%
Suburban Propane LP			10,641,660	0.29%
Morris Family Corporation			8,725,626	0.24%
<b>Total</b>	<b>\$ 682,408,221</b>	<b>4.31%</b>	<b>197,582,888</b>	<b>5.42%</b>

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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%
2015	36,976,606	36,173,988	97.83%	401,309	36,575,297	98.90%

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)**

<u>Fiscal Year Ended June 30</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
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
2015	17,922,473	311,625	18,234,098	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**

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			<b>Total Governmental Activities</b>	<b>Percentage of Assessed Valuation</b>	<b>Debt Per Capita</b>
	<b>Certificates of Participation</b>	<b>Loans</b>	<b>Capital Leases</b>			
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
2015	664,100	88,072	18,512,732	19,264,904	0.11%	104.38

Source: Cosumnes CSD Administrative Services Department

**Cosumnes Community Services District  
Direct and Overlapping Debt  
June 30, 2015**

District Assessed Valuation (in thousands) \$ 18,234,098

	<b>Estimated Percentage Applicable (1)</b>	<b>Outstanding Debt 6/30/15</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping Debt Repaid with Property Taxes and Assessments:</b>			
Los Rios Community College District	10.508%	\$ 361,280,000	37,963,302
San Joaquin Delta Community College District	0.005%	145,438,426	7,272
River Delta Joint Unified School District			
School Facilities Improvement District No. 1	0.2770%	8,214,996	22,756
Sacramento Unified School District	0.1880%	439,797,966	826,820
Grant Joint Union High School District and School District	0.106% & 0.042%	34,028,684	31,501
Elk Grove Community Facilities District	100.00%	142,720,000	142,720,000
Elk Grove Unified School District Community Facilities District No. 1	57.078%	178,792,187	102,051,004
Sacramento County Community Facilities Districts	100.00%	28,404,324	28,404,324
California Statewide Community Development Authority 915 Act Bonds	100.00%	5,593,994	5,593,994
Total overlapping debt repaid with property taxes and assessments		1,344,270,577	317,620,973
<b>Overlapping Other Debt:</b>			
Sacramento County General Fund Obligations	12.765%	\$ 276,872,688	35,342,799
Sacramento County Pension Obligations	12.765%	973,933,985	124,322,673
Sacramento County Board of Education Certificates of Participation	12.765%	7,260,000	926,739
Los Rios Community College District Certificates of Participation	10.508%	5,440,000	571,635
Sacramento Unified School District Certificates of Participation	0.1880%	72,380,000	136,074
Sacramento Unified School District Pension Obligations	0.1880%	1,195,000	2,247
City of Elk Grove General Fund Obligations	100.00%	20,720,000	20,720,000
Total overlapping other debt		1,357,801,673	182,022,167
 Total overlapping debt		 <b>\$ 2,702,072,250</b>	 499,643,140
 District direct debt			 19,264,904
 Total direct and overlapping debt			 <b>\$ 518,908,044</b>

**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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation	\$ 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	18,234,098
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 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	4,558,525
Debt limit percentage	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Debt limit	159,723	195,686	246,529	240,878	213,039	209,397	200,217	190,395	206,285	227,926
120 Total net debt applicable to limit:										
General obligation bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	\$ <u>159,723</u>	<u>195,686</u>	<u>246,529</u>	<u>240,878</u>	<u>213,039</u>	<u>209,397</u>	<u>200,217</u>	<u>190,395</u>	<u>206,285</u>	<u>227,926</u>
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**

Fiscal Year	Special Assessment Debt					Coverage
	Special Assessment Collections	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
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	14,415,446	9,415,366	5,000,080	852,806	29,514	5.67
2015	14,708,161	11,323,523	3,384,638	25,703	1,632	123.82

**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**

<b>Calendar Year</b>	<b>District Population (1)</b>	<b>Per Capita Personal Income (2)</b>	<b>Sacramento County Unemployment Rate (3)</b>
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%
2015	184,564	N/A	5.8%

