

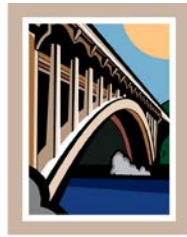


# The City of Folsom California

Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2017



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **Fiscal Year Ended June 30, 2017**

### **CITY OF FOLSOM, CALIFORNIA**

**Prepared by the Office of Management & Budget  
Financial Services Division**

**James W. Francis  
Chief Financial Officer/Finance Director**

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**INTRODUCTORY SECTION**



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**CITY OF FOLSOM, CALIFORNIA**

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CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

February 2, 2018

Honorable Mayor, Members of the City Council, and Citizens  
City of Folsom, California:

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017 is submitted for Council review in accordance with Section 3.02.160 of the Folsom Municipal Code and published as a matter of public record for interested citizens. This transmittal letter provides information regarding the economy and the governing structure in Folsom. An overview of the City's financial activities for the fiscal year is discussed in detail in the Management's Discussion and Analysis section of the CAFR. While the independent auditor has expressed an opinion on the financial statements contained in this report, management takes sole responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the CAFR information is accurate in all material respects.

**THE FOLSOM GOVERNMENT** – The City of Folsom was founded in 1856, incorporated in 1946, and chartered in 1990. Folsom is a “full service” charter City, serving a population of over 77,271. The City is approximately 110 miles northeast of San Francisco and 20 miles east of Sacramento. The City is located along the eastern end of the Highway 50 corridor in an area of the Sacramento Valley that has experienced considerable growth over the past 15 years.

The City's primary governing body is the City Council, composed of five members who are elected at large and serve four-year terms. The City operates under a Council-Manager form of government, and council members annually choose a mayor and vice mayor from among their members. The City Manager is appointed by the City Council and administers the daily affairs of the City and carries out City Council policies.

The City provides a full range of services including police, fire, emergency medical response, public works, transit, community development planning, and building inspections. In addition, the City operates a library, parks and recreation facilities, including a zoo sanctuary and aquatic center, and provides water, wastewater, and solid waste utility services.

The CAFR presents the financial status of the City and its component units, the Folsom Public Financing Authority (FPFA) and the Folsom Ranch Financing Authority (FRFA), which are separable legal entities included in this report because of the significance of their operational or financial relationship with the City. The FPFA and FRFA are reported on a blended basis as part of the primary government because the boards are composed of City Council members or they are, in substance, part of the City's operations. The FPFA and FRFA are entities created to issue bonds to finance City projects. Also included in the CAFR, as a separate Statement of Fiduciary Position, is the activities of the RDA Obligation Retirement Trust Fund and the Folsom Other Post Employment Obligation Trust Fund.

The Folsom Municipal Code requires that the council adopt an annual budget by resolution by fund and program by affirmative vote of at least three members, on or before the last working day of the last month of the current fiscal year. Once approved by City Council, this annual budget serves as the foundation for the City's financial planning and control. Budgets are adopted on a basis consistent with GAAP. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control at which expenditures cannot legally exceed the appropriated amount is at the fund level. This means that expenditures cannot legally exceed the amount appropriated by the City Council. Additional budgetary information can be found in Note 1 to the financial statements or at the City of Folsom's website.

**THE LOCAL ECONOMY -** The City of Folsom continues to see growth in revenues and unassigned fund balance with general fund revenues having an increase of \$5.0 million and a surplus of \$4.6 million added to the General Fund's fund balance. This activity increased our unassigned fund balance to 19.9% of expenditures and has now met the Council Policy of a 15% unassigned fund balance. In fiscal year 2017, our property taxes were up 7.2%, reflecting higher sales prices and the continued adjustment of Prop 8 properties. Our sales taxes were up 11.5%.

As of June 30, 2017, California's unemployment forecast is expected to continue to improve slightly according to a UCLA Anderson Forecast, based primarily on the recent strength of 2017 and increased equipment spending. The California Economic Development Department listed the June 2017 unemployment rate for the State and County at 4.7% and 5.0% respectively. Folsom's unemployment rate was 3.2%. A comparison to one year ago had the State and County at 5.7% and 5.8% respectively and Folsom at 3.8%. The number of people employed in Folsom changed from 34,700 in June 2016 to 35,100 in June 2017.

With respect to the local housing market, sales activity in Folsom in fiscal year 2017 decreased by 10.07% from fiscal year 2016, while the median sales price increased by 5.82%. It is projected that the number of sales and price increases will continue into the next fiscal year, along with the revaluing of Prop 8 properties to market, all combining to increase property values and subsequent property tax collection.

Building permits issued in 2017 were down 9.11% when compared with the number issued in 2016. However there was an increase in the average value per permit from \$26,260 in FY 2016 to \$29,091 in FY 2017. The change is mainly a reflection of the number of single family home permits, as this increased from 86 in FY16 to 180 in FY17. The decrease in total permits issued is mainly due to the large number of single family home permits that were issued in FY 2015 (325).

**IMPACTS OF STATE ECONOMY -** In addition to regional and local impacts, the City continues to monitor the impact of the State of California's fiscal issues. Economic growth in California has slowed but continues at a steady rate according to the economic forecast from the University of the Pacific. California job growth is projected to grow, but only at about 1% through the next couple of years. Consumer confidence is at its highest monthly reading since December 2000 per the California Economic Forecast. Household wages and housing prices have increased which increases consumer confidence. With the passage of the new tax bill the effect on home purchases is uncertain.

**INDEPENDENT AUDIT -** The City of Folsom's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, a firm of licensed certified public accountants. The goal of the audit is to obtain reasonable assurance that the financial statements are free

of material misstatements. Vavrinek, Trine, Day & Co., LLP, concluded based on the audit, that there was a reasonable basis for rendering an unmodified opinion for the fiscal year ended June 30, 2017, and that the financial statements are presented in conformity with generally accepted accounting principles (GAAP). The independent auditors report is presented as the first component of the financial section of this report.

Federal and state financial assistance received by the City is audited under the provisions of the Single Audit Act of 1996, as amended. The Single Audit was designed to meet the special needs of federal grantor agencies. This report is available in the City's separately issued "Single Audit Report". Copies of this report may be obtained from the City of Folsom's Office of Management and Budget at 50 Natoma Street, Folsom, CA 95630 or on the City's website at [www.folsom.ca.us](http://www.folsom.ca.us).

## **SUMMARY**

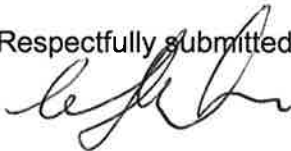
**Awards:** The City received the award for the prior fiscal year CAFR from the Government Finance Officers Association (GFOA) for "excellence in financial reporting" The current certificate appears immediately after the transmittal letter.

The FY 2016-17 CAFR has been submitted to the GFOA award program and management believes that, once again, it will meet the criteria for this distinguished reporting award.

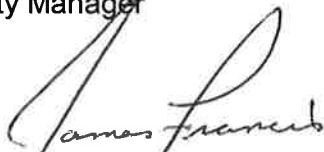
**Acknowledgement:** The CAFR reflects the hard work, talent and commitment of the entire staff of the Office of Management and Budget, particularly Terri Hemley, Stacey Tamagni, Scott Denny, and John Donoghue. We also want to thank the other members of the Office of Management and Budget as well as those in other City Departments who assisted and contributed to the preparation of this report.

Last, we deeply appreciate the dedication and leadership of the Mayor and Council members who have consistently set prudent financial goals, supported excellence in all aspects of financial management, and challenged us to succeed. Without this support and challenge we could not have achieved the successes we have had.

Respectfully submitted,



Evert W. Palmer  
City Manager



James W. Francis  
Chief Financial Officer/Finance Director



Government Finance Officers Association

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

Presented to

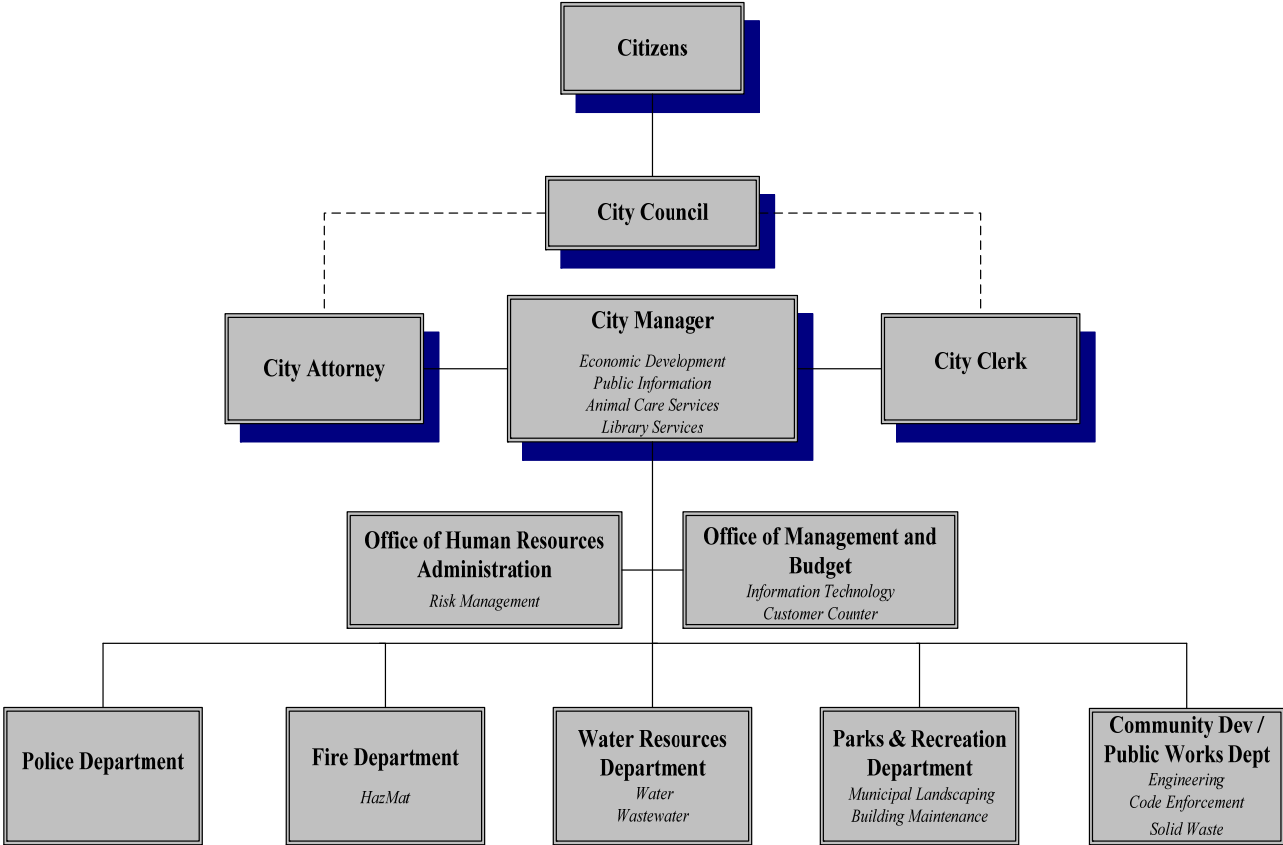
**City of Folsom  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# City Organizational Chart



**CITY OF FOLSOM  
CITY COUNCIL and CITY OFFICIALS**



**Steve Miklos, Mayor**



**Ernie Sheldon, Vice Mayor**



**Andy Morin**



**Roger Gaylord III**



**Kerri Howell**

---

**CITY OFFICIALS**  
**Evert Palmer, City Manager**  
**James Francis, Chief Financial Officer/Finance Director**

**FINANCIAL SECTION**



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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the City Council  
City of Folsom, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Folsom, California, (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City'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.

### ***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective July 1, 2016. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress, the budgetary comparison information, the schedules of changes in the City's net pension liability and related ratios, the schedules of pension contributions, the schedule of funding progress for OPEB, the schedule of changes in the City's net OPEB liability and related ratios and schedule of investment returns, as listed as required supplementary information in the table of contents, 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 City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and other supplementary information 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 fund financial statements and schedules and other supplementary information 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Vavrinik, Trine, Day & Co. LLP*

Sacramento, California  
February 2, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the City's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the transmittal letter on page v and the City's basic financial statements.

### FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources at the close of the Fiscal Year (FY) 2016-17 by \$475,716,353 (*net position*). Of this amount, \$(27,125,630) is unrestricted, \$38,056,167 is restricted for specific purposes, and \$464,785,816 is the net investment in capital assets.
- The City's total net position increased \$9,256,334, or 1.98%, during 2017. The increase in 2017 was mostly due to increases in deferred outflows related to pensions.
- The City's total long-term debt decreased by \$14.5 million compared to the prior year, or 9.4%. The decrease was made up of \$19.1 million in scheduled principal payments, capital lease payments, and adjustments to compensated absences, offset by additions of \$4.6 million in compensated absences and landfill closure liability.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Folsom's basic financial statements. The City of Folsom's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** consist of the following two financial statements: the Statement of Net Position and the Statement of Activities. Both of these statements were prepared using accounting methods similar to those used by private-sector companies, the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities, on the other hand, provides information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused annual and sick leave.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public ways and facilities, community services and culture and recreation. The business-type activities of the City include water, wastewater, solid waste, transit and facilities augmentation.

## MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

Two component units, the Folsom Public Financing Authority and the Folsom Ranch Financing Authority, are included in our basic financial statements and are legally separate entities for which the City is financially accountable and they have the same board as the City Council. Complete financial statements of the Folsom Public Financing Authority and the Folsom Ranch Financing Authority may be obtained from the Office of Management and Budget of the City at 50 Natoma Street, Folsom, CA 95630.

Fund- a separate accounting entity with a self-balancing set of accounts.

Focus is on major funds.

Provides information regarding the three major categories of all City Funds:

Governmental, Proprietary, and Fiduciary.

### Fund Financial Statements

The fund financial statements report on groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. A fund is a separate accounting entity with a self-balancing set of accounts. Like other state and local governments, the City uses fund accounting to ensure and demonstrate finance related legal compliance. The focus of governmental and proprietary fund financial statements is on major funds. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds include most of the City’s basic services and 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 funds financial statements are prepared using the **current financial resources measurement focus** and **modified accrual basis of accounting.**

Because the focus of governmental funds 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 statements. By doing so, readers may better understand the long-term impact of the government’s near term financing decisions. Reconciliations are prepared for the governmental funds’ Balance Sheet and the governmental funds’ Statement of Revenues, Expenditures and Changes in Fund Balances to facilitate comparisons between governmental funds and governmental activities. The primary differences between the government-wide and fund financial statements relate to noncurrent assets such as land and buildings and improvements, and non-current liabilities, such as bonded debt and amounts owed for compensated absences and capital lease obligations, which are reported in the government-wide statements but not in the fund financial statements.

In FY 2016-17, an increase of \$9,256,334 in net position in the government-wide financial statements was reported, and a decrease of \$8,459,672 in fund balance was reported in the fund financial statements. Refer to the “Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities” for details on the factors contributing to this difference.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Folsom Housing Special Revenue Fund, Folsom Public Financing Authority Debt Service Fund, and the Transportation Improvement Capital Projects Fund which are considered major funds.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects, and permanent funds). Data from the remaining

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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governmental funds are combined into a single aggregated presentation and referred to as "Other Non-Major Governmental Funds". Individual fund data for each of these non-major other governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary funds** are generally used to account for services for which the City charges customers – either outside customers, or internal units of departments of the City. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. These funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City uses proprietary funds to account for the Water, Wastewater, Solid Waste, Transit and Facilities Augmentation activities.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the City. The City's trust and agency funds are reported as fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The trust funds are used to account for activity related to the dissolution of the former Redevelopment Agency and for the Other Post Employment Benefits Trust. The accounting used for fiduciary funds is the same as proprietary funds.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. To find a specific note, refer to the Table of Contents.

**Required Supplementary Information** is presented concerning the City's budgetary comparisons for the General Fund, Folsom Housing Special Revenue Fund and the City's post-employment health care benefit schedules to show progress in funding its obligation to provide these benefits, and schedules to show the net pension liability for the City's pension plans, and contributions made to the plans and other post employment liability of the OPEB plan.

**Other Supplementary Information** is presented concerning the City's budgetary comparisons for the Folsom Public Financing Debt Service Fund.

The **combining and individual fund statements and schedules** referred to earlier provide information for non-major governmental funds and fiduciary funds. They are presented immediately following the other supplemental information.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. At June 30, 2017, the City's combined net position (governmental and business-type activities) totaled \$475,716,353, an increase of 1.98% from June 30, 2016 amounts. The City's net position is broken out into three categories: net investment in capital assets totaling \$464,785,816 (e.g., land, buildings and improvements, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding, restricted for specific purposes totaling \$38,056,167 and unrestricted totaling \$(27,125,630). The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 typically be used to liquidate these liabilities.

#### Net Position - Primary Government June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and other	\$ 205,102,810	\$212,020,704	\$ 38,307,254	\$34,819,272	\$ 243,410,064	\$246,839,976
Capital assets, net	350,065,483	356,424,839	143,897,023	139,341,033	493,962,506	495,765,872
Total assets	555,168,293	\$568,445,543	182,204,277	\$174,160,305	737,372,570	\$742,605,848
<b>Deferred Outflows of Resources</b>						
Deferred outflows related to pensions	20,195,526	8,332,484	4,703,368	1,914,199	24,898,894	10,246,683
Deferred amounts on refunding	-	-	567,981	616,413	567,981	616,413
	20,195,526	8,332,484	5,271,349	2,530,612	25,466,875	10,863,096
<b>Liabilities</b>						
Long-term liabilities	115,517,935	128,729,701	23,724,258	25,006,269	139,242,193	153,735,970
Other liabilities	112,930,496	98,404,377	29,773,496	27,644,314	142,703,992	126,048,691
Total liabilities	228,448,431	227,134,078	53,497,754	52,650,583	281,946,185	279,784,661
<b>Deferred Inflows of Resources</b>						
Deferred inflows related to pensions	3,402,592	5,209,561	892,495	1,007,267	4,295,087	6,216,828
Special assessments not collected	41,329	41,329	-	-	41,329	41,329
Deferred amounts on refunding	840,491	966,107	-	-	840,491	966,107
	4,284,412	6,216,997	892,495	1,007,267	5,176,907	7,224,264
<b>Net position</b>						
Net investment in capital assets	342,339,996	345,540,942	122,445,820	116,725,962	464,785,816	462,266,904
Restricted	37,928,602	37,105,814	127,565	527,202	38,056,167	37,633,016
Unrestricted	(37,637,622)	(39,219,804)	10,511,992	5,779,903	(27,125,630)	(33,439,901)
Total net position	\$ 342,630,976	\$ 343,426,952	\$ 133,085,377	\$ 123,033,067	\$ 475,716,353	\$ 466,460,019



## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

**Analysis of Activities:** The following table indicates the changes in net position for governmental and business-type activities:

**Changes in Net Position - Primary Government  
For the Year Ended June 30, 2017**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 32,886,659	\$30,572,880	\$ 31,699,393	\$29,728,693	\$ 64,586,052	\$ 60,301,573
Operating grants and contributions	2,233,379	2,354,928	7,946,673	6,997,288	10,180,052	9,352,216
Capital grants and contributions	14,891,177	11,437,916	4,834,197	786,090	19,725,374	12,224,006
<b>General revenues</b>						
Property taxes	23,301,973	21,732,471	-	-	23,301,973	21,732,471
Sales and use tax	24,721,293	22,168,300	-	-	24,721,293	22,168,300
Other taxes	3,716,243	3,202,564	-	-	3,716,243	3,202,564
Investment earnings	(2,344,854)	7,220,125	205,005	501,674	(2,139,849)	7,721,799
Miscellaneous	2,189,407	2,764,118	-	-	2,189,407	2,764,118
Gain on disposal of capital assets	-	168,454	-	-	-	168,454
<b>Total Revenues</b>	<b>101,595,277</b>	<b>101,621,756</b>	<b>44,685,268</b>	<b>38,013,745</b>	<b>146,280,545</b>	<b>139,635,501</b>
<b>Expenses</b>						
General government	17,619,148	16,842,039	-	-	17,619,148	16,842,039
Public safety	38,519,301	33,732,869	-	-	38,519,301	33,732,869
Public ways and facilities	23,789,377	23,760,187	-	-	23,789,377	23,760,187
Community services	4,611,256	3,795,881	-	-	4,611,256	3,795,881
Culture and recreation	16,043,161	15,226,602	-	-	16,043,161	15,226,602
Interest and fiscal charges	4,679,003	5,080,330	-	-	4,679,003	5,080,330
Water	-	-	13,169,040	12,704,599	13,169,040	12,704,599
Wastewater	-	-	5,254,071	5,419,982	5,254,071	5,419,982
Solid waste	-	-	9,488,964	9,347,062	9,488,964	9,347,062
Transit	-	-	3,847,851	3,709,459	3,847,851	3,709,459
Facilities augmentation	-	-	3,040	407,237	3,040	407,237
<b>Total expenses</b>	<b>105,261,245</b>	<b>98,437,909</b>	<b>31,762,966</b>	<b>31,588,339</b>	<b>137,024,211</b>	<b>130,026,248</b>
Increase/decrease in net position before transfers and extraordinary item	(3,665,968)	3,183,847	12,922,302	6,425,406	9,256,334	9,609,253
Transfers	2,869,992	2,600,454	(2,869,992)	(2,600,454)	-	-
Extraordinary items	-	381,150	-	-	-	381,150
<b>Change in net position</b>	<b>(795,976)</b>	<b>6,165,451</b>	<b>10,052,310</b>	<b>3,824,952</b>	<b>9,256,334</b>	<b>9,990,403</b>
Net position, beginning of year	343,426,952	337,261,501	123,033,067	119,208,115	466,460,019	456,469,616
<b>Net position, end of year</b>	<b>\$ 342,630,976</b>	<b>\$ 343,426,952</b>	<b>\$ 133,085,377</b>	<b>\$ 123,033,067</b>	<b>\$ 475,716,353</b>	<b>\$ 466,460,019</b>

**Governmental activities:** The City's governmental activities rely on several sources of revenue to finance ongoing operations. Charges for Services and Property and Sales Taxes comprised the largest revenue source for the City followed by Capital grants and contributions. Charges for Services are revenues that arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Examples of the types of services that fall under this category include building licenses and permits, business licenses, impact fees and park and recreation fees. Capital Grants and Contributions are monies received from parties outside the City and are generally restricted for use in capital activity.

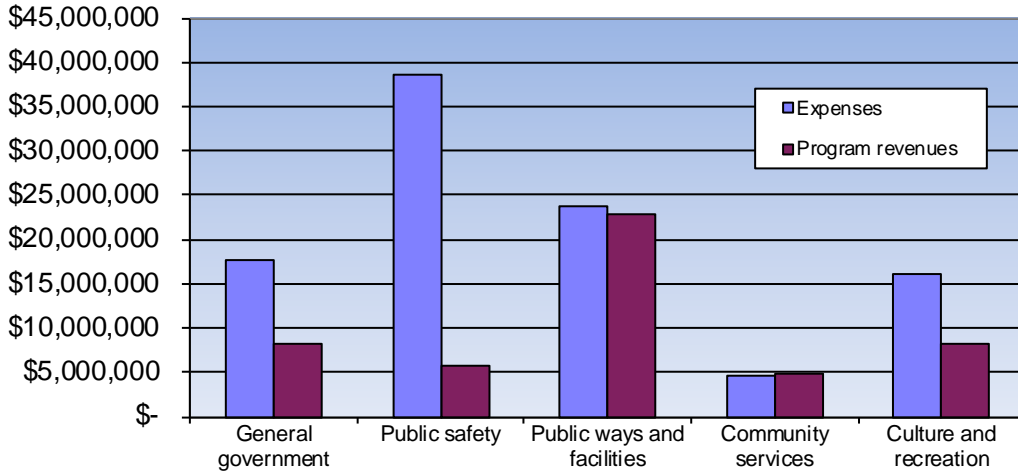
At the end of FY 2016-17, total revenues for the governmental activities, excluding transfers from the business-type activities of \$2.9 million, was \$101,595,277, a decrease of approximately \$26k from the previous year mostly due to increases in Property and Sales Tax revenues, Charges for Services and Capital Grants offset by a \$2.3 million loss on investments per the GASB 72 adjustment. Expenses totaled \$105,261,245, an increase of \$6.8 million or 6.93%

**MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)**

from the prior year. After transfers, expenses exceeded revenues and thus governmental activities decreased the City’s net position by \$795,976.

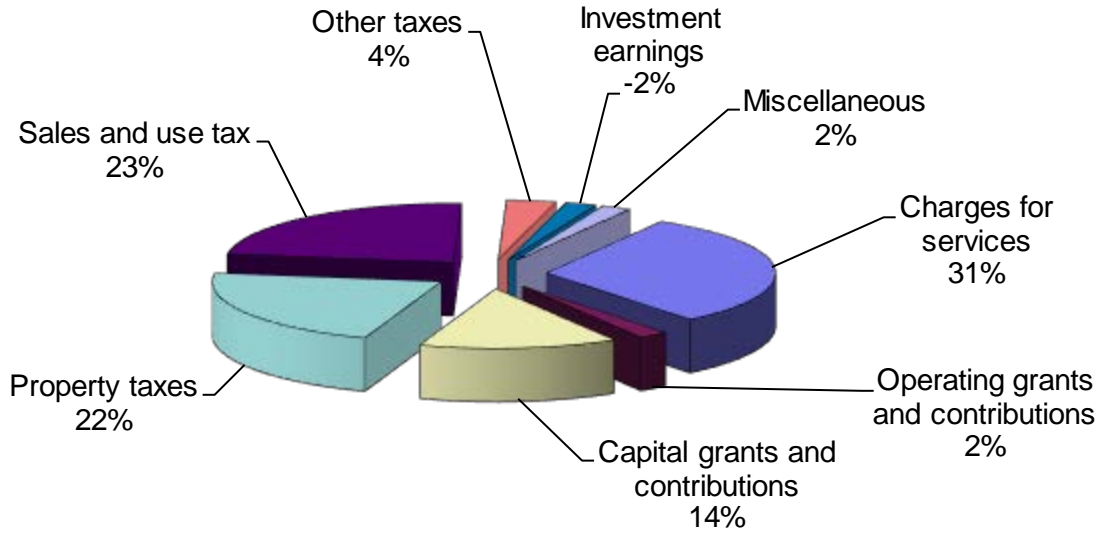
Overall program revenues increased by approximately \$5.6 million. General revenues saw an overall decrease of approximately \$5.7 million primarily due to a large swing in investment earnings. The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities.

**Expenses and Program Revenues – Governmental Activities**



The chart below presents the percentage of total revenues by source for governmental activities.

**Revenues by Source - Governmental Activities**

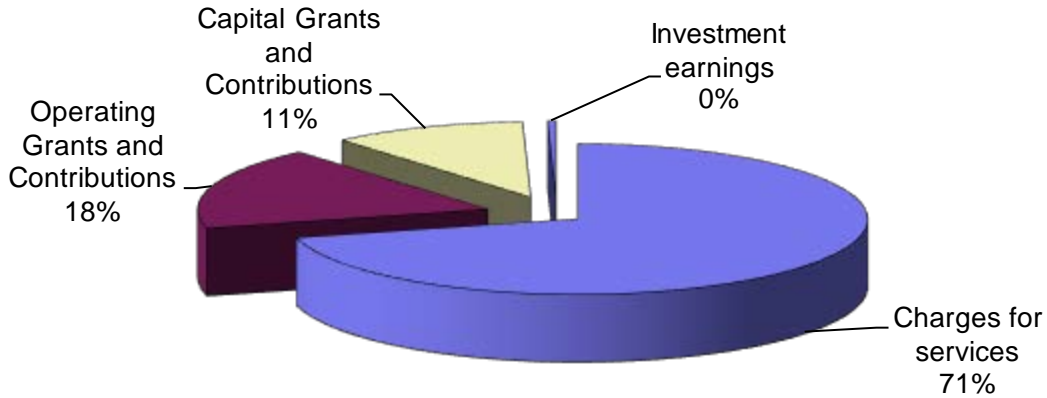


**Business-type activities:** The City has five business-type activities: Water, Wastewater, Solid Waste, Transit, and Facilities Augmentation. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported Charges for Services as their largest source of revenues. Capital Grants and Contributions, as

**MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)**

well as Operating Grants and Contributions, were the other revenue sources. Capital Grants and Contributions include revenues received from developers for capital infrastructure.

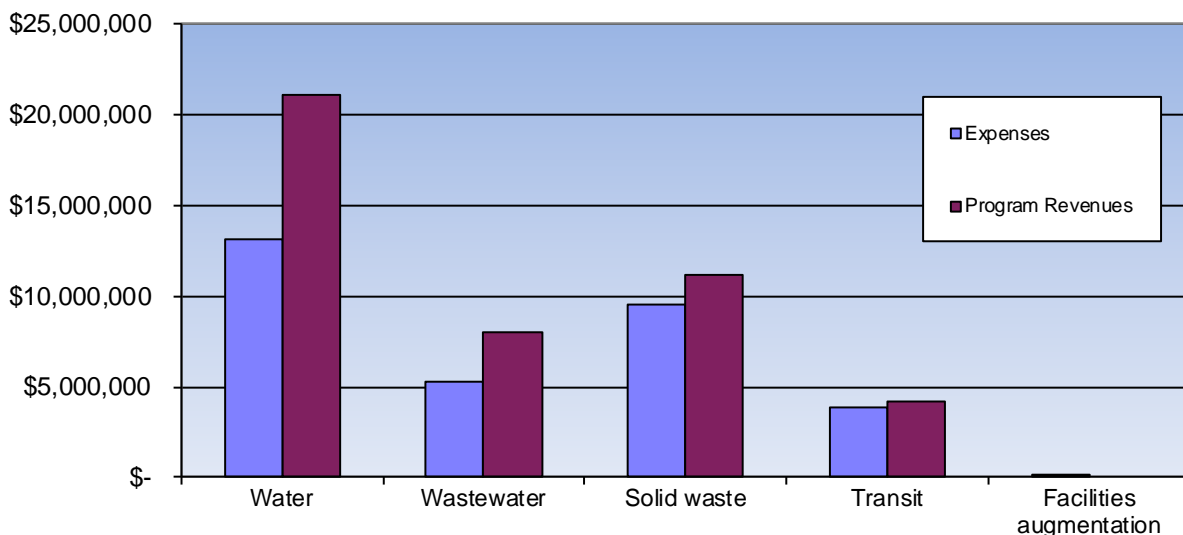
**Revenues by Source - Business-Type Activities**



Business-type activities increased the City’s net position by \$10,052,310. At the end of FY 2016-17, business-type activities reported total revenues, excluding transfers in from governmental activities, of \$44,685,268, an increase of \$6.7 million from the prior year. Increase is mostly due to increases in charges for services related to water charges and grant revenue. Expenses totaled \$31,762,966, an increase of \$176k from the previous year. The program revenues (Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions) financed the majority of expenses recorded for the business-type activities. Other factors concerning the finances of the City’s five enterprise funds are discussed in the Proprietary Funds section of the “Financial Analysis of the City’s Funds.”

The following chart shows expenses by function and the associated program revenues for the business-type activities.

**Expenses and Program Revenues – Business-Type Activities**



## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier the City uses **fund accounting** to ensure and demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

**Governmental funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Permanent Funds.

At the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$180,501,794, a decrease of \$8,459,672 during FY 2017. The decrease is mostly due to activity in the Public Financing Authority Debt Service Fund and the Folsom Ranch Financing Authority related GASB 72 adjustments. Of the total fund balance, \$14,386,298 (8.0%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the balance is *nonspendable, restricted, committed or assigned* to indicate that it is *not* available for new spending. Refer to Note 10 in the basic financial statements for a detailed breakout of fund balance within the five categories.

Revenues and other financing sources for governmental funds totaled approximately \$106 million for the fiscal year ended June 30, 2017, which represents a decrease of 7% from the fiscal year ended June 30, 2016. Expenditures and other financing uses for governmental functions totaled \$114 million, an increase of 9% from the prior year.

### Comparative Analysis of Changes in Fund Balances

The following schedule presents a summary of revenues and other financing sources, expenditures and other financing uses, and the net changes in fund balances for the governmental funds for the current and previous fiscal years.

#### GOVERNMENTAL FUNDS

#### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2017

	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2017	2016	2017	2016	2017	2016
General Fund	\$ 82,625,249	\$ 77,679,218	\$ 78,022,716	\$ 74,331,667	\$ 4,602,533	\$ 3,347,551
Folsom Housing - Special Revenue Fund	402,681	246,099	18,058	22,685	384,623	223,414
Folsom Public Financing Authority	4,086,363	11,405,465	16,280,083	14,578,880	(12,193,720)	(3,173,415)
Transportation Improvement Fund	6,437,926	4,765,501	6,651,141	5,149,895	(213,215)	(384,394)
Other Governmental Funds	12,472,447	19,346,758	13,512,340	11,318,672	(1,039,893)	8,028,086
Total	<u>\$ 106,024,666</u>	<u>\$ 113,443,041</u>	<u>\$ 114,484,338</u>	<u>\$ 105,401,799</u>	<u>\$ (8,459,672)</u>	<u>\$ 8,041,242</u>

In the governmental funds, expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and when the revenue is measurable and available. As expenditures increase, revenues increase

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

proportionately, subject to availability. In addition to the effects of expenditure-driven grants, the following information provides significant reasons for the change in fund balance.

### ***Analysis of Major Governmental Funds***

#### **General Fund**

The General Fund is the primary operating fund of the City. At the end of FY 2016-17 there was an increase in fund balance of \$4,602,533 which resulted in a nonspendable fund balance of \$449k, an assigned fund balance of \$1.2 million and unassigned fund balance of \$15.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.9% of total General Fund expenditures and transfers out of \$78,022,716, while total fund balance represents 22.0% of that same amount.

General Fund revenues of \$76.6 million were up \$5.3 million or 7.4% higher than FY 2015-16 revenues of \$71.3 million. The table below provides a revenue comparison between Fiscal Years 2016-17 versus 2015-16.

	2017	2016	\$ Change	% Change
Property taxes	\$ 23,301,973	\$ 21,732,471	\$ 1,569,502	7.2%
Sales & use taxes	24,721,293	22,168,300	2,552,993	11.5%
Transient occupancy	2,160,257	1,847,238	313,019	16.9%
Real Property transfer	544,063	437,116	106,947	24.5%
Other	1,011,923	918,210	93,713	10.2%
Licenses and permits	2,163,426	2,092,393	71,033	3.4%
Vehicle license fees	6,065,568	5,895,909	169,659	2.9%
Intergovernmental	577,037	563,214	13,823	2.5%
Charges for current services	13,829,099	12,697,713	1,131,386	8.9%
Fines and forfeitures	192,263	264,069	(71,806)	-27.2%
Interest	148,717	179,151	(30,434)	-17.0%
Miscellaneous	1,845,682	2,468,650	(622,968)	-25.2%
<b>Total</b>	<b>\$ 76,561,301</b>	<b>\$ 71,264,434</b>	<b>\$ 5,296,867</b>	<b>7.4%</b>

Property tax revenues increased 7.2% over the prior fiscal year, due to increasing home values and increased sales activity. Sales tax revenues, a major portion of the General Fund budget, increased 11.5% over the same twelve month period in the prior year. Transient occupancy taxes (TOT) increased by \$313k, or 16.9% over last year. Licenses and permits increased \$71k or 3.4%. Charges for current services increased \$1.13 million or 8.9% but this is offset by a \$663k decrease in Miscellaneous Revenues due to a reclassification of revenue for reporting purposes.

General fund expenditures of \$78,022,716, excluding transfers out, increased by \$3.7 million or 5.0% over prior year expenditures of \$74,331,667. This increase is due to slightly increased spending across all functions.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Expenditures	2017	2016	\$ variance	% variance
General government	\$ 16,183,582	\$16,017,404	\$ 166,178	1.0%
Public safety	37,284,196	34,347,338	2,936,858	8.6%
Public ways and facilities	5,734,448	5,857,867	(123,419)	-2.1%
Community services	4,722,516	3,975,512	747,004	18.8%
Culture and recreation	13,155,732	12,729,901	425,831	3.3%
Capital Outlay	721,748	1,190,229	(468,481)	-39.4%
Debt service principal payments	220,494	213,416	7,078	3.3%
Total	<u>\$ 78,022,716</u>	<u>\$74,331,667</u>	<u>\$ 3,691,049</u>	<u>5.0%</u>

The following shows the ending and net change in fund balance for governmental funds for the current and previous year.

### Comparative Fund Balance - Governmental Funds

	2017	2016	Net Change
General Fund	\$ 17,187,198	\$ 12,584,665	\$ 4,602,533
Folsom Housing - Special Revenue Fund	11,978,926	11,594,303	384,623
Folsom Public Financing Authority	105,275,808	117,469,528	(12,193,720)
Transportation Improvement Fund	10,983,985	11,197,200	(213,215)
Other Governmental Funds	35,075,877	36,115,770	(1,039,893)
Total	<u>\$ 180,501,794</u>	<u>\$ 188,961,466</u>	<u>\$ (8,459,672)</u>

### **Folsom Housing Special Revenue Fund**

The Folsom Housing Special Revenue Fund was created in FY 2011-12 after the City elected to retain the Housing function of the former RDA. This fund accounts for the Housing activities of the City that were previously accounted for in the Redevelopment Special Revenue Fund. For FY 2016-2017, the fund reported revenues of \$403k and expenditures and transfers of \$18k, increasing fund balance by \$385k.

### **Folsom Public Financing Authority Debt Service Fund**

The Folsom Public Financing Authority's (FPFA) governmental debt service fund provides information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. The Authority's governmental debt service fund fund balance decreased \$12.2 million during 2017.

Revenues for FPFA's governmental functions overall totaled \$4.1 million in FY 2016-17, and represent a decrease of \$7.3 million in comparison with the prior fiscal year. This is mostly due to investment earnings related to GASB 72 adjustments. Expenditures for governmental functions, totaling \$16.3 million, increased by \$1.7 million from the prior fiscal year. The increase is mostly due to an increase in total debt service payments due. For additional information please refer to Note 7 of this report and the separately issued financial statements.

### **Transportation Improvement Capital Projects Fund**

The Transportation Improvement Capital Projects Fund is used to account for long-term major road projects financed through developer mitigation charges and Measure A funding. Expenditures and transfers in the Transportation Improvement Capital Projects Fund were \$6.7

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

million in FY 2016-17, up \$1.5 million from the prior fiscal year. The increase is mostly related to increased project costs for projects such as Street Overlay.

