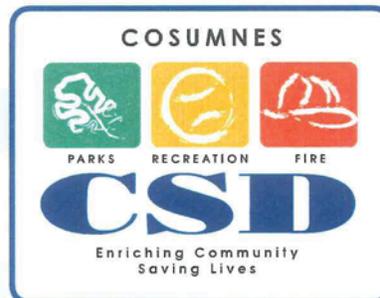


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2018



Cosumnes Community Services District
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COSUMNES COMMUNITY SERVICES DISTRICT
STATE OF CALIFORNIA

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Prepared by:
Jeremy Edwards, Finance Manager

Cosumnes Community Services District

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Cosumnes Community Services District

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INTRODUCTORY SECTION



Enriching Community ● Saving Lives



December 26, 2018

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, 2018, 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, 2018.

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

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

Badawi and Associates, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Cosumnes Community Services District's financial statements for the fiscal year ended June 30, 2018. 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 195,376; operates eight fire stations, one fire training facility and ninety-seven parks (two undeveloped) and employs two hundred ninety-two 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.

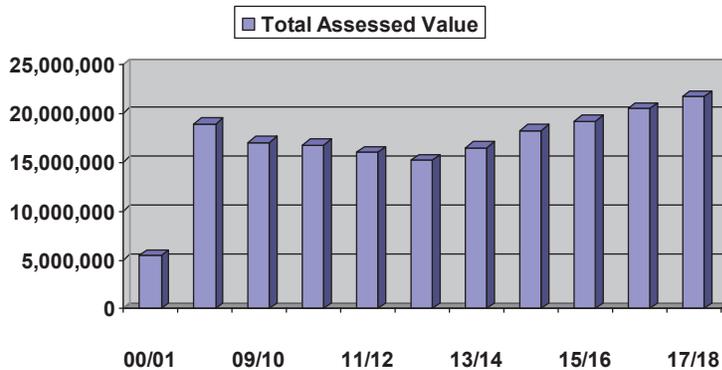
The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level of all budgetary units except for capital outlay, which are controlled on the sub-object level. The expenditure portion of the budget is enacted into 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 2017-2018, 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 are 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. An extraordinarily low supply of homes for sale pushed prices higher this spring and summer across the Sacramento region. In June 2018, the median home price of \$365,000 in Sacramento County was near the highest in the last 10 years.

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.



Residential real estate is experiencing a tight market pushing home prices higher in the Sacramento region with the median sales price up 9% in June of 2018 compared to the prior year. The District is estimating that property tax revenues will increase 5% in Fiscal Year 2018-19 compared to FY 2017-18 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 17% 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, 2018 was invested in U.S. Treasury and Government Agency investments (66%), certificate of deposit (19%), time deposits (6%), and commercial paper (9%). The average yield on investments during fiscal year 2017-2018 was 1.5%.

At June 30, 2018, the District's separate investment portfolio of approximately \$3 million was invested 30% in certificates of deposit and 70% 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 2017-2018 was 1.6%.

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 two neighborhood parks totaling 25 acres combined with the remodel of the Administration Building. In addition, the District has constructed George and Porto Parks, completed the renovation to Betschart, Foulks and Oneto Parks, and completed a new roof at the Senior Center.

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, 2017. This was the twentieth 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,



Jeremy Edwards
Finance Manager

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

Board of Directors (Elected)

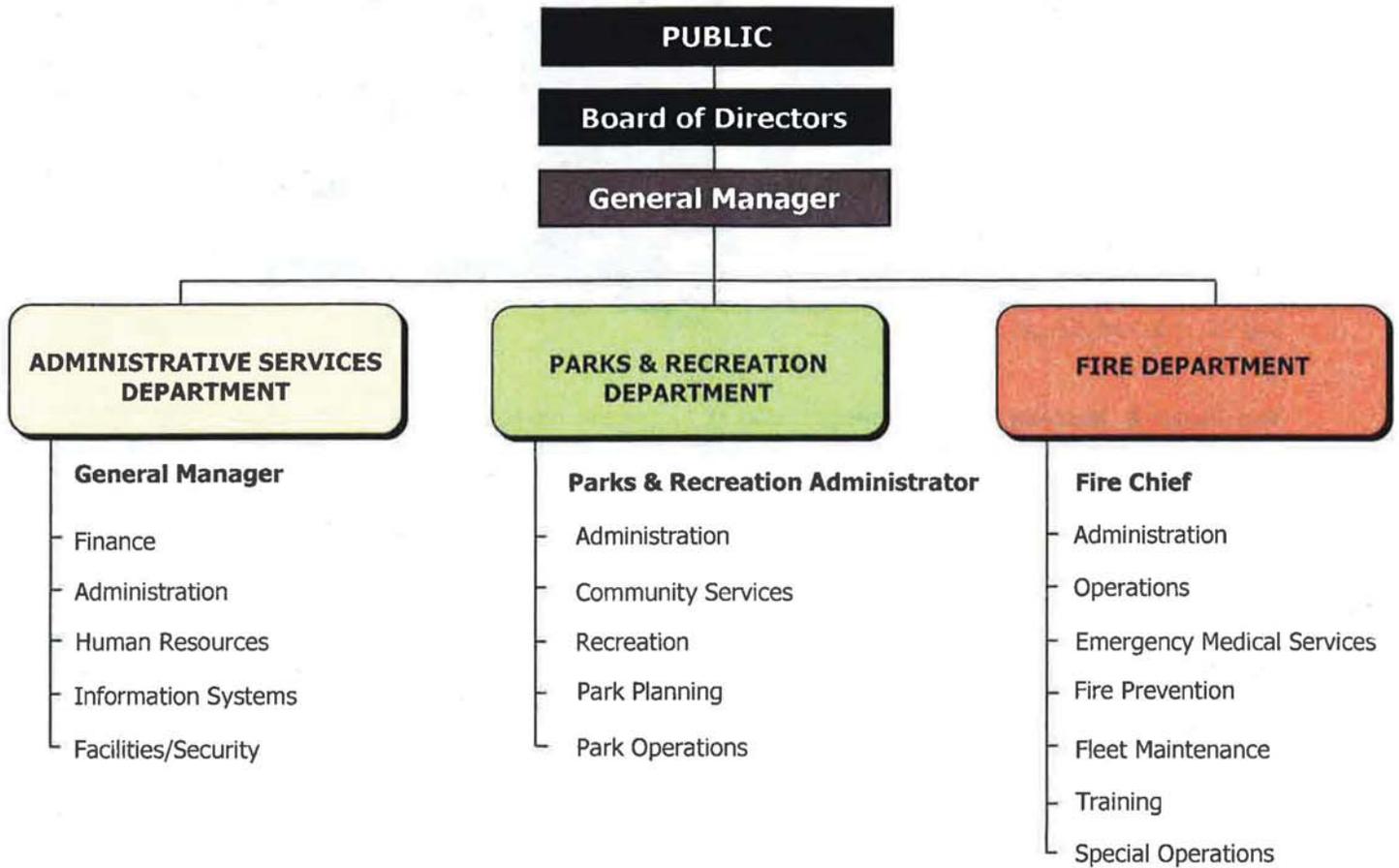
Rich Lozano	President
Gil Albiani	Vice-President
Rod Brewer	Member
Orlando Fuentes	Member
Jim Luttrell	Member

Officials (Appointed)

Maureen Zamarripa
General Manager

Mike McLaughlin
Fire Chief

Joshua Green
Parks and Recreation Department Administrator





Government Finance Officers Association

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Achievement
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Reporting

Presented to

**Cosumnes Community Services District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cosumnes Community Services District, California (District), as of and for the year ended June 30, 2018, 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, 2018, 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 information, and budgetary comparison information on pages 5-16 and 64-71 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 70 to 105 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 75 to 106 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 70 to 105 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.

To the Board of Directors
of the Cosumnes Community Services District
Elk Grove, California
Page 3

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2018, the District adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Oakland, California
December 26, 2018

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COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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-vii of this report.

FINANCIAL HIGHLIGHTS

- ◆ The assets of the Cosumnes Community Services District exceeded its liabilities at the close of the 2017-18 and 2016-17 fiscal years by \$183,166,720 and \$180,438,899 (*net position*), as restated, respectively. Of this amount, \$57,280,447 and \$52,954,081 is restricted for specific purposes (*restricted net position*), and \$191,275,989 and \$179,250,894 is net investment in capital assets. The increase in net position is due to the increase in net investment in capital assets, landscape and lighting improvements, park development and fire station and equipment offset with the addition of the net OPEB and pension liabilities. This increase is discussed further on page 10 of this report.
- ◆ For FY 2017-18, total District governmental fund revenues, including program and general revenues, were \$91.3 million, an increase of \$10 million from the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to a 7% increase in taxes (\$2.8 million), a 7% increase in charges for current services (\$2.5 million), a 157% increase in developer fees and contributions (\$3.1 million), a 55% increase in intergovernmental (\$1.4 million), a 7% increase in use of money and property (\$100 thousand), offset by a 15% decrease in miscellaneous revenues (\$100 thousand). Total governmental fund expenses were \$96.8 million, an increase of \$15.4 million from the prior fiscal year. The increase is related to a 10% increase in public protection expenditures (\$4.2 million), a 10% increase in recreation and culture (\$2.2 million), a 138% increase in capital outlay expenditures (\$8.7 million), which was offset by a 9% decrease in debt service (\$300 thousand).
- ◆ For FY 2016-17, total District governmental fund revenues, including program and general revenues, were \$81.3 million, an increase of \$5.4 million from the prior fiscal year and the changes are as follows. The change in revenue in the current year is due to a 6% increase in taxes (\$2.3 million), a 14% increase in charges for current services (\$4 million), a 22% increase in developer fees and contributions (\$400 thousand), offset by a 22% decrease in intergovernmental (\$800 thousand) and a 30% decrease in miscellaneous (\$400 thousand). Total governmental fund expenses were \$81.4 million, an increase of \$7 million from the prior fiscal year. The increase is related to a 12% increase in public protection expenditures (\$4.7 million), an 9% increase in recreation and culture (\$1.9 million), an 80% increase in capital outlay expenditures (\$2.8 million), a 94% increase in cost of issuance related to the refinancing project and the California Renewable Energy Bonds (\$300 thousand), which was offset by a 24% decrease in general government expenditures (\$1.8 million) and a 20% decrease in debt service (\$700 thousand).
- ◆ As of June 30, 2018 and 2017, total District's governmental funds reported combined fund balances of \$83,883,965 and \$87,139,354, respectively, a decrease of \$3,255,389 and an increase of \$8,059,630 in comparison with the prior year. Approximately 31% and 37% of

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

the combined fund balances, \$25,639,993 and \$32,218,113 is available for spending at the government's discretion (*assigned fund balance*).

- ◆ At the close of the fiscal year ended June 30, 2018 and 2017, the total fund balance restricted for park and fire station construction, capital projects, landscape and lighting district operations and foundation activities was \$57,280,447 and \$52,954,081, respectively.
- ◆ The District's total long-term obligations decreased by a net amount of \$1,325,551 during the 2017-18 fiscal year and increased \$6,153,160 during the 2016-17 fiscal year. For FY 2017-18, the decrease resulted primarily from the \$2.7 million in debt payments, which were offset by the addition of the \$1.3 million Oshkosh Pierce XT Arrow Type 1 engines capital lease. For FY 2016-17, the increase resulted primarily from the issuance of two certificates of participation totaling \$15.6 million to refinance the Fleet Maintenance Facility and fund the Opterra Energy Project combined with the acquisition of new leases totaling \$800 thousand to purchase Motorola radios, a security patrol vehicle and a Turfstar mower. The District's total long-term obligations were offset by \$2.6 million in debt payments and \$7.1 million in refunding of debt.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three major parts:

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

The Basic Financial Statements

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

The Government-wide Financial Statements

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

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

Fund Financial Statements

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

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

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

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

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

changes in the pattern of the District's activities. For the fiscal year ended June 30, 2018, the District's *major funds* are as follows:

- General Fund
- Landscape and Lighting Special Revenue Fund

For the fiscal year ended June 30, 2018, 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 21 to 24 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 25-62 of this report.

Required Supplementary Information

Supplemental information regarding the funding progress of the District's pension and OPEB plans can be found on pages 64-68 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 76-77 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 \$183,166,720 at the close of the most recent fiscal year.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

COSUMNES COMMUNITY SERVICES DISTRICT

SUMMARY OF NET POSITION JUNE 30, 2018, 2017 AND 2016

	Governmental Activities		
	2018	2017	2016
Current and other assets	\$ 90,627,028	\$ 89,750,945	\$ 82,002,637
Capital assets	<u>222,268,289</u>	<u>212,389,120</u>	<u>203,603,658</u>
Total assets	<u>312,895,317</u>	<u>302,140,065</u>	<u>285,606,295</u>
Deferred Outflows of Resources	<u>27,604,628</u>	<u>14,921,334</u>	<u>13,507,293</u>
Total Deferred outflows	<u>27,604,628</u>	<u>14,921,334</u>	<u>13,507,293</u>
Long-term liabilities outstanding	142,786,832	116,307,734	106,785,812
Other liabilities	<u>6,824,128</u>	<u>2,708,391</u>	<u>2,536,422</u>
Total liabilities	<u>149,610,960</u>	<u>119,016,125</u>	<u>109,322,234</u>
Deferred Inflows of Resources	<u>7,722,265</u>	<u>3,790,012</u>	<u>5,785,755</u>
Total Deferred Inflows	<u>7,722,265</u>	<u>3,790,012</u>	<u>5,785,755</u>
Net position:			
Net Investment in capital assets	191,275,989	179,250,894	185,351,179
Restricted	57,280,447	52,954,081	48,762,603
Unrestricted	<u>(65,389,716)</u>	<u>(51,766,076)</u>	<u>(63,924,546)</u>
Total net position	<u>\$ 183,166,720</u>	<u>\$ 180,438,899</u>	<u>\$ 170,189,236</u>

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

The largest portion of the District's net position of \$191,275,989 (104 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 \$57,280,447 (31 percent) represents resources that are subject to external restrictions on how they may be used. The remaining negative balance of *unrestricted net position* of \$65,389,716 is mainly due to the District recording of pension and retiree healthcare liabilities 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 reserve fund balance because of the increase in property taxes offset by the increase in deferred outflows of resources from pensions and retiree healthcare combined with net pension and OPEB liabilities.

The District's net position increased by \$2,727,821 during the 2017/18 fiscal year, which accounts for 1 percent of total net position. The District's restricted and unrestricted net position decreased approximately \$9.3 million. The decrease is directly related to a 5% decrease in net pension liability (\$9.6 million), a 2% decrease in assigned fund balance (\$3.3 million), and offset by a 1% increase in Landscape and Lighting improvements (\$2.2 million), a 1% increase in park development and fire station and equipment (\$2.1 million).

The District's net position increased by \$10,249,663 during the 2016/17 fiscal year, which accounts for 5 percent of total net position. The District's restricted and unrestricted net position increased approximately \$16.4 million. The increase is due to an 11% increase in assigned fund balance (\$3.1 million), a 10% increase in Landscape and Lighting improvements (\$3 million), a 7% increase in park development (\$900 thousand) and a 2% increase in fire station and equipment (\$300 thousand).

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, 2017 AND 2016

	Governmental Activities		
	2018	2017	2016
REVENUES:			
Program revenues:			
Charges for services	\$ 37,035,926	\$ 34,108,732	\$ 35,301,648
Operating grants and contributions	94,093	89,340	160,132
Capital grants and contributions	9,232,552	11,640,159	5,075,796
General revenues:			
Property taxes	43,868,694	41,024,168	38,678,041
Investment earnings	1,094,388	938,460	929,012
Miscellaneous	870,962	1,019,777	1,458,664
TOTAL REVENUES	92,196,615	88,854,770	81,603,293
EXPENSES:			
Governmental activities:			
Public protection	53,684,689	45,153,327	40,295,060
Recreation and culture	28,829,013	27,244,095	24,181,806
General government	6,955,092	6,173,551	7,973,806
TOTAL EXPENSES	89,468,794	78,570,973	72,450,672
INCREASE (DECREASE) IN NET POSITION	2,727,821	10,249,663	9,152,621
Net position at begin of year, as restated	180,438,899	170,189,236	161,036,615
NET POSITION AT END OF YEAR	\$ 183,166,720	\$ 180,438,899	\$ 170,189,236

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

Revenues

The District's total revenues per the Statement of Activities were \$92,196,615 and \$88,820,636 for the fiscal years ended June 30, 2018 and 2017, respectively. Property tax revenue of \$43,868,694 and \$41,024,168 comprised 47% and 46%, 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 40% and 38% and 10% and 13%, respectively, of the total governmental revenue of the District for the fiscal years ended June 30, 2018 and 2017. The increase in property tax revenues reflects the increase in proposition 13 adjustments on existing homes combined with the increase of sales on existing and new home properties and local development. The decrease in capital grant and contribution revenue is directly related to the decrease in contributions, in which seven parks were deeded in prior year from the City of Elk Grove, offset by the increase in developer fees in the current year.

