

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2013



Cosumnes Community Services District
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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**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Prepared by:

Jeff Ramos, General Manager

Cosumnes Community Services District

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INTRODUCTORY SECTION



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December 30, 2013

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, 2013, 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, 2013.

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 unqualified ("clean") opinion on the Cosumnes Community Services District's financial statements for the fiscal year ended June 30, 2013. 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 region to the City of Galt and additional unincorporated areas in south Sacramento County. The governing body of the District is a five-member Board of Directors elected at large to four year staggered terms. Day-to-day operations are overseen by the District's General Manager.

The District provides fire protection services including fire suppression, fire prevention, inspection, plan checking and public education programs and provides emergency medical services, ambulance

transport, advanced life support and rescue services and; in addition, provides parks, recreation facilities and programs. The District consists of approximately 157 square miles with a population of about 183,259; operates eight fire stations, one fire training facility and ninety-four parks (three undeveloped) and employs two hundred fifty-three full-time and over one hundred part-time staff.

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

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

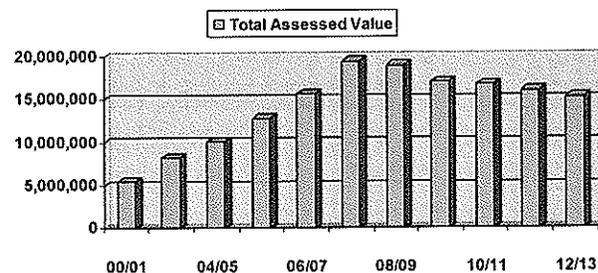
The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for fixed assets, which are controlled on the sub-object level. The expenditure portion of the budget is enacted into 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 2012-2013, 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 is beginning to recover from the recession, mainly in part to home prices increasing by double-digit percentages at a time of ultra-low inventory, heavy investor activity and growing demand from traditional homebuyers. In Sacramento County, 12,500 wage and salary jobs were created, representing a growth rate of 2.3%. This is the second annual increase for Sacramento County since before the recession of 2007-2009. The unemployment -rate improved as well, falling from 11.0% in 2012 to 8.7% in 2013.

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 decreased by approximately 5% from the prior year but with the rebound in the regional housing market within the District, the District is projecting an average annual growth in property tax revenues of 6% for next fiscal year.



The residential real estate market appears to be headed towards a more normal pattern, with new housing permits growing briskly 45% and foreclosures dropping sharply 73% when compared to the prior year. The District is estimating that property tax revenues will increase 6% in Fiscal Year 2013-14 compared to FY 2012-13 due to some degree of stability in the housing market with projected home appreciation between 5 to 10%, combined with a projected increase in wage and salary jobs and a decrease in unemployment.

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

Long-term financial planning

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

Relevant financial policies

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

The Fund's portfolio at June 30, 2013 was invested in U.S. Treasury and Government Agency investments (67%), certificate of deposit (16%), time deposits (9%), and commercial paper (8%). The average yield on investments during fiscal year 2012-2013 was .30%.

At June 30, 2013, the District's separate investment portfolio of approximately \$23.6 million was invested 42% in certificates of deposit, 40% in corporate notes and bonds, 12% in Federal Agency Notes and 6% in a money market account. All investments are rated AAA/A-1+ by Standard & Poors. Maturities range from 1 month to 48 months. The average yield on investments during fiscal year 2012-2013 was .74%.

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

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

Major initiatives

The District is currently in the design and construction phase on three neighborhood parks totaling 13 acres. In addition, the District has completed the Derr-Okamoto Park, Wackford Community Center floor project, playground sand at various park locations, Emerald Lakes Golf Course patio roof and back lake fountain, and Elk Grove Recreation Center roof and HVAC replacement.

Awards and Acknowledgements

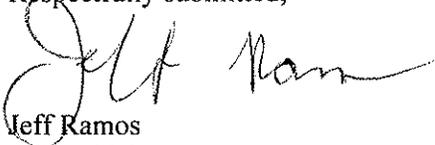
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cosumnes Community Services District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the fifteenth 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)

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

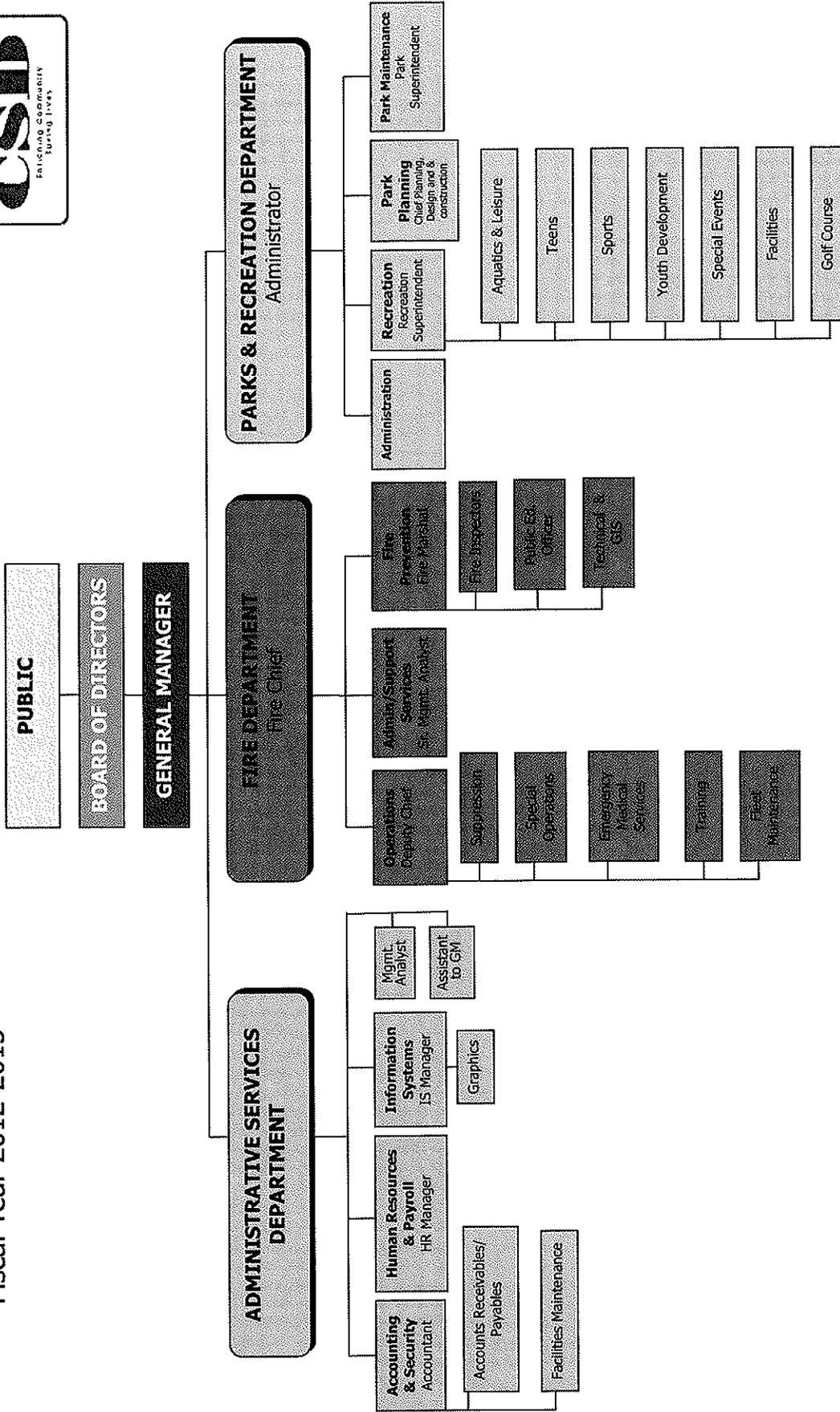
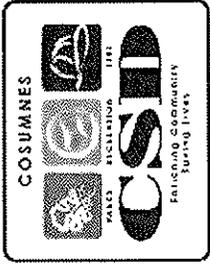
Officials (Appointed)

Jeff Ramos
General Manager/Chief Operating Officer

Tracey Hansen
Fire Chief

Bob Roessler
Parks and Recreation Department Administrator

Cosumnes Community Services District
ORGANIZATIONAL CHART
 Fiscal Year 2012-2013





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, 2012

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, 2013, 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, 2013, 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 and budgetary comparison information on pages 3-14 and 53-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Badawi & Associates, CPAs
Oakland, California
December 19, 2013

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013. 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 2012-13 and 2011-12 fiscal years by \$213,104,453 and \$218,735,931 (*net position*), respectively. Of this amount, \$37,217,297 and \$34,461,962 is restricted for specific purposes (*restricted net position*), and \$184,128,882 and \$183,173,511 is invested in capital assets, net of related debt. The decrease in net position is due to the utilization of the District's reserves. This decrease is discussed further on pages 11 and 12 of this report.
- ◆ For FY 2012-13, total District governmental fund revenues, including program and general revenues, were \$60.8 million, which was relatively the same amount in the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to a 5% decrease in taxes (\$1.7 million), a 1% decrease in charges for services (\$200 thousand), a 43% decrease in donations and contributions (\$100 thousand), offset by a 20% increase in developer fees and contributions (\$300 thousand), a 211% increase in intergovernmental (\$1.3 million), a 10% increase in the use of money and property (\$100 thousand), and a 125% increase in miscellaneous revenue (\$200 thousand). Total governmental fund expenses were \$62.7 million, a decrease of \$3.8 million from the prior fiscal year. The decrease is related to a 43% decrease in capital outlay expenditures (\$1.9 million), a 26% decrease in debt service expenses (\$1.5 million), a 6% decrease in recreation and culture expenses (\$1.2 million), which was offset by a 3% increase in public protection expenditures (\$900 thousand).
- ◆ For FY 2011-12, total District governmental fund revenues, including program and general revenues, were \$60.8 million, a decrease of \$1.2 million from the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to a 3% decrease in taxes (\$1.1 million), a 31% decrease in intergovernmental revenues (\$200 thousand), a 27% decrease in developer fees and contributions (\$500 thousand), and a 10% decrease in use of money and property (\$100 thousand), offset by a 3% increase in charges for current services (\$700 thousand). Total governmental fund expenses were \$66.5 million, a decrease of \$5 million from the prior fiscal year. The decrease is directly related to a 48% decrease in debt service expenses (\$5 million).
- ◆ As of June 30, 2013 and 2012, total District's governmental funds reported combined fund balances of \$52,529,565 and \$53,969,865, respectively, a decrease of \$1,440,300 and a decrease of \$5,052,051 in comparison with the prior year. Approximately 29% and 36% of the combined fund balances, \$15,204,930 and \$19,487,133 is available for spending at the government's discretion (*assigned fund balance*).
- ◆ At the close of the fiscal year ended June 30, 2013 and 2012, the total fund balance restricted for park and fire station construction, capital projects, landscape and lighting district operations and foundation activities was \$37,217,297 and \$34,461,962, respectively.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

- ◆ The District's total long-term obligations decreased by a net amount of \$17,395,135 during the 2012-13 fiscal year and decreased \$4,211,765 during the 2011-12 fiscal year. For FY 2012-13, the decrease resulted primarily from a \$14.7 million reduction due to the District terminating the Reardon Property Option combined with a \$1.3 million principal reduction offset by the acquisition of new leases totaling \$326,000 to remount three ambulances and a District copier. For FY 2011-12, the decrease resulted primarily from a \$4.3 million principal reduction offset by the acquisition of new leases totaling \$122,000 to purchase District copiers and recreation equipment.

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, 2013

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, 2013, 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, 2013

For the fiscal year ended June 30, 2013, the District adopted annual appropriated budgets for all funds, except for the following:

- Foundation Special Revenue Fund

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Combining and Individual Fund Financial Statements and Schedules

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$213,104,453 at the close of the most recent fiscal year.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

COSUMNES COMMUNITY SERVICES DISTRICT

SUMMARY OF NET POSITION JUNE 30, 2013, 2012 AND 2011

| | Governmental Activities | | |
|--|------------------------------------|-----------------------|-----------------------|
| | 2013 | 2012 | 2011 |
| Current and other assets | \$ 55,436,352 | \$ 56,295,070 | \$ 61,903,397 |
| Capital assets | 205,758,716 | 222,238,856 | 222,617,784 |
| Total assets | 261,195,068 | 278,533,926 | 284,521,181 |
| Long-term liabilities outstanding | 45,366,291 | 57,143,627 | 56,228,286 |
| Other liabilities | 2,724,324 | 2,654,368 | 3,137,891 |
| Total liabilities | 48,090,615 | 59,797,995 | 59,366,177 |
| Net position: | | | |
| Invested in capital assets, net of related debt | 184,128,882 | 183,173,511 | 179,698,464 |
| Restricted | 37,217,297 | 34,461,962 | 35,770,912 |
| Unrestricted | (8,241,726) | 1,100,458 | 9,685,628 |
| Total net position | \$ 213,104,453 | \$ 218,735,931 | \$ 225,155,004 |

The largest portion of the District's net position of \$184,128,882 (86 percent) reflects its investment in capital assets (e.g. land, structures and improvements, equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the District's net position of \$37,217,297 (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining negative balance of *unrestricted net position* of \$8,241,726 is due to the termination of the Reardon Property Option.

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, however the District is depending on the use of reserve fund balance in these tough economic times.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

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

The District's net position decreased by \$6,419,073 during the 2011/12 fiscal year, which accounts for 3 percent of total net position. The District's restricted and unrestricted net position decreased approximately \$9.9 million, which was offset by an increase in investment in capital assets of approximately \$3.5 million. The decrease is due to a 14% decrease in park development (\$1.8 million) combined with a 30% decrease in fire station and equipment (\$1.4 million), and a 89% decrease in unrestricted (\$8.6 million), which was offset by a 2% increase in investment in capital assets (\$3.5 million) and a 11% increase in Landscape and Lighting improvements (\$1.9 million).

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

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

COSUMNES COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2013, 2012 AND 2011

| | Governmental Activities | | |
|--|------------------------------------|-----------------------|-----------------------|
| | 2013 | 2012 | 2011 |
| REVENUES: | | | |
| Program revenues: | | | |
| Charges for services | \$ 27,076,107 | \$ 27,185,982 | \$ 24,533,406 |
| Operating grants and contributions | 109,774 | 191,286 | 258,509 |
| Capital grants and contributions | 3,673,497 | 2,078,404 | 2,891,068 |
| General revenues: | | | |
| Property taxes | 29,456,296 | 31,186,985 | 32,253,420 |
| Investment earnings | 559,940 | 407,021 | 361,833 |
| Miscellaneous | 100,725 | 179,772 | 162,470 |
| TOTAL REVENUES | 60,976,339 | 61,229,450 | 60,460,706 |
| EXPENSES: | | | |
| Governmental activities: | | | |
| Public protection | 40,245,993 | 40,510,293 | 40,893,161 |
| Recreation and culture | 22,612,070 | 23,383,633 | 24,731,700 |
| General government | 3,749,754 | 3,754,597 | 4,617,028 |
| TOTAL EXPENSES | 66,607,817 | 67,648,523 | 70,284,224 |
| INCREASE (DECREASE) IN NET POSITION | (5,631,478) | (6,419,073) | (9,781,183) |
| Net position at begin of year | 218,735,931 | 225,155,004 | 234,936,187 |
| NET POSITION AT END OF YEAR | \$ 213,104,453 | \$ 218,735,931 | \$ 225,155,004 |

Revenues

The District's total revenues per the Statement of Activities were \$60,976,339 and \$61,229,450 for the fiscal years ended June 30, 2013 and 2012, respectively. Property tax revenue of \$29,456,296 and \$31,186,985 comprised 48.31% and 50.93%, 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 44.40% and 44.40% and 6.02% and 3.70%, respectively, of the total governmental revenue of the District for the fiscal years ended June 30, 2013 and 2012. The decrease in property tax revenues reflects the decline of new home sales and home re-sales combined with the continued appeal of assessed valuation on commercial properties. The increase in capital grant and contribution revenue is primarily due to the increase in developer fees and contributions.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

Expenses

Expenses of the District totaled \$66,607,817 and \$67,648,523 for the fiscal years ended June 30, 2013 and 2012, respectively. Public protection costs represent 59.38% and 58.70%, 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, 2013. 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 | \$40,245,993 | \$ (32,892,105) |
| Recreation and culture | 22,612,070 | (1,166,741) |
| General government | 3,749,754 | (1,689,593) |
| TOTAL | <u>\$66,607,817</u> | <u>\$ (35,748,439)</u> |

The net cost to taxpayers for recreation and culture services, excluding developer fees, was \$2,914,354.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2013 and 2012 the District's governmental funds reported combined fund balances of \$52,529,565 and \$53,969,865, a decrease of \$1,440,300 and a decrease of \$5,052,051, respectively, in comparison with the prior year. The major reason for the decrease was the usage of fire and park development reserves (\$3.2 million). Approximately 29 and 36 percent of the combined fund balances, \$15,204,930 and \$19,487,133, 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 (\$14,470,555); 2) to use for specific purpose of the fund (\$22,522,043); and 3) to reflect amounts held on behalf of the Cosumnes Legacy Foundation (\$224,699).

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

The General Fund is the chief operating fund of the District. At June 30, 2013 and 2012, assigned fund balance of the general fund was \$15,204,930 and \$19,487,133, respectively, while total fund balance reached \$29,550,973 and \$34,228,055. The decrease in total fund balance of \$4,677,082 represents a decrease in property taxes (\$1.7 million) and the overall utilization of District reserves (\$4.2 million) in these tough economic times. 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 29 percent and 35 percent of total fund expenditures, while total fund balance represents 57 percent and 62 percent of that same amount.

The Landscape & Lighting Special Revenue Fund has a total fund balance of \$22,522,043 and \$19,245,297 at June 30, 2013 and 2012. These amounts are restricted for the specific purpose of the fund. Total fund balance increased by \$3,276,746 and \$1,887,358 for the fiscal year ended June 30, 2013 and 2012. 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, 2013, the Non-major Governmental Funds consist of the Capital Project Fund and the Foundation Special Revenue Fund. Total fund balance at June 30, 2013 is \$456,549. Of this amount, \$231,850 is restricted for capital projects and \$224,699 is restricted for foundation activities. The decrease in fund balance of \$39,964 is mainly related to the capital outlay expenditures for the Fire Training Facility utilized within the Capital Project Fund.