### ***Proprietary Funds***

#### **Water Fund**

Net position of the Water Fund increased by \$7.2 million in FY 2016-17. Operating revenue for FY 2016-17 was \$13.6 million, an increase of \$1.4 million due to favorable water usage levels throughout the fiscal year. Operating expenses increased \$500k to \$12.3 million primarily due to increased maintenance and operations expenses. Net transfers were \$808k, an increase of \$139k from prior year levels. As of June 30, 2017, the fund's net position was \$85 million, of which \$75.7 million was the net investment in capital assets, while the remaining \$9.3 million was unrestricted.

#### **Wastewater Fund**

Operating revenues were at \$6.5 million, an increase of \$200k from the prior year. Expenses were at \$5.3 million, down \$100k from the prior year. The net result was operating income of \$1.3 million. Other items which affected net position were capital contributions of \$1.5 million and other non-operating revenues of \$60k. The total increase to net position in FY 2016-17 was \$2.2 million, leaving a balance of \$46.1 million. As of June 30, 2017, of the Fund's net position, \$41.7 million was the net investment in capital assets, and the remaining \$4.4 million was unrestricted.

#### **Solid Waste Fund**

Operating revenues were at \$10.96 million, an increase of \$350k from the prior year. Operating expenses were at \$9.5 million, an increase of \$200k. The net result was operating income of \$1.5 million. The total increase to net position in FY 2016-17 was \$475k, leaving a balance of \$(344)k. As of June 30, 2017, of the Fund's net position, \$3.1 million was the net investment in capital assets, and the remaining \$(3.5) million was unrestricted.

The following schedule presents a summary of operating and nonoperating revenues, capital contributions and transfers, operating and nonoperating expenses and transfers, and the net change in net position for the proprietary funds for the current and previous fiscal years.

	Operating Revenues, Nonoperating Revenues, Capital Contributions & Transfers		Operating Expenses, Nonoperating Expenses & Transfers		Net Change in Net Position	
	2017	2016	2017	2016	2017	2016
Water	\$ 21,188,181	\$ 15,553,182	\$ 13,977,040	\$ 13,457,509	\$ 7,211,141	\$ 2,095,673
Wastewater	8,076,466	6,870,951	5,856,133	5,974,807	2,220,333	896,144
Solid Waste	11,211,105	11,067,259	10,736,052	10,515,582	475,053	551,677
Other Enterprise Funds	4,217,052	4,621,667	4,071,269	4,340,209	145,783	281,458
<b>Total</b>	<b>\$ 44,692,804</b>	<b>\$ 38,113,059</b>	<b>\$ 34,640,494</b>	<b>\$ 34,288,107</b>	<b>\$ 10,052,310</b>	<b>\$ 3,824,952</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget to recognize changes made to adjust current year revenues and appropriations for updated projections and to adjust appropriations for use of prior year department carryover.

The major changes from the approved budget were increases in expenditure budgets to augment capital projects and for programming one-time projects from fund balance designations for General government, Public safety and Community services.

After taking into account these adjustments, actual expenditures were \$209k lower than final budget amounts. All expenditure categories that exceeded current year budget appropriations due to staff costs were Public Safety, Community Services and Culture & Recreation.

Revenues were \$76.6 million or 111% of budgeted amounts. A shortfall from budgeted amounts did occur in Vehicle License Fees, which ended the fiscal year at 99% of budget, and Fines and Forfeitures, which ended the fiscal year at 75% of budget. This is offset by Property Taxes which were \$1.7 million above budget, Sales and use taxes which were \$2.98 million above budget, and Charges for current services which were \$1.3 million above budget.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets:

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounted to \$494 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment and construction in progress. The total decrease in the City's capital assets for the current fiscal year was less than 1%, as shown in the following table. Capital assets for the governmental and business-type activities are presented below to illustrate the changes from the prior year:

Capital assets (Net of Depreciation) June 30, 2017						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 16,516,487	\$16,516,487	\$ 1,033,791	\$1,033,791	\$ 17,550,278	\$ 17,550,278
Construction in progress	8,814,185	4,482,811	7,293,376	4,224,963	16,107,561	8,707,774
Buildings	36,310,676	38,589,606	39,786	42,331	36,350,462	38,631,937
Improvements	284,688,224	292,739,795	128,107,131	126,216,336	412,795,355	418,956,131
Equipment	3,735,911	4,096,140	7,422,939	7,823,612	11,158,850	11,919,752
<b>Total capital assets</b>	<b>\$ 350,065,483</b>	<b>\$356,424,839</b>	<b>\$ 143,897,023</b>	<b>\$139,341,033</b>	<b>\$ 493,962,506</b>	<b>\$ 495,765,872</b>

This year's major capital asset additions included the following:

- Equipment purchases of \$2.5 million for various vehicles and machinery
- Construction expenditures of \$4.6 million for the FPA Willowhill Pipeline Rehab project
- Construction expenditures of \$2.1 million for the Orangevale Bridge project
- Construction expenditures of \$1.8 million for the Folsom Lake Trail Phase 2 project

Additional information on the City's capital assets can be found in Note 6 of this report.



## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

### Long-term debt

As of June 30, 2016, the City had \$115,517,935 of outstanding long-term debt related to governmental activities and \$23,724,258 of long-term debt related to business-type activities, for a total of \$139,242,193. During the year, \$19 million of long-term debt was retired, offset by an addition of \$4.6 million in compensated absences and Landfill closure liability, resulting in a net decrease of 9.43%. The City's debt obligations are in the form of general obligation bonds, certificates of participation, revenue bonds, long-term lease obligations, capital lease obligations, compensated absences, post-employment benefit obligation, landfill closure costs and deferred amounts for issuance discounts, premiums and refundings.

At the end of the current fiscal year, the City had total bonded debt outstanding of \$116,640,186. Of this amount, \$825,000 is backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by the specified revenue sources.

The following table summarizes the City's outstanding debt at June 30, 2017:

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2017	2016	2017	2016	2017	2016	
General obligation bonds	\$ 825,000	\$ 2,315,000	\$ -	\$ -	\$ 825,000	\$ 2,315,000	-64%
Revenue bonds	93,841,368	103,207,933	21,973,818	23,181,993	115,815,186	126,389,926	-8%
City Hall & Fire Station Lease Obligation	3,117,370	4,640,514	-	-	3,117,370	4,640,514	
Capital lease obligations	1,467,391	1,687,885	-	-	1,467,391	1,687,885	-13%
Compensated absences	3,190,102	3,274,999	613,103	586,794	3,803,205	3,861,793	-2%
Post employment benefit obligation	11,514,469	12,241,979	1,091,971	1,187,991	12,606,440	13,429,970	-6%
Landfill closure liability	434,000	87,000	-	-	434,000	87,000	399%
Less: Discounts/premiums	1,128,235	1,274,391	45,366	49,491	1,173,601	1,323,882	-11%
Total	<u>\$ 115,517,935</u>	<u>\$ 128,729,701</u>	<u>\$ 23,724,258</u>	<u>\$ 25,006,269</u>	<u>\$ 139,242,193</u>	<u>\$ 153,735,970</u>	<u>-9%</u>

Please refer to Note 7 in the Notes to the Basic Financial Statements for more detailed information on long-term debt activity of the City.

### Credit Rating

As of June 30<sup>th</sup>, 2017 the City's General Obligation Bonds are rated at AA-/Stable by Standard & Poor's, and are rated Aa3/No Outlook by Moody's Investor Services. The Water Bonds are rated A1 by Moody's and are rated AA/Stable by Standard & Poor's.

The City has typically opted to purchase bond insurance to enhance its credit rating to AAA. A bond insurance policy guarantees payment of principal and interest on bonds due for payment should the City fail to make a bond payment. Beginning late 2007 through now all monoline insurers who insure municipal debt have either been downgraded or placed under review by the various ratings agencies; therefore, an AAA rating is no longer assured on these insured bonds.

A major portion of the City's financings have been through the issuance of special assessment district debt. These 1915 Act and Mello-Roos district bonds are land secured financings where developments are not yet completed at the time of issuance, and are therefore not rated at the time of the original issuance. However, most of these financings within the City have subsequently been refunded and have received ratings.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

#### Economic Factors

Current economic projections continue to project solid economic growth, but the City's focus remains on building a healthy fund balance, while facing continued budget constraints. These include:

- Property taxes are showing growth and sales taxes are remaining stable.
- While the City's revenue growth is slow, the City must at the same time support rising costs in employee wage and benefits.
- Unassigned General Fund balance was \$15.5 million, or 19.9% of FY 2017 expenditures. This exceeds the Folsom City Council policy of 15%.

#### Next Year's Budget

The City closed the fiscal year in a positive financial position, with a General Fund balance of \$17,187,198, an increase of \$4.6 million from the prior year. While the General Fund continues to have upward movement in its fund balance, the growth is expected to slow. City management will continue to monitor the General Fund's position and report to Council on a quarterly basis.

The General Fund budget for 2018 appropriates approximately \$82 million, an increase of 6.5% over the prior year final expenditures. General Fund revenue for 2017 is projected to be \$82 million, approximately a \$6.0 million increase from 2016. Management's efforts will focus on utilizing existing resources as efficiently and effectively as possible.

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances. We hope that the preceding information has provided you with a general overview of the City's overall financial status. For questions or comments concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 50 Natoma Street, Folsom, CA 95630, (916) 355-7200 or visit the City's website at [www.folsom.ca.us](http://www.folsom.ca.us).

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**BASIC FINANCIAL STATEMENTS**



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

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# CITY OF FOLSOM, CALIFORNIA

## STATEMENT OF NET POSITION JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 64,311,041	\$ 31,324,352	\$ 95,635,393
Receivables, net of allowances for uncollectibles	13,193,900	4,396,218	17,590,118
Due from other governments	11,521,632	1,836,565	13,358,197
Inventory	406,941	-	406,941
Prepays	42,030	-	42,030
Deposits	3,559,627	-	3,559,627
Restricted assets - cash and investments	2,010,287	750,119	2,760,406
Investments held in trust	110,057,352	-	110,057,352
Capital assets, net of accumulated depreciation:			
Nondepreciable	25,330,672	8,327,167	33,657,839
Depreciable	324,734,811	135,569,856	460,304,667
Total assets	<u>555,168,293</u>	<u>182,204,277</u>	<u>737,372,570</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflow related to pensions	20,195,526	4,703,368	24,898,894
Deferred amounts on refunding	-	567,981	567,981
Total deferred outflows of resources	<u>20,195,526</u>	<u>5,271,349</u>	<u>25,466,875</u>
<b>LIABILITIES:</b>			
Accounts payable	6,533,922	4,717,016	11,250,938
Wages payable	2,470,071	379,507	2,849,578
Interest payable	1,519,809	67,915	1,587,724
Due to other governments	105,141	2,407,945	2,513,086
Unearned revenue	1,197,535	121,826	1,319,361
Long-term liabilities:			
Net pension liability	101,104,018	22,079,287	123,183,305
Other long-term liabilities due within one year	11,917,609	1,410,475	13,328,084
Other long-term liabilities due in more than one year	103,600,326	22,313,783	125,914,109
Total liabilities	<u>228,448,431</u>	<u>53,497,754</u>	<u>281,946,185</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pensions	3,402,592	892,495	4,295,087
Special assessments not collected	41,329	-	41,329
Deferred amounts on refunding	840,491	-	840,491
Total deferred inflows of resources	<u>4,284,412</u>	<u>892,495</u>	<u>5,176,907</u>
<b>NET POSITION:</b>			
Net investment in capital assets	342,339,996	122,445,820	464,785,816
Restricted for:			
Nonexpendable: Wetlands/Open space	398,396	-	398,396
Debt service	5,878,500	-	5,878,500
Low and moderate income housing	11,978,926	-	11,978,926
Transportation/streets	14,590,055	-	14,590,055
Lighting and landscape assessment districts	5,082,725	-	5,082,725
Critical facilities	-	127,565	127,565
Unrestricted	<u>(37,637,622)</u>	<u>10,511,992</u>	<u>(27,125,630)</u>
Total net position	<u>\$ 342,630,976</u>	<u>\$ 133,085,377</u>	<u>\$ 475,716,353</u>

The notes to the basic financial statements are an integral part of this statement.

# CITY OF FOLSOM, CALIFORNIA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government	\$ 17,619,148	\$ 7,950,354	\$ 272,674	\$ 12,037
Public safety	38,519,301	5,618,969	134,772	75,393
Public ways and facilities	23,789,377	8,565,624	1,501,018	12,747,681
Community services	4,611,256	4,552,806	318,653	-
Culture and recreation	16,043,161	6,198,906	6,262	2,056,066
Interest and fiscal charges	4,679,003	-	-	-
Total governmental activities	105,261,245	32,886,659	2,233,379	14,891,177
Business-type activities:				
Water	13,169,040	13,605,851	4,101,907	3,349,077
Wastewater	5,254,071	6,531,021	20,262	1,485,120
Solid Waste	9,488,964	10,957,586	211,368	-
Transit	3,847,851	604,935	3,613,136	-
Facilities Augmentation	3,040	-	-	-
Total business-type activities	31,762,966	31,699,393	7,946,673	4,834,197
<b>TOTAL</b>	<b>\$ 137,024,211</b>	<b>\$ 64,586,052</b>	<b>\$ 10,180,052</b>	<b>\$ 19,725,374</b>

**GENERAL REVENUES:**

- Taxes:
  - Property
  - Sales and use
  - Other
- Investment earnings (loss)
- Miscellaneous

**Transfers**

**Total general revenues and transfers**

**Change in net position**

Net position, beginning of year

**Net position, end of year**

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and  
Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
			<b>PRIMARY GOVERNMENT:</b>
			Governmental activities:
\$ (9,384,083)	\$ -	\$ (9,384,083)	General government
(32,690,167)	-	(32,690,167)	Public safety
(975,054)	-	(975,054)	Public ways and facilities
260,203	-	260,203	Community services
(7,781,927)	-	(7,781,927)	Culture and recreation
(4,679,003)	-	(4,679,003)	Interest and fiscal charges
			Total governmental activities
<u>(55,250,030)</u>	<u>-</u>	<u>(55,250,030)</u>	
			Business-type activities:
-	7,887,795	7,887,795	Water
-	2,782,332	2,782,332	Wastewater
-	1,679,990	1,679,990	Solid Waste
-	370,220	370,220	Transit
-	(3,040)	(3,040)	Facilities Augmentation
			Total business-type activities
<u>-</u>	<u>12,717,297</u>	<u>12,717,297</u>	
<u>(55,250,030)</u>	<u>12,717,297</u>	<u>(42,532,733)</u>	<b>TOTAL</b>
			<b>GENERAL REVENUES:</b>
			Taxes:
23,301,973	-	23,301,973	Property
24,721,293	-	24,721,293	Sales and use
3,716,243	-	3,716,243	Other
(2,344,854)	205,005	(2,139,849)	Investment earnings (loss)
2,189,407	-	2,189,407	Miscellaneous
<u>2,869,992</u>	<u>(2,869,992)</u>	<u>-</u>	<b>Transfers</b>
<u>54,454,054</u>	<u>(2,664,987)</u>	<u>51,789,067</u>	<b>Total general revenues and transfers</b>
(795,976)	10,052,310	9,256,334	<b>Change in net position</b>
<u>343,426,952</u>	<u>123,033,067</u>	<u>466,460,019</u>	Net position, beginning of year
<u>\$ 342,630,976</u>	<u>\$ 133,085,377</u>	<u>\$ 475,716,353</u>	<b>Net position, end of year</b>

The notes to the basic financial statements are an integral part of this statement.



**CITY OF FOLSOM, CALIFORNIA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>General Fund</u>	<u>Folsom Housing Special Revenue Fund</u>	<u>Folsom Public Financing Authority Debt Service Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,289,334	\$ 2,458,091	\$ 60,684
Cash with fiscal agent	-	-	415,534
Receivables	1,470,590	7,558,310	1,585
Insurance deposits	42,030	-	-
Due from other funds	1,059,524	-	-
Due from other governments	6,301,064	1,988,775	-
Inventory	406,941	-	-
Investments held in trust	-	-	102,919,781
Restricted assets:			
Cash and cash equivalents	-	-	-
Cash with fiscal agent	-	-	1,878,224
<b>Total assets</b>	<u><u>\$ 23,569,483</u></u>	<u><u>\$ 12,005,176</u></u>	<u><u>\$ 105,275,808</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 3,239,687	\$ 26,250	\$ -
Wages payable	2,420,489	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	722,109	-	-
<b>Total liabilities</b>	<u><u>6,382,285</u></u>	<u><u>26,250</u></u>	<u><u>-</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Special Assessments not collected	-	-	-
<b>FUND BALANCES:</b>			
Nonspendable	448,971	-	-
Restricted	-	11,978,926	105,213,539
Committed	-	-	-
Assigned	1,201,309	-	62,269
Unassigned	15,536,918	-	-
<b>TOTAL FUND BALANCES</b>	<u><u>17,187,198</u></u>	<u><u>11,978,926</u></u>	<u><u>105,275,808</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u><u>\$ 23,569,483</u></u>	<u><u>\$ 12,005,176</u></u>	<u><u>\$ 105,275,808</u></u>

The notes to the basic financial statements are an integral part of this statement.

Transportation Improvement Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds	
ASSETS			
\$ 9,509,166	\$ 23,977,177	\$ 50,294,452	Cash and cash equivalents
-	2,917,769	3,333,303	Cash with fiscal agent
47,207	4,037,602	13,115,294	Receivables
-	-	42,030	Insurance deposits
-	-	1,059,524	Due from other funds
1,924,214	1,307,579	11,521,632	Due from other governments
-	-	406,941	Inventory
-	7,137,571	110,057,352	Investments held in trust
-	132,063	132,063	Restricted assets:
-	-	1,878,224	Cash and cash equivalents
-	-	-	Cash with fiscal agent
<u>\$ 11,480,587</u>	<u>\$ 39,509,761</u>	<u>\$ 191,840,815</u>	Total assets
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
\$ 391,461	\$ 2,853,017	\$ 6,510,415	Accounts payable
-	4,738	2,425,227	Wages payable
-	1,059,524	1,059,524	Due to other funds
105,141	-	105,141	Due to other governments
-	475,276	1,197,385	Unearned revenue
<u>496,602</u>	<u>4,392,555</u>	<u>11,297,692</u>	Total liabilities
-	41,329	41,329	DEFERRED INFLOWS OF RESOURCES
-	-	-	Special Assessments not collected
FUND BALANCES:			
-	428,782	877,753	Nonspendable
10,983,985	28,860,133	157,036,583	Restricted
-	3,690,161	3,690,161	Committed
-	3,247,421	4,510,999	Assigned
-	(1,150,620)	14,386,298	Unassigned
<u>10,983,985</u>	<u>35,075,877</u>	<u>180,501,794</u>	TOTAL FUND BALANCES
<u>\$ 11,480,587</u>	<u>\$ 39,509,761</u>	<u>\$ 191,840,815</u>	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

The notes to the basic financial statements are an integral part of this statement.

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# CITY OF FOLSOM, CALIFORNIA

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2017

*Amounts reported for governmental activities in the statement of net position are different because:*

Total fund balances - total governmental funds (Page 25)	\$ 180,501,794
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds' balance sheet	
Nondepreciable capital assets	25,330,672
Depreciable capital assets, net	324,663,138
Deferred outflows - amount related to pensions	20,195,526
Deferred amounts on refunding not in governmental funds	(840,491)
Net unmatured long-term debt	(100,379,364)
Accrued interest	(1,519,809)
Certain accrued liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds as follows:	
Landfill closure liability	(434,000)
Compensated absences	(3,190,102)
Post-employment benefit obligation	(11,514,469)
Net pension liability	(101,104,018)
Deferred inflows - amount related to pensions	(3,402,592)
Internal service funds are used by management to charge the costs of fleet management, management information services, facilities costs, and insurance, to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-Wide Statement of Net Position.	
	<u>14,324,691</u>
<b>Net position of governmental activities (Page 21)</b>	<u><u>\$ 342,630,976</u></u>

The notes to the basic financial statements are an integral part of this statement.

# CITY OF FOLSOM, CALIFORNIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund
REVENUES			
Taxes:			
Property	\$ 23,301,973	\$ -	\$ -
Sales and use	24,721,293	-	-
Transient occupancy	2,160,257	-	-
Real property transfer	544,063	-	-
Other	1,011,923	-	-
Licenses and permits	2,163,426	-	-
Vehicle license fees	6,065,568	-	-
Intergovernmental	577,037	-	6,264,414
Charges for current services	13,829,099	29,584	-
Fines and forfeitures	192,263	246,453	-
Assessment collections	-	-	-
Investment income (loss)	148,717	126,644	(2,178,051)
Miscellaneous	1,845,682	-	-
Total revenues	76,561,301	402,681	4,086,363
EXPENDITURES			
Current:			
General government	16,183,582	15,274	1,022,703
Public safety	37,284,196	-	-
Public ways and facilities	5,734,448	-	-
Community services	4,722,516	-	-
Culture and recreation	13,155,732	-	-
Capital outlay	721,748	-	-
Debt service:			
Principal payments	220,494	-	10,764,709
Interest and fiscal charges	-	-	4,492,671
Total expenditures	78,022,716	15,274	16,280,083
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,461,415)	387,407	(12,193,720)
OTHER FINANCING SOURCES (USES)			
Transfers in	6,063,948	-	-
Transfers out	-	(2,784)	-
Total other financing sources (uses)	6,063,948	(2,784)	-
NET CHANGE IN FUND BALANCES	4,602,533	384,623	(12,193,720)
FUND BALANCES, BEGINNING OF YEAR	12,584,665	11,594,303	117,469,528
FUND BALANCES, END OF YEAR	\$ 17,187,198	\$ 11,978,926	\$ 105,275,808

The notes to the basic financial statements are an integral part of this statement.

Transportation Improvement Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 23,301,973
-	-	24,721,293
-	-	2,160,257
-	-	544,063
-	-	1,011,923
-	7,820	2,171,246
-	-	6,065,568
4,201,266	4,190,829	15,233,546
2,190,171	6,738,610	22,787,464
-	515,545	954,261
-	908,120	908,120
46,489	(499,809)	(2,356,010)
-	343,725	2,189,407
<u>6,437,926</u>	<u>12,204,840</u>	<u>99,693,111</u>
-	497,128	17,718,687
-	15,004	37,299,200
1,541,115	3,270,834	10,546,397
-	-	4,722,516
-	231,815	13,387,547
4,696,361	4,503,439	9,921,548
-	1,615,000	12,600,203
-	342,918	4,835,589
<u>6,237,476</u>	<u>10,476,138</u>	<u>111,031,687</u>
200,450	1,728,702	(11,338,576)
-	267,607	6,331,555
(413,665)	(3,036,202)	(3,452,651)
<u>(413,665)</u>	<u>(2,768,595)</u>	<u>2,878,904</u>
(213,215)	(1,039,893)	(8,459,672)
11,197,200	36,115,770	188,961,466
<u>\$ 10,983,985</u>	<u>\$ 35,075,877</u>	<u>\$ 180,501,794</u>

#### REVENUES

##### Taxes:

Property  
Sales and use  
Transient occupancy  
Real property transfer  
Other

Licenses and permits  
Vehicle license fees  
Intergovernmental  
Charges for current services  
Fines and forfeitures  
Assessment collections  
Investment income (loss)  
Miscellaneous

Total revenues

#### EXPENDITURES

##### Current:

General government  
Public safety  
Public ways and facilities  
Community services  
Culture and recreation

##### Capital outlay

##### Debt service:

Principal payments  
Interest and fiscal charges

Total expenditures

EXCESS (DEFICIENCY) OF REVENUES  
OVER (UNDER) EXPENDITURES

OTHER FINANCING SOURCES (USES)

Transfers in

Transfers out

Total other financing sources (uses)

NET CHANGE IN FUND BALANCES

FUND BALANCES, BEGINNING OF YEAR

FUND BALANCES, END OF YEAR

The notes to the basic financial statements are an integral part of this statement.

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## CITY OF FOLSOM, CALIFORNIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (Page 29)		\$ (8,459,672)
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. Capital outlays and depreciation expense are as follows:</p>		
Capitalized capital outlays		9,922,667
Depreciation expense		(18,114,849)
<p>Governmental funds do not report contributed capital, whereas this revenue is reported in the Government-Wide Statement of Activities</p>		
		1,891,010
<p>Premiums, discounts, and other charges related to long-term debt are expended in the year of issuance by governmental funds. However, these costs are deferred and amortized in the statement of activities. This amount reflects the amortization of premiums, discounts, and other deferred charges.</p>		
		271,772
<p>Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.</p>		
		(765,488)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
Principal repayments on long term debt	12,600,203	
Change in compensated absences	84,897	
Change in estimate for landfill closure liability	(347,000)	
Change in accrued interest	156,586	
Change in post-employment benefit obligation	727,510	
	13,222,196	
<p>Internal service funds are used by management to charge the costs of fleet management, management information services, facilities costs, and insurance, to individual funds. The net revenue (expense) of certain activities of the Internal Service Funds is reported with Governmental Activities.</p>		
		1,236,388
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (Page 23)</b>		<b>\$ (795,976)</b>

The notes to the basic financial statements are an integral part of this statement.



**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				Total	Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Other Non-major Enterprise Funds		
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 14,148,494	\$ 9,889,846	\$ 4,390,405	\$ 2,895,607	\$ 31,324,352	\$ 10,683,286
Receivables, net of allowances	2,906,236	1,116,104	353,829	20,049	4,396,218	78,606
Due from other governments	1,741,788	74	19,501	75,202	1,836,565	-
Insurance deposits	-	-	-	-	-	3,559,627
<b>Total current assets</b>	<b>18,796,518</b>	<b>11,006,024</b>	<b>4,763,735</b>	<b>2,990,858</b>	<b>37,557,135</b>	<b>14,321,519</b>
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	750,000	-	-	-	750,000	-
Cash with fiscal agent	119	-	-	-	119	-
Capital assets	154,564,488	63,907,865	10,402,871	3,389,334	232,264,558	4,771,506
Accumulated depreciation	(57,385,249)	(22,213,443)	(7,290,302)	(1,478,541)	(88,367,535)	(4,699,833)
<b>Total noncurrent assets</b>	<b>97,929,358</b>	<b>41,694,422</b>	<b>3,112,569</b>	<b>1,910,793</b>	<b>144,647,142</b>	<b>71,673</b>
<b>Total assets</b>	<b>116,725,876</b>	<b>52,700,446</b>	<b>7,876,304</b>	<b>4,901,651</b>	<b>182,204,277</b>	<b>14,393,192</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	1,490,124	1,047,672	1,824,462	341,110	4,703,368	-
Deferred amounts on refunding	567,981	-	-	-	567,981	-
<b>Total deferred outflows of resources</b>	<b>2,058,105</b>	<b>1,047,672</b>	<b>1,824,462</b>	<b>341,110</b>	<b>5,271,349</b>	<b>-</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	3,545,629	187,461	357,103	626,823	4,717,016	23,507
Wages payable	134,905	75,270	137,854	31,478	379,507	44,844
Interest payable	67,915	-	-	-	67,915	-
Due to other governments	90	2,407,855	-	-	2,407,945	-
Deposits	121,826	-	-	-	121,826	150
Accrued compensated absences, payable within one year	53,624	29,338	57,088	17,905	157,955	-
Long term debt, due within one year	1,252,520	-	-	-	1,252,520	-
<b>Total current liabilities</b>	<b>5,176,509</b>	<b>2,699,924</b>	<b>552,045</b>	<b>676,206</b>	<b>9,104,684</b>	<b>68,501</b>
Noncurrent liabilities:						
Net pension liability	7,027,963	4,680,613	8,567,180	1,803,531	22,079,287	-
Accrued compensated absences, payable after one year	197,502	71,573	158,655	27,418	455,148	-
Post-employment benefit obligation	342,209	6,959	418,894	323,909	1,091,971	-
Long term debt, due after one year net of unamortized premiums/discounts	20,766,664	-	-	-	20,766,664	-
<b>Total noncurrent liabilities</b>	<b>28,334,338</b>	<b>4,759,145</b>	<b>9,144,729</b>	<b>2,154,858</b>	<b>44,393,070</b>	<b>-</b>
<b>Total liabilities</b>	<b>33,510,847</b>	<b>7,459,069</b>	<b>9,696,774</b>	<b>2,831,064</b>	<b>53,497,754</b>	<b>68,501</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred inflows related to pensions	284,182	193,370	348,307	66,636	892,495	-
<b>NET POSITION</b>						
Net investment in capital assets	75,728,036	41,694,422	3,112,569	1,910,793	122,445,820	71,673
Restricted for critical facilities use	-	-	-	127,565	127,565	-
Unrestricted	9,260,916	4,401,257	(3,456,884)	306,703	10,511,992	14,253,018
<b>Total net position (deficit)</b>	<b>\$ 84,988,952</b>	<b>\$ 46,095,679</b>	<b>\$ (344,315)</b>	<b>\$ 2,345,061</b>	<b>\$ 133,085,377</b>	<b>\$ 14,324,691</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				Total	Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Other Non-major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 13,605,851	\$ 6,531,021	\$ 10,957,586	\$ 604,935	\$ 31,699,393	\$ 17,351,513
OPERATING EXPENSES:						
Employee services	3,981,259	2,305,603	4,510,145	1,068,070	11,865,077	16,068,023
Utilities	727,391	74,600	18,324	9,107	829,422	-
Supplies	1,010,938	356,432	838,546	139,736	2,345,652	-
Maintenance and operations	409,064	153,128	583,152	72,919	1,218,263	-
Contractual services	1,493,964	534,172	1,792,173	1,773,552	5,593,861	-
Depreciation	3,652,683	1,560,099	1,274,129	576,018	7,062,929	49,346
Other	1,027,708	270,037	472,495	211,489	1,981,729	-
Total operating expenses	12,303,007	5,254,071	9,488,964	3,850,891	30,896,933	16,117,369
OPERATING INCOME (LOSS)	1,302,844	1,276,950	1,468,622	(3,245,956)	802,460	1,234,144
NONOPERATING REVENUE (EXPENSES):						
Investment income	131,346	40,063	34,615	(1,019)	205,005	11,156
Interest expense	(866,033)	-	-	-	(866,033)	-
Other	4,101,907	20,262	151,245	-	4,273,414	-
Intergovernmental revenues	1,793,554	-	60,123	3,613,136	5,466,813	-
Total nonoperating revenue (expense)	5,160,774	60,325	245,983	3,612,117	9,079,199	11,156
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,463,618	1,337,275	1,714,605	366,161	9,881,659	1,245,300
CAPITAL CONTRIBUTIONS AND TRANSFERS:						
Capital contributions	1,555,523	1,485,120	-	-	3,040,643	-
Transfers in	-	-	7,536	-	7,536	-
Transfers out	(808,000)	(602,062)	(1,247,088)	(220,378)	(2,877,528)	(8,912)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	747,523	883,058	(1,239,552)	(220,378)	170,651	(8,912)
CHANGE IN NET POSITION	7,211,141	2,220,333	475,053	145,783	10,052,310	1,236,388
NET POSITION (DEFICIT), BEGINNING OF YEAR	77,777,811	43,875,346	(819,368)	2,199,278	123,033,067	13,088,303
NET POSITION (DEFICIT), END OF YEAR	\$ 84,988,952	\$ 46,095,679	\$ (344,315)	\$ 2,345,061	\$ 133,085,377	\$ 14,324,691

The notes to the basic financial statements are an integral part of this statement.

**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

	Water	Wastewater	Solid Waste
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 13,394,336	\$ 6,754,301	\$ 10,850,280
Payments to suppliers	(2,735,406)	(1,616,085)	(3,161,001)
Payments to employees	(3,961,536)	(2,322,076)	(4,549,045)
Payments to other governments	(1,741,874)	-	-
Cash received from (paid to) other sources	3,074,199	(299,879)	(357,506)
Net cash provided by (used for) operating activities	8,029,719	2,516,261	2,782,728
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers to other funds	(808,000)	(602,062)	(1,247,088)
Transfers from other funds	-	-	7,536
Intergovernmental revenues	1,793,554	-	60,123
Net cash provided by (used for) noncapital financing activities	985,554	(602,062)	(1,179,429)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(5,654,700)	(2,007,189)	(916,387)
Principal paid on capital debt and leases	(1,208,175)	-	-
Interest paid on capital debt	(870,562)	-	-
Net cash provided by (used for) capital and related financing activities	(7,733,437)	(2,007,189)	(916,387)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	169,508	69,722	45,116
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,451,344	(23,268)	732,028
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	13,447,269	9,913,114	3,658,377
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 14,898,613	\$ 9,889,846	\$ 4,390,405
<b>Summary:</b>			
Cash and cash equivalents	\$ 14,148,494	\$ 9,889,846	\$ 4,390,405
Restricted assets	750,119	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	\$ 14,898,613	\$ 9,889,846	\$ 4,390,405

The notes to the basic financial statements are an integral part of this statement.

Other Non-major Enterprise Funds	Total	Governmental Activities Internal Service Funds	
			CASH FLOWS FROM OPERATING ACTIVITIES:
\$ 140,856	\$ 31,139,773	\$ 17,331,180	Receipts from customers and users
(2,731,874)	(10,244,366)	7,818	Payments to suppliers
(1,101,688)	(11,934,345)	(16,045,621)	Payments to employees
-	(1,741,874)	-	Payments to other governments
107,428	2,524,242	14,018	Cash received from (paid to) other sources
			Net cash provided by (used for) operating activities
(3,585,278)	9,743,430	1,307,395	
			CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
(220,378)	(2,877,528)	241,246	Transfers to other funds
-	7,536	-	Transfers from other funds
3,613,136	5,466,813	-	Intergovernmental revenues
			Net cash provided by (used for) noncapital financing activities
3,392,758	2,596,821	241,246	
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
-	(8,578,276)	-	Acquisition and construction of capital assets
-	(1,208,175)	-	Principal paid on capital debt and leases
-	(870,562)	-	Interest paid on capital debt
			Net cash provided by (used for) capital and related financing activities
-	(10,657,013)	-	
5,388	289,734	9,172	CASH FLOWS FROM INVESTING ACTIVITIES: Interest and dividends on investments
(187,132)	1,972,972	1,557,813	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
3,082,739	30,101,499	9,125,473	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR
<u>\$ 2,895,607</u>	<u>\$ 32,074,471</u>	<u>\$ 10,683,286</u>	CASH AND CASH EQUIVALENTS, END OF YEAR
			Summary:
\$ 2,895,607	\$ 31,324,352	\$ 10,683,286	Cash and cash equivalents
-	750,119	-	Restricted assets
<u>\$ 2,895,607</u>	<u>\$ 32,074,471</u>	<u>\$ 10,683,286</u>	TOTAL CASH AND CASH EQUIVALENTS

Continued on Next Page

The notes to the basic financial statements are an integral part of this statement.

**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 1,302,844	\$ 1,276,950	\$ 1,468,622
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3,652,683	1,560,099	1,274,129
Other non-operating income (expense)	4,101,907	(30,392)	91,656
Gain (loss) on sale of capital assets	-	-	-
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(103,932)	(23,261)	(107,306)
Decrease (increase) in due from other governments	(1,741,788)	550	23,333
Increase (decrease) in accounts payable	905,951	(497,753)	71,194
Increase (decrease) in wages payable	11,214	(6,563)	(5,267)
Increase (decrease) in due to other governments	(86)	246,541	-
Increase (decrease) in unearned revenue	(107,583)	-	-
Increase (decrease) in accrued compensated absences	43,611	(4,603)	(4,057)
Increase (decrease) in OPEB	(35,102)	(5,307)	(29,576)
	<u>\$ 8,029,719</u>	<u>\$ 2,516,261</u>	<u>\$ 2,782,728</u>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Receipt of contributed assets	\$ 1,555,523	\$ 1,485,120	\$ -

The notes to the basic financial statements are an integral part of this statement.

Other Non-major Enterprise Funds	Total	Governmental Internal Service Funds	
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES
\$ (3,245,956)	\$ 802,460	\$ 1,234,144	Operating income (loss)
			Adjustments to reconcile operating income to net cash provided (used) by operating activities:
576,018	7,062,929	49,346	Depreciation
(5,362)	4,157,809	(632)	Other non-operating income (expense)
-	-	8,838	Gain (loss) on sale of capital assets
			Changes in assets and liabilities:
31,424	(203,075)	(14,521)	Decrease (increase) in accounts receivable
321,239	(1,396,666)	-	Decrease (increase) in due from other governments
(733,520)	(254,128)	7,818	Increase (decrease) in accounts payable
1,059	443	22,402	Increase (decrease) in wages payable
-	246,455	-	Increase (decrease) in due to other governments
(495,503)	(603,086)	-	Increase (decrease) in unearned revenue
(8,642)	26,309	-	Increase (decrease) in accrued compensated absences
(26,035)	(96,020)	-	Increase (decrease) in OPEB
<u>\$ (3,585,278)</u>	<u>\$ 9,743,430</u>	<u>\$ 1,307,395</u>	<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>
\$ -	\$ 3,040,643	\$ -	<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>
			Receipt of contributed assets

The notes to the basic financial statements are an integral part of this statement.

# CITY OF FOLSOM, CALIFORNIA

## STATEMENT OF FIDUCIARY NET POSITION AGENCY FUNDS JUNE 30, 2017

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and investments	\$ 12,006,947
Cash with fiscal agent	3,216,242
Receivables, net:	
Accrued interest	56,579
Due from other governments	302,162
Restricted assets:	
Cash and cash equivalents	1,127,667
Cash with fiscal agent	<u>12,485,371</u>
Total assets	<u>\$ 29,194,968</u>
<b>LIABILITIES:</b>	
Accounts payable	\$ 35,919
Rebatable arbitrage	497
Due to assessment holders	<u>29,158,552</u>
Total liabilities	<u>\$ 29,194,968</u>

The notes to the basic financial statements are an integral part of this statement.

# CITY OF FOLSOM, CALIFORNIA

## STATEMENT OF FIDUCIARY NET POSITION TRUST FUNDS JUNE 30, 2017

	Other Post Employment Benefits Trust Fund	RDA Obligation Retirement Trust Fund
<b>ASSETS:</b>		
Cash and cash equivalents		\$ 17,411,174
Cash with fiscal agent		22,675
OPEB Plan Assets:		
Fixed income securities	\$ 2,353,262	
Domestic equity funds	1,281,805	
International equity funds	802,993	
Real estate partnership	330,371	
Cash equivalents	10,206	
Receivables:		
General accounts		250
Accrued interest		42,591
Loans		1,197,835
Capital assets		
Non-depreciable		982,306
Depreciable		306,307
Less: accumulated depreciation		(239,152)
Total assets	4,778,637	19,723,986
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred amount on refunding		9,370,506
<b>LIABILITIES:</b>		
Accounts payable	10,206	70,325
Advances from other governments		1,988,775
Interest payable		726,484
Long-term liabilities:		
Due within one year		2,375,000
Due in more than one year		55,079,595
Total liabilities	10,206	60,240,179
<b>NET POSITION:</b>		
Net position restricted for OPEB benefits	\$ 4,768,431	
Total net position (deficit) held in trust		\$ (31,145,687)

The notes to the basic financial statements are an integral part of this statement.



