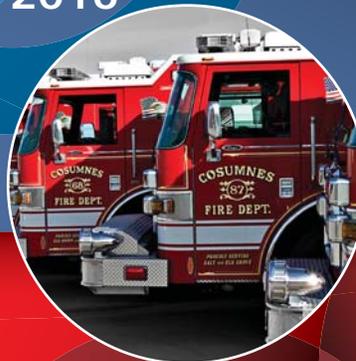


# COMPREHENSIVE FINANCIAL REPORT

2016

FISCAL YEAR ENDED  
JUNE 30, 2016



## Cosumnes Community Services District

9355 E. Stockton Blvd. Ste. 185  
Elk Grove, California 95624  
Phone: (916) 405-7150  
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[www.yourcsd.com](http://www.yourcsd.com)



Enriching Community  
Saving Lives



**COSUMNES COMMUNITY SERVICES DISTRICT**  
**STATE OF CALIFORNIA**

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

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by:**

**Jeff Ramos, General Manager**



# Cosumnes Community Services District

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# INTRODUCTORY SECTION



Enriching Community  
Saving Lives





December 30, 2016

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, 2016, 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, 2016.

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, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

#### *Profile of the Government*

The District is a political subdivision of the State of California. The Elk Grove Community Services District was established under Government Code Sections 56261.1 and 56439(c) on July 1, 1985, by a reorganization resulting in the dissolution of the Elk Grove Fire Protection District and the Elk Grove Recreation and Park District. In 2006, a reorganization of the Elk Grove CSD and the Galt Fire Protection District resulted in the creation of the Cosumnes Community Services District. This change expanded the delivery of CSD fire protection and emergency medical services from the Elk Grove Region to the City of Galt and additional unincorporated areas in south Sacramento County. The governing body of the District is a five-member Board of Directors elected at large to four year staggered terms. Day-to-day operations are overseen by the District's General Manager.

The District provides fire protection services including fire suppression, fire prevention, inspection, plan checking and public education programs and provides emergency medical services, ambulance transport, advanced life support and rescue services and; in addition, provides parks, recreation facilities and programs. The District consists of approximately 157 square miles with a population of about 190,680; operates eight fire stations, one fire training facility and ninety-four parks (three undeveloped) and employs two hundred fifty-five full-time and over one hundred part-time staff.

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

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

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

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

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

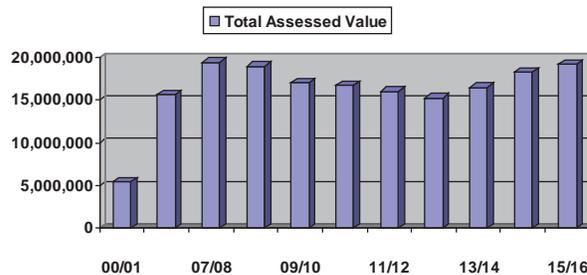
The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for fixed assets, which are controlled on the sub-object level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum

spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board of Directors. During 2015-2016, amendments were made to the final adopted budget. The budget data reflected in this comprehensive annual financial report includes the effect of all approved budget amendments. Monthly comparison of actual-to-budgeted revenues and expenditures identify significant variances that may require the District to take corrective action.

### *Local Economy*

The Cosumnes CSD local economies is improving, and as the population continues to grow and as political leaders are focused on bringing business and commerce to the region, the demand for housing emerges. Further, in Sacramento County, an annual 15,900 wages and salary jobs were created, representing a growth rate of 2.7% for the year. This is the fifth annual increase for Sacramento County since before the recession of 2007-2009. The unemployment-rate improved as well, falling from 6% in 2015 to 5.8% in 2016.

The primary funding source of District operations is property taxes. Other revenue sources include recreation fees, ambulance fees, development impact fees and various other charges for services. Property tax revenues have increased by approximately 7% from the prior year but the current recovery has already lasted a year longer than the historic average despite soft U.S. economic growth, therefore the District is projecting an average annual growth in property tax revenues of 5% for next fiscal year.



The residential real estate market from a sales volume standpoint appears to be headed towards a more normal pattern, as home and condo sales are up 3 percent and the median sales price is up 11% in June of 2016 compared to the prior year. The District is estimating that property tax revenues will increase 5% in Fiscal Year 2016-17 compared to FY 2015-16 due to projected home appreciation between 1 to 5%, modest local development, a projected increase in wage and salary jobs and a decrease in unemployment.

The District Wide Landscape & Lighting Assessment fees account for approximately 20% 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 and a newly approved casino. 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, 2016 was invested in U.S. Treasury and Government Agency investments (67%), certificate of deposit (16%), commercial paper (7%), and time deposits (10%). The average yield on investments during fiscal year 2015-2016 was .4%.

At June 30, 2016, the District's separate investment portfolio of approximately \$27.9 million was invested 38% in certificates of deposit and 62% in corporate notes and bonds. 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 2015-2016 was 1.1%.

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

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

### *Major initiatives*

The District is currently in the design and construction phase on three neighborhood parks totaling 26 acres and a comprehensive solar and efficiency program. In addition, the District has purchased two acres of land for Station 78, completed the renovation to Davis and Mix Park tot-lots, the Bartholomew Sports Park maintenance building, Castello Recreation Center HVAC replacement, and security cameras at Derr-Okamoto and Morse Parks.

### *Awards and Acknowledgements*

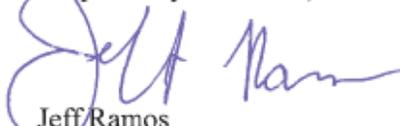
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cosumnes Community Services District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the eighteenth consecutive year that the Cosumnes Community Services District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Jeff Ramos  
General Manager

# **COSUMNES COMMUNITY SERVICES DISTRICT LIST OF PRINCIPAL OFFICIALS**

## **Board of Directors (Elected)**

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

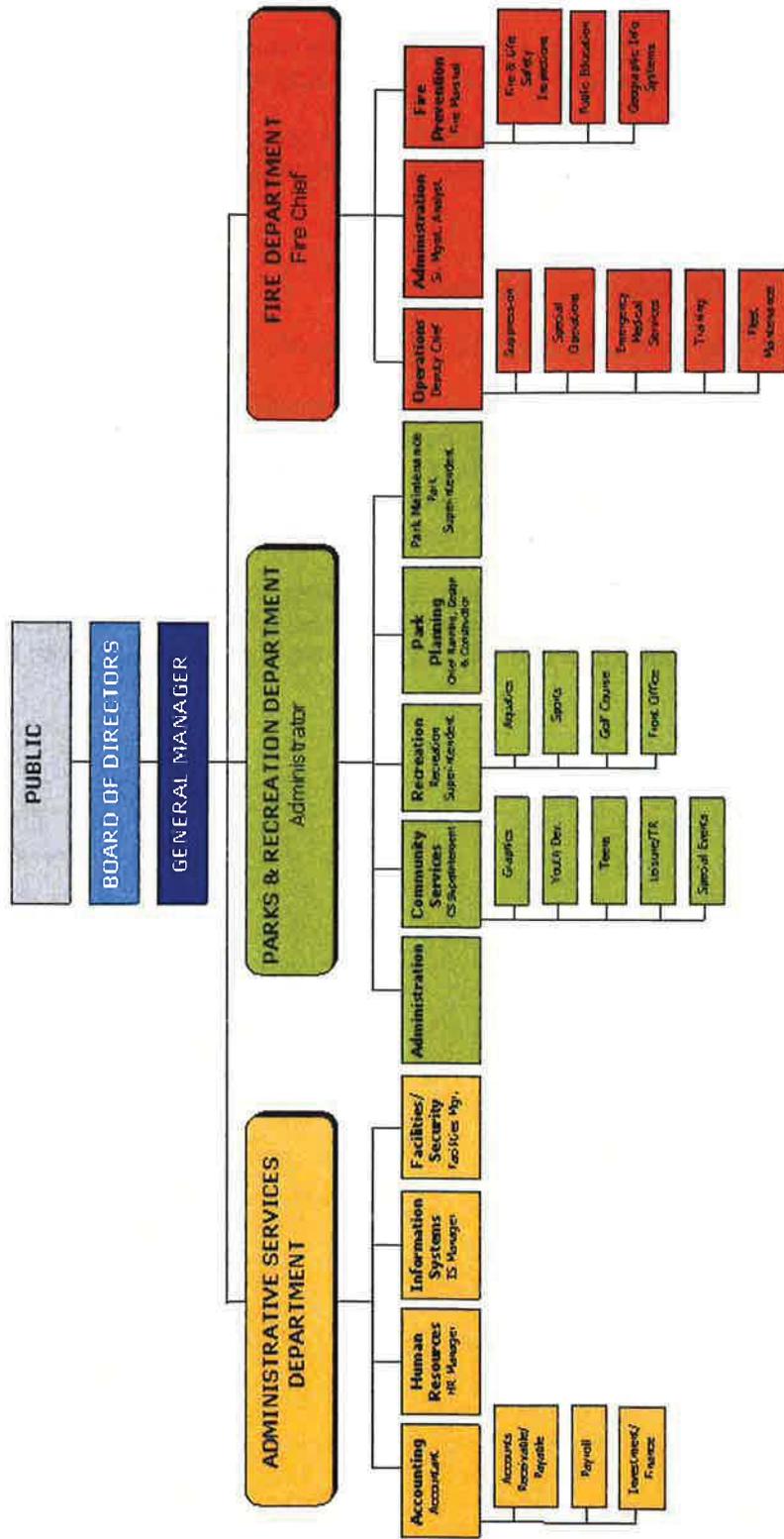
## **Officials (Appointed)**

**Jeff Ramos**  
General Manager/Chief Operating Officer

**Tracey Hansen**  
Fire Chief

**Bob Roessler**  
Parks and Recreation Department Administrator

# COSUMNES CSD ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Cosumnes Community Services District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# FINANCIAL SECTION



Enriching Community  
Saving Lives





## 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, 2016, 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, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

## **Other Matters**

### *Required Supplementary Information*

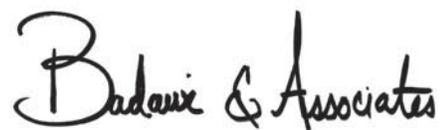
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, the OPEB schedule of funding progress, and budgetary comparison information on pages 3-14 and 58-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary schedules on pages 68 to 103 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual nonmajor fund financial statements, and other supplementary schedules on pages 68 to 103 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and other supplementary schedules on pages 68 to 103 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Badawi & Associates, CPAs  
Oakland, California  
December 30, 2016

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

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, 2016. 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 2015-16 and 2014-15 fiscal years by \$184,005,599 and \$174,852,978 (*net position*), respectively. Of this amount, \$48,762,603 and \$44,349,631 is restricted for specific purposes (*restricted net position*), and \$185,351,179 and \$184,981,570 is invested in capital assets, net of related debt. The increase in net position is mainly due to the recovery of insurance proceeds related to the fire at the administration building combined with the increase in funds restricted for Landscape and Lighting improvements. This increase is discussed further on pages 11 and 12 of this report.
- ◆ For FY 2015-16, total District governmental fund revenues, including program and general revenues, were \$75.9 million, an increase of \$4.6 million from the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to an 7% increase in taxes (\$2.5 million), a 59% increase in intergovernmental (\$1.3 million), a 336% increase in miscellaneous (\$1.1 million), a 35% increase in use of money and property (\$500 thousand) and a 11% increase in developer fees and contributions (\$200 thousand) offset by a 3% decrease in charges for services (\$1 million). Total governmental fund expenses were \$74.4 million, an increase of \$5.8 million from the prior fiscal year. The increase is related to a 7% increase in public protection expenditures (\$2.5 million), an 87% increase in general government (\$3.7 million), a 26% increase in debt service expenditures (\$700 thousand), a 100% increase in cost of issuance related to the pension obligation bond (\$300 thousand), which was offset by a 20% decrease in capital outlay expenditures (\$900 thousand) and a 3% decrease in recreation and culture (\$500 thousand).
- ◆ For FY 2014-15, total District governmental fund revenues, including program and general revenues, were \$71.3 million, an increase of \$4.7 million from the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to an 11% increase in taxes (\$3.6 million), a 6% increase in charges for services (\$1.7 million), a 50% increase in intergovernmental (\$700 thousand) offset by a 46% decrease in developer fees and contributions (\$1.3 million). Total governmental fund expenses were \$68.6 million, an increase of \$7.4 million from the prior fiscal year. The increase is related to a 8% increase in public protection expenditures (\$2.7 million), a 13% increase in recreation and culture expenditures (\$2.4 million), a 35% increase in general government expenditures (\$1.1 million) and a 83% increase in capital outlay expenditures (\$2 million), which was offset by a 20% decrease in debt service expenditures (\$700 thousand).

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

- ◆ As of June 30, 2016 and 2015, total District's governmental funds reported combined fund balances of \$78,941,785 and \$70,882,155, respectively, an increase of \$8,059,630 and an increase of \$11,334,314 in comparison with the prior year. Approximately 37% and 37% of the combined fund balances, \$29,194,656 and \$26,108,555 is available for spending at the government's discretion (*assigned fund balance*).
- ◆ At the close of the fiscal year ended June 30, 2016 and 2015, the total fund balance restricted for park and fire station construction, capital projects, landscape and lighting district operations and foundation activities was \$48,762,603 and \$44,349,631, respectively.
- ◆ The District's total long-term obligations increased by a net amount of \$7,738,919 during the 2015-16 fiscal year and decreased \$787,044 during the 2014-15 fiscal year. For FY 2015-16, the increase resulted primarily from the issuance of a certificate of participation totaling \$9.1 million to refinance a portion of the unfunded actuarial accrued liability with respect to the obligation of the District for CalPERS combined with the acquisition of new leases totaling \$1.3 million to purchase two Pierce Arrow fire engines, a Pacific Mobile Structure and two District copiers. The District's total long-term obligations were offset by \$2.4 million in debt payments. For FY 2014-15, the decrease resulted primarily from a \$700 thousand principal and interest reduction offset by the acquisition of new leases totaling \$1.4 million to purchase Zoll cardiac monitors, remount two ambulances, a Turfstar irrigation control system and several District copiers.

### 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.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

### The Government-wide Financial Statements

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

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

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

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

### Fund Financial Statements

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

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

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, the District's *major funds* are as follows:

- General Fund
- Landscape and Lighting Special Revenue Fund

For the fiscal year ended June 30, 2016, the District adopted annual appropriated budgets for all funds, except for the following:

- Foundation Special Revenue Fund

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

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements can be found on pages 23-56 of this report.

### **Required Supplementary Information**

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

### **Combining and Individual Fund Financial Statements and Schedules**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68-69 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$184,005,599 at the close of the most recent fiscal year.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

### COSUMNES COMMUNITY SERVICES DISTRICT

#### SUMMARY OF NET POSITION JUNE 30, 2016, 2015 AND 2014

		<b>Governmental Activities</b>	
	2016	2015	2014, as restated
Current and other assets	\$ 82,002,637	\$ 73,248,586	\$ 61,892,958
Capital assets	<u>203,603,658</u>	<u>204,243,007</u>	<u>204,317,967</u>
<b>Total assets</b>	<u>285,606,295</u>	<u>277,491,593</u>	<u>266,210,925</u>
Long-term liabilities outstanding	106,785,812	96,662,022	99,668,813
Other liabilities	<u>2,536,422</u>	<u>2,468,440</u>	<u>2,380,187</u>
<b>Total liabilities</b>	<u>109,322,234</u>	<u>99,229,063</u>	<u>102,049,000</u>
Net position:			
Invested in capital assets, net of related debt	185,351,179	184,981,570	183,997,497
Restricted	48,762,603	44,349,631	42,341,817
Unrestricted	<u>(50,108,183)</u>	<u>(54,478,223)</u>	<u>(62,177,389)</u>
<b>Total net position</b>	<u>\$ 184,005,599</u>	<u>\$ 174,852,978</u>	<u>\$ 164,161,925</u>

The largest portion of the District's net position of \$185,351,179 (101 percent) reflects its net investment in capital assets (e.g. land, structures and improvements, equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another significant portion of the District's net position of \$48,762,603 (27 percent) represents resources that are subject to external restrictions on how they may be used. The remaining negative balance of *unrestricted net position* of \$50,108,183 is mainly due to the District recording \$51 million in pension liability amongst Safety and Miscellaneous employees.

At the end of the current fiscal year, the District is able to report positive balance in two of the three categories of net position for the District as a whole, and the District is beginning to replenish assigned fund balance because of the increase in property taxes offset by the increase in deferred outflows of resources from pensions combined with net pension and OPEB liabilities.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

The District's net position increased by \$9,152,621 during the 2015/16 fiscal year, which accounts for 5 percent of total net position. The District's restricted and unrestricted net position increased approximately \$8.8 million, combined with an increase in investment in capital assets of approximately \$400 thousand. The increase is due to a 12% increase in assigned fund balance (\$3.1 million), a 14% increase in Landscape and Lighting improvements (\$3.8 million), a 13% increase in fire station and equipment (\$500 thousand) and a 2% increase in park development (\$300 thousand).