At June 30, 2012, the Non-major Governmental Funds consist of the Capital Project Fund and the Foundation Special Revenue Fund. Total fund balance at June 30, 2012 is \$496,513. Of this amount, \$264,456 is restricted for capital projects and \$232,057 is restricted for foundation activities. The increase in fund balance of \$38,519 is directly related to the represents donations and contributions received within the Foundation Special Revenue Fund.

General Fund Budgetary Highlights

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

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

For the fiscal year ended June 30, 2012, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling \$1,066,392. The increase is due to an increase in capital outlay expenditures for projects and purchased equipment. Actual General Fund revenues were \$2,454,590 greater than the final budget. This variance is related to developer fees and contributions combined with the District's charges for current services. Actual General Fund expenditures were \$2,488,729 lower than the final budget, of which approximately \$1 million represented several 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, 2013 and 2012, the Districts' investment in capital assets amounted to \$205,758,718 and \$222,238,856, 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, 2013, 2012 AND 2011

| | 2013 | 2012 | 2011 |
|-----------------------------|------------------------------|---------------------------|---------------------------|
| Land | \$ 85,442,799 | 85,427,738 | 85,382,639 |
| Land improvements | 63,584,248 | 61,035,213 | 59,984,162 |
| Construction in Progress | 1,765,596 | 20,071,879 | 17,903,656 |
| Structures and improvements | 53,010,282 | 53,042,218 | 54,875,759 |
| Equipment | <u>1,955,793</u> | <u>2,661,808</u> | <u>4,471,568</u> |
| Total | \$ <u>205,758,718</u> | <u>222,238,856</u> | <u>222,617,784</u> |

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

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

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2012:

- ◆ Land – receipt of grant deed for Station 46.
- ◆ Land improvements – completion of Van Doren Park and Bike Park.
- ◆ Structures and improvements – increase is due to improvements from two park sites, sidewalk repair and tot lot replacement of various locations.
- ◆ Construction in progress – increase is due to the construction of Derr-Okamoto Park, Buscher Park, playground sand removal at various locations, and the Wackford Community Center floor project.
- ◆ Equipment – decrease is due to the disposal of two fire apparatus and depreciation for FY 2011-12.

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

The District was in the process of completing Lawrence Park and the purchase of two Pierce Fire Apparatus engines at June 30, 2013. The total amount committed at June 30, 2013 is \$1,330,150. Additional information on the District's commitments can be found in Note 10 on page 50.

Long-term debt. At June 30, 2013, the District had long-term debt obligations totaling \$21,290,090. District debt issues include \$1,022,900 in Certificates of Participation for the construction of two fire stations, a note agreement for \$1,217,925 for the partial financing of the construction of the Wackford Aquatic/Community Complex, Fire Training Facility, Underwood Park Well, and funding for the Bartholomew Sports Park, and \$19,049,265 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 \$17,395,135 (45%) during the current fiscal year mainly due to the termination of the Reardon Property Option \$14,699,250 combined with the principal reduction of \$3,021,871 offset by the funding for three remounted ambulances (\$320,004) and a District copier (\$5,982).

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, 2013

ECONOMIC OUTLOOK

The Cosumnes CSD is beginning to recover from the recession, mainly in part to home prices increasing by double-digit percentages at a time of ultra-low inventory, heavy investor activity and growing demand from traditional homebuyers. In Sacramento County, 12,500 wage and salary jobs were created, representing a growth rate of 2.3%. This is the second annual increase for Sacramento County since before the recession of 2007-2009. The unemployment rate improved as well, falling from 11.0% in 2012 to 8.7% in 2013.

The primary funding source of District operation is property taxes. Property tax revenues have decreased by approximately 5% from the prior year but with the rebound in the regional housing market within the District, the District is projecting an average annual growth in property tax revenues of 6% for next fiscal year.

The residential real estate market appears to be headed towards a more normal pattern, with new housing permits growing briskly 45% and foreclosures dropping sharply 73% when compared to the prior year. The District is estimating that property tax revenues will increase 6% in Fiscal Year 2013-14 compared to FY 2012-13 due to some degree of stability in the housing market with projected home appreciation between 5 to 10%, combined with projected increase in wage and salary jobs and a decrease in unemployment.

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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Cosumnes Community Services District
Statement of Net Position
June 30, 2013

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and investments | \$ 49,310,750 |
| Receivables: | |
| Accounts | 113,286 |
| Interest | 55,307 |
| Intergovernmental | 1,432,560 |
| Ambulance | 1,534,642 |
| Other | 92,045 |
| Prepaid expenses | 84,964 |
| Restricted cash and investments | 2,812,798 |
| Total current assets | <u>55,436,352</u> |
| Noncurrent assets: | |
| Capital assets: | |
| Not being depreciated | 150,792,642 |
| Being depreciated, net | 54,966,074 |
| Total capital assets | <u>205,758,716</u> |
| Total noncurrent assets | <u>205,758,716</u> |
| Total assets | <u>261,195,068</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | 1,542,430 |
| Accrued interest payable | 330,456 |
| Unearned revenue | 851,438 |
| Total current liabilities | <u>2,724,324</u> |
| Noncurrent liabilities: | |
| Long-term liabilities: | |
| Due within one year | 2,943,626 |
| Due in more than one year | 42,409,910 |
| Total noncurrent liabilities | <u>45,353,536</u> |
| Total liabilities | <u>48,077,860</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 184,141,637 |
| Restricted for: | |
| Park development | 11,559,548 |
| Fire station and equipment | 2,679,157 |
| Capital projects | 231,850 |
| Landscape and lighting improvements | 22,522,043 |
| Foundation activities | 224,699 |
| Unrestricted | (8,241,726) |
| Total net position | <u>\$ 213,117,208</u> |

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Activities
For the year ended June 30, 2013

| Functions / Programs | Expenses | Indirect Expense Allocation | Program Revenues | | | Net (Expense) |
|---------------------------------|---------------------|-----------------------------------|-------------------------|--|--|---------------------------------------|
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue Governmental Activities |
| Governmental activities: | | | | | | |
| Public protection | \$39,550,114 | \$ 696,015 | \$ 5,428,004 | \$ - | \$ 1,925,884 | \$ (32,892,241) |
| Recreation and culture | 22,221,093 | 391,053 | 19,673,718 | 23,998 | 1,747,613 | (1,166,817) |
| General government | 3,672,163 | 64,624 | 1,974,385 | 85,776 | - | (1,676,626) |
| Interest on long-term debt | 1,151,692 | (1,151,692) | - | - | - | - |
| Total governmental activities | <u>\$66,595,062</u> | <u>\$ -</u> | <u>\$ 27,076,107</u> | <u>\$ 109,774</u> | <u>\$ 3,673,497</u> | <u>(35,735,684)</u> |

General Revenues and Transfers:

| | |
|---|-----------------------|
| Taxes: | |
| Property taxes | 29,456,296 |
| Investment earnings | 559,940 |
| Miscellaneous | 404,965 |
| Total general revenues and transfers | <u>30,421,201</u> |
| Special Item | (304,240) |
| Change in net position | <u>(5,618,723)</u> |
| Net position - beginning of year | <u>218,735,931</u> |
| Net position - end of year | <u>\$ 213,117,208</u> |

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Balance Sheet
Governmental Funds
June 30, 2013

| | Major Funds | | | |
|--|----------------------|---|------------------------------|--------------------------|
| | General Fund | Landscape and Lighting Special Revenue Fund | Non-Major Governmental Funds | Total Governmental Funds |
| ASSETS | | | | |
| Cash and investments | \$ 26,554,363 | \$ 22,499,389 | \$ 256,998 | \$ 49,310,750 |
| Receivables: | | | | |
| Accounts | 29,500 | 83,786 | - | 113,286 |
| Interest | 38,869 | 16,438 | - | 55,307 |
| Intergovernmental | 1,242,670 | 189,890 | - | 1,432,560 |
| Ambulance | 1,534,642 | - | - | 1,534,642 |
| Other | 92,045 | - | - | 92,045 |
| Due from other funds | 23,869 | - | 191,454 | 215,323 |
| Advances to other funds | 22,374 | - | - | 22,374 |
| Prepaid expenses | 84,964 | - | - | 84,964 |
| Restricted cash and investments | 2,740,768 | - | 72,030 | 2,812,798 |
| Total assets | \$ 32,364,064 | \$ 22,789,503 | \$ 520,482 | \$ 55,674,049 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 1,272,930 | \$ 251,810 | 17,690 | \$ 1,542,430 |
| Due to other funds | 191,454 | - | 23,869 | 215,323 |
| Advances from other funds | - | - | 22,374 | 22,374 |
| Unearned and unavailable revenue | 1,348,707 | 15,650 | - | 1,364,357 |
| Total liabilities | 2,813,091 | 267,460 | 63,933 | 3,144,484 |
| Fund Balances: | | | | |
| Nonspendable | 107,338 | - | - | 107,338 |
| Restricted for: | | | | |
| Park development | 11,559,548 | - | - | 11,559,548 |
| Fire station and equipment | 2,679,157 | - | - | 2,679,157 |
| Capital projects | - | - | 231,850 | 231,850 |
| Specific purpose of the fund | - | 22,522,043 | - | 22,522,043 |
| Foundation activities of the fund | - | - | 224,699 | 224,699 |
| Assigned | 15,204,930 | - | - | 15,204,930 |
| Total fund balances | 29,550,973 | 22,522,043 | 456,549 | 52,529,565 |
| Total liabilities and fund balances | \$ 32,364,064 | \$ 22,789,503 | \$ 520,482 | \$ 55,674,049 |

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, 2013

Total Fund Balances - Total Governmental Funds \$ 52,529,565

Amounts reported for governmental activities in the Statement of Net Assets 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 | 250,959,206 | |
| - Less: accumulated depreciation | <u>(45,200,490)</u> | |
| Total capital assets | | 205,758,716 |

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 | <u>512,919</u> | |
| Total revenues | | 512,919 |

Net OPEB liabilities are not due and payable in the current period and are therefore not reported in the funds (22,226,556)

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. (330,456)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Those liabilities consist of:

| | | |
|---|--------------------|---------------------|
| - Loans Payable | (1,214,458) | |
| - Certificates of Participation - 1998 Series | (1,022,900) | |
| - Capital lease obligation | (19,049,265) | |
| - Compensated absences | <u>(1,840,357)</u> | |
| Total long-term liabilities | | <u>(23,126,980)</u> |

Net Position of Governmental Activities **\$ 213,117,208**

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2013

| | Major Funds | | | Total Governmental Funds |
|---|--------------------|--|------------------------------------|--------------------------------|
| | General Fund | Landscape and Lighting Special Revenue Fund | Non-Major Governmental Funds | |
| REVENUES: | | | | |
| Taxes | \$ 29,456,296 | \$ - | \$ - | \$ 29,456,296 |
| Charges for current services | 11,456,357 | 14,213,219 | - | 25,669,576 |
| Developer fees and contributions | 1,747,613 | - | - | 1,747,613 |
| Intergovernmental | 1,925,884 | - | - | 1,925,884 |
| Donations and contributions | 85,776 | 15,060 | 8,938 | 109,774 |
| Use of money and property | 1,144,980 | 359,480 | 29 | 1,504,489 |
| Miscellaneous | 337,294 | 67,671 | - | 404,965 |
| Total revenues | 46,154,200 | 14,655,430 | 8,967 | 60,818,597 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public protection | 34,372,236 | - | - | 34,372,236 |
| Recreation and culture | 8,944,388 | 9,624,008 | 2,805 | 18,571,201 |
| General government | 3,107,858 | - | 10,114 | 3,117,972 |
| Capital outlay | 2,386,339 | 44,579 | 31,935 | 2,462,853 |
| Debt service: | | | | |
| Principal | 1,757,119 | 822,796 | 441,956 | 3,021,871 |
| Interest | 1,058,825 | 65,448 | 77,063 | 1,201,336 |
| Total expenditures | 51,626,765 | 10,556,831 | 563,873 | 62,747,469 |
| REVENUES OVER (UNDER) EXPENDITURES | (5,472,565) | 4,098,599 | (554,906) | (1,928,872) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | 161,085 | 1,501 | - | 162,586 |
| Issuance of long-term liabilities | 320,004 | 5,982 | - | 325,986 |
| Transfers in | 1,408,626 | 2,340,099 | 524,977 | 4,273,702 |
| Transfers out | (1,094,232) | (3,169,435) | (10,035) | (4,273,702) |
| Total other financing sources (uses) | 795,483 | (821,853) | 514,942 | 488,572 |
| Net change in fund balances | (4,677,082) | 3,276,746 | (39,964) | (1,440,300) |
| FUND BALANCES: | | | | |
| Beginning of year | 34,228,055 | 19,245,297 | 496,513 | 53,969,865 |
| End of year | \$ 29,550,973 | \$ 22,522,043 | \$ 456,549 | \$ 52,529,565 |

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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (1,440,300)

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets 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 outlay | 2,462,499 | |
| - Depreciation expense | (3,892,242) | |
| | <u> </u> | |
| Total governmental funds | | (1,429,743) |

In the statement of activities and changes in net assets, 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 | | (162,586) |
| - Gain on disposal of capital assets are not recorded on Governmental Funds | | 115,679 |

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net assets.

| | | |
|---|-----------|-----------|
| - Proceeds from long-term liabilities | (325,986) | |
| - Principal repayments on long-term liabilities | 3,025,358 | |
| | | |
| Net of long-term debt proceeds and repayments | | 2,699,372 |

Revenues in the statement of activities and changes in net assets that do not provide current financial resources are not reported as revenues in the funds. Amount represent the change in the ambulance receivable.

461,982

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

(5,665,382)

Some expenses reported in the statement of activities and changes in net assets do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

| | | |
|--------------------------------------|-----------------------------|----------------|
| - Change in accrued interest payable | 49,644 | |
| - Change in compensated absences | 56,851 | |
| | <u> </u> | |
| Total non-current expenses | | <u>106,495</u> |

Loss on option liability to purchase land was not exercised is not recognized in the funds.

(304,240)

Change in Net Assets of Governmental Activities \$ (5,618,723)

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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 in 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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position/Fund Balance

The District evaluated each of its funds at June 30, 2013 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. Fund Balance may be assigned by the General Manager.

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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. New Pronouncements

In 2013, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*– This statement addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into.
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*– This statement amended GASB No. 14 and No. 34 to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*– This statement incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*– This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

2. CASH AND INVESTMENTS

At June 30, 2013, the District’s pooled cash and investments are classified in the accompanying financial statements as follows:

| | |
|--|----------------------|
| Cash and investments | \$ 49,310,750 |
| Restricted cash and investments | 2,812,798 |
| Total cash and investments | 52,123,548 |
| | |
| Cash and investments as of June 30, 2013 consisted of the following: | |
| Deposits with financial institutions | 5,375,842 |
| Total cash | 5,375,842 |
| | |
| U.S. Agency securities: | |
| U.S. Treasury Securities | 275,579 |
| Government Sponsored Enterprise Securities | 447,081 |
| Federal National Mortgage Association Medium Term Notes | 1,566,979 |
| Corporate Notes and Bonds | 7,375,014 |
| Certificates of deposit | 7,979,716 |
| Money Market Mutual Funds | 1,067,010 |
| Investments in Local Agency Investment Fund (LAIF) | 28,036,327 |
| Total investments | 46,747,706 |
| Total cash and investments | \$ 52,123,548 |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

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.

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.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

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, 2013

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 | 3-4 years |
| U.S. Treasury Securities | 275,579 | - | 50,058 | 225,521 | - |
| Government Sponsored Enterprise Securities | 447,081 | - | 123,585 | 323,496 | - |
| Federal National Mortgage Association Medium Term Notes | 1,566,979 | - | 11,477 | 76,767 | 1,478,735 |
| Certificates of Deposit | 7,979,716 | 3,523,708 | 2,458,975 | 1,997,033 | - |
| Corporate Notes | 7,375,014 | 4,232,145 | 2,620,474 | 522,395 | - |
| Money Market Mutual Funds | 1,067,010 | 1,067,010 | - | - | - |
| LAIF | 28,036,327 | 28,036,327 | - | - | - |
| Total | \$ 46,747,706 | \$ 36,859,190 | \$ 5,264,569 | \$ 3,145,212 | \$ 1,478,735 |

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 | | | | | Not Rated |
|---|----------------------|------------------------|---------------------|-------------|-------------|---------------------|----------------------|
| | | AAA | AA+ | A+ | A | A- | |
| U.S. Treasury Securities | \$ 275,579 | \$ - | \$ 275,579 | \$ - | \$ - | \$ - | \$ - |
| Government Sponsored Enterprise Securities | 447,081 | - | 447,081 | - | - | - | - |
| Federal National Mortgage Association Medium Term Notes | 1,566,979 | 280,454 | 123,784 | - | - | - | 1,162,741 |
| Corporate Notes | 7,375,014 | - | 4,092,749 | - | - | 3,229,660 | 52,605 |
| Certificates of Deposit | 7,979,716 | - | - | - | - | - | 797,716 |
| Money Market Mutual Funds | 1,067,010 | - | - | - | - | - | 1,067,010 |
| LAIF | 28,036,327 | - | - | - | - | - | 28,036,327 |
| Total | \$ 46,747,706 | \$ 280,454 | \$ 4,939,193 | \$ - | \$ - | \$ 3,229,660 | \$ 31,116,399 |

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

| Issuer | Type of Investment | Total |
|--------------------------------------|--------------------|--------------|
| General Electric Capital Corporation | Corporate Notes | \$ 3,993,888 |
| Verizon Wireless Corporation | Corporate Notes | \$ 2,671,630 |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

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, 2013, the carrying amount of the District's deposits was \$5,303,535 and the balance in financial institutions was \$5,721,485. Of the balance in financial institutions, \$810,103 was covered by federal depository insurance and \$4,911,382 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, 2013, 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 | \$ 7,223,547 |
| U.S. Agency Securities | \$ 1,566,979 |

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, 2013 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.