# CITY OF FOLSOM, CALIFORNIA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Other Post Employment Benefits Trust Fund	RDA Obligation Retirement Trust Fund
ADDITIONS:		
Tax increment revenues		\$ 4,793,140
Contributions from the City	\$ 4,053,403	-
Investment earnings	464,484	153,594
	4,517,887	4,946,734
DEDUCTIONS:		
Benefit payments	3,603,403	
Expenses	-	320,076
Interest and fiscal charges	-	2,561,413
	3,603,403	2,881,489
CHANGE IN NET POSITION	914,484	2,065,245
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS RESTATED	3,853,947	(33,210,932)
NET POSITION (DEFICIT), END OF YEAR	\$ 4,768,431	\$ (31,145,687)

The notes to the basic financial statements are an integral part of this statement.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – The City of Folsom, California (City) was incorporated in 1946 under the general laws of the State of California. The City’s charter was adopted on March 6, 1990. The City operates under a Council-Manager form of government consisting of five elected council members including the mayor and a council appointed City Manager. The City provides the following services as authorized by its charter: public safety (Police and Fire), highways and streets, water, wastewater, solid waste, storm water utility, public improvements, parks and recreation, planning and zoning and general administration.

As required by accounting principles generally accepted in the United States of America these financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government’s operations and so financial data from these entities are combined with financial data of the primary government. The blended component unit has a year-end of June 30.

#### **Blended Component Units**

In order to facilitate the financing of public improvements, as well as other facilities and improvements which will be funded through the issuance of tax exempt bonds, the City Council established two joint powers authorities. One with the Folsom Redevelopment Agency (RDA), known as the **Folsom Public Financing Authority (FPFA)** on September 19, 1988, and one with the Folsom South of 50 Parking Authority, known as the **Folsom Ranch Financing Authority (FRFA)** on March 10, 2015. They were established pursuant to the provisions of the joint powers laws of the state of California, as set forth in Article 1, Chapter 5, Division 7 of Title 1 of the California Government Code (commencing with Government Code Section 6500). Recent legislative changes required the dissolution of the RDA but it has been determined by legal counsel that the changes do not affect the FPFA and its continued existence and no change in the structure is required.

The FPFA and the FRFA are authorized, but not limited, to issue bonds pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as set forth in Article 4, Chapter 5, Division 7, Title 1, of the California Government Code (commencing with Government Code Section 6584) for the purpose of financing facilities and improvements. The FPFA and the FRFA are reported in the City’s fund financial statements as debt service funds. Capital leases between the primary government and blended component units are eliminated. Amounts held for repayment of the local obligation bonds are reported as investments held in trust of the FPFA and FRFA.

The City accounts for the various debt service and capital projects funds resulting from the bonds issued. The long-term borrowing is used to provide the interim financing for accomplishing the purposes described above. The Authority’s primary source of revenue for repayment of the debt, other than loans and advances from the City, are from the assessment of a “special tax” against the property owners within the district and project areas. Collections of the special tax are deposited with the fiscal agent for the debt service of the bonds.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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Separate audited component unit financial statements for the FPFA and FRFA may be obtained from the administration office as follows: Folsom Public Financing Authority or Folsom Ranch Financing Authority of the City of Folsom, 50 Natoma Street, Folsom, CA 95630.

### **Fiduciary-type Component Unit**

The **City of Folsom OPEB Trust** is used to account for contributions and investment income restricted to pay medical premium benefits for retired City employees. The investment fund is governed by the City of Folsom Retirement Board of Authority. The Plan's benefit payments are restricted to eligible employees who retired from the City of Folsom eligible for the Other Post-Employment benefits. Contribution provisions are established by the City Council. Eligibility, administration and certain other tasks are the responsibility of the Folsom Retirement Board of Authority.

**Joint Powers Agencies** - The City also has ownership interests in the Northern California Cities Self Insurance Fund (NCCSIF). This entity has not met the component unit criteria stated above, and its financial information is not combined with that of the City, although the City's deposit in this entity has been included in the financial statements as insurance deposits.

**Government-wide and Fund Financial Statements** - The government-wide financial statements (i.e. the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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Fiduciary funds, however, are unlike other funds as they are used to account for assets that the City holds on behalf of others as their agent. The City reports Agency funds, which have no measurement focus, an OPEB Trust fund, and a private-purpose trust fund, which do have a measurement focus. The fiduciary funds use the accrual method of accounting to report assets and liabilities

Revenues are recognized for utility funds based on billings rendered to customers. The City accrues revenues for services provided but not yet billed at the end of a monthly fiscal period.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Taxes (other than property taxes), interest, certain state and federal grants, and charges for services are accrued when the receipt occurs within three hundred sixty five days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures and other revenues are considered to be measurable and available only when cash is received by the City. Property taxes are accrued when their receipt occurs within sixty days of the end of the accounting period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Proceeds of general long-term debt and capital leases are reported as other financing sources.

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Folsom Housing Special Revenue Fund** is used to account for the restricted or committed revenues and expenditures of a portion of the City's Low-Income Housing activities. Revenues are received from loan repayments, interest earnings and Inclusionary Housing Fees.

The **Folsom Public Financing Authority Debt Service Fund** is used to account for the proceeds of specific revenues that are legally restricted for expenditures for specified purposes, including housing and community development.

The **Transportation Improvement Capital Projects Fund** is used to account for long-term major road projects financed from developer mitigation charges and Measure A funding.

The City reports the following major enterprise funds:

**Water Enterprise Fund** is used to account for water utility operations of the City.

**Wastewater Enterprise Fund** is used to account for wastewater utility operations of the City.

**Solid Waste Enterprise Fund** is used to account for solid waste utility operations of the City. Additionally, the City reports the following fund types:

**Internal Service Funds**, made up of the Equipment Replacement, Risk Management Compensated Leaves funds, are used to account for replacement of general governmental equipment and administration of employee benefits.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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**Fiduciary Funds:** Agency funds account for assets held in agency funds by the City as an agent for various bonded assessment districts. The Private Purpose Trust fund is for reporting activity of the Redevelopment Obligation Retirement Trust Fund. The OPEB Trust Fund is used to account for Other Post-Employment Benefits. Employer contributions are recognized when due and payable in accordance with the terms of each plan.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the City's enterprise funds and internal service funds are charges to customers or other funds for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

### **Budgetary Data**

The City's annual budget is adopted by the City Council on or before the last working day of the last month of the fiscal year on a basis consistent with U.S. generally accepted accounting principles. If the City Council fails to adopt the budget by this date the budget proposed by the City Manager shall be deemed adopted. The City Manager may transfer monies between departments and divisions, and programs and accounts within departments and divisions, but only the Council by resolution may transfer monies between funds and from un-appropriated balances or fund balances to any fund or appropriation account. The level of control (i.e., the level at which expenditures may not legally exceed appropriation) is the fund. All appropriations remaining at year-end lapse, except purchases in progress, open project appropriations and unexpended grant appropriations.

Budget information is adopted on an annual basis for the General Fund, special revenue funds and debt service funds. The budget is adopted on a project length basis for capital projects funds. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- A. Department Heads prepare a budget request based upon the previous year's expenditures.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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- B. Meetings are held between the Department Heads, Chief Financial Officer, and the City Manager for the purpose of reviewing and prioritizing budget requests.
- C. The City Manager submits the proposed city budget to the City Council, who makes decisions regarding department budgets.
- D. Transfers between funds and changes in the total budget must be approved by the City Council.

### Financial Statement Elements

**Cash, Cash Equivalents and Investments** – City investments are recorded at fair value, in accordance with generally accepted accounting principles. The City pools cash resources from all funds in order to facilitate the management of cash and achieve the goal of obtaining the highest yield with the greatest safety and least risk. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

The City participates in an external investment pool managed by the State of California titled California Local Agency Investment Fund (LAIF), established under California State Statute, which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF is not registered with the Securities and Exchange Commission. LAIF falls under the regulatory oversight of the State of California. Based on information obtained from the State of California, the investment in LAIF has been recorded at fair value.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of 90 days or less to be cash and cash equivalents. Cash and cash equivalents include: LAIF, demand deposits, short-term highly liquid investments including Treasury bills, commercial paper, certificates of deposit, money market funds, and cash management pools. Cash held with fiscal agents with a maturity of three months or greater are not included as cash and cash equivalents.

In accordance with generally accepted accounting principles, certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
- Custodial Credit Risk
- Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The City 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.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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**Property Taxes** - Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local government may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors. Property taxes are receivable and recorded in the fiscal year for which the tax is levied. Revenue is recognized when measurable and available. Property taxes collected in advance are recorded as deferred revenue and recognized in the year they become available. The County of Sacramento levies, bills and collects property taxes for the City. Property taxes paid to the City by the County within 60 days after the end of the fiscal year are “available” and are, therefore, recognized as revenue.

Secured and unsecured property taxes are levied based on the assessed value as of March 1, the lien date, of the preceding fiscal year. Secured property tax is levied on September 30 and due in two installments, on November 1 and February 1. Collection dates are December 10 and April 10, which are also the delinquent dates.

**Receivables and Payables** – Taxes (other than property taxes) related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within three hundred sixty five days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net assets. Loans receivable represent lending to support low and moderate income housing units. The amount recognized as revenue under the modified accrual basis is limited to the amount that is deemed measurable and collectible.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a reservation of fund balance for noncurrent assets in governmental funds to indicate they do not constitute resources available for appropriation.

**Inventories**– General fund inventories are recorded as expenditures when consumed rather than when purchased. These inventories are valued at average cost using the first-in first-out method. Inventories, as reported in the fund financial statements, are offset by a nonspendable fund balance to indicate they do not constitute resources available for appropriation.

**Insurance deposits** – Amounts advanced by the City to the insurance joint powers authority to provide for payment of claims within the City’s self-insured retention layer (“banking layer”) are accounted for using the deposit method and are reported as insurance deposits in the City’s risk management fund to the extent that cumulative payments to the pool are more than cumulative paid and unpaid claims. To the extent that cumulative payments to the pool are less than



# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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required to pay cumulative paid and unpaid claims, the City would report an outstanding claim liability. These advances are refundable to the extent that outstanding claims and expenses under the terms of its contract have been satisfied.

**Land held for resale** – Represents land acquired by the Folsom Housing Special Revenue Fund for low and moderate income housing. The asset is valued at the lower of historical cost or fair market value.

**Restricted Assets** - Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future facilities augmentation costs.

**Investments Held in Trust** - Represent the investments held for repayment of special assessment district's debt.

**Capital Assets** – Capital assets, which include land, buildings, improvements, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) and intangible assets (e.g. easements), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets, as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost. Donated or contributed assets are recorded at their acquisition value.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized.

Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

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

	<u>Years</u>
Specialty equipment and vehicles	3-20
Computer and office equipment	3-7
Construction equipment	10-20
Buildings, facilities and improvements	10-40
Roads (surface only)	10-20
Utility underground systems	33-40
Bridges	30-50
Software	3-7
Easements (includes land underneath roadways)	Indefinite
Land	Indefinite

**Compensated Absences** – Compensated absences are recorded in accordance with GAAP. Only vested or accumulated compensated absences that are expected to be due or mature are reported as an expenditure and fund liability of the governmental fund that will pay it. A liability

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Amounts of vested or accumulated compensated absences that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities of the Government-Wide Financial Statement. Vested or accumulated compensated absences of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees.

All employees currently earn a combined annual leave in lieu of vacation and sick leave, in an amount determined by their representing labor group or contract. Management employees receive ten days of management leave annually, which does not carry over. Overtime may be accrued by non-management employees as compensatory time. Some employees retain sick leave banks earned prior to the annual leave implementation. It is City policy that an employee may carry over accrued vacation and sick leave into the following calendar year. Upon termination, employees are entitled to a lump-sum payment for accrued annual leave hours and compensatory time.

Sick leave is deemed to be vested upon minimum PERS retirement age. Accumulated vested sick leave is paid according to the Memorandum of Understanding covering each employee. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-term Obligations** - In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, 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.

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of net position or 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred outflow related to pensions reported in the Statement of Net Position - Governmental Activities and Business-type activities, described in detail in Note 11. Second is the deferred amount on refunding reported in the Statement of Net Position - Proprietary Funds. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of*

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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*Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has three items that qualify for reporting in this category. The first one is deferred inflow related to pensions reported in the Statement of Net Position - Governmental Activities and Business-type activities, described in detail in Note 11. The second is special assessments not collected, and the other is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Encumbrances** – Encumbrance accounting, under which purchase orders, and other commitments for the expenditure of funds are recorded in order to reserve that portion of fund balance, is employed in the governmental fund types. Encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities.

**Fund Equity** – The City has established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City established the following classifications and definitions of fund balance:

**Nonspendable** – Resources that cannot be spent because they are not in an expendable form (e.g. prepaid asset, inventory) or must be maintained intact (e.g. endowment principal).

**Restricted** – Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation.

**Committed** – Resources with self-imposed limitations, evidenced by the City's formal action (ordinance), and require both the approval of the highest level of decision making authority (City council) and the same formal action to remove or modify the limitations. Includes legally enforceable multi-year contracts not yet spent and specific agreements approved but not yet executed.

**Assigned** – Resources with self-imposed limitations but do not require approval by the highest level of decision making authority or the same level of formal action to remove or modify limitations. This responsibility has been delegated to the Finance Director/CFO by the City Council.

**Unassigned** – Resources that cannot be reported in any other classification. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The City's spending priority is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance.

Refer to Note 10 for additional details regarding the City's classification of fund balance.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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**Pensions** – 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 City’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.

### **Effect of New Governmental Accounting Standards Board (GASB) Pronouncements -**

#### ***Effective in Current Fiscal Year***

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, and Statement No. 50, *Pension Disclosures*. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. The City has implemented the requirements of this Statement as of July 1, 2016.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This Statement is effective for reporting periods beginning after December 15, 2015. The City has determined that the requirements of this Statement effective in the current year do not have a material impact on the financial statements.

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for reporting periods beginning after December 15, 2015. The City has determined that the requirements of this Statement effective in the current year do not have a material impact on the financial statements.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement is effective for reporting periods beginning after June 15, 2016. The City has determined that the requirements of this Statement effective in the current year do not have a material impact on the financial statements.

#### ***Effective in Future Fiscal Years***

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. The City has not determined its effect on the financial statements.

GASB Statement No. 81 – In March 2016, GASB issued 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. This Statement is effective for reporting periods beginning after December 15, 2016. The City has not determined the effect on the financial statements.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018. The City has not determined the effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. The City has not determined the effect on the financial statements.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The City has not determined the effect on the financial statements.

GASB Statement No. 86 – In May 2017, GASB issued 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 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. This Statement is effective for reporting periods beginning after June 15, 2017. The City has not determined the effect on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019. The City has not determined the effect on the financial statements.

### 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments totaled \$259,501,864 as of June 30, 2017, for the primary government and fiduciary funds. Each fund's portion of this total is reflected in the balance sheet accounts entitled Cash and cash equivalents, cash with fiscal agent, investments held in trust, restricted cash and cash equivalents and restricted cash with fiscal agent. The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of the pool is displayed on the balance sheet (governmental funds) and the statement of net position (proprietary funds and fiduciary funds) as "cash and investments or cash equivalents"

Total City deposits and investments at fair value as of June 30, 2017 are reported below and on the following page:

	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statements of Net Position	Total
Cash, cash equivalents and investments	\$ 64,311,041	\$ 31,324,352	\$ 95,635,393	\$ 32,657,038	\$ 128,292,431
Investments held in trust	110,057,352	-	110,057,352	-	110,057,352
OPEB Plan Assets	-	-	-	4,778,637	4,778,637
Restricted cash and investments	2,010,287	750,119	2,760,406	13,613,038	16,373,444
	<u>\$ 176,378,680</u>	<u>\$ 32,074,471</u>	<u>\$ 208,453,151</u>	<u>\$ 51,048,713</u>	<u>\$ 259,501,864</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

	<u>Fair Value</u>
<b>City treasury deposits:</b>	
Deposits	\$ 2,352,814
Petty cash	<u>7,695</u>
<b>Total city treasury deposits:</b>	<u>2,360,509</u>
<b>City treasury investments</b>	
Certificate of Deposit	6,873,397
Commercial Paper	13,361,779
Corporate Notes (American Express Credit)	1,011,350
Corporate Notes (Bank of New York)	997,500
Corporate Notes (Bank of New York)	998,830
Corporate Notes (Gen Elec)	1,148,350
Corporate Notes (Gen Elec)	582,455
Corporate Notes (Goldman Sachs Bank)	1,000,000
Corporate Notes (JP Morgan Chase & Co)	1,060,350
Corporate Notes (JP Morgan Chase & Co)	2,000,000
Corporate Notes (UBS AG Stamford CT)	2,072,297
Corporate Notes (Union Bank)	3,303,153
Corporate Notes (US Bank Corp)	1,003,900
Corporate Notes (Wells Fargo & Co.)	1,643,490
Corporate Notes (Wells Fargo Bank NA)	1,500,489
Corporate Notes (Wells Fargo Bank NA)	1,999,980
Federal Home Loan Bank (FHLB)	2,019,720
Federal Home Loan Mortgage Corp (FHLMC)	4,009,320
Local Agency Investment Fund (LAIF)	32,592,705
Money market mutual funds (WF)	5,748,934
Municipal obligations (City)	37,522,131
Municipal obligations (FRFA)	7,137,571
Municipal obligations (FPFA)	<u>102,919,781</u>
<b>Total city treasury investments</b>	<u>232,507,482</u>
<b>Total funds in City Treasury</b>	<u>234,867,991</u>
<b>Cash and investments with fiscal agents</b>	
Federal Home Loan Mortgage Corp (FHLMC)	1,668,551
Federal National Mortgage Association (FNMA)	1,915,773
JPA (CAMP)	2,041,199
Money Market Mutual Fund	14,229,713
OPEB Plan Assets - Mutual Funds	<u>4,778,637</u>
<b>Total cash and investments with fiscal agents</b>	<u>24,633,873</u>
<b>Total cash and investments</b>	<u>\$ 259,501,864</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

**Cash Deposits** – At June 30, 2017, the recorded amount of the City’s deposits was \$2,352,814 and the bank balance was \$1,618,705. As of June 30, 2017, the City’s deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus collateral for cash deposits is considered to be held in the City’s name. The market value of pledged governmental securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City has waived collateral requirements for cash deposits that are fully insured up to \$250,000 by the FDIC.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on a monthly basis to the various funds based on month-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

### Investments

The table below identifies the investment types that are authorized for the City by California Government Code Section 53601 (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of portfolio *	Maximum Investment in One issuer
Local Agency Investment Fund (LAIF)	N/A	100%	\$65m per account
Bonds Issued by the City	5 years	100%	None
U.S. Treasury Bills, Notes and Bonds	5 years	100%	None
Registered State Warrants, Treasury Notes or Bonds of the State	5 years	100%	None
Bonds, Notes or Warrants of any Local Agency within the State	5 years	100%	None
Federal Agency Securities or U.S. Government Sponsored Enterprise Obligations	5 years	100%	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase agreements	1 year	100%	None
Reverse Repurchase agreements	92 days	20%	None
Medium Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Mortgaged Backed or Consumer Pass-through Securities	5 years	20%	None
Shares of Beneficiary Interest issued by a JPA	N/A	100%	None
Collateralized Bank Deposits	5 years	100%	None
Bank/Time Deposits	5 years	100%	None
Pooled Investment Funds	N/A	100%	None

\* Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.



# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

**Investments Authorized by Debt Agreements** - Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Entity's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements 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	Revenue Bonds															
				Genl Oblig		COP's										BTA			
				2003 Refunding	2009 Refunding	1997 Parks & Traffic Signals	1999 Rec. Facility	1998 LARB (Hannaford)	1999 FPFA (Legends, et al.)	2007 FPFA Series A&B	2008 FPFA Series A&B	2010 Revenue Bds A&B	2011 FPFA Ser A&B	2012 FPFA REF RRB	2012 FPFA ST REF BONDS	2015 FRFA	2009 Water	2013 Water	
U.S. Treasury Obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	x	x	x	x	x	x
U.S. Treasury Obligations	5 years	None	None	n/a	n/a	x	n/a	x	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
U.S. Agency Securities	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	x	x	x	x	x	x
Banker's Acceptances	360 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	n/a	x	x	x	x	x
Commercial paper	270 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	n/a	x	x	x	x	x
Commercial paper	180 days	30%	10%	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Corporate bonds, notes, debentures	N/A	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Money market mutual funds	N/A	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	x	x	x	x	x	x
Municipal obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	n/a	x	x	x	x	x
State obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	n/a	x	x	x	x	x
Investment agreements - *	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	n/a	n/a	x	x	x	x	x	x
California Asset Management Program (CAMP)	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	n/a	n/a	x	x	x
Local Agency Investment Fund (LAIF)	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	x	x	x	x	x	x	x
Other *, *1	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x
City's investment policy *2	N/A	N/A	N/A	x	x	n/a	x	n/a	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest bearing accounts	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shares in California Common law trust	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a
Cash (insured at all times by FDIC)	None	None	None	n/a	n/a	x	n/a	x	x	x	n/a	x	x	x	x	x	x	n/a	n/a
Deposit Accounts (FDIC Insured) *3	None	None	None	n/a	n/a	x	n/a	x	x	n/a	n/a	x	x	x	x	x	x	n/a	n/a
CD's, time deposits and bankers acceptances	30 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Certificates of deposit	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	n/a	n/a	n/a	n/a	n/a	n/a

\* With notice to Standard & Poor's and/or approved in writing by the Bond Insurer and supported by opinions of counsel.

\*1 including repurchase agreements

\*2 No securities may be purchased on margin, adequate monies to meet cash flow requirements, and no more than 50% of City's total cash be invested for longer than one year.

\*3 In Banks which have capital and surplus of at least \$5,000,000.

\*4 Subject to approval of the Certificate Insurer

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy requires that at least 50 percent of the City’s investment portfolio mature in less than one year. An additional limitation is that investments with a maturity of more than five years must be specifically authorized by the City Council as required by government code. One of the ways that the City of Folsom 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 is maturing or coming close to maturing evenly over time as necessary to provide cash flow and liquidity needed for operations. At June 30, 2017, the City Treasury had the following investment maturities:

### City Treasury

Investment Type	Fair Value	Investment Maturities (In Years)							
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 10	10 to 15	15 to 20
Certificate of Deposit	\$ 6,873,397	\$ 1,439,000	\$ 2,481,397	\$ 1,480,000	\$ 986,000	\$ 487,000	\$ -	\$ -	\$ -
Commercial Paper	13,361,779	13,361,779	-	-	-	-	-	-	-
Corporate Notes	26,351,184	7,274,126	6,326,773	2,740,125	8,011,330	1,998,830	-	-	-
LAIF	32,592,705	32,592,705	-	-	-	-	-	-	-
Money Market Mutual Funds	5,748,934	5,748,934	-	-	-	-	-	-	-
Municipal Obligations (City)	37,522,131	10,802,380	11,286,176	8,704,349	3,991,696	2,737,530	-	-	-
Municipal Obligations (FRFA)	7,137,571	-	-	-	-	-	7,137,571	-	-
Municipal Obligations (FPFA)	102,919,781	7,085,742	7,617,768	8,382,298	6,786,330	13,867,144	37,116,281	20,372,679	1,691,539
<b>Total</b>	<b>\$ 232,507,482</b>	<b>\$ 78,304,666</b>	<b>\$ 27,712,114</b>	<b>\$ 21,306,772</b>	<b>\$ 19,775,356</b>	<b>\$ 19,090,504</b>	<b>\$ 44,253,852</b>	<b>\$ 20,372,679</b>	<b>\$ 1,691,539</b>

### Fiscal Agent

Investment Type									
Federal Home Loan Mortgage Co	\$ 1,668,551	\$ 695,381	\$ -	\$ 973,170	\$ -	\$ -	\$ -	\$ -	\$ -
Federal National Mortgage Association	1,915,773	1,915,773	-	-	-	-	-	-	-
JPA (CAMP)	2,041,199	2,041,199	-	-	-	-	-	-	-
Money Market Mutual Fund	14,229,713	14,229,713	-	-	-	-	-	-	-
OPEB Plan Assets - Mutual Funds	4,778,637	4,778,637	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 24,633,873</b>	<b>\$ 23,660,703</b>	<b>\$ -</b>	<b>\$ 973,170</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Credit Risk** - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSRO’s). It is in the City’s policy to limit its investments in these investment types to an “A” rating or higher issued by NRSRO’s, including raters Standard & Poor’s, and Moody’s Investors Services. At June 30, 2017, the City’s credit risks, expressed on a percentage basis, are as follows:

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### Credit Quality Distribution for Securities with Credit Exposure as Percentage of Total Investments

Investment Type	Moody's Credit Rating	S & P's Rating	% of Investments
Certificate of Deposit	Not rated	Not rated	2.72%
Commercial Paper	P-1	A-1	5.29%
Corporate Notes (American Express Credit)	A2	A-	0.40%
Corporate Notes (Bank of New York)	A1	A	0.40%
Corporate Notes (Bank of New York)	A1	A	0.40%
Corporate Notes (Gen Elec)	A1	AA-	0.46%
Corporate Notes (Gen Elec)	A1	AA-	0.23%
Corporate Notes (Goldman Sachs Bank)	A3	BBB+	0.40%
Corporate Notes (JP Morgan Chase & Co)	A3	A-	0.42%
Corporate Notes (JP Morgan Chase & Co)	A3	A-	0.79%
Corporate Notes (UBS AG Stamford CT)	A1	A	0.82%
Corporate Notes (MUFG Union Bank)	A2	A	1.31%
Corporate Notes (US Bank Corp)	A1	A+	0.40%
Corporate Notes (Wells Fargo & Co.)	A2	A	0.65%
Corporate Notes (Wells Fargo & Co.)	A2	A	0.59%
Corporate Notes (Wells Fargo Bank NA)	Aa3	AA-	0.79%
Federal Home Loan Bank (FHLB)	Aaa	AA+	0.80%
Federal Home Loan Mortgage Corp (FHLMC)	Aaa	AA+	2.25%
Federal National Mortgage Association (FNMA)	Aaa	AA+	0.76%
Local Agency Investment Fund (LAIF)	Not rated	Not rated	12.92%
Money Market Funds	Aaa	AAA	7.92%
Municipal Obligations (City)	Aa1 to Aa3	AAA to A	14.87%
Municipal Obligations (FRFA)	Not rated	Not rated	2.83%
Municipal Obligations (FPFA)	Not rated	Not rated	40.78%
JPA	Not rated	AAAm	0.81%
			100.0%

**Concentration of Credit Risk** – The California Government Code and the investment policy of the City contains limitations on the amount that can be invested in any one issuer. To mitigate credit risk in the investment portfolio, the City diversifies investments by security type and issuer. With the exception of U.S. Treasury securities, the Local Agency Investment Fund and bonds issued by the City, no more than 50% of the City's total investment portfolio can be invested in a single security type or with a single issuer.

As of June 30, 2017, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of **total entity investments** are as follows:

Issuer	Investment Type	Amount
Empire Ranch - CFD 10	Municipal Obligations	\$ 32,970,000
Parkway II - CFD 14	Municipal Obligations	14,885,000
Empire Ranch - CFD 10	Municipal Obligations	13,930,000

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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Additional investments in any one issuer that represent 5% or more of the total investments by **reporting unit** (Governmental activities, major fund, nonmajor funds in the aggregate, etc.) are as follows:

Folsom Public Financing Authority Debt Service Fund:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Broadstone II - CFD 7	Municipal Obligations	\$ 5,686,420
Broadstone II - CFD 7	Municipal Obligations	7,570,000

Folsom Ranch Financing Authority Debt Service Fund:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Willow Hill - CFD 17	Municipal Bonds	\$ 6,550,000

**Investments in Local Agency Investment Funds** - The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in the pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized costs of that portfolio, as calculated monthly. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The City's investment in LAIF included a portion of the pool funds invested in collateralized mortgage obligations, mortgage backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. These investments included the following:

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

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

**Investments in CAMP** - The City is a voluntary participant in the California Asset Management Program (CAMP). Oversight of CAMP is provided by a Board of Trustees, which consists of seven trustees. The trustees are appointed to the Board of Trustees from members of the governing body, officers, or full-time employees of a public agency that is a participant in the trust and approved annually by the participants. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis. Information regarding the amount of dollars invested in derivatives by CAMP was not available.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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**Fair Value Measurements** – Statement No. 72 of the Government Accounting Standards Board (“GASB”) *Fair Value Measurements and Application*, sets the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City’s own data.

The asset’s level with the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City’s management. City management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management’s perceived risk of that investment.

Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value. Accordingly, the City’s proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2017. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

City's Level 1 investments primarily consist of investments in U.S. Treasury Notes. When quoted prices in active markets are not available, fair values are based on evaluated prices received from the City's Custodian of Assets, Trustee or Fiscal Agent.

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multidimensional relational model. Inputs to their pricing models are based on observable inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others.

The City's Level 3 investments primarily consist of debt investments, valued using the income approach to measuring fair value. This approach converts future amounts to a single current amount using a discounted cash flow.

As of June 30, 2017, the City has the following recurring fair value measurements:

Investments by Fair Value Level	Balance at June 30, 2017	Fair Value Measurements on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>City Pooled Investments</b>				
Certificate of Deposit	\$ 6,873,397	\$ -	\$ 6,873,397	\$ -
Commercial Paper	13,361,779	-	13,361,779	-
Corporate Notes	26,351,184	-	26,351,184	-
Municipal Obligations (City)	37,522,131	-	37,522,131	-
Municipal Obligations (FRFA)	7,137,571	-	-	7,137,571
Municipal Obligations (FPFA)	102,919,781	-	-	102,919,781
Federal Home Loan Mortgage Co	1,668,551	-	1,668,551	-
Federal National Mortgage Association	1,915,773	-	1,915,773	-
<b>Held with Fiscal Agent</b>				
OPEB Plan Assets - Mutual Funds	4,778,637	-	4,778,637	-
	<u>202,528,804</u>	<u>-</u>	<u>92,471,452</u>	<u>110,057,352</u>
<b>Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy</b>				
Local Agency Investment Funds	32,592,705			
Money Market Mutual Funds	5,748,934			
JPA (CAMP)	<u>2,041,199</u>			
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	<u>40,382,838</u>			
<b>Total City's Pooled Investments</b>	<u>238,133,005</u>			
<b>Investments Held with Fiscal Agent Not Measured at Fair Value</b>				
Money Market Mutual Funds	<u>14,229,713</u>			
<b>Total Investments Held with Fiscal Agents</b>	<u>19,008,350</u>			
<b>Total Investments</b>	<u>\$ 257,141,355</u>			

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### 3. RECEIVABLES

Receivables as of June 30, 2017, consist of the following:

	General	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund Fund	Transportation Improvement Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
<b>Governmental Activities</b>							
Receivables, net							
General accounts	\$ 1,434,643	\$ -	\$ -	\$ -	\$ 116,673	\$ 49,373	\$ 1,600,689
Interest	35,947	15,214	1,585	47,207	102,791	29,233	231,977
Long-term loans	-	7,543,096	-	-	3,818,138	-	11,361,234
Due from other governments	6,301,064	1,988,775	-	1,924,214	1,307,579	-	11,521,632
Total	\$ 7,771,654	\$ 9,547,085	\$ 1,585	\$ 1,971,421	\$ 5,345,181	\$ 78,606	\$ 24,715,532

	Water	Wastewater	Solid Waste	Other Enterprise	Total
<b>Business-Type Activities</b>					
Receivables, net					
General accounts	\$ 372,666	\$ -	\$ 143,600	\$ 12,213	\$ 528,479
Utilities	2,475,578	1,076,558	191,425	-	3,743,561
Interest	57,992	39,546	18,804	7,836	124,178
Due from other governments	1,741,788	74	19,501	75,202	1,836,565
Total	\$ 4,648,024	\$ 1,116,178	\$ 373,330	\$ 95,251	\$ 6,232,783

Long Term Loans receivable are not expected to be collected within one year.

### 4. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables are as follows at June 30, 2017:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Mello-Roos Assessment Districts*	\$ 151,623
	Zoo Improvement*	512
	Humbug Willow Creek Special Revenue*	907,389
		<u>\$ 1,059,524</u>

\* Non-major governmental fund

All balances reported as "due to/due from" are short-term loans to cover temporary cash shortages as of June 30, 2017, and will be repaid in early fiscal year 2018.

### 5. TRANSFERS

Transfers report the nonreciprocal contribution from one fund to another. The following is a summary of transfers for the year ended June 30, 2017:

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

Transfers out	Transfers in			Total
	General	Other Governmental	Solid Waste Enterprise Fund	
Folsom Housing	\$ 2,784	\$ -	\$ -	\$ 2,784
Transportation Improvement Fund	413,665	-	-	413,665
Other governmental funds	2,768,595	267,607	-	3,036,202
Water Enterprise	808,000	-	-	808,000
Wastewater Enterprise	594,526	-	7,536	602,062
Solid Waste Enterprise	1,247,088	-	-	1,247,088
Other enterprise funds	220,378	-	-	220,378
Internal Service Fund	8,912	-	-	8,912
<b>Total</b>	<b>\$ 6,063,948</b>	<b>\$ 267,607</b>	<b>\$ 7,536</b>	<b>\$ 6,339,091</b>

During the year various interfund transfers listed above were made to finance expenditures and service debt. Transfers into the City's General fund mostly consisted of: (1) Cost allocation plan \$3.4 million, (2) Reimbursement for salaries and benefits \$204k, and (3) Project and capital reimbursements from Other Governmental funds \$2.4 million. Transfers to the governmental funds mostly consisted of \$267k from other governmental funds to other governmental funds for project reimbursement.

## 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental activities:	July 1, 2016	Transfers	Additions	Deletions	June 30, 2017
Capital assets, not being depreciated					
Land	\$ 16,516,487	\$ -	\$ -	\$ -	\$ 16,516,487
Construction in progress	4,482,811	(4,806,343)	9,137,717	-	8,814,185
<b>Total capital assets, not being depreciated</b>	<b>20,999,298</b>	<b>(4,806,343)</b>	<b>9,137,717</b>	<b>-</b>	<b>25,330,672</b>
Capital assets, being depreciated:					
Buildings	79,489,229	-	-	-	79,489,229
Improvements	489,788,531	4,806,343	1,891,010	-	496,485,884
Equipment	21,979,750	-	784,950	(2,829,104)	19,935,596
<b>Total capital assets, being depreciated</b>	<b>591,257,510</b>	<b>4,806,343</b>	<b>2,675,960</b>	<b>(2,829,104)</b>	<b>595,910,709</b>
Less accumulated depreciation for:					
Buildings	(40,899,623)	-	(2,278,930)	-	(43,178,553)
Improvements	(197,048,736)	-	(14,748,924)	-	(211,797,660)
Equipment	(17,883,610)	-	(1,136,341)	2,820,266	(16,199,685)
<b>Total accumulated depreciation</b>	<b>(255,831,969)</b>	<b>-</b>	<b>(18,164,195)</b>	<b>2,820,266</b>	<b>(271,175,898)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 356,424,839</b>	<b>\$ -</b>	<b>\$ (6,350,518)</b>	<b>\$ (8,838)</b>	<b>\$ 350,065,483</b>



# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

<b>Business-type activities:</b>	<b>July 1, 2016</b>	<b>Transfers</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2017</b>
Capital assets, not being depreciated					
Land	\$ 1,033,791	\$ -	\$ -	\$ -	1,033,791
Construction in progress	4,224,963	(3,744,991)	6,813,404	-	7,293,376
Total capital asset, not being depreciated	5,258,754	(3,744,991)	6,813,404	-	8,327,167
Capital assets, being depreciated:					
Buildings	76,348	-	-	-	76,348
Improvements	196,588,661	3,744,991	3,040,643	-	203,374,295
Equipment	20,492,685	-	1,764,872	(1,770,809)	20,486,748
Total capital assets, being depreciated	217,157,694	3,744,991	4,805,515	(1,770,809)	223,937,391
Less accumulated depreciation for:					
Buildings	(34,017)	-	(2,545)	-	(36,562)
Improvements	(70,372,325)	-	(4,894,839)	-	(75,267,164)
Equipment	(12,669,073)	-	(2,165,545)	1,770,809	(13,063,809)
Total accumulated depreciation	(83,075,415)	-	(7,062,929)	1,770,809	(88,367,535)
Business-type activities capital assets, net	\$ 139,341,033	\$ -	\$ 4,555,990	\$ -	\$ 143,897,023

Depreciation expense was charged to functions/programs of the City as follows:

<b>Governmental activities:</b>	
General government	\$ 497,726
Public safety	1,153,540
Public works	13,491,447
Community Services	-
Culture and recreation	2,972,136
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	49,346
Total depreciation expense - governmental activities	<u>\$ 18,164,195</u>
<b>Business-type activities:</b>	
Water	\$ 3,652,683
Wastewater	1,560,099
Solid waste	1,274,129
Other enterprise funds	576,018
Total depreciation expense - business-type activities	<u>\$ 7,062,929</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### 7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2017:

<b>Governmental activities:</b>	<b>June 30, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2017</b>	<b>Amount due within one year</b>
General obligation bonds	\$ 2,315,000	\$ -	\$ (1,490,000)	\$ 825,000	\$ 825,000
Revenue bonds	103,207,933	-	(9,366,565)	93,841,368	8,399,117
City Hall & Fire Station Lease Obligation	4,640,514	-	(1,523,144)	3,117,370	1,425,163
Capital lease obligations	1,687,885	-	(220,494)	1,467,391	227,812
Compensated absences	3,274,999	3,422,837	(3,507,734)	3,190,102	773,841
Other Post employment benefit obligation (Note 12)	12,241,979	-	(727,510)	11,514,469	-
Landfill closure liability (Note 16)	87,000	347,000	-	434,000	217,000
Add: Discounts/premiums, net	1,274,391	-	(146,156)	1,128,235	49,676
<b>Governmental activities long-term liabilities</b>	<b>\$ 128,729,701</b>	<b>\$ 3,769,837</b>	<b>\$ (16,981,603)</b>	<b>\$ 115,517,935</b>	<b>\$ 11,917,609</b>

<b>Business-type activities</b>	<b>June 30, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2017</b>	<b>Amount due within one year</b>
Revenue bonds	\$ 23,181,993	\$ -	\$ (1,208,175)	\$ 21,973,818	\$ 1,248,395
Compensated absences	586,794	802,803	(776,494)	613,103	157,955
Other Post employment benefit obligation (Note 12)	1,187,991	-	(96,020)	1,091,971	-
Add: Issuance discounts/premiums, net	49,491	-	(4,125)	45,366	4,125
<b>Business-type activities long-term liabilities</b>	<b>\$ 25,006,269</b>	<b>\$ 802,803</b>	<b>\$ (2,084,814)</b>	<b>\$ 23,724,258</b>	<b>\$ 1,410,475</b>

### General Obligation Bonds

2009 Refunding General Obligation Bonds. Issued in September, 2009, the City issued the \$10,195,000 City of Folsom Refunding General Obligation Bonds Series 2009 for the purpose of refunding and defeasing Series C and D of the 1993 General Obligation Bonds. The Series 2009 are payable semi-annually on February 1 and August 1 of each year commencing February, 2010 through August, 2017, with annual principal installments ranging from \$825,000 to \$1,490,000. Interest rates on the bonds range from 3.00% to 4.00%.