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

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

### COSUMNES COMMUNITY SERVICES DISTRICT

#### STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2016, 2015 AND 2014

	<b>Governmental Activities</b>		
	2016	2015	2014
<b>REVENUES:</b>			
Program revenues:			
Charges for services	\$ 35,301,648	\$ 30,435,796	\$ 28,569,906
Operating grants and contributions	160,132	113,666	121,646
Capital grants and contributions	5,075,796	3,650,142	4,239,631
General revenues:			
Property taxes	38,678,041	36,173,988	32,626,823
Investment earnings	929,012	431,763	479,497
Miscellaneous	1,458,664	334,787	332,351
<b>TOTAL REVENUES</b>	<b>81,603,293</b>	<b>71,140,142</b>	<b>66,369,854</b>
<b>EXPENSES:</b>			
Governmental activities:			
Public protection	40,294,584	31,393,533	37,447,237
Recreation and culture	24,181,805	24,737,509	21,984,207
General government	7,974,283	4,318,047	3,469,728
<b>TOTAL EXPENSES</b>	<b>72,450,672</b>	<b>60,449,089</b>	<b>62,901,172</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>9,152,621</b>	<b>10,691,053</b>	<b>3,468,682</b>
Net position at begin of year (as restated)	174,852,978	164,161,925	213,117,208
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 184,005,599</b>	<b>\$ 174,852,978</b>	<b>\$ 216,585,890</b>

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

### Revenues

The District's total revenues per the Statement of Activities were \$81,603,293 and \$71,140,142 for the fiscal years ended June 30, 2016 and 2015, respectively. Property tax revenue of \$38,678,041 and \$36,173,988 comprised 47% and 50.85%, respectively of the total governmental revenues of the District. Charges for services and capital grant and contribution revenue, which is comprised primarily of parkland dedications and fees from developers that is restricted for the construction of parks and fire stations, provided 43% and 42.78% and 6% and 6.57%, respectively, of the total governmental revenue of the District for the fiscal years ended June 30, 2016 and 2015. The increase in property tax revenues reflects the increase in proposition 13 adjustments on existing homes combined with the increase of sales on existing and new home properties and local development. The increase in capital grant and contribution revenue is directly related to the increase in developer fees and contributions in the current year.

### Expenses

Expenses of the District totaled \$72,450,672 and \$60,449,089 for the fiscal years ended June 30, 2016 and 2015, respectively. Public protection costs represent 55% and 59.53%, respectively, of total governmental activities expenses and are the largest single expenditure in the governmental activities.

The following table shows the cost of each of the District's major programs and the net cost of the programs for the fiscal year ended June 30, 2016. 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	\$40,294,584	\$ (29,971,340)
Recreation and culture	24,181,805	(1,891,933)
General government	<u>7,974,283</u>	<u>(49,823)</u>
<b>TOTAL</b>	<u>\$72,450,672</u>	<u>\$ (31,913,096)</u>

The net cost to taxpayers for recreation and culture services, excluding developer fees, was \$2,135,123.

### 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.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

**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, assigned 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, 2016 and 2015 the District's governmental funds reported combined fund balances of \$78,941,785 and \$70,882,155, an increase of \$8,059,630 and an increase of \$11,334,316, respectively, in comparison with the prior year. The major reason for the increase was the increase of assigned fund balance (\$3.1 million) combined with the increase in landscape and lighting reserves (\$3.8 million). Approximately 36 and 37 percent of the combined fund balances, \$29,194,656 and \$26,108,555, respectively, constitutes *assigned fund balance*, which is available to meet the District's current and future needs. The remainder of fund balance is *restricted* to indicate that it is *not* available for new spending because it has been restricted: 1) to reflect amounts set aside for future construction (\$16,792,913); 2) to use for specific purpose of the fund (\$31,745,083); and 3) to reflect amounts held on behalf of the Cosumnes Legacy Foundation (\$224,607).

The General Fund is the chief operating fund of the District. At June 30, 2016 and 2015, assigned fund balance of the general fund was \$29,194,656 and \$26,108,555, respectively, while total fund balance reached \$46,972,095 and \$42,563,646. The increase in total fund balance of \$4,408,449 represents an increase in other financing sources (\$15.5 million) offset by a difference in total expenditures over total revenues (\$2.5 million). As a measure of the general fund's liquidity, it may be useful to compare both assigned fund balance and total fund balance to total fund expenditures. Assigned fund balance represents 46 percent and 46 percent of total fund expenditures, while total fund balance represents 74 percent and 75 percent of that same amount.

The Landscape & Lighting Special Revenue Fund has a total fund balance of \$31,745,083 and \$27,898,816 at June 30, 2016 and 2015. These amounts are restricted for the specific purpose of the fund. Total fund balance increased by \$3,846,267 and \$2,124,131 for the fiscal year ended June 30, 2016 and 2015. 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, 2016, the Non-major Governmental Funds consist of the Foundation Special Revenue Fund. Total fund balance at June 30, 2016 is \$224,607 and is restricted solely for foundation activities. The increase in fund balance of \$21,066 is mainly related to the donations and contributions received for the Cosumnes Legacy Foundation.

At June 30, 2015, the Non-major Governmental Funds consist of the Capital Project Fund and the Foundation Special Revenue Fund. Total fund balance at June 30, 2015 is \$419,693. Of this amount, \$216,152 is restricted for capital projects and \$203,541 is restricted for foundation activities. The decrease in fund balance of \$2,362 is mainly related to the operating expenditures for the Cosumnes Legacy Foundation utilized within the Foundation Fund.

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

### General Fund Budgetary Highlights

For the fiscal year ended June 30, 2016, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling \$5,639,284. The increase is due to an increase in public protection expenditures for operational support combined with additional general government expenditures due to the fire within the District Administration building. Actual General Fund revenues were \$3,054,322 greater than the final budget. This variance is mainly related to the increase in property taxes. Actual General Fund expenditures were \$7,719,984 lower than the final budget, of which approximately \$6.7 million represented park development projects which were not completed and/or not started during the fiscal year in addition to lower departmental expenditures.

For the fiscal year ended June 30, 2015, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling \$5,447,140. The increase is due to an increase in public protection expenditures for operational support combined with additional general government expenditures due to a fire within the District Administration building. Actual General Fund revenues were \$4,860,322 greater than the final budget. This variance is related to the increase in property taxes, charges for current services, and state aid for public funding. Actual General Fund expenditures were \$4,263,345 lower than the final budget, of which approximately \$3.7 million represented fire and park development projects which were not completed and/or not started during the fiscal year in addition to lower departmental expenditures.

### CAPITAL ASSET AND LONG-TERM DEBT

**Capital assets.** As of June 30, 2016 and 2015, the Districts' investment in capital assets amounted to \$203,603,658 and \$204,243,007, 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, 2016, 2015 AND 2014

	2016	2015	2014
Land	\$ 87,392,509	87,113,826	85,443,191
Land improvements	64,822,368	64,509,759	64,201,317
Construction in Progress	811,515	1,270,681	1,081,776
Structures and improvements	45,418,523	46,832,450	49,417,438
Equipment	<u>5,158,743</u>	<u>4,516,291</u>	<u>4,174,245</u>
<b>Total</b>	<b>\$ <u>203,603,658</u></b>	<b><u>204,243,007</u></b>	<b><u>204,317,967</u></b>

# COSUMNES COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2016:

- ◆ Land – purchase of 2.2 acres of land designated for Fire Station 78.
- ◆ Land improvements – completion and renovation of Davis and Mix Park tot-lots.
- ◆ Structures and improvements – decrease is mainly due to the depreciation of structures and improvements offset by the addition of a Bartholomew Sports Park maintenance building, a net at Emerald Lakes Golf Course and HVAC at Castello Recreation Center.
- ◆ Construction in progress – decrease is mainly related to the completion of Davis and Mix Park tot-lots and the maintenance building at Bartholomew Sports Park.
- ◆ Equipment – increase is mainly due to the purchase of two Pierce Arrow fire engines, fifty-five mobile data computers and a flashover simulator offset by the depreciation of equipment.

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

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

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

The District is in contract with MFDB for architectural services to re-construct the District Administration building at June 30, 2016. The total amount committed at June 30, 2016 is \$464,378. Additional information on the District's commitments can be found in Note 10 on page 56.

**Long-term debt.** At June 30, 2016, the District had long-term debt obligations totaling \$27,000,357. District debt issues include \$9,020,000 in Certificates of Participation to refinance a portion of the unfunded actuarial accrued liability with respect to the obligation of the District for CalPERS retirement, \$664,100 in Certificates of Participation for the construction of two fire stations and Fire Training Facility land, a note agreement for \$73,913 for the financing of the Underwood Park Well, and \$17,705,066 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 increased by \$7,738,919 (40%) during the current fiscal year mainly due to the pension obligation bond (\$9,020,000), two Pierce Arrow fire engines (\$1,196,366), a Pacific Mobile Structure (\$61,006) and two District copiers (\$57,800) offset by \$2.4 million in principal debt payments.

# **COSUMNES COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016**

Additional information on the District's long-term debt can be found in Note 5 on pages 40-44.

### **ECONOMIC OUTLOOK**

The Cosumnes CSD local economies is improving, and as the population continues to grow and as political leaders are focused on bringing business and commerce to the region, the demand for housing emerges. Further, in Sacramento County, 15,900 wage and salary jobs were created, representing a growth rate of 2.7%. This is the third annual increase for Sacramento County since before the recession of 2007-2009. The unemployment rate improved as well, falling from 6% in 2015 to 5.8% in 2016.

The primary funding source of District operations is property taxes. Property tax revenues have increased by approximately 7% from the prior year but the current recovery has already lasted a year longer than the historic average despite soft U.S. economic growth, therefore the District is projecting an average annual growth in property tax revenues of 5% for next fiscal year.

The residential real estate market from a sales volume standpoint appears to be headed towards a more normal pattern, as home and condo sales are up 3 percent and the median sales price is up 11% in June of 2016 as compared to the prior year. The District is estimating that property tax revenues will increase 5% in Fiscal Year 2016-17 compared to FY 2015-16 due to projected home appreciation between 1 to 5%, modest local development, a projected increase in wage and salary jobs and a decrease in unemployment.

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

### **REQUESTS FOR INFORMATION**

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Cosumnes Community Services District Administrative Services Department, 9355 East Stockton Boulevard, Elk Grove, CA 95624, or visit the District's web page at [www.yourcsd.com](http://www.yourcsd.com).

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## **BASIC FINANCIAL STATEMENTS**

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**Cosumnes Community Services District**  
**Statement of Net Position**  
**June 30, 2016**

<b>ASSETS</b>	<b>Governmental Activities</b>
Current assets:	
Cash and investments	\$ 75,564,986
Receivables:	
Accounts	30,923
Interest	209,300
Intergovernmental	1,644,585
Ambulance	416,333
Other	392,077
Prepays	958,542
Restricted cash and investments	2,785,891
Total current assets	82,002,637
Noncurrent assets:	
Capital assets:	
Not being depreciated	153,026,392
Being depreciated, net	50,577,266
Total capital assets	203,603,658
Total noncurrent assets	203,603,658
<b>Total assets</b>	<b>285,606,295</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred employer pension contributions	13,507,293
<b>Total Deferred outflows of resources</b>	<b>13,507,293</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	1,547,933
Accrued interest payable	265,284
Unearned revenue	723,205
Total current liabilities	2,536,422
Noncurrent liabilities:	
Long-term liabilities:	
Due within one year	2,661,708
Due in more than one year	104,124,104
Total noncurrent liabilities	106,785,812
<b>Total liabilities</b>	<b>109,322,234</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - pension	5,785,755
<b>Total Deferred inflows of resources</b>	<b>5,785,755</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	185,351,179
Restricted for:	
Park development	12,650,707
Fire station and equipment	4,142,206
Landscape and lighting improvements	31,745,083
Foundation activities	224,607
Unrestricted	(50,108,183)
<b>Total net position</b>	<b>\$ 184,005,599</b>

See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Statement of Activities**  
**For the year ended June 30, 2016**

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue Governmental Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>						
Public protection	\$39,709,149	\$ 585,435	\$ 6,916,448	\$ -	\$ 3,406,796	\$ (29,971,340)
Recreation and culture	23,461,242	720,563	20,585,430	35,442	1,669,000	(1,891,933)
General government	7,844,015	130,268	7,799,770	124,690	-	(49,823)
Interest on long-term debt	1,436,266	(1,436,266)	-	-	-	-
Total governmental activities	<u>\$72,450,672</u>	<u>\$ -</u>	<u>\$ 35,301,648</u>	<u>\$ 160,132</u>	<u>\$ 5,075,796</u>	<u>(31,913,096)</u>

**General Revenues and Transfers:**

Taxes:	
Property taxes	38,678,041
Investment earnings	929,012
Miscellaneous	1,458,664
<b>Total general revenues and transfers</b>	<u>41,065,717</u>
<b>Change in net position</b>	9,152,621
<b>Net position - beginning of year</b>	<u>174,852,978</u>
<b>Net position - end of year</b>	<u>\$ 184,005,599</u>

See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	43,596,721	31,717,383	\$ 250,882	\$ 75,564,986
Receivables:				
Accounts	-	30,923	-	30,923
Interest	64,516	144,784	-	209,300
Intergovernmental	1,511,148	133,437	-	1,644,585
Ambulance	416,333	-	-	416,333
Other	392,077	-	-	392,077
Advances to other funds	25,984	-	-	25,984
Prepays	958,542	-	-	958,542
Restricted cash and investments	2,785,891	-	-	2,785,891
<b>Total assets</b>	<b>\$ 49,751,212</b>	<b>\$ 32,026,527</b>	<b>\$ 250,882</b>	<b>\$ 82,028,621</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	1,266,198	\$ 281,444	291	\$ 1,547,933
Advances from other funds	-	-	25,984	25,984
Unearned revenue	723,205	-	-	723,205
<b>Total liabilities</b>	<b>1,989,403</b>	<b>281,444</b>	<b>26,275</b>	<b>2,297,122</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	789,714	-	-	789,714
<b>Fund Balances:</b>				
Nonspendable	984,526	-	-	984,526
Restricted for:				
Park development	12,650,707	-	-	12,650,707
Fire station and equipment	4,142,206	-	-	4,142,206
Specific purpose of the fund	-	31,745,083	-	31,745,083
Foundation activities of the fund	-	-	224,607	224,607
Assigned	29,194,656	-	-	29,194,656
<b>Total fund balances</b>	<b>46,972,095</b>	<b>31,745,083</b>	<b>224,607</b>	<b>78,941,785</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 49,751,212</b>	<b>\$ 32,026,527</b>	<b>\$ 250,882</b>	<b>\$ 82,028,621</b>

See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2016**

**Total Fund Balances - Total Governmental Funds** \$ 78,941,785

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and are therefore not reported in the funds:

- Governmental capital assets	257,540,015	
- Less: accumulated depreciation	(53,936,357)	
Total capital assets		203,603,658

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	789,714	
Total revenues		789,714

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. (265,284)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, these contributions are deferred. 13,507,293

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

- Deferred inflows of resources - pension (5,785,755)

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	(73,913)	
- Certificates of Participation - 1998 Series	(473,500)	
- 2015 Pension Bond	(8,747,878)	
- Capital lease obligation	(17,705,066)	
- Compensated absences	(2,229,097)	
- Net OBEB obligation	(26,553,224)	
- Net pension liability	(51,003,134)	
Total long-term liabilities		(106,785,812)

**Net Position of Governmental Activities** **\$ 184,005,599**

**Cosumnes Community Services District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2016**

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 38,678,041	\$ -	\$ -	\$ 38,678,041
Charges for current services	13,584,145	14,942,112	-	28,526,257
Developer fees and contributions	1,669,000	-	-	1,669,000
Intergovernmental	3,406,796	-	-	3,406,796
Donations and contributions	124,690	-	35,442	160,132
Use of money and property	1,407,819	640,987	-	2,048,806
Miscellaneous	1,421,522	37,142	-	1,458,664
<b>Total revenues</b>	<b>60,292,013</b>	<b>15,620,241</b>	<b>35,442</b>	<b>75,947,696</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	38,600,228	-	-	38,600,228
Recreation and culture	9,952,270	10,644,956	8,806	20,606,032
General government	7,880,486	-	785	7,881,271
Capital outlay	3,335,969	154,897	342	3,491,208
Debt service:				
Principal	2,101,533	21,304	286,293	2,409,130
Interest	731,104	1,401	426,044	1,158,549
Cost of issuance	272,852	-	-	272,852
<b>Total expenditures</b>	<b>62,874,442</b>	<b>10,822,558</b>	<b>722,270</b>	<b>74,419,270</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,582,429)</b>	<b>4,797,683</b>	<b>(686,828)</b>	<b>1,528,426</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	6,150	-	-	6,150
Issuance of long-term liabilities	10,420,172	-	-	10,420,172
Original issue discount	(283,460)	-	-	(283,460)
Insurance recovery	4,924,060	12,970	-	4,937,030
Transfers in	1,732,764	3,060,845	713,303	5,506,912
Transfers out	(1,260,120)	(4,025,231)	(221,561)	(5,506,912)
<b>Total other financing sources (uses)</b>	<b>15,539,566</b>	<b>(951,416)</b>	<b>491,742</b>	<b>15,079,892</b>
<b>SPECIAL ITEM:</b>				
Additional lump sum payment for pension	(8,548,688)	-	-	(8,548,688)
<b>Net change in fund balances</b>	<b>4,408,449</b>	<b>3,846,267</b>	<b>(195,086)</b>	<b>8,059,630</b>
<b>FUND BALANCES:</b>				
Beginning of year	42,563,646	27,898,816	419,693	70,882,155
End of year	\$ 46,972,095	\$ 31,745,083	\$ 224,607	\$ 78,941,785

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, 2016

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 8,059,630
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

- Capital asset additions	3,490,628	
- Depreciation expense	(4,118,731)	
Total governmental funds		(628,103)

In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds, proceeds from sales increase financial resources.