As of June 30 2013, the District had \$28,036,363 invested in LAIF, which had invested 1.96% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to 3.47% in fiscal year 2012. Fair value of LAIF was calculated by applying a factor of 1.000273207 to total investments held by LAIF.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

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, 2013 was as follows:

| | Balance June 30, 2012 | Additions | Retirements | Transfers | Balance June 30, 2013 |
|---|--------------------------|-----------------------|------------------------|--------------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 85,427,739 | \$ 15,060 | \$ - | \$ - | \$ 85,442,799 |
| Land improvements | 61,035,213 | - | - | 2,549,035 | 63,584,248 |
| Construction in progress | 20,071,878 | 1,979,818 | (15,003,490) | (5,282,611) | 1,765,595 |
| Total capital assets not being depreciated | 166,534,830 | 1,994,878 | (15,003,490) | (2,733,576) | 150,792,642 |
| Capital assets being depreciated: | | | | | |
| Structures and improvements | 73,584,288 | - | (66,484) | 2,733,576 | 76,251,380 |
| Equipment | 23,641,284 | 467,621 | (193,721) | - | 23,915,184 |
| Total capital assets being depreciated | 97,225,572 | 467,621 | (260,205) | 2,733,576 | 100,166,564 |
| Less accumulated depreciation for: | | | | | |
| Structures and improvements | (22,228,768) | (2,740,321) | 41,293 | - | (24,927,796) |
| Equipment | (19,292,778) | (1,151,921) | 172,005 | - | (20,272,694) |
| Total accumulated depreciation | (41,521,546) | (3,892,242) | 213,298 | - | (45,200,490) |
| Total capital assets being depreciated, net | 55,704,026 | (3,424,621) | (46,907) | 2,733,576 | 54,966,074 |
| Capital assets, net | \$ 222,238,856 | \$ (1,429,743) | \$ (15,050,397) | \$ - | \$ 205,758,716 |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

3. CAPITAL ASSETS, Continued

Depreciation was charged to activities as follows:

| | |
|----------------------------|----------------------------|
| Public Protection | \$ 1,678,002 |
| Recreation and culture | 2,148,640 |
| General government | <u>65,400</u> |
| Total depreciation expense | <u><u>\$ 3,892,042</u></u> |

4. INTERFUND TRANSACTIONS

| | Due from other funds | | |
|-----------------------------|-------------------------|-----------------------------------|--------------------------|
| | General Fund | Non-Major Governmental Fund | Total |
| Due to other funds | | | |
| General Fund | \$ - | \$ 191,454 | \$ 191,454 |
| Non-Major Governmental Fund | <u>23,869</u> | <u>-</u> | <u>23,869</u> |
| Total | <u><u>\$ 23,869</u></u> | <u><u>\$ 191,454</u></u> | <u><u>\$ 215,323</u></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.

| | Advances to other funds | |
|----------------------------------|-----------------------------------|-------------------------|
| | Non-Major Governmental Fund | Total |
| Advances from other funds | | |
| General Fund | \$ 22,374 | \$ 22,374 |
| Total | <u><u>\$ 22,374</u></u> | <u><u>\$ 22,374</u></u> |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

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 | | | |
| | | General Fund | Landscape and Lighting Special Revenue Fund | Non - Major Governmental Fund | |
| Transfers Out | General Fund | \$ 569,255 | \$ - | \$ 524,977 | \$ 1,094,232 |
| | Landscape and Lighting Special Revenue Fund | 829,336 | 2,340,099 | - | 3,169,435 |
| | Non - Major Governmental Fund | 10,035 | - | - | 10,035 |
| | Total | <u>\$ 1,408,626</u> | <u>\$ 2,340,099</u> | <u>\$ 524,977</u> | <u>\$ 4,273,702</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, 2013 are as follows:

| | Balance July 1, 2012 | Additions | Reductions | Balance June 30, 2013 | Due Within One Year |
|------------------------------------|-------------------------|----------------------|------------------------|--------------------------|------------------------|
| Loans Payable | \$ 2,281,624 | \$ - | \$ (1,067,166) | \$ 1,214,458 | \$ 1,077,955 |
| Certificates of Participation | | | | | |
| - 1998 Series | 1,191,700 | - | (168,800) | 1,022,900 | 168,800 |
| Option liability | 14,699,250 | - | (14,699,250) | - | - |
| Capital lease obligation | 20,512,671 | 325,986 | (1,789,392) | 19,049,265 | 1,359,529 |
| Compensated absences | 1,897,208 | 3,600,353 | (3,657,204) | 1,840,357 | 337,342 |
| Net OPEB liability | 16,561,174 | 6,540,277 | (874,895) | 22,226,556 | - |
| Total long-term liabilities | <u>\$ 57,143,627</u> | <u>\$ 10,466,616</u> | <u>\$ (22,256,707)</u> | <u>\$ 45,353,536</u> | <u>\$ 2,943,626</u> |
| Less: amount due within one year | (17,887,819) | | | (2,943,626) | |
| Amounts due in more than one year | <u>\$ 39,255,658</u> | | | <u>\$ 42,409,910</u> | |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

5. LONG-TERM LIABILITIES, Continued

The certificates of participation and loans payable consist of the following as of June 30, 2013:

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, 2013 were \$388,235.

On May 5, 2010, the District entered into a loan agreement to fund certain improvements to the Bartholomew Sports Park in the amount of \$3,098,995. The District has pledged certain legally available revenues from the Landscape and Lighting Special Revenue Fund to secure the loan. Semi-annual interest payments at 4.48% ranging from \$9,230 to \$68,488 and semi-annual principal payments ranging from \$358,393 to \$417,651 are due October 21 and April 21 through April 21, 2014. The outstanding balance as of June 30, 2013 was \$826,223.

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, 2013 was \$1,022,900.

Option Liability - On May 10, 2006, the District entered into an option agreement to purchase 40 acres of land for a park site for \$15 million. The option to purchase the land may not be exercised for the first five years of the agreement if both optionors are living, unless approved by the optionors. The agreement allows the optionors, if living, to extend the term of the agreement for one five-year period and additional one-year periods thereafter until the demise of both optionors, at which time the District has six months to exercise the option to purchase the land. The agreement requires the District to pay nonrefundable option payments of \$150,000 on each May 10, that are applied to the purchase price until the District exercises the option and the District receives the title to the land. On May 6, 2008 the agreement was amended to lower the option payments from \$150,000 to \$150 annually. A long-term liability and construction in progress has been recorded by the District as management believes it is probable the District will exercise the option to purchase the land. The liability bears no interest. On June 3, 2013 the District decided to not utilize the option to purchase the land and quit the deed. The outstanding balance as of June 30, 2013 was \$0.

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.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

5. LONG-TERM LIABILITIES, Continued

Payments of principal and interest on the certificates of participation and loan payable are funded by assessments of residents and businesses within the Landscape and Lighting Assessment District. Shortfalls in assessment revenues are funded by General Fund revenues. There was no delinquent assessments receivable at June 30, 2013.

Maturities of long-term liabilities are summarized below.

| | Loans Payable | | | Certificates of Participation | | |
|------------|---------------|-----------|--------------|-------------------------------|------------|--------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2014 | 1,116,836 | 43,213 | 1,160,049 | 175,700 | 37,870 | 213,570 |
| 2015 | 10,146 | 5,083 | 15,229 | 183,100 | 30,604 | 213,704 |
| 2016 | 10,692 | 4,536 | 15,228 | 190,600 | 23,036 | 213,636 |
| 2017 | 11,268 | 3,962 | 15,230 | 198,400 | 15,159 | 213,559 |
| 2018 | 11,875 | 3,355 | 15,230 | 206,700 | 6,956 | 213,656 |
| 2019-2023 | 53,641 | 6,679 | 60,320 | 68,400 | 1,385 | 69,785 |
| Total debt | \$ 1,214,458 | \$ 66,828 | \$ 1,281,286 | \$ 1,022,900 | \$ 115,010 | \$ 1,137,910 |

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 \$580,598 at June 30, 2013. 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 \$601,614 at June 30, 2013. 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 \$534,124 at June 30, 2013. 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 \$427,260 at June 30, 2013. 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%.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

5. LONG-TERM LIABILITIES, Continued

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 \$3,610,214 with accumulated depreciation of \$3,259,999 at June 30, 2013. As of June 30, 2013, future minimum lease payments under capital lease obligations were as follows:

| <u>Fiscal Year ending June 30,</u> | |
|--|----------------------|
| 2014 | \$ 1,359,529 |
| 2015 | 2,100,268 |
| 2016 | 2,085,050 |
| 2017 | 1,993,749 |
| 2018 | 1,943,749 |
| 2019-2023 | 8,186,067 |
| 2024-2028 | 5,925,584 |
| 2029 | <u>398,568</u> |
| Total payments | 23,992,564 |
| Less amounts representing interest | <u>4,943,299</u> |
| Net present value of future minimum lease payments | <u>\$ 19,049,265</u> |

6. DEFINED BENEFIT PENSION PLAN

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

Funding Policy: Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2013 was 14.206% of annual covered payroll for non-safety employees and 27.397% for safety employees. The contribution requirements of plan members and the District are established and may be amended by PERS.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

6. DEFINED BENEFIT PENSION PLAN, Continued

Annual Pension Cost: For the fiscal year ending June 30, 2013, the District's annual pension cost of \$6,450,847 for PERS was equal to the District's required and actual contributions. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.55% to 14.45% for nonsafety members and 3.55% to 13.15% for safety members, and (c) 3.00% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization of the unfunded liability at June 30, 2009, was 29 years for non-safety and 30 years for safety employees.

| Three-Year Trend Information For PERS | | | |
|---------------------------------------|---------------------------|-------------------------------|------------------------|
| Fiscal Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
| Non-Safety Employees: | | | |
| June 30, 2011 | 1,380,109 | 100% | - |
| June 30, 2012 | 1,921,043 | 100% | - |
| June 30, 2013 | 1,240,756 | 100% | - |
| Safety Employees: | | | |
| June 30, 2011 | 5,630,694 | 100% | - |
| June 30, 2012 | 6,049,034 | 100% | - |
| June 30, 2013 | 5,210,091 | 100% | - |

Funding Status as of the Most Recent Actuarial Date

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

Safety Plan

| Actuarial Valuation Date | Actuarial Asset Value | Entry Age Actuarial Accrued Liability | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll |
|--------------------------|-----------------------|---------------------------------------|---|--------------|-----------------|--|
| 6/30/2012 | \$ 80,283,565 | \$ 114,212,323 | \$ 33,928,758 | 70.3% | \$ 17,685,187 | 191.8% |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

6. DEFINED BENEFIT PENSION PLAN, Continued

Funding Status as of the Most Recent Actuarial Date, Continued

Miscellaneous Plan

| Actuarial Valuation Date | Actuarial Asset Value | Entry Age Actuarial Accrued Liability | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll |
|--------------------------------|-----------------------------|--|---|-----------------|--------------------|--|
| 6/30/2012 | \$ 22,790,510 | \$ 29,761,963 | \$ 6,971,453 | 76.6% | \$ 7,861,085 | 88.7% |

7. OTHER POSTEMPLOYMENT 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 pays for the cost of the retiree healthcare on a pay-as-you-go basis. For fiscal year ended June 30, 2013, there were 65 retirees receiving this benefit and total District costs amounted to \$874,895.

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

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

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

7. OTHER POSTEMPLOYMENT BENEFITS, Continued

The following table illustrates the District's June 30, 2013 Net OPEB Obligation:

| | |
|---|-----------------------------|
| Annual required contribution | \$ 6,583,627 |
| Interest on net OPEB obligation | 705,311 |
| Amortization of net OPEB obligation | <u>(748,661)</u> |
| Annual OPEB cost | 6,540,277 |
| Payments made | <u>(874,895)</u> |
| Increase in net OPEB obligation | 5,665,382 |
| Net OPEB obligation - beginning of the year | <u>16,561,174</u> |
| Estimated NET OPEB Obligation June 30, 2013 | <u><u>\$ 22,226,556</u></u> |

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, 2013 was as follows:

| Fiscal Year | Annual OPEB Cost | Percentage of APC Contributed | Net OPEB Obligation |
|-------------|---------------------|-------------------------------------|------------------------|
| 6/30/2011 | 5,348,995 | 13% | 11,216,863 |
| 6/30/2012 | 6,048,727 | 12% | 16,561,174 |
| 6/30/2013 | 6,540,277 | 11% | 22,226,556 |

Funded Status and Funding Progress - As of July 1, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$54,874,483, and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$54,874,483. The covered payroll (annual payroll of active employees covered by the plan) was \$22,586,551 and the ratio of UAAL to the covered payroll was 243.0%. 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.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

7. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

The District's July 1, 2011 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, 2011 of 27 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. Since 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.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

8. RISK MANAGEMENT, Continued

The District also participates in the Special District Risk Management Authority (SDRMA), a joint powers agency comprised of California special districts, for general, property, automobile, and public officials' errors and omissions. Loss contingency reserves established by the SDRMA are funded by contributions from member agencies. The District pays an annual contribution to the SDRMA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the SDRMA. SDRMA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

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

| | <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 | 9,400,000 | 500 to 1,000 |
| Uninsured motorists bodily injury | 750,000 | - | - |
| Public officials errors and omissions liability | 600,000 | 9,400,000 | - |
| Employment benefits and practices liability | 600,000 | 9,400,000 | - |
| Employee dishonesty | - | 400,000 | - |
| Public officials personal liability | - | 500,000 | 500 |
| Trailer and automobile physical damage | Replacement Cost | - | - |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

9. FUND BALANCE, Continued

As of June 30, 2013, classifications of fund balance are as follows:

| | <u>Major Governmental Funds</u> | | | |
|--|---------------------------------|--|----------------------------------|---------------------|
| | General | Landscaping and Lighting Special Revenue Fund | Non-Major Government Funds | Total Government |
| Fund Balances | | | | |
| Nonspendable fund balance: | | | | |
| Advances to other funds | 107,338 | - | - | 107,338 |
| Subtotal | <u>107,338</u> | <u>-</u> | <u>-</u> | <u>107,338</u> |
| Restricted fund balance for: | | | | |
| Park Development | 11,559,548 | - | - | 11,559,548 |
| Fire station and equipment | 2,679,157 | - | - | 2,679,157 |
| Capital projects | - | - | 231,850 | 231,850 |
| Specific purpose of the fund | - | 22,522,043 | - | 22,522,043 |
| Foundation activities of the fund | - | - | 224,699 | 224,699 |
| Subtotal | <u>14,238,705</u> | <u>22,522,043</u> | <u>456,549</u> | <u>37,217,297</u> |
| | - | | | |
| Assigned fund balance for: | | | | |
| Emergency reserve | 2,844,752 | - | - | 2,844,752 |
| Youth facility development | 33,020 | - | - | 33,020 |
| Apparatus replacement | 270,780 | - | - | 270,780 |
| Retiree health | 320,750 | - | - | 320,750 |
| Laguna town hall capital | 30,000 | - | - | 30,000 |
| BMW complex capital reserve | 49,050 | - | - | 49,050 |
| Park capital facilities | 2,767,357 | - | - | 2,767,357 |
| EG recreation center capital improvement | 31,000 | - | - | 31,000 |
| Fire capital facilities | 7,528 | - | - | 7,528 |
| Station 75 principal/repayment | 57,180 | - | - | 57,180 |
| Recreational activities | 1,830,592 | - | - | 1,830,592 |
| Public safety activities | 6,051,899 | - | - | 6,051,899 |
| Administrative activities | 815,120 | - | - | 815,120 |
| Dillard ranch | 59,872 | - | - | 59,872 |
| Fox aquatic capital improvement | 4,200 | - | - | 4,200 |
| Pavillion deferred maintenance | 5,000 | - | - | 5,000 |
| HBSP deferred maintenance | 26,830 | - | - | 26,830 |
| Subtotal | <u>15,204,930</u> | <u>-</u> | <u>-</u> | <u>15,204,930</u> |
| Total Fund Balances | <u>29,550,973</u> | <u>22,522,043</u> | <u>456,549</u> | <u>52,529,565</u> |

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2013

10. COMMITMENT AND CONTINGENCIES

The District is in the process of performing park land improvements and other projects as of June 30, 2013 as follows:

| Project | Project Appropriation | Expended to June 30, 2013 | Committed |
|--|--------------------------|------------------------------|--------------|
| Lawrence Park | \$ 257,000 | \$ - | \$ 257,000 |
| Oshkosh (2) Pierce Arrow XT FD Apparatus | 1,073,150 | - | 1,073,150 |
| | \$ 1,330,150 | \$ - | \$ 1,330,150 |

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.

REQUIRED SUPPLEMENTARY INFORMATION

Cosumnes Community Services District
Required Supplementary Information
For the year ended June 30, 2013

1. PENSION PLAN SCHEDULE OF FUNDING PROGRESS

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

Miscellaneous (Unaudited)

| Actuarial Valuation Date* | Actuarial Asset Value | Entry Age Actuarial Accrued Liability | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Actuarial Liability as Percentage of Covered Payroll |
|---------------------------------|-----------------------------|--|---|-----------------|------------------------------|--|
| 6/30/2010 | 17,668,979 | 24,260,187 | 6,591,208 | 72.8% | 9,453,838 | 69.7% |
| 6/30/2011 | 20,429,191 | 28,024,379 | 7,595,188 | 72.9% | 9,457,911 | 80.3% |
| 6/30/2012 | 22,790,510 | 29,761,963 | 6,971,453 | 76.6% | 7,861,085 | 88.7% |

Safety (Unaudited)

| Actuarial Valuation Date* | Actuarial Asset Value | Entry Age Actuarial Accrued Liability | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Actuarial Liability as Percentage of Covered Payroll |
|---------------------------------|-----------------------------|--|---|-----------------|------------------------------|--|
| 6/30/2010 | 64,413,646 | 97,347,168 | 32,933,522 | 66.2% | 17,662,826 | 186.5% |
| 6/30/2011 | 72,234,098 | 106,706,001 | 34,471,903 | 67.7% | 17,890,657 | 192.7% |
| 6/30/2012 | 80,283,565 | 114,212,323 | 33,928,758 | 70.3% | 17,685,187 | 191.8% |

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 | Actuarial Liability as Percentage of Covered Payroll |
|---------------------------------|-----------------------------|--|---|-----------------|--------------------|--|
| 7/1/2007 | - | 19,469,775 | 19,469,775 | 0.0% | 30,527,284 | 63.8% |
| 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% |

*Latest information available.