Expenses

Expenses of the District totaled \$89,468,794 and \$78,570,973 for the fiscal years ended June 30, 2018 and 2017, respectively. Public protection costs represent 60% and 55%, 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, 2018. 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	\$53,684,689	\$ (37,016,553)
Recreation and culture	28,829,013	(2,077,465)
General government	<u>6,955,092</u>	<u>(4,012,205)</u>
TOTAL	<u>\$ 89,468,794</u>	<u>\$ (43,106,223)</u>

The net cost to taxpayers for recreation and culture services, excluding developer fees, was \$5,174,676.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

At June 30, 2018 and 2017 the District's governmental funds reported combined fund balances of \$83,883,965 and \$87,139,354, a decrease of \$3,255,389 and an increase of \$8,197,569, respectively, in comparison with the prior year. The major reason for the decrease was the decrease of assigned fund balance (\$6.6 million) combined with the decrease in nonspendable reserves (\$1 million). Approximately 30 and 36 percent of the combined fund balances, \$25,639,993 and \$32,218,113, 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 (\$19,957,662); 2) to use for specific purpose of the fund (\$37,116,391); and 3) to reflect amounts held on behalf of the Cosumnes Legacy Foundation (\$206,394).

The General Fund is the chief operating fund of the District. At June 30, 2018 and 2017, assigned fund balance of the general fund was \$25,639,993 and \$32,218,113, respectively, while total fund balance reached \$46,561,180 and \$52,041,821. The decrease in total fund balance of \$5,480,641 represents a difference in total expenditures over total revenues (\$7.3 million) offset by an increase in other financing sources (\$1.8 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 31 percent and 47 percent of total fund expenditures, while total fund balance represents 55 percent and 62 percent of that same amount.

The Landscape & Lighting Special Revenue Fund has a total fund balance of \$37,116,391 and \$34,882,826 at June 30, 2018 and 2017. These amounts are restricted for the specific purpose of the fund. Total fund balance increased by \$2,233,565 and \$3,137,743 for the fiscal year ended June 30, 2018 and 2016. 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, 2018, the Non-major Governmental Funds consist of the Foundation Special Revenue Fund. Total fund balance at June 30, 2018 is \$206,394 and is restricted solely for foundation activities. The decrease in fund balance of \$8,300 is related to expenditures for design of the Veteran's Memorial in Elk Grove Regional Park and new computer equipment for the teen center within the Cosumnes Legacy Foundation.

At June 30, 2017, the Non-major Governmental Funds consist of the Foundation Special Revenue Fund. Total fund balance at June 30, 2017 is \$214,707 and is restricted solely for foundation activities. The decrease in fund balance of \$9,900 is related to the donations and contributions utilized for Operation Clyde and new computer equipment for the teen center within the Cosumnes Legacy Foundation.

General Fund Budgetary Highlights

For the fiscal year ended June 30, 2018, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling \$9,817,150. The increase is due to an increase in capital outlay expenditures related to the Opterra Energy Services Project combined with additional public protection expenditures for operational support. Actual General Fund revenues were \$7,284,810 greater than the final budget. This variance is mainly related to

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

the increase in developer fees and contributions. Actual General Fund expenditures were \$7,111,583 lower than the final budget, of which approximately \$5.7 million represented the Administration Building and park development projects which were not completed and/or not started during the fiscal year in addition to lower departmental expenditures.

For the fiscal year ended June 30, 2017, differences between the original budget and the final amended budget reflect increased General Fund expenditures totaling \$7,785,986. The increase is due to an increase in public protection expenditures for operational support combined with additional general government expenditures due to professional services related to the fire for the District Administration building. Actual General Fund revenues were \$3,326,124 greater than the final budget. This variance is mainly related to the increase in charges for current services. Actual General Fund expenditures were \$7,786,553 lower than the final budget, of which approximately \$7.5 million represented park development projects which were not completed and/or not started during the fiscal year in addition to lower departmental expenditures.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets. As of June 30, 2018 and 2017, the District's investment in capital assets amounted to \$222,268,289 and \$212,389,120, 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, 2018, 2017 AND 2016

	2018	2017	2016
Land	\$ 94,384,093	94,384,093	87,392,509
Land improvements	67,258,932	64,954,113	64,822,368
Construction in Progress	6,494,575	4,360,189	811,515
Structures and improvements	47,970,155	42,780,156	45,418,523
Equipment	<u>6,160,534</u>	<u>5,910,569</u>	<u>5,158,743</u>
Total	\$ <u>222,268,289</u>	<u>212,389,120</u>	<u>203,603,658</u>

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2018:

- ◆ Land improvements – completion of George and Porto Parks and renovation of Betschart, Foulks, and Oneto Parks tot-lot.
- ◆ Structures and improvements – increase is mainly due to the infrastructure of the Opterra Energy Services Project, Senior Center roof, Fire Training Carport, and fencing at Station 79.
- ◆ Construction in progress – increase is related to the remodel of the Administrative Services Building, McConnell Park, and Oasis Park.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

- ◆ Equipment – increase is mainly due to the purchase of two Pierce Arrow Type 1 Engines, three new ambulances with Power Pro Cots, which is offset by the depreciation of equipment.

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2017:

- ◆ Land – contribution of 21.4 acres of park land from the City of Elk Grove.
- ◆ Land improvements – completion and renovation of Johnson Park tot-lot.
- ◆ Structures and improvements – decrease is mainly due to the depreciation of structures and improvements offset by the remodel of the Emerald Lakes Golf Course (ELGC) clubhouse, a pump well at ELGC and windows at the Elk Grove Recreation Center.
- ◆ Construction in progress – increase is related to the Opterra Energy Services project, George Park and the remodel of the Administrative Services Building.
- ◆ Equipment – increase is mainly due to the purchase of four new ambulances, Motorola radios and a Turfstar mower offset by the depreciation of equipment.

Additional information on the District's capital assets can be found in Note 3 on page 40.

The District was in contract with Diede Construction, Inc. to remodel the District Administration building at June 30, 2018. The total amount committed at June 30, 2018 is \$9,541,760 plus a 10% contingency. Additional information on the District's commitments can be found in Note 10 on page 62.

Long-term debt. At June 30, 2018, the District had long-term debt obligations totaling \$23,211,046. District debt issues include \$8,665,554 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, \$7,863,505 in Certificates of Participation to refinance a portion of the fleet maintenance facility, \$6,500,741 in Certificates of Participation for the Opterra Energy Services Project, a note agreement for \$54,242 for the financing of the Underwood Park Well, and \$8,616,920 in various capital lease obligations for the construction and equipping of a fire station and purchase of equipment and vehicles. The District's total debt decreased by \$1,325,551 (4%) during the current fiscal year mainly due to the \$2.6 million in principal debt payments offset by the addition of the Oshkosh Pierce XT Arrow Type I engines capital lease (\$1.3 million).

Additional information on the District's long-term debt can be found in Note 5 on pages 42-47.

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. An extraordinarily low supply of homes for sale pushed prices higher this spring and summer across the Sacramento region. In June 2018, the median home price of \$365,000 in Sacramento County was near the highest in 10 years.

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 two years longer than the historic average despite soft U.S. economic growth, therefore the

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

District is projecting an average annual growth in property tax revenues of 5% for next fiscal year.

Residential real estate is experiencing a tight market pushing home prices higher in the Sacramento region with the median sales price up 9% in June of 2018 as compared to the prior year. The District is estimating that property tax revenues will increase 5% in Fiscal Year 2018-19 compared to FY 2017-18 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.

BASIC FINANCIAL STATEMENTS

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Cosumnes Community Services District
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 81,684,498
Receivables:	
Accounts	2,409,302
Interest	240,831
Intergovernmental	1,189,828
Ambulance	694,155
Other	731,100
Prepays	936,739
Restricted cash and investments	2,740,575
Total current assets	<u>90,627,028</u>
Noncurrent assets:	
Capital assets:	
Not being depreciated	168,137,600
Being depreciated, net	54,130,689
Total capital assets	<u>222,268,289</u>
Total noncurrent assets	<u>222,268,289</u>
Total assets	<u>312,895,317</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	17,785,642
Deferred outflows of resources - OPEB	8,983,320
Deferred loss on refunding	835,666
Total Deferred outflows of resources	<u>27,604,628</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	5,041,217
Accrued interest payable	245,682
Unearned revenue	1,537,229
Total current liabilities	<u>6,824,128</u>
Noncurrent liabilities:	
Long-term liabilities:	
Due within one year	3,026,667
Due in more than one year	139,760,165
Total noncurrent liabilities	<u>142,786,832</u>
Total liabilities	<u>149,610,960</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	3,701,692
Deferred inflows of resources - OPEB	4,020,573
Total Deferred inflows of resources	<u>7,722,265</u>
NET POSITION	
Net investment in capital assets	191,275,989
Restricted for:	
Park development	14,959,422
Fire station and equipment	4,998,240
Landscape and lighting improvements	37,116,391
Foundation activities	206,394
Unrestricted	(65,389,716)
Total net position	<u>\$ 183,166,720</u>

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Activities
For the year ended June 30, 2018

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue Governmental Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Public protection	\$53,558,990	\$ 125,699	\$ 12,577,480	\$ -	\$ 4,090,656	\$ (37,016,553)
Recreation and culture	28,010,357	818,656	21,604,713	4,939	5,141,896	(2,077,465)
General government	6,850,160	104,932	2,853,733	89,154	-	(4,012,205)
Interest on long-term debt	1,049,287	(1,049,287)	-	-	-	-
Total governmental activities	<u>\$89,468,794</u>	<u>\$ -</u>	<u>\$ 37,035,926</u>	<u>\$ 94,093</u>	<u>\$ 9,232,552</u>	<u>(43,106,223)</u>

General Revenues and Transfers:

Taxes:	
Property taxes	43,868,694
Investment earnings	1,094,388
Miscellaneous	870,962
Total general revenues and transfers	<u>45,834,044</u>
Change in net position	2,727,821
Net position - beginning of year, as restated	<u>180,438,899</u>
Net position - end of year	<u>\$ 183,166,720</u>

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 43,925,838	\$ 37,525,480	\$ 233,180	\$ 81,684,498
Receivables:				
Accounts	2,185,723	223,579	-	2,409,302
Interest	129,392	111,439	-	240,831
Intergovernmental	1,010,438	179,390	-	1,189,828
Ambulance	694,155	-	-	694,155
Other	731,100	-	-	731,100
Advances to other funds	26,786	-	-	26,786
Prepays	936,739	-	-	936,739
Restricted cash and investments	2,740,575	-	-	2,740,575
Total assets	\$ 52,380,746	\$ 38,039,888	\$ 233,180	\$ 90,653,814
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,122,435	\$ 918,782	\$ -	\$ 5,041,217
Advances from other funds	-	-	26,786	26,786
Unearned revenue	1,532,514	4,715	-	1,537,229
Total liabilities	5,654,949	923,497	26,786	6,605,232
Deferred Inflows of Resources:				
Unavailable revenues	164,617	-	-	164,617
Fund Balances:				
Nonspendable	963,525	-	-	963,525
Restricted for:				
Park development	14,959,422	-	-	14,959,422
Fire station and equipment	4,998,240	-	-	4,998,240
Specific purpose of the fund	-	37,116,391	-	37,116,391
Foundation activities of the fund	-	-	206,394	206,394
Assigned	25,639,993	-	-	25,639,993
Total fund balances	46,561,180	37,116,391	206,394	83,883,965
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,380,746	\$ 38,039,888	\$ 233,180	\$ 90,653,814

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, 2018

Total Fund Balances - Total Governmental Funds \$ 83,883,965

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	285,038,433	
- Less: accumulated depreciation	(62,770,144)	
Total capital assets		222,268,289

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	164,617	
Total revenues		164,617

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. (245,682)

In the Government-Wide Financial Statements, employer contributions made subsequent to the measurement date for pension and OPEB, certain differences between actuarial assumptions and actual results for pension are deferred and applied to the net pension/OPEB liabilities or amortized over a period of time in future periods, however these items do not impact the Governmental Funds Balance Sheet:

- Deferred outflows of resources - pension		17,785,642
- Deferred outflows of resources - OPEB		8,983,320
- Deferred inflows of resources - pension		(3,701,692)
- Deferred inflows of resources - OPEB		(4,020,573)

Deferred amounts related to the refunding of long-term debt are not considered to be current financial resources. Therefore, they were not reported on the Governmental Funds Balance Sheet. This amount represents the unamortized balance as of the end of the year. 835,666

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	(54,242)	
- 2015 Refinancing Project (Pension), Certificates of Participation	(8,665,554)	
- 2016 Refinancing Project, Certificates of Participation	(7,863,505)	
- 2016 Energy Project, Certificates of Participation, Series A, B, and C	(6,627,745)	
- Capital lease obligation	(8,616,920)	
- Compensated absences	(2,044,938)	
- Net OPEB liability	(45,059,648)	
- Net pension liability	(63,854,280)	
Total long-term liabilities		(142,786,832)

Net Position of Governmental Activities \$ 183,166,720

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2018

	Major Funds			
	General Fund	Landscape and Lighting Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 43,868,694	\$ -	\$ -	\$ 43,868,694
Charges for current services	19,303,278	15,752,692	-	35,055,970
Developer fees and contributions	5,141,896	-	-	5,141,896
Intergovernmental	4,033,549	57,107	-	4,090,656
Donations and contributions	89,154	-	4,939	94,093
Use of money and property	1,463,899	747,754	-	2,211,653
Miscellaneous	467,214	403,748	-	870,962
Total revenues	74,367,684	16,961,301	4,939	91,333,924
EXPENDITURES:				
Current:				
Public protection	47,452,087	-	-	47,452,087
Recreation and culture	11,559,693	13,113,551	2,685	24,675,929
General government	5,987,865	-	-	5,987,865
Capital outlay	14,959,514	37,761	-	14,997,275
Debt service:				
Principal	1,479,666	15,064	1,091,869	2,586,599
Interest	239,939	2,077	851,358	1,093,374
Total expenditures	81,678,764	13,168,453	1,945,912	96,793,129
REVENUES OVER (UNDER) EXPENDITURES	(7,311,080)	3,792,848	(1,940,973)	(5,459,205)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	22,909	-	-	22,909
Issuance of long-term liabilities	1,310,000	-	-	1,310,000
Insurance recovery	861,601	9,306	-	870,907
Transfers in	1,928,794	5,478,949	1,945,358	9,353,101
Transfers out	(2,292,865)	(7,047,538)	(12,698)	(9,353,101)
Total other financing sources (uses)	1,830,439	(1,559,283)	1,932,660	2,203,816
Net change in fund balances	(5,480,641)	2,233,565	(8,313)	(3,255,389)
FUND BALANCES:				
Beginning of year	52,041,821	34,882,826	214,707	87,139,354
End of year	\$ 46,561,180	\$ 37,116,391	\$ 206,394	\$ 83,883,965

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (3,255,389)

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	14,982,276	
- Depreciation expense	<u>(5,103,107)</u>	
Total governmental funds		9,879,169

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	(22,909)
- Gain on sale of capital assets are not recorded on Governmental Funds	22,909

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

- Proceeds from long-term liabilities	(1,310,000)	
- Amortization of original issue premium	67,886	
- Amortization of original issue discount	(18,934)	
- Amortization of deferred loss on refunding	(28,816)	
- Principal repayments on long-term liabilities	<u>2,586,599</u>	
Net of long-term debt proceeds, repayments, and other related		1,296,735

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. (8,216)

OPEB expenses do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds. (4,599,606)

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, these contributions are deferred. 9,276,383

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. (10,096,703)

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	23,951	
- Change in compensated absences	<u>211,497</u>	
Total non-current expenses		<u>235,448</u>

Change in Net Position of Governmental Activities **\$ 2,727,821**

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Notes to Basic Financial Statements
For the year ended June 30, 2018

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 195,376 residents. The District develops, owns and maintains all park, recreation and fire facilities within its service area. In April 2016, 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 97 parks (2 undeveloped) and employs 292 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, 2018

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, 2018

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, 2018

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, 2018

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 acquisition 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, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. *Compensated Absences*

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

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

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

H. *Property Taxes*

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

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various 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, 2018

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, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position/Fund Balance

The District evaluated each of its funds at June 30, 2018 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, 2018

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.