- Proceeds from sale of assets not recorded on Statement of Activities		(6,150)
- Loss on disposal of capital assets are not recorded on Governmental Funds		(5,096)

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

- Proceeds from long-term liabilities	(10,420,172)	
- Original issue discount	283,460	
- Amortization of original issue discount	(11,338)	
- Principal repayments on long-term liabilities	2,409,130	
Net of long-term debt proceeds, repayments, and other related		(7,738,920)

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

718,567

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

(105,112)

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

13,507,293

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

(4,217,865)

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

- Change in accrued interest payable	6,473	
- Change in compensated absences	(438,096)	
Total non-current expenses		(431,623)

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 9,152,621</b>
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See accompanying Notes to Basic Financial Statements.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Elk Grove Community Services District (the District) was established under Government Code Sections 56261.1 and 56439(c) on July 1, 1985 by a reorganization resulting in the dissolution of the Elk Grove Fire Protection District and the Elk Grove Recreation and Park District. In November 2006, the District and the Galt Fire Protection District merged to become the Cosumnes Community Services District. It is governed by a five member Board of Directors elected to four year staggered terms. The District consists of approximately 157 square miles within the City's of Elk Grove and Galt and unincorporated areas of South Sacramento County with a population of approximately 190,680 residents. The District develops, owns and maintains all park, recreation and fire facilities within its service area. In April 2015, the District and the City of Elk Grove entered into an agreement with a four year term specifying the District and City will jointly develop park and recreation facilities within Laguna Ridge and Southeast Policy Area of the City, and the District will own and maintain the facilities. The fire protection services provided by the District include fire suppression, fire prevention, inspection, plan checking, and public education programs and the District provides emergency medical services, ambulance transport, advanced life support and rescue services and recreation facilities and programs. The District operates eight fire stations, one fire training facility, one golf course, two community centers, five recreation centers, two aquatic complexes, and over 94 parks (3 undeveloped) and employs 255 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, 2016**

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

**A. Reporting Entity, Continued**

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

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

**B. Basis of Accounting and Measurement Focus**

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

Government-Wide Financial Statements

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

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

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

***B. Basis of Accounting and Measurement Focus, Continued***

*Government-Wide Financial Statements, Continued*

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

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

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

*Governmental Fund Financial Statements*

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

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

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

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

**B. Basis of Accounting and Measurement Focus, Continued**

Governmental Fund Financial Statements, Continued

The District reports the following major governmental fund types:

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

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

Additionally the District reports the following fund types:

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

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

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

**C. Cash, Cash Equivalents and Investments**

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

**D. Restricted Cash and Investments**

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

**E. Interfund Transactions**

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

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

**F. Capital Assets**

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

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

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

**G. *Compensated Absences***

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

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

Sick leave is earned by regular, full-time employees. Any sick leave hours not used during the period are carried forward to future years, with no limit as to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee's retirement are added to the actual period of service when computing retirement benefits. It is the policy of the District not to buy back any accumulated sick leave. Accordingly, no provision for payment of sick leave has been included in the financial statements. Effective July 1, 2015, per the Healthy Family Act of 2014, part-time employees also receive 24 hours of sick leave.

**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 payments 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, 2016**

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

**H. Property Taxes, Continued**

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

**I. Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, incurred during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**J. Net Position / Fund Balance**

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

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

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

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

**J. Net Position/Fund Balance**

The District evaluated each of its funds at June 30, 2016 and classified fund balances into the following five categories:

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

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

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

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

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

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

**K. Use of Restricted and Unrestricted Net Position**

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

**L. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

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

In addition to assets, the statement of net position (balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred employer pension contributions in this category in the government-wide statements of net position. Employer pension contributions made during period between the measurement date and the report date are deferred and reflected as a reduction in the net pension liability in the subsequent fiscal year.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports two items in this category, unavailable revenue and amounts related to changes in the District's net pension liability that are deferred and amortized over a stated period. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the District's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. Refer to Note 6 for additional information regarding the deferred inflows of resources related to the District's pension plans.

**N. *Pension***

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

**O. *New Pronouncements***

In 2016, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 72, *Fair Value Measurement and Application*– This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

***O. New Pronouncements, Continued***

- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*- The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*- The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* - This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

*O. New Pronouncements, Continued*

- GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73* - This Statement addresses certain issues that had been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. Specifically, this Statement addresses issued regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The District updated covered employee payroll information in the required supplementary information as part of implementation of this accounting standard.

**2. CASH AND INVESTMENTS**

At June 30, 2016, the District’s pooled cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	\$ 75,564,986
Restricted cash and investments	2,785,891
<b>Total cash and investments</b>	<b>78,350,877</b>
Cash and investments as of June 30, 2016 consisted of the following:	
Deposits with financial institutions	6,180,499
<b>Total cash</b>	<b>6,180,499</b>
Corporate Bonds	14,589,975
Medium Term Notes	2,538,475
Certificates of deposit	10,710,895
Asset Backed Securities, Mortgage Backed Securities and Collateralized Mortgage Obligations	250,819
Money Market Mutual Funds	130,296
Investments in Local Agency Investment Fund (LAIF)	43,949,918
<b>Total investments</b>	<b>72,170,378</b>
 <b>Total cash and investments</b>	 <b>\$ 78,350,877</b>

Investment policy: Investments are stated at fair value. California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table on the next page 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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**2. CASH AND INVESTMENTS, Continued**

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.

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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**2. CASH AND INVESTMENTS, Continued**

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.

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

	Fair Value	Investment Maturities in Years			
		Less Than 1 Year	1-2 years	2-3 years	3 years +
Corporate Bonds	\$ 14,589,975	\$ 2,980,305	\$ 10,599,302	\$ 1,010,368	\$ -
Medium Term Notes	2,538,475	504,365	2,034,110	-	-
Certificates of Deposit	10,710,895	4,916,895	3,794,000	2,000,000	-
Asset Backed Securities, Mortgage Backed Securities and Collateralized Mortgage Obligations	250,819	4,936	18,762	-	227,121
Money Market Mutual Funds	130,296	130,296	-	-	-
LAIF	43,949,918	43,949,918	-	-	-
<b>Total</b>	<b>\$ 72,170,378</b>	<b>\$ 52,486,715</b>	<b>\$ 16,446,174</b>	<b>\$ 3,010,368</b>	<b>\$ 227,121</b>

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

	Total	Ratings as of Year End							
		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Not Rated
Corporate Bonds	\$ 14,589,975	\$ -	\$ -	\$ 252,918	\$ -	\$ 5,283,372	\$ 6,305,268	\$ 2,748,417	\$ -
Medium Term Notes	2,538,475	-	514,500	504,930	507,665	504,365	-	507,015	-
Certificates of Deposit	10,710,895	-	-	-	-	-	-	-	10,710,895
Asset Backed Securities, Mortgage Backed Securities, and Collateralized Mortgage Obligations	250,819	15,383	-	-	-	-	-	-	235,436
Money Market Mutual Funds	130,296	-	-	-	-	-	-	-	130,296
LAIF	43,949,918	-	-	-	-	-	-	-	43,949,918
<b>Total</b>	<b>\$ 72,170,378</b>	<b>\$ 15,383</b>	<b>\$ 514,500</b>	<b>\$ 757,848</b>	<b>\$ 507,665</b>	<b>\$ 5,787,737</b>	<b>\$ 6,305,268</b>	<b>\$ 3,255,432</b>	<b>\$ 55,026,545</b>

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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**2. CASH AND INVESTMENTS, Continued**

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

At June 30, 2016, the carrying amount of the District’s deposits was \$6,180,499 and the balance in financial institutions was \$7,302,944. Of the balance in financial institutions, \$987,817 was covered by federal depository insurance and \$6,315,127 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, 2016, 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	\$ 17,128,450
U.S. Agency Securities	\$ 250,819

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, 2016 included a portion of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**2. CASH AND INVESTMENTS, Continued**

As of June 30 2016, the District had \$43,949,918 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to 2.08% in fiscal year 2015. Fair value of LAIF was calculated by applying a factor of 1.000621222 to total investments held by LAIF.

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

Investment Valuation: Investments (except for money market accounts and certificates of deposit) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2016 are described below.

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Corporate Bonds	\$ 14,589,975	\$ -	\$ 14,589,975	\$ -
Medium Term Notes	2,538,475	-	2,538,475	-
Asset Backed Securities, Mortgage Backed Securities, and Collateralized Mortgage Obligations	250,819	-	250,819	-
Local Agency Investment Fund	43,949,918	-	43,949,918	-
Total investments subject to levelling	61,329,187	\$ -	\$ 61,329,187	\$ -
<u>Investments not subject to levelling:</u>				
Certificates of Deposit	10,710,895			
Money Market Mutual Funds	130,296			
<b>Total Investments</b>	<b>\$ 72,170,378</b>			

Corporate Bonds, Medium Term Notes, Asset Backed Securities, Mortgage Backed Securities, and Collateralized Mortgage Obligations categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

The District's fair value for its investment in the State of California Local Agency Investment Fund (LAIF) is based on the fair market value factors provided by LAIF that is calculated based on the total fair market value of the pool. LAIF includes investments categorized as Level 1 such as United States Treasury securities, Federal Agency securities, and supranational debentures that are valued based on prices quoted in active markets and investments categorized as Level 2 such as negotiable certificates of deposit and bank notes that are based on market corroborated pricing utilizing inputs such as yield curves and indices that are derived principally from or corroborated by observable market data by correlation to other means. SMCIP includes investments in LAIF, Treasury securities, Federal Agency securities, U.S. Instrumentalities, floating rate securities, and corporate bonds. The District categorized its investments in LAIF based on the lowest significant input used to determine the fair market value of the total pool.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Capital assets not being depreciated:					
Land	\$ 87,113,826	\$ 278,683	\$ -	\$ -	\$ 87,392,509
Land improvements	64,509,759	-	-	312,609	64,822,368
Construction in progress	1,270,681	1,207,867	-	(1,667,033)	811,515
<b>Total capital assets not being depreciated</b>	<b>152,894,266</b>	<b>1,486,550</b>	<b>-</b>	<b>(1,354,424)</b>	<b>153,026,392</b>
Capital assets being depreciated:					
Structures and improvements	76,466,554	-	(104,017)	1,354,424	77,716,961
Equipment	24,830,070	2,004,078	(37,486)	-	26,796,662
<b>Total capital assets being depreciated</b>	<b>101,296,624</b>	<b>2,004,078</b>	<b>(141,503)</b>	<b>1,354,424</b>	<b>104,513,623</b>
Less accumulated depreciation for:					
Structures and improvements	(29,634,104)	(2,768,351)	104,017	-	(32,298,438)
Equipment	(20,313,779)	(1,350,380)	26,240	-	(21,637,919)
<b>Total accumulated depreciation</b>	<b>(49,947,883)</b>	<b>(4,118,731)</b>	<b>130,257</b>	<b>-</b>	<b>(53,936,357)</b>
Total capital assets being depreciated, net	51,348,741	(2,114,653)	(11,246)	1,354,424	50,577,266
<b>Capital assets, net</b>	<b>\$ 204,243,007</b>	<b>\$ (628,103)</b>	<b>\$ (11,246)</b>	<b>\$ -</b>	<b>\$ 203,603,658</b>

Depreciation was charged to activities as follows:

Public Protection	\$ 1,895,640
Recreation and culture	2,195,325
General government	27,766
<b>Total depreciation expense</b>	<b>\$ 4,118,731</b>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**4. INTERFUND TRANSACTIONS**

		<b>Advances to other funds</b>
		Non-Major Governmental Fund
		_____
<b>Advances from other funds</b>		
General Fund	\$	25,984
<b>Total</b>	<b>\$</b>	<b>25,984</b>

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

		<b>Transfers In</b>			
		Major Fund			
		General Fund	Landscape and Lighting Special Revenue Fund	Non - Major Governmental Fund	Total
		_____	_____	_____	_____
<b>Transfers Out</b>	General Fund	\$ 546,817	\$ -	\$ 713,303	\$ 1,260,120
	Landscape and Lighting Special Revenue Fund	964,386	3,060,845	-	4,025,231
	Non - Major Governmental Fund	221,561	-	-	221,561
	<b>Total</b>	<b>\$ 1,732,764</b>	<b>\$ 3,060,845</b>	<b>\$ 713,303</b>	<b>\$ 5,506,912</b>

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.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**5. LONG-TERM LIABILITIES**

The activities of the District's long-term liabilities during the year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Loans Payable	\$ 84,606	\$ -	\$ (10,693)	\$ 73,913	\$ 11,268
Certificates of Participation - 1998 Series	664,100	-	(190,600)	473,500	198,400
Certificates of Participation - 2015 Refinancing Project	-	9,105,000	(85,000)	9,020,000	45,000
COP 2015 Refinancing Project - Original Issue Discount	-	(283,460)	11,338	(272,122)	-
Capital lease obligation	18,512,731	1,315,172	(2,122,837)	17,705,066	2,053,302
Compensated absences	1,791,002	438,095	-	2,229,097	353,738
Net OPEB liability	26,448,113	4,581,937	(4,476,826)	26,553,224	-
Net pension liability	49,161,470	18,357,064	(16,515,400)	51,003,134	-
<b>Total long-term liabilities</b>	<b>\$ 96,662,022</b>	<b>\$ 33,513,808</b>	<b>\$ (23,390,018)</b>	<b>\$ 106,785,812</b>	<b>\$ 2,661,708</b>
Less: amount due within one year	(2,468,440)			(2,661,708)	
Amounts due in more than one year	\$ 94,193,582			\$ 104,124,104	

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

**A. Certificates of Participation and Loans Payable**

The certificates of participation and loans payable consist of the following as of June 30, 2016:

Loans Payable - Obtained May 1, 2007 in the amount of \$200,000, respectively, for the funding of the Underwood Park well. Semi-annual interest payments at 5.31% ranging from \$197 to \$4,053 and semi-annual principal payments ranging from \$3,562 to \$7,418 are due November 1 and May 1 through May 1, 2022 on the \$200,000 loan. The outstanding balances as of June 30, 2016 was \$73,913.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

**A. Certificates of Participation and Loans Payable, Continued**

Certificates of Participation - 1998 Series - 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, 2016 was 473,500.

Certificates of Participation -2015 Refinancing Project - Issued July 2015 for the refinancing of a portion of the unfunded actuarial accrued liability with respect to the obligation of the District to make certain payments to the California Public Employees' Retirement System for both active and retired Safety employees and Miscellaneous employees of the District. The interest on the certificates is payable semi-annually on December 15 and June 15 of each year, with interest ranging from 3.0% to 5.0%. Principal and sinking fund payments ranging from \$45,000 to \$895,000 are due June 15. The outstanding balance as of June 30, 2016 was \$9,020,000.

Maturities of long-term liabilities are summarized below.

	Loans Payable			Certificates of Participation - 1998 Series		
	Principal	Interest	Total	Principal	Interest	Total
2017	11,268	3,962	\$ 15,230	198,400	15,159	\$ 213,559
2018	11,875	3,355	15,230	206,700	6,956	213,656
2019	12,514	2,716	15,230	68,400	1,385	69,785
2020	13,187	2,043	15,230	-	-	-
2021	13,896	1,333	15,230	-	-	-
2022	11,173	586	11,759	-	-	-
Total debt	\$ 73,913	\$ 13,995	\$ 87,908	\$ 473,500	\$ 23,500	\$ 497,000

	Certificates of Participation - 2015 Refinancing Project		
	Principal	Interest	Total
2017	45,000	457,225	\$ 502,225
2018	60,000	455,875	515,875
2019	80,000	454,075	534,075
2020	100,000	451,675	551,675
2021	115,000	448,675	563,675
2022-2026	935,000	2,158,138	3,093,138
2027-2031	1,700,000	1,877,802	3,577,802
2032-2036	2,790,000	1,345,883	4,135,883
2037-2040	3,195,000	454,219	3,649,219
Total debt	\$ 9,020,000	\$ 8,103,567	\$ 17,123,567

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

**A. Certificates of Participation and Loans Payable, Continued**

Payments of principal and interest on the Loans Payable and Certificates of Participation, 1998 Series 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, 2016. Payments of principal and interest on the Certificates of Participation, 2015 Refinancing Project are funded by the General Fund.