### **Total Governmental Activities General Obligation Bonds**

**\$ 825,000**

<b>Year Ending June 30</b>	<b>Governmental activities</b>	
	<b>Principal</b>	<b>Interest</b>
2018	825,000	16,500
Total	<b><u>\$ 825,000</u></b>	<b><u>\$ 16,500</u></b>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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### Revenue Bonds

#### Governmental Activities:

In March 1998, the Folsom Public Financing Authority issued \$2,860,000 for the purpose of purchasing the Local Obligation Hannaford Crossing Refunding Bonds. Serial bonds were issued with maturity commencing September 2, 1998 through 2021 with interest rates from 3.75% to 5.5%, with remaining installments ranging from \$90,000 to \$215,000. \$ 630,000

In April 1999, the Folsom Public Financing Authority issued Special Revenue Bonds for \$6,125,000 with interest rates of 3.5% to 5.3%. The bonds mature beginning September 2, 1999 through 2021. The bonds were issued to finance the purchase of four separate issues of limited obligation refunding improvement bonds, each issued by the City of Folsom on behalf of an existing assessment district, to fund a reserve, and to pay associated issue costs. The four districts are Legends, Cobble Hills, Ridgeview, and Cresleigh. 1,480,000

In July 2007, the Folsom Public Financing Authority issued Special Tax Revenue Bonds, Series 2007A \$45,540,000 with interest rates of 4.00% to 5.00% and Subordinated Series 2007B \$24,885,000 with interest rates of 3.85% to 5.20%. The Serial bonds mature beginning September 1, 2008 through September 1, 2024, with principal payments ranging from \$410,000 to \$2,355,000. Term bond sinking fund requirements begin September 1, 2023 through September 1, 2032, with payments ranging from \$55,000 to \$5,075,000. The bonds were issued to finance and purchase five separate issues of special tax refunding bonds of four existing community facilities districts and pay certain costs associated with issuance. Series 2007A Bonds may be called on any September 1, or March 1 beginning September 1, 2017 at 100%. Series 2007B Bonds may be called on any September 1, or March 1 beginning September 1, 2007 at 103% until March 1, 2015 then incrementally declining to 100% on September 1, 2017. 52,535,000

In July 2008, the Folsom Public Financing Authority issued \$11,955,000 Reassessment Revenue Bonds, Series 2008, with interest rates of 3.00% to 5.00%. The Serial Bonds mature beginning September 2, 2009 through September 2, 2017, with principal payments ranging from \$720,000 to \$1,325,000. Term bond sinking fund requirements commence September 2, 2018 through September 2, 2019, with payments consisting of \$1,430,000 and \$1,515,000. The bonds were issued to provide funds to finance the purchase of the City of Folsom Limited Obligation Refunding Bonds, Prairie Oaks Reassessment District No. 2008-01 (the "Local Obligations"), to fund a reserve fund, and to pay certain costs of issuance. The Local Obligations were issued to refund and defease the Folsom Public Financing Authority 1997 Special Assessment Revenue Bonds, Series A and Subordinated Series B. The bonds are subject to optional redemption, without premium, in whole or in part, by the Authority on or after September 2, 2018. 4,260,000

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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In July 2010, the Folsom Public Financing Authority issued Special Tax Revenue Bonds, Series 2010A in the amount of \$17,530,000 with interest rates of 2.00% to 5.25% and Subordinated Series 2010B in the amount of \$5,650,000 with interest rates of 2.00% to 5.75%. The Series 2010A Serial Bonds mature beginning September 1, 2010 through September 1, 2024 with principal payments ranging from \$900,000 to \$1,545,000. The Subordinated Series 2010B Serial Bonds mature beginning September 1, 2010 through September 1, 2020, with principal payments ranging from \$285,000 to \$415,000. Term Bond sinking fund requirements for Subordinated Series 2010B begin September 1, 2021 through September 1, 2024 with principal payments ranging from \$440,000 to \$525,000. The bonds were issued to finance and purchase special tax refunding bonds of an existing community facilities district, deposit to a reserve fund, and pay certain costs of issuance. Series 2010A Bonds may be called at the option of the City on any interest payment date beginning September 1, 2010 at 100%. Subordinated Series 2010B Bonds may be called on any interest payment date beginning March 1, 2011 at 103% and declining to 100% if called on or after September 1, 2020.

13,930,000

In August 2011, the Folsom Public Financing Authority issued Special Tax Revenue Bonds, Series 2011A in the amount of \$9,660,000 with interest rates of 3.00% to 5.00% and Subordinated Series 2011B in the amount of \$1,195,000 with interest rates of 3.00% to 5.125%. The Series 2011A Serial Bonds mature beginning September 1, 2012 through September 1, 2024 with principal payments ranging from \$550,000 to \$1,055,000. The Subordinated Series 2011B Serial Bonds mature beginning September 1, 2012 through September 1, 2021 with principal payments ranging from \$100,000 to \$145,000. The bonds were issued to finance and purchase special tax refunding bonds of an existing community facilities district, deposit to a reserve fund, and pay certain costs of issuance. Series 2011A Bonds may be called at the option of the City on any interest payment date beginning September 1, 2021 at 100%. The Series 2011B Bonds are not eligible for optional redemption.

7,270,000

In April 2012, the Folsom Public Financing Authority privately placed with Umpqua Bank the 2012 Refunding Reassessment Revenue Bonds in the amount of \$4,164,002 with an interest rate of 3.4%. The Refunding Reassessment Revenue Bonds mature beginning October 1, 2012 with principal payments ranging from \$510,850 to \$723,866. The bonds were issued to finance and purchase prior Reassessment Revenue Bonds of the 1989-01 Assessment District, deposit to a reserve fund, and pay certain costs of issuance. The 2012 Refunding Reassessment Revenue Bonds are eligible for optional redemption on any date after October 1, 2012 at 105% and declining to 100% if called on or after April 1, 2018.

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In July 2012, the Folsom Public Financing Authority privately placed with Bank of Nevada the Special Tax Revenue Bonds, Series 2012 in the amount of \$15,034,361 with an interest rate of 2.65%. The Special Tax Revenue Bonds mature beginning September 1, 2012 with principal payments ranging from \$1,379,605 to \$1,641,376. The bonds were issued to finance and purchase special tax refunding bonds of two existing community facilities districts, deposit to a reserve fund, and pay certain costs of issuance. The 2012 Special Tax Refunding Bonds are eligible for optional redemption on any date after issuance without premium.

7,186,368

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

In September 2015, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2015A in the amount of \$6,675,000 with interest rates of 2.00% to 4.625%. The Special Tax Revenue Serial Bonds mature beginning September 1, 2016 through September 1, 2025 with principal payments ranging from \$125,000 to \$165,000. Term Bond sinking fund requirements begin September 1, 2026 through September 1, 2030 with principal payments ranging from \$170,000 to \$200,000; September 1, 2031 through September 1, 2035 with principal payments ranging from \$210,000 to \$245,000; and September 1, 2036 through September 1, 2045 with principal payments ranging from \$260,000 to \$390,000. The bonds were issued to finance and purchase special tax bonds of Community Facilities District No. 17, deposit to a reserve fund, and pay certain costs of issuance. The 2015A Special Tax Bonds are eligible for optional redemption on interest payment dates on or after March 1, 2016 at 103% and declining to 100% if called on September 1, 2025 or any interest payment date thereafter.

6,550,000

### Total Governmental Revenue Bonds

\$ 93,841,368

### Business-type activities:

In December 2009, the Folsom Public Financing Authority issued the 2009 Water Revenue Refunding Bonds for \$15,825,000 with interest rates of 2.00% to 4.30%. The bonds mature beginning December 1, 2010 through 2028. The bonds were issued to provide funds to refund the 1998 Water Bonds on a current basis, to purchase a surety bond in the amount necessary to satisfy the Reserve Requirement, and to pay certain costs of issuance.

\$ 11,040,000

In July 2013, the Folsom Public Financing Authority privately placed with Pinnacle Public Finance the Water Revenue Refunding Bonds, Series 2013 for \$12,779,582 with an interest rate of 3.15%. The bonds mature beginning December 1, 2013 through 2033. The bonds were issued to provide funds to refund the 2005A Water Bonds on an advanced basis and to pay certain costs of issuance.

10,933,818

### Total Business-type activities Revenue Bonds

\$ 21,973,818

Annual debt service requirements to maturity for the revenue bonds are as follows:

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2018	\$ 8,399,117	\$ 4,268,429	\$ 1,248,395	\$ 758,911
2019	8,645,815	3,903,552	1,286,666	718,190
2020	9,083,770	3,511,651	1,329,474	674,229
2021	7,902,312	3,130,555	1,367,224	627,881
2022	7,360,354	2,786,438	1,416,590	577,927
2023-2027	30,120,000	9,258,283	7,906,879	2,052,831
2028-2032	16,905,000	2,642,696	5,816,499	638,721
2033-2037	2,490,000	848,303	1,602,091	50,887
2038-2042	1,480,000	514,069	-	-
2043-2046	1,455,000	138,403	-	-
Total	<u>\$ 93,841,368</u>	<u>\$ 31,002,379</u>	<u>\$ 21,973,818</u>	<u>\$ 6,099,577</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### City Hall & Fire Station Lease Obligation

In March 2012, the City of Folsom entered into a Site Lease Agreement with the Folsom Public Financing Authority leasing the properties on which sit Folsom City Hall and the Folsom Central Business District Fire Station to the Authority in exchange for a one time rental payment of \$10,538,467. That amount, along with reserve funds on hand, was used to prepay \$2,596,022 of the 2001 City of Folsom Certificates of Participation and redeem the \$7,797,444 of the FPFA Refunding Lease Revenue Bonds, with the additional amount paying costs of issuance. Concurrently, the Folsom Public Financing Authority entered into a Facilities Lease Agreement with the City of Folsom leasing Folsom City Hall and the Central Business District Fire Station to the City in exchange for scheduled yearly Base Rental Payments to the Authority. The Facility Lease was subsequently assigned by FPFA to the Bank of Nevada. Subsequently, the Folsom Public Financing Authority entered into an Assignment Agreement with the Bank of Nevada assigning the Authority's right to receive the Base Rental Payments to the Bank of Nevada in exchange for \$10,538,467. The Base Rental Payments are split into two payments. The \$7,910,564 lease relating to Folsom City Hall has a tax-exempt interest rate of 2.65% and has a final payment on October 1, 2017. The \$2,671,587 lease relating to the Folsom Central Business District Fire Station has a tax-exempt interest rate of 3.45% and has a final payment on October 1, 2026.

### **Total City Hall & Fire Station Lease Obligation**

\$ 3,117,370

Year Ending June 30	Lease Obligation	
	Governmental Activities	
	Principal	Interest
2018	\$ 1,425,163	\$ 79,275
2019	165,390	56,967
2020	172,185	51,203
2021	173,786	45,249
2022	180,098	39,199
2023-2027	1,000,748	95,585
Total	<u>\$ 3,117,370</u>	<u>\$ 367,478</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### Obligations under Capital Lease

#### Governmental activities:

\$1,137,894 Lease secured by one 2015 Pierce Velocity 100' Tiller payable in annual installments of \$130,346 beginning August, 2014 through August, 2023 with an interest rate of 2.82%.	\$ 817,630
\$1,022,841 Lease secured by a lease/leaseback agreement of the Folsom Sports Complex building with Capital One Public Finance to finance synthetic turf field replacements payable in annual installments of \$145,000 beginning September, 2014 through September, 2021 with an interest rate of 3.15%	649,761
	<u>\$ 1,467,391</u>

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 2,255,565
Less: accumulated depreciation	<u>(598,819)</u>
Total	<u>\$ 1,656,746</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

	<u>Governmental Activities</u>
<u>Fiscal year ending</u>	
2018	\$ 275,346
2019	275,346
2020	275,346
2021	275,346
2022	275,346
2023-2025	<u>260,692</u>
Total minimum lease payments	<u>1,637,421</u>
Less: amount representing interest	<u>(170,030)</u>
Present value of minimum lease payments	<u>\$ 1,467,391</u>

### Compensated Absences

The City's policy relating to compensated absences is described in Note 1. There is no fixed payment schedule for compensated absences. In prior years, compensated absences have been liquidated primarily by the General Fund and proprietary funds.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### 8. PLEDGE OF FUTURE REVENUES

The Folsom Public Financing Authority Water Revenue Bonds, Series 2009 and Series 2013 are limited parity obligations payable solely from revenues consisting of installment payments to be made by the City under an installment purchase contract. The obligation of the City to make installment payments constitutes a special obligation of the City payable solely from the net revenues of the water system and certain other funds as provided in the installment purchase contract. Net revenues for any fiscal year are the gross income and revenue received, including all charges, fees, and rates and all connection fees, less the maintenance and operations costs. \$15,825,000 in Series 2009 Bonds were issued primarily to refund the 1998 Water Revenue Bonds, which were used to previously upgrade the treatment facilities. \$12,779,582 in Series 2013 Bonds were issued primarily to refund the 2005A Water Revenue Bonds, which were issued to finance a portion of the costs of the 2005 Water Project, which consisted of improvements designed to increase the capacity of the existing water treatment from a peak capacity of 40 mgd to a peak capacity of 50 mgd as well as to upgrade disinfection facilities. The total principal and interest remaining to be paid on the bonds is \$28,073,395 through fiscal year 2034. Principal and interest paid for the current year and total customer net revenues were \$2,004,670 and \$5,165,854 respectively.

### 9. DEBT WITH NO CITY COMMITMENT

Special assessment Districts in various parts of the City have issued debt under the 1915 Bond Act and Mello-Roos Special Tax Act to finance infrastructure improvements and facilities within their boundaries. The 1915 Act Bonds are not a general obligation of the City and neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof is pledged to the payment of any debt service for these districts. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2017 is as follows:

Description	Issue Date	Maturity Date	June 30, 2017
Assessment District 89-1 Folsom Auto Plaza	12/18/03	9/2/18	\$ -
Assessment District 90-1 Hannaford Crossing	4/1/98	9/2/20	580,000
Assessment District 92-1 Natoma Station	12/8/92	9/2/19	80,000
Assessment District 93-2 Legends	6/8/93	9/2/18	70,000
Assessment District 94-3 Cobble Hills Ridge	9/29/94	9/2/19	310,000
Assessment District 95-1 Ridgeview	7/24/95	9/2/20	370,000
Assessment District 95-2 Cresleigh Natoma	7/24/95	9/2/20	315,000
Reassessment District 2008-01 Prairie Oaks Ranch	7/30/08	9/2/19	4,615,471
Community Facilities District No. 2 Natoma Station II	5/4/10	12/1/19	3,645,000
Community Facilities District No. 4 Broadstone	5/13/98	8/1/18	515,000
Community Facilities District No. 7 Broadstone II, Series 2011	8/2/11	9/1/24	7,570,000
Community Facilities District No. 7 Broadstone II, Series 2012	7/12/12	9/1/21	5,686,420
Community Facilities District No. 8 The Parkway, Series 2012	7/12/12	9/1/21	1,499,948
Community Facilities District No. 9 Willow Creek South	7/19/07	9/1/17	195,000
Community Facilities District No. 10, Empire Ranch, Series 2007	7/19/07	9/1/28	32,970,000
Community Facilities District No. 10, Empire Ranch, Series 2010	7/7/10	9/1/24	13,930,000
Community Facilities District No. 11 Willow Springs	7/19/07	9/1/23	4,485,000
Community Facilities District No. 14 Parkway II, Series 2007	7/19/07	9/1/32	14,885,000
Community Facilities District No. 17 Willow Hill Pipeline Proj.	9/3/15	9/1/45	6,550,000
			<u>\$ 98,271,839</u>



# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

The following schedule reflects the outstanding balance of Tax Allocation Bonds formally held by the City. These were transferred to the Successor Agency as of January 31, 2012 and are reported in the Private Purpose Trust Fund statement.

Description	Issue Date	Maturity Date	June 30, 2017
Successor Agency to the Former Redevelopment Agency, Central Folsom Redevelopment Project TABS, Series 2016A (Tax Exempt)	10/5/16	8/1/36	34,925,000
Successor Agency to the Former Redevelopment Agency, Central Folsom Redevelopment Project TABS, Series 2016B (Federally Taxable)	10/5/16	8/1/35	18,830,000
Owner Participation Agreement			833,290
Less: Issuance discounts/premiums, net			2,866,305
			\$ 57,454,595

### 10. CLASSIFICATION OF NET POSITION/FUND BALANCE

In the Government-wide Financial Statements, net position is 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 represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Investments held in trust represent assets held for future special assessment debt service. This category also includes amounts restricted for Debt service, Low and moderate income housing, Transportation/streets, Lighting and landscape assessment districts and Critical facilities.

**Unrestricted Net Position** – This category represents the net assets of the City, which are not restricted for any project or other purpose.

In the Fund Financial Statements, Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2017 follows:

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund	Transportation Improvement Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Inventory	\$ 406,941	\$ -	\$ -	\$ -	\$ -	\$ 406,941
Insurance deposits	42,030	-	-	-	-	42,030
Endowment principal	-	-	-	-	428,782	428,782
Total nonspendable fund balance	448,971	-	-	-	428,782	877,753
<b>Restricted for:</b>						
Debt Service	-	-	105,213,539	-	9,131,998	114,345,537
Police training and equipment	-	-	-	-	731,465	731,465
Police capital projects	-	-	-	-	400,768	400,768
Fire capital projects	-	-	-	-	3,124,965	3,124,965
General capital improvements	-	-	-	-	828,320	828,320
Light rail transportation improvements	-	-	-	-	387,693	387,693
Drainage capital projects	-	-	-	-	220,315	220,315
CFD 10 improvements	-	-	-	-	2,780,115	2,780,115
Park capital improvements	-	-	-	-	2,186,565	2,186,565
Zoo improvements	-	-	-	-	91,629	91,629
Lighting and Landscape districts	-	-	-	-	5,082,725	5,082,725
Transportation projects	-	-	-	10,983,985	3,512,168	14,496,153
Community Development Block Grant	-	-	-	-	242,626	242,626
Folsom Specific Plan Area infrastructure	-	-	-	-	138,781	138,781
Loans receivable	-	7,543,096	-	-	-	7,543,096
Low and Moderate Income Housing	-	4,435,830	-	-	-	4,435,830
Total restricted fund balance	-	11,978,926	105,213,539	10,983,985	28,860,133	157,036,583
<b>Committed for:</b>						
Transportation projects	-	-	-	-	93,902	93,902
Tree mitigation	-	-	-	-	764,559	764,559
General plan amendment	-	-	-	-	151,897	151,897
Low income housing	-	-	-	-	1,805,096	1,805,096
Park improvements	-	-	-	-	874,707	874,707
Total committed fund balance	-	-	-	-	3,690,161	3,690,161
<b>Assigned to:</b>						
Encumbrances-to liquidate purchase orders	1,201,309	-	-	-	-	1,201,309
Purpose of fund	-	-	62,269	-	3,247,421	3,309,690
Total assigned fund balance	1,201,309	-	62,269	-	3,247,421	4,510,999
<b>Unassigned fund balance:</b>	15,536,918	-	-	-	(1,150,620)	14,386,298
Total fund balances	\$ 17,187,198	\$ 11,978,926	\$ 105,275,808	\$ 10,983,985	\$ 35,075,877	\$ 180,501,794

## 11. PENSION PLAN

### A. General Information about the Pension Plans

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and 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 may be amended by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

provisions, assumptions and membership information that can be found on the CalPERS website: [www.calpers.ca.gov](http://www.calpers.ca.gov)

**Benefits Provided** – CalPERS provides 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 with the retirement formula for Miscellaneous of 2.7% @ 55 for existing “classic” members, 2% @ 55 for “new” members with a start date on or after July 1, 2010 and 2% @ 62 for “new” members with a start date on or after January 1, 2013. The retirement formula for Safety is 3% @ 50 for “classic” members, 2% @ 50 for “new” members with a start date on or after July 1, 2010 and 2.7% @ 57 for “new” members with a start date on or after January 1, 2013. 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, 2017, are summarized as follows:

	<b>Miscellaneous</b>		
	Classic - Prior to June 30, 2010	New - On or after July 1, 2010	New - On or after January 1, 2013
Hire Date			
Formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.25%
Required employer contribution rates	29.228%	29.228%	29.228%

	<b>Safety</b>		
	Classic - Prior to June 30, 2010	New - On or after July 1, 2010	New - On or after January 1, 2013
Hire Date			
Formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-57
Monthly benefits, as a % of annual salary	3.00%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	11.25%
Required employer contribution rates	42.711%	42.711%	42.711%

**Employees Covered** – At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	302	105
Inactive employees entitled to but not yet receiving benefits	274	49
Active employees	266	121
Total	<u>842</u>	<u>275</u>

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law 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 an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. In 2017, the employer contribution to CalPERS was \$5.8 million and \$5.9 million for the Miscellaneous and Safety Plan, respectively.

### B. Net Pension Liability

The City’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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.65% (1)	7.65% (1)
Mortality Rate Table	Based on CalPERS Experience Study	Based on CalPERS Experience Study

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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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.

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11+</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
	<u>100.0%</u>		

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

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### C. Changes in the Net Pension Liability

The changes in the Net Pension Liability, measured as of June 30, 2016, for each Plan follows:

	<b>Miscellaneous</b>		
	<b>Increase (Decrease)</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2016</b>	<b>\$ 178,999,292</b>	<b>\$ 123,449,372</b>	<b>\$ 55,549,920</b>
<b>Changes in the year:</b>			
Service Cost	\$ 3,550,932	\$ -	\$ 3,550,932
Interest on the total pension liability	13,405,790	-	13,405,790
Changes in benefit terms	282,187	-	282,187
Changes in assumptions	-	-	-
Differences between actual and expected experience	(2,420,273)	-	(2,420,273)
Contribution - employer	-	5,159,464	(5,159,464)
Contribution - employee	-	1,580,964	(1,580,964)
Net investment income	-	593,250	(593,250)
Benefit payments, including refunds of employee contributions	(6,795,160)	(6,795,160)	-
Administrative expense	-	(75,236)	75,236
<b>Net changes</b>	<b>8,023,476</b>	<b>463,282</b>	<b>7,560,194</b>
<b>Balance at June 30, 2017</b>	<b>\$ 187,022,768</b>	<b>\$ 123,912,654</b>	<b>\$ 63,110,114</b>

	<b>Safety</b>		
	<b>Increase (Decrease)</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2016</b>	<b>\$ 156,148,003</b>	<b>\$ 105,689,615</b>	<b>\$ 50,458,388</b>
<b>Changes in the year:</b>			
Service Cost	\$ 3,439,072	\$ -	\$ 3,439,072
Interest on the total pension liability	11,862,083	-	11,862,083
Changes in benefit terms	254,592	-	254,592
Changes in assumptions	-	-	-
Differences between actual and expected experience	681,197	-	681,197
Contribution - employer	-	4,910,890	(4,910,890)
Contribution - employee	-	1,218,093	(1,218,093)
Net investment income	-	557,570	(557,570)
Benefit payments, including refunds of employee contributions	(7,486,831)	(7,486,831)	-
Administrative expense	-	(64,412)	64,412
<b>Net changes</b>	<b>8,750,113</b>	<b>(864,690)</b>	<b>9,614,803</b>
<b>Balance at June 30, 2017</b>	<b>\$ 164,898,116</b>	<b>\$ 104,824,925</b>	<b>\$ 60,073,191</b>
<b>Balance at June 30, 2017 - Both Plans</b>	<b>\$ 351,920,884</b>	<b>\$ 228,737,579</b>	<b>\$ 123,183,305</b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’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:

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 88,997,196	\$ 83,631,758	\$ 172,628,954
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 63,110,114	\$ 60,073,191	\$ 123,183,305
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 41,714,678	\$ 40,799,598	\$ 82,514,276

**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, 2017, the City recognized pension expense of \$5,429,005 for the Miscellaneous plan and \$6,780,808 for the Safety plan. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Safety</u>		<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumption	\$ -	\$ 1,738,688	\$ -	\$ 937,380
Differences between actual and expected experience	536,260	63,129	84,278	1,555,890
Net differences between projected and actual earnings on plan investments	5,758,957		6,839,030	
Pension contributions subsequent to measurement date	5,861,310		5,819,059	
Total	<u>\$ 12,156,527</u>	<u>\$ 1,801,817</u>	<u>\$ 12,742,367</u>	<u>\$ 2,493,270</u>

\$11,680,369 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 ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	Amortization	
	Safety	Misc
2018	\$ 361,250	\$ (708,731)
2019	361,251	317,249
2020	2,184,460	3,063,738
2021	1,586,439	1,757,782
Total	<u>\$ 4,493,400</u>	<u>\$ 4,430,038</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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### 12. POST-EMPLOYMENT HEALTH CARE BENEFITS

#### EMPLOYER REPORTING

Basis of Accounting - Employees are not required to contribute to the plan. Employer contributions are recognized when due and when a formal commitment is made to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan Description – The City of Folsom Retiree Health Program (City) is a single-employer defined benefit healthcare plan administered by Benefit Trust Company. The City provides medical, dental and vision insurance benefits to eligible retirees. Benefit provisions are established and may be amended by City labor agreements, which are approved by the City Council. On November 27, 2007, the Council adopted a resolution authorizing the City Manager to establish a Futuris Public Entity Investment Trust and a Retirement Board of Authority (BOA). The BOA is made up of the Mayor, one at large Council member, City Manager, Finance Director, and the Human Resources Director. The BOA has delegated authority of the OPEB trust to Benefit Trust Company (BTC) per the Futuris Trust Administrative Services Agreement. Upon signing the agreement, BTC has been deemed to have executed the Trust and during the term of this Agreement, BTC further agreed to serve as a discretionary trustee, with fiduciary oversight and authority over the operations and management of the Trust.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Council. For fiscal year 2016-2017, the City contributed \$4,053,403 to the plan, for current premiums. Plan members receiving benefits contributed \$543,537 or approximately 13% of the total premiums, through their required contributions ranging from \$20 - \$639 per month, depending on coverage.

Annual OPEB Cost and Net OPEB Obligation – The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The table on the following page shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.



# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
Annual required contribution	\$ 6,413,565	\$ 846,527	\$ 7,260,092
Interest on net OPEB obligation	581,334	76,735	658,069
Adjustment to annual required contribution	(4,141,634)	(546,654)	(4,688,288)
Annual OPEB cost (expense)	2,853,266	376,607	3,229,873
Contributions made *	(3,580,776)	(472,627)	(4,053,403)
Increase in net OPEB obligation	(727,510)	(96,020)	(823,530)
Net OPEB obligation - beginning of year	12,241,979	1,187,991	13,429,970
Net OPEB obligation - end of year	\$ 11,514,469	\$ 1,091,971	\$ 12,606,440

\* includes \$450k contributed to trust

The ARC was determined as part of the February 1, 2016 actuarial valuation. The ARC rate was 7% of annual covered payroll. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 3,828,757	83%	\$ 13,260,948
6/30/2016	3,280,594	95%	13,429,970
6/30/2017	3,229,873	125%	12,606,440

Net OPEB Obligation is allocated across the governmental and business-type activities based on their proportionate current retiree healthcare expenses.

Funded Status and Funding Progress – The funded status of the plan as of June 30, 2017, based on the February 1, 2016 actuary report, was as follows:

Actuarial accrued liability (AAL)	\$ 93,554,168
Actuarial value of plan assets	3,488,917
Unfunded actuarial accrued liability (UAAL)	\$ 90,065,251
Funded ratio (actuarial value of plan assets/AAL)	3.7%
Covered payroll (active plan members)	\$ 40,120,870
UAAL as a percentage of covered payroll	224.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the February 1, 2016, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.9% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate of 4% and an inflation assumption of 2.75%. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level amount over the participants' working lifetime. The actuarial value of plan assets was \$3,488,917. The plan's unfunded actuarial accrued liability is being amortized using the flat dollar amount method over 30 years. The remaining amortization period as of June 30, 2017 was 27 years.

### PLAN REPORTING

#### Plan Description

Plan Administration - The City of Folsom Retiree Health Program (Plan) is a single-employer defined benefit healthcare plan that is used to provide postemployment benefits other than pensions (OPEB), including medical, dental and vision insurance benefits to eligible retirees. Management of the plan is vested with the Retirement Board of Authority (BOA), which consists of the Mayor, one at large Council member, City Manager, Finance Director, and the Human Resources Director. The City has delegated authority of the OPEB trust to Benefit Trust Company (BTC) per the Futuris Trust Administrative Services Agreement. Upon signing the agreement, BTC has been deemed to have executed the Trust and during the term of this Agreement, BTC further agreed to serve as a discretionary trustee, with fiduciary oversight and authority over the operations and management of the Trust.

Plan Membership - At June 30, 2017, the Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	302
Inactive plan members entitles to but not yet receiving benefit payments	0
Active plan members	214
Total	<u>516</u>

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

Benefits Provided - The Plan provides medical, dental and vision insurance benefits to eligible retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan. Benefit provisions are established and may be amended by City labor agreements, which are approved by the City Council.

Contributions - The contribution requirements of plan members and the City are established and may be amended by City Council. The Council establishes rates based on an actuarially determined rate. For year ended June 30, 2017, the City contributed \$4,053,403 to the plan, for current premiums. Plan members receiving benefits contributed \$543,537 or approximately 13% of the total premiums, through their required contributions ranging from \$20-\$639 per month, depending on coverage.

### Investments

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board of Authority. It is the policy of the Retirement Board of Authority to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Global Equities & Real Estate	50%
Global Fixed Income	50%
Total	100%

Rate of return - For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 10.9 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Concentration of investments:

As of June 30, 2017, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of **total entity investments** are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Blackrock Total Return - K	Fixed Income	\$ 375,439
Guggenheim Investments Macro Oppor. Inst.	Fixed Income	373,232
Guggenheim Investments Invest. Grade Bond Fd	Fixed Income	376,207
Prudential Funds Total Return Bond CL Q	Fixed Income	376,684
Western Asset Core Plus Bond IS	Fixed Income	378,847
Alger Funds Spectra Z	Domestic Equity	243,013
Oakmark Select Fund - Institutional	Domestic Equity	237,746

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

### Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2017, were as follows:

Total OPEB Liability	\$ 115,494,096
Plan fiduciary net position	(4,768,431)
City's net OPEB liability	<u>\$ 110,725,665</u>

Plan fiduciary net position as a percentage of the total OPEB liability 4.13%

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.80%
Investment Rate of Return	3.8% (1)
General Inflation	2.75%
Payroll increase	2.75%
Mortality	2014 CalPERS experience study
Retirement Age	2009 CalPERS Rates for Misc and Safety Employees
Healthcare Cost Trend Rate	4.00%

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

Mortality rates were based on the 2014 CalPERS Mortality for Miscellaneous Employees, 2014 CalPERS Mortality Safety Employees tables created by CalPERS.

The long-term expected rate of return on OPEB plan investments was determined by looking at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Geometric means were used. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equities & Real Estate	7.50%
Global Fixed Income	4.50%

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

Discount rate - The discount rate used to measure the total OPEB liability was 3.8 percent. The discount rate is based on the index rate of the 20 year, tax exempt rate using the Bond Buyer 20 Index.

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.8 percent) or 1-percentage-point higher (4.8 percent) than the current discount rate:

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.8%
Net OPEB liability	\$129,081,989	\$110,725,665	\$95,924,841

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current healthcare cost trend rates:

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.0%
Net OPEB liability	\$96,366,271	\$110,725,665	\$127,635,520

### 13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

The City has joined together with other Cities in the State of California to participate in Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured \$100,000 retention for liability and workers' compensation. In addition, NCCSIF provides claims servicing to the City for the banking layer, which represents the City's self-insurance. The NCCSIF is composed of 18 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing. The workers' compensation and general liability programs are administered by third-party administrators.

NCCSIF is a governmental joint powers authority formed in July 1978, pursuant to the Government Code of the State of California, commencing with Section 6500. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides pooled claims processing administrative services, risk management services, and actuarial studies. The City of Folsom Council members do not have significant oversight responsibility, since they evenly share all factors of risk and responsibility with the other cities.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its shared equity balance.

Upon termination of the JPA agreement, all property of the authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual equity balances of each entity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Settled claims have not exceeded insurance coverage for each of the past three fiscal years.

The City's deposit for its banking layer administered by NCCSIF of \$3,557,006 and \$3,807,164 as of June 30, 2017 and 2016 is recorded in the risk management fund as insurance deposits, respectively. The insurance deposit is net of any outstanding claims liability. Activity for the fiscal years ended June 30, 2017 and 2016 is as follows:

	Balance 6/30/2015	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2016
General Liability	\$ 653,425	\$ 550,158	\$ 64,738	\$ (446,793)	\$ 193,652	\$ 1,015,180
Workers' Compensation	2,068,839	1,146,699	181,010	(851,756)	247,192	2,791,984
<b>Total</b>	<b>\$ 2,722,264</b>	<b>\$ 1,696,857</b>	<b>\$ 245,748</b>	<b>\$ (1,298,549)</b>	<b>\$ 440,844</b>	<b>\$ 3,807,164</b>
	Balance 6/30/2016	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2017
General Liability	\$ 1,015,180	\$ 540,766	\$ (10,315)	\$ (519,541)	\$ (175,607)	\$ 850,483
Workers' Compensation	2,791,984	1,073,320	(16,938)	(293,336)	(848,507)	2,706,523
<b>Total</b>	<b>\$ 3,807,164</b>	<b>\$ 1,614,086</b>	<b>\$ (27,253)</b>	<b>\$ (812,877)</b>	<b>\$ (1,024,114)</b>	<b>\$ 3,557,006</b>

The following is summary financial information of the NCCSIF for the liability and workers' compensation program for the fiscal year ended June 30, 2017.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

	Liability	Workers' Compensation	Total
Assets	\$ 11,906,845	\$43,131,500	\$55,038,345
Liabilities	7,703,423	31,338,843	39,042,266
Net assets	<u>\$ 4,203,422</u>	<u>\$11,792,657</u>	<u>\$15,996,079</u>
Revenues	\$ 6,872,861	\$10,935,217	\$17,808,078
Expenses	4,841,469	10,824,879	15,666,348
Operating income	2,031,392	110,338	2,141,730
Investment income	(61,668)	(83,540)	(145,208)
Net income	1,969,724	26,798	1,996,522
Net assets, beginning of year	2,233,698	11,765,859	13,999,557
Net assets, end of year	<u>\$ 4,203,422</u>	<u>\$11,792,657</u>	<u>\$15,996,079</u>

The NCCSIF audited financial statements for the period ended June 30, 2017 are available on the City's website.

### Coverage Limits:

Amount	Coverage provider	Payment Source
LIABILITY CLAIMS:		
\$ - \$ 100,000	Self-Insured	Banking layer
100,001 1,000,000	Northern California Cities Self Insurance Fund	Shared risk pool
1,000,001 39,000,000	California Joint Powers Risk Management Authority	Shared risk pool
WORKERS' COMPENSATION:		
\$ - \$ 100,000	Self-Insured	Banking layer
100,001 500,000	Northern California Cities Self Insurance Fund	Shared risk pool
500,001 50,000,000	California Joint Powers Risk Management Authority	Shared risk pool

## 14. COMMITMENTS

**Reimbursement Agreements** – On April 15, 1997, a Development Agreement for credits totaling \$1,195,982 was signed between the City of Folsom and Creekside Court LLC. The agreement pertains to the purchase of certain parcels within the former Folsom Auto Plaza site and stipulates that Creekside Court LLC may assign these credits to projects within the former Folsom Auto Plaza project area and/or to other projects within the City of Folsom. As of June 30, 2017 four projects have been completed and credits applied totaling \$1,170,921 with a remaining balance of \$25,061. This balance is recorded in the City's General Fund.

### Facilities Augmentation Fund - Folsom South Area Facilities Plan -

For the purpose of implementing the Folsom South Area Facilities Plan of the Public Facilities Element of the General Plan of the City of Folsom, a Facilities Augmentation Fee (FAF) and Critical and General Facilities Augmentation Funds have been established for the purpose of funding the construction of both General and Critical Facilities. Such fees are intended to augment existing City fees and thereby provide the necessary means for financing the construction of the facilities identified in the Folsom South Area Facilities Plan and shall be imposed upon each parcel of real property within a specified area. "General Facilities" are those water delivery, sewer, roadway and drainage improvements identified in the Folsom

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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South Area Facilities Plan as prerequisites for development in the Folsom South Area. "Critical Facilities" are the following facilities which are identified in the Folsom South Area Facilities Plan: improvements to the treatment and water storage facilities, upgrading of the sewer pump station facilities and provision for an additional sewage outflow main.

The amount of the FAF will be revised annually, to be effective on January 1 of each year commencing January 1, 1984. Critical facilities fees are due and payable at time of recording of any final subdivision or parcel map covering property within the specified area.

A property owner/developer shall be entitled to credits against the FAF. A property owner/developer who has installed and paid for, or subjected its property to assessment liens to cover the cost of installing general and/or critical facilities shall receive a credit against that portion of the FAF attributable to general and/or critical fees. If the credit exceeds the portion of the FAF attributable to general facilities, the difference shall be reimbursed to the property owner/developer. If the credit exceeds the portion of the FAF attributable to critical facilities, the excess may, in the discretion of the City Council, be credited against the portion of the FAF attributable to general facilities. Otherwise, the amount shall be reimbursed to the property owner/developer. No interest shall be paid upon the amount, which the property owner/developer is due from general facilities account. Reimbursement to developers shall have priority over the use of general facilities fees for the construction of general facilities.