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.

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. For this report, the following timeframes are used:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

O. Other Post Employment benefit (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

P. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items using the consumption method in the governmental funds and the government-wide statement of net position. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. New Pronouncements

In 2018, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - The objective of this statement is to address reporting by governments that provide other postemployment benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments. The District restated its beginning net position as part of implementation of this statement.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* - The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement did not apply to the District for the current fiscal year.
- GASB Statement No. 85, *Omnibus 2017* - The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* - The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement did not apply to the District for the current fiscal year.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

2. CASH AND INVESTMENTS

At June 30, 2018, the District's pooled cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	\$ 81,684,498
Restricted cash and investments	2,740,575
Total cash and investments	\$ 84,425,073
Cash and investments as of June 30, 2018 consisted of the following:	
Deposits with financial institutions	\$ 8,600,326
Total cash	8,600,326
U.S. Treasury Securities	994,260
Corporate Bonds	11,966,123
Medium Term Notes - Foreign Bonds	4,911,537
Certificates of deposit	14,383,000
Asset Backed Securities, Mortgage Backed Securities and Collateralized Mortgage Obligations	66,944
Money Market Mutual Funds	226,467
Investments in Local Agency Investment Fund (LAIF)	43,276,416
Total investments	75,824,747
Total cash and investments	\$ 84,425,073

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, 2018

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, 2018

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 +
US Treasury Securities	\$ 994,260	\$ 994,260	\$ -	\$ -	\$ -
Corporate Bonds	11,966,123	3,731,685	3,322,811	4,665,019	246,608
Medium Term Notes - Foreign Bonds	4,911,537	3,480,900	938,667	491,970	-
Certificates of Deposit	14,383,000	4,448,000	2,999,000	6,686,000	250,000
Asset Backed Securities, Mortgage Backed Securities and Collateralized Mortgage Obligations	66,944	-	-	-	66,944
Money Market Mutual Funds	226,467	227,471	-	-	-
LAIF	43,276,416	43,276,416	-	-	-
Total	\$ 75,824,747	\$ 55,164,472	\$ 7,260,478	\$ 11,842,989	\$ 563,552

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
US Treasury Securities	\$ 994,260	\$ 994,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	11,966,123	493,595	740,023	1,958,120	991,928	2,848,278	3,166,978	1,767,201	-
Medium Term Notes	4,911,537	-	-	998,450	494,885	2,427,837	491,970	498,395	-
Certificates of Deposit	14,383,000	-	-	-	-	-	-	-	14,383,000
Asset Backed Securities, Mortgage Backed Securities, and Collateralized Mortgage Obligations	66,944	-	-	-	-	-	-	-	66,944
Money Market Mutual Funds	226,467	-	-	-	-	-	-	-	226,467
LAIF	43,276,416	-	-	-	-	-	-	-	43,276,416
Total	\$ 75,824,747	\$ 1,487,855	\$ 740,023	\$ 2,956,570	\$ 1,486,813	\$ 5,276,115	\$ 3,658,948	\$ 2,265,596	\$ 57,952,827

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

2. CASH AND INVESTMENTS, Continued

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.

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, 2018, the carrying amount of the District's deposits was \$8,600,326 and the balance in financial institutions was \$11,577,794. Of the balance in financial institutions, \$1,007,442 was covered by federal depository insurance and \$10,570,352 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, 2018, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Type of Investment	Total
Corporate Notes and Bonds	\$ 15,524,932
U.S. Agency Securities	\$ 66,944

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, 2018 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.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

2. CASH AND INVESTMENTS, Continued

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

As of June 30 2018, the District had \$43,276,416 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to 2.89% in fiscal year 2017. Fair value of LAIF was calculated by applying a factor of 0.998126869 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, 2018 are described below.

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
US Treasury Securities	\$ 994,260	\$ -	\$ 994,260	\$ -
Corporate Bonds	11,966,123	-	11,966,123	-
Medium Term Notes	4,911,537	-	4,911,537	-
Asset Backed Securities, Mortgage Backed Securities, and Collateralized Mortgage Obligations	66,944	-	66,944	-
Total investments subject to levelling	17,938,864	\$ -	\$ 17,938,864	\$ -
<u>Investments not subject to levelling:</u>				
Certificates of Deposit	14,383,000			
Money Market Mutual Funds	226,467			
Local Agency Investment Fund	43,276,416			
Total Investments	\$ 75,824,747			

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.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 94,384,093	\$ -	\$ -	\$ -	\$ 94,384,093
Land improvements	64,954,113	-	-	2,304,819	67,258,932
Construction in progress	4,360,189	12,656,233	-	(10,521,847)	6,494,575
Total capital assets not being depreciated	163,698,395	12,656,233	-	(8,217,028)	168,137,600
Capital assets being depreciated:					
Structures and improvements	77,812,695	-	(100,000)	8,217,028	85,929,723
Equipment	29,107,234	2,326,043	(462,167)	-	30,971,110
Total capital assets being depreciated	106,919,929	2,326,043	(562,167)	8,217,028	116,900,833
Less accumulated depreciation for:					
Structures and improvements	(35,032,539)	(3,027,029)	100,000	-	(37,959,568)
Equipment	(23,196,665)	(2,076,078)	462,167	-	(24,810,576)
Total accumulated depreciation	(58,229,204)	(5,103,107)	562,167	-	(62,770,144)
Total capital assets being depreciated, net	48,690,725	(2,777,064)	-	8,217,028	54,130,689
Capital assets, net	\$ 212,389,120	\$ 9,879,169	\$ -	\$ -	\$ 222,268,289

Depreciation was charged to activities as follows:

Public Protection	\$ 2,515,288
Recreation and culture	2,231,295
General government	356,524
Total depreciation expense	\$ 5,103,107

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

4. INTERFUND TRANSACTIONS

	Advances from other funds
	Non-Major Governmental Fund
Advances to other funds	
General Fund	\$ 26,786
Total	\$ 26,786

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

		Transfers In			
		Major Fund		Non - Major	
		General	Landscape and	Governmental	
		Fund	Lighting Special	Fund	Total
			Revenue Fund		
Transfers Out	General Fund	\$ -	\$ 347,507	\$ 1,945,358	\$ 2,292,865
	Landscape and Lighting Special Revenue Fund	1,916,096	5,131,442	-	7,047,538
	Non - Major Governmental Fund	12,698	-	-	12,698
	Total	\$ 1,928,794	\$ 5,478,949	\$ 1,945,358	\$ 9,353,101

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, 2018

5. LONG-TERM LIABILITIES

The activities of the District's long-term liabilities during the year ended June 30, 2018 are as follows:

	Balance June 30, 2017 (as restated)	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Loans Payable	\$ 66,111	\$ -	\$ (11,869)	\$ 54,242	\$ 12,514
Certificates of Participation					
- 1998 Series	-	-	-	-	-
Certificates of Participation					
- 2015 Refinancing Project	8,975,000	-	(60,000)	8,915,000	80,000
COP 2015 Refinancing Project					
- Original Issue Discount	(260,784)	-	11,338	(249,446)	-
Certificates of Participation					
- 2016 Refinancing Project	8,115,000	-	(885,000)	7,230,000	760,000
COP 2016 Refinancing Project					
- Original Issue Premium	696,855	-	(63,350)	633,505	-
Certificates of Participation					
- 2016 Energy Project:					
Series A	5,450,000	-	-	5,450,000	-
Series B	135,000	-	(135,000)	-	-
Series C	1,260,000	-	-	1,260,000	145,000
COP 2016 Energy Project, Series A					
- Original Issue Discount	(216,733)	-	7,474	(209,259)	-
COP 2016 Energy Project, Series B					
- Original Issue Discount	(122)	-	122	-	-
COP 2016 Energy Project, Series C					
- Original Issue Premium	131,540	-	(4,536)	127,004	-
Capital lease obligation	8,801,650	1,310,000	(1,494,730)	8,616,920	1,652,401
Compensated absences	2,256,435	142,241	(353,738)	2,044,938	376,752
Net OPEB liability	45,362,424	9,589,542	(9,892,318)	45,059,648	-
Net pension liability	54,291,050	33,977,273	(24,414,043)	63,854,280	-
Total long-term liabilities	\$ 106,785,812	\$ 45,019,056	\$ (37,295,650)	\$ 142,786,832	\$ 3,026,667
Less: amount due within one year	(2,661,708)			(3,026,667)	
Amounts due in more than one year	\$ 104,124,104			\$ 139,760,165	

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

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

5. LONG-TERM LIABILITIES, Continued

A. Certificates of Participation and Loans Payable

The certificates of participation and loans payable consist of the following as of June 30, 2018:

Loans Payable - Obtained May 1, 2007 in the amount of \$200,000 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 balance as of June 30, 2018 was \$54,242.

Maturities of long-term liabilities are summarized below.

	Loans Payable		
	Principal	Interest	Total
2019	\$ 12,514	\$ 2,716	\$ 15,230
2020	13,187	2,043	15,230
2021	13,896	1,333	15,229
2022	14,645	586	15,231
Total debt	\$ 54,242	\$ 6,678	\$ 60,920

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, 2018 was \$8,915,000.

Maturities of long-term liabilities are summarized below:

	Certificates of Participation - 2015 Refinancing Project		
	Principal	Interest	Total
2019	\$ 80,000	\$ 454,075	\$ 534,075
2020	100,000	451,675	551,675
2021	115,000	448,675	563,675
2022	140,000	444,650	584,650
2023	160,000	439,400	599,400
2024-2028	1,210,000	2,071,900	3,281,900
2029-2033	2,090,000	1,699,313	3,789,313
2034-2038	3,305,000	1,037,225	4,342,225
2039-2040	1,715,000	143,550	1,858,550
Total debt	\$ 8,915,000	\$ 7,190,463	\$ 16,105,463

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

5. LONG-TERM LIABILITIES, Continued

A. Certificates of Participation and Loans Payable, Continued

Certificates of Participation - 2016 Refinancing Project - In July 2016, the District issued certificates of participation in a par amount of \$8,115,000 for the purpose of refunding at lower interest rates the outstanding balances of obligations under (i) 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, (ii) 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 (iii) a Lease Agreement, dated October 20, 2010, with Municipal Finance Corporation (“MFC”), pursuant to which MFC refinanced and leased new Fire Stations 73 and 75 and the sites thereof, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash funding a reserve fund for the Certificates, and (c) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates. The bonds bear an interest rate of 2.00% annually between March 1 2017 and September 1, 2018. The bonds mature on September 1 of each year starting in 2017 and ending 2028 in amounts ranging from \$380,000 to \$885,000. Interest is paid semi-annually on March 1 and September 1 of each year.

The annual debt service requirements to maturity for the 2016 Certificates of Participation outstanding at June 30, 2018, were as follows:

<u>Certificates of Participation - 2016 Refinancing Project</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 760,000	\$ 232,175	\$ 992,175
2020	715,000	216,975	931,975
2021	655,000	195,525	850,525
2022	600,000	175,875	775,875
2023	620,000	157,875	777,875
2024-2028	3,500,000	395,975	3,895,975
2029	380,000	8,075	388,075
Total debt	<u>\$ 7,230,000</u>	<u>\$ 1,382,475</u>	<u>\$ 8,612,475</u>

Certificates of Participation - 2016 Energy Projects, Series A,B,C - In September 2016, the District issued \$5,450,000 Certificates of Participation, Series A (2016 Energy Projects – Direct Pay Subsidy New Clean Renewable Energy Bonds (CREBS) – Taxable) (the “Series A Certificates”) to provide funds to (a) finance the costs of a clean renewable energy project consisting of solar photovoltaic energy systems, (b) purchase a municipal bond insurance policy for the Series A Certificates and pay a portion of the cost of purchasing a reserve fund insurance policy in lieu of cash funding a reserve fund for the Certificates (hereinafter defined), and (c) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Series A Certificates.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

5. LONG-TERM LIABILITIES, Continued

A. Certificates of Participation and Loans Payable, Continued

The \$135,000 Certificates of Participation, Series B (2016 Energy Projects—Taxable) (the “Series B Certificates”), are issued to provide funds to (a) purchase a municipal bond insurance policy for the Series B Certificates and pay a portion of the cost of purchasing a reserve fund insurance policy in lieu of cash funding a reserve fund for the Certificates, and (b) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates.

The \$1,260,000 Certificates of Participation, Series C (2016 Energy Projects—Tax-Exempt) (the “Series C Certificates” and, with the Series A Certificates and the Series B Certificates, the “Certificates”), are issued to provide funds to (a) finance the costs of energy efficiency projects, (b) purchase a municipal bond insurance policy for the Series C Certificates and pay a portion of the cost of purchasing a reserve fund insurance policy in lieu of cash funding a reserve fund for the Certificates, and (c) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates.

The annual debt service requirements to maturity for the 2016 Certificates of Participation outstanding at June 30, 2018, were as follows:

	Certificates of Participation - 2016 Energy Project, Series A			Certificates of Participation - 2016 Energy Project, Series C		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ -	\$ 385,102	\$ 385,102	\$ 145,000	\$ 42,750	\$ 187,750
2020	-	201,800	201,800	155,000	39,850	194,850
2021	-	201,800	201,800	160,000	35,200	195,200
2022	-	201,800	201,800	160,000	30,400	190,400
2023	-	201,800	201,800	165,000	25,600	190,600
2024-2028	475,000	999,944	1,474,944	475,000	36,200	511,200
2029-2033	1,120,000	869,888	1,989,888	-	-	-
2034-2038	1,145,000	670,013	1,815,013	-	-	-
2039-2043	1,385,000	438,000	1,823,000	-	-	-
2044-2046	1,325,000	135,000	1,460,000	-	-	-
Total debt	\$ 5,450,000	\$ 4,305,147	\$ 9,755,147	\$ 1,260,000	\$ 210,000	\$ 1,470,000

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

5. LONG-TERM LIABILITIES, Continued

B. Capital Lease Obligations

The District had the following capital lease obligations as of June 30, 2018:

Description	Interest Rate	Lease Term	Original Principal	Balance 6/30/2018	Asset Acquired at Cost	Accumulated Depreciation
MSG - Lease #1575 - Station No. 72	4.73%	7/31/05-7/31/2019	\$ 3,260,000	\$ 561,941	\$ 3,260,000	\$ 968,459
OSHKOSH - (2) 2013 Pierce Arrow XT	2.70%	12/7/13- 7/7/2020	1,073,150	479,135	1,073,150	858,520
ZOLL - Cardiac Monitors	4.50%	11/1/14- 7/15/2018	886,022	177,205	886,022	531,612
OSHKOSH - (2) 2015 Pierce Arrow Engines		5/22/16- 5/22/2022	1,196,366	716,962	1,196,366	478,546
KSB -Motorola Radios	2.90%	6/15/2021	651,669	499,772	651,669	130,334
California State BK & Trust (2) Pierce Pumpers	3.69%	12/1/2018 - 6/1/2023	1,310,000	1,310,000	1,292,625	258,525
Ray Morgan Co. - Canon 7260 Copier - Admin	9.00%	6/1/15- 5/1/2020	19,000	8,110	19,000	11,400
AIG Comm Equip - Dillard Ranch Lease	1.67%	3/30/2026	4,300,000	2,041,885	4,300,000	818,992
AIG Comm Equip - Emerald Lake Golf Course	2.35%	7/21/2026	5,200,000	2,683,380	5,200,000	-
Ray Morgan Co. - Canon 7260 Copier - Parks	9.00%	6/1/15- 5/1/2020	19,000	8,109	19,000	11,400
Caltronics - C654e - Park own 50%	9.00%	6/1/15- 5/1/2020	11,750	5,089	11,750	7,050
Caltronics - C654e - Admin own 50%	9.00%	6/1/15- 5/1/2020	11,750	5,089	11,750	7,050
Caltronics - C654e - Parks Yth Dev	9.00%	9/1/15- 8/1/2020	18,000	8,648	18,000	7,200
Ray Morgan Co. - Canon 5240/5250	15.00%	4/6/16- 3/6/2021	39,800	25,408	39,800	15,920
KSB - Turfstar Irrigation Control		4/15/15- 3/15/2019	39,789	7,915	39,789	23,874
Ray Morgan Co. - Canon 2225		5/1/15- 4/1/2020	7,250	3,020	7,250	4,350
Caltronics - C224		12/15/12- 11/15/2017	5,982	-	5,982	5,388
KSB - Lease - Security Patrol Vehicle		9/9/16 - 8/9/2021	40,395	26,412	40,395	11,194
KSB - Lease - Turf Star Mower - EG Pk		1/8/17 - 12/8/2021	68,219	48,840	68,219	13,644
				\$ 8,616,920	\$ 18,140,767	\$ 4,163,458

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 \$968,459 at June 30, 2018.