**B. Capital Lease Obligations**

The District had the following capital lease obligations as of June 30, 2016:

Description	Interest Rate	Lease Term	Original Principal	Balance 6/30/2016	Asset Acquired at Cost	Accumulated Depreciation
MSG-Master Lease - Station No. 76	3.03%	7/1/00-7/1/2020	\$ 2,200,000	\$ 658,139	\$ 1,928,764	\$ 746,483
MSG-Lease #1575 - Station No. 72	4.73%	7/31/05-7/31/2019	3,260,000	1,070,549	3,034,122	879,282
AIG Comm Equip - Dillard Ranch Lease	1.67%	6/30/06-3/30/2026	4,300,000	2,527,390	4,381,059	747,775
AIG Comm Equip - Emerald Lakes Golf Course	2.35%	10/21/06-7/21/2026	5,200,000	3,259,443	5,009,532	-
MSG-1628 - Fleet Maintenance Facility	5.40%	3/4/09-9/4/2028	10,000,000	7,178,133	10,000,000	939,972
KSB - (3) Remounted Ambulances, Gurney, MDC	2.56%	3/1/13-2/1/2018	320,004	111,245	320,004	224,007
OSHKOSH - (2) 2013 Pierce Arrow XT	2.70%	12/7/13-7/7/2020	1,073,150	777,979	1,073,150	643,890
KSB - (3) Remounted Ambulances, Tablets, Air Chairs		5/15/14-2/15/2019	297,741	168,987	297,741	184,023
ZOLL - Cardiac Monitors		11/1/14-7/15/2018	886,022	531,613	886,022	354,408
KSB - (2) Remounted Ambulances, PLS, Stry Gurneys		4/13/15-3/13/2020	282,408	215,425	282,408	113,264
OSHKOSH - (2) 2015 Pierce Arrow Engines		5/22/16-5/22/2022	1,196,366	1,039,550	1,196,366	239,273
Ray Morgan Co. - Canon 7260 Copier - Admin	9.00%	6/1/15-5/1/2020	19,000	15,511	19,000	7,600
Caltronics - C654e	9.00%	6/1/15-5/1/2020	11,750	19,233	11,750	4,700
Ray Morgan Co. - Canon 7260 Copier - Parks	9.00%	6/1/15-5/1/2020	19,000	15,511	19,000	7,600
Caltronics - C654e - Parks Yth Dev	9.00%	9/1/15-8/1/2020	18,000	15,491	18,000	3,600
Ray Morgan Co. - Canon 5240/5250	15.00%	4/6/16-3/6/2021	39,800	38,443	39,800	7,960
Pacific Mobile Structures -		10/6/15-9/6/2015	61,006	16,197	101,677	5,084
BFG - Emerald Lakes Golf Course - Branson Tractor	4.05%	1/20/12-12/20/2016	27,774	3,037	27,774	24,997
KSB - Turfstar Irrigation Control		4/15/15-3/15/2019	39,789	27,980	39,789	15,916
Ray Morgan Co. - Canon 2225		5/1/15-4/1/2020	7,250	5,829	7,250	2,900
Caltronics - C224		12/15/12-11/15/2017	5,982	2,021	5,982	4,192
KSB - Lease - John Deere Tractor		12/15/2013-11/15/2016	51,062	7,359	51,062	30,636
				<b>\$ 17,705,066</b>	<b>\$ 28,750,251</b>	<b>\$ 5,187,562</b>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

***B. Capital Lease Obligations, Continued***

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 \$746,483 at June 30, 2016.

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 \$897,282 at June 30, 2016.

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 \$747,775 at June 30, 2016.

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 \$939,972 at June 30, 2016.

On January 3, 2013, the District entered into a capital lease agreement in the amount of \$320,004 for the improvement of three ambulances. The lease agreement provides for 60 monthly payments of \$5,688 from March 1, 2013 through February 1, 2018. Payments include interest at 2.56%. Capital assets acquired under this lease agreement include equipment of \$320,004, with accumulated depreciation of \$224,007 at June 30, 2016.

On March 15, 2013, the District entered into a capital lease agreement in the amount of \$1,073,150 for two fire engines, a 1989 Grumman pumper and a 2000 Pierce Rescue Pumper. The lease agreement provides for 7 annual payments for of \$168,392 from July 7, 2014.

On November 11, 2014, the District entered into a capital lease agreement in the amount of \$886,022 for various cardiac monitors. The lease agreement provides for 4 annual payments of \$191,967 from November 11, 2014 through March 15, 2019. Payments include interest at 4.5%.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

***B. Capital Lease Obligations, Continued***

On March 23, 2015, the District entered into a capital lease agreement in the amount of \$282,408 for two remounted ambulances and other equipment. The lease agreement provides for 60 monthly payments of \$5,046 from April 13, 2015 through March 13, 2020. Payments include interest at 2.77%.

On May 22, 2016, the District entered into a capital lease agreement in the amount of \$1,196,366 for two 2015 Pierce XT Type I fire engines. The lease agreement provides for 7 annual payments for of \$190,983 from May 22, 2015.

As of June 30, 2016, future minimum lease payments under capital lease obligations were as follows:

<u>Fiscal Year ending June 30,</u>	
2017	\$ 2,714,523
2018	2,663,841
2019	2,599,076
2020	2,335,067
2021	1,883,905
2022-2026	7,307,263
2027-2029	<u>2,082,528</u>
Total payments	21,586,203
Less amounts representing interest	<u>3,881,136</u>
Net present value of future minimum lease payments	<u><u>\$ 17,705,066</u></u>

***B. 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.

**6. DEFINED BENEFIT PENSION PLAN**

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

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

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

The Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	50
Benefit factor for each year of service as a % of annual salary	3% at age 50	2.5% at 55
Required employee contribution rates	9%	8%
Required employer contribution rates	28.182%	14.878%

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

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

*Employees Covered* - At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	54	81
Inactive employees entitled to but not yet receiving benefits	368	69
Active employees	180	151
Total	602	301

*Contributions* - Section 20814(C) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date), the average active employee contribution rate is 8 percent of annual pay for the Miscellaneous Plan and 9 percent of annual pay for the Safety Plan, and employer contribution rate is 14.206 percent of annual payroll for the Miscellaneous Plan and 27.397 percent of annual payroll for the Safety Plan

**B. Net Pension Liability**

The District's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

*B. Net Pension Liability, Continued*

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	
Investment Rate of Return (1)	7.65%	7.65%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds	
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	

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

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

*B. Net Pension Liability, Continued*

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

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

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

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

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

*Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014(1)</b>	\$ 34,714,696	\$ 27,465,571	\$ 7,249,125
<b>Changes in the year:</b>			
Service cost	1,229,813	-	1,229,813
Interest on the total pension liability	2,592,505	-	2,592,505
Differences between actual and expected experience	(157,288)	-	(157,288)
Changes in assumptions	(730,271)	-	(730,271)
Changes in benefit terms	-	-	-
Contribution - employer	-	1,073,403	(1,073,403)
Contribution - employee	-	591,236	(591,236)
Investment income	-	613,270	(613,270)
Administrative expenses	-	(32,194)	32,194
Benefit payments , including refunds of employee contributions	(1,106,151)	(1,106,151)	-
<b>Net changes</b>	<b>1,828,608</b>	<b>1,139,564</b>	<b>689,044</b>
<b>Balance at June 30, 2015</b>	<b>\$ 36,543,304</b>	<b>\$ 28,605,135</b>	<b>\$ 7,938,169</b>

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

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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

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

*Safety Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014 (1)</b>	\$ 139,865,563	\$ 97,953,218	\$ 41,912,345
<b>Changes in the year:</b>			
Service cost	4,099,996	-	4,099,996
Interest on the total pension liability	10,288,360	-	10,288,360
Differences between actual and expected experience	(2,211,211)	-	(2,211,211)
Changes in assumptions	(2,871,202)	-	(2,871,202)
Changes in benefit terms	-	-	-
Contribution - employer	-	3,992,396	(3,992,396)
Contribution - employee	-	2,051,469	(2,051,469)
Net investment income	-	2,223,654	(2,223,654)
Administrative expenses		(114,196)	114,196
Benefit payments, including refunds of employee contributions	(4,689,570)	(4,689,570)	-
<b>Net changes</b>	<b>4,616,373</b>	<b>3,463,753</b>	<b>1,152,620</b>
<b>Balance at June 30, 2015</b>	<b>\$ 144,481,936</b>	<b>\$ 101,416,971</b>	<b>\$ 43,064,965</b>

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

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

	Miscellaneous	Safety	Total
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 13,714,171	\$ 65,505,212	\$ 79,219,383
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 7,938,169	\$ 43,064,965	\$ 51,003,134
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 3,268,986	\$ 24,752,051	\$ 28,021,037



**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

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**7. OTHER POSTEMPLOYEMENT BENEFITS**

The District participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEHMCA), providing lifetime medical benefits to District full-time employees who retire at age 50 or older with 5 or more years of service. Benefits are also provided to spouses and surviving spouses of eligible retirees. Retirees may enroll in any available CalPERS medical plan. The District contributed 100% of the costs. The District currently participates in an OPEB. For fiscal year ended June 30, 2016, there were 92 retirees receiving this benefit and total District costs amounted to \$1,377,601.

Beginning in the fiscal year 2014-15, the District pre-funds the Plan through CalPERS OPEB Trust (CERBT) by contributing the District's Annual Required Contribution (ARC) every year. For the fiscal year 2015-16, the District contributions equaled \$4,476,826, that including \$1,421,169 in benefit payments, a \$2,347,608 deposit to CERBT, and an adjustment for an implied subsidy from active members of \$708,049.

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

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

The following table illustrates the District's June 30, 2016 Net OPEB Obligation:

Annual required contribution	\$ 4,476,826
Interest on net OPEB obligation	1,928,335
Amortization of net OPEB obligation	<u>(1,823,224)</u>
Annual OPEB cost	4,581,937
Payments made	<u>(4,476,826)</u>
Increase in net OPEB obligation	105,111
Net OPEB obligation - beginning of the year	<u>26,448,113</u>
Estimated NET OPEB Obligation June 30, 2016	<u><u>\$ 26,553,224</u></u>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**7. OTHER POSTEMPLOYMENT BENEFITS, Continued**

The District annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2016 was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of APC Contributed	Net OPEB Obligation
6/30/2014	4,267,228	27%	25,324,473
6/30/2015	4,545,065	75%	26,448,113
6/30/2016	4,581,937	98%	26,553,224

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date, the plan was 4.6% funded. The actuarial accrued liability (AAL) for benefits was \$46,849,629, and the actuarial value of plan assets was \$2,161,338, resulting in an unfunded actuarial accrued liability (UAAL) of \$44,688,291. The covered payroll (annual payroll of active employees covered by the plan) was \$23,895,479 and the ratio of UAAL to the covered payroll was 187.0%. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

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

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

The District’s July 1, 2015 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, 2015 of 23 years.

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**7. OTHER POSTEMPLOYMENT BENEFITS, Continued**

GASB 45 requires the interest rate to represent the underlying expected long-term rate of return for the source of funds used to pay benefits. The District has not commenced pre-funding the obligation, this valuation included a 7.28% interest rate.

The rate of increase in per capita health care costs is assumed to increase at a variable rate depending on age ranging from 5.00% to 8.00% per annum.

**8. RISK MANAGEMENT**

The District participates in the Northern California Special Districts Insurance Authority (NCS DIA), a public entity risk pool of special districts within Northern California, for workers compensation insurance. Loss contingency reserves established by NCS DIA are funded by contributions from member agencies. The District pays an annual premium to NCS DIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the NCS DIA. NCS DIA retains the ability to assess its members' amounts in addition to annual premiums. NCS DIA has never made an additional assessment and is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

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

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

	<u>Pool Coverage</u>	<u>Commercial Coverage</u>	<u>Self-Insured Retention</u>
NCS DIA			
Workers compensation and employers liability	\$ 200,000	\$ 5,000,000	\$ -
SDRMA			
Property	-	1,000,000,000	2,000
Boiler and machinery	-	100,000,000	1,000
Personal Injury and property damage	600,000	10,000,000	500 to 1,000
Uninsured motorists bodily injury	750,000	-	-
Public officials errors and omissions liability	600,000	10,000,000	-
Employment benefits and practices liability	600,000	1,000,000	-
Employee dishonesty	-	400,000	-
Public officials personal liability	-	500,000	500
Trailer and automobile physical damage	Replacement Cost	-	-

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**9. FUND BALANCE**

As of June 30, 2016, classifications of fund balance are as follows:

	<u>Major Governmental Funds</u>			Total Government
	General	Landscaping and Lighting Special Revenue Fund	Non-Major Government Funds	
Fund Balances				
<b>Nonspendable fund balance:</b>				
Advances to other funds	\$ 25,984	\$ -	\$ -	\$ 25,984
Prepays	958,542	-	-	958,542
Subtotal	<u>984,526</u>	<u>-</u>	<u>-</u>	<u>984,526</u>
<b>Restricted fund balance for:</b>				
Park Development	12,650,707	-	-	12,650,707
Fire station and equipment	4,142,206	-	-	4,142,206
Specific purpose of the fund	-	31,745,083	-	31,745,083
Foundation activities of the fund	-	-	224,607	224,607
Subtotal	<u>16,792,913</u>	<u>31,745,083</u>	<u>224,607</u>	<u>48,762,603</u>
<b>Assigned fund balance for:</b>				
Emergency reserve	2,844,752	-	-	2,844,752
Youth facility development	83,020	-	-	83,020
Apparatus replacement	1,083,590	-	-	1,083,590
Laguna town hall capital	40,000	-	-	40,000
BMW complex capital reserve	70,550	-	-	70,550
Park capital facilities	2,767,357	-	-	2,767,357
EG recreation center capital improvement	31,000	-	-	31,000
Fox aquatic capital improvement	40,700	-	-	40,700
Recreational activities	2,074,703	-	-	2,074,703
Public safety activities	8,151,888	-	-	8,151,888
Administrative activities	10,669,681	-	-	10,669,681
Fire capital facilities	7,528	-	-	7,528
Station 75 principal/repayment	10,582	-	-	10,582
Golf capital improvement	15,000	-	-	15,000
Dillard Ranch	118,181	-	-	118,181
HBSP deferred maintenance	51,520	-	-	51,520
Pavillion deferred maintenance	30,000	-	-	30,000
Sport Field Light Replacement Plan	25,730	-	-	25,730
Porto Park	41,775	-	-	41,775
Oasis Park	1,037,099	-	-	1,037,099
Subtotal	<u>29,194,656</u>	<u>-</u>	<u>-</u>	<u>29,194,656</u>
Total Fund Balances	<u>\$ 46,972,095</u>	<u>\$ 31,745,083</u>	<u>\$ 224,607</u>	<u>\$ 78,941,785</u>

**Cosumnes Community Services District**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2016**

**10. COMMITMENT AND CONTINGENCIES**

The District is in the process of performing architectural services for the re-design of the administrative building as of June 30, 2016 as follows:

Project	Project Appropriation	Expended to June 30, 2016	Committed
Architectural Services	\$ 566,125	\$ 101,747	\$ 464,378
Total	\$ 566,125	\$ 101,747	\$ 464,378

The District is a party to claims and lawsuits arising in the ordinary course of business. The District's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have a material adverse impact on the financial position of the District.

**11. SUBSEQUENT EVENTS**

On July 21, 2016, the District issued Certificates of Participation (2016 Refinancing Project) of \$8,115,000 to provide funds to refinance the obligations of the District under a Master Land, Building and Equipment Lease Purchase Agreement, dated as of July 1, 2000 with Municipal Services Group, Inc. ("MSG"), pursuant to which MSG financed and leased a new Fire Station 76 and the site thereof, a Municipal Project Lease and Option Agreement, dated September 4, 2008, with Community Services District Building Corporation ("CSDBC") pursuant to which CSDBC financed and leased a new fleet maintenance building and the site thereof, and a Lease Agreement, dated October 20, 2010, with Municipal Finance Corporation ("MFC"), pursuant to which MFC refinanced and leased new Fire Station 73 and 75 and the site thereof.

On October 4, 2016, the District issued Taxable Certificates of Participation Energy Projects Series A, B, and C (Certificates of Participation), of \$5,450,000, \$135,000, and \$1,260,000 respectively. The purpose of the Certificates of Participation is to finance the costs of a clean renewable energy projects including projects consisting of solar photovoltaic energy systems.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2016**

**1. DEFINED BENEFIT PENSION PLANS**

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

Miscellaneous Plan

Measurement Period <sup>(1)</sup>	2014-15	2013-14
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 1,229,813	\$ 1,279,630
Interest	2,592,505	2,412,110
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	(157,288)	-
Changes of Assumptions	(730,271)	-
Benefit Payments, Including Refunds of Employee Contributions	(1,106,151)	(997,382)
<b>Net Change in Total Pension Liability</b>	<b>1,828,608</b>	<b>2,694,358</b>
<b>Total Pension Liability - Beginning</b>	<b>34,714,696</b>	<b>32,020,338</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 36,543,304</b>	<b>\$ 34,714,696</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 1,073,403	\$ 971,677
Contributions - Employee	591,236	569,537
Net Investment Income <sup>(2)</sup>	613,270	4,023,996
Benefit Payments, Including Refunds of Employee Contributions	(1,106,151)	(997,382)
Other Changes in Fiduciary Net Position	(32,194)	-
<b>Net Change in Fiduciary Net Position</b>	<b>1,139,564</b>	<b>4,567,828</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>27,465,571</b>	<b>22,897,743</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 28,605,135</b>	<b>\$ 27,465,571</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 7,938,169</b>	<b>\$ 7,249,125</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>78.28%</b>	<b>79.12%</b>
<b>Covered Payroll</b>	<b>\$ 7,500,651</b>	<b>\$ 7,612,768</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>105.83%</b>	<b>95.22%</b>

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

(2) - Net of administrative expenses.