Cosumnes Community Services District
Required Supplementary Information, Continued
For the year ended June 30, 2013

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, 2013.

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, 2013, resulting in there being no difference between the GAAP basis and Non-GAAP Budgetary Basis for the year ended June 30, 2013.

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Cosumnes Community Services District
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
June 30, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|---------------------|---------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Taxes | \$ 31,299,748 | \$ 31,299,748 | \$ 29,456,296 | \$ (1,843,452) |
| Charges for current services | 11,297,816 | 11,297,816 | 11,456,357 | 158,541 |
| Developer fees and contributions | - | - | 1,747,613 | 1,747,613 |
| Intergovernmental | 283,459 | 1,123,459 | 1,925,884 | 802,425 |
| Donations and contributions | 95,065 | 95,065 | 85,776 | (9,289) |
| Use of money and property | 1,019,167 | 1,019,167 | 1,144,980 | 125,813 |
| Miscellaneous | 187,767 | 187,767 | 337,294 | 149,527 |
| Total revenues | 44,183,022 | 45,023,022 | 46,154,200 | 1,131,178 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public protection | 34,131,724 | 34,971,709 | 34,372,236 | 599,473 |
| Recreation and culture | 9,339,676 | 9,144,676 | 8,944,388 | 200,288 |
| General government | 3,290,596 | 3,290,596 | 3,107,858 | 182,738 |
| Capital outlay | 5,215,584 | 5,229,584 | 2,386,339 | 2,843,245 |
| Debt service: | | | | |
| Principal | 1,770,220 | 1,770,220 | 1,757,119 | 13,101 |
| Interest | 1,111,504 | 1,111,504 | 1,058,825 | 52,679 |
| Contingencies | 500,000 | 500,000 | - | 500,000 |
| Total expenditures | 55,359,304 | 56,018,289 | 51,626,765 | 4,391,524 |
| REVENUES OVER (UNDER) EXPENDITURES | (11,176,282) | (10,995,267) | (5,472,565) | 5,522,702 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | 12,000 | 12,000 | 161,085 | 149,085 |
| Issuance of long-term liabilities | 398,163 | 398,163 | 320,004 | (78,159) |
| Transfers in | 1,675,016 | 1,675,016 | 1,408,626 | (266,390) |
| Transfers out | (914,588) | (1,095,603) | (1,094,232) | 1,371 |
| Total other financing sources (uses) | 1,170,591 | 989,576 | 795,483 | (194,093) |
| Net change in fund balances | (10,005,691) | (10,005,691) | (4,677,082) | 5,328,609 |
| FUND BALANCES: | | | | |
| Beginning of year | 34,228,055 | 34,228,055 | 34,228,055 | - |
| End of year | \$ 24,222,364 | \$ 24,222,364 | \$ 29,550,973 | \$ 5,328,609 |

Cosumnes Community Services District
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Non-GAAP Budgetary Basis
June 30, 2013
For the year ended June 30, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|--------------------|--------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 14,176,229 | \$ 14,164,616 | 14,213,219 | \$ 48,603 |
| Donations and contributions | - | - | 15,060 | 15,060 |
| Use of money and property | 303,075 | 303,075 | 359,480 | 56,405 |
| Miscellaneous | 50,500 | 50,500 | 67,671 | 17,171 |
| Total revenues | 14,529,804 | 14,518,191 | 14,655,430 | 137,239 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | 9,959,454 | 9,978,731 | 9,624,008 | 354,723 |
| Capital outlay | 45,300 | 60,400 | 44,579 | 15,821 |
| Debt service | | | | - |
| Principal | 784,309 | 789,319 | 822,796 | (33,477) |
| Interest | 99,680 | 99,680 | 65,448 | 34,232 |
| Total expenditures | 10,888,743 | 10,928,130 | 10,556,831 | 371,299 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,641,061 | 3,590,061 | 4,098,599 | 508,538 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | 1,501 | (1,501) |
| Issuance of long-term liabilities | - | - | 5,982 | (5,982) |
| Transfers in | 2,444,279 | 2,357,929 | 2,340,099 | 17,830 |
| Transfers out | (3,812,415) | (3,876,099) | (3,169,435) | (706,664) |
| Total other financing sources (uses) | (1,368,136) | (1,518,170) | (821,853) | 696,317 |
| Net change in fund balances | 2,272,925 | 2,071,891 | 3,276,746 | 1,204,855 |
| FUND BALANCES: | | | | |
| Beginning of year | 19,080,312 | 19,080,312 | 19,245,297 | 164,985 |
| End of year | \$ 21,353,237 | \$ 21,152,203 | \$ 22,522,043 | \$ 1,369,840 |

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

Cosumnes Community Services District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

| | Debt Service Fund | Foundation Special Revenue Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-------------------------|--|-----------------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ - | \$ 256,998 | \$ - | \$ 256,998 |
| Restricted cash and investments | - | - | 72,030 | 72,030 |
| Due from other Funds | - | - | 191,454 | 191,454 |
| Total assets | \$ - | \$ 256,998 | \$ 263,484 | \$ 520,482 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 9,925 | \$ 7,765 | \$ 17,690 |
| Due to other funds | - | - | 23,869 | 23,869 |
| Advances from other Funds | - | 22,374 | - | 22,374 |
| Total Liabilities | \$ - | \$ 32,299 | \$ 31,634 | \$ 63,933 |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Capital projects | - | - | 231,850 | 231,850 |
| Foundation activities of the fund | - | 224,699 | - | 224,699 |
| Total fund balances | - | 224,699 | 231,850 | 456,549 |
| Total liabilities and fund balances | \$ - | \$ 256,998 | \$ 263,484 | \$ 520,482 |

Cosumnes Community Services District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
June 30, 2013

| | Debt Service Fund | Foundation Special Revenue Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|-------------------------|--|-----------------------------|--|
| REVENUES | | | | |
| Donations and contributions | \$ - | \$ 8,938 | \$ - | \$ 8,938 |
| Use of money and property | - | - | 29 | 29 |
| Total revenues | - | 8,938 | 29 | 8,967 |
| EXPENDITURES | | | | |
| General government | - | 1,902 | - | 1,902 |
| Capital outlay | - | 300 | 31,635 | 31,935 |
| Services and supplies: | | | | |
| Membership | - | 185 | - | 185 |
| Office Supplies | - | 1,927 | - | 1,927 |
| Printing | - | 331 | - | 331 |
| Food Supplies | - | 182 | - | 182 |
| Professional Services | - | 4,587 | 1,000 | 5,587 |
| Recreation Supplies | - | 2,805 | - | 2,805 |
| Total Services and supplies | - | 12,219 | 32,635 | 44,854 |
| Debt service: | | | | |
| Principal | 441,956 | - | - | 441,956 |
| Interest | 77,063 | - | - | 77,063 |
| Total debt service | 519,019 | - | - | 519,019 |
| Total expenditures | 519,019 | 12,219 | 32,635 | 563,873 |
| REVENUES OVER (UNDER) EXPENDITURES | (519,019) | (3,281) | (32,606) | (554,906) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 519,019 | 5,957 | - | 524,976 |
| Transfers out | - | (10,035) | - | (10,035) |
| Total other financing sources (uses) | 519,019 | (4,078) | - | 514,941 |
| Net change in fund balances | - | (7,359) | (32,606) | (39,965) |
| FUND BALANCES: | | | | |
| Beginning of year | - | 232,058 | 264,456 | 496,514 |
| End of year | \$ - | \$ 224,699 | \$ 231,850 | \$ 456,549 |

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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, 2013

| | General Operations |
|---|-----------------------|
| Taxes: | |
| Current secured | \$ 29,112,981 |
| Current unsecured | 128,082 |
| Supplemental property taxes | 10,088 |
| Prior unsecured | 35,543 |
| RDA Residual Distribution | 169,602 |
| Total taxes | 29,456,296 |
| Charges for current services: | |
| Recreation services charges | 5,460,499 |
| Ambulance service fees | 5,428,004 |
| Service fees/charges - other | 567,854 |
| Total charges for current services | 11,456,357 |
| Developer fees and contributions | 1,747,613 |
| Total developer fees and contributions | 1,747,613 |
| Intergovernmental: | |
| Homeowner's property tax relief | 430,535 |
| Sacramento County aid - Parks | 251,826 |
| State aid - other miscellaneous programs | 888,220 |
| Federal aid - Public Safety | 14,545 |
| RDA passthrough | 340,758 |
| Total intergovernmental | 1,925,884 |
| Donations and contributions | 85,776 |
| Total donations and contributions | 85,776 |
| Use of money and property: | |
| Interest income | 200,431 |
| Building rental/lease | 944,549 |
| Total use of money and property | 1,144,980 |
| Miscellaneous: | |
| Other revenue | 337,294 |
| Total other revenue | 337,294 |
| Total revenues | \$ 46,154,200 |

Cosumnes Community Services District
Schedule of Expenditures
General Fund
June 30, 2013

| | Departments | | | Total |
|---|----------------------|-------------------------------|-------------------------------------|----------------------|
| | Public Protection | Park (Recreation and Culture) | Administration (General Government) | |
| Current expenditures: | | | | |
| Salaries and employee benefits: | | | | |
| Salaries and wages | \$ 20,886,591 | \$ 4,649,680 | \$ 1,512,609 | \$ 27,048,880 |
| Retirement - employer costs | 5,833,438 | 452,200 | 180,838 | 6,466,476 |
| Group insurance - employer costs | 3,540,996 | 826,646 | 436,180 | 4,803,822 |
| Workers' compensation insurance | 943,178 | 52,197 | 25,800 | 1,021,175 |
| Other | 286,426 | 135,209 | 26,043 | 447,678 |
| Total salaries and employee benefits | 31,490,629 | 6,115,932 | 2,181,470 | 39,788,031 |
| Services and supplies: | | | | |
| Automobile services and supplies | 167,186 | 13,763 | 10,799 | 191,748 |
| Buildings and grounds maintenance | 121,996 | 150,026 | 15,086 | 287,108 |
| Business conferences | 1,040 | 3,250 | 3,554 | 7,844 |
| Chemical supplies | - | 77,546 | - | 77,546 |
| Clothing/personal supplies | 105,537 | 18,030 | 1,442 | 125,009 |
| Communication system service | 559,932 | - | - | 559,932 |
| Education and training | 28,088 | 19,104 | 4,651 | 51,843 |
| Employee transportation | 1,100 | 29 | 8 | 1,137 |
| Fire equipment and maintenance | 101,046 | 342 | - | 101,388 |
| Equipment rents and leases | 35,926 | 79,234 | 824 | 115,984 |
| Food supplies | 4,437 | 113,164 | 366 | 117,967 |
| Fuel and lubricants | 290,573 | 18,530 | 24,228 | 333,331 |
| Insurance - liability | 172,856 | 66,389 | 23,387 | 262,632 |
| Medical services and supplies | 193,611 | 6,661 | 90 | 200,362 |
| Memberships | 1,070 | 8,405 | 7,865 | 17,340 |
| Miscellaneous | 319,949 | 37,228 | - | 357,177 |
| Office supplies | 15,064 | 19,229 | 5,601 | 39,894 |
| Professional services | 394,540 | 1,077,097 | 611,625 | 2,083,262 |
| Radio/electric service and supply | 12,036 | 111,223 | 169,407 | 292,666 |
| Recreational supplies | - | 334,428 | - | 334,428 |
| Taxes and assessments | 116 | - | 12,735 | 12,851 |
| Telephone | 159,927 | 82,459 | 12,013 | 254,399 |
| Utilities | 195,577 | 592,319 | 22,707 | 810,603 |
| Total services and supplies | 2,881,607 | 2,828,456 | 926,388 | 6,636,451 |
| Total current expenditures | 34,372,236 | 8,944,388 | 3,107,858 | 46,424,482 |
| Capital outlay: | | | | |
| Land | - | - | - | - |
| Structures and improvements | 102,196 | 1,845,984 | - | 1,948,180 |
| Equipment | 415,115 | 21,575 | 1,469 | 438,159 |
| Total capital outlay | 517,311 | 1,867,559 | 1,469 | 2,386,339 |
| Debt service: | | | | |
| Principal | 1,346,456 | 22,572 | 388,091 | 1,757,119 |
| Interest | 650,063 | 10,374 | 398,388 | 1,058,825 |
| Total debt service | 1,996,519 | 32,946 | 786,479 | 2,815,944 |
| Total expenditures | \$ 36,886,066 | \$ 10,844,893 | \$ 3,895,806 | \$ 51,626,765 |

Cosumnes Community Services District
Schedule of Expenditures and Other Financing Sources and Uses Compared to Budget -
General Fund
June 30, 2013

| | Public Protection | | | Park Department | | |
|--|----------------------|----------------------|------------------------------|----------------------|----------------------|------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| PUBLIC PROTECTION: | | | | | | |
| Salaries and benefits | \$ 31,490,038 | \$ 31,490,629 | \$ (591) | \$ - | \$ - | \$ - |
| Service and supplies | 3,481,671 | 2,881,607 | 600,064 | - | - | - |
| Total public protection | 34,971,709 | 34,372,236 | 599,473 | - | - | - |
| RECREATION AND CULTURE: | | | | | | |
| Salaries and benefits | - | - | - | 6,187,922 | 6,115,932 | 71,990 |
| Costs of sales and services | - | - | - | 2,956,754 | 2,828,456 | 128,298 |
| Total recreation and culture | - | - | - | 9,144,676 | 8,944,388 | 200,288 |
| GENERAL GOVERNMENT: | | | | | | |
| Salaries and benefits | - | - | - | - | - | - |
| Services and supplies | - | - | - | - | - | - |
| Total general government | - | - | - | - | - | - |
| CAPITAL OUTLAY: | | | | | | |
| Land | - | - | - | - | - | - |
| Equipment | 463,192 | 415,115 | 48,077 | 21,583 | 21,575 | 8 |
| Structures and improvements | 519,000 | 102,196 | 416,804 | 4,223,709 | 1,845,984 | 2,377,725 |
| Total capital outlay | 982,192 | 517,311 | 464,881 | 4,245,292 | 1,867,559 | 2,377,733 |
| LEASES/DEBT PAYMENTS: | | | | | | |
| Debt service | 2,044,054 | 1,996,519 | 47,535 | 33,231 | 32,946 | 285 |
| OTHER FINANCING (SOURCES) AND USES: | | | | | | |
| Proceeds from sale of capital assets | (12,000) | (151,007) | 139,007 | - | - | - |
| Issuance of long-term liabilities | (398,163) | (320,004) | (78,159) | - | - | - |
| Transfers in | (29,804) | (59,155) | 29,351 | (1,435,398) | (1,139,656) | (295,742) |
| Transfers out | 284,171 | 284,017 | 154 | 794,329 | 793,112 | 1,217 |
| Total other Financing uses | (155,796) | (246,149) | 90,353 | (662,069) | (346,544) | (315,525) |
| CONTINGENCIES | | | | | | |
| | - | - | - | - | - | - |
| Total general fund | \$ 37,842,159 | \$ 36,639,917 | \$ 1,202,242 | \$ 12,761,130 | \$ 10,498,349 | \$ 2,262,781 |

| Administrative Services | | | Total | | |
|-------------------------|--------------|------------------------------|---------------|---------------|------------------------------|
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ 31,490,038 | \$ 31,490,629 | \$ (591) |
| - | - | - | 3,481,671 | 2,881,607 | 600,064 |
| - | - | - | 34,971,709 | 34,372,236 | 599,473 |
| - | - | - | 6,187,922 | 6,115,932 | 71,990 |
| - | - | - | 2,956,754 | 2,828,456 | 128,298 |
| - | - | - | 9,144,676 | 8,944,388 | 200,288 |
| - | - | - | - | - | - |
| 2,237,916 | 2,181,470 | 56,446 | 2,237,916 | 2,181,470 | 56,446 |
| 1,052,680 | 926,388 | 126,292 | 1,052,680 | 926,388 | 126,292 |
| 3,290,596 | 3,107,858 | 182,738 | 3,290,596 | 3,107,858 | 182,738 |
| - | - | - | - | - | - |
| 2,100 | 1,469 | 631 | 486,875 | 438,159 | 48,716 |
| - | - | - | 4,742,709 | 1,948,180 | 2,794,529 |
| 2,100 | 1,469 | 631 | 5,229,584 | 2,386,339 | 2,843,245 |
| - | - | - | - | - | - |
| 804,439 | 786,479 | 17,960 | 2,881,724 | 2,815,944 | 65,780 |
| - | (10,078) | 10,078 | (12,000) | (161,085) | 149,085 |
| - | - | - | (398,163) | (320,004) | (78,159) |
| (209,814) | (209,815) | 1 | (1,675,016) | (1,408,626) | (266,390) |
| 17,103 | 17,103 | - | 1,095,603 | 1,094,232 | 1,371 |
| (192,711) | (202,790) | 10,079 | (989,576) | (795,483) | (194,093) |
| 500,000 | - | 500,000 | 500,000 | - | 500,000 |
| \$ 4,404,424 | \$ 3,693,016 | \$ 711,408 | \$ 55,028,713 | \$ 50,831,282 | \$ 4,197,431 |