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 \$818,992 at June 30, 2018.

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%.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

5. LONG-TERM LIABILITIES, Continued

B. Capital Lease Obligations, Continued

On March 15, 2013, the District entered into a capital lease agreement in the amount of \$1,073,150 for two 2013 Pierce XT Type 1 fire engines. 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%.

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.

On Dec 8, 2016, the District entered into a capital lease agreement in the amount of \$68,219 for a Groundsmaster 4000-D T4 mower. The lease agreement provides for 60 monthly payments of \$1228 from January 18, 2017.

On Jan 27, 2017, the District entered into a capital lease agreement in the amount of \$651,689 for various radios and assorted accessories. The lease agreement provides for 48 monthly payments of \$14,503 from July 15, 2017.

On June 20, 2018, the District entered into a capital lease agreement in the amount of \$1,310,000 for two 2017 Pierce Arrow Type 1 engines. The lease agreements provides for 10 semi-annually payments. The interest is computed at the rate of 3.69% per annum.

As of June 30, 2018, future minimum lease payments under capital lease obligations were as follows:

<u>Fiscal Year ending June 30,</u>	
2019	\$ 1,867,883
2020	1,826,138
2021	1,498,643
2022	1,133,189
2023	934,108
2024-2028	<u>1,939,908</u>
Total payments	9,199,869
Less amounts representing interest	<u>582,946</u>
Net present value of future minimum lease payments	<u><u>\$ 8,616,920</u></u>

C. Compensated Absences

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

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

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.

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, 2018, 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	15.804%	8.890%
Required unfunded accrued liability payment	\$ 308,416	\$ 2,697,302

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, 2018

6. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Employees Covered - As of the measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	72	90
Inactive employees entitled to but not yet receiving benefits	417	67
Active employees	232	158
Total	<u>721</u>	<u>315</u>

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, 2017 (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 14.878 percent of annual payroll for the Miscellaneous Plan and 28.182 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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

6. DEFINED BENEFIT PENSION PLAN, Continued

B. Net Pension Liability, Continued

Actuarial Assumptions - The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions

	Miscellaneous	Safety
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	
Investment Rate of Return (1)	7.15%	7.15%
Mortality (2)	2014 CalPERS Experience Study for the period from 1997 to 2011	
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	

(1) Net of pension plan investment and administrative expenses; includes Inflation.

(2) Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 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 7.15% 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% 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 (www.calpers.ca.gov).

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

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	20.00%	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	1.00%	-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, 2018

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)
Balance at June 30, 2016	\$ 40,193,316	\$ 33,537,187	\$ 6,656,129
Changes in the year:			
Service cost	1,439,061	-	1,439,061
Interest on the total pension liability	3,091,267	-	3,091,267
Differences between actual and expected experience	84,419	-	84,419
Changes in assumptions	2,925,798	-	2,925,798
Changes in benefit terms	-	-	-
Contribution - employer	-	1,070,149	(1,070,149)
Contribution - employee	-	672,073	(672,073)
Investment income	-	3,772,672	(3,772,672)
Administrative expenses	-	(49,515)	49,515
Benefit payments , including refunds of employee contributions	(1,377,109)	(1,377,109)	-
Net changes	6,163,436	4,088,270	2,075,166
Balance at June 30, 2017	\$ 46,356,752	\$ 37,625,457	\$ 8,731,295

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

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)
Balance at June 30, 2016	\$ 154,466,567	\$ 106,831,646	\$ 47,634,921
Changes in the year:			
Service cost	4,711,360	-	4,711,360
Interest on the total pension liability	11,723,976	-	11,723,976
Differences between actual and expected experience	(1,190,653)	-	(1,190,653)
Changes in assumptions	10,984,800	-	10,984,800
Changes in benefit terms	-	-	-
Contribution - employer	-	4,856,621	(4,856,621)
Contribution - employee	-	2,121,437	(2,121,437)
Net investment income	-	11,921,091	(11,921,091)
Administrative expenses		(157,730)	157,730
Benefit payments , including refunds of employee contributions	(5,289,412)	(5,289,412)	-
Net changes	20,940,071	13,452,007	7,488,064
Balance at June 30, 2017	\$ 175,406,638	\$ 120,283,653	\$ 55,122,985

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	6.15%	6.15%	6.65%
Net Pension Liability	\$ 16,128,438	\$ 82,560,888	\$ 98,689,326
Current Discount Rate	7.15%	7.15%	7.65%
Net Pension Liability	\$ 8,731,295	\$ 55,122,985	\$ 63,854,280
1% Increase	8.15%	8.15%	8.65%
Net Pension Liability	\$ 2,762,101	\$ 32,782,219	\$ 35,544,320

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

6. DEFINED BENEFIT PENSION PLAN, Continued

C. Changes in the Net Pension Liability, Continued

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District recognized pension expense of \$6,669,384. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 637,780	\$ -	\$ 3,712,803	\$ -	\$ 4,350,583	\$ -
Differences between actual and expected experience	301,911	-	99,174	(2,176,365)	401,085	(2,176,365)
Changes in assumptions	1,916,902	-	9,241,181	(1,525,327)	11,158,083	(1,525,327)
Net differences between projected and actual earnings on plan investments	362,101	-	1,513,790	-	1,875,891	-
Total	\$ 3,218,694	\$ -	\$ 14,566,948	\$ (3,701,692)	\$ 17,785,642	\$ (3,701,692)

\$4,350,583 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	Miscellaneous	Safety
Ending June 30:		
2019	\$ 1,291,364	\$ 816,103
2020	1,398,901	2,475,714
2021	163,778	1,414,910
2022	(273,129)	411,775
2023	-	1,567,560
Thereafter	-	466,391

E. Payable to Pension Plans

As of June 30, 2018, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2018.

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

7. OTHER POSTEMPLOYEMENT BENEFITS

A. Plan Description

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, 2018, there were 97 retirees receiving these benefits. The Plan is a defined benefit agent multiple employer plan.

B. Employees Covered

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	97
Active employees	242
	<hr/>
Total	<u>452</u>

C. Contributions

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 2017-18, the District contributions equaled \$4,925,800, that including \$1,620,043 in benefit payments, a \$2,933,486 deposit to CERBT, and an adjustment for an implied subsidy from active members of \$372,271.

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.

D. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the actuarial methods and assumptions on the following page:

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

7. OTHER POSTEMPLOYMENT BENEFITS, Continued

D. Net OPEB Liability, Continued

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.28%
Inflation	2.26%
Contribution Policy	Contributes full ADC
Salary Increases	Varies by Entry Age and Service
Projected Salary Increase	3.00%
Investment Rate of Return	7.28%
Mortality	CalPERS 2014 Experience Study
Post Retirement Benefit Increase	CalPERS 2014 Experience Study
Healthcare Trend	5.00% - 7.85%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

Asset Class	Target Allocation	Expected Real Rate of Return
Equity	60.00%	5.49%
Fixed Income	32.00%	1.65%
REITs	8.00%	5.06%
Assumed Long-Term Rate of Inflation		2.26%
Assumed Long-Term Investment Expenses		N/A
Expected Long-Term Net Rate of Return, Rounded		7.28%
Discount Rate		7.28%

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

7. OTHER POSTEMPLOYMENT BENEFITS, Continued

E. Discount Rate

The discount rate used to measure the total OPEB liability was 7.28 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the net OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2016	\$ 49,929,964	\$ 4,567,540	\$ 45,362,424
Changes in the year:			
Service cost	1,371,080	-	1,371,080
Interest on the total OPEB liability	3,656,175	-	3,656,175
Differences between actual and expected experience	4,559,751	-	4,559,751
Changes in assumptions	(4,480,476)	-	(4,480,476)
Changes in benefit terms	-	-	-
Contribution - employer	-	4,939,329	(4,939,329)
Contribution - employee	-	-	-
Net investment income	-	472,513	(472,513)
Administrative expenses	-	(2,536)	2,536
Benefit payments , including refunds of employee contributions	(2,196,311)	(2,196,311)	-
Net changes	2,910,219	3,212,995	(302,776)
Balance at June 30, 2017	\$ 52,840,183	\$ 7,780,535	\$ 45,059,648

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

7. OTHER POSTEMPLOYMENT BENEFITS, Continued

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (6.28%)	Current Discount (7.28%)	1% Increase (8.28%)
Net OPEB Liability	\$ 51,724,082	\$ 45,059,648	\$ 39,436,647

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (6.85% - 4.0%)	Current Healthcare Trend Rate (7.85% - 5.0%)	1% Increase (8.85% to 6.0%)
Net OPEB Liability	\$ 39,847,890	\$ 45,059,648	\$ 50,269,534

I. Recognition of Deferred Outflow and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (9.1 years at June 30, 2017)

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

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:

	Pool Coverage	Commercial Coverage	Self-Insured Retention
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	-	1,000,000	-
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, 2018

9. FUND BALANCE

As of June 30, 2018, classifications of fund balance are as follows:

	Major Governmental Funds			Total Government
	General	Landscaping and Lighting Special Revenue Fund	Non Major Government Funds	
Fund Balances				
Nonspendable fund balance:				
Advances to other funds	\$ 26,786	\$ -	\$ -	\$ 26,786
Prepaid items	936,739	-	-	936,739
Subtotal	<u>963,525</u>	<u>-</u>	<u>-</u>	<u>963,525</u>
Restricted fund balance for:				
Park Development	14,959,422	-	-	14,959,422
Fire station and equipment	4,998,240	-	-	4,998,240
Specific purpose of the fund	-	37,116,391	-	37,116,391
Foundation activities of the fund	-	-	206,394	206,394
Subtotal	<u>19,957,662</u>	<u>37,116,391</u>	<u>206,394</u>	<u>57,280,447</u>
Assigned fund balance for:				
Emergency reserve	2,844,752	-	-	2,844,752
Youth facility development	98,520	-	-	98,520
Apparatus replacement	615,964	-	-	615,964
Laguna town hall capital	26,826	-	-	26,826
BMW complex capital reserve	70,550	-	-	70,550
EG recreation center capital improvement	31,000	-	-	31,000
Fox aquatic capital improvement	40,700	-	-	40,700
Fire capital facilities	7,528	-	-	7,528
Recreational activities	3,021,764	-	-	3,021,764
Fire activities	4,650,671	-	-	4,650,671
Admin activities	7,537,810	-	-	7,537,810
Golf capital improvement	15,000	-	-	15,000
Pavillion deferred maintenance	30,000	-	-	30,000
Sport field light replacement plan	38,595	-	-	38,595
HBSP deferred maintenance	59,750	-	-	59,750
Administration Building	3,111,331	-	-	3,111,331
Oasis park	231,609	-	-	231,609
IGT reserve	3,066,055	-	-	3,066,055
Opterra energy service project	20,000	-	-	20,000
Singh & kaur park	121,568	-	-	121,568
Subtotal	<u>25,639,993</u>	<u>-</u>	<u>-</u>	<u>25,639,993</u>
Total Fund Balances	<u><u>\$ 46,561,180</u></u>	<u><u>\$ 37,116,391</u></u>	<u><u>\$ 206,394</u></u>	<u><u>\$ 83,883,965</u></u>

Cosumnes Community Services District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2018

10. COMMITMENT AND CONTINGENCIES

The District is in the process of performing construction services for the re-model of the administrative building as of June 30, 2018 as follows:

Project	Project Appropriation	Expenditures to June 30, 2018	Committed
Construction Services	\$ 9,947,098	\$ 4,056,711	\$ 5,890,387
Total	\$ 9,947,098	\$ 4,056,711	\$ 5,890,387

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

11. PRIOR PERIOD ADJUSTMENTS

The District recorded a prior period adjustment to eliminate the previously reported net OPEB obligation, and to recognize deferred outflows of resources and net OPEB liability as of June 30, 2017.

	Net Position as Previously Reported at June 30, 2017	Prior Period Adjustments			Net Position as Restated at June 30, 2017
		Deferred Employer OPEB Contributions	Net OPEB Obligation	Net OPEB Liability	
Government Wide Statements					
Governmental Activities	\$ 194,255,262	\$ 4,939,329	\$ 26,606,732	\$ (45,362,424)	\$ 180,438,899

REQUIRED SUPPLEMENTARY INFORMATION

Cosumnes Community Services District
Required Supplementary Information
For the year ended June 30, 2018

1. DEFINED BENEFIT PENSION PLANS

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

Miscellaneous Plan

Measurement Period ⁽¹⁾	2016-17	2015-16	2014-15	2013-14
TOTAL PENSION LIABILITY				
Service Cost	\$ 1,439,061	\$ 1,287,305	\$ 1,229,813	\$ 1,279,630
Interest	3,091,267	2,854,296	2,592,505	2,412,110
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	84,419	739,804	(157,288)	-
Changes of Assumptions	2,925,798	-	(730,271)	-
Benefit Payments, Including Refunds of Employee Contributions	(1,377,109)	(1,231,393)	(1,106,151)	(997,382)
Net Change in Total Pension Liability	6,163,436	3,650,012	1,828,608	2,694,358
Total Pension Liability - Beginning	40,193,316	36,543,304	34,714,696	32,020,338
Total Pension Liability - Ending (a)	\$ 46,356,752	\$ 40,193,316	\$ 36,543,304	\$ 34,714,696
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,070,149	\$ 5,411,034	\$ 1,073,403	\$ 971,677
Contributions - Employee	672,073	587,412	591,236	569,537
Net Investment Income ⁽²⁾	3,772,672	182,432	613,270	4,023,996
Benefit Payments, Including Refunds of Employee Contributions	(1,377,109)	(1,231,393)	(1,106,151)	(997,382)
Other Changes in Fiduciary Net Position	(49,515)	(17,433)	(32,194)	-
Net Change in Fiduciary Net Position	4,088,270	4,932,052	1,139,564	4,567,828
Plan Fiduciary Net Position - Beginning	33,537,187	28,605,135	27,465,571	22,897,743
Plan Fiduciary Net Position - Ending (b)	\$ 37,625,457	\$ 33,537,187	\$ 28,605,135	\$ 27,465,571
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 8,731,295	\$ 6,656,129	\$ 7,938,169	\$ 7,249,125
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.16%	83.44%	78.28%	79.12%
Covered Payroll	\$ 8,358,860	\$ 8,015,598	\$ 7,626,746	\$ 7,612,768
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	104.46%	83.04%	104.08%	95.22%

(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, 2018

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 ⁽¹⁾	2016-17	2015-16	2014-15	2013-14
TOTAL PENSION LIABILITY				
Service Cost	\$ 4,711,360	\$ 4,032,745	\$ 4,099,996	\$ 4,500,842
Interest	11,723,976	11,018,755	10,288,360	9,733,321
Changes of Benefit Terms		-	-	-
Difference Between Expected and Actual Experience	(1,190,653)	142,294	(2,211,211)	-
Changes of Assumptions	10,984,800	-	(2,871,202)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,289,412)	(5,209,163)	(4,689,570)	(3,791,597)
Net Change in Total Pension Liability	20,940,071	9,984,631	4,616,373	10,442,566
Total Pension Liability - Beginning	154,466,567	144,481,936	139,865,563	129,422,997
Total Pension Liability - Ending (a)	\$ 175,406,638	\$ 154,466,567	\$ 144,481,936	\$ 139,865,563
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 4,856,621	\$ 8,090,599	\$ 3,992,396	\$ 4,035,130
Contributions - Employee	2,121,437	2,056,274	2,051,469	2,137,329
Net Investment Income ⁽²⁾	11,921,091	538,773	2,223,654	14,457,536
Benefit Payments, Including Refunds of Employee Contributions	(5,289,412)	(5,209,163)	(4,689,570)	(3,791,597)
Other Changes in Fiduciary Net Position	(157,730)	(61,808)	(114,196)	-
Net Change in Fiduciary Net Position	13,452,007	5,414,675	3,463,753	16,838,398
Plan Fiduciary Net Position - Beginning	106,831,646	101,416,971	97,953,218	81,114,820
Plan Fiduciary Net Position - Ending (b)	\$ 120,283,653	\$ 106,831,646	\$ 101,416,971	\$ 97,953,218
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 55,122,985	\$ 47,634,921	\$ 43,064,965	\$ 41,912,345
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.57%	69.16%	70.19%	70.03%
Covered Payroll	\$ 17,411,433	\$ 16,784,918	\$ 16,977,207	\$ 18,120,791
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	316.59%	283.80%	253.66%	231.29%

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

(2) - Net of administrative expenses.