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2016**

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

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

Safety Plan

Measurement Period <sup>(1)</sup>	2014-15	2013-14
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 4,099,996	\$ 4,500,842
Interest	10,288,360	9,733,321
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	(2,211,211)	-
Changes of Assumptions	(2,871,202)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,689,570)	(3,791,597)
<b>Net Change in Total Pension Liability</b>	<b>4,616,373</b>	<b>10,442,566</b>
<b>Total Pension Liability - Beginning</b>	<b>139,865,563</b>	<b>129,422,997</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 144,481,936</b>	<b>\$ 139,865,563</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 3,992,396	\$ 4,035,130
Contributions - Employee	2,051,469	2,137,329
Net Investment Income <sup>(2)</sup>	2,109,458	14,457,536
Benefit Payments, Including Refunds of Employee Contributions	(4,689,570)	(3,791,597)
Other Changes in Fiduciary Net Position	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>3,463,753</b>	<b>16,838,398</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>97,953,218</b>	<b>81,114,820</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 101,416,971</b>	<b>\$ 97,953,218</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 43,064,965</b>	<b>\$ 41,912,345</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.19%</b>	<b>70.03%</b>
<b>Covered Payroll</b>	<b>\$ 16,394,828</b>	<b>\$ 18,120,791</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>262.67%</b>	<b>231.29%</b>

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

(2) - Net of administrative expenses.

Notes to Schedules

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent

**Cosumnes Community Services District**  
**Required Supplementary Information**  
**For the year ended June 30, 2016**

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

*B. Schedule of Plan Contributions*

Miscellaneous Plan

	<u>Fiscal Year 2015-16</u> <sup>(1)</sup>	<u>Fiscal Year 2014-15</u> <sup>(1)</sup>
Actuarially determined contribution	\$ 971,677	\$ 1,073,403
Contribution in relation to the actuarially determined contributions	(5,482,997)	(1,073,403)
Contribution deficiency (excess)	<u>\$ (4,511,320)</u>	<u>\$ -</u>
Covered payroll	\$ 7,678,589	\$ 7,500,651
Contributions as a percentage of covered payroll	71.41%	14.31%

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

Safety Plan

	<u>Fiscal Year 2015-16</u> <sup>(1)</sup>	<u>Fiscal Year 2014-15</u> <sup>(1)</sup>
Actuarially determined contribution	\$ 4,058,877	\$ 4,035,130
Contribution in relation to the actuarially determined contributions	(8,096,245)	(4,035,130)
Contribution deficiency (excess)	<u>\$ (4,037,368)</u>	<u>\$ -</u>
Covered payroll	\$ 16,937,992	\$ 16,394,828
Contributions as a percentage of covered payroll	47.80%	24.61%

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

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

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

*B. Schedule of Plan Contributions, Continued*

Notes to Schedules

In fiscal year 2016, the District made additional contributions to the Miscellaneous and Safety Plans of \$4,511,320 and \$4,037,368 respectively.

**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	(Overfunded) Actuarial Liability as Percentage of Covered Payroll
7/1/2011	\$ -	\$ 54,874,483	\$ 54,874,483	0.0%	\$ 22,586,551	243.0%
7/1/2013	-	48,678,128	48,678,128	0.0%	20,364,480	239.0%
7/1/2015	2,161,338	46,849,629	44,688,291	4.6%	23,895,479	187.0%

\*Latest information available.

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

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**3. BUDGETARY BASIS OF ACCOUNTING**

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

Annual budgets are adopted for the General Fund and Landscape and Lighting Special Revenue Fund. A formal budget is not developed for the Foundation Special Revenue Fund. Accordingly, comparison of actual results of operations to budgetary data for this fund is not presented. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. In addition, legal level of budgetary control for the Landscape and Lighting Special Revenue Fund is at the benefit zone level, which is presented in the Supplementary Information section of this report. Significant amendments, appropriation transfers between objects and transfers from contingencies must be approved by the District's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No significant supplemental appropriations were required during the year ended June 30, 2016.

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, 2016, resulting in there being no difference between the GAAP basis and Non-GAAP Budgetary Basis for the year ended June 30, 2016

**Cosumnes Community Services District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 36,915,772.00	\$ 36,915,772.00	\$ 38,678,041	\$ 1,762,269
Charges for current services	13,881,474	13,881,474	13,584,145	(297,329)
Developer fees and contributions	-	-	1,669,000	1,669,000
Intergovernmental	1,128,478	3,620,478	3,406,796	(213,682)
Donations and contributions	101,990	101,990	124,690	22,700
Use of money and property	1,088,149	1,175,149	1,407,819	232,670
Miscellaneous	1,542,828	1,542,828	1,421,522	(121,306)
<b>Total revenues</b>	<b>54,658,691</b>	<b>57,237,691</b>	<b>60,292,013</b>	<b>3,054,322</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	37,449,981	39,674,981	38,600,228	1,074,753
Recreation and culture	10,223,155	9,995,155	9,952,270	42,885
General government	4,602,294	7,972,078	7,880,486	91,592
Capital outlay	9,900,289	10,104,789	3,335,969	6,768,820
Debt service:				
Principal	2,073,736	2,127,736	2,101,533	26,203
Interest	705,687	719,687	731,104	(11,417)
Cost of issuance	-	-	272,852	(272,852)
Contingencies	-	-	-	-
<b>Total expenditures</b>	<b>64,955,142</b>	<b>70,594,426</b>	<b>62,874,442</b>	<b>7,719,984</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,296,451)</b>	<b>(13,356,735)</b>	<b>(2,582,429)</b>	<b>10,774,306</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	6,000	6,000	6,150	150
Issuance of long-term liabilities	1,479,366	1,529,366	10,420,172	8,890,806
Original issue discount	-	-	(283,460)	(283,460)
Insurance recovery	1,272,613	4,332,613	4,924,060	591,447
Transfers in	3,868,284	3,923,782	1,732,764	(2,191,018)
Transfers out	(663,403)	(1,262,403)	(1,260,120)	2,283
<b>Total other financing sources (uses)</b>	<b>5,962,860</b>	<b>8,529,358</b>	<b>15,539,566</b>	<b>7,010,208</b>
<b>SPECIAL ITEM:</b>				
Additional lump sum payment for pension	-	-	(8,548,688)	(8,548,688)
<b>Net change in fund balances</b>	<b>(4,333,591)</b>	<b>(4,827,377)</b>	<b>4,408,449</b>	<b>9,235,826</b>
<b>FUND BALANCES:</b>				
Beginning of year	42,563,646	42,563,646	42,563,646	-
End of year	\$ 38,230,055	\$ 37,736,269	\$ 46,972,095	\$ 9,235,826

**Cosumnes Community Services District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Non-GAAP Budgetary Basis**  
**Landscape and Lighting District**  
**For the year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 14,879,112	\$ 14,894,213	\$ 14,942,112	\$ 47,899
Use of money and property	344,654	334,654	640,987	306,333
Miscellaneous	500	500	37,142	36,642
<b>Total revenues</b>	<b>15,224,266</b>	<b>15,229,367</b>	<b>15,620,241</b>	<b>390,874</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	12,447,006	12,426,144	10,644,956	1,781,188
Capital outlay	174,200	188,090	154,897	33,193
Debt service				-
Principal	16,000	21,500	21,304	196
Interest	1,500	1,500	1,401	99
<b>Total expenditures</b>	<b>12,638,706</b>	<b>12,637,234</b>	<b>10,822,558</b>	<b>1,814,676</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,585,560</b>	<b>2,592,133</b>	<b>4,797,683</b>	<b>2,205,550</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	12,970	12,970
Transfers in	2,976,556	2,976,556	3,060,845	84,289
Transfers out	(5,485,302)	(5,747,802)	(4,025,231)	1,722,571
<b>Total other financing sources (uses)</b>	<b>(2,508,746)</b>	<b>(2,771,246)</b>	<b>(951,416)</b>	<b>1,819,830</b>
<b>Net change in fund balances</b>	<b>76,814</b>	<b>(179,113)</b>	<b>3,846,267</b>	<b>4,025,380</b>
<b>FUND BALANCES:</b>				
Beginning of year	27,898,816	27,898,816	27,898,816	-
End of year	<b>\$ 27,975,630</b>	<b>\$ 27,719,703</b>	<b>\$ 31,745,083</b>	<b>\$ 4,025,380</b>

## **SUPPLEMENTARY INFORMATION**

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## **NON-MAJOR GOVERNMENTAL FUNDS**

**Cosumnes Community Services District**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2016**

	Debt Service Fund	Foundation Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 250,882	\$ -	\$ 250,882
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 250,882</b>	<b>\$ -</b>	<b>\$ 250,882</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 291	\$ -	\$ 291
Advances from other Funds	-	25,984	-	25,984
<b>Total Liabilities</b>	<b>-</b>	<b>26,275</b>	<b>-</b>	<b>26,275</b>
<b>Fund Balances:</b>				
Restricted for:				
Foundation activities of the fund	-	224,607	-	224,607
<b>Total fund balances</b>	<b>-</b>	<b>224,607</b>	<b>-</b>	<b>224,607</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 250,882</b>	<b>\$ -</b>	<b>\$ 250,882</b>

**Cosumnes Community Services District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Debt Service Fund	Foundation Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Donations and contributions	\$ -	\$ 35,442	\$ -	\$ 35,442
Use of money and property	-			-
<b>Total revenues</b>	<b>-</b>	<b>35,442</b>	<b>-</b>	<b>35,442</b>
<b>EXPENDITURES</b>				
General government		552	233	785
Capital outlay	-	342		342
Services and supplies:				
Membership	-	100	-	100
Office Supplies	-	342	-	342
Food Supplies	-	224	-	224
Professional Services	-	5,183	-	5,183
Recreation Supplies	-	2,957	-	2,957
<b>Total Services and supplies</b>	<b>-</b>	<b>9,700</b>	<b>233</b>	<b>9,933</b>
Debt service:				
Principal	286,293	-	-	286,293
Interest	426,044	-	-	426,044
<b>Total debt service</b>	<b>712,337</b>	<b>-</b>	<b>-</b>	<b>712,337</b>
<b>Total expenditures</b>	<b>712,337</b>	<b>9,700</b>	<b>233</b>	<b>722,270</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(712,337)</b>	<b>25,742</b>	<b>(233)</b>	<b>(686,828)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	712,337	966	-	713,303
Transfers out		(5,642)	(215,919)	(221,561)
<b>Total other financing sources (uses)</b>	<b>712,337</b>	<b>(4,676)</b>	<b>(215,919)</b>	<b>491,742</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>21,066</b>	<b>(216,152)</b>	<b>(195,086)</b>
<b>FUND BALANCES:</b>				
Beginning of year	-	203,541	216,152	419,693
End of year	\$ -	\$ 224,607	\$ -	\$ 224,607

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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**  
**For the year ended June 30, 2016**

	<u>General Operations</u>
Taxes:	
Current secured	\$ 37,143,552
Current unsecured	1,399,017
Supplemental property taxes	102,207
Prior unsecured	33,264
<b>Total taxes</b>	<u>38,678,041</u>
Charges for current services:	
Recreation services charges	5,643,318
Ambulance service fees	6,197,881
Service fees/charges - other	1,742,946
<b>Total charges for current services</b>	<u>13,584,145</u>
Developer fees and contributions	1,669,000
<b>Total developer fees and contributions</b>	<u>1,669,000</u>
Intergovernmental:	
Homeowner's property tax relief	445,369
State aid - other miscellaneous programs	2,605,449
Federal aid - public safety	216
Aid from other local governments	16,786
RDA passthrough	338,976
<b>Total intergovernmental</b>	<u>3,406,796</u>
Donations and contributions	124,690
<b>Total donations and contributions</b>	<u>124,690</u>
Use of money and property:	
Interest income	288,024
Building rental/lease	1,119,794
<b>Total use of money and property</b>	<u>1,407,819</u>
Miscellaneous:	
Other revenue	1,421,522
<b>Total other revenue</b>	<u>1,421,522</u>
<b>Total revenues</b>	<u><u>\$ 60,292,013</u></u>

**Cosumnes Community Services District**  
**Schedule of Expenditures**  
**General Fund**  
**For the year ended June 30, 2016**

	Departments			Total
	Public Protection	Park (Recreation and Culture)	Administration (General Government)	
Current expenditures:				
Salaries and employee benefits:				
Salaries and wages	\$ 22,861,394	\$ 4,746,432	\$ 1,920,266	\$ 29,528,092
Retirement - employer costs	4,571,172	568,198	223,466	5,362,836
Group insurance - employer costs	5,815,576	1,085,844	543,847	7,445,267
Workers' compensation insurance	1,461,048	105,681	50,415	1,617,144
Other				-
<b>Total salaries and employee benefits</b>	<b>34,709,190</b>	<b>6,506,155</b>	<b>2,737,994</b>	<b>43,953,339</b>
Services and supplies:				
Automobile services and supplies	301,897	6,484	9,580	317,961
Books	17,327	5,577	1,864	24,768
Buildings and grounds maintenance	120,969	408,230	11,137	540,336
Business conferences	21,879	7,927	2,423	32,229
Chemical supplies	-	129,458		129,458
Clothing/personal supplies	75,595	28,619	2,859	107,073
Communication system service		-		-
Education and training	144,602	60,466	6,837	211,905
Employee transportation	6,505	18	324	6,847
Fire equipment and maintenance	126,097	734	21	126,852
Equipment rents and leases	47,459	132,763	300,848	481,070
Food supplies	11,791	140,903	1,739	154,433
Fuel and lubricants	210,824	14,588	19,961	245,373
Insurance - liability	179,607	79,062	23,599	282,268
Medical services and supplies	314,351	11,295	1,657	327,303
Memberships	3,976	10,821	8,526	23,323
Miscellaneous	136,082	74,018	511,563	721,663
Office supplies	50,188	174,292	33,555	258,035
Professional services	1,740,925	1,309,326	4,158,257	7,208,508
Radio/electric service and supply	8,716	-		8,716
Recreational supplies	495	362,570	20,715	383,780
Taxes and assessments	69	-	13,720	13,789
Telephone	185,727	84,454	13,307	283,488
Utilities	185,957	404,510		590,467
<b>Total services and supplies</b>	<b>3,891,038</b>	<b>3,446,115</b>	<b>5,142,492</b>	<b>12,479,645</b>
<b>Total current expenditures</b>	<b>38,600,228</b>	<b>9,952,270</b>	<b>7,880,486</b>	<b>56,432,984</b>
Capital outlay:				
Land	278,445	-	-	278,445
Structures and improvements	26,852	1,035,691	101,677	1,164,220
Equipment	1,768,277	100,681	24,346	1,893,304
<b>Total capital outlay</b>	<b>2,073,574</b>	<b>1,136,372</b>	<b>126,023</b>	<b>3,335,969</b>
Debt service:				
Principal	1,497,318	59,717	544,498	2,101,533
Interest	585,435	15,401	130,268	731,104
Cost of issuance	-	-	272,852	272,852
<b>Total debt service</b>	<b>2,082,753</b>	<b>75,118</b>	<b>947,618</b>	<b>3,105,489</b>
<b>Total expenditures</b>	<b>\$ 42,756,555</b>	<b>\$ 11,163,760</b>	<b>\$ 8,954,127</b>	<b>\$ 62,874,442</b>

**Cosumnes Community Services District**  
**Schedule of Expenditures and Other Financing Sources and Uses Compared to Budget -**  
**General Fund**  
**For the year ended June 30, 2016**