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LANDSCAPE AND LIGHTING SPECIAL REVENUE FUND

June 30, 2013

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

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

Cosumnes Community Services District
Balance Sheet Schedules by Benefit Zone
Landscaping and Lighting Special Revenue Fund
June 30, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | | | |
|--|---|-------------------|--------------------------------|-------------------|-------------------|----------------------|
| | Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 |
| | Laguna | Camden | Elk Grove/ West Vineyard | West Laguna | Lakeside | Central Elk Grove |
| ASSETS | | | | | | |
| Cash and investments | \$ 3,683,916 | \$ 183,028 | \$ 555,735 | \$ 829,096 | \$ 813,086 | \$ 127,773 |
| Receivables: | | | | | | |
| Accounts | 660 | - | - | - | - | 946 |
| Interest | 2,784 | 128 | 480 | 628 | 589 | 222 |
| Intergovernmental | 52,839 | 2,268 | 11,847 | 11,890 | 8,701 | 8,461 |
| Total assets | \$ 3,740,199 | \$ 185,424 | \$ 568,062 | \$ 841,614 | \$ 822,376 | \$ 137,402 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued expenditures | \$ 51,845 | \$ 4,419 | \$ 8,469 | \$ 4,244 | \$ 16,417 | \$ 8,326 |
| Unearned and unavailable revenue | 6,843 | - | 2,143 | - | - | - |
| Total liabilities | 58,688 | 4,419 | 10,612 | 4,244 | 16,417 | 8,326 |
| Fund Balances: | | | | | | |
| Restricted for: | | | | | | |
| Specific purpose of the fund | 3,681,511 | 181,005 | 557,450 | 837,370 | 805,959 | 129,076 |
| Total fund balances | 3,681,511 | 181,005 | 557,450 | 837,370 | 805,959 | 129,076 |
| Total liabilities and fund balances | \$ 3,740,199 | \$ 185,424 | \$ 568,062 | \$ 841,614 | \$ 822,376 | \$ 137,402 |

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 |
|--------------------------------|-------------------------------------|----------------------|------------------------------|--------------------------------|-----------------------------|---------------------------|---------------------------|
| \$ 805,704 | \$ 149,683 | \$ 104,986 | \$ 3,400,651 | \$ 722,665 | \$ 10,030,991 | \$ 174,379 | \$ 41,447 |
| - | - | - | - | - | - | - | - |
| 714 | 109 | 76 | 2,353 | 498 | 7,283 | 109 | 29 |
| 9,066 | 4,263 | 455 | 23,566 | 6,808 | 46,616 | 1,719 | 12 |
| <u>\$ 815,484</u> | <u>\$ 154,055</u> | <u>\$ 105,517</u> | <u>\$ 3,426,570</u> | <u>\$ 729,971</u> | <u>\$ 10,084,890</u> | <u>\$ 176,207</u> | <u>\$ 41,488</u> |
| \$ 47 | \$ 1,450 | \$ 41 | \$ 28,696 | \$ 1,232 | \$ 59,079 | \$ - | \$ - |
| - | - | - | - | 589 | 2,000 | - | - |
| <u>47</u> | <u>1,450</u> | <u>41</u> | <u>28,696</u> | <u>1,821</u> | <u>61,079</u> | <u>-</u> | <u>-</u> |
| 815,437 | 152,605 | 105,476 | 3,397,874 | 728,150 | 10,023,811 | 176,207 | 41,488 |
| 815,437 | 152,605 | 105,476 | 3,397,874 | 728,150 | 10,023,811 | 176,207 | 41,488 |
| <u>\$ 815,484</u> | <u>\$ 154,055</u> | <u>\$ 105,517</u> | <u>\$ 3,426,570</u> | <u>\$ 729,971</u> | <u>\$ 10,084,890</u> | <u>\$ 176,207</u> | <u>\$ 41,488</u> |

(Continued)

Cosumnes Community Services District
Balance Sheet Schedules by Benefit Zone
Landscaping and Lighting Special Revenue Fund
June 30, 2013

Landscape and Lighting Assessment District - Zones of Benefit

| | Zone 16 Fallbrook Park Lane | Zone 17 City Landscape | District Wide | Total |
|--|-----------------------------------|------------------------------|-------------------|----------------------|
| ASSETS | | | | |
| Cash and investments | \$ 180,802 | \$ 254,725 | \$ 440,722 | \$ 22,499,389 |
| Receivables: | | | | |
| Accounts | - | 82,180 | - | 83,786 |
| Interest | 207 | 229 | - | 16,438 |
| Intergovernmental | 1,379 | - | - | 189,890 |
| Total assets | \$ 182,388 | \$ 337,134 | \$ 440,722 | \$ 22,789,503 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenditures | \$ - | \$ 8,529 | \$ 59,016 | \$ 251,810 |
| Unearned and unavailable revenue | - | - | 4,075 | 15,650 |
| Total liabilities | - | 8,529 | 63,091 | 267,460 |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Specific purpose of the fund | 182,388 | 328,605 | 377,631 | 22,522,043 |
| Total fund balances | 182,388 | 328,605 | 377,631 | 22,522,043 |
| Total liabilities and fund balances | \$ 182,388 | \$ 337,134 | \$ 440,722 | \$ 22,789,503 |

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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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | | | |
|---|---|------------------|--------------------------------|--------------------------|--------------------|--------------------------------|
| | | | Zone 3 | | | |
| | Zone 1 Laguna | Zone 2 Camden | Elk Grove/ West Vineyard | Zone 4 West Laguna | Zone 5 Lakeside | Zone 6 Central Elk Grove |
| REVENUES: | | | | | | |
| Charges for current services | \$ 3,673,496 | \$ 157,688 | \$ 827,651 | \$ 826,595 | \$ 604,934 | \$ 588,201 |
| Donations and contributions | - | - | - | - | - | - |
| Use of money and property | 72,202 | 701 | 26,664 | 3,688 | 3,675 | 966 |
| Miscellaneous | 1,000 | - | 2,500 | - | - | - |
| Total revenues | 3,746,698 | 158,389 | 856,815 | 830,283 | 608,609 | 589,167 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Recreation and culture | 2,083,993 | 136,729 | 552,342 | 516,725 | 366,940 | 149,673 |
| Capital outlay | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | 548,637 | - | - | - | - | - |
| Interest | 43,873 | - | - | - | - | - |
| Total expenditures | 2,676,503 | 136,729 | 552,342 | 516,725 | 366,940 | 149,673 |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | 1,070,195 | 21,660 | 304,473 | 313,558 | 241,669 | 439,494 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - | - | - |
| Transfers in | - | 28,045 | 6,360 | - | - | - |
| Transfers out | (615,795) | (41,085) | (289,576) | (165,453) | (111,528) | (453,495) |
| Total other financing sources (uses) | (615,795) | (13,040) | (283,216) | (165,453) | (111,528) | (453,495) |
| Net change in fund balances | 454,400 | 8,620 | 21,257 | 148,105 | 130,141 | (14,001) |
| FUND BALANCES: | | | | | | |
| Beginning of year | 3,227,111 | 172,385 | 536,193 | 689,265 | 675,818 | 143,077 |
| End of year | \$ 3,681,511 | \$ 181,005 | \$ 557,450 | \$ 837,370 | \$ 805,959 | \$ 129,076 |

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 |
|--------------------------------|-------------------------------------|----------------------|------------------------------|--------------------------------|-----------------------------|---------------------------|---------------------------|
| \$ 630,317 | \$ 296,345 | \$ 31,632 | \$ 1,594,779 | \$ 473,336 | \$ 3,240,830 | \$ 133,326 | \$ 20,159 |
| - | - | - | - | - | 15,060 | - | - |
| 4,439 | 23,227 | 489 | 15,612 | 15,714 | 71,515 | 540 | 169 |
| - | - | - | 500 | - | - | - | - |
| 634,756 | 319,572 | 32,121 | 1,610,891 | 489,050 | 3,327,405 | 133,866 | 20,328 |
| 21,962 | 232,655 | 99 | 727,641 | 275,755 | 1,439,063 | 1,300 | 1,668 |
| - | - | - | - | - | 15,060 | - | - |
| 241,906 | - | - | - | - | - | - | - |
| 19,345 | - | - | - | - | - | - | - |
| 283,213 | 232,655 | 99 | 727,641 | 275,755 | 1,454,123 | 1,300 | 1,668 |
| 351,543 | 86,917 | 32,022 | 883,250 | 213,295 | 1,873,282 | 132,566 | 18,660 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 50,000 | - | - | 33,880 | - | - | - |
| (302,188) | (120,873) | (10,765) | (154,997) | (98,833) | (510,285) | (33,045) | (6,000) |
| (302,188) | (70,873) | (10,765) | (154,997) | (64,953) | (510,285) | (33,045) | (6,000) |
| 49,355 | 16,044 | 21,257 | 728,253 | 148,342 | 1,362,997 | 99,521 | 12,660 |
| 766,082 | 136,561 | 84,219 | 2,669,621 | 579,808 | 8,660,814 | 76,686 | 28,828 |
| \$ 815,437 | \$ 152,605 | \$ 105,476 | \$ 3,397,874 | \$ 728,150 | \$ 10,023,811 | \$ 176,207 | \$ 41,488 |

Cosumnes Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Landscaping and Lighting Special Revenue Fund
June 30, 2013

Landscape and Lighting Assessment District - Zones of Benefit

| | Zone 16 Fallbrook Park Lane | Zone 17 City Landscape | District Wide | Total |
|---|-----------------------------------|------------------------------|--------------------|-------------------|
| REVENUES: | | | | |
| Charges for current services | \$ 122,696 | \$ 979,596 | \$ 11,638 | \$ 14,213,219 |
| Donations and contributions | - | - | - | 15,060 |
| Use of money and property | 679 | 1,429 | 117,771 | 359,480 |
| Miscellaneous | | | 63,671 | 67,671 |
| Total revenues | 123,375 | 981,025 | 193,080 | 14,655,430 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | 1,600 | 933,625 | 2,182,238 | 9,624,008 |
| Capital outlay | 58 | - | 29,461 | 44,579 |
| Debt service: | | | | |
| Principal | - | - | 32,253 | 822,796 |
| Interest | - | - | 2,230 | 65,448 |
| Total expenditures | 1,658 | 933,625 | 2,246,182 | 10,556,831 |
| REVENUES OVER (UNDER) EXPENDITURES | 121,717 | 47,400 | (2,053,102) | 4,098,599 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | 1,501 | 1,501 |
| Issuance of long-term liabilities | - | - | 5,982 | 5,982 |
| Transfers in | - | - | 2,221,814 | 2,340,099 |
| Transfers out | (45,000) | (37,629) | (172,888) | (3,169,435) |
| Total other financing sources (uses) | (45,000) | (37,629) | 2,056,409 | (821,853) |
| Net change in fund balances | 76,717 | 9,771 | 3,307 | 3,276,746 |
| FUND BALANCES: | | | | |
| Beginning of year | 105,671 | 318,834 | 374,324 | 19,245,297 |
| End of year | \$ 182,388 | \$ 328,605 | \$ 377,631 | \$ 22,522,043 |

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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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | |
|---|---|---------------------|---------------------|------------------------------------|
| | Zone 1 - Laguna | | | |
| | Original | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 3,652,484 | \$ 3,652,484 | \$ 3,673,496 | \$ 21,012 |
| Donations and contributions | - | - | - | - |
| Use of money and property | 61,400 | 61,400 | 72,202 | 10,802 |
| Miscellaneous | - | - | 1,000 | 1,000 |
| Total revenues | \$ 3,713,884 | \$ 3,713,884 | \$ 3,746,698 | \$ 32,814 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | | | | |
| Salaries and benefits | \$ 311,993 | \$ 311,993 | \$ 295,728 | \$ 16,265 |
| Services and supplies | 1,735,532 | 1,789,022 | 1,788,265 | 757 |
| Capital outlay | | | | |
| Equipment | - | - | - | - |
| Debt service: | | | | |
| Principal | 525,422 | 525,432 | 548,637 | (23,205) |
| Interest | 67,088 | 67,088 | 43,873 | 23,215 |
| Total expenditures | 2,640,035 | 2,693,535 | 2,676,503 | 17,032 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 1,073,849 | 1,020,349 | 1,070,195 | 49,846 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (1,232,160) | (1,178,660) | (615,795) | 562,865 |
| Total other financing sources (uses) | (1,232,160) | (1,178,660) | (615,795) | 562,865 |
| Net change in fund balances | (158,311) | (158,311) | 454,400 | 612,711 |
| FUND BALANCES: | | | | |
| Beginning of year | 3,227,111 | 3,227,111 | 3,227,111 | - |
| End of year | \$ 3,068,800 | \$ 3,068,800 | \$ 3,681,511 | \$ 612,711 |

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) |
| \$ 156,786 | \$ 156,786 | \$ 157,688 | \$ 902 | \$ 818,892 | \$ 818,892 | \$ 827,651 | \$ 8,759 |
| - | - | - | - | - | - | - | - |
| 300 | 300 | 701 | 401 | 27,200 | 27,200 | 26,664 | (536) |
| - | - | - | - | - | - | 2,500 | 2,500 |
| <u>\$ 157,086</u> | <u>\$ 157,086</u> | <u>\$ 158,389</u> | <u>\$ 1,303</u> | <u>\$ 846,092</u> | <u>\$ 846,092</u> | <u>\$ 856,815</u> | <u>\$ 10,723</u> |
| | | | | | | | |
| \$ 24,874 | \$ 25,374 | \$ 25,259 | \$ 115 | \$ 64,610 | \$ 66,610 | \$ 66,219 | \$ 391 |
| 138,972 | 138,472 | 111,470 | 27,002 | 503,856 | 492,931 | 486,123 | 6,808 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>163,846</u> | <u>163,846</u> | <u>136,729</u> | <u>27,117</u> | <u>568,466</u> | <u>559,541</u> | <u>552,342</u> | <u>7,199</u> |
| | | | | | | | |
| <u>(6,760)</u> | <u>(6,760)</u> | <u>21,660</u> | <u>28,420</u> | <u>277,626</u> | <u>286,551</u> | <u>304,473</u> | <u>17,922</u> |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 70,000 | 70,000 | 28,045 | (41,955) | 6,000 | 6,000 | 6,360 | 360 |
| <u>(49,471)</u> | <u>(49,471)</u> | <u>(41,085)</u> | <u>8,386</u> | <u>(315,289)</u> | <u>(315,289)</u> | <u>(289,576)</u> | <u>25,713</u> |
| | | | | | | | |
| <u>20,529</u> | <u>20,529</u> | <u>(13,040)</u> | <u>(33,569)</u> | <u>(309,289)</u> | <u>(309,289)</u> | <u>(283,216)</u> | <u>26,073</u> |
| | | | | | | | |
| 13,769 | 13,769 | 8,620 | (5,149) | (31,663) | (22,738) | 21,257 | 43,995 |
| | | | | | | | |
| <u>172,385</u> | <u>172,385</u> | <u>172,385</u> | <u>-</u> | <u>536,193</u> | <u>536,193</u> | <u>536,193</u> | <u>-</u> |
| | | | | | | | |
| <u>\$ 186,154</u> | <u>\$ 186,154</u> | <u>\$ 181,005</u> | <u>\$ (5,149)</u> | <u>\$ 504,530</u> | <u>\$ 513,455</u> | <u>\$ 557,450</u> | <u>\$ 43,995</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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | |
|---|---|-------------------|-------------------|------------------------------------|
| | Zone 4 - West Laguna | | | |
| | Original | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 821,867 | \$ 821,867 | \$ 826,595 | \$ 4,728 |
| Donations and contributions | - | - | - | - |
| Use of money and property | 3,000 | 3,000 | 3,688 | 688 |
| Miscellaneous | - | - | - | - |
| Total revenues | \$ 824,867 | \$ 824,867 | \$ 830,283 | \$ 5,416 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | | | | |
| Salaries and benefits | \$ 43,223 | \$ 43,223 | \$ 40,975 | \$ 2,248 |
| Services and supplies | 496,702 | 496,502 | 475,750 | 20,752 |
| Capital outlay | | | | |
| Equipment | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 539,925 | 539,725 | 516,725 | 23,000 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 284,942 | 285,142 | 313,558 | 28,416 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (172,220) | (172,220) | (165,453) | 6,767 |
| Total other financing sources (uses) | (172,220) | (172,220) | (165,453) | 6,767 |
| Net change in fund balances | 112,722 | 112,922 | 148,105 | 35,183 |
| FUND BALANCES: | | | | |
| Beginning of year | 689,265 | 689,265 | 689,265 | - |
| End of year | \$ 801,987 | \$ 802,187 | \$ 837,370 | \$ 35,183 |