Notes to Schedules

Changes of Assumptions: The discount rate was changed from 7.65 percent (net of administrative expense) to 7.65 percent in 2016. The discount rate was changed from 7.65 percent to 7.15 percent in 2017..

Cosumnes Community Services District
Required Supplementary Information
For the year ended June 30, 2018

1. DEFINED BENEFIT PENSION PLANS, Continued

B. Schedule of Plan Contributions⁽¹⁾

Miscellaneous Plan

	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2014-15</u>
Actuarially determined contribution	637,780	\$ 1,070,149	\$ 899,714	\$ 1,073,403
Contribution in relation to the actuarially determined contributions	(637,780)	(1,070,149)	(5,411,034)	(1,073,403)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,511,320)</u>	<u>\$ -</u>
Covered payroll	10,082,873	\$ 8,358,860	\$ 8,015,598	\$ 7,626,746
Contributions as a percentage of covered payroll	6.33%	12.80%	67.51%	14.07%

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

Safety Plan

	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2014-15</u>
Actuarially determined contribution	3,712,803	\$ 4,856,621	\$ 4,053,231	\$ 3,992,396
Contribution in relation to the actuarially determined contributions	(3,712,803)	(4,856,621)	(8,090,599)	(3,992,396)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,037,368)</u>	<u>\$ -</u>
Covered payroll	19,677,141	\$ 17,411,433	\$ 16,784,918	\$ 16,977,207
Contributions as a percentage of covered payroll	18.87%	27.89%	48.20%	23.52%

(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, 2018

2. OPEB PLAN

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

Measurement Period ⁽¹⁾	2016-17
TOTAL OPEB LIABILITY	
Service Cost	\$ 1,371,080
Interest	3,656,175
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	4,559,751
Changes of Assumptions	(4,480,476)
Benefit Payments, Including Refunds of Employee Contributions	(2,196,311)
Net Change in Total OPEB Liability	2,910,219
Total OPEB Liability - Beginning	49,929,964
Total OPEB Liability - Ending (a)	\$ 52,840,183
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 4,939,329
Contributions - Employee	-
Net Investment Income	472,513
Benefit Payments, Including Refunds of Employee Contributions	(2,196,311)
Other Changes in Fiduciary Net Position	(2,536)
Net Change in Fiduciary Net Position	3,212,995
Plan Fiduciary Net Position - Beginning	4,567,540
Plan Fiduciary Net Position - Ending (b)	\$ 7,780,535
Plan Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 45,059,648
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.72%
Covered-Employee Payroll	\$ 25,770,293
Plan Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll	174.85%

⁽¹⁾- Historical information is required only for measurement periods for which GASB 75 is applicable

Cosumnes Community Services District
Required Supplementary Information
For the year ended June 30, 2018

2. OPEB PLAN, Continued

B. Schedule of Plan Contributions

	<u>Fiscal Year 2017-18 ⁽¹⁾</u>
Actuarially determined contribution	4,925,800
Contribution in relation to the actuarially determined contributions	<u>(4,925,800)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	24,113,249
Contributions as a percentage of covered-employee payroll	20.43%

(1) - Historical information is required only for measurement periods for which GASB 75 is applicable

Cosumnes Community Services District
Required Supplementary Information
For the year ended June 30, 2018

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, 2018.

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, 2018, resulting in there being no difference between the GAAP basis and Non-GAAP Budgetary Basis for the year ended June 30, 2018.

Cosumnes Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Non-GAAP Budgetary Basis
General Fund
For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 43,165,589	\$ 43,390,367	\$ 43,868,694	\$ 478,327
Charges for current services	17,193,800	17,924,265	19,303,278	1,379,013
Developer fees and contributions	-	-	5,141,896	5,141,896
Intergovernmental	205,002	3,098,002	4,033,549	935,547
Donations and contributions	85,750	94,265	89,154	(5,111)
Use of money and property	1,119,922	1,163,163	1,463,899	300,736
Miscellaneous	999,333	1,412,812	467,214	(945,598)
Total revenues	62,769,396	67,082,874	74,367,684	7,284,810
EXPENDITURES:				
Current:				
Public protection	43,568,444	47,892,791	47,452,087	440,704
Recreation and culture	11,426,199	11,988,079	11,559,693	428,386
General government	4,300,432	5,987,867	5,987,865	2
Capital outlay	16,552,001	20,617,334	14,959,514	5,657,820
Debt service:				
Principal	2,674,610	1,852,585	1,479,666	372,919
Interest	451,511	451,691	239,939	211,752
Total expenditures	78,973,197	88,790,347	81,678,764	7,111,583
REVENUES OVER (UNDER) EXPENDITURES	(16,203,801)	(21,707,473)	(7,311,080)	14,396,393
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	22,909	22,909
Issuance of long-term liabilities	1,810,995	1,810,995	1,310,000	(500,995)
Insurance recovery	-	349,364	861,601	512,237
Transfers in	2,599,011	2,679,873	1,928,794	(751,079)
Transfers out	(1,438,704)	(2,413,938)	(2,292,865)	121,073
Total other financing sources (uses)	2,971,302	2,426,294	1,830,439	(595,855)
Net change in fund balances	(13,232,499)	(19,281,179)	(5,480,641)	13,800,538
FUND BALANCES:				
Beginning of year	52,041,821	52,041,821	52,041,821	-
End of year	\$ 38,809,322	\$ 32,760,642	\$ 46,561,180	\$ 13,800,538

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for current services	\$ 15,883,597	\$ 16,228,920	\$ 15,752,692	\$ (476,228)
Intergovernmental	-	57,107	57,107	-
Use of money and property	376,743	492,890	747,754	254,864
Miscellaneous	154,500	158,673	403,748	245,075
Total revenues	16,414,840	16,937,590	16,961,301	23,711
EXPENDITURES:				
Current:				
Recreation and culture	14,996,829	15,296,450	13,113,551	2,182,899
Capital outlay	125,572	119,773	37,761	82,012
Debt service:				
Principal	13,019	13,019	15,064	(2,045)
Interest	1,717	1,717	2,077	(360)
Total expenditures	15,137,137	15,430,959	13,168,453	2,262,506
REVENUES OVER (UNDER) EXPENDITURES	1,277,703	1,506,631	3,792,848	2,286,217
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	9,306	9,306
Transfers in	5,254,109	5,618,968	5,478,949	(140,019)
Transfers out	(6,695,878)	(7,928,540)	(7,047,538)	881,002
Total other financing sources (uses)	(1,441,769)	(2,309,572)	(1,559,283)	750,289
Net change in fund balances	(164,066)	(802,941)	2,233,565	3,036,506
FUND BALANCES:				
Beginning of year	34,882,826	34,882,826	34,882,826	-
End of year	\$ 34,718,760	\$ 34,079,885	\$ 37,116,391	\$ 3,036,506

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SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

Cosumnes Community Services District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018

	Debt Service Fund	Foundation Special Revenue Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ -	\$ 233,180	\$ 233,180
Total assets	\$ -	\$ 233,180	\$ 233,180
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Advances from other Funds	\$ -	\$ 26,786	\$ 26,786
Total Liabilities	-	26,786	26,786
Fund Balances:			
Restricted for:			
Foundation activities of the fund	-	206,394	206,394
Total fund balances	-	206,394	206,394
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 233,180	\$ 233,180

Cosumnes Community Services District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2018

	Debt Service Fund	Foundation Special Revenue Fund	Total Nonmajor Governmental Funds
REVENUES			
Donations and contributions	\$ -	\$ 4,939	\$ 4,939
Total revenues	-	4,939	4,939
EXPENDITURES			
General government	-	2,383	2,383
Services and supplies:			
Membership	-	100	100
Office Supplies	-	27	27
Food Supplies	-	80	80
Professional Services	-	95	95
Total Services and supplies	-	2,685	2,685
Debt service:			
Principal	1,091,869	-	1,091,869
Interest	851,358	-	851,358
Total debt service	1,943,227	-	1,943,227
Total expenditures	1,943,227	2,685	1,945,912
REVENUES OVER (UNDER) EXPENDITURES	(1,943,227)	2,254	(1,940,973)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,943,227	2,131	1,945,358
Transfers out	-	(12,698)	(12,698)
Total other financing sources (uses)	1,943,227	(10,567)	1,932,660
Net change in fund balances	-	(8,313)	(8,313)
FUND BALANCES:			
Beginning of year	-	214,707	214,707
End of year	\$ -	\$ 206,394	\$ 206,394

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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, 2018

	<u>General Operations</u>
Taxes:	
Current secured	\$ 41,058,315
Current unsecured	1,430,800
Supplemental property taxes	1,186,684
Prior unsecured	42,430
RDA Residual Distribution	150,465
Total taxes	<u>43,868,694</u>
Charges for current services:	
Recreation services charges	5,852,021
Ambulance service fees	12,585,696
Service fees/charges - other	865,561
Total charges for current services	<u>19,303,278</u>
Developer fees and contributions	5,141,896
Total developer fees and contributions	<u>5,141,896</u>
Intergovernmental:	
Homeowner's property tax relief	448,994
In lieu taxes - other	4,703
State aid - other miscellaneous programs	3,080,084
Federal aid - public safety	236,499
Aid from other local governments	73,546
RDA passthrough	189,723
Total intergovernmental	<u>4,033,549</u>
Donations and contributions	89,154
Total donations and contributions	<u>89,154</u>
Use of money and property:	
Interest income	346,634
Building rental/lease	1,117,265
Total use of money and property	<u>1,463,899</u>
Miscellaneous:	
Other revenue	467,214
Total other revenue	<u>467,214</u>
Total revenues	<u>\$ 74,367,684</u>

Cosumnes Community Services District
Schedule of Expenditures
General Fund
For the year ended June 30, 2018

	Departments			Total
	Public Protection	Park (Recreation and Culture)	Administration (General Government)	
Current expenditures:				
Salaries and employee benefits:				
Salaries and wages	\$ 28,418,006	\$ 5,805,925	\$ 2,424,443	\$ 36,648,374
Retirement - employer costs	5,767,237	698,877	302,757	6,768,871
Group insurance - employer costs	6,287,603	1,188,949	720,044	8,196,596
Workers' compensation insurance	1,895,767	137,885	69,698	2,103,350
Other	126,587	-	-	126,587
Total salaries and employee benefits	42,495,200	7,831,636	3,516,942	53,843,778
Services and supplies:				
Automobile services and supplies	300,766	7,683	10,371	318,820
Books	10,405	554	5	10,964
Buildings and grounds maintenance	230,507	266,224	8,122	504,853
Business conferences	74,050	44,875	16,803	135,728
Chemical supplies	-	140,898	-	140,898
Clothing/personal supplies	265,302	34,561	3,634	303,497
Education and training	210,076	34,507	7,624	252,207
Employee transportation	12,402	5	191	12,598
Fire equipment and maintenance	196,612	946	97	197,655
Equipment rents and leases	58,538	141,783	284,729	485,050
Food supplies	18,207	171,889	6,053	196,149
Fuel and lubricants	284,611	21,768	21,890	328,269
Insurance - liability	251,065	101,975	31,103	384,143
Medical services and supplies	416,032	30,467	1,604	448,103
Memberships	4,395	18,782	13,056	36,233
Miscellaneous	135,684	79,882	7,726	223,292
Office supplies	42,036	45,507	12,111	99,654
Professional services	1,243,053	1,708,310	2,007,144	4,958,507
Radio/electric service and supply	12,381	-	-	12,381
Recreational supplies	-	336,972	22	336,994
Taxes and assessments	12	-	12,610	12,622
Telephone	211,244	115,587	23,046	349,877
Utilities	235,495	424,882	2,982	663,359
Total services and supplies	4,956,887	3,728,057	2,470,923	11,155,867
Total current expenditures	47,452,087	11,559,693	5,987,865	64,999,645
Capital outlay:				
Structures and improvements	40,570	3,515,701	9,090,732	12,647,003
Equipment	2,194,601	79,552	38,358	2,312,511
Total capital outlay	2,235,171	3,595,253	9,129,090	14,959,514
Debt service:				
Principal	902,453	37,165	540,048	1,479,666
Interest	125,699	9,308	104,932	239,939
Total debt service	1,028,152	46,473	644,980	1,719,605
Total expenditures	\$ 50,715,410	\$ 15,201,419	\$ 15,761,935	\$ 81,678,764

Cosumnes Community Services District
Schedule of Expenditures and Other Financing Sources and Uses Compared to Budget -
General Fund
For the year ended June 30, 2018

	Public Protection			Park Department		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
PUBLIC PROTECTION:						
Salaries and benefits	42,495,455	\$ 42,495,200	\$ 255	\$ -	\$ -	\$ -
Service and supplies	5,397,336	4,956,887	440,449	-	-	-
Total public protection	47,892,791	47,452,087	440,704	-	-	-
RECREATION AND CULTURE:						
Salaries and benefits	-	-	-	7,878,496	7,831,636	46,860
Costs of sales and services	-	-	-	4,109,583	3,728,057	381,526
Total recreation and culture	-	-	-	11,988,079	11,559,693	428,386
GENERAL GOVERNMENT:						
Salaries and benefits	-	-	-	-	-	-
Services and supplies	-	-	-	-	-	-
Total general government	-	-	-	-	-	-
CAPITAL OUTLAY:						
Equipment	2,402,395	2,194,601	207,794	137,597	79,552	58,045
Structures and improvements	71,500	40,570	30,930	4,741,676	3,515,701	1,225,975
Total capital outlay	2,473,895	2,235,171	238,724	4,879,273	3,595,253	1,284,020
LEASES/DEBT PAYMENTS:						
Debt service	1,611,245	1,028,152	583,093	48,050	46,473	1,577
OTHER FINANCING (SOURCES) AND USES:						
Proceeds from sale of capital assets	-	(22,909)	22,909	-	-	-
Issuance of long-term liabilities	(1,810,995)	(1,310,000)	(500,995)	-	-	-
Insurance Proceeds	(24,364)	(25,197)	833	-	-	-
Transfers in	(47,664)	(52,521)	4,857	(2,315,825)	(1,555,895)	(759,930)
Transfers out	1,615,525	1,615,500	25	715,816	594,768	121,048
Total other Financing uses	(267,498)	204,873	(472,371)	(1,600,009)	(961,127)	(638,882)
CONTINGENCIES						
	-	-	-	-	-	-
Total general fund	\$ 51,710,433	\$ 50,920,283	\$ 790,150	\$ 15,315,393	\$ 14,240,292	\$ 1,075,101

Administrative Services			Total		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 42,495,455	\$ 42,495,200	\$ 255
-	-	-	5,397,336	4,956,887	440,449
-	-	-	47,892,791	47,452,087	440,704
-	-	-	7,878,496	7,831,636	46,860
-	-	-	4,109,583	3,728,057	381,526
-	-	-	11,988,079	11,559,693	428,386
3,516,943	3,516,942	1	3,516,943	3,516,942	1
2,470,924	2,470,923	1	2,470,924	2,470,923	1
5,987,867	5,987,865	2	5,987,867	5,987,865	2
80,000	38,358	41,642	2,619,992	2,312,511	307,481
13,184,166	9,090,732	4,093,434	17,997,342	12,647,003	5,350,339
13,264,166	9,129,090	4,135,076	20,617,334	14,959,514	5,657,820
644,981	644,980	1	2,304,276	1,719,605	584,671
-	-	-	-	(22,909)	22,909
-	-	-	(1,810,995)	(1,310,000)	(500,995)
(325,000)	(836,404)	511,404	(349,364)	(861,601)	512,237
(316,384)	(320,378)	3,994	(2,679,873)	(1,928,794)	(751,079)
82,597	82,597	-	2,413,938	2,292,865	121,073
(558,787)	(1,074,185)	515,398	(2,426,294)	(1,830,439)	(595,855)
-	-	-	-	-	-
\$ 19,338,227	\$ 14,687,750	\$ 4,650,477	\$ 86,364,053	\$ 79,848,325	\$ 6,515,728

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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
- Zone 18 - Hampton Village
- District Wide

Cosumnes Community Services District
Balance Sheet Schedules by Benefit Zone
Landscaping and Lighting Special Revenue Fund
June 30, 2018