	Public Protection			Park Department	
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual
<b>PUBLIC PROTECTION:</b>					
Salaries and benefits	\$ 34,865,981	\$ 34,709,190	\$ 156,791	\$ -	\$ -
Service and supplies	4,809,000	3,891,038	917,962	-	-
<b>Total public protection</b>	<b>39,674,981</b>	<b>38,600,228</b>	<b>1,074,753</b>	<b>-</b>	<b>-</b>
<b>RECREATION AND CULTURE:</b>					
Salaries and benefits	-	-	-	6,521,146	6,506,155
Costs of sales and services	-	-	-	3,474,009	3,446,115
<b>Total recreation and culture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,995,155</b>	<b>9,952,270</b>
<b>GENERAL GOVERNMENT:</b>					
Salaries and benefits	-	-	-	-	-
Services and supplies	-	-	-	-	-
<b>Total general government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL OUTLAY:</b>					
Land	279,000	278,445	555	-	-
Equipment	2,917,452	1,768,277	1,149,175	101,029	100,681
Structures and improvements	112,278	26,852	85,426	6,567,830	1,035,691
<b>Total capital outlay</b>	<b>3,308,730</b>	<b>2,073,574</b>	<b>1,235,156</b>	<b>6,668,859</b>	<b>1,136,372</b>
<b>LEASES/DEBT PAYMENTS:</b>					
Debt service	2,094,784	2,082,753	12,031	75,995	75,118
<b>OTHER FINANCING (SOURCES) AND USES:</b>					
Proceeds from sale of capital assets	(6,000)	(6,150)	150	-	-
Issuance of long-term liabilities	(1,479,366)	(4,231,366)	2,752,000	(50,000)	(3,092,800)
Original issue discount	-	94,487	(94,487)	-	94,486
Insurance Proceeds	(22,814)	-	(22,814)	-	-
Transfers in	(100,378)	(204,551)	104,173	(3,559,316)	(1,194,383)
Transfers out	480,636	479,701	935	710,150	709,383
<b>Total other Financing uses</b>	<b>(1,127,922)</b>	<b>(3,867,879)</b>	<b>2,739,957</b>	<b>(2,899,166)</b>	<b>(3,483,315)</b>
<b>CONTINGENCIES</b>					
	-	-	-	-	-
<b>Total general fund</b>	<b>43,950,573</b>	<b>38,888,676</b>	<b>5,061,897</b>	<b>13,840,843</b>	<b>7,680,445</b>

Administrative Services				Total		
Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 34,865,981	\$ 34,709,190	\$ 156,791
-	-	-	-	4,809,000	3,891,038	917,962
-	-	-	-	39,674,981	38,600,228	1,074,753
14,991	-	-	-	6,521,146	6,506,155	14,991
27,894	-	-	-	3,474,009	3,446,115	27,894
42,885	-	-	-	9,995,155	9,952,270	42,885
-	2,826,587	2,737,994	88,593	2,826,587	2,737,994	88,593
-	5,145,491	5,142,492	2,999	5,145,491	5,142,492	2,999
-	7,972,078	7,880,486	91,592	7,972,078	7,880,486	91,592
-	-	-	-	279,000	278,445	555
348	25,200	24,346	854	3,043,681	1,893,304	1,150,377
5,532,139	102,000	101,677	323	6,782,108	1,164,220	5,617,888
5,532,487	127,200	126,023	1,177	10,104,789	3,335,969	6,768,820
877	676,644	947,618	(270,974)	2,847,423	3,105,489	(258,066)
-	-	-	-	(6,000)	(6,150)	150
3,042,800	-	(3,096,006)	3,096,006	(1,529,366)	(10,420,172)	8,890,806
(94,486)	-	94,487	(94,487)	-	283,460	(283,460)
-	(4,309,799)	(4,924,060)	614,261	(4,332,613)	(4,924,060)	591,447
(2,364,933)	(264,088)	(333,829)	69,741	(3,923,782)	(1,732,764)	(2,191,018)
767	71,617	71,036	581	1,262,403	1,260,120	2,283
584,149	(4,502,270)	(8,188,372)	3,686,102	(8,529,358)	(15,539,566)	7,010,208
-	-	-	-	-	-	-
6,160,398	4,273,652	765,755	3,507,897	62,065,068	47,334,876	14,730,192

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## LANDSCAPE AND LIGHTING SPECIAL REVENUE FUND

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

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

**Cosumnes Community Services District**  
**Balance Sheet Schedules by Benefit Zone**  
**Landscaping and Lighting Special Revenue Fund**  
**June 30, 2016**

	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
<b>ASSETS</b>						
Cash and investments	\$ 5,010,720	\$ 184,547	\$ 703,294	\$ 1,277,030	\$ 1,188,643	\$ 309,737
Receivables:						
Accounts	-	-	-	-	-	-
Interest	7,858	259	1,220	1,886	1,762	836
Intergovernmental	36,291	1,552	8,158	8,097	5,943	5,769
<b>Total assets</b>	<b>\$ 5,054,869</b>	<b>\$ 186,358</b>	<b>\$ 712,672</b>	<b>\$ 1,287,013</b>	<b>\$ 1,196,348</b>	<b>\$ 316,342</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 49,959	\$ 329	\$ 12,847	\$ 17,462	\$ 17,067	\$ 5,992
<b>Total liabilities</b>	<b>49,959</b>	<b>329</b>	<b>12,847</b>	<b>17,462</b>	<b>17,067</b>	<b>5,992</b>
<b>Fund Balances:</b>						
Restricted for:						
Specific purpose of the fund	\$ 5,004,910	\$ 186,029	\$ 699,825	\$ 1,269,551	\$ 1,179,281	\$ 310,350
<b>Total fund balances</b>	<b>5,004,910</b>	<b>186,029</b>	<b>699,825</b>	<b>1,269,551</b>	<b>1,179,281</b>	<b>310,350</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,054,869</b>	<b>\$ 186,358</b>	<b>\$ 712,672</b>	<b>\$ 1,287,013</b>	<b>\$ 1,196,348</b>	<b>\$ 316,342</b>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 8 Other Rural Areas	Zone 9 Waterman/ Park Village	Zone 10 Auto Mall	Zone 11 East Elk Grove	Zone 12 Laguna Stonelake	Zone 13 East Franklin	Zone 14 Camden Park	Zone 15 Vista Creek
\$ 1,429,281	\$ 245,670	\$ 177,323	\$ 4,978,721	\$ 990,805	\$ 13,949,415	\$ 165,304	\$ 83,614
-	-	-	-	-	2,000	-	-
2,429	322	265	6,983	1,435	19,944	696	123
6,953	2,912	389	17,477	4,652	31,933	1,564	185
<u>\$ 1,438,663</u>	<u>\$ 248,904</u>	<u>\$ 177,977</u>	<u>\$ 5,003,181</u>	<u>\$ 996,892</u>	<u>\$ 14,003,292</u>	<u>\$ 167,564</u>	<u>\$ 83,922</u>
\$ 51	\$ 3,746	\$ 42	\$ 23,213	\$ 11,783	\$ 36,184	\$ -	\$ -
51	3,746	42	23,213	11,783	36,184	-	-
<u>\$ 1,438,612</u>	<u>\$ 245,158</u>	<u>\$ 177,935</u>	<u>\$ 4,979,968</u>	<u>\$ 985,109</u>	<u>\$ 13,967,108</u>	<u>\$ 167,564</u>	<u>83,922</u>
1,438,612	245,158	177,935	4,979,968	985,109	13,967,108	167,564	83,922
<u>\$ 1,438,663</u>	<u>\$ 248,904</u>	<u>\$ 177,977</u>	<u>\$ 5,003,181</u>	<u>\$ 996,892</u>	<u>\$ 14,003,292</u>	<u>\$ 167,564</u>	<u>\$ 83,922</u>

(Continued)

**Cosumnes Community Services District**  
**Balance Sheet Schedules by Benefit Zone**  
**Landscaping and Lighting Special Revenue Fund**  
**June 30, 2016**

Landscape and Lighting Assessment District - Zones of Benefit

	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	District Wide	Total
<b>ASSETS</b>				
Cash and investments	\$ 427,133	\$ 223,521	\$ 372,625	\$ 31,717,383
Receivables:				
Accounts	-		28,923	30,923
Interest	654	100,768	(2,656)	144,784
Intergovernmental	1,196	366	-	133,437
<b>Total assets</b>	<b>\$ 428,983</b>	<b>\$ 324,655</b>	<b>\$ 398,892</b>	<b>\$ 32,026,527</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ (80)	\$ 24,246	\$ 78,603	\$ 281,444
<b>Total liabilities</b>	<b>(80)</b>	<b>24,246</b>	<b>78,603</b>	<b>281,444</b>
<b>Fund Balances:</b>				
Restricted for:				
End of year	429,063	300,409	320,289	31,745,083
<b>Total fund balances</b>	<b>429,063</b>	<b>300,409</b>	<b>320,289</b>	<b>31,745,083</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 428,983</b>	<b>\$ 324,655</b>	<b>\$ 398,892</b>	<b>\$ 32,026,527</b>

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**Cosumnes Community Services District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Landscaping and Lighting Special Revenue Fund**  
**For the year ended June 30, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit					
	Zone 3		Zone 4	Zone 5	Zone 6	
	Zone 1	Zone 2	Elk Grove/ West	Zone 4 West	Zone 5	Zone 6 Central
	Laguna	Camden	Vineyard	Laguna	Lakeside	Elk Grove
<b>REVENUES:</b>						
Charges for current services	\$ 3,777,042	\$ 161,455	\$ 849,098	\$ 842,739	\$ 618,502	\$ 600,423
Use of money and property	157,193	1,347	33,209	9,623	9,248	3,345
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,934,235</b>	<b>162,802</b>	<b>882,307</b>	<b>852,362</b>	<b>627,750</b>	<b>603,768</b>
<b>EXPENDITURES:</b>						
Current:						
Recreation and culture	2,326,574	137,110	578,771	522,523	412,563	145,250
Capital outlay	7,551	-	512			
Debt service:						
Principal	-					
Interest	-					
<b>Total expenditures</b>	<b>2,334,125</b>	<b>137,110</b>	<b>579,283</b>	<b>522,523</b>	<b>412,563</b>	<b>145,250</b>
<b>REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<b>1,600,110</b>	<b>25,692</b>	<b>303,024</b>	<b>329,839</b>	<b>215,187</b>	<b>458,518</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Insurance recovery	10,379	-	-	-	-	-
Transfers in	-	16,810	6,079	-	-	-
Transfers out	(1,037,301)	(42,502)	(268,196)	(142,249)	(116,684)	(385,346)
<b>Total other financing sources (uses)</b>	<b>(1,026,922)</b>	<b>(25,692)</b>	<b>(262,117)</b>	<b>(142,249)</b>	<b>(116,684)</b>	<b>(385,346)</b>
<b>Net change in fund balances</b>	<b>573,188</b>	<b>-</b>	<b>40,907</b>	<b>187,590</b>	<b>98,503</b>	<b>73,172</b>
<b>FUND BALANCES:</b>						
Beginning of year	\$4,431,722	\$186,029	\$658,918	\$1,081,961	\$1,080,778	\$237,178
End of year	\$ 5,004,910	\$ 186,029	\$ 699,825	\$ 1,269,551	\$ 1,179,281	\$ 310,350

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
\$ 723,279	\$ 303,100	\$ 40,461	\$ 1,859,273	\$ 484,189	\$ 3,323,513	\$ 137,973	\$ 20,700
12,315	26,552	1,459	34,985	41,866	253,665	3,667	670
-	-	-	350	-	-	-	-
735,594	329,652	41,920	1,894,608	526,055	3,577,178	141,640	21,370
28,788	267,517	-	731,120	352,207	1,595,518	1,200	550
		-	10,579		11,975		
28,788	267,517	-	741,699	352,207	1,607,493	1,200	550
706,806	62,135	41,920	1,152,909	173,848	1,969,685	140,440	20,820
-	-	-	-	-	-	-	-
-	364,355	-	-	-	-	-	-
(419,690)	(374,587)	(15,405)	(189,506)	(83,143)	(424,592)	(326,165)	(6,079)
(419,690)	(10,232)	(15,405)	(189,506)	(83,143)	(424,592)	(326,165)	(6,079)
287,116	51,903	26,515	963,403	90,705	1,545,093	(185,725)	14,741
\$1,151,496	\$193,255	\$151,420	\$4,016,565	\$894,404	\$12,422,015	\$353,289	\$69,181
\$ 1,438,612	\$ 245,158	\$ 177,935	\$ 4,979,968	\$ 985,109	\$ 13,967,108	\$ 167,564	\$ 83,922

(Continued)

**Cosumnes Community Services District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Landscaping and Lighting Special Revenue Fund**  
**For the year ended June 30, 2016**

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Landscape and Lighting Assessment District - Zones of Benefit

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	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	District Wide	Total
<b>REVENUES:</b>				
Charges for current services	\$ 125,622	\$ 1,070,613	\$ 4,130	\$ 14,942,112
Use of money and property	3,525	2,126	46,192	640,987
Miscellaneous	-	-	36,792	37,142
<b>Total revenues</b>	<b>129,147</b>	<b>1,072,739</b>	<b>87,114</b>	<b>15,620,241</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	1,500	1,044,929	2,498,836	10,644,956
Capital outlay	-	5,828	118,452	154,897
Debt service:				
Principal	-	-	21,304	21,304
Interest	-	-	1,401	1,401
<b>Total expenditures</b>	<b>1,500</b>	<b>1,050,757</b>	<b>2,639,993</b>	<b>10,822,558</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>127,647</b>	<b>21,982</b>	<b>(2,552,879)</b>	<b>4,797,683</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	2,591	12,970
Transfers in	-	-	2,673,601	3,060,845
Transfers out	(55,000)	(16,800)	(121,986)	(4,025,231)
<b>Total other financing sources (uses)</b>	<b>(55,000)</b>	<b>(16,800)</b>	<b>2,554,206</b>	<b>(951,416)</b>
<b>Net change in fund balances</b>	<b>72,647</b>	<b>5,182</b>	<b>1,327</b>	<b>3,846,267</b>
<b>FUND BALANCES:</b>				
End of year	\$356,416	\$295,227	\$318,962	27,898,816
End of year	\$ 429,063	\$ 300,409	\$ 320,289	\$ 31,745,083

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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, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 1 - Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 3,773,551	\$ 3,773,551	\$ 3,777,042	\$ 3,491
Use of money and property	128,000	118,000	157,193	39,193
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>3,901,551</b>	<b>3,891,551</b>	<b>3,934,235</b>	<b>42,684</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	444,380	444,380	418,878	25,502
Services and supplies	2,265,971	2,257,971	1,907,696	350,275
Capital outlay				
Equipment	-	8,000	7,551	449
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>2,710,351</b>	<b>2,710,351</b>	<b>2,334,125</b>	<b>376,226</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>1,191,200</b>	<b>1,181,200</b>	<b>1,600,110</b>	<b>418,910</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	10,379	10,379
Transfers in	-	-	-	-
Transfers out	(1,979,424)	(1,979,424)	(1,037,301)	942,123
<b>Total other financing sources (uses)</b>	<b>(1,979,424)</b>	<b>(1,979,424)</b>	<b>(1,026,922)</b>	<b>952,502</b>
<b>Net change in fund balances</b>	<b>(788,224)</b>	<b>(798,224)</b>	<b>573,188</b>	<b>1,371,412</b>
<b>FUND BALANCES:</b>				
Beginning of year	4,431,722	4,431,722	4,431,722	-
End of year	<b>\$ 3,643,498</b>	<b>\$ 3,633,498</b>	<b>\$ 5,004,910</b>	<b>\$ 1,371,412</b>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 2 - Camden				Zone 3 - Elk Grove/West Vineyard			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
\$ 161,307	\$ 161,307	\$ 161,455	\$ 148	\$ 848,278	\$ 848,278	\$ 849,098	\$ 820
400	400	1,347	947	29,400	29,400	33,209	3,809
-	-	-	-	-	-	-	-
161,707	161,707	162,802	1,095	877,678	877,678	882,307	4,629
39,277	39,277	36,853	2,424	86,341	86,341	82,253	4,088
146,452	146,452	100,257	46,195	531,206	531,206	496,518	34,688
-	-	-	-	700	700	512	188
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
185,729	185,729	137,110	48,619	618,247	618,247	579,283	38,964
(24,022)	(24,022)	25,692	49,714	259,431	259,431	303,024	43,593
-	-	-	-	-	-	-	-
70,490	70,490	16,810	(53,680)	6,079	6,079	6,079	-
(42,522)	(42,522)	(42,502)	20	(279,722)	(279,722)	(268,196)	11,526
27,968	27,968	(25,692)	(53,660)	(273,643)	(273,643)	(262,117)	11,526
3,946	3,946	-	(3,946)	(14,212)	(14,212)	40,907	55,119
186,029	186,029	186,029	-	658,918	658,918	658,918	-
\$ 189,975	\$ 189,975	\$ 186,029	\$ (3,946)	\$ 644,706	\$ 644,706	\$ 699,825	\$ 55,119