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) |
| \$ 601,474 | \$ 601,474 | \$ 604,934 | \$ 3,460 | \$ 584,836 | \$ 573,583 | \$ 588,201 | \$ 14,618 |
| - | - | - | - | - | - | - | - |
| 2,500 | 2,500 | 3,675 | 1,175 | 1,400 | 1,400 | 966 | (434) |
| - | - | - | - | - | - | - | - |
| <u>\$ 603,974</u> | <u>\$ 603,974</u> | <u>\$ 608,609</u> | <u>\$ 4,635</u> | <u>\$ 586,236</u> | <u>\$ 574,983</u> | <u>\$ 589,167</u> | <u>\$ 14,184</u> |
| | | | | | | | |
| \$ 42,544 | \$ 42,544 | \$ 40,343 | \$ 2,201 | \$ 22,569 | \$ 23,269 | \$ 23,167 | \$ 102 |
| 355,306 | 355,306 | 326,597 | 28,709 | 130,858 | 130,858 | 126,506 | 4,352 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>397,850</u> | <u>397,850</u> | <u>366,940</u> | <u>30,910</u> | <u>153,427</u> | <u>154,127</u> | <u>149,673</u> | <u>4,454</u> |
| | | | | | | | |
| <u>206,124</u> | <u>206,124</u> | <u>241,669</u> | <u>35,545</u> | <u>432,809</u> | <u>420,856</u> | <u>439,494</u> | <u>18,638</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>(113,611)</u> | <u>(113,611)</u> | <u>(111,528)</u> | <u>2,083</u> | <u>(503,214)</u> | <u>(502,514)</u> | <u>(453,495)</u> | <u>49,019</u> |
| <u>(113,611)</u> | <u>(113,611)</u> | <u>(111,528)</u> | <u>2,083</u> | <u>(503,214)</u> | <u>(502,514)</u> | <u>(453,495)</u> | <u>49,019</u> |
| 92,513 | 92,513 | 130,141 | 37,628 | (70,405) | (81,658) | (14,001) | 67,657 |
| | | | | | | | |
| <u>675,818</u> | <u>675,818</u> | <u>675,818</u> | <u>-</u> | <u>143,077</u> | <u>143,077</u> | <u>143,077</u> | <u>-</u> |
| <u>\$ 768,331</u> | <u>\$ 768,331</u> | <u>\$ 805,959</u> | <u>\$ 37,628</u> | <u>\$ 72,672</u> | <u>\$ 61,419</u> | <u>\$ 129,076</u> | <u>\$ 67,657</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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | |
|---|---|-------------------|-------------------|------------------------------------|
| | Zone 8 - Other Rural Areas | | | |
| | Original | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 626,712 | \$ 626,712 | \$ 630,317 | \$ 3,605 |
| Donations and contributions | - | - | - | - |
| Use of money and property | 4,375 | 4,375 | 4,439 | 64 |
| Miscellaneous | - | - | - | - |
| Total revenues | \$ 631,087 | \$ 631,087 | \$ 634,756 | \$ 3,669 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | | | | |
| Salaries and benefits | \$ 8,649 | \$ 8,649 | \$ 8,484 | \$ 165 |
| Services and supplies | 12,208 | 13,708 | 13,478 | 230 |
| Capital outlay | | | | |
| Equipment | - | - | - | - |
| Debt service: | | | | |
| Principal | 231,670 | 231,670 | 241,906 | (10,236) |
| Interest | 29,581 | 29,581 | 19,345 | 10,236 |
| Total expenditures | 282,108 | 283,608 | 283,213 | 395 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 348,979 | 347,479 | 351,543 | 4,064 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (289,135) | (302,635) | (302,188) | 447 |
| Total other financing sources (uses) | (289,135) | (302,635) | (302,188) | 447 |
| Net change in fund balances | 59,844 | 44,844 | 49,355 | 4,511 |
| FUND BALANCES: | | | | |
| Beginning of year | 766,082 | 766,082 | 766,082 | - |
| End of year | \$ 825,926 | \$ 810,926 | \$ 815,437 | \$ 4,511 |

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) |
| \$ 294,650 | \$ 294,650 | \$ 296,345 | \$ 1,695 | \$ 31,451 | \$ 31,451 | \$ 31,632 | \$ 181 |
| - | - | - | - | - | - | - | - |
| 350 | 350 | 23,227 | 22,877 | 50 | 50 | 489 | 439 |
| - | - | - | - | - | - | - | - |
| <u>\$ 295,000</u> | <u>\$ 295,000</u> | <u>\$ 319,572</u> | <u>\$ 24,572</u> | <u>\$ 31,501</u> | <u>\$ 31,501</u> | <u>\$ 32,121</u> | <u>\$ 620</u> |
| | | | | | | | |
| \$ 35,443 | \$ 36,193 | \$ 36,071 | \$ 122 | \$ - | \$ - | \$ - | \$ - |
| 211,527 | 210,057 | 196,584 | 13,473 | 2,080 | 2,080 | 99 | 1,981 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>246,970</u> | <u>246,250</u> | <u>232,655</u> | <u>13,595</u> | <u>2,080</u> | <u>2,080</u> | <u>99</u> | <u>1,981</u> |
| | | | | | | | |
| <u>48,030</u> | <u>48,750</u> | <u>86,917</u> | <u>38,167</u> | <u>29,421</u> | <u>29,421</u> | <u>32,022</u> | <u>2,601</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 50,000 | 50,000 | 50,000 | - | - | - | - | - |
| <u>(141,623)</u> | <u>(141,623)</u> | <u>(120,873)</u> | <u>20,750</u> | <u>(11,187)</u> | <u>(11,187)</u> | <u>(10,765)</u> | <u>422</u> |
| <u>(91,623)</u> | <u>(91,623)</u> | <u>(70,873)</u> | <u>20,750</u> | <u>(11,187)</u> | <u>(11,187)</u> | <u>(10,765)</u> | <u>422</u> |
| <u>(43,593)</u> | <u>(42,873)</u> | <u>16,044</u> | <u>58,917</u> | <u>18,234</u> | <u>18,234</u> | <u>21,257</u> | <u>3,023</u> |
| | | | | | | | |
| <u>136,561</u> | <u>136,561</u> | <u>136,561</u> | <u>-</u> | <u>84,219</u> | <u>84,219</u> | <u>84,219</u> | <u>-</u> |
| <u>\$ 92,968</u> | <u>\$ 93,688</u> | <u>\$ 152,605</u> | <u>\$ 58,917</u> | <u>\$ 102,453</u> | <u>\$ 102,453</u> | <u>\$ 105,476</u> | <u>\$ 3,023</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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | |
|---|---|---------------------|---------------------|------------------------------------|
| | Zone 11 - East Elk Grove | | | |
| | Original | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 1,629,009 | \$ 1,629,009 | \$ 1,594,779 | \$ (34,230) |
| Donations and contributions | - | - | - | - |
| Use of money and property | 10,000 | 10,000 | 15,612 | 5,612 |
| Miscellaneous | - | - | 500 | 500 |
| Total revenues | \$ 1,639,009 | \$ 1,639,009 | \$ 1,610,891 | \$ (28,118) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | | | | |
| Salaries and benefits | \$ 91,160 | \$ 83,792 | \$ 83,637 | \$ 155 |
| Services and supplies | 705,047 | 691,547 | 644,004 | 47,543 |
| Capital outlay | | | | |
| Equipment | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 796,207 | 775,339 | 727,641 | 47,698 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 842,802 | 863,670 | 883,250 | 19,580 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (154,343) | (155,143) | (154,997) | 146 |
| Total other financing sources (uses) | (154,343) | (155,143) | (154,997) | 146 |
| Net change in fund balances | 688,459 | 708,527 | 728,253 | 19,726 |
| FUND BALANCES: | | | | |
| Beginning of year | 2,669,621 | 2,669,621 | 2,669,621 | - |
| End of year | \$ 3,358,080 | \$ 3,378,148 | \$ 3,397,874 | \$ 19,726 |

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) |
| \$ 470,629 | \$ 470,269 | \$ 473,336 | \$ 3,067 | \$ 3,222,292 | \$ 3,222,292 | \$ 3,240,830 | \$ 18,538 |
| - | - | - | - | - | - | 15,060 | 15,060 |
| 14,000 | 14,000 | 15,714 | 1,714 | 36,500 | 36,500 | 71,515 | 35,015 |
| - | - | - | - | - | - | - | - |
| <u>\$ 484,629</u> | <u>\$ 484,269</u> | <u>\$ 489,050</u> | <u>\$ 4,781</u> | <u>\$ 3,258,792</u> | <u>\$ 3,258,792</u> | <u>\$ 3,327,405</u> | <u>\$ 68,613</u> |
| | | | | | | | |
| \$ 43,592 | \$ 43,592 | \$ 41,452 | \$ 2,140 | \$ 342,704 | \$ 342,704 | \$ 304,775 | \$ 37,929 |
| 278,306 | 278,306 | 234,303 | 44,003 | 1,142,733 | 1,143,233 | 1,134,288 | 8,945 |
| - | - | - | - | - | 15,100 | 15,060 | 40 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>321,898</u> | <u>321,898</u> | <u>275,755</u> | <u>46,143</u> | <u>1,485,437</u> | <u>1,501,037</u> | <u>1,454,123</u> | <u>46,914</u> |
| | | | | | | | |
| <u>162,731</u> | <u>162,371</u> | <u>213,295</u> | <u>50,924</u> | <u>1,773,355</u> | <u>1,757,755</u> | <u>1,873,282</u> | <u>115,527</u> |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 33,880 | 33,880 | 33,880 | - | - | - | - | - |
| (104,061) | (104,061) | (98,833) | 5,228 | (383,927) | (510,927) | (510,285) | 642 |
| <u>(70,181)</u> | <u>(70,181)</u> | <u>(64,953)</u> | <u>5,228</u> | <u>(383,927)</u> | <u>(510,927)</u> | <u>(510,285)</u> | <u>642</u> |
| | | | | | | | |
| 92,550 | 92,190 | 148,342 | 56,152 | 1,389,428 | 1,246,828 | 1,362,997 | 116,169 |
| | | | | | | | |
| 579,808 | 579,808 | 579,808 | - | 8,660,814 | 8,660,814 | 8,660,814 | - |
| <u>\$ 672,358</u> | <u>\$ 671,998</u> | <u>\$ 728,150</u> | <u>\$ 56,152</u> | <u>\$ 10,050,242</u> | <u>\$ 9,907,642</u> | <u>\$ 10,023,811</u> | <u>\$ 116,169</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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | |
|---|---|-------------------|-------------------|------------------------------------|
| | Zone 14 - Camden Park | | | |
| | Original | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 134,105 | \$ 134,105 | \$ 133,326 | \$ (779) |
| Donations and contributions | - | - | - | - |
| Use of money and property | - | - | 540 | 540 |
| Miscellaneous | - | - | - | - |
| Total revenues | \$ 134,105 | \$ 134,105 | \$ 133,866 | \$ (239) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | | | | |
| Salaries and benefits | \$ - | \$ - | \$ - | \$ - |
| Services and supplies | 1,200 | 1,300 | 1,300 | - |
| Capital outlay | | | | |
| Equipment | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 1,200 | 1,300 | 1,300 | - |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 132,905 | 132,805 | 132,566 | (239) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (75,000) | (74,900) | (33,045) | 41,855 |
| Total other financing sources (uses) | (75,000) | (74,900) | (33,045) | 41,855 |
| Net change in fund balances | 57,905 | 57,905 | 99,521 | 41,616 |
| FUND BALANCES: | | | | |
| Beginning of year | 76,686 | 76,686 | 76,686 | - |
| End of year | \$ 134,591 | \$ 134,591 | \$ 176,207 | \$ 41,616 |

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) |
| \$ 20,176 | \$ 20,176 | \$ 20,159 | \$ (17) | \$ 122,373 | \$ 122,373 | \$ 122,696 | \$ 323 |
| - | - | - | - | - | - | - | - |
| - | - | 169 | 169 | - | - | 679 | 679 |
| - | - | - | - | - | - | - | - |
| <u>\$ 20,176</u> | <u>\$ 20,176</u> | <u>\$ 20,328</u> | <u>\$ 152</u> | <u>\$ 122,373</u> | <u>\$ 122,373</u> | <u>\$ 123,375</u> | <u>\$ 1,002</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 550 | 2,050 | 1,668 | 382 | 1,500 | 1,700 | 1,600 | 100 |
| - | - | - | - | - | - | 58 | (58) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>550</u> | <u>2,050</u> | <u>1,668</u> | <u>382</u> | <u>1,500</u> | <u>1,700</u> | <u>1,658</u> | <u>42</u> |
| <u>19,626</u> | <u>18,126</u> | <u>18,660</u> | <u>534</u> | <u>120,873</u> | <u>120,673</u> | <u>121,717</u> | <u>1,044</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>(6,000)</u> | <u>(6,000)</u> | <u>(6,000)</u> | <u>-</u> | <u>(45,000)</u> | <u>(45,000)</u> | <u>(45,000)</u> | <u>-</u> |
| <u>(6,000)</u> | <u>(6,000)</u> | <u>(6,000)</u> | <u>-</u> | <u>(45,000)</u> | <u>(45,000)</u> | <u>(45,000)</u> | <u>-</u> |
| <u>13,626</u> | <u>12,126</u> | <u>12,660</u> | <u>534</u> | <u>75,873</u> | <u>75,673</u> | <u>76,717</u> | <u>1,044</u> |
| <u>28,828</u> | <u>28,828</u> | <u>28,828</u> | <u>-</u> | <u>105,671</u> | <u>105,671</u> | <u>105,671</u> | <u>-</u> |
| <u>\$ 42,454</u> | <u>\$ 40,954</u> | <u>\$ 41,488</u> | <u>\$ 534</u> | <u>\$ 181,544</u> | <u>\$ 181,344</u> | <u>\$ 182,388</u> | <u>\$ 1,044</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, 2013

| | Landscape and Lighting Assessment District - Zones of Benefit | | | |
|---|---|-------------------|-------------------|------------------------------------|
| | Zone 17 - City Landscape | | | |
| | Original | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | |
| Charges for current services | \$ 988,493 | \$ 988,493 | \$ 979,596 | \$ (8,897) |
| Donations and contributions | - | - | - | - |
| Use of money and property | - | - | 1,429 | 1,429 |
| Miscellaneous | - | - | - | - |
| Total revenues | \$ 988,493 | \$ 988,493 | \$ 981,025 | \$ (7,468) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and culture | | | | |
| Salaries and benefits | \$ 104,822 | \$ 104,822 | \$ 102,045 | \$ 2,777 |
| Services and supplies | 848,084 | 845,084 | 831,580 | 13,504 |
| Capital outlay | | | | |
| Equipment | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | 952,906 | 949,906 | 933,625 | 16,281 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 35,587 | 38,587 | 47,400 | 8,813 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of capital assets | - | - | - | - |
| Issuance of long-term liabilities | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (34,843) | (37,843) | (37,629) | 214 |
| Total other financing sources (uses) | (34,843) | (37,843) | (37,629) | 214 |
| Net change in fund balances | 744 | 744 | 9,771 | 9,027 |
| FUND BALANCES: | | | | |
| Beginning of year | 318,834 | 318,834 | 318,834 | - |
| End of year | \$ 319,578 | \$ 319,578 | \$ 328,605 | \$ 9,027 |

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) |
| \$ - | \$ - | \$ 11,638 | \$ 11,638 | \$ 14,176,229 | \$ 14,164,616 | \$ 14,213,219 | \$ 48,603 |
| - | - | - | - | - | - | 15,060 | 15,060 |
| 142,000 | 142,000 | 117,771 | (24,229) | 303,075 | 303,075 | 359,480 | 56,405 |
| 50,500 | 50,500 | 63,671 | 13,171 | 50,500 | 50,500 | 67,671 | 17,171 |
| <u>\$ 192,500</u> | <u>\$ 192,500</u> | <u>\$ 193,080</u> | <u>\$ 580</u> | <u>\$ 14,529,804</u> | <u>\$ 14,518,191</u> | <u>\$ 14,655,430</u> | <u>\$ 137,239</u> |
| | | | | | | | |
| \$ 912,420 | \$ 912,420 | \$ 859,108 | \$ 53,312 | \$ 2,048,603 | \$ 2,045,185 | \$ 1,927,263 | \$ 117,922 |
| 1,346,390 | 1,341,390 | 1,323,130 | 18,260 | 7,910,851 | 7,933,546 | 7,696,745 | 236,801 |
| | | | | | | - | |
| 45,300 | 45,300 | 29,461 | 15,839 | 45,300 | 60,400 | 44,579 | 15,821 |
| | | | | | | - | |
| 27,217 | 32,217 | 32,253 | (36) | 784,309 | 789,319 | 822,796 | (33,477) |
| 3,011 | 3,011 | 2,230 | 781 | 99,680 | 99,680 | 65,448 | 34,232 |
| <u>2,334,338</u> | <u>2,334,338</u> | <u>2,246,182</u> | <u>88,156</u> | <u>10,888,743</u> | <u>10,928,130</u> | <u>10,556,831</u> | <u>371,299</u> |
| | | | | | | | |
| (2,141,838) | (2,141,838) | (2,053,102) | 88,736 | 3,641,061 | 3,590,061 | 4,098,599 | 508,538 |
| | | | | | | | |
| - | - | 1,501 | 1,501 | - | - | 1,501 | 1,501 |
| - | - | 5,982 | 5,982 | - | - | 5,982 | 5,982 |
| 2,284,399 | 2,198,049 | 2,221,814 | 23,765 | 2,444,279 | 2,357,929 | 2,340,099 | (17,830) |
| (181,331) | (155,015) | (172,888) | (17,873) | (3,812,415) | (3,876,099) | (3,169,435) | 706,664 |
| <u>2,103,068</u> | <u>2,043,034</u> | <u>2,056,409</u> | <u>13,375</u> | <u>(1,368,136)</u> | <u>(1,518,170)</u> | <u>(821,853)</u> | <u>696,317</u> |
| | | | | | | | |
| (38,770) | (98,804) | 3,307 | 102,111 | 2,272,925 | 2,071,891 | 3,276,746 | 1,204,855 |
| | | | | | | | |
| 374,324 | 374,324 | 374,324 | - | 19,245,297 | 19,245,297 | 19,245,297 | - |
| <u>\$ 335,554</u> | <u>\$ 275,520</u> | <u>\$ 377,631</u> | <u>\$ 102,111</u> | <u>\$ 21,518,222</u> | <u>\$ 21,317,188</u> | <u>\$ 22,522,043</u> | <u>\$ 1,204,855</u> |

(Concluded)

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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, 2013

| | 2013 | 2012 |
|---|-----------------------|-----------------------|
| CAPITAL ASSETS: | | |
| Land | \$ 85,442,799 | \$ 85,427,738 |
| Land improvements | 63,584,248 | 61,035,213 |
| Construction in progress | 1,765,595 | 20,071,879 |
| Structures and improvements | 76,251,380 | 73,584,288 |
| Equipment | 23,915,184 | 23,641,284 |
| Total capital assets | \$ 250,959,206 | \$ 263,760,402 |
| INVESTMENT IN CAPITAL ASSETS BY SOURCE: | | |
| Land, structures and improvements contributed as in-lieu fees | \$ 72,566,340 | \$ 72,551,280 |
| Current operations | 108,834,460 | 121,976,700 |
| Long-term debt proceeds | 69,558,406 | 69,232,422 |
| Investment in capital assets by source | \$ 250,959,206 | \$ 263,760,402 |