During the year ended June 30, 2017 the City received \$0 of critical facilities fees. The City, at June 30, 2017 had \$127,565 available for reimbursement of general facilities credits.

### **Annexation Agreement -**

The City of Folsom annexed the Alder Creek Development as of January 1, 1993. This annexation consists of 310 acres. The annexation facilitated the development of an Auto-Mall on approximately 56 acres. The site is immediately adjacent to the Folsom Boulevard and Highway 50 freeway exit. The retail sales tax produced by the taxable sales of all of the businesses within this area is shared, 50% to the City and 50% to Sacramento County through a property tax exchange agreement.

## **15. CONTINGENT LIABILITIES**

**General Liability** – There are various claims and legal actions pending against the City for which no provision has been made to the financial statements. In the opinion of the City Attorney and City Management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

The City is self-insured and participates in a Public Entity Risk Pool. Details of this are covered in Note 13.

**Arbitrage Rebate** - Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the



# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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federal government. The City estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

### 16. LANDFILL CLOSURE/POSTCLOSURE

The City landfill opened in 1974 and ceased operation in the spring of 1986. The landfill closure was completed on January 8, 1997 as per California Code of Regulations (CCR), Title 14, Chapter 3, Articles 7 and 8, and CCR, Title 23, Chapter 15. Landfill closure included installing a clay and soil cap, with vegetative cover. A small paved parking area was built on a portion of the closed landfill. The cost of closure was \$425,201. Financial assurance for the landfill closure and post closure care is described in the City's Water Quality Monitoring and Response Plan dated November 1992. Since the landfill did not accept waste after 1986, the funding for closure costs is not allocated on the basis of landfill capacity as required under the Code of Federal Regulations (CFR), Title 40, Parts 257 and 258, Subtitle D, Section 66796.22.

Three groundwater monitoring wells were installed in 1984. Three additional groundwater monitoring wells and six gas monitoring wells were installed in 1995 and in May 2001, a seventh groundwater monitoring well was installed. Annual maintenance costs following closure were estimated to be \$5,000. Postclosure care includes cleanup of any substance or material releases, semiannual monitoring, and routine maintenance. Actual costs since closure in 1997 have been significantly higher and are anticipated to remain at a higher level than originally estimated. In the prior year, it was estimated that the postclosure care period would continue for nineteen years.

During FY 2009, the City initiated a "clean closure" of the inactive landfill in accordance with Title 27 of the California Code of Regulations. Clean closure is a process where the waste in the inactive landfill is removed, sorted and characterized for recycling or offsite disposal, resulting in a clean property. The City initiated the clean closure to address the impacts to groundwater and to reduce postclosure monitoring costs. The clean closure was completed in November 2009 and received certification of clean closure in accordance with Title 27 requirements from the respective oversight agencies in January 2010. The City remains responsible for continued postclosure groundwater monitoring and must demonstrate compliance with the prescribed monitoring requirements for 3 consecutive years. During FY 2013, a review conducted by one of the respective oversight agencies noted that while the corrective action performed is working, the City will need to continue to perform postclosure groundwater monitoring in order to achieve full compliance. During FY 2017, the oversight agency informed the City that the current groundwater monitoring and reporting program would likely not result in site closure within the next 10 years, or by 2027. To expedite closure, the City proposed an alternative closure strategy that was accepted. This strategy focused on a comprehensive reevaluation of the hydrogeological conditions by surrounding the site with a new monitoring system. The City believes this new strategy could lead to closure in approximately 26 months. As of June 30, 2017, the estimate for post closure costs was \$434,000.

The City has identified multiple funding sources for postclosure costs including the Wastewater Fund and Solid Waste Funds. The total current costs of postclosure care are estimates and subject to changes resulting from inflation/deflation, technology, change in scope of work, or changes in applicable laws or regulations.

# City of Folsom

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2017

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### 17. DEFICIT FUND BALANCES

- The Planning Services Special Revenue Fund had a deficit fund balance of \$437 at June 30, 2017 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Humbug Willow Creek Special Revenue Fund had a deficit fund balance of \$1,118,873 at June 30, 2017 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Zoo Improvement Capital Projects Fund had a deficit fund balance of \$31,310 at June 30, 2017 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Solid Waste Enterprise Fund had a deficit fund balance of \$344,318 at June 30, 2017 primarily as a result of the implementation of GASB 68 and the corresponding net pension liability that was added to the financial statements.

### 18. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

- Expenditures exceeded appropriations in the Community Development Block Grant Special Revenue Fund by \$48,183 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Folsom Public Financing Authority Debt Service Fund by \$1.9 million due to early repayments of debt due to calls.
- Expenditures exceeded appropriations in the City Parks and Traffic Signals Debt Service Fund by \$1,781 due to interest payment.

### 19. CHANGE IN ACCOUNTING PRINCIPLES

**Implementation of new accounting standard GASB Statement No. 74** – As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as of July 1, 2016. The impact of the implementation to the OPEB Trust Fund is as follows:

<u>OPEB Trust Fund</u>	
Beginning Net Position	\$ -
OPEB Assets	3,853,947
Beginning Net Postion (as restated)	3,853,947

### 20. SUBSEQUENT EVENT

On August 10, 2017, the Folsom Ranch Financing Authority issued Special Tax Revenue Bonds, Series 2017 in the amount of \$28,530,000 maturing between September 1, 2022 and September 1, 2047 with an average interest rate of 5.00%. The purpose of the bonds is to provide funds to finance the purchase certain public facilities within Community Facilities District No. 19.

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**REQUIRED SUPPLEMENTARY INFORMATION**



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

# City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - LAST 10 YEARS\*

	<u>Miscellaneous</u> <u>2015</u>	<u>Miscellaneous</u> <u>2016</u>	<u>Miscellaneous</u> <u>2017</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 3,733,451	\$ 3,463,856	\$ 3,550,932
Interest on the total pension liability	12,026,923	12,827,742	13,405,790
Changes in benefit terms	-	819,877	282,187
Changes in assumptions	-	(3,280,830)	-
Differences between actual and expected experience	-	294,972	(2,420,273)
Benefit payments, including refunds of employee contributions	<u>(5,784,838)</u>	<u>(6,486,519)</u>	<u>(6,795,160)</u>
<b>Net change in total pension liability</b>	9,975,536	7,639,098	8,023,476
<b>Total pension liability - beginning</b>	<u>161,384,658</u>	<u>171,360,194</u>	<u>178,999,292</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 171,360,194</u>	<u>\$ 178,999,292</u>	<u>\$ 187,022,768</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,376,606	\$ 4,523,081	\$ 5,159,464
Contributions - employee	2,232,850	1,593,443	1,580,964
Net investment income	17,933,745	2,668,545	593,250
Benefit payments	(5,784,838)	(6,486,519)	(6,795,160)
Administrative expense	<u>-</u>	<u>(138,974)</u>	<u>(75,236)</u>
<b>Net change in plan fiduciary net position</b>	18,758,363	2,159,576	463,282
<b>Plan fiduciary net position - beginning</b>	<u>102,531,433</u>	<u>121,289,796</u>	<u>123,449,372</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 121,289,796</u>	<u>\$ 123,449,372</u>	<u>\$ 123,912,654</u>
Net pension liability - ending (a)-(b)	<u>\$ 50,070,398</u>	<u>\$ 55,549,920</u>	<u>\$ 63,110,114</u>
Plan fiduciary net position as a percentage of the total pension liability	70.78%	68.97%	66.26%
Covered payroll	22,140,150	21,527,190	21,890,526
Net pension liability as percentage of covered payroll	226.15%	258.05%	288.30%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016
	<u>Safety</u> <u>2015</u>	<u>Safety</u> <u>2016</u>	<u>Safety</u> <u>2017</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 3,769,467	\$ 3,525,048	\$ 3,439,072
Interest on the total pension liability	10,582,614	11,200,515	11,862,083
Changes in benefit terms	-	253,356	254,592
Changes in assumptions	-	(2,937,784)	-
Differences between actual and expected experience	-	(106,665)	681,197
Benefit payments, including refunds of employee contributions	<u>(5,802,650)</u>	<u>(6,454,000)</u>	<u>(7,486,831)</u>
<b>Net change in total pension liability</b>	8,549,431	5,480,470	8,750,113
<b>Total pension liability - beginning</b>	<u>142,118,102</u>	<u>150,667,533</u>	<u>156,148,003</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 150,667,533</u>	<u>\$ 156,148,003</u>	<u>\$ 164,898,116</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,616,712	\$ 4,705,025	\$ 4,910,890
Contributions - employee	1,285,454	1,313,706	1,218,093
Net investment income	15,398,818	2,317,142	557,570
Benefit payments	(5,802,650)	(6,454,000)	(7,486,831)
Plan to Plan Resource Movement	-	(49,988)	-
Administrative Expense	<u>-</u>	<u>(118,942)</u>	<u>(64,412)</u>
<b>Net change in plan fiduciary net position</b>	15,498,334	1,712,943	(864,690)
<b>Plan fiduciary net position - beginning</b>	<u>88,478,338</u>	<u>103,976,672</u>	<u>105,689,615</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 103,976,672</u>	<u>\$ 105,689,615</u>	<u>\$ 104,824,925</u>
Net pension liability - ending (a)-(b)	<u>\$ 46,690,861</u>	<u>\$ 50,458,388</u>	<u>\$ 60,073,191</u>
Plan fiduciary net position as a percentage of the total pension liability	69.01%	67.69%	63.57%
Covered payroll	18,541,342	18,593,681	19,300,575
Net pension liability as percentage of covered payroll	251.82%	271.37%	311.25%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016

Notes to Schedule:

\* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

# City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CONTRIBUTIONS – LAST 10 YEARS\*

	<u>Miscellaneous Plan</u> <u>2015</u>	<u>Miscellaneous Plan</u> <u>2016</u>	<u>Miscellaneous Plan</u> <u>2017</u>
Actuarially determined contribution	\$ 4,523,081	\$ 5,159,464	\$ 5,819,059
Contributions in relation to the actuarially determined contributions	(4,523,081)	(5,159,464)	(5,819,059)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	22,140,150	21,527,190	21,890,526
Contributions as a percentage of covered payroll	20.43%	23.97%	26.58%
	<u>Safety Plan</u> <u>2015</u>	<u>Safety Plan</u> <u>2016</u>	<u>Safety Plan</u> <u>2017</u>
Actuarially determined contribution	\$ 4,705,025	4,910,890	\$ 5,861,310
Contributions in relation to the actuarially determined contributions	(4,705,025)	(4,910,890)	(5,861,310)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	18,541,342	18,593,681	19,300,575
Contributions as a percentage of covered payroll	25.38%	26.41%	30.37%

### Notes to Schedule

Valuation date:	June 30, 2012	June 30, 2013	June 30, 2014
Methods and assumptions used to determine contribution rates:			
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Market value	Market value
Inflation	2.75%	2.75%	2.75%
Salary increases	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50%	7.50%	7.50%
Retirement age	55	55	55
Mortality	Based on CalPERS Experience Study	Based on CalPERS Experience Study	Based on CalPERS Experience Study

\* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

## POST-EMPLOYMENT HEALTH CARE BENEFITS – SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of assets (b)	Unfunded Actuarial Accrued liability (UAAL) (a) - (b)	Funded Ratio (b) / (a)	Annual covered payroll (c)	UAAL as a % of payroll [(a)-(b)]/(c)
2/1/2012	\$ 53,270,861	\$ 2,337,208	\$ 50,933,653	4.4%	\$ 37,208,549	136.9%
2/1/2014	62,120,717	3,029,563	59,091,154	4.9%	41,480,006	142.5%
2/1/2016	93,554,168	3,488,917	90,065,251	3.7%	40,120,870	224.5%

# City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

## Schedule of Changes in the City's Net OPEB Liability and Related Ratios As of the fiscal year ending June 30, 2017 Last Ten Years\*

	2017
<b>Total OPEB liability</b>	
Service cost	\$ 2,148,999
Interest	4,259,868
Changes in assumptions	-
Differences between actual and expected experience	-
Benefit payments, including refunds of employee contributions	(3,943,224)
<b>Net change in total OPEB liability</b>	<b>2,465,643</b>
<b>Total OPEB liability -- beginning</b>	<b>113,028,453</b>
<b>Total OPEB liability -- ending (a)</b>	<b>\$ 115,494,096</b>
<b>Plan fiduciary net position</b>	
Plan to plan resource movement	\$ -
Contributions - employer	4,053,403
Contributions - employee	-
Net investment income	464,483
Differences between projected and actual earnings on plan investments	-
Administrative expenses	-
Benefit payments, including refunds of employee contributions	(3,603,403)
<b>Net change in fiduciary net position</b>	<b>914,483</b>
<b>Plan fiduciary net position -- beginning</b>	<b>3,853,948</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 4,768,431</b>
<b>City's Net OPEB liability -- ending (a) - (b)</b>	<b>\$ 110,725,665</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>4.13%</b>
<b>Covered-employee payroll</b>	<b>\$ 41,191,102</b>
<b>City's Net OPEB liability as a percentage of covered-employee payroll</b>	<b>268.81%</b>
<b>Measurement Date</b>	<b>June 30, 2017</b>

### Notes to Schedule

\* Fiscal year 2017 was the first year of GASB 74 implementation, therefore, only one year is shown.

## Schedule of Investment Returns

As of the fiscal year ending June 30, 2017  
Last Ten Years\*

	2017
Annual money-weighted rate of return - net of investment expense	10.9%

### Notes to Schedule

\* Fiscal year 2017 was the first year of GASB 74 implementation, therefore, only one year is shown.

# CITY OF FOLSOM, CALIFORNIA

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ 21,614,525	\$ 21,614,525	\$ 23,301,973	\$ 1,687,448
Sales and use	21,745,757	21,745,757	24,721,293	2,975,536
Transient occupancy	1,721,367	1,721,367	2,160,257	438,890
Real property transfer	445,500	445,500	544,063	98,563
Other	720,000	720,000	1,011,923	291,923
Licenses and permits	1,834,675	1,834,675	2,163,426	328,751
Vehicle license fees	6,073,968	6,073,968	6,065,568	(8,400)
Intergovernmental revenues	552,000	552,000	577,037	25,037
Charges for current services	12,484,279	12,484,279	13,829,099	1,344,820
Fines and forfeitures	255,300	255,300	192,263	(63,037)
Interest revenue	155,000	155,000	148,717	(6,283)
Miscellaneous	1,426,579	1,426,579	1,845,682	419,103
Total revenues	<u>69,028,950</u>	<u>69,028,950</u>	<u>76,561,301</u>	<u>7,532,351</u>
<b>EXPENDITURES:</b>				
Current operating:				
General government	17,193,450	17,193,450	16,183,582	1,009,868
Public safety	36,239,073	36,551,900	37,284,196	(732,296)
Public ways and facilities	7,517,592	7,517,592	5,734,448	1,783,144
Community services	4,485,944	4,485,944	4,722,516	(236,572)
Culture and recreation	11,540,499	11,540,499	13,155,732	(1,615,233)
Capital outlay	721,748	721,748	721,748	-
Debt service:				
Principal payments	220,494	220,494	220,494	-
Total expenditures	<u>77,918,800</u>	<u>78,231,627</u>	<u>78,022,716</u>	<u>208,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,889,850)</u>	<u>(9,202,677)</u>	<u>(1,461,415)</u>	<u>7,741,262</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	8,889,850	8,889,850	6,063,948	(2,825,902)
Total other financing sources (uses)	<u>8,889,850</u>	<u>8,889,850</u>	<u>6,063,948</u>	<u>(2,825,902)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(312,827)</u>	<u>4,602,533</u>	<u>\$ 4,915,360</u>
FUND BALANCE, BEGINNING OF YEAR	<u>12,584,665</u>	<u>12,584,665</u>	<u>12,584,665</u>	
FUND BALANCE - ENDING	<u>\$ 12,584,665</u>	<u>\$ 12,271,838</u>	<u>\$ 17,187,198</u>	

Refer to Note to Required Supplementary Information



**CITY OF FOLSOM, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOLSOM HOUSING SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Fines and Forfeitures	\$ -	\$ -	\$ 246,453	\$ 246,453
Charges for current services	40,000	40,000	29,584	(10,416)
Interest	50,000	50,000	126,644	76,644
Miscellaneous	12,784	12,784	-	(12,784)
Total revenues	<u>102,784</u>	<u>102,784</u>	<u>402,681</u>	<u>299,897</u>
EXPENDITURES:				
Current operating:				
General government	<u>100,000</u>	<u>100,000</u>	<u>15,274</u>	<u>84,726</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>15,274</u>	<u>84,726</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,784</u>	<u>2,784</u>	<u>387,407</u>	<u>384,623</u>
OTHER FINANCING USES:				
Transfers out	<u>(2,784)</u>	<u>(2,784)</u>	<u>(2,784)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(2,784)</u>	<u>(2,784)</u>	<u>(2,784)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	384,623	<u>\$ 384,623</u>
FUND BALANCE - BEGINNING OF YEAR	<u>11,594,303</u>	<u>11,594,303</u>	<u>11,594,303</u>	
FUND BALANCE - END OF YEAR	<u>\$ 11,594,303</u>	<u>\$ 11,594,303</u>	<u>\$ 11,978,926</u>	

# City of Folsom

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

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### **Budgetary Data**

Annual budgets are adopted on a basis consistent with generally accepted accounting principals for all governmental funds except the capital projects funds, which adopt multi-year length budgets, and fiduciary funds, which are not budgeted. The level of control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund. All appropriations remaining at year-end lapse, except for purchases in progress which are carried forward to the following year and assigned by encumbrances. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- A. Department Heads prepare a budget request based upon the previous year's expenditures.
- B. Meetings are held between the Department Heads, Chief Financial Officer, and the City Manager for the purpose of reviewing and prioritizing budget requests.
- C. The City Manager submits the proposed city budget to the City Council, who makes decisions regarding department budgets.
- D. Transfers between funds and changes in the total budget must be approved by the City Council.

Budget information is presented for the General Fund and the Folsom Housing Special Revenue Fund as required supplementary information. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

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**OTHER SUPPLEMENTARY INFORMATION**



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

**CITY OF FOLSOM, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOLSOM PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 10,056,483	\$ 10,056,483	\$ 6,264,414	\$ (3,792,069)
Investment income (loss)	4,650,934	4,650,934	(2,178,051)	(6,828,985)
Total revenues	<u>14,707,417</u>	<u>14,707,417</u>	<u>4,086,363</u>	<u>(10,621,054)</u>
EXPENDITURES				
General Government	-	-	1,022,703	(1,022,703)
Debt service:				
Principal	9,814,132	9,814,132	10,764,709	(950,577)
Interest and fiscal charges	4,493,286	4,493,286	4,492,671	615
Total expenditures	<u>14,307,418</u>	<u>14,307,418</u>	<u>16,280,083</u>	<u>(1,972,665)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>399,999</u>	<u>399,999</u>	<u>(12,193,720)</u>	<u>(12,593,719)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(399,999)	(399,999)	-	399,999
TOTAL OTHER FINANCING SOURCES (USES)	<u>(399,999)</u>	<u>(399,999)</u>	<u>-</u>	<u>399,999</u>
NET CHANGE IN FUND BALANCE	-	-	(12,193,720)	<u>\$ (12,193,720)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>120,642,943</u>	<u>120,642,943</u>	<u>117,469,528</u>	
FUND BALANCE - END OF YEAR	<u>\$ 120,642,943</u>	<u>\$ 120,642,943</u>	<u>\$ 105,275,808</u>	

# City of Folsom

## NOTE TO OTHER SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

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### Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principals for all governmental funds except the capital projects funds, which adopt multi-year length budgets, and fiduciary funds, which are not budgeted. The level of control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund. All appropriations remaining at year-end lapse, except for purchases in progress which are carried forward to the following year and assigned by encumbrances. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- A. Department Heads prepare a budget request based upon the previous year's expenditures.
- B. Meetings are held between the Department Heads, Chief Financial Officer, and the City Manager for the purpose of reviewing and prioritizing budget requests.
- C. The City Manager submits the proposed city budget to the City Council, who makes decisions regarding department budgets.
- D. Transfers between funds and changes in the total budget must be approved by the City Council.

Budget information is presented for the Folsom Public Financing Authority Debt Service Fund as other supplementary information. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

### Excess of Expenditures over Appropriations

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2017:

Fund	Expenditures in excess of appropriations
Folsom Public Financing Authority Debt Service Fund	\$ 1,972,665

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE



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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

### **Debt Service Funds**

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

### **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for proposes that support the reporting government's programs.

# CITY OF FOLSOM, CALIFORNIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,412,120	\$ 2,279,531	\$ 7,853,678	\$ 431,848	\$ 23,977,177
Cash with fiscal agent	-	-	2,917,769	-	2,917,769
Investments held in trust	-	7,137,571	-	-	7,137,571
Receivables					
General accounts	41,781	33,563	-	-	75,344
Accrued interest	57,699	8,324	34,930	1,838	102,791
Loans	3,818,138	-	-	-	3,818,138
Special assessments - delinquent	-	41,329	-	-	41,329
Due from other governments	1,290,351	17,228	-	-	1,307,579
Restricted assets:					
Cash and cash equivalents	132,063	-	-	-	132,063
Total assets	<u>\$ 18,752,152</u>	<u>\$ 9,517,546</u>	<u>\$ 10,806,377</u>	<u>\$ 433,686</u>	<u>\$ 39,509,761</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 2,373,324	\$ -	\$ 475,301	\$ 4,392	\$ 2,853,017
Wages payable	-	-	4,738	-	4,738
Due to other funds	907,389	-	152,135	-	1,059,524
Unearned revenue	475,276	-	-	-	475,276
Total liabilities	<u>3,755,989</u>	<u>-</u>	<u>632,174</u>	<u>4,392</u>	<u>4,392,555</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Special assessments not collected	-	41,329	-	-	41,329
<b>FUND BALANCES:</b>					
Nonspendable	-	-	-	428,782	428,782
Restricted	9,660,613	9,131,998	10,067,010	512	28,860,133
Committed	3,690,161	-	-	-	3,690,161
Assigned	2,764,699	344,219	138,503	-	3,247,421
Unassigned	(1,119,310)	-	(31,310)	-	(1,150,620)
Total fund balances	<u>14,996,163</u>	<u>9,476,217</u>	<u>10,174,203</u>	<u>429,294</u>	<u>35,075,877</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,752,152</u>	<u>\$ 9,517,546</u>	<u>\$ 10,806,377</u>	<u>\$ 433,686</u>	<u>\$ 39,509,761</u>

## CITY OF FOLSOM, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES:					
Licenses and permits	\$ 7,820	\$ -	\$ -	\$ -	\$ 7,820
Intergovernmental revenues	3,884,167	278,544	28,118	-	4,190,829
Charges for current services	3,881,392	-	2,857,218	-	6,738,610
Fines and forfeitures	515,545	-	-	-	515,545
Assessment collections	-	908,120	-	-	908,120
Investment income (loss)	214,418	(816,902)	96,183	6,492	(499,809)
Miscellaneous	31,442	-	312,283	-	343,725
Total revenues	<u>8,534,784</u>	<u>369,762</u>	<u>3,293,802</u>	<u>6,492</u>	<u>12,204,840</u>
EXPENDITURES:					
Current:					
General government	497,128	-	-	-	497,128
Public safety	15,004	-	-	-	15,004
Public ways and facilities	2,480,980	-	789,854	-	3,270,834
Culture and recreation	226,691	-	-	5,124	231,815
Capital outlay	2,610,931	-	1,892,508	-	4,503,439
Debt service:					
Principal payments	-	1,615,000	-	-	1,615,000
Interest and fiscal charges	-	342,918	-	-	342,918
Total expenditures	<u>5,830,734</u>	<u>1,957,918</u>	<u>2,682,362</u>	<u>5,124</u>	<u>10,476,138</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,704,050</u>	<u>(1,588,156)</u>	<u>611,440</u>	<u>1,368</u>	<u>1,728,702</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	267,607	-	-	-	267,607
Transfers out	(2,066,002)	(14,466)	(954,878)	(856)	(3,036,202)
Total other financing sources (uses)	<u>(1,798,395)</u>	<u>(14,466)</u>	<u>(954,878)</u>	<u>(856)</u>	<u>(2,768,595)</u>
NET CHANGE IN FUND BALANCES	905,655	(1,602,622)	(343,438)	512	(1,039,893)
FUND BALANCES, BEGINNING OF YEAR	<u>14,090,508</u>	<u>11,078,839</u>	<u>10,517,641</u>	<u>428,782</u>	<u>36,115,770</u>
FUND BALANCES, END OF YEAR	<u>\$ 14,996,163</u>	<u>\$ 9,476,217</u>	<u>\$ 10,174,203</u>	<u>\$ 429,294</u>	<u>\$ 35,075,877</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

### Planning Services:

To account for revenues and disbursements of special planning services for developers.

### Transportation Tax:

To account for receipts of SB-325 transportation tax monies.

### Park Dedication (Quimby):

To account for Quimby Act Fees for park development purposes.

### Gas Tax:

Gas Tax 2105 - To account for money apportioned under Streets and Highways Code Sec. 2105.

Gas Tax 2106 - To account for money apportioned under Streets and Highways Code Sec. 2106.

Gas Tax 2107 - To account for money apportioned under Streets and Highways Codes Sec. 2107 and SB-300 Special Motor Vehicle Fuel Tax Apportionment.

Gas Tax 2107.5 - To account for money apportioned under Street and Highways Code Sec. 2107.5.

### Light and Landscape Districts:

To account for assessments for maintenance pursuant to the 1972 Lighting and Landscaping Act in the following subsidiary funds:

Los Cerros	Briggs Ranch	Natoma Station
Folsom Heights	Broadstone Unit 3	Broadstone
Hannaford Cross	Lake Natoma Shores	Cobble Hills/Reflections
Sierra Estates	Lakeridge Estates	La Collina Del Lago
Cobble Ridge	Prairie Oaks Ranch	Silverbrook
Willow Creek East	Blue Ravine Oaks	Steeplechase
Willow Creek So.	American River Canyon No.	Willow Springs
Willow Springs Maint. Dist.	CFD# 12 Maint. Dist.	CFD# 13 ARC Maint. Dist.
American River Canyon #2	The Residences at ARC No.	Fieldstone Meadows
ARC L&L Dist #3	Blue Ravine Oaks No. 2	Folsom Heights L&L 2
Broadstone L&L 4	CFD #16 Islands Maint. Dist.	

### Transportation System Management:

To account for revenue and disbursements for study of future traffic needs.

### Community Development Block Grant:

To account for Community Development Grant monies.

### Humbug Willow Creek:

To account for revenues and expenditures related to the planning for the Humbug Willow Creek trail area.

### General Plan Amendment:

To account for fees collected for the update of the general plan.

### Tree Planting:

To account for revenues and expenditures related to the mitigation of tree loss in construction.

Zoo Special Revenue:

To account for revenues and expenditures for designated zoo activities.

Other Special Revenue:

To account for revenues and expenditures in the following special revenue funds:

Folsom Comm & Cultural Services  
Folsom Historic District  
Oaks at Willow Springs

Housing Trust Special Revenue  
Sphere of Influence  
Police Officer Training Fund

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# CITY OF FOLSOM, CALIFORNIA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2017

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Gas Tax
<b>ASSETS</b>				
Cash and cash equivalents	\$ 407,751	\$ 64,408	\$ 902,475	\$ 3,502,462
Receivables				
General accounts	-	-	-	-
Accrued interest	1,548	963	3,926	16,633
Loans	-	-	-	-
Due from other governments	-	-	-	32,526
Restricted assets:				
Cash and cash equivalents	-	36,000	-	-
Total assets	\$ 409,299	\$ 101,371	\$ 906,401	\$ 3,551,621
 <b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 30,580	\$ -	\$ 31,694	\$ 140,824
Due to other funds	-	-	-	-
Unearned revenue	379,156	-	-	-
Total liabilities	409,736	-	31,694	140,824
 <b>FUND BALANCES</b>				
Restricted	-	101,371	-	3,410,797
Committed	-	-	874,707	-
Assigned	-	-	-	-
Unassigned	(437)	-	-	-
Total fund balances (deficit)	(437)	101,371	874,707	3,410,797
Total liabilities and fund balances (deficit)	\$ 409,299	\$ 101,371	\$ 906,401	\$ 3,551,621

Light and Landscape Districts	Transportation System Management	Community Development Block Grant	
			<b>ASSETS</b>
\$ 5,286,383	\$ 32,349	\$ 85,229	Cash and cash equivalents
			Receivables
11,048	-	29,228	General accounts
20,752	553	333	Accrued interest
-	-	139,420	Loans
38,815	-	-	Due from other governments
			Restricted assets:
-	61,000	-	Cash and cash equivalents
<u>\$ 5,356,998</u>	<u>\$ 93,902</u>	<u>\$ 254,210</u>	Total assets
			<b>LIABILITIES AND FUND BALANCE</b>
			<b>LIABILITIES</b>
\$ 274,273	\$ -	\$ 11,584	Accounts payable
-	-	-	Due to other funds
-	-	-	Unearned revenue
<u>274,273</u>	<u>-</u>	<u>11,584</u>	Total liabilities
			<b>FUND BALANCES</b>
5,082,725	-	242,626	Restricted
-	93,902	-	Committed
-	-	-	Assigned
-	-	-	Unassigned
<u>5,082,725</u>	<u>93,902</u>	<u>242,626</u>	Total fund balances (deficit)
<u>\$ 5,356,998</u>	<u>\$ 93,902</u>	<u>\$ 254,210</u>	Total liabilities and fund balances (deficit)

Continued on next page

# CITY OF FOLSOM, CALIFORNIA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED) JUNE 30, 2017

	Humbug Willow Creek	General Plan Amendment	Tree Planting
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 173,225	\$ 741,102
Receivables			
General accounts	-	-	-
Accrued interest	-	789	3,396
Loans	-	-	-
Due from other governments	1,219,010	-	-
Restricted assets:			
Cash and cash equivalents	-	-	20,063
<b>Total assets</b>	<b>\$ 1,219,010</b>	<b>\$ 174,014</b>	<b>\$ 764,561</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,430,454	\$ 22,117	\$ 2
Due to other funds	907,389	-	-
Unearned revenue	40	-	-
<b>Total liabilities</b>	<b>2,337,883</b>	<b>22,117</b>	<b>2</b>
 <b>FUND BALANCES</b>			
Restricted	-	-	-
Committed	-	151,897	764,559
Assigned	-	-	-
Unassigned	(1,118,873)	-	-
<b>Total fund balances (deficit)</b>	<b>(1,118,873)</b>	<b>151,897</b>	<b>764,559</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 1,219,010</b>	<b>\$ 174,014</b>	<b>\$ 764,561</b>

Zoo	Other	Total Nonmajor Special Revenue Funds
\$ 89,797	\$ 2,126,939	\$ 13,412,120
1,505	-	41,781
327	8,479	57,699
-	3,678,718	3,818,138
-	-	1,290,351
-	15,000	132,063
<u>\$ 91,629</u>	<u>\$ 5,829,136</u>	<u>\$ 18,752,152</u>

ASSETS

Cash and cash equivalents
Receivables
General accounts
Accrued interest
Loans
Due from other governments
Restricted assets:
Cash and cash equivalents
 Total assets

LIABILITIES AND FUND BALANCE

LIABILITIES

\$ -	\$ 431,796	\$ 2,373,324	Accounts payable
-	-	907,389	Due to other funds
-	96,080	475,276	Unearned revenue
-	527,876	3,755,989	Total liabilities

FUND BALANCES

91,629	731,465	9,660,613	Restricted
-	1,805,096	3,690,161	Committed
-	2,764,699	2,764,699	Assigned
-	-	(1,119,310)	Unassigned
<u>91,629</u>	<u>5,301,260</u>	<u>14,996,163</u>	Total fund balances (deficit)
<u>\$ 91,629</u>	<u>\$ 5,829,136</u>	<u>\$ 18,752,152</u>	Total liabilities and fund balances (deficit)

## CITY OF FOLSOM, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON MAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Planning Services	Transportation Tax	Park Dedication (Quimby)
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	-	84,330	-
Charges for current services	276,003	-	-
Fines and forfeitures	-	-	-
Interest	5,621	2,632	13,857
Miscellaneous	-	-	-
	<u>281,624</u>	<u>86,962</u>	<u>13,857</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	297,133	-	15,487
Public safety	-	-	-
Public ways and facilities	-	-	-
Culture and recreation	-	-	-
Capital Outlay	-	-	50,000
	<u>297,133</u>	<u>-</u>	<u>65,487</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,509)</u>	<u>86,962</u>	<u>(51,630)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(159,312)	(4,934)
	<u>-</u>	<u>(159,312)</u>	<u>(4,934)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	<u>(15,509)</u>	<u>(72,350)</u>	<u>(56,564)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>15,072</u>	<u>173,721</u>	<u>931,271</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (437)</u>	<u>\$ 101,371</u>	<u>\$ 874,707</u>

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
\$ -	\$ -	\$ -	\$ -	REVENUES:
1,501,018	-	-	165,663	Licenses and permits
-	3,068,922	31,089	13,146	Intergovernmental
-	-	-	-	Charges for current services
60,666	82,306	1,929	-	Fines and forfeitures
-	-	-	-	Interest
-	-	-	-	Miscellaneous
<u>1,561,684</u>	<u>3,151,228</u>	<u>33,018</u>	<u>178,809</u>	Total revenues
-	-	-	-	EXPENDITURES:
-	-	-	-	Current:
186,971	1,994,694	-	198,183	General government
-	-	-	-	Public safety
258,554	-	-	-	Public ways and facilities
-	-	-	-	Culture and recreation
-	-	-	-	Capital Outlay
<u>445,525</u>	<u>1,994,694</u>	<u>-</u>	<u>198,183</u>	Total expenditures
<u>1,116,159</u>	<u>1,156,534</u>	<u>33,018</u>	<u>(19,374)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	-	OTHER FINANCING SOURCES (USES):
(1,122,631)	(401,690)	(57,660)	(5,357)	Transfers in
-	-	-	-	Transfers out
<u>(1,122,631)</u>	<u>(401,690)</u>	<u>(57,660)</u>	<u>(5,357)</u>	TOTAL OTHER FINANCING SOURCES (USES)
(6,472)	754,844	(24,642)	(24,731)	NET CHANGE IN FUND BALANCES
<u>3,417,269</u>	<u>4,327,881</u>	<u>118,544</u>	<u>267,357</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 3,410,797</u>	<u>\$ 5,082,725</u>	<u>\$ 93,902</u>	<u>\$ 242,626</u>	FUND BALANCES (DEFICIT), END OF YEAR

Continued on next page

## CITY OF FOLSOM, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON MAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Humbug Willow Creek	General Plan Amendment	Tree Planting
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	2,056,065	77,091	-
Charges for current services	47,430	56,731	204,250
Fines and forfeitures	-	-	-
Interest	-	2,730	12,245
Miscellaneous	-	-	863
Total revenues	<u>2,103,495</u>	<u>136,552</u>	<u>217,358</u>
EXPENDITURES:			
Current:			
General government	-	158,297	-
Public safety	-	-	-
Public ways and facilities	-	-	66,203
Culture and recreation	218,756	-	-
Capital Outlay	2,302,377	-	-
Total expenditures	<u>2,521,133</u>	<u>158,297</u>	<u>66,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(417,638)</u>	<u>(21,745)</u>	<u>151,155</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	267,607	-	-
Transfers out	-	-	(91,532)
TOTAL OTHER FINANCING SOURCES (USES)	<u>267,607</u>	<u>-</u>	<u>(91,532)</u>
NET CHANGE IN FUND BALANCES	(150,031)	(21,745)	59,623
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(968,842)</u>	<u>173,642</u>	<u>704,936</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (1,118,873)</u>	<u>\$ 151,897</u>	<u>\$ 764,559</u>

<u>Zoo</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>	
			REVENUES:
\$ -	\$ 7,820	\$ 7,820	Licenses and permits
-	-	3,884,167	Intergovernmental
18,930	164,891	3,881,392	Charges for current services
-	515,545	515,545	Fines and forfeitures
1,187	31,245	214,418	Interest
10,154	20,425	31,442	Miscellaneous
<u>30,271</u>	<u>739,926</u>	<u>8,534,784</u>	Total revenues
			EXPENDITURES:
			Current:
-	26,211	497,128	General government
-	15,004	15,004	Public safety
-	34,929	2,480,980	Public ways and facilities
6,540	1,395	226,691	Culture and recreation
-	-	2,610,931	Capital Outlay
<u>6,540</u>	<u>77,539</u>	<u>5,830,734</u>	Total expenditures
<u>23,731</u>	<u>662,387</u>	<u>2,704,050</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
			OTHER FINANCING SOURCES (USES):
-	-	267,607	Transfers in
-	(222,886)	(2,066,002)	Transfers out
<u>-</u>	<u>(222,886)</u>	<u>(1,798,395)</u>	TOTAL OTHER FINANCING SOURCES (USES)
23,731	439,501	905,655	NET CHANGE IN FUND BALANCES
<u>67,898</u>	<u>4,861,759</u>	<u>14,090,508</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 91,629</u>	<u>\$ 5,301,260</u>	<u>\$ 14,996,163</u>	FUND BALANCES (DEFICIT), END OF YEAR



**CITY OF FOLSOM, CALIFORNIA  
 PLANNING SERVICES SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Charges for current services	\$ 300,000	\$ 605,917	\$ 276,003	\$ (329,914)
Interest	<u>30,000</u>	<u>30,000</u>	<u>5,621</u>	<u>(24,379)</u>
Total revenues	<u>330,000</u>	<u>635,917</u>	<u>281,624</u>	<u>(354,293)</u>
EXPENDITURES				
Current operating:				
General government	<u>330,000</u>	<u>635,917</u>	<u>297,133</u>	<u>338,784</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(15,509)</u>	<u>(15,509)</u>
NET CHANGE IN FUND BALANCE	-	-	(15,509)	<u>\$ (15,509)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>15,072</u>	<u>15,072</u>	<u>15,072</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ 15,072</u>	<u>\$ 15,072</u>	<u>\$ (437)</u>	