**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, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 4 - West Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 841,964	\$ 841,964	\$ 842,739	\$ 775
Use of money and property	3,000	3,000	9,623	6,623
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>844,964</b>	<b>844,964</b>	<b>852,362</b>	<b>7,398</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	61,700	61,700	57,176	4,524
Services and supplies	641,710	641,710	465,347	176,363
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>703,410</b>	<b>703,410</b>	<b>522,523</b>	<b>180,887</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>141,554</b>	<b>141,554</b>	<b>329,839</b>	<b>188,285</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(146,675)	(146,675)	(142,249)	4,426
<b>Total other financing sources (uses)</b>	<b>(146,675)</b>	<b>(146,675)</b>	<b>(142,249)</b>	<b>4,426</b>
<b>Net change in fund balances</b>	<b>(5,121)</b>	<b>(5,121)</b>	<b>187,590</b>	<b>192,711</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,081,961	1,081,961	1,081,961	-
End of year	<b>\$ 1,076,840</b>	<b>\$ 1,076,840</b>	<b>\$ 1,269,551</b>	<b>\$ 192,711</b>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 5 - Lakeside				Zone 6 - Central Elk Grove			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
\$ 617,932	\$ 617,932	\$ 618,502	\$ 570	\$ 599,865	\$ 599,865	\$ 600,423	\$ 558
3,000	3,000	9,248	6,248	1,400	1,400	3,345	1,945
-	-	-	-	-	-	-	-
620,932	620,932	627,750	6,818	601,265	601,265	603,768	2,503
60,936	60,936	56,402	4,534	31,365	31,365	28,957	2,408
412,527	412,527	356,161	56,366	150,500	150,500	116,293	34,207
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
473,463	473,463	412,563	60,900	181,865	181,865	145,250	36,615
147,469	147,469	215,187	67,718	419,400	419,400	458,518	39,118
-	-	-	-	-	-	-	-
-	-	-	-	1,300	1,300	-	(1,300)
(251,783)	(255,783)	(116,684)	139,099	(398,643)	(398,643)	(385,346)	13,297
(251,783)	(255,783)	(116,684)	139,099	(397,343)	(397,343)	(385,346)	11,997
(104,314)	(108,314)	98,503	206,817	22,057	22,057	73,172	51,115
1,080,778	1,080,778	1,080,778	-	237,178	237,178	237,178	-
\$ 976,464	\$ 972,464	\$ 1,179,281	\$ 206,817	\$ 259,235	\$ 259,235	\$ 310,350	\$ 51,115

**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, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 8 - Other Rural Areas			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 723,001	\$ 723,001	\$ 723,279	\$ 278
Use of money and property	4,375	4,375	12,315	7,940
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>727,376</b>	<b>727,376</b>	<b>735,594</b>	<b>8,218</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	17,917	18,017	18,002	15
Services and supplies	20,344	17,244	10,786	6,458
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>38,261</b>	<b>35,261</b>	<b>28,788</b>	<b>6,473</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>689,115</b>	<b>692,115</b>	<b>706,806</b>	<b>14,691</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(417,143)	(420,143)	(419,690)	453
<b>Total other financing sources (uses)</b>	<b>(417,143)</b>	<b>(420,143)</b>	<b>(419,690)</b>	<b>453</b>
<b>Net change in fund balances</b>	<b>271,972</b>	<b>271,972</b>	<b>287,116</b>	<b>15,144</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,151,496	1,151,496	1,151,496	-
End of year	<b>\$ 1,423,468</b>	<b>\$ 1,423,468</b>	<b>\$ 1,438,612</b>	<b>\$ 15,144</b>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 9 - Waterman/Park Village				Zone 10 - Auto Mall			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
\$ 302,821	\$ 302,821	\$ 303,100	\$ 279	\$ 40,420	\$ 40,420	\$ 40,461	\$ 41
23,718	23,718	26,552	2,834	300	300	1,459	1,159
-	-	-	-	-	-	-	-
326,539	326,539	329,652	3,113	40,720	40,720	41,920	1,200
54,913	54,913	50,904	4,009	-	-	-	-
268,286	268,286	216,613	51,673	1,111	1,111	-	1,111
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
323,199	323,199	267,517	55,682	1,111	1,111	-	1,111
3,340	3,340	62,135	58,795	39,609	39,609	41,920	2,311
-	-	-	-	-	-	-	-
74,000	74,000	364,355	290,355	-	-	-	-
(386,047)	(386,047)	(374,587)	11,460	(16,199)	(16,199)	(15,405)	794
(312,047)	(312,047)	(10,232)	301,815	(16,199)	(16,199)	(15,405)	794
(308,707)	(308,707)	51,903	360,610	23,410	23,410	26,515	3,105
193,255	193,255	193,255	-	151,420	151,420	151,420	-
\$ (115,452)	\$ (115,452)	\$ 245,158	\$ 360,610	\$ 174,830	\$ 174,830	\$ 177,935	\$ 3,105

**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, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 11 - East Elk Grove			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 1,817,274	\$ 1,817,274	\$ 1,859,273	\$ 41,999
Use of money and property	10,000	10,000	34,985	24,985
Miscellaneous	-	-	350	350
<b>Total revenues</b>	<b>1,827,274</b>	<b>1,827,274</b>	<b>1,894,608</b>	<b>67,334</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	180,278	180,278	169,334	10,944
Services and supplies	792,588	792,588	561,786	230,802
Capital outlay				
Equipment	13,700	13,700	10,579	3,121
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>986,566</b>	<b>986,566</b>	<b>741,699</b>	<b>244,867</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>840,708</b>	<b>840,708</b>	<b>1,152,909</b>	<b>312,201</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(413,086)	(413,086)	(189,506)	223,580
<b>Total other financing sources (uses)</b>	<b>(413,086)</b>	<b>(413,086)</b>	<b>(189,506)</b>	<b>223,580</b>
<b>Net change in fund balances</b>	<b>427,622</b>	<b>427,622</b>	<b>963,403</b>	<b>535,781</b>
<b>FUND BALANCES:</b>				
Beginning of year	4,016,565	4,016,565	4,016,565	-
End of year	<b>\$ 4,444,187</b>	<b>\$ 4,444,187</b>	<b>\$ 4,979,968</b>	<b>\$ 535,781</b>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 12 - Laguna Stonelake				Zone 13 - East Franklin			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
\$ 483,741	\$ 483,742	\$ 484,189	\$ 447	\$ 3,320,459	\$ 3,320,459	\$ 3,323,513	\$ 3,054
40,260	40,260	41,866	1,606	49,700	49,700	253,665	203,965
-	-	-	-	-	-	-	-
524,001	524,002	526,055	2,053	3,370,159	3,370,159	3,577,178	207,019
65,618	65,618	61,913	3,705	514,548	514,548	476,198	38,350
387,179	387,317	290,294	97,023	1,483,368	1,483,368	1,119,320	364,048
-	-	-	-	26,700	26,700	11,975	14,725
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
452,797	452,935	352,207	100,728	2,024,616	2,024,616	1,607,493	417,123
71,204	71,067	173,848	102,781	1,345,543	1,345,543	1,969,685	624,142
-	-	-	-	-	-	-	-
-	-	-	-	1,300	1,300	-	(1,300)
(86,097)	(86,097)	(83,143)	2,954	(796,393)	(796,393)	(424,592)	371,801
(86,097)	(86,097)	(83,143)	2,954	(795,093)	(795,093)	(424,592)	370,501
(14,893)	(15,030)	90,705	105,735	550,450	550,450	1,545,093	994,643
894,404	894,404	894,404	-	12,422,015	12,422,015	12,422,015	-
\$ 879,511	\$ 879,374	\$ 985,109	\$ 105,735	\$ 12,972,465	\$ 12,972,465	\$ 13,967,108	\$ 994,643

**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, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 14 - Camden Park			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 137,958	\$ 137,958	\$ 137,973	\$ 15
Use of money and property	700	700	3,667	2,967
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>138,658</b>	<b>138,658</b>	<b>141,640</b>	<b>2,982</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	-	-	-	-
Services and supplies	1,200	1,200	1,200	-
Capital outlay				
Equipment	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>137,458</b>	<b>137,458</b>	<b>140,440</b>	<b>2,982</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(89,490)	(326,490)	(326,165)	325
<b>Total other financing sources (uses)</b>	<b>(89,490)</b>	<b>(326,490)</b>	<b>(326,165)</b>	<b>325</b>
<b>Net change in fund balances</b>	<b>47,968</b>	<b>(189,032)</b>	<b>(185,725)</b>	<b>3,307</b>
<b>FUND BALANCES:</b>				
Beginning of year	353,289	353,289	353,289	-
End of year	<b>\$ 401,257</b>	<b>\$ 164,257</b>	<b>\$ 167,564</b>	<b>\$ 3,307</b>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 15 - Vista Creek				Zone 16 - Fallbrook Park Lane			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
\$ 20,756	\$ 20,756	\$ 20,700	\$ (56)	\$ 125,894	\$ 125,894	\$ 125,622	\$ (272)
200	200	670	470	700	700	3,525	2,825
-	-	-	-	-	-	-	-
20,956	20,956	21,370	414	126,594	126,594	129,147	2,553
-	-	-	-	-	-	-	-
950	950	550	400	1,615	1,615	1,500	115
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
950	950	550	400	1,615	1,615	1,500	115
20,006	20,006	20,820	814	124,979	124,979	127,647	2,668
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(6,079)	(6,079)	(6,079)	-	(55,000)	(55,000)	(55,000)	-
(6,079)	(6,079)	(6,079)	-	(55,000)	(55,000)	(55,000)	-
13,927	13,927	14,741	814	69,979	69,979	72,647	2,668
69,181	69,181	69,181	-	356,416	356,416	356,416	-
\$ 83,108	\$ 83,108	\$ 83,922	\$ 814	\$ 426,395	\$ 426,395	\$ 429,063	\$ 2,668

**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, 2016**

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 17 - City Landscape			
	Original	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Charges for current services	\$ 1,053,891	\$ 1,068,991	\$ 1,070,613	\$ 1,622
Use of money and property	601	601	2,126	1,525
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>1,054,492</b>	<b>1,069,592</b>	<b>1,072,739</b>	<b>3,147</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture				
Salaries and benefits	128,996	126,496	125,210	1,286
Services and supplies	905,989	919,989	919,719	270
Capital outlay				
Equipment	-	5,890	5,828	62
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>1,034,985</b>	<b>1,052,375</b>	<b>1,050,757</b>	<b>1,618</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>19,507</b>	<b>17,217</b>	<b>21,982</b>	<b>4,765</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(14,717)	(17,217)	(16,800)	417
<b>Total other financing sources (uses)</b>	<b>(14,717)</b>	<b>(17,217)</b>	<b>(16,800)</b>	<b>417</b>
<b>Net change in fund balances</b>	<b>4,790</b>	<b>-</b>	<b>5,182</b>	<b>5,182</b>
<b>FUND BALANCES:</b>				
Beginning of year	295,227	295,227	295,227	-
End of year	\$ 300,017	\$ 295,227	\$ 300,409	\$ 5,182

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)
\$ 10,000	\$ 10,000	\$ 4,130	\$ (5,870)	\$ 14,879,112	\$ 14,894,213	\$ 14,942,112	\$ 47,899
48,900	48,900	46,192	(2,708)	344,654	334,654	640,987	306,333
500	500	36,792	36,292	500	500	37,142	36,642
59,400	59,400	87,114	27,714	15,224,266	15,229,367	15,620,241	390,874
1,140,343	1,144,443	1,144,354	89	2,826,612	2,828,312	2,726,434	101,878
1,609,398	1,583,798	1,354,482	229,316	9,620,394	9,597,832	7,918,522	1,679,310
133,100	133,100	118,452	14,648	174,200	188,090	154,897	33,193
16,000	21,500	21,304	196	16,000	21,500	21,304	196
1,500	1,500	1,401	99	1,500	1,500	1,401	99
2,900,341	2,884,341	2,639,993	244,348	12,638,706	12,637,234	10,822,558	1,814,676
(2,840,941)	(2,824,941)	(2,552,879)	272,062	2,585,560	2,592,133	4,797,683	2,205,550
-	-	2,591	2,591	-	-	12,970	12,970
2,823,387	2,823,387	2,673,601	(149,786)	2,976,556	2,976,556	3,060,845	84,289
(106,282)	(122,282)	(121,986)	296	(5,485,302)	(5,747,802)	(4,025,231)	1,722,571
2,717,105	2,701,105	2,554,206	(146,899)	(2,508,746)	(2,771,246)	(951,416)	1,819,830
(123,836)	(123,836)	1,327	125,163	76,814	(179,113)	3,846,267	4,025,380
318,962	318,962	318,962	-	27,898,816	27,898,816	27,898,816	-
\$ 195,126	\$ 195,126	\$ 320,289	\$ 125,163	\$ 27,975,630	\$ 27,719,703	\$ 31,745,083	\$ 4,025,380

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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, 2016**

	2016	2015
<b>CAPITAL ASSETS:</b>		
Land	\$ 87,392,508	\$ 87,113,826
Land improvements	64,822,368	64,509,759
Construction in progress	811,516	1,270,681
Structures and improvements	77,716,961	76,466,554
Equipment	26,796,663	24,830,070
<b>Total capital assets</b>	<b>\$ 257,540,016</b>	<b>\$ 254,190,890</b>
<b>INVESTMENT IN CAPITAL ASSETS BY SOURCE:</b>		
Land, structures and improvements contributed as in-lieu fees	\$ 74,386,192	\$ 72,566,340
Current operations	109,566,324	109,352,222
Long-term debt proceeds	73,587,500	72,272,328
<b>Investment in capital assets by source</b>	<b>\$ 257,540,016</b>	<b>\$ 254,190,890</b>

**Cosumnes Community Services District**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Capital Assets by Function and Activity**  
**June 30, 2016**

Function and Activity	Land	Land Improvement	Construction in Progress	Structures and Improvements	Equipment	Total
<b>PUBLIC PROTECTION:</b>						
Fire	4,798,972	\$ -	\$ 131,906	\$ 24,649,503	\$ 23,492,089	\$ 53,072,470
<b>RECREATION AND CULTURE:</b>						
Recreation	5,765,990	-	53,812	4,166,337	1,738,859	11,724,998
Parks	76,485,796	64,822,368	625,798	48,743,546	1,039,131	191,716,639
<b>Total recreation and culture</b>	82,251,786	64,822,368	679,610	52,909,883	2,777,990	203,441,637
<b>GENERAL GOVERNMENT:</b>						
Administration	341,750	-	-	157,575	526,584	1,025,909
<b>Total capital assets</b>	\$ 87,392,508	\$ 64,822,368	\$ 811,516	\$ 77,716,961	\$ 26,796,663	\$ 257,540,016

**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, 2016**

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
<b>PUBLIC PROTECTION:</b>				
Fire	\$ 50,999,133	\$ 2,073,337	\$ -	\$ 53,072,470
<b>RECREATION AND CULTURE:</b>				
Recreation	11,429,947	332,537	(37,486)	11,724,998
Parks	190,760,247	1,060,409	(104,017)	191,716,639
<b>Total recreation and culture</b>	<u>202,190,194</u>	<u>1,392,946</u>	<u>(141,503)</u>	<u>203,441,637</u>
<b>GENERAL GOVERNMENT:</b>				
Administration	1,001,563	24,346	-	1,025,909
<b>Total capital assets</b>	<u>\$ 254,190,890</u>	<u>\$ 3,490,629</u>	<u>\$ (141,503)</u>	<u>\$ 257,540,016</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			
	2016	2015	2014 (2)	2013
Governmental activities				
Net investment in capital assets	\$ 185,351,179	184,981,570	183,997,497	184,141,637
Restricted	48,762,603	44,349,631	42,341,817	37,217,297
Unrestricted	<u>(50,108,183)</u>	<u>(54,478,223)</u>	<u>(62,177,389)</u>	<u>(8,241,726)</u>
Total governmental activities net position	<u>\$ 184,005,599</u>	<u>174,852,978</u>	<u>164,161,925</u>	<u>213,117,208</u>
Primary government				
Net investment in capital assets	\$ 185,351,179	184,981,570	183,997,497	184,141,637
Restricted	48,762,603	44,349,631	42,341,817	37,217,297
Unrestricted	<u>(50,108,183)</u>	<u>(54,478,223)</u>	<u>(62,177,389)</u>	<u>(8,241,726)</u>
Total primary government net position	<u>\$ 184,005,599</u>	<u>174,852,978</u>	<u>164,161,925</u>	<u>213,117,208</u>

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

Source: Cosumnes CSD Administrative Services Department

- (1) Information was restated to correct prior year capital assets balances.
- (2) The District recorded prior period adjustments to record the beginning balance of the net pension liability, and to record employer contributions made for pension in fiscal year 2014 as a deferred outflow of resources.