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**

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
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%	750	(1)
Alldata	398	1.12%	425	(1)
City of Elk Grove	286	0.80%	240	(1)
Cosumnes Community Services District	256	0.72%	239	(1)
Bimbo Bakeries, Inc.	235	0.66%	-	(1)
Wal Mart	161	0.45%	325	(1)
Maita Chevrolet	113	0.32%	-	(1)
Home Depot	110	0.31%	190	(1)
AAA Call Center	-	0.00%	750	(1)
Decorative Specialties	-	0.00%	220	(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**

	<b>Full-time District Employees as of June 30</b>									
<b><u>Function</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
General government	16	28	27	27	23	23	22	21	21	21
Public safety	169	191	180	179	169	167	168	167	167	166
Recreation and culture	54	79	79	78	76	76	71	65	65	69
<b>Total</b>	<b>239</b>	<b>298</b>	<b>286</b>	<b>284</b>	<b>268</b>	<b>266</b>	<b>261</b>	<b>253</b>	<b>253</b>	<b>256</b>

124

Source: Cosumnes CSD Administrative Services Department

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function/Program</b>										
Fire										
Emergency responses	10,205	10,269	13,934	13,424	13,493	14,011	14,374	14,679	15,170	16,613
Field Inspections	(1)	(1)	(1)	(1)	(1)	1,602	1,687	2,290	2,165	2,742
Plan checks	1,066	1,195	882	795	551	629	808	989	1,093	1,110
Resubmitted Plan Checks	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	222	207
Weed Abatement	(1)	(1)	(1)	(1)	(1)	480	584	599	488	128
Fire Investigations	45	36	30	24	27	82	69	50	41	19
Code Enforcement	(1)	(1)	(1)	(1)	704	18	32	31	11	18
125 Parks and recreation										
Number of recreation programs	514	592	610	585	534	579	550	548	509	487

Source: Various District departments

(1) Information is not available.

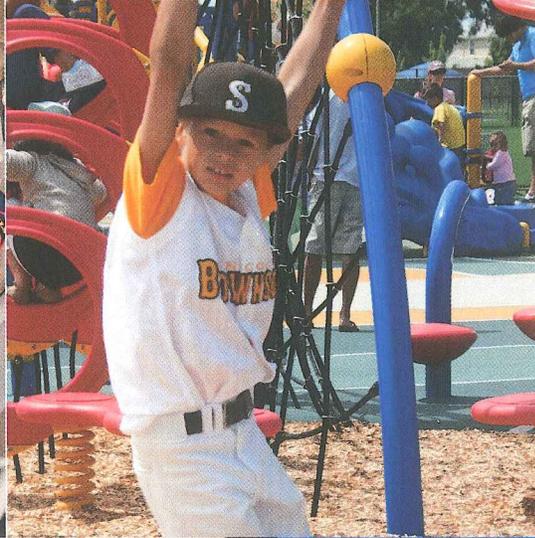
**Cosumnes Community Services District  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

		Fiscal Year									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function/Program</b>											
Fire											
	Fire stations	6	8	8	8	8	8	8	8	8	8
	Training facility	1	1	1	1	1	1	1	1	1	1
	Fire engines	12	25	28	27	27	26	24	24	26	25
	Other Fire vehicles	49	52	71	71	74	76	76	74	77	79
Parks and recreation											
	Parks	72	76	81	84	88	89	90	91	93	93
	Acreage	704	740	765	804	841	925	940	1040	1028	1028
	Playgrounds	86	92	101	109	115	116	119	120	123	123
	Baseball/softball diamonds	38	38	44	45	50	50	50	50	50	50
	Soccer/football fields	32	34	35	37	41	41	42	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	25	25	27	27	31	33	33	33	33	33
	Skate board park	1	1	1	1	1	1	1	1	1	1
	Bike Park	-	-	-	-	-	-	1	1	1	1

126

Sources: Various District departments





2015

# COSUMNES CSD

COSUMNES

PARKS	RECREATION	FIRE

**CSD**

Enriching Community  
Saving Lives