**CITY OF FOLSOM, CALIFORNIA  
TRANSPORTATION TAX SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 84,330	\$ (215,670)
Other	123,902	123,902	-	(123,902)
Interest	1,500	1,500	2,632	1,132
Total revenues	<u>425,402</u>	<u>425,402</u>	<u>86,962</u>	<u>(338,440)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>425,402</u>	<u>425,402</u>	<u>86,962</u>	<u>(338,440)</u>
OTHER FINANCING USES				
Transfers out	<u>(425,402)</u>	<u>(425,402)</u>	<u>(159,312)</u>	<u>266,090</u>
NET CHANGE IN FUND BALANCE	-	-	(72,350)	<u><u>\$ (72,350)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>173,721</u>	<u>173,721</u>	<u>173,721</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 173,721</u></u>	<u><u>\$ 173,721</u></u>	<u><u>\$ 101,371</u></u>	

**CITY OF FOLSOM, CALIFORNIA  
 PARK DEDICATION (QUIMBY) SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ -	\$ -	\$ -	\$ -
Interest	9,000	9,000	13,857	4,857
Miscellaneous	220,934	220,934	-	(220,934)
Total revenues	<u>229,934</u>	<u>229,934</u>	<u>13,857</u>	<u>(216,077)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	225,000	225,000	65,487	159,513
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,934</u>	<u>4,934</u>	<u>(51,630)</u>	<u>(56,564)</u>
OTHER FINANCING USES				
Transfers out	<u>(4,934)</u>	<u>(4,934)</u>	<u>(4,934)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(56,564)	<u>\$ (56,564)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>931,271</u>	<u>931,271</u>	<u>931,271</u>	
FUND BALANCE - END OF YEAR	<u>\$ 931,271</u>	<u>\$ 931,271</u>	<u>\$ 874,707</u>	

**CITY OF FOLSOM, CALIFORNIA  
 GAS TAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$1,534,898	\$1,534,898	\$1,501,018	\$ (33,880)
Interest	-	-	60,666	60,666
Miscellaneous	374,427	374,427	-	(374,427)
Total revenues	<u>1,909,325</u>	<u>1,909,325</u>	<u>1,561,684</u>	<u>(347,641)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	-	-	186,971	(186,971)
Capital Outlay	600,000	600,000	258,554	341,446
Total expenditures	600,000	600,000	445,525	154,475
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,309,325</u>	<u>1,309,325</u>	<u>1,116,159</u>	<u>(193,166)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,309,325)</u>	<u>(1,309,325)</u>	<u>(1,122,631)</u>	<u>186,694</u>
NET CHANGE IN FUND BALANCE	-	-	(6,472)	<u>\$ (6,472)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,417,269</u>	<u>3,417,269</u>	<u>3,417,269</u>	
FUND BALANCE - END OF YEAR	<u><u>\$3,417,269</u></u>	<u><u>\$3,417,269</u></u>	<u><u>\$3,410,797</u></u>	

**CITY OF FOLSOM, CALIFORNIA**  
**LIGHT AND LANDSCAPE, AND MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 2,672,485	\$ 2,672,485	\$ 3,068,922	\$ 396,437
Interest	34,125	34,125	82,306	48,181
Total revenues	<u>2,706,610</u>	<u>2,706,610</u>	<u>3,151,228</u>	<u>444,618</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>2,305,402</u>	<u>2,305,402</u>	<u>1,994,694</u>	<u>310,708</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>401,208</u>	<u>401,208</u>	<u>1,156,534</u>	<u>755,326</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(401,208)</u>	<u>(401,208)</u>	<u>(401,690)</u>	<u>(482)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(401,208)</u>	<u>(401,208)</u>	<u>(401,690)</u>	<u>(482)</u>
NET CHANGE IN FUND BALANCE	-	-	754,844	<u>\$ 754,844</u>
FUND BALANCE - BEGINNING OF YEAR	<u>4,327,881</u>	<u>4,327,881</u>	<u>4,327,881</u>	
FUND BALANCE - END OF YEAR	<u>\$ 4,327,881</u>	<u>\$ 4,327,881</u>	<u>\$ 5,082,725</u>	

**CITY OF FOLSOM, CALIFORNIA  
TRANSPORTATION SYSTEM MANAGEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 57,660	\$ 57,660	\$ 31,089	\$ (26,571)
Intergovernmental	-	-	-	-
Interest	-	-	1,929	1,929
Total revenues	<u>57,660</u>	<u>57,660</u>	<u>33,018</u>	<u>(24,642)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>57,660</u>	<u>57,660</u>	<u>33,018</u>	<u>(24,642)</u>
OTHER FINANCING USES:				
Transfers out	<u>(57,660)</u>	<u>(57,660)</u>	<u>(57,660)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(24,642)	<u>\$ (24,642)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>118,544</u>	<u>118,544</u>	<u>118,544</u>	
FUND BALANCE - END OF YEAR	<u>\$ 118,544</u>	<u>\$ 118,544</u>	<u>\$ 93,902</u>	

**CITY OF FOLSOM, CALIFORNIA  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 165,663	\$ 15,663
Charges for current services	-	-	13,146	13,146
Interest	5,357	5,357	-	(5,357)
Miscellaneous	-	-	-	-
Total revenues	<u>155,357</u>	<u>155,357</u>	<u>178,809</u>	<u>23,452</u>
EXPENDITURES:				
Current Operating:				
Public ways and facilities	<u>150,000</u>	<u>150,000</u>	<u>198,183</u>	<u>(48,183)</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>198,183</u>	<u>(48,183)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,357</u>	<u>5,357</u>	<u>(19,374)</u>	<u>(24,731)</u>
OTHER FINANCING USES:				
Transfers out	<u>(5,357)</u>	<u>(5,357)</u>	<u>(5,357)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(24,731)	<u>\$ (24,731)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>267,357</u>	<u>267,357</u>	<u>267,357</u>	
FUND BALANCE - END OF YEAR	<u>\$ 267,357</u>	<u>\$ 267,357</u>	<u>\$ 242,626</u>	

**CITY OF FOLSOM, CALIFORNIA  
HUMBUG WILLOW CREEK SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 1,076,617	\$ 3,567,497	\$ 2,056,065	\$(1,511,432)
Charges for current services	60,000	60,000	47,430	(12,570)
Total revenues	<u>1,136,617</u>	<u>3,627,497</u>	<u>2,103,495</u>	<u>(1,524,002)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	218,756	218,756	-
Capital outlay	<u>1,232,000</u>	<u>3,504,124</u>	<u>2,302,377</u>	<u>1,201,747</u>
Total expenditures	<u>1,232,000</u>	<u>3,722,880</u>	<u>2,521,133</u>	<u>1,201,747</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(95,383)</u>	<u>(95,383)</u>	<u>(417,638)</u>	<u>(322,255)</u>
OTHER FINANCING USES:				
Transfers in	<u>95,383</u>	<u>95,383</u>	<u>267,607</u>	<u>172,224</u>
NET CHANGE IN FUND BALANCE	-	-	(150,031)	<u>\$ (150,031)</u>
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(968,842)</u>	<u>(968,842)</u>	<u>(968,842)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (968,842)</u>	<u>\$ (968,842)</u>	<u>\$ (1,118,873)</u>	



**CITY OF FOLSOM, CALIFORNIA  
GENERAL PLAN AMENDMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Charges for current services	\$ 60,000	\$ 60,000	\$ 56,731	\$ (3,269)
Intergovernmental	75,000	75,000	77,091	2,091
Interest	4,000	4,000	2,730	(1,270)
Miscellaneous	<u>272,000</u>	<u>394,845</u>	<u>-</u>	<u>(394,845)</u>
Total revenues	<u>411,000</u>	<u>533,845</u>	<u>136,552</u>	<u>(397,293)</u>
EXPENDITURES:				
Current operating:				
General government	<u>411,000</u>	<u>533,845</u>	<u>158,297</u>	<u>375,548</u>
Total expenditures	<u>411,000</u>	<u>533,845</u>	<u>158,297</u>	<u>375,548</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(21,745)</u>	<u>(21,745)</u>
NET CHANGE IN FUND BALANCE	-	-	(21,745)	<u>\$ (21,745)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>173,642</u>	<u>173,642</u>	<u>173,642</u>	
FUND BALANCE - END OF YEAR	<u>\$ 173,642</u>	<u>\$ 173,642</u>	<u>\$ 151,897</u>	

**CITY OF FOLSOM, CALIFORNIA  
TREE PLANTING SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Charges for current services	70,000	70,000	204,250	134,250
Fines and forfeitures	-	-	-	-
Interest	7,000	7,000	12,245	5,245
Miscellaneous	36,027	36,027	863	(35,164)
Total revenues	<u>113,027</u>	<u>113,027</u>	<u>217,358</u>	<u>104,331</u>
<b>EXPENDITURES:</b>				
Current operating:				
Public ways and facilities	75,000	76,932	66,203	10,729
Total expenditures	<u>75,000</u>	<u>76,932</u>	<u>66,203</u>	<u>10,729</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>38,027</u>	<u>36,095</u>	<u>151,155</u>	<u>115,060</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(38,027)</u>	<u>(38,027)</u>	<u>(91,532)</u>	<u>(53,505)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(1,932)	59,623	<u>\$ 61,555</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>704,936</u>	<u>704,936</u>	<u>704,936</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 704,936</u>	<u>\$ 703,004</u>	<u>\$ 764,559</u>	

**CITY OF FOLSOM, CALIFORNIA  
ZOO SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 17,500	\$ 17,500	\$ 18,930	\$ 1,430
Interest	-	-	1,187	1,187
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>10,154</u>	<u>7,654</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>30,271</u>	<u>10,271</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>20,000</u>	<u>20,000</u>	<u>6,540</u>	<u>13,460</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>6,540</u>	<u>13,460</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>23,731</u>	<u>23,731</u>
NET CHANGE IN FUND BALANCE	-	-	23,731	<u>\$ 23,731</u>
FUND BALANCE - BEGINNING OF YEAR	<u>67,898</u>	<u>67,898</u>	<u>67,898</u>	
FUND BALANCE - END OF YEAR	<u>\$ 67,898</u>	<u>\$ 67,898</u>	<u>\$ 91,629</u>	

**CITY OF FOLSOM, CALIFORNIA  
OTHER SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Licenses and permits	\$ -	\$ -	\$ 7,820	\$ 7,820
Intergovernmental	-	-	-	-
Charges for current services	246,500	246,500	164,891	(81,609)
Fines and forfeitures	-	-	515,545	515,545
Interest	2,500	2,500	31,245	28,745
Miscellaneous	(68,707)	91,293	20,425	(70,868)
<b>Total revenues</b>	<u>180,293</u>	<u>340,293</u>	<u>739,926</u>	<u>399,633</u>
<b>EXPENDITURES:</b>				
Current operating:				
General government	106,500	106,500	26,211	80,289
Public safety	-	-	15,004	(15,004)
Culture and recreation	12,000	12,000	1,395	10,605
<b>Total expenditures</b>	<u>118,500</u>	<u>118,500</u>	<u>42,610</u>	<u>75,890</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>61,793</u>	<u>221,793</u>	<u>697,316</u>	<u>475,523</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(61,793)	(221,793)	(222,886)	(1,093)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(61,793)</u>	<u>(221,793)</u>	<u>(222,886)</u>	<u>(1,093)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	474,430	<u>\$ 474,430</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>4,861,759</u>	<u>4,861,759</u>	<u>4,861,759</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,861,759</u>	<u>\$ 4,861,759</u>	<u>\$ 5,336,189</u>	

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## **NONMAJOR DEBT SERVICE FUNDS**

### 1915 Assessment Districts:

To account for the debt service on the following 1915 Assessment Districts:

City of Folsom South Assessment District Refunding Bonds  
1982-1 Nimbus Water

### Folsom Community Correctional Facility:

To account for the debt service on the City of Folsom Certificates of Participation for the Folsom Community Correctional Facility.

### City Parks and Signals:

To account for the debt service on the City of Folsom Refunding Certificates of Participation.

### General Obligation Bonds for School Facilities:

To account for the debt service on the General Obligation Bonds issued for school facilities.

### Folsom Ranch Financing Authority:

To account for the debt service of the Folsom Ranch Financing Authority.

### Recreation Facility:

To account for the debt service on the City of Folsom Certificates of Participation for the Natoma Station Learning Center.

# CITY OF FOLSOM, CALIFORNIA

## COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS JUNE 30, 2017

	1915 Assessment Districts	Community Correctional Facility	City Parks and Signals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,040,304	\$ 292,305	\$ 50,464
Investments held in trust	-	-	-
Receivables:			
General accounts	-	-	-
Accrued interest	4,400	1,236	214
Special assessments - delinquent	41,329	-	-
Due from other governments	-	-	-
	<u>\$ 1,086,033</u>	<u>\$ 293,541</u>	<u>\$ 50,678</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Special Assessments not collected	\$ 41,329	\$ -	\$ -
Total deferred inflows of resources	<u>41,329</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>			
Restricted	1,044,704	-	-
Assigned	<u>-</u>	<u>293,541</u>	<u>50,678</u>
Total fund balances	<u>1,044,704</u>	<u>293,541</u>	<u>50,678</u>
Total deferred inflows and fund balances	<u>\$ 1,086,033</u>	<u>\$ 293,541</u>	<u>\$ 50,678</u>

General Obligation School Facilities	Recreation Facility	Folsom Ranch Financing Authority	Total Nonmajor Debt Service Funds	
ASSETS				
\$ 844,731	\$ 51,727	\$ -	\$ 2,279,531	Cash and cash equivalents
-	-	7,137,571	7,137,571	Investments held in trust
-	33,563	-	33,563	Receivables:
2,245	229	-	8,324	General accounts
-	-	-	41,329	Accrued interest
17,228	-	-	17,228	Special assessments - delinquent
<u>\$ 864,204</u>	<u>\$ 85,519</u>	<u>\$ 7,137,571</u>	<u>\$ 9,517,546</u>	Due from other governments
				Total assets
DEFERRED INFLOWS OF RESOURCES:				
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,329</u>	Special Assessments not collected
-	-	-	41,329	Total deferred inflows of resources
FUND BALANCES:				
864,204	85,519	7,137,571	9,131,998	Restricted
-	-	-	344,219	Assigned
<u>864,204</u>	<u>85,519</u>	<u>7,137,571</u>	<u>9,476,217</u>	Total fund balances
<u>\$ 864,204</u>	<u>\$ 85,519</u>	<u>\$ 7,137,571</u>	<u>\$ 9,517,546</u>	Total deferred inflows and fund balances



**CITY OF FOLSOM, CALIFORNIA**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>1915 Assessment Districts</u>	<u>Community Correctional Facility</u>	<u>City Parks and Signals</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Assessment collections	-	-	-
Investment income (loss)	15,587	4,380	758
Total revenues	<u>15,587</u>	<u>4,380</u>	<u>758</u>
EXPENDITURES:			
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>15,587</u>	<u>4,380</u>	<u>758</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(342)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(342)</u>
NET CHANGE IN FUND BALANCES	15,587	4,380	416
FUND BALANCES, BEGINNING OF YEAR	<u>1,029,117</u>	<u>289,161</u>	<u>50,262</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,044,704</u>	<u>\$ 293,541</u>	<u>\$ 50,678</u>

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Folsom Ranch Financing Authority</u>	<u>Total Nonmajor Debt Service Funds</u>	
				REVENUES:
\$ -	\$ -	\$ 278,544	\$ 278,544	Intergovernmental
908,120	-	-	908,120	Assessment collections
4,985	810	(843,422)	(816,902)	Investment income (loss)
<u>913,105</u>	<u>810</u>	<u>(564,878)</u>	<u>369,762</u>	Total revenues
				EXPENDITURES:
				Debt service:
1,490,000	-	125,000	1,615,000	Principal payments
64,374	-	278,544	342,918	Interest and fiscal charges
<u>1,554,374</u>	<u>-</u>	<u>403,544</u>	<u>1,957,918</u>	Total expenditures
<u>(641,269)</u>	<u>810</u>	<u>(968,422)</u>	<u>(1,588,156)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
<u>(10,511)</u>	<u>(3,613)</u>	<u>-</u>	<u>(14,466)</u>	OTHER FINANCING SOURCES (USES):
				Transfers Out
<u>(10,511)</u>	<u>(3,613)</u>	<u>-</u>	<u>(14,466)</u>	Total other financing sources (uses)
(651,780)	(2,803)	(968,422)	(1,602,622)	NET CHANGE IN FUND BALANCES
<u>1,515,984</u>	<u>88,322</u>	<u>8,105,993</u>	<u>11,078,839</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 864,204</u>	<u>\$ 85,519</u>	<u>\$ 7,137,571</u>	<u>\$ 9,476,217</u>	FUND BALANCES, END OF YEAR

**CITY OF FOLSOM, CALIFORNIA  
1915 ASSESSMENT DISTRICTS DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Special Assessment	\$ -	\$ -	\$ -	\$ -
Interest	-	-	15,587	15,587
Total revenues	-	-	15,587	15,587
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	15,587	15,587
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	15,587	<u>\$ 15,587</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,029,117</u>	<u>1,029,117</u>	<u>1,029,117</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,029,117</u>	<u>\$ 1,029,117</u>	<u>\$ 1,044,704</u>	

**CITY OF FOLSOM, CALIFORNIA  
COMMUNITY CORRECTIONAL FACILITY DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	4,380	4,380
Total revenues	-	-	4,380	4,380
EXPENDITURES				
General Government	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	4,380	4,380
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	4,380	<u>\$ 4,380</u>
FUND BALANCE - BEGINNING OF YEAR	<u>289,161</u>	<u>289,161</u>	<u>289,161</u>	
FUND BALANCE - END OF YEAR	<u>\$ 289,161</u>	<u>\$ 289,161</u>	<u>\$ 293,541</u>	

**CITY OF FOLSOM, CALIFORNIA  
CITY PARKS AND TRAFFIC SIGNALS DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ 342	\$ 758	\$ 416
Miscellaneous	-	-	-	-
Total revenues	-	342	758	416
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	342	758	416
OTHER FINANCING USES				
Transfers out	-	(342)	(342)	-
NET CHANGE IN FUND BALANCE	-	-	416	<u>\$ 416</u>
FUND BALANCE - BEGINNING OF YEAR	50,262	50,262	50,262	
FUND BALANCE - END OF YEAR	<u>\$ 50,262</u>	<u>\$ 50,262</u>	<u>\$ 50,678</u>	

**CITY OF FOLSOM, CALIFORNIA  
GENERAL OBLIGATION SCHOOL FACILITIES DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Assessment collections	\$ 1,492,625	\$ 1,492,625	\$ 908,120	\$ (584,505)
Interest	73,686	73,686	4,985	(68,701)
Total revenues	<u>1,566,311</u>	<u>1,566,311</u>	<u>913,105</u>	<u>(653,206)</u>
EXPENDITURES				
Debt service:				-
Principal	1,490,000	1,490,000	1,490,000	-
Interest and fiscal charges	65,800	65,800	64,374	1,426
Total expenditures	<u>1,555,800</u>	<u>1,555,800</u>	<u>1,554,374</u>	<u>1,426</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,511</u>	<u>10,511</u>	<u>(641,269)</u>	<u>(651,780)</u>
OTHER FINANCING USES				
Transfers out	(10,511)	(10,511)	(10,511)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,511)</u>	<u>(10,511)</u>	<u>(10,511)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(651,780)	\$ (651,780)
FUND BALANCE - BEGINNING OF YEAR	<u>1,515,984</u>	<u>1,515,984</u>	<u>1,515,984</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,515,984</u>	<u>\$ 1,515,984</u>	<u>\$ 864,204</u>	

**CITY OF FOLSOM, CALIFORNIA  
RECREATION FACILITY DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 3,613	\$ 3,613	\$ 810	\$ (2,803)
Total revenues	3,613	3,613	810	(2,803)
EXPENDITURES				
General Government	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,613	3,613	810	(2,803)
OTHER FINANCING USES				
Transfers out	(3,613)	(3,613)	(3,613)	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,613)	(3,613)	(3,613)	-
NET CHANGE IN FUND BALANCE	-	-	(2,803)	<u>\$ (2,803)</u>
FUND BALANCE - BEGINNING OF YEAR	88,322	88,322	88,322	
FUND BALANCE - END OF YEAR	<u>\$ 88,322</u>	<u>\$ 88,322</u>	<u>\$ 85,519</u>	

**CITY OF FOLSOM, CALIFORNIA  
FOLSOM RANCH DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ -	\$ 403,544	\$ 278,544	\$ (125,000)
Investment income (loss)	-	-	(843,422)	(843,422)
Total revenues	-	403,544	(564,878)	(968,422)
EXPENDITURES				
Debt service:				
Principal	-	125,000	125,000	-
Interest and fiscal charges	-	278,544	278,544	-
Total expenditures	-	403,544	403,544	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(968,422)	(968,422)
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	(968,422)	\$ (968,422)
FUND BALANCE - BEGINNING OF YEAR	8,105,993	8,105,993	8,105,993	
FUND BALANCE - END OF YEAR	\$ 8,105,993	\$ 8,105,993	\$ 7,137,571	



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## **NONMAJOR CAPITAL PROJECTS FUNDS**

### 1915 Assessment Districts:

To account for the construction proceeds of the following 1915 Assessment District:

Prairie Oaks Ranch 92-2

### Mello Roos Assessment Districts:

To account for the construction proceeds of the following special tax bonds:

1995 Empire Ranch Community Facilities District No. 10  
2001 Parkway Community Facilities District No. 14

### Park Capital Improvement:

To account for long-term park projects financed from developer mitigation charges.

### Police Capital Improvement:

To account for development mitigation fees to finance outlay and facilities.

### Fire Capital Improvement:

To account for development mitigation fees to finance fire capital outlay and facilities.

### General Capital Improvement:

To account for development mitigation fees to finance general capital outlay and facilities.

### Drainage Capital Improvement:

To account for development mitigation fees to finance drainage capital outlay and facilities.

### Zoo Improvement:

To account for construction projects for the Folsom Zoo.

### Light Rail Transportation:

To account for the construction of light rail transportation projects.

### Major Capital and Renovation:

To account for the construction and renovation of major City facilities.

### Library Construction:

To account for the construction of a new library.

### FSPA Infrastructure:

To account for the construction of infrastructure for the Folsom Specific Plan Area.

**CITY OF FOLSOM, CALIFORNIA**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2017**

	<u>1915 Assessment Districts</u>	<u>Mello-Roos Assessment Districts</u>	<u>Park Capital Improvement</u>	<u>Police Capital Improvement</u>	<u>Fire Capital Improvement</u>	<u>General Capital Improvement</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 316	\$ 13,910	\$ 2,498,121	\$ 398,819	\$ 3,144,835	\$ 824,518
Cash with fiscal agent	-	2,917,769	-	-	-	-
Receivables:						
Accrued interest	<u>1</u>	<u>59</u>	<u>11,850</u>	<u>1,949</u>	<u>12,982</u>	<u>3,802</u>
Total assets	<u>\$ 317</u>	<u>\$ 2,931,738</u>	<u>\$ 2,509,971</u>	<u>\$ 400,768</u>	<u>\$ 3,157,817</u>	<u>\$ 828,320</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ 319,180	\$ -	\$ 32,852	\$ -
Wages payable	-	-	4,738	-	-	-
Due to other funds	<u>-</u>	<u>151,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>151,623</u>	<u>323,918</u>	<u>-</u>	<u>32,852</u>	<u>-</u>
<b>FUND BALANCE</b>						
Restricted	-	2,780,115	2,186,053	400,768	3,124,965	828,320
Assigned	317	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>317</u>	<u>2,780,115</u>	<u>2,186,053</u>	<u>400,768</u>	<u>3,124,965</u>	<u>828,320</u>
Total liabilities and fund balance	<u>\$ 317</u>	<u>\$ 2,931,738</u>	<u>\$ 2,509,971</u>	<u>\$ 400,768</u>	<u>\$ 3,157,817</u>	<u>\$ 828,320</u>

<u>Drainage Capital Improvement</u>	<u>Zoo Improvement</u>	<u>Light Rail Transportation</u>	<u>Major Capital and Renovation</u>	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>	
							<b>ASSETS</b>
\$ 252,435	\$ -	\$ 386,237	\$ 71,380	\$ 66,224	\$ 196,883	\$ 7,853,678	Cash and cash equivalents
-	-	-	-	-	-	2,917,769	Cash with fiscal agent
1,100	185	1,538	302	280	882	34,930	Receivables: Accrued interest
<u>\$ 253,535</u>	<u>\$ 185</u>	<u>\$ 387,775</u>	<u>\$ 71,682</u>	<u>\$ 66,504</u>	<u>\$ 197,765</u>	<u>\$ 10,806,377</u>	Total assets
							<b>LIABILITIES AND FUND BALANCES</b>
							LIABILITIES:
\$ 33,220	\$ 30,983	\$ 82	\$ -	\$ -	\$ 58,984	\$ 475,301	Accounts payable
-	-	-	-	-	-	4,738	Wages payable
-	512	-	-	-	-	152,135	Due to other funds
<u>33,220</u>	<u>31,495</u>	<u>82</u>	<u>-</u>	<u>-</u>	<u>58,984</u>	<u>632,174</u>	Total liabilities
							FUND BALANCE
220,315	-	387,693	-	-	138,781	10,067,010	Restricted
-	-	-	71,682	66,504	-	138,503	Assigned
-	(31,310)	-	-	-	-	(31,310)	Unassigned
<u>220,315</u>	<u>(31,310)</u>	<u>387,693</u>	<u>71,682</u>	<u>66,504</u>	<u>138,781</u>	<u>10,174,203</u>	Total fund balances
<u>\$ 253,535</u>	<u>\$ 185</u>	<u>\$ 387,775</u>	<u>\$ 71,682</u>	<u>\$ 66,504</u>	<u>\$ 197,765</u>	<u>\$ 10,806,377</u>	Total liabilities and fund balances

**CITY OF FOLSOM, CALIFORNIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NON MAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>1915 Assessment Districts</u>	<u>Mello-Roos Assessment Districts</u>	<u>Park Capital Improvement</u>	<u>Police Capital Improvement</u>	<u>Fire Capital Improvement</u>	<u>General Capital Improvement</u>
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for current services	-	-	1,259,049	242,736	245,913	354,644
Interest	4	19,648	25,526	6,919	15,620	13,482
Miscellaneous	-	33	37,250	-	-	-
Total revenues	<u>4</u>	<u>19,681</u>	<u>1,321,825</u>	<u>249,655</u>	<u>261,533</u>	<u>368,126</u>
EXPENDITURES:						
Public ways and facilities	-	588	234,211	-	35,352	16,331
Capital outlay	-	121,942	1,392,128	-	-	-
Total expenditures	<u>-</u>	<u>122,530</u>	<u>1,626,339</u>	<u>-</u>	<u>35,352</u>	<u>16,331</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4</u>	<u>(102,849)</u>	<u>(304,514)</u>	<u>249,655</u>	<u>226,181</u>	<u>351,795</u>
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	(28,813)	(300,000)	(80,389)	(404,667)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(28,813)</u>	<u>(300,000)</u>	<u>(80,389)</u>	<u>(404,667)</u>
NET CHANGE IN FUND BALANCE	4	(102,849)	(333,327)	(50,345)	145,792	(52,872)
FUND BALANCE, BEGINNING OF YEAR	<u>313</u>	<u>2,882,964</u>	<u>2,519,380</u>	<u>451,113</u>	<u>2,979,173</u>	<u>881,192</u>
FUND BALANCE, END OF YEAR	<u>\$ 317</u>	<u>\$ 2,780,115</u>	<u>\$ 2,186,053</u>	<u>\$ 400,768</u>	<u>\$ 3,124,965</u>	<u>\$ 828,320</u>

<u>Drainage Capital Improvement</u>	<u>Zoo Improvement</u>	<u>Light Rail Transportation</u>	<u>Major Capital and Renovation</u>	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>	
							REVENUES:
\$ 28,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,118	Intergovernmental
229,517	-	143,899	-	-	381,460	2,857,218	Charges for current services
3,758	451	5,547	1,069	991	3,168	96,183	Interest
-	275,000	-	-	-	-	312,283	Miscellaneous
<u>261,393</u>	<u>275,451</u>	<u>149,446</u>	<u>1,069</u>	<u>991</u>	<u>384,628</u>	<u>\$3,293,802</u>	Total revenues
							EXPENDITURES:
122,259	9,521	30,067	-	-	341,525	789,854	Public ways and facilities
-	378,438	-	-	-	-	1,892,508	Capital outlay
<u>122,259</u>	<u>387,959</u>	<u>30,067</u>	<u>-</u>	<u>-</u>	<u>341,525</u>	<u>2,682,362</u>	Total expenditures
							EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
139,134	(112,508)	119,379	1,069	991	43,103	\$611,440	
							OTHER FINANCING SOURCES (USES):
(79,221)	-	(56,616)	-	-	(5,172)	(954,878)	Transfers out
							Total other financing sources (uses)
<u>(79,221)</u>	<u>-</u>	<u>(56,616)</u>	<u>-</u>	<u>-</u>	<u>(5,172)</u>	<u>(954,878)</u>	
59,913	(112,508)	62,763	1,069	991	37,931	(343,438)	NET CHANGE IN FUND BALANCE
<u>160,402</u>	<u>81,198</u>	<u>324,930</u>	<u>70,613</u>	<u>65,513</u>	<u>100,850</u>	<u>10,517,641</u>	FUND BALANCE, BEGINNING OF YEAR
<u>\$ 220,315</u>	<u>\$ (31,310)</u>	<u>\$ 387,693</u>	<u>\$ 71,682</u>	<u>\$ 66,504</u>	<u>\$ 138,781</u>	<u>\$ 10,174,203</u>	FUND BALANCE, END OF YEAR

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**PERMANENT FUND**

Wetland/Open Space Maintenance:

To account for endowments. Interest is to be used for maintenance of Wetland/Open Space.



# CITY OF FOLSOM, CALIFORNIA

## BALANCE SHEET PERMANENT FUND JUNE 30, 2017

	<u>Wetland/ Open space Maintenance</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 431,848
Receivables:	
Accrued interest	<u>1,838</u>
Total assets	<u><u>\$ 433,686</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 4,392</u>
Total liabilities	<u>4,392</u>
 <b>FUND BALANCES</b>	
Nonspendable	428,782
Restricted	<u>512</u>
Total fund balances	<u>429,294</u>
Total liabilities and fund balances	<u><u>\$ 433,686</u></u>

**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - PERMANENT FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Wetland/ Open space Maintenance</u>
REVENUES:	
Interest	\$ 6,492
Miscellaneous	-
	<hr/>
Total revenues	<u>6,492</u>
EXPENDITURES:	
Current:	
Culture and recreation	<u>5,124</u>
	<hr/>
Total expenditures	<u>5,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/> <u>1,368</u>
OTHER FINANCING SOURCES (USES):	
Transfers out	<u>(856)</u>
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(856)</u>
NET CHANGE IN FUND BALANCES	512
FUND BALANCES, BEGINNING OF YEAR	<hr/> <u>428,782</u>
FUND BALANCES, END OF YEAR	<u>\$ 429,294</u>

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## **NONMAJOR ENTERPRISE FUNDS**

### Transit:

To account for the operation and maintenance of the City's bus system.

### Facilities Augmentation:

To account for additional services, including capital improvements of the Folsom South Area Facilities Plan.

**CITY OF FOLSOM, CALIFORNIA**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2017**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,187,989	\$ 707,618	\$ 2,895,607
Receivables, net of allowances for uncollectibles	17,046	3,003	20,049
Due from other governments	<u>75,202</u>	<u>-</u>	<u>75,202</u>
Total current assets	<u>2,280,237</u>	<u>710,621</u>	<u>2,990,858</u>
Noncurrent assets			
Capital assets	3,389,334	-	3,389,334
Less: accumulated depreciation	<u>(1,478,541)</u>	<u>-</u>	<u>(1,478,541)</u>
Total noncurrent assets	<u>1,910,793</u>	<u>-</u>	<u>1,910,793</u>
Total assets	<u>4,191,030</u>	<u>710,621</u>	<u>4,901,651</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	<u>341,110</u>	<u>-</u>	<u>341,110</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	43,767	583,056	626,823
Wages payable	31,478	-	31,478
Accrued compensated absences payable within one year	<u>17,905</u>	<u>-</u>	<u>17,905</u>
Total current liabilities	<u>93,150</u>	<u>583,056</u>	<u>676,206</u>
Noncurrent liabilities			
Net pension liability	1,803,531	-	1,803,531
Accrued compensated absences payable after one year	27,418	-	27,418
Post-employment benefit obligation	<u>323,909</u>	<u>-</u>	<u>323,909</u>
Total liabilities	<u>2,248,008</u>	<u>583,056</u>	<u>2,831,064</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	<u>66,636</u>	<u>-</u>	<u>66,636</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,910,793	-	1,910,793
Restricted for critical facilities use	-	127,565	127,565
Unrestricted	<u>306,703</u>	<u>-</u>	<u>306,703</u>
Total net position	<u>\$ 2,217,496</u>	<u>\$ 127,565</u>	<u>\$ 2,345,061</u>

**CITY OF FOLSOM, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES:			
Charges for services	\$ 604,935	\$ -	\$ 604,935
OPERATING EXPENSES:			
Employee services	1,068,070	-	1,068,070
Utilities	9,107	-	9,107
Supplies	139,736	-	139,736
Maintenance and operations	72,919	-	72,919
Contractual services	1,773,552	-	1,773,552
Depreciation	576,018	-	576,018
Other	208,449	3,040	211,489
TOTAL OPERATING EXPENSES	<u>3,847,851</u>	<u>3,040</u>	<u>3,850,891</u>
OPERATING INCOME (LOSS)	<u>(3,242,916)</u>	<u>(3,040)</u>	<u>(3,245,956)</u>
NONOPERATING REVENUE (EXPENSES):			
Investment income (loss)	(11,659)	10,640	(1,019)
Intergovernmental revenue	3,613,136	-	3,613,136
Total nonoperating revenue (expense)	<u>3,601,477</u>	<u>10,640</u>	<u>3,612,117</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>358,561</u>	<u>7,600</u>	<u>366,161</u>
TRANSFERS:			
Transfers out	<u>(220,378)</u>	-	<u>(220,378)</u>
TOTAL TRANSFERS	<u>(220,378)</u>	-	<u>(220,378)</u>
CHANGE IN NET POSITION	138,183	7,600	145,783
NET POSITION, BEGINNING OF YEAR	<u>2,079,313</u>	<u>119,965</u>	<u>2,199,278</u>
NET POSITION, END OF YEAR	<u>\$ 2,217,496</u>	<u>\$ 127,565</u>	<u>\$ 2,345,061</u>

**CITY OF FOLSOM, CALIFORNIA**

**COMBINING STATEMENT OF CASH FLOWS  
NON MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 140,856	\$ -	\$ 140,856
Payments to suppliers	(2,728,834)	(3,040)	(2,731,874)
Payments to employees	(1,101,688)	-	(1,101,688)
Cash paid to other sources	107,428	-	107,428
	<u>(3,582,238)</u>	<u>(3,040)</u>	<u>(3,585,278)</u>
Net cash provided (used) for operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(220,378)	-	(220,378)
Intergovernmental revenues	3,613,136	-	3,613,136
	<u>3,392,758</u>	<u>-</u>	<u>3,392,758</u>
Net cash provided (used) for noncapital financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	(4,397)	9,785	5,388
	<u>(4,397)</u>	<u>9,785</u>	<u>5,388</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(193,877)	6,745	(187,132)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,381,866</u>	<u>700,873</u>	<u>3,082,739</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,187,989</u>	<u>\$ 707,618</u>	<u>\$ 2,895,607</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 2,187,989</u>	<u>\$ 707,618</u>	<u>\$ 2,895,607</u>

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**CITY OF FOLSOM, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON MAJOR ENTERPRISE FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Transit	Facilities Augmentation	TOTAL NON-MAJOR ENTERPRISE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (3,242,916)	\$ (3,040)	\$ (3,245,956)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	576,018	-	576,018
Other non-operating income (expense)	(5,362)	-	(5,362)
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	31,424	-	31,424
Decrease (increase) in due from other governments	321,239	-	321,239
Increase (decrease) in accounts payable	(733,520)	-	(733,520)
Increase (decrease) in wages payable	1,059	-	1,059
Increase (decrease) in unearned revenue	(495,503)	-	(495,503)
Increase (decrease) in compensated absences	(8,642)	-	(8,642)
Increase (decrease) in OPEB	(26,035)	-	(26,035)
	<u>\$ (3,582,238)</u>	<u>\$ (3,040)</u>	<u>\$ (3,585,278)</u>
Net cash provided (used) by operating activities	<u>\$ (3,582,238)</u>	<u>\$ (3,040)</u>	<u>\$ (3,585,278)</u>



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## INTERNAL SERVICE FUNDS

### Equipment Replacement:

To account for general governmental equipment, which will be charged to other funds and accounts, and provide for replacement.

### Risk Management:

To account for employee benefits and insurance.

### Compensated Leaves:

To account for payment of vacation/leave benefits to City employees.