	Landscape and Lighting Assessment District - Zones of Benefit				
	Zone 1 Laguna	Zone 2 Camden	Zone 3	Zone 4	Zone 5
			Elk Grove/ West Vineyard	West Laguna	Lakeside
ASSETS					
Cash and investments	\$ 5,676,396	\$ 196,525	\$ 700,013	\$ 1,337,828	\$ 1,210,595
Receivables:					
Accounts	-	-	-	-	-
Interest	17,284	475	2,542	4,315	3,604
Intergovernmental	49,469	2,096	11,020	10,938	8,027
Total assets	\$ 5,743,149	\$ 199,096	\$ 713,575	\$ 1,353,081	\$ 1,222,226
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ 236,119	\$ 9,956	\$ 51,458	\$ 16,344	\$ 15,014
Unearned revenue	-	-	-	-	-
Total liabilities	236,119	9,956	51,458	16,344	15,014
Fund Balances:					
Restricted for:					
Specific purpose of the fund	5,507,030	189,140	662,117	1,336,737	1,207,212
Total fund balances	5,507,030	189,140	662,117	1,336,737	1,207,212
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,743,149	\$ 199,096	\$ 713,575	\$ 1,353,081	\$ 1,222,226

Landscape and Lighting Assessment District - Zones of Benefit

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
\$ 405,504	\$ 1,868,178	\$ 288,971	\$ 226,978	\$ 5,935,062	\$ 1,113,562	\$ 16,709,242	\$ 325,180	\$ 109,748
-	-	-	-	-	-	-	-	-
2,025	6,657	701	369	18,257	3,321	48,044	1,102	342
7,802	10,134	3,936	525	23,522	6,257	43,041	433	191
<u>\$ 415,331</u>	<u>\$ 1,884,969</u>	<u>\$ 293,608</u>	<u>\$ 227,872</u>	<u>\$ 5,976,841</u>	<u>\$ 1,123,140</u>	<u>\$ 16,800,327</u>	<u>\$ 326,715</u>	<u>\$ 110,281</u>
\$ 6,168	\$ 12,155	\$ 26,132	\$ 144	\$ 86,111	\$ 12,748	\$ 169,229	\$ -	\$ -
-	-	2,354	-	-	2,361	-	-	-
<u>6,168</u>	<u>12,155</u>	<u>28,486</u>	<u>144</u>	<u>86,111</u>	<u>15,109</u>	<u>169,229</u>	<u>-</u>	<u>-</u>
409,163	1,872,814	265,122	227,728	5,890,730	1,108,031	16,631,098	326,715	110,281
<u>409,163</u>	<u>1,872,814</u>	<u>265,122</u>	<u>227,728</u>	<u>5,890,730</u>	<u>1,108,031</u>	<u>16,631,098</u>	<u>326,715</u>	<u>110,281</u>
<u>\$ 415,331</u>	<u>\$ 1,884,969</u>	<u>\$ 293,608</u>	<u>\$ 227,872</u>	<u>\$ 5,976,841</u>	<u>\$ 1,123,140</u>	<u>\$ 16,800,327</u>	<u>\$ 326,715</u>	<u>\$ 110,281</u>

(Continued)

Cosumnes Community Services District
Balance Sheet Schedules by Benefit Zone
Landscaping and Lighting Special Revenue Fund, Continued
June 30, 2018

Landscape and Lighting Assessment District - Zones of Benefit

	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	Zone 18 Hampton Village	District Wide	Total
ASSETS					
Cash and investments	\$ 632,264	\$ 302,724	\$ 62,177	\$ 424,533	\$ 37,525,480
Receivables:					
Accounts	-	117,462	-	106,117	223,579
Interest	1,855	320	226	-	111,439
Intergovernmental	1,249	-	750	-	179,390
Total assets	\$ 635,368	\$ 420,506	\$ 63,153	\$ 530,650	\$ 38,039,888
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ (80)	\$ 114,677	\$ (1)	\$ 162,608	\$ 918,782
Unearned revenue	-	-	-	-	4,715
Total liabilities	(80)	114,677	(1)	162,608	923,497
Fund Balances:					
Restricted for:					
End of year	635,448	305,829	63,154	368,042	37,116,391
Total fund balances	635,448	305,829	63,154	368,042	37,116,391
Total liabilities, deferred inflows of resources, and fund balances	\$ 635,368	\$ 420,506	\$ 63,153	\$ 530,650	\$ 38,039,888

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Cosumnes Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone
Landscaping and Lighting Special Revenue Fund
For the year ended June 30, 2018

	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
REVENUES:						
Charges for current services	\$ 3,925,423	\$ 166,295	\$ 874,441	\$ 867,967	\$ 636,936	\$ 619,118
Intergovernmental	18,700	-	2,395	1,118	6,258	-
Use of money and property	186,342	1,915	36,935	16,882	13,970	6,647
Miscellaneous	28,982	-	38,585	-	1,000	-
Total revenues	4,159,447	168,210	952,356	885,967	658,164	625,765
EXPENDITURES:						
Current:						
Recreation and culture	2,897,336	192,744	661,502	786,602	402,417	172,698
Capital outlay	5,800	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	2,903,136	192,744	661,502	786,602	402,417	172,698
REVENUES OVER (UNDER) EXPENDITURES	1,256,311	(24,534)	290,854	99,365	255,747	453,067
OTHER FINANCING SOURCES (USES):						
Insurance recovery	9,306	-	-	-	-	-
Transfers in	-	70,034	13,774	-	-	1,500
Transfers out	(997,960)	(47,418)	(329,888)	(172,580)	(130,884)	(411,260)
Total other financing sources (uses)	(988,654)	22,616	(316,114)	(172,580)	(130,884)	(409,760)
Net change in fund balances	267,657	(1,918)	(25,260)	(73,215)	124,863	43,307
FUND BALANCES:						
Beginning of year	5,239,373	191,058	687,377	1,409,952	1,082,349	365,856
End of year	\$ 5,507,030	\$ 189,140	\$ 662,117	\$ 1,336,737	\$ 1,207,212	\$ 409,163

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
\$ 804,177	\$ 312,346	\$ 41,671	\$ 1,866,602	\$ 496,526	\$ 3,415,494	\$ 153,883	\$ 22,890
-	-	-	-	-	1,478	-	-
22,094	32,127	2,351	71,144	48,738	239,384	3,575	1,258
-	20,051	-	67,471	-	101,840	-	-
826,271	364,524	44,022	2,005,217	545,264	3,758,196	157,458	24,148
46,145	387,783	1,133	808,489	361,230	1,844,826	1,200	500
-	-	-	-	-	3,430	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
46,145	387,783	1,133	808,489	361,230	1,848,256	1,200	500
780,126	(23,259)	42,889	1,196,728	184,034	1,909,940	156,258	23,648
-	-	-	-	-	-	-	-
-	1,110,301	-	7,019	-	8,631	-	-
(617,991)	(1,067,078)	(18,713)	(1,234,303)	(103,782)	(515,626)	(88,021)	(13,774)
(617,991)	43,223	(18,713)	(1,227,284)	(103,782)	(506,995)	(88,021)	(13,774)
162,135	19,964	24,176	(30,556)	80,252	1,402,945	68,237	9,874
1,710,679	245,158	203,552	5,921,286	1,027,779	15,228,153	258,478	100,407
\$ 1,872,814	\$ 265,122	\$ 227,728	\$ 5,890,730	\$ 1,108,031	\$ 16,631,098	\$ 326,715	\$ 110,281

(Continued)

Cosumnes Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone
Landscaping and Lighting Special Revenue Fund, Continued
For the year ended June 30, 2018

	Landscape and Lighting Assessment District - Zones of Benefit				
	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	Zone 18 Hampton Village	District Wide	Total
REVENUES:					
Charges for current services	\$ 141,140	\$ 1,335,886	\$ 71,897	\$ -	\$ 15,752,692
Intergovernmental	-	2,710	-	24,448	57,107
Use of money and property	6,688	1,286	689	55,729	747,754
Miscellaneous	-	5,420	-	140,399	403,748
Total revenues	147,828	1,345,302	72,586	220,576	16,961,301
EXPENDITURES:					
Current:					
Recreation and culture	1,500	1,361,549	825	3,185,072	13,113,551
Capital outlay	-	-	-	28,531	37,761
Debt service:					
Principal	-	-	-	15,064	15,064
Interest	-	-	-	2,077	2,077
Total expenditures	1,500	1,361,549	825	3,230,744	13,168,453
REVENUES OVER (UNDER)					
EXPENDITURES	146,328	(16,247)	71,761	(3,010,168)	3,792,848
OTHER FINANCING SOURCES (USES):					
Insurance recovery	-	-	-	-	9,306
Transfers in	-	55,537	999,999	3,212,154	5,478,949
Transfers out	(39,409)	(33,869)	(1,052,905)	(172,077)	(7,047,538)
Total other financing sources (uses)	(39,409)	21,668	(52,906)	3,040,077	(1,559,283)
Net change in fund balances	106,919	5,421	18,855	29,909	2,233,565
FUND BALANCES:					
Beginning of year	528,529	300,408	44,299	338,133	34,882,826
End of year	\$ 635,448	\$ 305,829	\$ 63,154	\$ 368,042	\$ 37,116,391

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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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 1 - Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	\$ 3,925,883	\$ 3,925,883	\$ 3,925,423	\$ (460)
Intergovernmental	-	18,700	18,700	-
Use of money and property	130,060	149,221	186,342	37,121
Miscellaneous	-	6,226	28,982	22,756
Total revenues	4,055,943	4,100,030	4,159,447	59,417
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	527,185	488,187	458,849	29,338
Services and supplies	2,583,006	2,670,149	2,438,487	231,662
Capital outlay				
Equipment	23,000	23,000	-	23,000
Structures and improvements	-	-	5,800	(5,800)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,133,191	3,181,336	2,903,136	278,200
REVENUES OVER (UNDER)				
EXPENDITURES	922,752	918,694	1,256,311	337,617
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	9,306	9,306
Transfers in	-	-	-	-
Transfers out	(1,671,963)	(1,671,963)	(997,960)	674,003
Total other financing sources (uses)	(1,671,963)	(1,671,963)	(988,654)	683,309
Net change in fund balances	(749,211)	(753,269)	267,657	1,020,926
FUND BALANCES:				
Beginning of year	5,239,373	5,239,373	5,239,373	-
End of year	<u>\$ 4,490,162</u>	<u>\$ 4,486,104</u>	<u>\$ 5,507,030</u>	<u>\$ 1,020,926</u>

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)
\$ 166,311	\$ 166,311	\$ 166,295	\$ (16)	\$ 874,512	\$ 874,512	\$ 874,441	\$ (71)
-	-	-	-	-	2,395	2,395	-
400	898	1,915	1,017	29,400	32,588	36,935	4,347
-	-	-	-	-	6,592	38,585	31,993
166,711	167,209	168,210	1,001	903,912	916,087	952,356	36,269
44,397	43,357	39,121	4,236	98,692	100,904	81,840	19,064
171,974	174,282	153,623	20,659	636,783	642,901	579,662	63,239
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
216,371	217,639	192,744	24,895	735,475	743,805	661,502	82,303
(49,660)	(50,430)	(24,534)	25,896	168,437	172,282	290,854	118,572
-	-	-	-	-	-	-	-
99,404	99,404	70,034	(29,370)	13,744	13,744	13,774	30
(48,931)	(48,931)	(47,418)	1,513	(344,146)	(344,146)	(329,888)	14,258
50,473	50,473	22,616	(27,857)	(330,402)	(330,402)	(316,114)	14,288
813	43	(1,918)	(1,961)	(161,965)	(158,120)	(25,260)	132,860
191,058	191,058	191,058	-	687,377	687,377	687,377	-
\$ 191,871	\$ 191,101	\$ 189,140	\$ (1,961)	\$ 525,412	\$ 529,257	\$ 662,117	\$ 132,860

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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 4 - West Laguna			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	\$ 868,052	\$ 868,052	\$ 867,967	\$ (85)
Intergovernmental	-	1,117	1,118	1
Use of money and property	3,000	7,273	16,882	9,609
Miscellaneous	-	-	-	-
Total revenues	871,052	876,442	885,967	9,525
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	71,993	66,222	62,786	3,436
Services and supplies	838,756	852,627	723,816	128,811
Capital outlay				
Equipment	-	-	-	-
Structures and improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	910,749	918,849	786,602	132,247
REVENUES OVER (UNDER)				
EXPENDITURES	(39,697)	(42,407)	99,365	141,772
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(181,203)	(181,203)	(172,580)	8,623
Total other financing sources (uses)	(181,203)	(181,203)	(172,580)	8,623
Net change in fund balances	(220,900)	(223,610)	(73,215)	150,395
FUND BALANCES:				
Beginning of year	1,409,952	1,409,952	1,409,952	-
End of year	<u>\$ 1,189,052</u>	<u>\$ 1,186,342</u>	<u>\$ 1,336,737</u>	<u>\$ 150,395</u>

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)
\$ 636,998	\$ 636,998	\$ 636,936	\$ (62)	\$ 619,195	\$ 619,195	\$ 619,118	\$ (77)
-	6,258	6,258	-	-	-	-	-
3,000	6,070	13,970	7,900	1,400	3,245	6,647	3,402
-	1,000	1,000	-	-	-	-	-
639,998	650,326	658,164	7,838	620,595	622,440	625,765	3,325
70,977	65,336	61,966	3,370	34,912	35,849	29,850	5,999
424,058	446,154	340,451	105,703	201,771	207,973	142,848	65,125
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
495,035	511,490	402,417	109,073	236,683	243,822	172,698	71,124
144,963	138,836	255,747	116,911	383,912	378,618	453,067	74,449
-	-	-	-	-	-	-	-
-	-	-	-	1,500	1,500	1,500	-
(137,359)	(137,359)	(130,884)	6,475	(429,353)	(429,353)	(411,260)	18,093
(137,359)	(137,359)	(130,884)	6,475	(427,853)	(427,853)	(409,760)	18,093
7,604	1,477	124,863	123,386	(43,941)	(49,235)	43,307	92,542
1,082,349	1,082,349	1,082,349	-	365,856	365,856	365,856	-
\$ 1,089,953	\$ 1,083,826	\$ 1,207,212	\$ 123,386	\$ 321,915	\$ 316,621	\$ 409,163	\$ 92,542

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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 8 - Other Rural Areas			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	\$ 804,203	\$ 799,529	\$ 804,177	\$ 4,648
Intergovernmental	-	-	-	-
Use of money and property	6,000	10,326	22,094	11,768
Miscellaneous	-	-	-	-
Total revenues	810,203	809,855	826,271	16,416
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	21,766	35,546	20,040	15,506
Services and supplies	44,654	45,144	26,105	19,039
Capital outlay				
Equipment	-	-	-	-
Structures and improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	66,420	80,690	46,145	34,545
REVENUES OVER (UNDER)				
EXPENDITURES	743,783	729,165	780,126	50,961
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(555,701)	(618,001)	(617,991)	10
Total other financing sources (uses)	(555,701)	(618,001)	(617,991)	10
Net change in fund balances	188,082	111,164	162,135	50,971
FUND BALANCES:				
Beginning of year	1,710,679	1,710,679	1,710,679	-
End of year	<u>\$ 1,898,761</u>	<u>\$ 1,821,843</u>	<u>\$ 1,872,814</u>	<u>\$ 50,971</u>

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)
\$ 312,379	\$ 312,378	\$ 312,346	\$ (32)	\$ 41,675	\$ 41,675	\$ 41,671	\$ (4)
-	-	-	-	-	-	-	-
27,750	29,175	32,127	2,952	300	1,029	2,351	1,322
-	3,457	20,051	16,594	-	-	-	-
340,129	345,010	364,524	19,514	41,975	42,704	44,022	1,318
61,535	60,918	53,213	7,705	-	-	-	-
317,862	377,637	334,570	43,067	10,632	9,535	1,133	8,402
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
379,397	438,555	387,783	50,772	10,632	9,535	1,133	8,402
(39,268)	(93,545)	(23,259)	70,286	31,343	33,169	42,889	9,720
-	-	-	-	-	-	-	-
966,730	1,138,574	1,110,301	(28,273)	-	-	-	-
(951,862)	(1,067,112)	(1,067,078)	34	(19,763)	(19,763)	(18,713)	1,050
14,868	71,462	43,223	(28,239)	(19,763)	(19,763)	(18,713)	1,050
(24,400)	(22,083)	19,964	42,047	11,580	13,406	24,176	10,770
245,158	245,158	245,158	-	203,552	203,552	203,552	-
\$ 220,758	\$ 223,075	\$ 265,122	\$ 42,047	\$ 215,132	\$ 216,958	\$ 227,728	\$ 10,770