Cosumnes Community Services District
Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets by Function and Activity
June 30, 2013

| Function and Activity | Land | Land Improvement | Construction in Progress | Structures and Improvements | Equipment | Total |
|-------------------------------------|---------------|---------------------|-----------------------------|--------------------------------|---------------|----------------|
| PUBLIC PROTECTION: | | | | | | |
| Fire | 4,520,289 | \$ - | \$ 337,511 | \$ 24,051,458 | \$ 20,486,597 | \$ 49,395,855 |
| RECREATION AND CULTURE: | | | | | | |
| Recreation | 5,765,990 | - | - | 3,262,025 | 1,845,589 | 10,873,604 |
| Parks | 74,814,770 | 63,584,248 | 1,428,084 | 47,714,210 | 911,168 | 188,452,480 |
| Total recreation and culture | 80,580,760 | 63,584,248 | 1,428,084 | 50,976,235 | 2,756,757 | 199,326,084 |
| GENERAL GOVERNMENT: | | | | | | |
| Administration | 341,750 | - | - | 1,223,687 | 671,830 | 2,237,267 |
| Total capital assets | \$ 85,442,799 | \$ 63,584,248 | \$ 1,765,595 | \$ 76,251,380 | \$ 23,915,184 | \$ 250,959,206 |

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, 2013

| | Balance July 1, 2012 | Additions | Retirements | Balance June 30, 2013 |
|-------------------------------------|-------------------------|---------------------|------------------------|--------------------------|
| PUBLIC PROTECTION: | | | | |
| Fire | \$ 48,979,373 | \$ 566,085 | \$ (149,603) | \$ 49,395,855 |
| RECREATION AND CULTURE: | | | | |
| Recreation | 10,797,930 | 75,673 | - | 10,873,603 |
| Parks | 201,715,787 | 1,819,272 | (15,082,578) | 188,452,481 |
| Total recreation and culture | <u>212,513,717</u> | <u>1,894,945</u> | <u>(15,082,578)</u> | <u>199,326,084</u> |
| GENERAL GOVERNMENT: | | | | |
| Administration | 2,267,312 | 1,469 | (31,514) | 2,237,267 |
| Total capital assets | <u>\$ 263,760,402</u> | <u>\$ 2,462,499</u> | <u>\$ (15,263,695)</u> | <u>\$ 250,959,206</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 | | | |
|--|-----------------------|--------------------|--------------------|--------------------|
| | 2013 | 2012 | 2011 | 2010 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 184,128,882 | 183,173,511 | 179,698,464 | 174,181,494 |
| Restricted | 37,217,297 | 34,461,962 | 35,770,912 | 26,886,848 |
| Unrestricted | -8,241,726 | 1,100,458 | 9,685,628 | 33,867,845 |
| Total governmental activities net position | <u>\$ 213,104,453</u> | <u>218,735,931</u> | <u>225,155,004</u> | <u>234,936,187</u> |
| | | | | |
| Primary government | | | | |
| Net investment in capital assets | \$ 184,128,882 | 183,173,511 | 179,698,464 | 174,181,494 |
| Restricted | 37,217,297 | 34,461,962 | 35,770,912 | 26,886,848 |
| Unrestricted | -8,241,726 | 1,100,458 | 9,685,628 | 33,867,845 |
| Total primary government net position | <u>\$ 213,104,453</u> | <u>218,735,931</u> | <u>225,155,004</u> | <u>234,936,187</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) Information was restated to include the Galt Fire Protection District, which merged with the District during the year ended June 30, 2007.

| <u>2009</u> | <u>2008, as restated (1)</u> | <u>2007, as restated (1)</u> | <u>2006, as restated (1)</u> | <u>2005, as restated (1)</u> | <u>2004, (2)</u> |
|--------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|
| 162,115,206 | 157,157,902 | 147,925,210 | 155,092,494 | 130,750,288 | 103,884,974 |
| 35,194,322 | 31,766,453 | 45,748,555 | 33,018,911 | 30,015,858 | 28,332,143 |
| 43,279,283 | 48,978,356 | 34,537,638 | 26,468,395 | 31,536,824 | 16,576,366 |
| <u>240,588,811</u> | <u>237,902,711</u> | <u>228,211,403</u> | <u>214,579,800</u> | <u>192,302,970</u> | <u>148,793,483</u> |

| | | | | | |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 162,115,206 | 157,157,902 | 147,925,210 | 155,092,494 | 130,750,288 | 103,884,974 |
| 35,194,322 | 31,766,453 | 45,748,555 | 33,018,911 | 30,015,858 | 28,332,143 |
| 43,279,283 | 48,978,356 | 34,537,638 | 26,486,395 | 31,536,824 | 16,576,366 |
| <u>240,588,811</u> | <u>237,902,711</u> | <u>228,211,403</u> | <u>214,597,800</u> | <u>192,302,970</u> | <u>148,793,483</u> |

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

| | Fiscal Year | | | |
|--|-----------------------|---------------------|---------------------|---------------------|
| | 2013 | 2012 | 2011 | 2010 |
| Expenses | | | | |
| Governmental activities: | | | | |
| Public protection | \$ 39,550,114 | 39,708,302 | 39,892,892 | 41,217,023 |
| Recreation and culture | 22,221,093 | 22,920,702 | 23,053,144 | 20,872,734 |
| General Government | 3,684,918 | 3,680,267 | 4,147,243 | 4,336,910 |
| Interest on long-term debt | 1,151,692 | 1,339,252 | 3,190,945 | 1,874,954 |
| Total governmental activities expenses | <u>66,607,817</u> | <u>67,648,523</u> | <u>70,284,224</u> | <u>68,301,621</u> |
| Total primary government expenses | <u>66,607,817</u> | <u>67,648,523</u> | <u>70,284,224</u> | <u>68,301,621</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Public protection | 5,428,004 | 5,612,920 | 3,589,834 | 5,226,512 |
| Recreation and culture | 19,673,718 | 20,049,112 | 6,497,058 | 18,140,280 |
| General Government | 1,974,385 | 1,523,950 | 14,488,849 | 1,173,276 |
| Operating grants and contributions | 109,774 | 191,286 | 258,509 | 119,007 |
| Capital grants and contributions | 3,673,497 | 2,078,404 | 2,891,068 | 3,416,858 |
| Total governmental activities program revenues | <u>30,859,378</u> | <u>29,455,672</u> | <u>27,725,318</u> | <u>28,075,933</u> |
| Total primary government program revenues | <u>30,859,378</u> | <u>29,455,672</u> | <u>27,725,318</u> | <u>28,075,933</u> |
| Net revenues (expenses): | | | | |
| Governmental activities | <u>(35,748,439)</u> | <u>(38,192,851)</u> | <u>(42,558,906)</u> | <u>(40,225,688)</u> |
| Total net revenues (expenses) | <u>(35,748,439)</u> | <u>(38,192,851)</u> | <u>(42,558,906)</u> | <u>(40,225,688)</u> |
| General revenues and other changes in net position | | | | |
| Governmental activities: | | | | |
| Taxes | | | | |
| Property Taxes | 29,456,296 | 31,186,985 | 32,253,420 | 33,603,024 |
| Other taxes | | | | |
| Investment earnings | 559,640 | 407,021 | 361,833 | 633,265 |
| Miscellaneous | 100,725 | 179,772 | 162,470 | 336,775 |
| Total governmental activities | <u>30,116,661</u> | <u>31,773,778</u> | <u>32,777,723</u> | <u>34,573,064</u> |
| Total primary government | <u>30,116,661</u> | <u>31,773,778</u> | <u>32,777,723</u> | <u>34,573,064</u> |
| Changes in net position | | | | |
| Governmental activities | <u>(5,631,778)</u> | <u>(6,419,073)</u> | <u>(9,781,183)</u> | <u>(5,652,624)</u> |
| Total primary government | <u>\$ (5,631,778)</u> | <u>(6,419,073)</u> | <u>(9,781,183)</u> | <u>(5,652,624)</u> |

Source: Cosumnes CSD Administrative Services Department

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| 39,910,342 | 39,356,634 | 32,466,772 | 25,974,872 | 19,819,232 | 14,022,722 |
| 20,417,898 | 17,725,070 | 17,696,578 | 13,297,719 | 11,361,158 | 10,553,701 |
| 4,917,600 | 4,969,610 | 4,128,206 | 4,803,236 | 2,158,212 | 1,717,373 |
| 1,987,109 | 1,537,561 | 1,490,798 | 943,770 | 412,585 | 481,015 |
| <u>67,232,949</u> | <u>63,588,875</u> | <u>55,782,354</u> | <u>45,019,597</u> | <u>33,751,187</u> | <u>26,774,811</u> |
| <u>67,232,949</u> | <u>63,588,875</u> | <u>55,782,354</u> | <u>45,019,597</u> | <u>33,751,187</u> | <u>26,774,811</u> |
| 4,323,291 | 5,675,162 | 5,831,435 | 5,181,281 | 5,019,334 | 4,451,232 |
| 16,522,188 | 14,898,141 | 16,079,235 | 12,235,566 | 10,607,973 | 9,195,737 |
| 1,364,097 | 1,964,317 | 386,549 | 596,505 | 538,289 | 334,943 |
| 180,942 | 929,167 | 137,459 | 171,522 | 67,916 | 188,276 |
| 6,039,124 | 5,568,915 | 4,814,865 | 14,630,306 | 31,162,706 | 29,100,120 |
| <u>28,429,642</u> | <u>29,035,702</u> | <u>27,249,543</u> | <u>32,815,180</u> | <u>47,396,218</u> | <u>43,270,308</u> |
| <u>28,429,642</u> | <u>29,035,702</u> | <u>27,249,543</u> | <u>32,815,180</u> | <u>47,396,218</u> | <u>43,270,308</u> |
| <u>(38,803,307)</u> | <u>(34,553,173)</u> | <u>(28,532,811)</u> | <u>(12,204,417)</u> | <u>13,645,031</u> | <u>16,495,497</u> |
| <u>(38,803,307)</u> | <u>(34,553,173)</u> | <u>(28,532,811)</u> | <u>(12,204,417)</u> | <u>13,645,031</u> | <u>16,495,497</u> |
| 38,695,990 | 39,350,015 | 37,568,715 | 31,692,872 | 25,284,795 | 17,970,799 |
| 0 | 516,427 | 506,330 | 437,604 | 398,655 | 363,557 |
| 2,252,726 | 3,778,975 | 2,717,402 | 1,859,244 | 923,551 | 544,829 |
| 540,691 | 1,054,479 | 1,353,967 | 509,527 | 601,057 | 378,603 |
| <u>41,489,407</u> | <u>44,699,896</u> | <u>42,146,414</u> | <u>34,499,247</u> | <u>27,208,058</u> | <u>19,257,788</u> |
| <u>41,489,407</u> | <u>44,699,896</u> | <u>42,146,414</u> | <u>34,499,247</u> | <u>27,208,058</u> | <u>19,257,788</u> |
| 2,686,100 | 10,146,723 | 13,613,603 | 22,294,830 | 40,853,089 | 35,753,285 |
| <u>2,686,100</u> | <u>10,146,723</u> | <u>13,613,603</u> | <u>22,294,830</u> | <u>40,853,089</u> | <u>35,753,285</u> |

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

| | Fiscal Year | | | |
|------------------------------------|----------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2011 | 2010 |
| General fund: | | | | |
| Nonspendable | \$ 107,338 | 20,770 | 16,207 | 15,048 |
| Restricted | 14,238,705 | 14,720,152 | 17,954,979 | 20,139,539 |
| Assigned | 15,204,930 | 19,487,133 | 23,234,797 | 26,396,387 |
| Total general fund | <u>\$ 29,550,973</u> | <u>34,228,055</u> | <u>41,205,983</u> | <u>46,550,974</u> |
| | | | | |
| All other governmental funds: | | | | |
| Restricted | \$ 22,978,592 | 19,741,810 | 17,815,933 | 6,732,261 |
| Assigned, reported in: | | | | |
| Special revenue fund | 0 | 0 | 0 | 14,270,117 |
| Total all other governmental funds | <u>\$ 22,978,592</u> | <u>19,741,810</u> | <u>17,815,933</u> | <u>21,002,378</u> |

Source: Cosumnes CSD Administrative Services Department

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 23,966,205 | 27,636,829 | 40,876,680 | 28,221,568 | 29,147,743 | 28,124,572 |
| <u>31,788,249</u> | <u>35,380,874</u> | <u>28,915,291</u> | <u>24,146,365</u> | <u>19,750,595</u> | <u>12,859,043</u> |
| <u>55,754,454</u> | <u>63,017,703</u> | <u>69,791,971</u> | <u>52,367,933</u> | <u>48,898,338</u> | <u>40,983,615</u> |
| 11,228,117 | 4,129,624 | 3,945,988 | 3,871,456 | 1,664,799 | 232,607 |
| <u>14,482,116</u> | <u>12,499,960</u> | <u>8,876,199</u> | <u>6,189,330</u> | <u>4,113,129</u> | <u>3,909,317</u> |
| <u>25,710,233</u> | <u>16,629,584</u> | <u>12,822,187</u> | <u>10,060,786</u> | <u>5,777,928</u> | <u>4,141,924</u> |

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

| | Fiscal Year | | | |
|---|-----------------------|--------------------|--------------------|---------------------|
| | 2013 | 2012 | 2011 | 2010 |
| Revenues: | | | | |
| Taxes | \$ 29,456,296 | 31,186,985 | 32,253,420 | 33,603,024 |
| Charges for services | 25,669,576 | 25,833,814 | 25,077,392 | 23,100,046 |
| Developer fees and contributions | 1,747,613 | 1,458,624 | 1,993,759 | 994,588 |
| Intergovernmental | 1,925,884 | 619,780 | 897,309 | 2,422,270 |
| Donations and contributions | 109,774 | 191,286 | 258,509 | 119,007 |
| Use of money and property | 1,504,489 | 1,367,064 | 1,521,106 | 1,544,523 |
| Miscellaneous | 404,965 | 179,772 | 162,470 | 336,775 |
| Total revenues | <u>60,818,597</u> | <u>60,837,325</u> | <u>62,163,965</u> | <u>62,120,233</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 34,372,236 | 33,478,192 | 33,893,997 | 34,953,709 |
| Recreation and culture | 18,571,201 | 19,767,882 | 20,342,559 | 18,059,421 |
| General government | 3,117,972 | 3,224,873 | 3,577,708 | 3,944,833 |
| Capital outlay | 2,462,853 | 4,478,538 | 3,823,032 | 17,356,702 |
| Debt service: | | | | |
| Principal | 3,021,871 | 4,344,153 | 6,865,298 | 3,332,703 |
| Interest | 1,201,336 | 1,367,625 | 3,386,607 | 1,889,017 |
| Total expenditures | <u>62,747,469</u> | <u>66,661,263</u> | <u>71,889,201</u> | <u>79,536,385</u> |
| Excess of revenues over expenditures | <u>(1,928,872)</u> | <u>(5,823,938)</u> | <u>(9,725,236)</u> | <u>(17,416,152)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 162,586 | 156,250 | 299,216 | 273,189 |
| Issuance of long-term liabilities | 325,986 | 122,386 | 388,747 | 3,231,628 |
| Insurance recoveries | | 493,251 | 505,836 | |
| Transfers in | 4,273,702 | 5,544,330 | 5,539,122 | 10,881,176 |
| Transfers out | <u>(4,273,702)</u> | <u>(5,544,330)</u> | <u>(5,539,122)</u> | <u>(10,881,176)</u> |
| Total other financing sources (uses) | <u>488,572</u> | <u>771,887</u> | <u>1,193,799</u> | <u>3,504,817</u> |
| Net change in fund balances | <u>\$ (1,440,300)</u> | <u>(5,052,051)</u> | <u>(8,531,437)</u> | <u>(13,911,335)</u> |
| Debt service as a percentage of noncapital expenditures | 7.0% | 9.2% | 15.1% | 8.4% |

Source: Cosumnes CSD Administrative Services Department

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| 38,695,990 | 39,866,442 | 37,267,052 | 31,603,088 | 25,191,701 | 17,925,087 |
| 22,896,520 | 22,203,832 | 19,855,774 | 16,467,838 | 15,147,639 | 13,122,080 |
| 3,428,132 | 3,449,473 | 19,893,358 | 4,454,221 | 22,411,494 | 27,331,365 |
| 2,610,992 | 2,119,442 | 1,549,143 | 1,937,895 | 2,639,878 | 2,052,106 |
| 180,942 | 929,167 | 277,558 | 158,969 | 56,480 | 201,183 |
| 3,232,037 | 4,728,139 | 3,603,807 | 2,742,800 | 1,488,649 | 875,618 |
| 540,691 | 1,044,637 | 863,089 | 366,422 | 552,682 | 295,761 |
| <u>71,585,304</u> | <u>74,341,132</u> | <u>83,309,781</u> | <u>57,731,233</u> | <u>67,488,523</u> | <u>61,803,200</u> |
| 35,355,540 | 34,901,437 | 30,013,881 | 24,801,485 | 18,470,254 | 13,042,423 |
| 17,878,449 | 17,710,709 | 16,096,014 | 11,000,985 | 11,110,697 | 9,291,877 |
| 4,645,014 | 4,962,430 | 3,925,493 | 4,862,605 | 2,318,108 | 1,735,037 |
| 15,331,594 | 16,159,800 | 23,988,702 | 32,316,307 | 29,422,973 | 34,018,291 |
| 4,739,988 | 3,212,237 | 2,252,999 | 1,528,303 | 1,114,470 | 1,269,453 |
| 1,852,098 | 1,568,973 | 1,251,448 | 624,987 | 412,585 | 481,015 |
| <u>79,802,683</u> | <u>78,515,586</u> | <u>77,528,537</u> | <u>75,134,672</u> | <u>62,849,087</u> | <u>59,838,096</u> |
| <u>(8,217,379)</u> | <u>(4,174,454)</u> | <u>5,781,244</u> | <u>(17,403,439)</u> | <u>4,639,436</u> | <u>1,965,104</u> |
| 34,779 | 108,755 | 612,556 | 5,951 | | 107,939 |
| 10,000,000 | 1,088,986 | 13,767,937 | 25,085,979 | 3,710,763 | 4,250,555 |
| | 9,842 | 23,702 | 63,962 | | |
| 5,902,928 | 3,790,486 | 4,682,941 | 2,577,213 | 3,680,491 | 9,038,311 |
| <u>(5,902,928)</u> | <u>(3,790,486)</u> | <u>(4,682,941)</u> | <u>(2,577,213)</u> | <u>(3,680,491)</u> | <u>(9,038,311)</u> |
| <u>10,034,779</u> | <u>1,207,583</u> | <u>14,404,195</u> | <u>25,155,892</u> | <u>3,710,763</u> | <u>4,358,494</u> |
| <u>1,817,400</u> | <u>(2,966,871)</u> | <u>20,185,439</u> | <u>7,752,453</u> | <u>8,350,199</u> | <u>6,323,598</u> |
| 10.2% | 7.7% | 6.5% | 5.0% | 4.6% | 6.8% |