# CITY OF FOLSOM, CALIFORNIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2017

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
<b>ASSETS:</b>				
Current assets				
Cash and cash equivalents	\$ 3,215,706	\$ 6,339,059	\$ 1,128,521	\$ 10,683,286
Receivables:				
Accrued interest	12,675	12,256	4,302	29,233
Retiree health benefits	-	49,373	-	49,373
Insurance deposits	-	3,559,627	-	3,559,627
Total current assets	3,228,381	9,960,315	1,132,823	14,321,519
Noncurrent assets				
Capital assets	4,771,506	-	-	4,771,506
Less: accumulated depreciation	(4,699,833)	-	-	(4,699,833)
Total noncurrent assets	71,673	-	-	71,673
Total assets	3,300,054	9,960,315	1,132,823	14,393,192
<b>LIABILITIES:</b>				
Current liabilities				
Accounts payable	-	23,507	-	23,507
Wages payable	-	14,413	30,431	44,844
Unearned revenue	-	150	-	150
Total liabilities	-	38,070	30,431	68,501
<b>NET POSITION:</b>				
Net investment in capital assets	71,673	-	-	71,673
Unrestricted	3,228,381	9,922,245	1,102,392	14,253,018
Total net position	\$ 3,300,054	\$ 9,922,245	\$ 1,102,392	\$ 14,324,691

# CITY OF FOLSOM, CALIFORNIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	<u>Equipment Replacement</u>	<u>Risk Management</u>	<u>Compensated Leaves</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES:				
Charges for services	\$ 95,485	\$ 16,285,553	\$ 970,475	\$ 17,351,513
Total operating revenues	<u>95,485</u>	<u>16,285,553</u>	<u>970,475</u>	<u>17,351,513</u>
OPERATING EXPENSES:				
Employee services	-	15,155,803	912,220	16,068,023
Depreciation	49,346	-	-	49,346
Total operating expenses	<u>49,346</u>	<u>15,155,803</u>	<u>912,220</u>	<u>16,117,369</u>
OPERATING INCOME (LOSS)	<u>46,139</u>	<u>1,129,750</u>	<u>58,255</u>	<u>1,234,144</u>
NONOPERATING REVENUE (EXPENSES):				
Investment income	12,391	(14,650)	13,415	11,156
Total nonoperating revenue (expenses)	<u>12,391</u>	<u>(14,650)</u>	<u>13,415</u>	<u>11,156</u>
Income (Loss) before transfers	58,530	1,115,100	71,670	1,245,300
TRANSFERS:				
Transfers out	(8,912)	-	-	(8,912)
CHANGE IN NET POSITION	49,618	1,115,100	71,670	1,236,388
NET POSITION, BEGINNING OF YEAR	<u>3,250,436</u>	<u>8,807,145</u>	<u>1,030,722</u>	<u>13,088,303</u>
NET POSITION, END OF YEAR	<u>\$ 3,300,054</u>	<u>\$ 9,922,245</u>	<u>\$ 1,102,392</u>	<u>\$ 14,324,691</u>

## CITY OF FOLSOM, CALIFORNIA

### COMBINING STATEMENT OF CASH FLOWS NON MAJOR INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 104,323	\$ 16,256,382	\$ 970,475	\$ 17,331,180
Payments to suppliers	-	7,818	-	7,818
Payments to employees	-	(15,163,832)	(881,789)	(16,045,621)
Cash received (used) from other sources	-	-	14,018	14,018
Net cash provided (used) by operating activities	<u>104,323</u>	<u>1,100,368</u>	<u>102,704</u>	<u>1,307,395</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds		250,158		250,158
Transfers to other funds	(8,912)		-	(8,912)
Net cash provided (used) by noncapital financing activities	<u>(8,912)</u>	<u>250,158</u>	<u>-</u>	<u>241,246</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and dividends on investments	9,172	-	-	9,172
CHANGE IN CASH AND CASH EQUIVALENTS	104,583	1,350,526	102,704	1,557,813
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,111,123</u>	<u>4,988,533</u>	<u>1,025,817</u>	<u>9,125,473</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,215,706</u>	<u>\$ 6,339,059</u>	<u>\$ 1,128,521</u>	<u>\$ 10,683,286</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 46,139	\$ 1,129,750	\$ 58,255	\$ 1,234,144
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	49,346	-	-	49,346
Other Non-Operating income (expense)	-	(14,650)	14,018	(632)
Gain (loss) on sale of capital assets	8,838	-	-	8,838
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	-	(14,521)	-	(14,521)
Decrease in accounts payable	-	7,818	-	7,818
Decrease in wages payable	-	(8,029)	30,431	22,402
Net cash provided (used) by operating activities	<u>\$ 104,323</u>	<u>\$ 1,100,368</u>	<u>\$ 102,704</u>	<u>\$ 1,307,395</u>

## AGENCY FUNDS

### 1915 Assessment Districts:

To account for the following assessments pursuant to the 1915 Bond Act.

- Blue Ravine Oaks East
- Legends Refunding
- Natoma Station
- Folsom Auto Plaza
- Lake Natoma Shores
- Prairie Oaks
- CobbleHills Ridge
- Ridgeview
- Cresleigh Natoma
- Hannaford Crossing

### Mello-Roos Districts:

- Willow Creek Community Facilities District No. 1 Refunding
- Natoma Station Community Facilities District No. 2 Refunding
- Folsom Heights Community Facilities District No. 3 Refunding
- Broadstone Community Facilities District No. 4 Refunding
- Broadstone 2 Community Facilities District No. 7
- Parkway Community Facilities District No. 8
- Willow Creek Estates South Community Facilities District No. 8
- Empire Ranch Community Facilities District No. 10
- Willow Springs Community Facilities District No. 11
- Islands IA2 Community Facilities District No. 16
- Parkway Community Facilities District No. 14
- Islands at Parkshore 1 Community Facilities District No. 16
- Willow Hill Pipeline Community Facilities District No. 17

### Business and Improvement District

- Folsom Historic District

**CITY OF FOLSOM, CALIFORNIA**

**COMBINING BALANCE SHEET  
AGENCY FUNDS  
JUNE 30, 2017**

	<u>Blue Ravine Oaks East</u>	<u>Legends Refunding</u>	<u>Natoma Station</u>	<u>Folsom Auto Plaza</u>	<u>Lake Natoma Shores</u>	<u>Prairie Oaks</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,508	\$ 48,406	\$ 74,576	\$ 65,952	\$ 7,846	\$ 722,215
Cash with fiscal agent	-	-	-	-	-	-
Receivables:						
Accrued interest	33	101	396	3,173	33	5,377
Due from other governments	-	593	409	1	-	1,422
Restricted assets:						
Cash and cash equivalents	-	-	30,673	1	-	1,096,993
Cash with fiscal agent	-	-	-	-	-	-
	<u>7,541</u>	<u>49,100</u>	<u>106,054</u>	<u>69,127</u>	<u>7,879</u>	<u>1,826,007</u>
Total assets	<u>\$ 7,541</u>	<u>\$ 49,100</u>	<u>\$ 106,054</u>	<u>\$ 69,127</u>	<u>\$ 7,879</u>	<u>\$ 1,826,007</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 635
Rebatable Arbitrage	-	-	-	-	-	-
Due to assessment holders	<u>7,541</u>	<u>49,100</u>	<u>106,053</u>	<u>69,127</u>	<u>7,879</u>	<u>1,825,372</u>
	<u>7,541</u>	<u>49,100</u>	<u>106,054</u>	<u>69,127</u>	<u>7,879</u>	<u>1,826,007</u>
Total liabilities	<u>\$ 7,541</u>	<u>\$ 49,100</u>	<u>\$ 106,054</u>	<u>\$ 69,127</u>	<u>\$ 7,879</u>	<u>\$ 1,826,007</u>

<u>Cobble Hills Ridge</u>	<u>Ridgeview</u>	<u>Cresleigh Natoma</u>	<u>Hannaford Crossing</u>	<u>CFD 2013-01 Water Fac &amp; Sup</u>	<u>Willow Creek CFD #1</u>	
ASSETS						
\$ 183,439	\$ 229,033	\$ 98,165	\$ 240,808	\$ 648,831	\$ 1,269	Cash and cash equivalents
-	-	-	-	-	-	Cash with fiscal agent
462	667	203	660	4,057	5	Receivables: Accrued interest
1,529	3,402	325	4,076	30,655	5,539	Due from other governments
-	-	-	-	-	-	Restricted assets: Cash and cash equivalents
-	-	-	-	-	-	Cash with fiscal agent
<u>\$ 185,430</u>	<u>\$ 233,102</u>	<u>\$ 98,693</u>	<u>\$ 245,544</u>	<u>\$ 683,543</u>	<u>\$ 6,813</u>	Total assets

LIABILITIES AND FUND BALANCES

LIABILITIES:						
\$ -	\$ -	\$ -	\$ 73	\$ -	\$ -	Accounts payable
-	-	-	-	-	497	Rebatable Arbitrage
185,430	233,102	98,693	245,471	683,543	6,316	Due to assessment holders
<u>\$ 185,430</u>	<u>\$ 233,102</u>	<u>\$ 98,693</u>	<u>\$ 245,544</u>	<u>\$ 683,543</u>	<u>\$ 6,813</u>	Total liabilities



**CITY OF FOLSOM, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

	Natoma Station CFD #2	Folsom Heights CFD #3	Broadstone CFD #4	Broadstone 2 CFD #7	Parkway CFD #8	Willow Creek Estates South CFD #8	Empire Ranch CFD #10
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,080,702	\$ 3,282	\$ 248,065	\$ 2,656,005	\$ 362,579	\$ 63,347	\$ 4,048,595
Cash with fiscal agent	13	-	1	214,762	4,386	6,583	1,515
Receivables:							
Accrued interest	4,432	14	612	6,965	911	355	9,075
Due from other governments	7,809	(1,225)	1,826	39,929	3,602	644	93,067
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	-	-
Cash with fiscal agent	1,067,394	-	345,882	2,287,947	323,281	171,000	6,010,211
<b>Total assets</b>	<b><u>\$ 2,160,350</u></b>	<b><u>\$ 2,071</u></b>	<b><u>\$ 596,386</u></b>	<b><u>\$ 5,205,608</u></b>	<b><u>\$ 694,759</u></b>	<b><u>\$ 241,929</u></b>	<b><u>\$ 10,162,463</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ -	\$ 50	\$ -	\$ 30,601	\$ 1	\$ -	\$ -
Rebatable Arbitrage	-	-	-	-	-	-	-
Due to assessment holders	2,160,350	2,021	596,386	5,175,007	694,758	241,929	10,162,463
<b>Total liabilities</b>	<b><u>\$ 2,160,350</u></b>	<b><u>\$ 2,071</u></b>	<b><u>\$ 596,386</u></b>	<b><u>\$ 5,205,608</u></b>	<b><u>\$ 694,759</u></b>	<b><u>\$ 241,929</u></b>	<b><u>\$ 10,162,463</u></b>

<u>Willow Springs CFD #11</u>	<u>CFD #16 Islands IA2</u>	<u>Parkway CFD #14</u>	<u>Folsom Historic District</u>	<u>CFD #16 Islands at Parkshore 1</u>	<u>CFD #17 Willow Hill Pipeline</u>	<u>Total Agency Funds</u>	
<b>ASSETS</b>							
\$ 90,681	\$ 7,199	\$ 991,202	\$ 3,813	\$ -	\$ 123,429	\$ 12,006,947	Cash and cash equivalents
1,435,345	-	62,816	-	-	1,490,821	3,216,242	Cash with fiscal agent
392	73	2,272	94	112	16,105	56,579	Receivables:
13,159	723	62,860	3,324	2,201	26,292	302,162	Accrued interest
-	-	-	-	-	-	1,127,667	Due from other governments
864,734	-	1,414,922	-	-	-	12,485,371	Restricted assets:
							Cash and cash equivalents
							Cash with fiscal agent
<u>\$ 2,404,311</u>	<u>\$ 7,995</u>	<u>\$ 2,534,072</u>	<u>\$ 7,231</u>	<u>\$ 2,313</u>	<u>\$ 1,656,647</u>	<u>\$ 29,194,968</u>	Total assets
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
\$ 1	\$ -	\$ -	\$ -	\$ 4,557	\$ -	\$ 35,919	Accounts payable
-	-	-	-	-	-	497	Rebatable Arbitrage
2,404,310	7,995	2,534,072	7,231	(2,244)	1,656,647	29,158,552	Due to assessment holders
<u>\$ 2,404,311</u>	<u>\$ 7,995</u>	<u>\$ 2,534,072</u>	<u>\$ 7,231</u>	<u>\$ 2,313</u>	<u>\$ 1,656,647</u>	<u>\$ 29,194,968</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Blue Ravine Oaks East</b>				
Assets				
Cash	\$ 7,405	\$ 103	\$ -	\$ 7,508
Accrued interest	23	99	89	33
Due from other governments	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,428</u>	<u>\$ 202</u>	<u>\$ 89</u>	<u>\$ 7,541</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	7,428	113	-	7,541
Total liabilities	<u>\$ 7,428</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 7,541</u>
<b>Legends Refunding</b>				
Assets				
Cash	\$ 33,622	\$ 58,142	\$ 43,358	\$ 48,406
Accrued interest	110	260	269	101
Due from other governments	32	593	32	593
Total assets	<u>\$ 33,764</u>	<u>\$ 58,995</u>	<u>\$ 43,659</u>	<u>\$ 49,100</u>
Liabilities				
Accounts payable	\$ 438	\$ 42,520	\$ 42,958	\$ -
Due to assessment holders	33,326	58,694	42,920	49,100
Total liabilities	<u>\$ 33,764</u>	<u>\$ 101,214</u>	<u>\$ 85,878</u>	<u>\$ 49,100</u>
<b>Natoma Station</b>				
Assets				
Cash	\$ 71,818	\$ 36,802	\$ 34,044	\$ 74,576
Accrued interest	320	1,183	1,107	396
Due from other governments	276	409	276	409
Restricted cash	30,673	-	-	30,673
Total assets	<u>\$ 103,087</u>	<u>\$ 38,394</u>	<u>\$ 35,427</u>	<u>\$ 106,054</u>
Liabilities				
Accounts payable	\$ 1	\$ 34,044	\$ 34,044	\$ 1
Due to assessment holders	103,086	37,011	34,044	106,053
Total liabilities	<u>\$ 103,087</u>	<u>\$ 71,055</u>	<u>\$ 68,088</u>	<u>\$ 106,054</u>

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Folsom Auto Plaza</b>				
Assets				
Cash	\$ 348,508	\$ 1,380,283	\$ 1,662,839	\$ 65,952
Accrued interest	3,148	8,930	8,905	3,173
Due from other governments	177	-	176	1
Restricted cash	675,066	-	675,065	1
Total assets	<u>\$ 1,026,899</u>	<u>\$ 1,389,213</u>	<u>\$ 2,346,985</u>	<u>\$ 69,127</u>
Liabilities				
Accounts payable	\$ -	\$ 1,662,839	\$ 1,662,839	\$ -
Due to assessment holders	1,026,899	686,534	1,644,306	69,127
Total liabilities	<u>\$ 1,026,899</u>	<u>\$ 2,349,373</u>	<u>\$ 3,307,145</u>	<u>\$ 69,127</u>
<b>Lake Natoma Shores</b>				
Assets				
Cash	\$ 7,738	\$ 108	\$ -	\$ 7,846
Accrued interest	24	102	93	33
Due from other governments	-	-	-	-
Total assets	<u>\$ 7,762</u>	<u>\$ 210</u>	<u>\$ 93</u>	<u>\$ 7,879</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	7,762	117	-	7,879
Total liabilities	<u>\$ 7,762</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 7,879</u>
<b>Prairie Oaks Refunding</b>				
Assets				
Cash	\$ 809,686	\$ 1,601,964	\$ 1,689,435	\$ 722,215
Accrued interest	5,327	15,154	15,104	5,377
Due from other governments	(2,289)	21,297	17,586	1,422
Restricted cash	915,011	181,982	-	1,096,993
Total assets	<u>\$ 1,727,735</u>	<u>\$ 1,820,397</u>	<u>\$ 1,722,125</u>	<u>\$ 1,826,007</u>
Liabilities				
Accounts payable	\$ 535	\$ 1,652,935	\$ 1,652,835	\$ 635
Due to assessment holders	1,727,200	1,787,607	1,689,435	1,825,372
Total liabilities	<u>\$ 1,727,735</u>	<u>\$ 3,440,542</u>	<u>\$ 3,342,270</u>	<u>\$ 1,826,007</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Cobble Hills Ridge Refunding</b>				
Assets				
Cash	\$ 142,120	\$ 164,857	\$ 123,538	\$ 183,439
Accrued interest	444	1,306	1,288	462
Due from other governments	3,281	1,529	3,281	1,529
Total assets	<u>\$ 145,845</u>	<u>\$ 167,692</u>	<u>\$ 128,107</u>	<u>\$ 185,430</u>
Liabilities				
Accounts payable	\$ 438	\$ 116,696	\$ 117,134	\$ -
Due to assessment holders	145,407	163,121	123,098	185,430
Total liabilities	<u>\$ 145,845</u>	<u>\$ 279,817</u>	<u>\$ 240,232</u>	<u>\$ 185,430</u>
<b>Ridgeview Refunding</b>				
Assets				
Cash	\$ 182,643	\$ 154,653	\$ 108,263	\$ 229,033
Accrued interest	564	1,974	1,871	667
Due from other governments	2,464	3,402	2,464	3,402
Restricted cash	-	-	-	-
Total assets	<u>\$ 185,671</u>	<u>\$ 160,029</u>	<u>\$ 112,598</u>	<u>\$ 233,102</u>
Liabilities				
Accounts payable	\$ 438	\$ 105,325	\$ 105,763	\$ -
Due to assessment holders	185,233	155,693	107,824	233,102
Total liabilities	<u>\$ 185,671</u>	<u>\$ 261,018</u>	<u>\$ 213,587</u>	<u>\$ 233,102</u>
<b>Cresleigh Natoma Refunding</b>				
Assets				
Cash	\$ 75,797	\$ 112,500	\$ 90,132	\$ 98,165
Accrued interest	238	526	561	203
Due from other governments	657	325	657	325
Total assets	<u>\$ 76,692</u>	<u>\$ 113,351</u>	<u>\$ 91,350</u>	<u>\$ 98,693</u>
Liabilities				
Accounts payable	\$ 438	\$ 88,494	\$ 88,932	\$ -
Rebateable arbitrage	-	-	-	-
Due to assessment holders	76,254	112,133	89,694	98,693
Total liabilities	<u>\$ 76,692</u>	<u>\$ 200,627</u>	<u>\$ 178,626</u>	<u>\$ 98,693</u>

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Hannaford Crossing Refunding</b>				
Assets				
Cash	\$ 210,346	\$ 226,145	\$ 195,683	\$ 240,808
Accrued interest	650	1,868	1,858	660
Due from other governments	5,829	4,076	5,829	4,076
Total assets	<u>\$ 216,825</u>	<u>\$ 232,089</u>	<u>\$ 203,370</u>	<u>\$ 245,544</u>
Liabilities				
Accounts payable	\$ 73	\$ 195,683	\$ 195,683	\$ 73
Due to assessment holders	216,752	226,564	197,845	245,471
Total liabilities	<u>\$ 216,825</u>	<u>\$ 422,247</u>	<u>\$ 393,528</u>	<u>\$ 245,544</u>
<b>CFD 2013-01 Water Fac &amp; Sup</b>				
Assets				
Cash	\$ 620,357	\$ 823,202	\$ 794,728	\$ 648,831
Accrued interest	4,171	11,271	11,385	4,057
Due from other governments	416	30,655	416	30,655
Restricted cash	-	-	-	-
Total assets	<u>\$ 624,944</u>	<u>\$ 865,128</u>	<u>\$ 806,529</u>	<u>\$ 683,543</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	624,944	853,325	794,726	683,543
Total liabilities	<u>\$ 624,944</u>	<u>\$ 853,325</u>	<u>\$ 794,726</u>	<u>\$ 683,543</u>
<b>Willow Creek CFD #1 Refunding</b>				
Assets				
Cash	\$ 1,251	\$ 67	\$ 49	\$ 1,269
Accrued interest	5	15	15	5
Due from other governments	5,539	-	-	5,539
Total assets	<u>\$ 6,795</u>	<u>\$ 82</u>	<u>\$ 64</u>	<u>\$ 6,813</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Rebateable arbitrage	497	-	-	497
Due to assessment holders	6,298	18	-	6,316
Total liabilities	<u>\$ 6,795</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 6,813</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Natoma Station CFD #2 Refunding</b>				
Assets				
Cash	\$ 1,410,162	\$ 1,027,466	\$ 1,356,926	\$ 1,080,702
Cash with fiscal agent	5	1,304,793	1,304,785	13
Accrued interest	4,344	12,545	12,457	4,432
Due from other governments	20,305	7,809	20,305	7,809
Restricted cash	1,062,493	4,901	-	1,067,394
Total assets	<u>\$ 2,497,309</u>	<u>\$ 2,357,514</u>	<u>\$ 2,694,473</u>	<u>\$ 2,160,350</u>
Liabilities				
Accounts payable	\$ 1,750	\$ 1,317,652	\$ 1,319,402	\$ -
Due to assessment holders	2,495,559	1,024,924	1,360,133	2,160,350
Total liabilities	<u>\$ 2,497,309</u>	<u>\$ 2,342,576</u>	<u>\$ 2,679,535</u>	<u>\$ 2,160,350</u>
<b>Folsom Heights CFD #3 Refunding</b>				
Assets				
Cash	\$ 3,337	\$ 3,237	\$ 3,292	\$ 3,282
Cash with fiscal agent	-	-	-	-
Accrued interest	-	57	43	14
Due from other governments	3	-	1,228	(1,225)
Restricted cash	-	-	-	-
Total assets	<u>\$ 3,340</u>	<u>\$ 3,294</u>	<u>\$ 4,563</u>	<u>\$ 2,071</u>
Liabilities				
Accounts payable	\$ -	\$ 3,342	\$ 3,292	\$ 50
Due to assessment holders	3,340	1,973	3,292	2,021
Total liabilities	<u>\$ 3,340</u>	<u>\$ 5,315</u>	<u>\$ 6,584</u>	<u>\$ 2,071</u>
<b>Broadstone CFD#4 Refunding</b>				
Assets				
Cash	\$ 328,753	\$ 262,753	\$ 343,441	\$ 248,065
Cash with fiscal agent	2	324,575	324,576	1
Accrued interest	1,022	1,300	1,710	612
Due from other governments	3,118	1,826	3,118	1,826
Restricted cash	345,981	-	99	345,882
Total assets	<u>\$ 678,876</u>	<u>\$ 590,454</u>	<u>\$ 672,944</u>	<u>\$ 596,386</u>
Liabilities				
Accounts payable	\$ 275	\$ 336,454	\$ 336,729	\$ -
Due to assessment holders	678,601	264,499	346,714	596,386
Total liabilities	<u>\$ 678,876</u>	<u>\$ 600,953</u>	<u>\$ 683,443</u>	<u>\$ 596,386</u>

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Broadstone 2 CFD # 7</b>				
Assets				
Cash	\$ 2,627,273	\$ 2,555,015	\$ 2,526,283	\$ 2,656,005
Cash with fiscal agent	21,259	193,505	2	214,762
Accrued interest	8,038	18,483	19,556	6,965
Due from other governments	23,532	39,929	23,532	39,929
Restricted cash	2,301,719	-	13,772	2,287,947
Total assets	<u>\$ 4,981,821</u>	<u>\$ 2,806,932</u>	<u>\$ 2,583,145</u>	<u>\$ 5,205,608</u>
Liabilities				
Accounts payable	\$ 30,601	\$ 2,447,449	\$ 2,447,449	\$ 30,601
Due to assessment holders	4,951,220	2,722,736	2,498,949	5,175,007
Total liabilities	<u>\$ 4,981,821</u>	<u>\$ 5,170,185</u>	<u>\$ 4,946,398</u>	<u>\$ 5,205,608</u>
<b>Parkway CFD # 8</b>				
Assets				
Cash	\$ 347,119	\$ 361,100	\$ 345,640	\$ 362,579
Cash with fiscal agent	3,666	720	-	4,386
Accrued interest	1,077	2,379	2,545	911
Due from other governments	5,376	3,602	5,376	3,602
Restricted cash	322,857	424	-	323,281
Total assets	<u>\$ 680,095</u>	<u>\$ 368,225</u>	<u>\$ 353,561</u>	<u>\$ 694,759</u>
Liabilities				
Accounts payable	\$ 1	\$ 338,956	\$ 338,956	\$ 1
Due to assessment holders	680,094	360,305	345,641	694,758
Total liabilities	<u>\$ 680,095</u>	<u>\$ 699,261</u>	<u>\$ 684,597</u>	<u>\$ 694,759</u>
<b>Willow Creek Estates South CFD#9</b>				
Assets				
Cash	\$ 215,572	\$ 67,986	\$ 220,211	\$ 63,347
Cash with fiscal agent	5,961	622	-	6,583
Accrued interest	670	671	986	355
Due from other governments	9,615	644	9,615	644
Restricted cash	171,000	-	-	171,000
Total assets	<u>\$ 402,818</u>	<u>\$ 69,923</u>	<u>\$ 230,812</u>	<u>\$ 241,929</u>
Liabilities				
Accounts payable	\$ -	\$ 215,941	\$ 215,941	\$ -
Due to assessment holders	402,818	59,320	220,209	241,929
Total liabilities	<u>\$ 402,818</u>	<u>\$ 275,261</u>	<u>\$ 436,150</u>	<u>\$ 241,929</u>



**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Empire Ranch CFD # 10</b>				
Assets				
Cash	\$ 3,979,386	\$ 5,378,677	\$ 5,309,468	\$ 4,048,595
Cash with fiscal agent	1,254	392	131	1,515
Accrued interest	12,191	22,374	25,490	9,075
Due from other governments	64,474	93,067	64,474	93,067
Restricted cash	5,958,261	51,950	-	6,010,211
Total assets	<u>\$ 10,015,566</u>	<u>\$ 5,546,460</u>	<u>\$ 5,399,563</u>	<u>\$ 10,162,463</u>
Liabilities				
Accounts payable	\$ -	\$ 5,187,571	\$ 5,187,571	\$ -
Due to assessment holders	10,015,566	5,414,622	5,267,725	10,162,463
Total liabilities	<u>\$ 10,015,566</u>	<u>\$ 10,602,193</u>	<u>\$ 10,455,296</u>	<u>\$ 10,162,463</u>
<b>Willow Springs CFD # 11</b>				
Assets				
Cash	\$ 210,634	\$ 827,958	\$ 947,911	\$ 90,681
Cash with fiscal agent	1,420,389	14,956	-	1,435,345
Accrued interest	924	569	1,101	392
Due from other governments	8,789	13,159	8,789	13,159
Restricted cash	864,045	689	-	864,734
Total assets	<u>\$ 2,504,781</u>	<u>\$ 857,331</u>	<u>\$ 957,801</u>	<u>\$ 2,404,311</u>
Liabilities				
Accounts payable	\$ -	\$ 843,757	\$ 843,756	\$ 1
Due to assessment holders	2,504,781	760,262	860,733	2,404,310
Total liabilities	<u>\$ 2,504,781</u>	<u>\$ 1,604,019</u>	<u>\$ 1,704,489</u>	<u>\$ 2,404,311</u>
<b>CFD #16 Islands IA2</b>				
Assets				
Cash	\$ 121	\$ 52,386	\$ 45,308	\$ 7,199
Accrued interest	114	169	210	73
Due from other governments	21	723	21	723
Total assets	<u>\$ 256</u>	<u>\$ 53,278</u>	<u>\$ 45,539</u>	<u>\$ 7,995</u>
Liabilities				
Accounts payable	\$ -	\$ 4,426	\$ 4,426	\$ -
Due to assessment holders	256	12,165	4,426	7,995
Total liabilities	<u>\$ 256</u>	<u>\$ 16,591</u>	<u>\$ 8,852</u>	<u>\$ 7,995</u>

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Parkway CFD # 14</b>				
Assets				
Cash	\$ 974,060	\$ 1,398,499	\$ 1,381,357	\$ 991,202
Cash with fiscal agent	46,096	16,720	-	62,816
Accrued interest	3,017	5,638	6,383	2,272
Due from other governments	19,482	62,860	19,482	62,860
Restricted cash	1,412,319	2,603	-	1,414,922
Total assets	<u>\$ 2,454,974</u>	<u>\$ 1,486,320</u>	<u>\$ 1,407,222</u>	<u>\$ 2,534,072</u>
Liabilities				
Accounts payable	\$ -	\$ 1,345,913	\$ 1,345,913	\$ -
Due to assessment holders	2,454,974	1,460,335	1,381,237	2,534,072
Total liabilities	<u>\$ 2,454,974</u>	<u>\$ 2,806,248</u>	<u>\$ 2,727,150</u>	<u>\$ 2,534,072</u>
<b>Folsom Historic District</b>				
Assets				
Cash	\$ 1,483	\$ 133,239	\$ 130,909	\$ 3,813
Cash with fiscal agent	-	-	-	-
Accrued interest	3	362	271	94
Due from other governments	631	3,324	631	3,324
Restricted cash	-	-	-	-
Total assets	<u>\$ 2,117</u>	<u>\$ 136,925</u>	<u>\$ 131,811</u>	<u>\$ 7,231</u>
Liabilities				
Accounts payable	\$ -	\$ 130,909	\$ 130,909	\$ -
Due to assessment holders	2,117	136,023	130,909	7,231
Total liabilities	<u>\$ 2,117</u>	<u>\$ 266,932</u>	<u>\$ 261,818</u>	<u>\$ 7,231</u>
<b>CFD #16 Islands at Parkshore 1</b>				
Assets				
Cash	\$ 1,059	\$ 46,419	\$ 47,478	\$ -
Accrued interest	186	130	204	112
Due from other governments	2,093	135	27	2,201
Total assets	<u>\$ 3,338</u>	<u>\$ 46,684</u>	<u>\$ 47,709</u>	<u>\$ 2,313</u>
Liabilities				
Accounts payable	\$ -	\$ 4,786	\$ 229	\$ 4,557
Due to assessment holders	3,338	1,205	6,787	(2,244)
Total liabilities	<u>\$ 3,338</u>	<u>\$ 5,991</u>	<u>\$ 7,016</u>	<u>\$ 2,313</u>

**CITY OF FOLSOM, CALIFORNIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>CFD #17 Willow Hill Pipeline</b>				
Assets				
Cash	\$ 361,776	\$ 766,135	\$ 1,004,482	\$ 123,429
Cash with fiscal agent	4,127,753	590,287	3,227,219	1,490,821
Accrued interest	12,491	48,842	45,228	16,105
Due from other governments	229	26,292	229	26,292
<b>Total assets</b>	<b><u>\$ 4,502,249</u></b>	<b><u>\$ 1,431,556</u></b>	<b><u>\$ 4,277,158</u></b>	<b><u>\$ 1,656,647</u></b>
Liabilities				
Accounts payable	\$ -	\$ 418,541	\$ 418,541	\$ -
Due to assessment holders	4,502,249	778,179	3,623,781	1,656,647
<b>Total liabilities</b>	<b><u>\$ 4,502,249</u></b>	<b><u>\$ 1,196,720</u></b>	<b><u>\$ 4,042,322</u></b>	<b><u>\$ 1,656,647</u></b>

**Grand Totals:**

Assets	\$ 29,194,968
Liabilities	\$ 29,194,968

**STATISTICAL SECTION**



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

This part of the City'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 City's overall financial health.

### **Financial Trends Information**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity Information**

These schedules contain information to help the reader assess the government's most significant local revenue sources.

### **Debt Capacity Information**

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

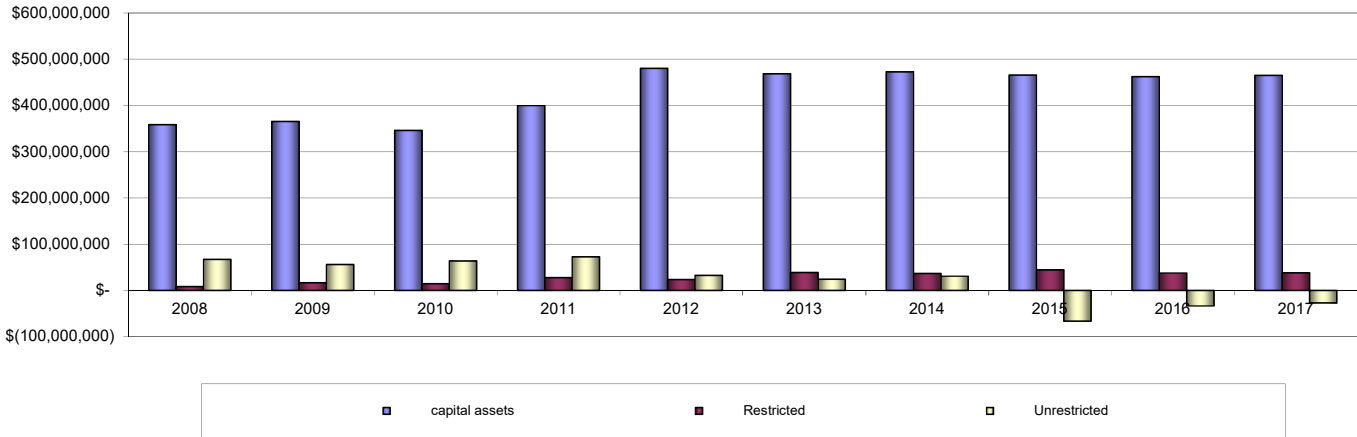
These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule 1  
CITY OF FOLSOM, CALIFORNIA  
Net Position by Component,  
Fiscal Year 2017, With Ten Year Trend Analysis  
(accrual basis of accounting)

**Total Primary Government Net Position**

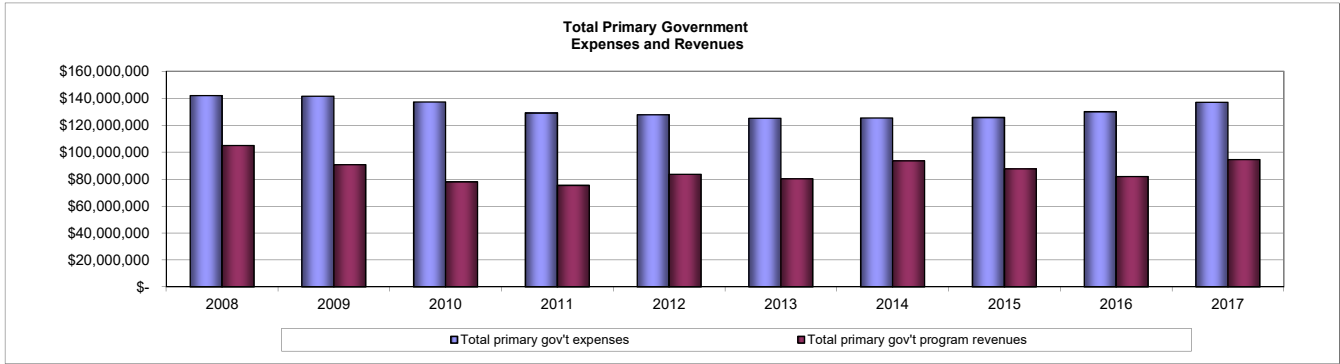


	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Net investment in capital assets	\$ 237,784,529	\$ 249,294,117	\$ 235,070,576	\$ 289,842,203	\$ 373,572,187	\$ 364,036,649	\$ 368,751,791	\$ 352,122,867	\$ 345,540,942	\$ 342,339,996
Restricted	8,097,551	16,612,650	14,622,264	27,559,119	23,073,659	38,567,808	36,162,905	43,903,207	37,105,814	37,928,602
Unrestricted (1)	53,469,053	47,326,828	56,563,586	65,071,325	19,524,175	3,184,135	1,634,857	(71,702,596)	(39,219,804)	(37,637,622)
<b>Total gov't activities net position</b>	<b>\$ 299,351,133</b>	<b>\$ 313,233,595</b>	<b>\$ 306,256,426</b>	<b>\$ 382,472,647</b>	<b>\$ 416,170,021</b>	<b>\$ 405,788,592</b>	<b>\$ 406,549,553</b>	<b>\$ 324,323,478</b>	<b>\$ 343,426,952</b>	<b>\$ 342,630,976</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 120,755,756	\$ 116,127,108	\$ 110,727,586	\$ 109,579,115	\$ 106,342,185	\$ 104,389,312	\$ 103,935,042	\$ 113,263,233	\$ 116,725,962	\$ 122,445,820
Restricted				326,097	326,097	326,097	512,201	520,858	527,202	127,565
Unrestricted	13,823,143	8,632,023	7,258,017	7,735,887	13,009,488	21,212,232	29,128,818	5,424,024	5,779,903	10,511,992
<b>Total bus-type activities net position</b>	<b>\$ 134,578,899</b>	<b>\$ 124,759,131</b>	<b>\$ 117,985,603</b>	<b>\$ 117,641,099</b>	<b>\$ 119,677,770</b>	<b>\$ 125,927,641</b>	<b>\$ 133,576,061</b>	<b>\$ 119,208,115</b>	<b>\$ 123,033,067</b>	<b>\$ 133,085,377</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 358,540,285	\$ 365,421,225	\$ 345,798,162	\$ 399,421,318	\$ 479,914,372	\$ 468,425,961	\$ 472,686,833	\$ 465,386,100	\$ 462,266,904	\$ 464,785,816
Restricted	8,097,551	16,612,650	14,622,264	27,885,216	23,399,756	38,893,905	36,675,106	44,424,065	37,633,016	38,056,167
Unrestricted	67,292,196	55,958,851	63,821,603	72,807,212	32,533,663	24,396,367	30,763,675	(66,278,572)	(33,439,901)	(27,125,630)
<b>Total primary gov't net position</b>	<b>\$ 433,930,032</b>	<b>\$ 437,992,726</b>	<b>\$ 424,242,029</b>	<b>\$ 500,113,746</b>	<b>\$ 535,847,791</b>	<b>\$ 531,716,233</b>	<b>\$ 540,125,614</b>	<b>\$ 443,531,593</b>	<b>\$ 466,460,019</b>	<b>\$ 475,716,353</b>

Source: The City's Comprehensive Annual Financial Reports

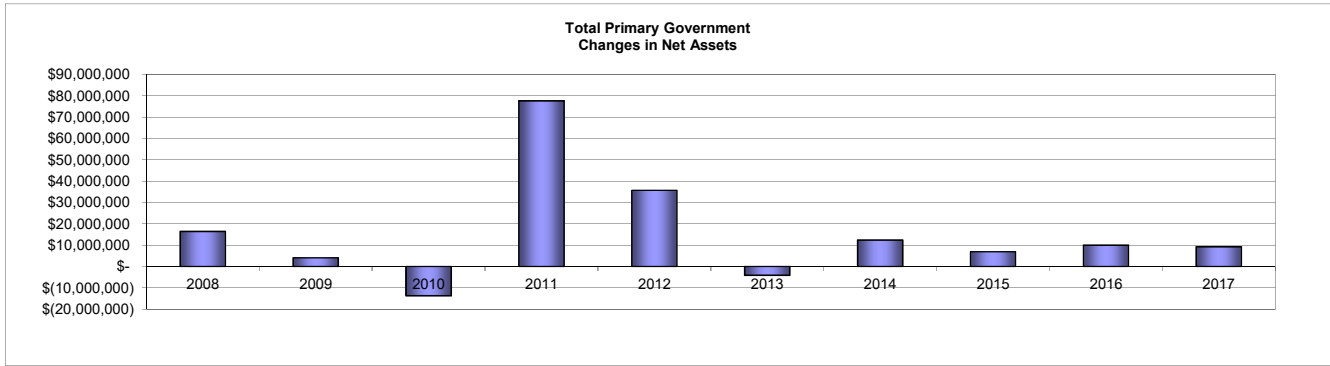
(1) FY12 decrease in Governmental activities, Unrestricted balance due to the State dissolution of RDA during FY12. FY14 decrease due to implementation of GASB 68

**Schedule 2  
CITY OF FOLSOM, CALIFORNIA  
Changes in Net Position  
Fiscal Year 2017, With Ten Year Trend Analysis  
(accrual basis of accounting)**