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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 11 - East Elk Grove			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	\$ 1,866,701	\$ 1,866,700	\$ 1,866,602	\$ (98)
Intergovernmental	-	-	-	-
Use of money and property	10,000	28,761	71,144	42,383
Miscellaneous	-	11,633	67,471	55,838
Total revenues	1,876,701	1,907,094	2,005,217	98,123
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	206,226	178,092	177,356	736
Services and supplies	755,441	631,218	631,133	85
Capital outlay				
Equipment	3,000	-	-	-
Structures and improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	964,667	809,310	808,489	821
REVENUES OVER (UNDER)				
EXPENDITURES	912,034	1,097,784	1,196,728	98,944
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	-	-
Transfers in	-	7,020	7,019	(1)
Transfers out	(391,296)	(1,234,796)	(1,234,303)	493
Total other financing sources (uses)	(391,296)	(1,227,776)	(1,227,284)	492
Net change in fund balances	520,738	(129,992)	(30,556)	99,436
FUND BALANCES:				
Beginning of year	5,921,286	5,921,286	5,921,286	-
End of year	<u>\$ 6,442,024</u>	<u>\$ 5,791,294</u>	<u>\$ 5,890,730</u>	<u>\$ 99,436</u>

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)
\$ 498,836	\$ 498,836	\$ 496,526	\$ (2,310)	\$ 3,415,765	\$ 3,415,764	\$ 3,415,494	\$ (270)
-	-	-	-	-	1,479	1,478	(1)
39,132	41,522	48,738	7,216	80,900	123,688	239,384	115,696
-	-	-	-	-	17,558	101,840	84,282
537,968	540,358	545,264	4,906	3,496,665	3,558,489	3,758,196	199,707
77,900	72,675	68,210	4,465	628,993	597,471	519,842	77,629
402,517	406,134	293,020	113,114	1,659,997	1,686,947	1,324,984	361,963
-	-	-	-	6,000	6,000	-	6,000
-	-	-	-	35,000	43,724	3,430	40,294
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
480,417	478,809	361,230	117,579	2,329,990	2,334,142	1,848,256	485,886
57,551	61,549	184,034	122,485	1,166,675	1,224,347	1,909,940	685,593
-	-	-	-	-	-	-	-
-	-	-	-	1,500	1,500	8,631	7,131
(108,794)	(108,794)	(103,782)	5,012	(537,488)	(537,488)	(515,626)	21,862
(108,794)	(108,794)	(103,782)	5,012	(535,988)	(535,988)	(506,995)	28,993
(51,243)	(47,245)	80,252	127,497	630,687	688,359	1,402,945	714,586
1,027,779	1,027,779	1,027,779	-	15,228,153	15,228,153	15,228,153	-
\$ 976,536	\$ 980,534	\$ 1,108,031	\$ 127,497	\$ 15,858,840	\$ 15,916,512	\$ 16,631,098	\$ 714,586

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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 14 - Camden Park			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	\$ 154,827	\$ 154,827	\$ 153,883	\$ (944)
Intergovernmental	-	-	-	-
Use of money and property	700	1,270	3,575	2,305
Miscellaneous	-	-	-	-
Total revenues	155,527	156,097	157,458	1,361
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	-	-	-	-
Services and supplies	1,200	1,893	1,200	693
Capital outlay				
Equipment	-	-	-	-
Structures and improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,200	1,893	1,200	693
REVENUES OVER (UNDER)				
EXPENDITURES	154,327	154,204	156,258	2,054
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(150,738)	(150,738)	(88,021)	62,717
Total other financing sources (uses)	(150,738)	(150,738)	(88,021)	62,717
Net change in fund balances	3,589	3,466	68,237	64,771
FUND BALANCES:				
Beginning of year	258,478	258,478	258,478	-
End of year	<u>\$ 262,067</u>	<u>\$ 261,944</u>	<u>\$ 326,715</u>	<u>\$ 64,771</u>

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)
\$ 23,194	\$ 23,194	\$ 22,890	\$ (304)	\$ 141,660	\$ 141,660	\$ 141,140	\$ (520)
-	-	-	-	-	-	-	-
200	344	1,258	914	700	1,780	6,688	4,908
-	-	-	-	-	-	-	-
23,394	23,538	24,148	610	142,360	143,440	147,828	4,388
-	-	-	-	-	-	-	-
550	654	500	154	1,500	2,067	1,500	567
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
550	654	500	154	1,500	2,067	1,500	567
22,844	22,884	23,648	764	140,860	141,373	146,328	4,955
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(13,744)	(13,744)	(13,774)	(30)	(65,596)	(65,596)	(39,409)	26,187
(13,744)	(13,744)	(13,774)	(30)	(65,596)	(65,596)	(39,409)	26,187
9,100	9,140	9,874	734	75,264	75,777	106,919	31,142
100,407	100,407	100,407	-	528,529	528,529	528,529	-
\$ 109,507	\$ 109,547	\$ 110,281	\$ 734	\$ 603,793	\$ 604,306	\$ 635,448	\$ 31,142

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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Zone 17 - City Landscape			
	Original	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Charges for current services	\$ 1,461,000	\$ 1,811,000	\$ 1,335,886	\$ (475,114)
Intergovernmental	-	2,710	2,710	-
Use of money and property	601	250	1,286	1,036
Miscellaneous	-	935	5,420	4,485
Total revenues	1,461,601	1,814,895	1,345,302	(469,593)
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	160,303	163,033	152,489	10,544
Services and supplies	1,255,412	1,598,648	1,209,060	389,588
Capital outlay				
Equipment	-	-	-	-
Structures and improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,415,715	1,761,681	1,361,549	400,132
REVENUES OVER (UNDER)				
EXPENDITURES	45,886	53,214	(16,247)	(69,461)
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	-	-
Transfers in	-	60,000	55,537	(4,463)
Transfers out	(33,869)	(33,869)	(33,869)	-
Total other financing sources (uses)	(33,869)	26,131	21,668	(4,463)
Net change in fund balances	12,017	79,345	5,421	(73,924)
FUND BALANCES:				
Beginning of year	300,408	300,408	300,408	-
End of year	\$ 312,425	\$ 379,753	\$ 305,829	\$ (73,924)

Landscape and Lighting Assessment District - Zones of Benefit

Zone 18 - Hampton Village				District Wide			
Original	Final Budget	Actual	Variance Positive (Negative)	Original	Final Budget	Actual	Variance Positive (Negative)
\$ 72,406	\$ 72,406	\$ 71,897	\$ (509)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	24,448	24,448	-
-	250	689	439	43,200	55,200	55,729	529
-	-	-	-	154,500	111,272	140,399	29,127
72,406	72,656	72,586	(70)	197,700	190,920	220,576	29,656
-	-	-	-	1,449,130	1,432,600	1,371,826	60,774
1,500	1,853	825	1,028	2,235,207	2,200,444	1,813,246	387,198
-	-	-	-	58,572	47,049	28,531	18,518
-	-	-	-	-	-	-	-
-	-	-	-	13,019	13,019	15,064	(2,045)
-	-	-	-	1,717	1,717	2,077	(360)
1,500	1,853	825	1,028	3,757,645	3,694,829	3,230,744	464,085
70,906	70,803	71,761	958	(3,559,945)	(3,503,909)	(3,010,168)	493,741
-	-	-	-	-	-	-	-
781,894	925,541	999,999	74,458	3,389,337	3,371,685	3,212,154	(159,531)
(852,800)	(1,052,944)	(1,052,905)	39	(201,272)	(212,740)	(172,077)	40,663
(70,906)	(127,403)	(52,906)	74,497	3,188,065	3,158,945	3,040,077	(118,868)
-	(56,600)	18,855	75,455	(371,880)	(344,964)	29,909	374,873
44,299	44,299	44,299	-	338,133	338,133	338,133	-
\$ 44,299	\$ (12,301)	\$ 63,154	\$ 75,455	\$ (33,747)	\$ (6,831)	\$ 368,042	\$ 374,873

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, 2018

	Landscape and Lighting Assessment District - Zones of Benefit			
	Totals			Variance
	Original	Final Budget	Actual	Positive (Negative)
REVENUES:				
Charges for current services	\$ 15,883,597	\$ 16,228,920	15,752,692	\$ (476,228)
Intergovernmental	-	57,107	57,107	-
Use of money and property	376,743	492,890	747,754	254,864
Miscellaneous	154,500	158,673	403,748	245,075
Total revenues	16,414,840	16,937,590	16,961,301	23,711
EXPENDITURES:				
Current:				
Recreation and culture				
Salaries and benefits	3,454,009	3,340,190	3,097,388	242,802
Services and supplies	11,542,820	11,956,260	10,016,163	1,940,097
Capital outlay				
Equipment	90,572	76,049	28,531	47,518
Structures and improvements	35,000	43,724	9,230	34,494
Debt service:				
Principal	13,019	13,019	15,064	(2,045)
Interest	1,717	1,717	2,077	(360)
Total expenditures	15,137,137	15,430,959	13,168,453	2,262,506
REVENUES OVER (UNDER)				
EXPENDITURES	1,277,703	1,506,631	3,792,848	2,286,217
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	9,306	9,306
Transfers in	5,254,109	5,618,968	5,478,949	(140,019)
Transfers out	(6,695,878)	(7,928,540)	(7,047,538)	881,002
Total other financing sources (uses)	(1,441,769)	(2,309,572)	(1,559,283)	750,289
Net change in fund balances	(164,066)	(802,941)	2,233,565	3,036,506
FUND BALANCES:				
Beginning of year	34,882,826	34,882,826	34,882,826	-
End of year	\$ 34,718,760	\$ 34,079,885	\$ 37,116,391	\$ 3,036,506

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			
	2018	2017	2016	2015
Governmental activities				
Net investment in capital assets	\$ 191,275,989	179,250,894	185,351,179	184,981,570
Restricted	57,280,447	52,954,081	48,762,603	44,349,631
Unrestricted	(65,389,716)	(51,766,076)	(50,108,183)	(54,478,223)
Total governmental activities net positic	<u>\$ 183,166,720</u>	<u>180,438,899</u>	<u>184,005,599</u>	<u>174,852,978</u>
 Primary government				
Net investment in capital assets	\$ 191,275,989	179,250,894	185,351,179	184,981,570
Restricted	57,280,447	52,954,081	48,762,603	44,349,631
Unrestricted	(65,389,716)	(51,766,076)	(50,108,183)	(54,478,223)
Total primary government net position	<u>\$ 183,166,720</u>	<u>180,438,899</u>	<u>184,005,599</u>	<u>174,852,978</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) 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					
2014	2013	2012	2011	2010	2009
183,997,497	184,141,637	183,173,511	179,698,464	174,181,494	162,115,206
42,341,817	37,217,297	34,461,962	35,770,912	26,886,848	35,194,322
<u>(62,177,389)</u>	<u>(8,241,726)</u>	<u>1,100,458</u>	<u>9,685,628</u>	<u>33,867,845</u>	<u>43,279,283</u>
<u><u>164,161,925</u></u>	<u><u>213,117,208</u></u>	<u><u>218,735,931</u></u>	<u><u>225,155,004</u></u>	<u><u>234,936,187</u></u>	<u><u>240,588,811</u></u>
183,997,497	184,141,637	183,173,511	179,698,464	174,181,494	162,115,206
42,341,817	37,217,297	34,461,962	35,770,912	26,886,848	35,194,322
<u>(62,177,389)</u>	<u>(8,241,726)</u>	<u>1,100,458</u>	<u>9,685,628</u>	<u>33,867,845</u>	<u>43,279,283</u>
<u><u>164,161,925</u></u>	<u><u>213,117,208</u></u>	<u><u>218,735,931</u></u>	<u><u>225,155,004</u></u>	<u><u>234,936,187</u></u>	<u><u>240,588,811</u></u>

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

	Fiscal Year		
	2018	2017	2016
Expenses			
Governmental activities:			
Public protection	\$ 53,558,990	44,947,335	39,709,149
Recreation and culture	28,010,357	26,110,030	23,461,242
General Government	6,850,160	6,057,493	7,844,015
Interest on long-term debt	1,049,287	1,456,115	1,436,266
Total governmental activities expenses	<u>89,468,794</u>	<u>78,570,973</u>	<u>72,450,672</u>
Total primary government expenses	<u>89,468,794</u>	<u>78,570,973</u>	<u>72,450,672</u>
Program Revenues			
Governmental activities:			
Charges for services:			
Public protection	12,577,480	9,929,689	6,916,448
Recreation and culture	21,604,713	20,878,015	20,585,430
General Government	2,853,733	3,301,028	7,799,770
Operating grants and contributions	94,093	89,340	160,132
Capital grants and contributions	9,232,552	11,640,159	5,075,796
Total governmental activities program revenues	<u>46,362,571</u>	<u>45,838,231</u>	<u>40,537,576</u>
Total primary government program revenues	<u>46,362,571</u>	<u>45,838,231</u>	<u>40,537,576</u>
Net revenues (expenses):			
Governmental activities	<u>(43,106,223)</u>	<u>(32,732,742)</u>	<u>(31,913,096)</u>
Total net revenues (expenses)	<u>(43,106,223)</u>	<u>(32,732,742)</u>	<u>(31,913,096)</u>
General revenues and other changes in net position			
Governmental activities:			
Taxes			
Property Taxes	43,868,694	41,024,168	36,173,988
Other taxes			
Investment earnings	1,094,388	938,460	431,763
Miscellaneous	870,962	1,019,777	334,787
Total governmental activities	<u>45,834,044</u>	<u>42,982,405</u>	<u>36,940,538</u>
Total primary government	<u>45,834,044</u>	<u>42,982,405</u>	<u>36,940,538</u>
Changes in net position			
Governmental activities	<u>2,727,821</u>	<u>10,249,663</u>	<u>5,027,442</u>
Total primary government	<u>\$ 2,727,821</u>	<u>10,249,663</u>	<u>5,027,442</u>

Source: Cosumnes CSD Administrative Services Department

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

Fiscal Year						
2015	2014	2013	2012	2011	2010	2009
30,991,966	36,958,524	39,550,114	39,708,302	39,892,892	41,217,023	39,910,342
24,421,081	21,697,297	22,221,093	22,920,702	23,053,144	20,872,734	20,417,898
4,262,813	3,424,446	3,672,163	3,680,267	4,147,243	4,336,910	4,917,600
773,229	820,905	1,151,692	1,339,252	3,190,945	1,874,954	1,987,109
<u>60,449,089</u>	<u>62,901,172</u>	<u>66,595,062</u>	<u>67,648,523</u>	<u>70,284,224</u>	<u>68,301,621</u>	<u>67,232,949</u>
<u>60,449,089</u>	<u>62,901,172</u>	<u>66,595,062</u>	<u>67,648,523</u>	<u>70,284,224</u>	<u>68,301,621</u>	<u>67,232,949</u>
8,152,295	7,181,029	5,428,004	5,612,920	3,589,834	5,226,512	4,323,291
20,399,714	19,711,526	19,673,718	20,049,112	6,497,058	18,140,280	16,522,188
1,883,787	1,677,351	1,974,385	1,523,950	14,488,849	1,173,276	1,364,097
113,666	121,646	109,774	191,286	258,509	119,007	180,942
3,650,142	4,239,631	3,673,497	2,078,404	2,891,068	3,416,858	6,039,124
<u>34,199,604</u>	<u>32,931,183</u>	<u>30,859,378</u>	<u>29,455,672</u>	<u>27,725,318</u>	<u>28,075,933</u>	<u>28,429,642</u>
<u>34,199,604</u>	<u>32,931,183</u>	<u>30,859,378</u>	<u>29,455,672</u>	<u>27,725,318</u>	<u>28,075,933</u>	<u>28,429,642</u>
<u>(26,249,485)</u>	<u>(29,969,989)</u>	<u>(35,735,684)</u>	<u>(38,192,851)</u>	<u>(42,558,906)</u>	<u>(40,225,688)</u>	<u>(38,803,307)</u>
<u>(26,249,485)</u>	<u>(29,969,989)</u>	<u>(35,735,684)</u>	<u>(38,192,851)</u>	<u>(42,558,906)</u>	<u>(40,225,688)</u>	<u>(38,803,307)</u>
32,626,823	29,456,296	31,186,985	32,253,420	33,603,024	38,695,990	39,350,015
					0	516,427
479,497	559,940	407,021	361,833	633,265	2,252,726	3,778,975
332,351	100,725	179,772	162,470	336,775	540,691	1,054,479
<u>33,438,671</u>	<u>30,116,961</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>33,438,671</u>	<u>30,116,961</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>7,189,186</u>	<u>146,972</u>	<u>(3,961,906)</u>	<u>(5,415,128)</u>	<u>(7,985,842)</u>	<u>1,263,719</u>	<u>5,896,589</u>
<u>7,189,186</u>	<u>146,972</u>	<u>(3,961,906)</u>	<u>(5,415,128)</u>	<u>(7,985,842)</u>	<u>1,263,719</u>	<u>5,896,589</u>