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

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| District Rate | 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 |
| County Library | 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 |
| Elk Grove-Cosumnes Cemetery District | 0.00275 | 0.00275 | 0.00275 | 0.00275 | 0.00275 |
| City of Elk Grove | 0.05738 | 0.05738 | 0.05738 | 0.05738 | 0.05738 |
| Los Rios Community College | 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 |
| Other | 0.01213 | 0.01213 | 0.01213 | 0.01213 | 0.01213 |
| Regional Sanitation District Bonds | 0.00700 | 0.00670 | 0.00550 | 0.00550 | 0.00550 |
| Los Rios Community College GO Bonds | <u>0.00150</u> | <u>0.00600</u> | <u>0.00320</u> | <u>0.00320</u> | <u>0.00720</u> |
| Total Direct Rate | 1.00850 | 1.01270 | 1.00870 | 1.00870 | 1.01270 |

Notes:

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

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

Source: HdL Coren & Cone

| <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|----------------|----------------|----------------|----------------|----------------|
| 0.22137 | 0.22137 | 0.22137 | 0.22137 | 0.22137 |
| 0.38606 | 0.38606 | 0.38606 | 0.38606 | 0.38606 |
| 0.02037 | 0.02037 | 0.02037 | 0.02037 | 0.02037 |
| 0.25487 | 0.25487 | 0.25487 | 0.25487 | 0.25487 |
| 0.00275 | 0.00275 | 0.00275 | 0.00275 | 0.00275 |
| 0.05738 | 0.05738 | 0.05738 | 0.05738 | 0.05738 |
| 0.03641 | 0.03641 | 0.03641 | 0.03641 | 0.03641 |
| 0.00866 | 0.00866 | 0.00866 | 0.00866 | 0.00866 |
| 0.01213 | 0.01213 | 0.01213 | 0.01213 | 0.01213 |
| 0.00550 | 0.00550 | 0.00550 | 0.00550 | 0.00550 |
| <u>0.00720</u> | <u>0.00720</u> | <u>0.00720</u> | <u>0.00720</u> | <u>0.00720</u> |
| 1.01270 | 1.01270 | 1.01270 | 1.01270 | 1.01270 |

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

| Taxpayer | 2013 | | 2004 | |
|---------------------------------------|----------------------------------|---|------------------------------|---|
| | Taxable Assessed Value (1) | Percentage of Total District Taxable Assessed Value | Taxable Assessed Value | Percentage of Total District Taxable Assessed Value |
| Apple Computer, Inc | \$ 123,939,953 | 0.81% | | |
| Donahue Schriber Realty Group L P | 109,073,647 | 0.72% | | |
| Pappas Laguna 2 Limited Partnership | 75,884,534 | 0.50% | | |
| DS Hawk Common Square LLC | 54,076,327 | 0.36% | | |
| Jackson II LLC | 48,304,061 | 0.32% | | |
| Oakmont Properties II LP | 41,558,000 | 0.27% | | |
| Elk Grove Properties Company LLC | 38,223,732 | 0.25% | | |
| 9130 Nolan State LLC | 32,208,000 | 0.21% | | |
| JJD HOV Elk Grove LLC | 30,291,816 | 0.20% | | |
| Kaiser Foundation Health Plan | 29,823,285 | 0.20% | | |
| ACI Real Properties | | | 74,118,932 | 0.90% |
| Donahue Schriber Realty Group L P | | | 62,322,625 | 0.76% |
| Pappas Laguna 2 Limited Partnership | | | 44,193,075 | 0.54% |
| Williamette Industries, Inc. | | | 28,364,848 | 0.35% |
| Kohala Investors LLC | | | 26,359,028 | 0.32% |
| Citrus Grove Apartment Associates LLC | | | 23,874,171 | 0.29% |
| Aspen Laguna Apartments | | | 20,560,590 | 0.25% |
| Reynen & Bardis LP | | | 19,559,141 | 0.24% |
| DS Marketplace 99 LLC | | | 18,393,541 | 0.22% |
| Calvine Acquisitions LLC | | | 15,281,731 | 0.18% |
| Total | \$ 583,383,355 | 3.83% | 333,027,682 | 4.05% |

Notes:

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

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

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

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2004 | 16,152,699 | 16,142,388 | 99.94% | 1,782,699 | 17,925,087 | 90.05% |
| 2005 | 19,810,371 | 19,723,962 | 99.56% | 2,681,863 | 25,191,701 | 78.30% |
| 2006 | 25,133,955 | 25,101,309 | 99.87% | 3,132,224 | 31,603,088 | 79.43% |
| 2007 | 30,793,122 | 30,707,966 | 99.72% | 6,559,086 | 37,267,052 | 82.40% |
| 2008 | 38,793,725 | 36,949,440 | 95.25% | 2,917,002 | 39,866,442 | 92.68% |
| 2009 | 37,904,491 | 32,007,117 | 84.44% | 6,688,873 | 38,695,990 | 82.71% |
| 2010 | 33,523,739 | 32,007,036 | 95.48% | 1,595,988 | 33,603,024 | 95.25% |
| 2011 | 32,950,787 | 31,301,110 | 94.99% | 952,310 | 32,253,420 | 97.05% |
| 2012 | 31,299,748 | 31,053,637 | 99.21% | 133,348 | 31,186,985 | 99.57% |
| 2013 | 31,299,748 | 29,456,296 | 94.11% | 476,125 | 29,932,421 | 98.41% |

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> |
|---|-----------------------|-------------------------|--|---|
| 2004 | 8,084,343 | 156,830 | 8,241,173 | 0.22137 |
| 2005 | 9,956,047 | 151,285 | 10,107,332 | 0.22137 |
| 2006 | 12,581,342 | 196,470 | 12,777,812 | 0.22137 |
| 2007 | 15,410,401 | 244,466 | 15,654,867 | 0.22137 |
| 2008 | 19,433,337 | 288,944 | 19,722,281 | 0.22137 |
| 2009 | 18,929,854 | 340,351 | 19,270,205 | 0.22137 |
| 2010 | 16,674,643 | 368,438 | 17,043,081 | 0.22137 |
| 2011 | 16,410,866 | 340,933 | 16,751,799 | 0.22137 |
| 2012 | 15,691,279 | 326,105 | 16,017,384 | 0.22137 |
| 2013 | 14,907,283 | 324,293 | 15,231,576 | 0.22137 |

Notes:

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

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

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

| Fiscal Year Ended June 30 | Governmental Activities | | | Total Governmental Activities | Percentage of Assessed Valuation | Debt Per Capita |
|--|--|--------------|---------------------------|--|---|--------------------------------|
| | Certificates of Participation | Loans | Capital Leases | | | |
| 2004 | 2,255,000 | 2,321,898 | 4,759,325 | 9,336,223 | 0.11% | 71.82 |
| 2005 | 2,160,000 | 2,102,761 | 7,663,373 | 11,926,134 | 0.12% | 91.74 |
| 2006 | 2,060,000 | 1,910,368 | 16,663,442 | 20,633,810 | 0.16% | 151.61 |
| 2007 | 1,960,000 | 1,909,186 | 28,429,561 | 32,298,747 | 0.21% | 191.12 |
| 2008 | 1,850,000 | 1,647,379 | 26,682,640 | 30,180,019 | 0.15% | 178.06 |
| 2009 | 1,735,000 | 1,418,854 | 32,295,308 | 35,449,162 | 0.16% | 203.23 |
| 2010 | 1,615,000 | 4,278,280 | 29,454,966 | 35,348,246 | 0.21% | 199.84 |
| 2011 | 1,341,000 | 3,302,285 | 23,564,327 | 28,207,612 | 0.17% | 154.25 |
| 2012 | 1,191,700 | 2,281,623 | 20,512,651 | 23,985,974 | 0.15% | 130.83 |
| 2013 | 1,022,900 | 1,217,925 | 19,049,265 | 21,290,090 | 0.14% | 116.17 |

Note:

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

Source: Cosumnes CSD Administrative Services Department

**Cosumnes Community Services District
Direct and Overlapping Debt
June 30, 2013**

District Assessed Valuation (in thousands) \$ 15,231,576

| | Estimated Percentage Applicable (1) | Outstanding Debt 6/30/13 | Estimated Share of Overlapping Debt |
|---|--|-------------------------------------|--|
| Overlapping Debt Repaid with Property Taxes and Assessments: | | | |
| Los Rios Community College District | 9.723% | \$ 377,395,000 | 36,694,116 |
| San Joaquin Delta Community College District | 0.010% | 125,821,425 | 12,582 |
| River Delta Joint Unified School District | | | |
| School Facilities Improvement District No. 1 | 0.2940% | 8,419,996 | 24,755 |
| Sacramento Unified School District | 0.2180% | 313,677,966 | 683,818 |
| Grant Joint Union High School District and School District | 0.192% & 0.039% | 36,663,684 | 58,164 |
| Elk Grove Community Facilities District | 100.00% | 159,825,000 | 159,825,000 |
| Elk Grove Unified School District Community Facilities District No. 1 | 55.963% | 185,189,881 | 103,637,813 |
| Sacramento County Community Facilities Districts | 100.00% | 34,964,618 | 34,964,618 |
| California Statewide Community Development Authority 915 Act Bonds | 100.00% | 6,115,198 | 6,115,198 |
| Total overlapping debt repaid with property taxes and assessments | | 1,248,072,768 | 342,016,064 |
| Overlapping Other Debt: | | | |
| Sacramento County General Fund Obligations | 11.895% | \$ 317,356,921 | 37,749,606 |
| Sacramento County Pension Obligations | 11.895% | 959,632,708 | 114,148,311 |
| Sacramento County Board of Education Certificates of Participation | 11.895% | 8,740,000 | 1,039,623 |
| Los Rios Community College District Certificates of Participation | 9.723% | 5,890,000 | 572,685 |
| Sacramento Unified School District Certificates of Participation | 0.2180% | 80,160,000 | 174,749 |
| Sacramento Unified School District Pension Obligations | 0.2180% | 2,255,000 | 4,916 |
| City of Elk Grove General Fund Obligations | 100.00% | 23,620,000 | 23,620,000 |
| Total overlapping other debt | | 1,397,654,629 | 177,309,890 |
| | | | |
| Total overlapping debt | | \$ 2,645,727,397 | 519,325,954 |
| | | | |
| District direct debt | | | 21,290,090 |
| | | | |
| Total direct and overlapping debt | | | \$ 540,616,044 |

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 | | | | | | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Assessed valuation | \$ 8,241,173 | 10,107,332 | 12,777,812 | 15,654,867 | 19,722,281 | 19,270,205 | 17,043,081 | 16,751,799 | 16,017,384 | 15,231,576 |
| 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 | \$ 2,060,293 | 2,526,833 | 3,194,453 | 3,913,717 | 4,930,570 | 4,817,551 | 4,260,770 | 4,187,950 | 4,004,346 | 3,807,894 |
| 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 | 103,015 | 126,342 | 159,723 | 195,686 | 246,529 | 240,878 | 213,039 | 209,397 | 200,217 | 190,395 |
| Total net debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal debt margin | \$ <u>103,015</u> | <u>126,342</u> | <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> |
| 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 | |
| 2004 | - | - | - | - | - | - |
| 2005 | 7,602,974 | 5,407,199 | 2,195,775 | 219,137 | 74,485 | 7.48 |
| 2006 | 8,437,316 | 5,902,160 | 2,535,156 | 192,393 | 98,246 | 8.72 |
| 2007 | 10,197,278 | 6,716,506 | 3,480,772 | 201,182 | 88,963 | 12.00 |
| 2008 | 11,333,259 | 7,277,479 | 4,055,780 | 371,958 | 172,876 | 7.44 |
| 2009 | 12,342,506 | 7,826,819 | 4,515,687 | 343,675 | 162,645 | 8.92 |
| 2010 | 12,837,355 | 8,051,156 | 4,786,199 | 359,719 | 148,140 | 9.42 |
| 2011 | 14,295,157 | 9,862,791 | 4,432,366 | 376,439 | 93,784 | 9.43 |
| 2012 | 13,953,831 | 9,847,285 | 4,106,546 | 785,729 | 99,627 | 4.64 |
| 2013 | 14,213,219 | 9,624,008 | 4,589,211 | 822,796 | 65,448 | 5.17 |

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

Source: Cosumnes CSD Administrative Services Department

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

| Calendar Year | District Population (1) | Per Capita Personal Income (2) | Sacramento County Unemployment Rate (3) |
|----------------------|--------------------------------|---------------------------------------|--|
| 2004 | 118,000 | 32,187 | 5.2% |
| 2005 | 130,000 | 34,805 | 4.5% |
| 2006 | 136,000 | N/A | 4.8% |
| 2007 | 169,000 | N/A | 5.0% |
| 2008 | 169,500 | N/A | 7.0% |
| 2009 | 174,430 | N/A | 11.9% |
| 2010 | 176,885 | N/A | 12.6% |
| 2011 | 182,870 | N/A | 12.7% |
| 2012 | 183,333 | N/A | 11.0% |
| 2013 | 183,259 | N/A | 8.7% |

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>2013</u> | | <u>2004</u> | |
|--------------------------------------|------------------|---|------------------|---|
| | <u>Employees</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Percentage of Total Employment</u> |
| Elk Grove Unified School District | 2,960 | 11.10% | 2,207 | (1) |
| Bel Air/Raleys Supermarkets | 500 | 1.40% | 381 | (1) |
| Apple Computer | 500 | 1.40% | 1,000 | (1) |
| Alldata | 424 | 0.80% | 339 | (1) |
| City of Elk Grove | 283 | 0.65% | - | (1) |
| Cosumnes Community Services District | 253 | 0.63% | 179 | (1) |
| Bimbo Bakeries, Inc. | 235 | 0.63% | - | (1) |
| Wal Mart | 181 | 0.53% | 385 | (1) |
| Maita Chevrolet | 105 | 0.48% | - | (1) |
| Decorative Specialties | 104 | 0.28% | 202 | (1) |
| AAA Call Center | - | 0.00% | 350 | (1) |
| Home Depot | - | 0.00% | 220 | (1) |
| Elk Grove Ford/Chrysler | - | 0.00% | 184 | (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**

| Function | Full-time District Employees as of June 30 | | | | | | | | | |
|------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General government | 11 | 12 | 16 | 28 | 27 | 27 | 23 | 23 | 22 | 21 |
| Public safety | 125 | 134 | 169 | 191 | 180 | 179 | 169 | 167 | 168 | 167 |
| Recreation and culture | 43 | 46 | 54 | 79 | 79 | 78 | 76 | 76 | 71 | 65 |
| Total | 179 | 192 | 239 | 298 | 286 | 284 | 268 | 266 | 261 | 253 |

Source: Cosumnes CSD Administrative Services Department

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

| | Fiscal Year | | | | | | | | | |
|-------------------------------|-------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Function/Program | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Emergency responses | 7,196 | 9,243 | 10,205 | 10,269 | 13,934 | 13,424 | 13,493 | 14,011 | 14,374 | 14,679 |
| Field Inspections | (1) | (1) | (1) | (1) | (1) | (1) | (1) | 1,602 | 1,687 | 2,290 |
| Plan checks | 1,515 | 1,295 | 1,066 | 1,195 | 882 | 795 | 551 | 629 | 808 | 989 |
| Weed Abatement | (1) | (1) | (1) | (1) | (1) | (1) | (1) | 480 | 584 | 599 |
| Fire Investigations | 39 | 40 | 45 | 36 | 30 | 24 | 27 | 82 | 69 | 50 |
| Code Enforcement | (1) | (1) | (1) | (1) | (1) | (1) | 704 | 18 | 32 | 31 |
| Parks and recreation | | | | | | | | | | |
| Number of recreation programs | 402 | 499 | 514 | 592 | 610 | 585 | 534 | 579 | 550 | 548 |

Source: Various District departments

(1) Information is not available.

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

| Function/Program | Fiscal Year | | | | | | | | | |
|-----------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Fire | | | | | | | | | | |
| Fire stations | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Training facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire engines | 9 | 11 | 12 | 25 | 28 | 27 | 27 | 26 | 24 | 24 |
| Other Fire vehicles | 42 | 45 | 49 | 52 | 71 | 71 | 74 | 76 | 76 | 74 |
| Parks and recreation | | | | | | | | | | |
| Parks | 61 | 67 | 73 | 74 | 80 | 82 | 86 | 87 | 92 | 94 |
| Acreage | 567 | 632 | 704 | 740 | 765 | 804 | 841 | 925 | 940 | 1040 |
| Playgrounds | 56 | 62 | 66 | 93 | 103 | 106 | 116 | 118 | 121 | 122 |
| Baseball/softball diamonds | 37 | 40 | 42 | 38 | 41 | 44 | 49 | 49 | 50 | 50 |
| Soccer/football fields | 26 | 27 | 28 | 34 | 35 | 37 | 41 | 41 | 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 | 22 | 26 | 26 | 25 | 27 | 27 | 31 | 31 | 33 | 33 |
| Skate board park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bike Park | - | - | - | - | - | - | - | - | 1 | 1 |

Sources: Various District departments



Enriching Community ● Saving Lives