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

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

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

	Fiscal Year			
	2016	2015	2014	2013
Expenses				
Governmental activities:				
Public protection	\$ 39,709,149	30,991,966	36,958,524	39,550,114
Recreation and culture	23,461,242	24,421,081	21,697,297	22,221,093
General Government	7,844,015	4,262,813	3,424,446	3,672,163
Interest on long-term debt	1,436,266	773,229	820,905	1,151,692
Total governmental activities expenses	<u>72,450,672</u>	<u>60,449,089</u>	<u>62,901,172</u>	<u>66,595,062</u>
Total primary government expenses	<u>72,450,672</u>	<u>60,449,089</u>	<u>62,901,172</u>	<u>66,595,062</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public protection	6,916,448	8,152,295	7,181,029	5,428,004
Recreation and culture	20,585,430	20,399,714	19,711,526	19,673,718
General Government	7,799,770	1,883,787	1,677,351	1,974,385
Operating grants and contributions	160,132	113,666	121,646	109,774
Capital grants and contributions	5,075,796	3,650,142	4,239,631	3,673,497
Total governmental activities program revenues	<u>40,537,576</u>	<u>34,199,604</u>	<u>32,931,183</u>	<u>30,859,378</u>
Total primary government program revenues	<u>40,537,576</u>	<u>34,199,604</u>	<u>32,931,183</u>	<u>30,859,378</u>
Net revenues (expenses):				
Governmental activities	<u>(31,913,096)</u>	<u>(26,249,485)</u>	<u>(29,969,989)</u>	<u>(35,735,684)</u>
Total net revenues (expenses)	<u>(31,913,096)</u>	<u>(26,249,485)</u>	<u>(29,969,989)</u>	<u>(35,735,684)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property Taxes	38,678,041	36,173,988	32,626,823	29,456,296
Other taxes				
Investment earnings	929,012	431,763	479,497	559,940
Miscellaneous	1,458,664	334,787	332,351	100,725
Total governmental activities	<u>41,065,717</u>	<u>36,940,538</u>	<u>33,438,671</u>	<u>30,116,961</u>
Total primary government	<u>41,065,717</u>	<u>36,940,538</u>	<u>33,438,671</u>	<u>30,116,961</u>
Changes in net position				
Governmental activities	<u>9,152,621</u>	<u>10,691,053</u>	<u>3,468,682</u>	<u>(5,618,723)</u>
Total primary government	<u>\$ 9,152,621</u>	<u>10,691,053</u>	<u>3,468,682</u>	<u>(5,618,723)</u>

Source: Cosumnes CSD Administrative Services Department

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

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

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

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
General fund:				
Nonspendable	\$ 984,526	423,969	739,238	107,338
Restricted	16,792,913	16,031,122	16,145,077	14,238,705
Assigned	29,194,656	26,108,555	16,466,784	15,204,930
Total general fund	<u>\$ 46,972,095</u>	<u>42,563,646</u>	<u>33,351,099</u>	<u>29,550,973</u>
All other governmental funds:				
Restricted	\$ 31,969,690	28,318,509	26,196,740	22,978,592
Assigned, reported in:				
Special revenue fund	0	0	0	0
Total all other governmental funds	<u>\$ 31,969,690</u>	<u>28,318,509</u>	<u>26,196,740</u>	<u>22,978,592</u>

Source: Cosumnes CSD Administrative Services Department

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
20,770	16,207	15,048			
14,720,152	17,954,979	20,139,539	23,966,205	27,636,829	40,876,680
19,487,133	23,234,797	26,396,387	31,788,249	35,380,874	28,915,291
<u>34,228,055</u>	<u>41,205,983</u>	<u>46,550,974</u>	<u>55,754,454</u>	<u>63,017,703</u>	<u>69,791,971</u>
19,741,810	17,815,933	6,732,261	11,228,117	4,129,624	3,945,988
0	0	14,270,117	14,482,116	12,499,960	8,876,199
<u>19,741,810</u>	<u>17,815,933</u>	<u>21,002,378</u>	<u>25,710,233</u>	<u>16,629,584</u>	<u>12,822,187</u>

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

	Fiscal Year			
	2016	2015	2014	2013
Revenues:				
Taxes	\$ 38,678,041	36,173,988	32,626,823	29,456,296
Charges for services	28,526,257	29,519,898	27,835,872	25,669,576
Developer fees and contributions	1,669,000	1,500,655	2,832,285	1,747,613
Intergovernmental	3,406,796	2,149,487	1,407,346	1,925,884
Donations and contributions	160,132	113,666	121,646	109,774
Use of money and property	2,048,806	1,516,902	1,486,062	1,504,489
Miscellaneous	1,458,664	334,787	332,351	404,965
Total revenues	<u>75,947,696</u>	<u>71,309,383</u>	<u>66,642,385</u>	<u>60,818,597</u>
Expenditures:				
Current:				
Public protection	38,600,228	36,077,297	33,362,739	34,372,236
Recreation and culture	20,606,032	21,147,714	18,737,965	18,571,201
General government	7,881,271	4,209,127	3,115,442	3,117,972
Capital outlay	3,491,208	4,355,382	2,412,214	2,462,853
Debt service:				
Principal	2,409,130	2,060,546	2,678,562	3,021,871
Interest	1,158,549	776,928	875,905	1,201,336
Cost of Issuance	272,852			
Total expenditures	<u>74,419,270</u>	<u>68,626,994</u>	<u>61,182,827</u>	<u>62,747,469</u>
Excess of revenues over expenditures	<u>1,528,426</u>	<u>2,682,389</u>	<u>5,459,558</u>	<u>(1,928,872)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	6,150	133,147	16,311	162,586
Issuance of long-term liabilities	10,420,172	1,276,969	1,436,953	325,986
Original issue discount	(283,460)			
Insurance recoveries	4,937,030	7,241,811	105,452	
Transfers in	5,506,912	5,720,119	4,625,190	4,273,702
Transfers out	<u>(5,506,912)</u>	<u>(5,720,119)</u>	<u>(4,625,190)</u>	<u>(4,273,702)</u>
Total other financing sources (uses)	<u>15,079,892</u>	<u>8,651,927</u>	<u>1,558,716</u>	<u>488,572</u>
Net change in fund balances	<u>\$ 16,608,318</u>	<u>11,334,316</u>	<u>7,018,274</u>	<u>(1,440,300)</u>
Debt service as a percentage of noncapital expenditures	5.0%	4.4%	6.0%	7.0%

Source: Cosumnes CSD Administrative Services Department

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

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Rate	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137
Overlapping Rates:										
County of Sacramento	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606
County Library	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037
Elk Grove Unified School District	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487
Elk Grove-Cosumnes Cemetery District	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275
City of Elk Grove	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738
Los Rios Community College	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641
Sacramento-Yolo Mosquito Abatement District	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866
Other	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213
Regional Sanitation District Bonds	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550
Los Rios Community College GO Bonds	0.00320	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720
Total Direct Rate	1.00870	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270

Notes:

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

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

Source: HdL Coren & Cone

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

Taxpayer	2016		2007	
	Taxable Assessed Value (1)	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value
Apple Computer, Inc	\$ 180,535,865	0.94%		
Donahue Schriber Realty Group L P	115,896,613	0.60%		
Pappas Laguna 2 Limited Partnership	92,035,034	0.48%		
Laguna Springs Corporation Center	74,340,729	0.39%		
Kaiser Foundation Health Plan	56,888,372	0.30%		
Oakmont Properties II LP	55,725,122	0.29%		
WSI Poppy Ridge LLC	48,589,432	0.25%		
9130 Nolan Street LLC	43,187,707	0.22%		
Norwalk Flallon LLC	38,135,056	0.20%		
Jackson II LLC	36,349,367	0.19%		
ACI Real Properties			63,992,819	0.41%
Donahue Schriber Realty Group L P			26,267,189	0.17%
JVC America Inc.			23,808,233	0.15%
DS Marketplace 99 LLC			18,717,320	0.12%
Grupe Development Associates			15,394,989	0.10%
Lennair Renaissance			13,466,267	0.09%
Western Investments Real Estate			12,861,180	0.08%
Suburban Propane LP			11,027,891	0.07%
Dayton Hudson Corporation			9,727,368	0.06%
Morris Family Corporation			8,900,137	0.06%
<b>Total</b>	<b>\$ 741,683,297</b>	<b>3.86%</b>	<b>204,163,393</b>	<b>1.30%</b>

Notes:

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2007	30,793,122	30,707,966	99.72%	6,559,086	37,267,052	82.40%
2008	38,793,725	36,949,440	95.25%	2,917,002	39,866,442	92.68%
2009	37,904,491	32,007,117	84.44%	6,688,873	38,695,990	82.71%
2010	33,523,739	32,007,036	95.48%	1,595,988	33,603,024	95.25%
2011	32,950,787	31,301,110	94.99%	952,310	32,253,420	97.05%
2012	31,299,748	31,053,637	99.21%	133,348	31,186,985	99.57%
2013	31,299,748	29,456,296	94.11%	476,125	29,932,421	98.41%
2014	33,605,628	32,626,823	97.09%	435,454	33,062,277	98.68%
2015	36,976,606	36,173,988	97.83%	401,309	36,575,297	98.90%
2016	39,476,493	38,678,041	97.98%	399,226	39,077,267	98.98%

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>
2007	15,410,401	244,466	15,654,867	0.22137
2008	19,433,337	288,944	19,722,281	0.22137
2009	18,929,854	340,351	19,270,205	0.22137
2010	16,674,643	368,438	17,043,081	0.22137
2011	16,410,866	340,933	16,751,799	0.22137
2012	15,691,279	326,105	16,017,384	0.22137
2013	14,907,283	324,293	15,231,576	0.22137
2014	16,202,973	299,789	16,502,762	0.22137
2015	17,922,473	311,625	18,234,098	0.22137
2016	18,888,266	310,101	19,198,367	0.22137

Notes:

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			<b>Total Governmental Activities</b>	<b>Percentage of Assessed Valuation</b>	<b>Debt Per Capita</b>
	<b>Certificates of Participation (1)</b>	<b>Loans</b>	<b>Capital Leases</b>			
2007	1,960,000	1,909,186	28,429,561	32,298,747	0.21%	191.12
2008	1,850,000	1,647,379	26,682,640	30,180,019	0.15%	178.06
2009	1,735,000	1,418,854	32,295,308	35,449,162	0.16%	203.23
2010	1,615,000	4,278,280	29,454,966	35,348,246	0.21%	199.84
2011	1,341,000	3,302,285	23,564,327	28,207,612	0.17%	154.25
2012	1,191,700	2,281,623	20,512,651	23,985,974	0.15%	130.83
2013	1,022,900	1,217,925	19,049,265	21,290,090	0.14%	116.17
2014	847,200	98,219	19,103,063	20,048,482	0.12%	109.36
2015	664,100	84,606	18,512,732	19,261,438	0.11%	104.36
2016	9,221,378	73,913	17,705,066	27,000,357	0.14%	141.60

Notes:

(1) The Certificate of participation for the 2015 refinancing project is netted with the original issue discount.

Source: Cosumnes CSD Administrative Services Department

**Cosumnes Community Services District  
Direct and Overlapping Debt  
June 30, 2016**

District Assessed Valuation (in thousands)

\$ 19,198,367

	Estimated Percentage Applicable (1)	Outstanding Debt 6/30/16	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes and Assessments:			
Los Rios Community College District	10.530%	\$ 35,740,000	36,932,922
San Joaquin Delta Community College District	3.140%	134,126,384	4,211,568
River Delta Joint Unified School District			
School Facilities Improvement District No. 1	0.2720%	7,960,546	21,653
Sacramento Unified School District	0.1770%	432,237,966	765,061
Grant Joint Union High School District and School District	60.413% & 87.367%	32,858,684	21,644,351
Elk Grove Community Facilities District	100.00%	153,845,000	153,845,000
City of Galt Community Facilities District No. 1988-1	100.00%	2,460,000	2,460,000
Elk Grove Unified School District Community Facilities District No. 1	57.078%	207,919,732	118,923,849
Galt Schools Joint Powers Authority Community Facilities District No. 1	98.606%	7,215,000	7,114,423
Sacramento County Community Facilities Districts	100.00%	24,964,178	24,964,178
California Statewide Community Development Authority 915 Act Bonds	100.00%	5,230,166	5,230,166
City of Galt 1915 Act Bonds	100.00%	1,338,000	1,338,000
Total overlapping debt repaid with property taxes and assessments		1,045,895,656	377,451,171
Overlapping Other Debt:			
Sacramento County General Fund Obligations	14.430%	\$ 253,645,984	36,601,115
Sacramento County Pension Obligations	14.430%	960,057,721	138,536,329
Sacramento County Board of Education Certificates of Participation	14.430%	6,480,000	935,064
Los Rios Community College District Certificates of Participation	10.530%	950,000	100,035
Sacramento Unified School District Certificates of Participation	0.1770%	70,185,000	124,227
Sacramento Unified School District Pension Obligations	0.1770%	615,000	1,089
City of Elk Grove General Fund Obligations	100.00%	19,180,000	19,180,000
Cosumnes Community Services District	100.00%	9,020,000	9,020,000
Total overlapping other debt		1,320,133,705	204,497,859
Total overlapping debt		\$ 2,366,029,361	585,784,030
District direct debt			27,000,357
Total direct and overlapping debt			\$ 612,784,387

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed valuation	\$ 15,654,867	19,722,281	19,270,205	17,043,081	16,751,799	16,017,384	15,231,576	16,502,762	18,234,098	19,198,367
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 3,913,717	4,930,570	4,817,551	4,260,770	4,187,950	4,004,346	3,807,894	4,125,691	4,558,525	4,799,592
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	195,686	246,529	240,878	213,039	209,397	200,217	190,395	206,285	227,926	239,980
Total net debt applicable to limit:										
General obligation bonds	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 195,686</u>	<u>246,529</u>	<u>240,878</u>	<u>213,039</u>	<u>209,397</u>	<u>200,217</u>	<u>190,395</u>	<u>206,285</u>	<u>227,926</u>	<u>239,980</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	
2007	10,197,278	6,716,506	3,480,772	201,182	88,963	12.00
2008	11,333,259	7,277,479	4,055,780	371,958	172,876	7.44
2009	12,342,506	7,826,819	4,515,687	343,675	162,645	8.92
2010	12,837,355	8,051,156	4,786,199	359,719	148,140	9.42
2011	14,295,157	9,862,791	4,432,366	376,439	93,784	9.43
2012	13,953,831	9,847,285	4,106,546	785,729	99,627	4.64
2013	14,213,219	9,624,008	4,589,211	822,796	65,448	5.17
2014	14,415,446	9,415,366	5,000,080	852,806	29,514	5.67
2015	14,708,161	11,323,523	3,384,638	25,703	1,632	123.82
2016	14,942,112	10,644,956	4,297,156	21,304	1,401	189.26

**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**

<u>Calendar Year</u>	<u>District Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Sacramento County Unemployment Rate (3)</u>
2007	169,000	N/A	5.0%
2008	169,500	N/A	7.0%
2009	174,430	N/A	11.9%
2010	176,885	N/A	12.6%
2011	182,870	N/A	12.7%
2012	183,333	N/A	11.0%
2013	183,259	N/A	8.7%
2014	183,333	N/A	6.9%
2015	184,564	N/A	6.0%
2016	190,680	N/A	5.8%

N/A Information is not available.

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

**Cosumnes Community Services District  
Principal Employers  
Last Ten Calendar Years**

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Elk Grove Unified School District	3,373	4.46%	2,207	(1)
Apple Computer	500	0.66%	381	(1)
Bel Air/Raleys Supermarkets	426	0.56%	750	(1)
Alldata	402	0.53%	425	(1)
City of Elk Grove	302	0.40%	240	(1)
Cosumnes Community Services District	255	0.34%	239	(1)
Wal Mart	153	0.20%	325	(1)
Elk Grove Ford	120	0.16%		
Maita Chevrolet	115	0.15%	-	(1)
Home Depot	112	0.15%	190	(1)
AAA Call Center	-	0.00%	750	(1)
Decorative Specialties	-	0.00%	220	(1)

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

(1) Information is not available.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function</b>										
General government	28	27	27	23	23	22	21	21	21	21
Public safety	191	180	179	169	167	168	167	167	166	165
Recreation and culture	79	79	78	76	76	71	65	65	69	69
<b>Total</b>	<b>298</b>	<b>286</b>	<b>284</b>	<b>268</b>	<b>266</b>	<b>261</b>	<b>253</b>	<b>253</b>	<b>256</b>	<b>255</b>

Source: Cosumnes CSD Administrative Services Department

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire										
Emergency responses	10,269	13,934	13,424	13,493	14,011	14,374	14,679	15,170	16,613	17,189
Field Inspections	(1)	(1)	(1)	(1)	1,602	1,687	2,290	2,165	2,742	2,852
Plan checks	1,195	882	795	551	629	808	989	1,093	1,110	1,106
Resubmitted Plan Checks	(1)	(1)	(1)	(1)	(1)	(1)	(1)	222	207	190
Weed Abatement	(1)	(1)	(1)	(1)	480	584	599	488	128	114
Fire Investigations	36	30	24	27	82	69	50	41	19	21
Code Enforcement	(1)	(1)	(1)	704	18	32	31	11	18	29
Parks and recreation										
Number of recreation programs	592	610	585	534	579	550	548	509	487	524

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Fire</b>										
Fire stations	6	8	8	8	8	8	8	8	8	8
Training facility	1	1	1	1	1	1	1	1	1	1
Fire engines	12	25	28	27	27	26	24	24	26	27
Other Fire vehicles	49	52	71	71	74	76	76	74	77	82
<b>Parks and recreation</b>										
Parks	72	76	81	84	88	89	90	91	93	94
Acreage	704	740	765	804	841	925	940	1040	1028	1037
Playgrounds	86	92	101	109	115	116	119	120	123	127
Baseball/softball diamonds	38	38	44	45	50	50	50	50	50	50
Soccer/football fields	32	34	35	37	41	41	42	42	42	42
Community centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	25	25	27	27	31	33	33	33	33	35
Skate board park	1	1	1	1	1	1	1	1	1	1
Bike Park	-	-	-	-	-	-	1	1	1	1

Sources: Various District departments





2016

COSUMNES CSD