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

	Fiscal Year		
	2018	2017	2016
General fund:			
Nonspendable	\$ 963,525	1,967,160	984,526
Restricted	19,957,662	17,856,548	16,792,913
Assigned	<u>25,639,993</u>	<u>32,218,113</u>	<u>29,194,656</u>
Total general fund	<u>\$ 46,561,180</u>	<u>52,041,821</u>	<u>46,972,095</u>
All other governmental funds:			
Restricted	\$ 37,322,785	35,097,533	31,969,690
Assigned, reported in:			
Special revenue fund	0	0	0
Total all other governmental funds	<u>\$ 37,322,785</u>	<u>35,097,533</u>	<u>31,969,690</u>

Source: Cosumnes CSD Administrative Services Department

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

Fiscal Year						
2015	2014	2013	2012	2011	2010	2009
423,969	739,238	107,338	20,770	16,207	15,048	
16,031,122	16,145,077	14,238,705	14,720,152	17,954,979	20,139,539	23,966,205
<u>26,108,555</u>	<u>16,466,784</u>	<u>15,204,930</u>	<u>19,487,133</u>	<u>23,234,797</u>	<u>26,396,387</u>	<u>31,788,249</u>
<u>42,563,646</u>	<u>33,351,099</u>	<u>29,550,973</u>	<u>34,228,055</u>	<u>41,205,983</u>	<u>46,550,974</u>	<u>55,754,454</u>
28,318,509	26,196,740	22,978,592	19,741,810	17,815,933	6,732,261	11,228,117
0	0	0	0	0	14,270,117	14,482,116
<u>28,318,509</u>	<u>26,196,740</u>	<u>22,978,592</u>	<u>19,741,810</u>	<u>17,815,933</u>	<u>21,002,378</u>	<u>25,710,233</u>

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

	Fiscal Year			
	2018	2017	2016	2015
Revenues:				
Taxes	\$ 43,868,694	41,024,168	38,678,041	36,173,988
Charges for services	35,055,970	32,494,151	28,526,257	29,519,898
Developer fees and contributions	5,141,896	2,004,448	1,669,000	1,500,655
Intergovernmental	4,090,656	2,644,117	3,406,796	2,149,487
Donations and contributions	94,093	89,340	160,132	113,666
Use of money and property	2,211,653	2,067,792	2,048,806	1,516,902
Miscellaneous	870,962	1,019,777	1,458,664	334,787
Total revenues	<u>91,333,924</u>	<u>81,343,793</u>	<u>75,947,696</u>	<u>71,309,383</u>
Expenditures:				
Current:				
Public protection	47,452,087	43,262,133	38,600,228	36,077,297
Recreation and culture	24,675,929	22,462,027	20,606,032	21,147,714
General government	5,987,865	6,006,798	7,881,271	4,209,127
Capital outlay	14,997,275	6,294,857	3,491,208	4,355,382
Debt service:				
Principal	2,586,599	1,883,696	2,409,130	2,060,546
Interest	1,093,374	970,887	1,158,549	776,928
Cost of Issuance		529,832	272,852	
Total expenditures	<u>96,793,129</u>	<u>81,410,230</u>	<u>74,419,270</u>	<u>68,626,994</u>
Excess of revenues over expenditures	<u>(5,459,205)</u>	<u>(66,437)</u>	<u>1,528,426</u>	<u>2,682,389</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	22,909	210	6,150	133,147
Issuance of long-term liabilities	1,310,000	15,720,282	10,420,172	1,276,969
Payment to escrow for refunding		(9,230,447)		
Original issue premium		896,282		
Original issue discount		(224,451)	(283,460)	
Insurance recoveries	870,907	1,102,130	4,937,030	7,241,811
Transfers in	9,353,101	5,441,174	5,506,912	5,720,119
Transfers out	<u>(9,353,101)</u>	<u>(5,441,174)</u>	<u>(5,506,912)</u>	<u>(5,720,119)</u>
Total other financing sources (uses)	<u>2,203,816</u>	<u>8,264,006</u>	<u>15,079,892</u>	<u>8,651,927</u>
Net change in fund balances	<u>\$ (3,255,389)</u>	<u>8,197,569</u>	<u>16,608,318</u>	<u>11,334,316</u>
Debt service as a percentage of noncapital expenditures	4.5%	3.8%	5.0%	4.4%

Source: Cosumnes CSD Administrative Services Department

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

Fiscal Year					
2014	2013	2012	2011	2010	2009
32,626,823	29,456,296	31,186,985	32,253,420	33,603,024	38,695,990
27,835,872	25,669,576	25,833,814	25,077,392	23,100,046	22,896,520
2,832,285	1,747,613	1,458,624	1,993,759	994,588	3,428,132
1,407,346	1,925,884	619,780	897,309	2,422,270	2,610,992
121,646	109,774	191,286	258,509	119,007	180,942
1,486,062	1,504,489	1,367,064	1,521,106	1,544,523	3,232,037
332,351	404,965	179,772	162,470	336,775	540,691
<u>66,642,385</u>	<u>60,818,597</u>	<u>60,837,325</u>	<u>62,163,965</u>	<u>62,120,233</u>	<u>71,585,304</u>
33,362,739	34,372,236	33,478,192	33,893,997	34,953,709	35,355,540
18,737,965	18,571,201	19,767,882	20,342,559	18,059,421	17,878,449
3,115,442	3,117,972	3,224,873	3,577,708	3,944,833	4,645,014
2,412,214	2,462,853	4,478,538	3,823,032	17,356,702	15,331,594
2,678,562	3,021,871	4,344,153	6,865,298	3,332,703	4,739,988
875,905	1,201,336	1,367,625	3,386,607	1,889,017	1,852,098
<u>61,182,827</u>	<u>62,747,469</u>	<u>66,661,263</u>	<u>71,889,201</u>	<u>79,536,385</u>	<u>79,802,683</u>
<u>5,459,558</u>	<u>(1,928,872)</u>	<u>(5,823,938)</u>	<u>(9,725,236)</u>	<u>(17,416,152)</u>	<u>(8,217,379)</u>
16,311	162,586	156,250	299,216	273,189	34,779
1,436,953	325,986	122,386	388,747	3,231,628	10,000,000
105,452		493,251	505,836		
4,625,190	4,273,702	5,544,330	5,539,122	10,881,176	5,902,928
<u>(4,625,190)</u>	<u>(4,273,702)</u>	<u>(5,544,330)</u>	<u>(5,539,122)</u>	<u>(10,881,176)</u>	<u>(5,902,928)</u>
<u>1,558,716</u>	<u>488,572</u>	<u>771,887</u>	<u>1,193,799</u>	<u>3,504,817</u>	<u>10,034,779</u>
<u>7,018,274</u>	<u>(1,440,300)</u>	<u>(5,052,051)</u>	<u>(8,531,437)</u>	<u>(13,911,335)</u>	<u>1,817,400</u>
6.0%	7.0%	9.2%	15.1%	8.4%	10.2%

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

	Fiscal Year				
	2009	2010	2011	2012	2013
District Rate	0.22137	0.22137	0.22137	0.22137	0.22137
Overlapping Rates:					
County of Sacramento	0.38606	0.38606	0.38606	0.38606	0.38606
County Library	0.02037	0.02037	0.02037	0.02037	0.02037
Elk Grove Unified School District	0.25487	0.25487	0.25487	0.25487	0.25487
Elk Grove-Cosumnes Cemetery District	0.00275	0.00275	0.00275	0.00275	0.00275
City of Elk Grove	0.05738	0.05738	0.05738	0.05738	0.05738
Los Rios Community College	0.03641	0.03641	0.03641	0.03641	0.03641
Sacramento-Yolo Mosquito Abatement District	0.00866	0.00866	0.00866	0.00866	0.00866
Other	0.01213	0.01213	0.01213	0.01213	0.01213
Regional Sanitation District Bonds	0.00550	0.00550	0.00550	0.00550	0.00550
Los Rios Community College GO Bonds	<u>0.00720</u>	<u>0.00720</u>	<u>0.00720</u>	<u>0.00720</u>	<u>0.00720</u>
Total Direct Rate	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
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

Fiscal Year				
2014	2015	2016	2017	2018
0.22137	0.22137	0.22137	0.22137	0.22137
0.38606	0.38606	0.38606	0.38606	0.38606
0.02037	0.02037	0.02037	0.02037	0.02037
0.25487	0.25487	0.25487	0.25487	0.25487
0.00275	0.00275	0.00275	0.00275	0.00275
0.05738	0.05738	0.05738	0.05738	0.05738
0.03641	0.03641	0.03641	0.03641	0.03641
0.00866	0.00866	0.00866	0.00866	0.00866
0.01213	0.01213	0.01213	0.01213	0.01213
0.00550	0.00550	0.00550	0.00550	0.00550
<u>0.00720</u>	<u>0.00720</u>	<u>0.00720</u>	<u>0.00720</u>	<u>0.00720</u>
1.01270	1.01270	1.01270	1.01270	1.01270

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

Taxpayer	2018		2009	
	Taxable Assessed Value (1)	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value
Apple Computer, Inc	\$214,893,313	0.99%		
Donahue Schriber Realty Group L P	105,313,912	0.49%		
Pappas Laguna 2 Limited Partnership	99,689,713	0.46%		
Laguna Springs Corporation Center	89,449,462	0.41%		
Oakmont Properties II LP	71,992,258	0.33%		
9130 Nolan Street LLC	50,519,711	0.23%		
Jackson II LLC	49,330,418	0.23%		
Fairfield Bella Vista LLC	45,935,313	0.21%		
DS Properties 18	44,789,803	0.21%		
Norwalk Flallon LLC Upland Terry LLC	44,011,072	0.20%		
ACI Real Properties			55,649,017	0.29%
Donahue Schriber Realty Group			37,240,228	0.19%
JVC America Inc.			27,267,104	0.14%
Williamette Industries, Inc.			24,450,617	0.13%
DS Marketplace 99 LLC			23,888,000	0.12%
Somerfield at Lakeside LLC			19,609,013	0.10%
Citrus Grove Apartments			17,738,680	0.09%
Laguna Oaks Apartments			16,650,570	0.09%
Dolem Incorporated			14,952,218	0.08%
Western Investments Real Estate			13,361,481	0.07%
Total	<u>\$ 815,924,975</u>	<u>3.77%</u>	<u>250,806,928</u>	<u>1.30%</u>

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**

<u>Fiscal Year Ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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%
2017	41,924,688	41,024,168	97.85%	450,260	41,474,428	98.91%
2018	44,766,582	43,868,694	97.99%	448,944	44,317,638	98.99%

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>
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
2017	20,141,942	301,965	20,443,907	0.22137
2018	21,347,233	306,951	21,654,184	0.22137

Notes:

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

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

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

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities	Percentage of Assessed Valuation	Debt Per Capita
	Certificates of Participation (1)	Loans	Capital Leases			
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
2017	23,935,000	66,111	8,801,650	32,802,761	0.16%	170.66
2018	23,156,804	54,242	8,616,918	31,827,964	0.15%	162.91

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, 2018**

District Assessed Valuation (in thousands) \$ 21,654,184

	Estimated Percentage Applicable (1)	Outstanding Debt 6/30/18	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes and Assessments:			
Los Rios Community College District	10.588%	\$ 413,020,000	43,730,558
San Joaquin Delta Community College District	3.189%	154,305,582	4,920,805
Elk Grove Unified School District	57.196%	82,100,000	46,957,916
River Delta Joint Unified School District			
School Facilities Improvement District No. 1	0.2600%	7,360,714	19,138
Sacramento Unified School District	0.1730%	502,412,966	869,174
Grant Joint Union High School District and School District	60.435% & 87.531%	55,348,684	37,558,729
Elk Grove Community Facilities District	100.00%	220,115,000	220,115,000
Elk Grove Unified School District Community Facilities District No. 1	57.196%	201,614,259	115,315,292
Galt Schools Joint Powers Authority Community Facilities District No. 1	98.681%	5,820,000	5,743,234
Sacramento County Community Facilities Districts	100.00%	17,694,841	17,694,841
California Statewide Community Development Authority 915 Act Bonds	100.00%	6,387,018	6,387,018
City of Galt 1915 Act Bonds	100.00%	972,000	972,000
Total overlapping debt repaid with property taxes and assessments		1,667,151,064	500,283,705
Overlapping Other Debt:			
Sacramento County General Fund Obligations	14.510%	\$ 213,680,900	31,005,099
Sacramento County Pension Obligations	14.510%	925,700,002	134,319,078
Sacramento County Board of Education Certificates of Participation	14.510%	4,840,000	702,284
Los Rios Community College District Certificates of Participation	10.588%	440,000	46,587
Sacramento Unified School District Certificates of Participation	0.1730%	65,565,000	113,427
City of Elk Grove General Fund Obligations	100.00%	32,370,000	32,370,000
Cosumnes Community Services District	100.00%	22,855,000	22,855,000
Total overlapping other debt		1,265,450,902	221,411,475
Total overlapping debt		\$ 2,932,601,966	721,695,180
District direct debt			8,972,964
Total direct and overlapping debt			\$ 730,668,144

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuation	\$ 19,270,205	17,043,081	16,751,799	16,017,384	15,231,576	16,502,762	18,234,098	19,198,367	20,443,907	21,654,184
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	\$ 4,817,551	4,260,770	4,187,950	4,004,346	3,807,894	4,125,691	4,558,525	4,799,592	5,110,977	5,413,546
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	240,878	213,039	209,397	200,217	190,395	206,285	227,926	239,980	255,549	270,677
Total net debt applicable to limit:										
General obligation bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 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>	<u>255,549</u>	<u>270,677</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	
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
2017	15,362,009	11,823,913	3,538,096	22,747	2,813	138.42
2018	15,752,692	13,168,453	2,584,239	15,064	2,077	150.76

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>
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%
2017	192,216	N/A	5.0%
2018	195,376	N/A	4.2%

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>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Elk Grove Unified School District	3,427	4.19%	1,930	(1)
Apple Computer	500	0.61%	1,000	(1)
Bel Air/Raleys Supermarkets	433	0.53%	500	(1)
Alldata	421	0.51%	285	(1)
City of Elk Grove	318	0.39%	271	(1)
Cosumnes Community Services District	292	0.36%	284	(1)
Wal Mart	156	0.19%	359	(1)
Elk Grove Ford	124	0.15%	-	(1)
Maita Chevrolet	120	0.15%	116	(1)
Home Depot	111	0.14%	180	(1)
Decorative Specialties	-	0.00%	120	(1)

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

(1) Information is not available.

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

	Full-time District Employees as of June 30									
<u>Function</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	27	23	23	22	21	21	21	21	24	24
Public safety	179	169	167	168	167	167	166	165	184	189
Recreation and culture	78	76	76	71	65	65	69	69	74	79
Total	284	268	266	261	253	253	256	255	282	292

Source: Cosumnes CSD Administrative Services Department

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire										
Emergency responses	13,424	13,493	14,011	14,374	14,679	15,170	16,613	17,189	18,592	19,775
Field Inspections	(1)	(1)	1,602	1,687	2,290	2,165	2,742	2,852	2,187	2,300
Plan checks	795	551	629	808	989	1,093	1,110	1,106	973	1,100
Resubmitted Plan Checks	(1)	(1)	(1)	(1)	(1)	222	207	190	241	200
Weed Abatement	(1)	(1)	480	584	599	488	128	114	145	194
Fire Investigations	24	27	82	69	50	41	19	21	17	40
Code Enforcement	(1)	704	18	32	31	11	18	29	79	90
Parks and recreation										
Number of recreation programs	585	534	579	550	548	509	487	524	629	3,311

Source: Various District departments

- (1) Information is not available.
- (2) New registration software (Active Net) calculates recreation programs differently.

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire										
Fire stations	8	8	8	8	8	8	8	8	8	8
Training facility	1	1	1	1	1	1	1	1	1	1
Fire engines	28	27	27	26	24	24	26	27	27	29
Other Fire vehicles	71	71	74	76	76	74	77	82	87	88
Parks and recreation										
Parks	85	89	90	91	92	94	94	95	96	97
Acreege	911	962	966	978	981	985	985	994	996	1,007
Playgrounds	101	109	115	116	119	120	123	127	128	130
Baseball/softball diamonds	44	45	50	50	50	50	50	50	51	49
Soccer/football fields	35	37	41	41	42	42	42	42	43	42
Community centers	2	2	2	2	2	2	2	2	2	7
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	27	27	31	33	33	33	33	35	35	33
Skate board park	1	1	1	1	1	1	1	1	2	2
Bike Park	-	-	-	-	1	1	1	1	1	1

Sources: Various District departments



Enriching Community ● Saving Lives