	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 19,469,082	\$ 20,939,721	\$ 21,503,751	\$ 21,216,003	\$ 15,526,948	\$ 14,992,033	\$ 16,949,780	\$ 16,789,611	\$ 16,842,039	\$ 17,619,148
Public safety	37,583,877	35,522,285	35,359,762	32,731,317	32,952,091	33,603,561	31,853,391	31,457,224	33,732,869	38,519,301
Public ways and facilities	28,368,998	23,627,838	21,212,291	19,795,837	24,285,037	24,461,319	23,900,284	24,655,423	23,760,187	23,789,377
Community services	-	4,371,136	3,503,233	3,030,879	3,100,464	3,068,322	3,293,971	3,358,210	3,795,881	4,611,256
Culture and recreation	11,132,695	15,608,095	13,882,885	13,142,439	13,256,421	13,928,174	13,949,169	13,917,727	15,226,602	16,043,161
Interest and fiscal changes	9,857,714	8,074,433	8,734,364	10,120,844	9,892,431	6,623,777	6,280,411	5,669,088	5,080,330	4,679,003
<b>Total gov't activities expenses</b>	<b>106,412,367</b>	<b>108,143,508</b>	<b>104,196,287</b>	<b>100,037,320</b>	<b>99,013,392</b>	<b>96,677,186</b>	<b>96,227,005</b>	<b>95,847,283</b>	<b>98,437,909</b>	<b>105,261,245</b>
<b>Business-type activities:</b>										
Water	14,224,703	15,785,836	18,171,481	13,578,162	13,289,143	11,920,409	12,088,326	12,666,550	12,704,599	13,169,040
Sewer	4,688,247	4,985,197	3,917,967	3,999,387	4,260,464	4,450,646	5,154,810	5,175,177	5,419,982	5,254,071
Solid Waste	8,853,274	10,225,341	9,098,186	8,126,349	7,804,698	8,358,745	8,518,137	8,702,357	9,347,062	9,488,964
Transit	2,318,433	2,172,862	1,869,090	3,347,961	3,394,091	3,704,361	3,316,706	3,344,616	3,709,459	3,847,851
Facilities Augmentation	53,995	210,976	9,500	-	-	-	23,375	-	407,237	3,040
Recreation	5,417,363	-	-	-	-	-	-	-	-	-
<b>Total bus-type activities expense</b>	<b>35,556,015</b>	<b>33,380,212</b>	<b>33,066,224</b>	<b>29,051,859</b>	<b>28,748,396</b>	<b>28,434,161</b>	<b>29,101,354</b>	<b>29,888,700</b>	<b>31,588,339</b>	<b>31,762,966</b>
<b>Total primary gov't expenses</b>	<b>\$ 141,968,382</b>	<b>\$ 141,523,720</b>	<b>\$ 137,262,511</b>	<b>\$ 129,089,179</b>	<b>\$ 127,761,788</b>	<b>\$ 125,111,347</b>	<b>\$ 125,328,359</b>	<b>\$ 125,735,983</b>	<b>\$ 130,026,248</b>	<b>\$ 137,024,211</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 5,507,917	\$ 5,111,144	\$ 11,247,511	\$ 7,975,006	\$ 8,179,094	\$ 6,702,220	\$ 7,709,627	\$ 7,552,485	\$ 7,496,678	\$ 7,950,354
Public safety	4,161,966	4,964,922	3,279,718	2,773,512	2,933,392	3,716,287	4,576,667	4,913,124	5,125,847	5,618,969
Public ways and facilities	11,814,823	12,335,305	9,008,716	8,385,271	8,090,723	9,820,449	12,599,223	11,013,797	7,997,349	8,565,624
Community services	-	3,012,191	1,710,336	2,076,218	1,745,987	2,368,217	3,498,093	4,119,947	4,986,243	4,552,806
Culture and recreation	1,869,916	4,750,580	4,881,270	4,756,192	4,913,376	5,449,076	6,364,798	6,244,176	4,966,763	6,198,906
Operating grants and contributions	14,546,734	9,874,356	1,953,565	2,430,713	2,667,867	2,090,718	2,883,514	2,631,565	2,354,928	2,233,379
Capital grants and contributions	26,150,603	19,193,100	15,472,115	13,168,019	21,050,894	12,646,821	16,542,881	14,275,960	11,437,916	14,891,177
<b>Total gov't activities program revenue</b>	<b>64,051,959</b>	<b>59,241,598</b>	<b>47,553,231</b>	<b>41,564,931</b>	<b>49,581,333</b>	<b>42,793,788</b>	<b>54,174,803</b>	<b>50,751,054</b>	<b>44,365,724</b>	<b>50,011,215</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water	11,081,270	12,424,614	11,806,006	12,271,149	12,684,028	14,730,130	14,201,854	13,105,941	12,205,895	13,605,851
Sewer	5,441,204	5,817,865	5,907,107	5,998,304	5,971,558	5,990,811	6,102,878	6,163,970	6,278,631	6,531,021
Solid Waste	10,598,656	9,814,954	9,938,754	10,399,855	10,071,219	10,140,081	10,240,575	10,362,825	10,620,422	10,957,586
Transit	169,736	190,354	183,005	780,618	702,917	690,404	1,273,371	677,295	623,745	604,935
Facilities augmentation	-	-	-	-	67,365	-	-	-	-	-
Recreation	3,388,715	-	-	-	-	-	-	-	-	-
Operating grants and contributions	3,225,525	2,311,042	732,729	3,220,227	3,484,445	5,203,738	4,883,545	5,947,821	6,997,288	7,946,673
Capital grants and contributions	6,951,581	928,746	1,840,128	1,114,608	1,019,849	746,776	2,616,710	554,070	786,090	4,834,197
<b>Total business-type activities</b>	<b>40,856,687</b>	<b>31,487,575</b>	<b>30,407,729</b>	<b>33,784,761</b>	<b>34,001,381</b>	<b>37,501,940</b>	<b>39,318,933</b>	<b>36,811,922</b>	<b>37,512,071</b>	<b>44,480,263</b>
<b>Total primary gov't program revenues</b>	<b>\$ 104,908,646</b>	<b>\$ 90,729,173</b>	<b>\$ 77,960,960</b>	<b>\$ 75,349,692</b>	<b>\$ 83,582,714</b>	<b>\$ 80,295,728</b>	<b>\$ 93,493,736</b>	<b>\$ 87,562,976</b>	<b>\$ 81,877,795</b>	<b>\$ 94,491,478</b>

Schedule 2  
CITY OF FOLSOM, CALIFORNIA  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)



	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (42,360,408)	\$ (48,901,910)	\$ (56,643,056)	\$ (58,472,389)	\$ (49,432,059)	\$ (53,883,398)	\$ (42,052,202)	\$ (45,096,229)	\$ (54,072,185)	\$ (55,250,030)
Business-type activities	5,300,672	(1,892,637)	(2,658,495)	4,732,902	5,252,985	9,067,779	10,217,579	6,923,222	5,923,732	12,717,297
<b>Total primary gov't net (exp)/rev</b>	<b>\$ (37,059,736)</b>	<b>\$ (50,794,547)</b>	<b>\$ (59,301,551)</b>	<b>\$ (53,739,487)</b>	<b>\$ (44,179,074)</b>	<b>\$ (44,815,619)</b>	<b>\$ (31,834,623)</b>	<b>\$ (38,173,007)</b>	<b>\$ (48,148,453)</b>	<b>\$ (42,532,733)</b>
<b>General Revenue and Other changes in Net Position</b>										
Government activities:										
Taxes										
Property	\$ 26,315,286	\$ 27,743,274	\$ 27,269,414	\$ 25,183,107	\$ 21,562,389	\$ 17,138,883	\$ 19,042,480	\$ 20,169,495	\$ 21,732,471	\$ 23,301,973
Sales and use	18,350,321	16,079,061	13,716,214	15,141,504	16,104,163	17,230,775	19,442,008	19,386,661	22,168,300	24,721,293
Other	1,645,235	1,706,058	1,612,536	1,789,663	1,807,002	2,577,095	2,593,291	2,860,264	3,202,564	3,716,243
Payments in lieu of services	-	-	-	-	-	-	-	-	-	-
Vehicle License Fees	-	5,630,342	-	-	-	-	-	-	-	-
Investments earnings (loss)	4,031,828	1,450,083	712,099	558,383	572,542	424,268	695,856	423,710	7,220,125	(2,344,854)
Miscellaneous	2,417,215	1,953,699	2,125,699	1,604,214	1,903,091	3,161,438	2,423,607	1,921,290	2,764,118	2,189,407
Gain/(loss) on disp of cap assets	17,727	7,573	-	430,486	-	3,451	3,500	96,858	168,454	-
Transfers	2,010,049	8,214,282	-	3,383,398	3,339,454	2,966,059	2,510,879	2,599,139	2,600,454	2,869,992
Extraordinary Items:										
Capital Contributions	-	-	-	86,597,855	-	-	-	-	-	-
Gain on dissolution of RDA	-	-	-	-	37,840,792	-	-	-	-	-
Xfer Asset to Successor Agency	-	-	-	-	-	-	(381,150)	-	381,150	-
<b>Total governmental activities</b>	<b>54,787,661</b>	<b>62,784,372</b>	<b>45,435,962</b>	<b>134,688,610</b>	<b>83,129,433</b>	<b>43,501,969</b>	<b>46,330,471</b>	<b>47,457,417</b>	<b>60,237,636</b>	<b>54,454,054</b>
Business-type activities:										
Investment earnings	698,879	287,151	114,892	96,525	123,140	148,151	384,577	220,380	501,674	205,005
Transfers	(2,010,049)	(8,214,282)	-	(3,383,398)	(3,339,454)	(2,966,059)	(2,510,879)	(2,599,139)	(2,600,454)	(2,869,992)
<b>Total business-type activities</b>	<b>(1,311,170)</b>	<b>(7,927,131)</b>	<b>114,892</b>	<b>(3,286,873)</b>	<b>(3,216,314)</b>	<b>(2,817,908)</b>	<b>(2,126,302)</b>	<b>(2,378,759)</b>	<b>(2,098,780)</b>	<b>(2,664,987)</b>
<b>Total primary government</b>	<b>\$ 53,476,491</b>	<b>\$ 54,857,241</b>	<b>\$ 45,550,854</b>	<b>\$ 131,401,737</b>	<b>\$ 79,913,119</b>	<b>\$ 40,684,061</b>	<b>\$ 44,204,169</b>	<b>\$ 45,078,658</b>	<b>\$ 58,138,856</b>	<b>\$ 51,789,067</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 12,427,253	13,882,462	(6,977,169)	76,216,221	33,697,374	(10,381,429)	4,278,269	2,361,188	6,165,451	(795,976)
Business-type activities	3,989,502	(9,819,768)	(6,773,528)	1,446,029	2,036,671	6,249,871	8,091,277	4,544,463	3,824,952	10,052,310
<b>Total Primary Government</b>	<b>\$ 16,416,755</b>	<b>\$ 4,062,694</b>	<b>\$ (13,750,697)</b>	<b>\$ 77,662,250</b>	<b>\$ 35,734,045</b>	<b>\$ (4,131,558)</b>	<b>\$ 12,369,546</b>	<b>\$ 6,905,651</b>	<b>\$ 9,990,403</b>	<b>\$ 9,256,334</b>
Net Position beginning of Year (as restated for FY 2014 and 2015)	417,513,277	433,930,032	437,992,726	422,451,496	500,113,746	535,847,791	527,756,068	436,625,942	456,469,616	466,460,019
<b>Net Position End of Year</b>	<b>\$ 433,930,032</b>	<b>\$ 437,992,726</b>	<b>\$ 424,242,029</b>	<b>\$ 500,113,746</b>	<b>\$ 535,847,791</b>	<b>\$ 531,716,233</b>	<b>\$ 540,125,614</b>	<b>\$ 443,531,593</b>	<b>\$ 466,460,019</b>	<b>\$ 475,716,353</b>

Source: The City's Comprehensive Annual Financial Reports



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**Schedule 3**  
**CITY OF FOLSOM, CALIFORNIA**  
**Fund Balances, Governmental Funds,**  
**Fiscal Year 2017, With Ten Year Trend Analysis**  
**(modified accrual basis of accounting)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund</b>					
Reserved	\$ 4,745,594	\$ 5,637,081	\$ 1,747,419		
Unreserved	12,277,511	9,584,080	5,520,065		
Nonspendable				375,393	364,358
Restricted					
Committed					
Assigned				538,234	469,059
Unassigned				3,993,214	4,108,447
<b>Total Fund Balance</b>	<u>\$ 17,023,105</u>	<u>\$ 15,221,161</u>	<u>\$ 7,267,484</u>	<u>\$ 4,906,841</u>	<u>\$ 4,941,864</u>

<b>All Other Governmental Funds</b>					
Reserved	133,853,987	129,955,359	136,844,273		
Unreserved	45,444,526.00	45,107,514	40,315,415		
Nonspendable				7,557,236	9,869,809
Restricted				187,004,914	160,122,141
Committed				6,816,225	6,265,521
Assigned				936,979	500,226
Unassigned				(1,295,568)	(1,483,486)
<b>Total Fund Balance</b>	<u>\$ 179,298,513</u>	<u>\$ 175,062,873</u>	<u>\$ 177,159,688</u>	<u>\$ 201,019,786</u>	<u>\$ 175,274,211</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>					
Reserved					
Unreserved					
Nonspendable	305,446	265,707	339,494	400,319	448,971
Restricted					
Committed					
Assigned	342,002	373,969	740,393	1,234,023	1,201,309
Unassigned	5,020,894	6,630,937	8,157,227	10,950,323	15,536,918
<b>Total Fund Balance</b>	<u>\$ 5,668,342</u>	<u>\$ 7,270,613</u>	<u>\$ 9,237,114</u>	<u>\$ 12,584,665</u>	<u>\$ 17,187,198</u>

<b>All Other Governmental Funds</b>					
Reserved					
Unreserved					
Nonspendable	9,580,393	268,396	268,396	398,396	428,782
Restricted	152,261,985	158,429,877	152,093,714	170,205,119	157,036,583
Committed	2,203,431	3,548,476	3,663,039	3,581,269	3,690,161
Assigned	467,898	3,684,362	3,236,609	3,160,859	3,309,690
Unassigned	2,775,821	(845,061)	(516,671)	(968,842)	(1,150,620)
<b>Total Fund Balance</b>	<u>\$ 167,289,528</u>	<u>\$ 165,086,050</u>	<u>\$ 158,745,087</u>	<u>\$ 176,376,801</u>	<u>\$ 163,314,596</u>

Source: The City's Comprehensive Annual Financial Reports

Note: Beginning in FY 2011, the fund balance terminology changed to be consistent with GASB 54.

**Schedule 4**  
**CITY OF FOLSOM, CALIFORNIA**  
**Changes in Fund Balances, Governmental Funds**  
**Fiscal Year 2017, With Ten Year Trend Analysis**  
**(modified accrual basis of accounting)**

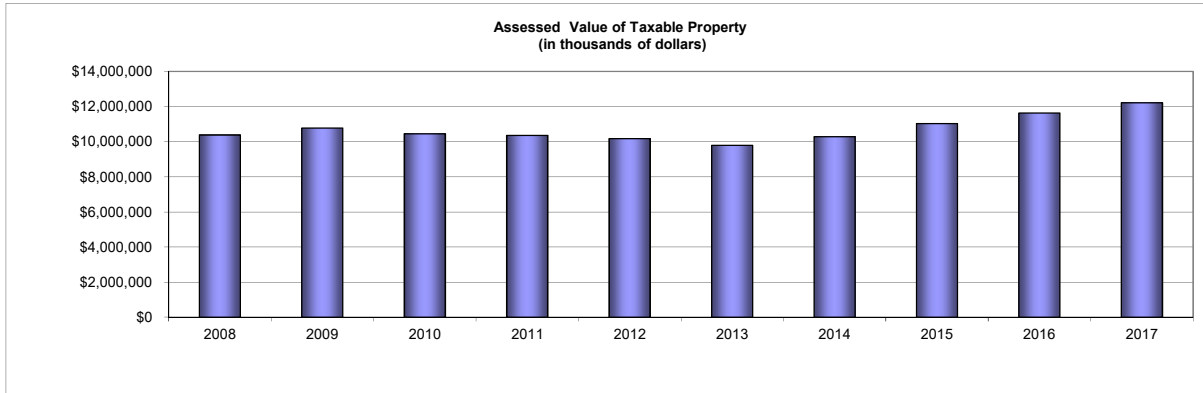
<b>Revenue</b>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Taxes	\$ 46,310,842	\$ 45,528,393	\$ 42,598,164	\$ 42,114,274	\$ 39,473,554
Licenses, fees and permits	1,834,433	2,187,403	1,359,583	1,398,245	1,392,332
Vehicle License fees	-	5,630,342	5,434,694	5,534,031	5,086,212
Intergovernmental revenue	36,274,849	29,067,456	17,425,680	15,598,732	20,272,302
Charges for services	17,710,911	23,548,022	17,444,906	15,586,330	15,693,296
Fines and penalties	570,566	855,695	537,762	424,814	366,429
Assessment collections	3,238,712	3,583,022	3,227,235	3,022,779	3,324,303
Contributions from owners	4,031,828	-	-	-	-
Investment earnings (loss)	1,837,215	1,411,512	700,096	1,269,936	1,214,313
Miscellaneous	-	1,953,699	2,125,699	1,604,214	1,903,093
Total revenue	<u>\$ 111,809,356</u>	<u>\$ 113,765,544</u>	<u>\$ 90,853,819</u>	<u>\$ 86,553,355</u>	<u>\$ 88,725,834</u>
<b>Expenditures</b>					
General government	\$ 17,511,567	\$ 19,673,933	\$ 21,139,815	\$ 20,106,486	\$ 14,606,565
Public safety	35,845,343	34,039,597	33,795,698	30,860,677	31,237,025
Public ways and facilities	18,887,486	13,877,886	11,578,937	9,500,414	11,089,521
Community services	-	4,293,286	3,414,705	2,925,077	3,018,894
Culture and recreations	9,694,110	13,561,972	11,431,343	10,374,452	10,413,567
Capital outlay	29,276,885	18,301,637	12,882,877	18,671,363	9,003,180
Debt Service:					
Principal	6,798,808	11,981,979	10,154,002	11,434,546	12,233,666
Interest and fiscal charges	8,066,690	8,117,222	8,925,835	9,179,038	9,277,831
Cost of issuance	1,904,821	310,252	344,052	834,778	934,415
Total expenditures	<u>\$ 127,985,710</u>	<u>\$ 124,157,764</u>	<u>\$ 113,667,264</u>	<u>\$ 113,886,831</u>	<u>\$ 101,814,664</u>
Excess of revenue over (under) expenditures	\$ (16,176,354)	\$ (10,392,220)	\$ (22,813,445)	\$ (27,333,476)	\$ (13,088,830)
<b>Other Financing Sources (Uses)</b>					
Sale of property	(193,503)	-	-	430,486	-
Issuance of debt	580,000	-	-	44,560,000	25,557,469
Capital leases	205,131	-	-	-	-
Bond refunding	70,425,000	11,955,000	28,290,000	-	-
Bond discount	-	(115,411)	(56,779)	(824,502)	(62,306)
Bond premium	-	-	771,861	-	-
Payment to refunded escrow agent	2,034,712	(12,822,662)	(13,191,868)	-	(15,041,388)
Amortized loss on PY bond refinance	-	-	-	-	-
Extraordinary loss on dissolution of RDA	-	-	-	-	(26,420,154)
Transfers in	17,111,898	38,167,757	32,104,952	32,318,319	27,491,475
Transfers out	(16,487,944)	(32,830,048)	(30,961,583)	(27,651,372)	(24,146,818)
Total other financing sources (Uses)	<u>\$ 73,675,294</u>	<u>\$ 4,354,636</u>	<u>\$ 16,956,583</u>	<u>\$ 48,832,931</u>	<u>\$ (12,621,722)</u>
Net change in fund balances	<u>\$ 57,498,940</u>	<u>\$ (6,037,584)</u>	<u>\$ (5,856,862)</u>	<u>\$ 21,499,455</u>	<u>\$ (25,710,552)</u>
Debt services as a percentage of non-capital expenditures	17.0%	23.2%	23.8%	21.6%	23.2%

Source: The City's Comprehensive Annual Financial Reports

**Schedule 4**  
**CITY OF FOLSOM, CALIFORNIA**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2013	2014	2015	2016	2017	
						<b>Revenue</b>
\$	36,946,753	\$ 41,077,779	\$ 42,416,420	\$ 47,103,335	\$ 51,739,509	Taxes
	1,740,993	2,109,745	2,128,623	2,098,807	2,171,246	Licenses, fees and permits
	4,976,818	5,198,998	5,596,355	5,895,909	6,065,568	Vehicle License fees
	14,307,214	18,611,026	16,049,283	12,819,545	15,233,546	Intergovernmental revenue
	17,404,489	23,992,496	23,823,594	20,388,258	22,787,464	Charges for services
	490,823	798,051	776,554	729,673	954,261	Fines and penalties
	3,482,141	2,685,714	1,518,403	1,460,233	908,120	Assessment collections
	-	-	-	-	-	Contributions from owners
	386,391	633,581	395,293	7,068,427	(2,356,010)	Investment earnings (loss)
	3,161,438	2,423,607	1,921,290	2,764,118	2,189,407	Miscellaneous
\$	<u>82,897,060</u>	<u>\$ 97,530,997</u>	<u>\$ 94,625,815</u>	<u>\$ 100,328,305</u>	<u>\$ 99,693,111</u>	Total revenue
						<b>Expenditures</b>
\$	14,069,483	\$ 16,920,618	\$ 17,920,405	\$ 17,392,563	\$ 17,718,687	General government
	31,831,334	31,861,011	32,467,605	34,351,734	37,299,200	Public safety
	11,091,457	10,633,571	11,803,873	10,763,219	10,546,397	Public ways and facilities
	2,986,024	3,394,648	3,582,489	3,975,512	4,722,516	Community services
	11,026,557	11,667,695	11,971,798	12,850,827	13,387,547	Culture and recreations
	2,586,067	5,989,082	5,597,833	6,833,189	9,921,548	Capital outlay
						Debt Service:
	12,511,714	15,465,193	12,879,056	11,090,135	12,600,203	Principal
	6,383,068	6,398,811	5,826,718	5,119,301	4,835,589	Interest and fiscal charges
	117,505	69,524	-	-	-	Cost of issuance
\$	<u>92,603,209</u>	<u>\$ 102,400,153</u>	<u>\$ 102,049,777</u>	<u>\$ 102,376,480</u>	<u>\$ 111,031,687</u>	Total expenditures
\$	(9,706,149)	\$ (4,869,156)	\$ (7,423,962)	\$ (2,048,175)	\$ (11,338,576)	Excess of revenue over (under) expenditures
						<b>Other Financing Sources (Uses)</b>
	-	-	-	-	-	Sale of property
	15,034,361	-	-	6,675,000	-	Issuance of debt
	-	-	-	-	-	Capital leases
	-	-	-	-	-	Bond refunding
	-	-	-	-	-	Bond discount
	(15,656,514)	-	-	-	-	Bond premium
	-	-	-	-	-	Payment to refunded escrow agent
	-	-	-	-	-	Amortized loss on PY bond refinance
	-	-	-	-	-	Extraordinary loss on dissolution of RDA
	9,111,962	7,523,050	6,704,387	6,439,736	6,331,555	Transfers in
	(6,041,865)	(4,863,541)	(3,654,887)	(3,025,319)	(3,452,651)	Transfers out
\$	<u>2,447,944</u>	<u>\$ 2,659,509</u>	<u>\$ 3,049,500</u>	<u>\$ 10,089,417</u>	<u>\$ 2,878,904</u>	Total other financing sources (Uses)
\$	<u>(7,258,205)</u>	<u>\$ (2,209,647)</u>	<u>\$ (4,374,462)</u>	<u>\$ 8,041,242</u>	<u>\$ (8,459,672)</u>	Net change in fund balances
	21.0%	22.7%	19.6%	17.0%	17.3%	Debt services as a percentage of non-capital expenditures

Schedule 5  
CITY OF FOLSOM, CALIFORNIA  
Assessed Value and Estimated Actual Value of Taxable Property  
Fiscal Year 2017, With Ten Year Trend Analysis  
(in thousands of dollars)



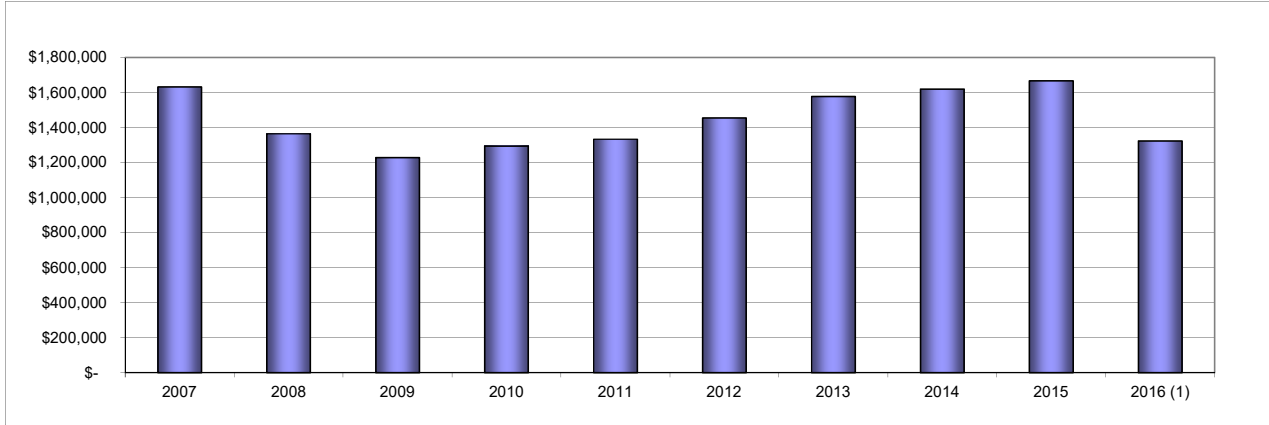
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other (1)	Unsecured Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Factor of Taxable Assessed Value
2008	\$ 7,388,097	\$ 2,309,078	\$ 146,363	\$ 671,446	Not available	\$ 133,791	\$ 10,381,193	1.1721	\$ 10,514,984	Not available
2009	\$ 7,603,600	\$ 2,537,311	\$ 155,166	\$ 637,347	Not available	\$ 154,158	\$ 10,779,267	1.1885	\$ 10,933,425	Not available
2010	\$ 7,322,351	\$ 2,568,605	\$ 160,566	\$ 594,990	Not available	\$ 197,310	\$ 10,449,201	1.2403	\$ 10,646,511	Not available
2011	\$ 7,880,409	\$ 1,974,636	\$ 158,866	\$ 587,410	Not available	\$ 241,689	\$ 10,359,632	1.2473	\$ 10,601,321	Not available
2012	\$ 7,145,644	\$ 2,558,036	\$ 158,600	\$ 586,902	Not available	\$ 276,882	\$ 10,172,299	1.2735	\$ 10,449,181	Not available
2013	\$ 6,791,316	\$ 2,108,662	\$ 159,900	\$ 790,301	\$ 287,803	\$ 346,963	\$ 9,791,019	1.3068	\$ 9,761,577 (3)	0.996993 (3)
2014	\$ 7,237,918	\$ 2,105,306	\$ 162,948	\$ 798,259	\$ 334,685	\$ 351,233	\$ 10,287,883	1.3522	\$ 11,517,264 (3)	1.119498 (3)
2015	\$ 7,863,637	\$ 2,133,511	\$ 161,792	\$ 894,465	\$ 311,204	\$ 333,742	\$ 11,030,867	1.3325	\$ 12,864,274 (3)	1.166207 (3)
2016	\$ 8,227,029	\$ 2,206,981	\$ 162,828	\$ 1,021,962	\$ 367,993	\$ 356,949	\$ 11,629,844	1.4196	\$ 13,598,364 (3)	1.169265 (3)
2017	\$ 8,671,194	\$ 2,315,233	\$ 162,343	\$ 1,076,357	\$ 364,265	\$ 370,001	\$ 12,219,391	1.4196	\$ 13,550,693 (3)	1.108950 (3)

Source: County Assessor data, MuniServices, LLC , 2011-12 and prior, previously published CAFR Report

- (1) Includes the following categories (Misc., Institutional, Recreational, Irrigated, Vacant, SBE Nonunitary, and Unsecured)
- (2) Total direct tax rate is represented by Tax Rate Areas 04-000 04-004 and 04-027
- (3) As of 2012-13 Estimated Actual Value is being calculated and reported in compliance with GASB No. 44 guidelines. Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

Note: In 1978, California voters 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.

**Schedule 5A  
CITY OF FOLSOM CALIFORNIA  
Taxable Transactions by Category  
Fiscal Year 2017, With Ten Year Trend Analysis  
(Taxable transactions in thousands of dollars)**



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (1)
Motor Vehicle and Parts Dealers	\$ 464,039	\$ 322,101	\$ 260,633	\$ 264,616	\$ 287,365	\$ 342,749	\$ 408,649	\$ 425,196	\$ 460,449	\$ 345,645
Home furnishings and appliances	33,563	51,393	57,784	56,485	61,541	65,702	71,634	81,852	82,252	\$ 67,909
Bld Matri and Garden Equip	99,283	80,438	69,212	71,521	74,438	84,386	93,213	94,161	102,469	\$ 83,777
Food and Beverage Stores	59,550	59,228	60,474	63,585	71,654	74,194	78,944	79,159	79,806	\$ 58,163
Gasoline Stations	74,225	75,409	64,133	69,412	80,388	83,171	84,628	83,598	69,997	\$ 48,369
Clothing & Clothing Accessories	100,125	94,135	111,099	120,370	124,918	129,738	143,476	148,592	152,903	\$ 123,599
General merchandise stores	272,647	266,788	237,615	254,801	270,447	286,652	287,505	285,722	235,840	\$ 190,432
Food Services and Drinking Places	134,127	126,876	120,166	124,914	134,184	149,299	156,403	161,652	175,325	\$ 138,573
Other retail stores	195,438	157,482	117,744	120,522	124,566	127,862	136,099	133,671	135,499	\$ 94,505
<b>Subtotal retail</b>	<b>1,432,997</b>	<b>1,233,850</b>	<b>1,098,860</b>	<b>1,146,226</b>	<b>1,229,501</b>	<b>1,343,753</b>	<b>1,460,551</b>	<b>1,493,603</b>	<b>1,494,540</b>	<b>\$ 1,150,972</b>
All other outlets	198,193	130,324	128,810	147,585	103,528	110,206	115,786	126,130	171,928	\$ 171,414
<b>Total</b>	<b>\$ 1,631,190</b>	<b>\$ 1,364,174</b>	<b>\$ 1,227,670</b>	<b>\$ 1,293,811</b>	<b>\$ 1,333,029</b>	<b>\$ 1,453,959</b>	<b>\$ 1,576,337</b>	<b>\$ 1,619,733</b>	<b>\$ 1,666,468</b>	<b>\$ 1,322,386</b>

Source: State Board of Equalization quarterly report.

(1) Information only available through third quarter of 2016.

**Schedule 6**  
**CITY OF FOLSOM, CALIFORNIA**  
**Direct and Overlapping Property Tax Rates**  
**Fiscal Year 2017, With Ten Year Trend Analysis**  
**(rate per \$100 of assessed value)**

	County District Rates				School District, Bonds & Assessments					
	Basic County, City, School Levy	Sacramento Regional County Sanitation	Sacramento County Bonds	Total District Rates	General Obligation - School Districts (1)	Los Rios Community College	Folsom Cordova Bond Area #2	Folsom Cordova Bond Area #3	Folsom Cordova Bond Area #5	San Juan Unified Bond
2008	1.0000	0.0000	0.0000	1.0000	.0000 - .0290	0.0066	0.0288	0.0370	0.0000	0.0707
2009	1.0000	0.0000	0.0000	1.0000	.0000 - .0298	0.0074	0.0283	0.0505	0.0000	0.0725
2010	1.0000	0.0000	0.0000	1.0000	.0000 - .0294	0.0124	0.0312	0.0985	0.0000	0.0688
2011	1.0000	0.0000	0.0000	1.0000	.0000 - .0290	0.009	0.0318	0.0962	0.0000	0.0813
2012	1.0000	0.0000	0.0000	1.0000	.0000 - .0330	0.0192	0.0349	0.0916	0.0000	0.0948
2013	1.0000	0.0000	0.0000	1.0000	.0000 - .0346	0.0193	0.0371	0.1155	0.0000	0.1003
2014	1.0000	0.0000	0.0000	1.0000	.0000 - .0245	0.0181	0.0341	0.1125	0.0000	0.1630
2015	1.0000	0.0000	0.0000	1.0000	.0000 - .0133	0.0111	0.0343	0.1229	0.0000	0.1509
2016	1.0000	0.0000	0.0000	1.0000	.0000 - .0369	0.0273	0.031	0.1129	0.0568	0.1547
2017	1.0000	0.0000	0.0000	1.0000	.0000 - .0219	0.0423	0.0584	0.1259	0.0641	0.1522

Source: Sacramento County, Department of Finance, Auditor-Controller; MuniServices

(1) Compilation of Tax Rates represent the low and high end.

Note: In 1978, California voters 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.

**Schedule 7  
CITY OF FOLSOM, CALIFORNIA  
Principal Property Tax Payers  
Fiscal Year 2017, And Nine Years Ago  
(in thousands of dollars)**

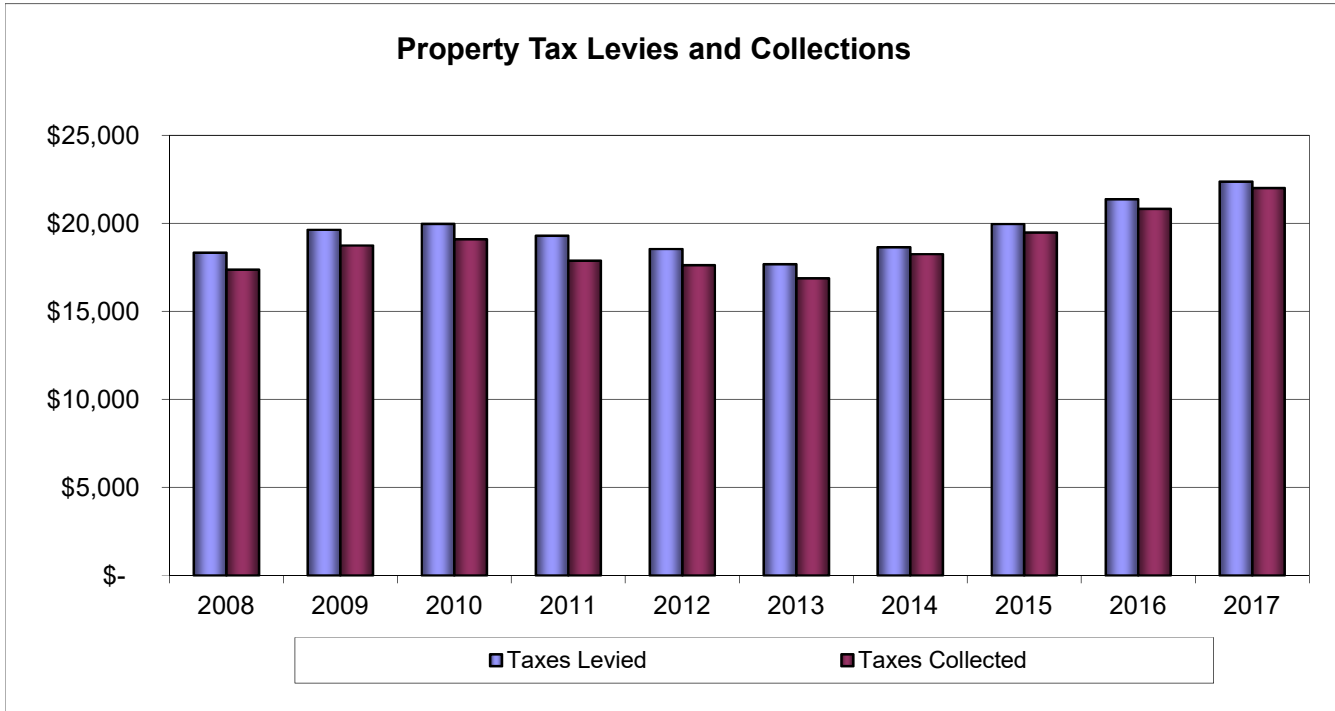
<b>Taxpayer</b>	<b>2017</b>			<b>2008</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Total Taxable Assessed Value</b>
Intel Corp	\$ 624,019	1	5.11%	\$ 637,894	1	6.59%
Broadstone Land Llc	174,140	2	1.43%	77,409	2	0.80%
Kaiser	85,276	3	0.70%	56,548	6	0.58%
Spectrum Waples Street LP	69,502	4	0.57%	61,175	4	0.63%
Chelsea Financing Partnership	63,790	5	0.52%	56,306	7	0.58%
Sequoia Equities Iron Point Fo	59,088	6	0.48%			
Kikkoman Foods Inc	59,068	7	0.48%	61,809	3	0.64%
Overlook At Blue Ravine LLC	55,687	8	0.46%			
Folsom Gateway Assoc L P	54,800	9	0.45%			
Sherwood Iron Point Lp	54,665	10	0.45%			
Braddock Logan Venture Group L			0.00%	57,509	5	0.59%
Parkshore Plaza Office Propert				47,485	9	0.49%
Elliott Homes Inc.				43,074	10	0.45%
Cowifi Iron Point LLC				51,000	8	0.53%
<b>Total</b>	<b>\$ 1,300,035</b>		<b>10.64%</b>	<b>\$ 1,150,209</b>		<b>12%</b>

Sources: MuniServices, Sacramento County Assessor Combined Tax Rolls



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**Schedule 8**  
**CITY OF FOLSOM, CALIFORNIA**  
**Property Tax Levies and Collections**  
**Fiscal Year 2017, With Ten Year Trend Analysis**  
**(in thousands of dollars)**



Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percent of Levy (1)
2008	\$ 18,333	\$ 17,375	94.77%
2009	\$ 19,635	\$ 18,743	95.46%
2010	\$ 19,963	\$ 19,100	95.68%
2011	\$ 19,293	\$ 17,887	92.71%
2012	\$ 18,543	\$ 17,630	95.08%
2013	\$ 17,680	\$ 16,884	95.50%
2014	\$ 18,644	\$ 18,251	97.89%
2015	\$ 19,960	\$ 19,481	97.60%
2016	\$ 21,367	\$ 20,819	97.44%
2017	\$ 22,377	\$ 22,002	98.32%

Source: County of Sacramento, Department of Finance, Tax Accounting Bureau

(1) The City of Folsom participates in an alternative method of property tax apportionment permitted by the State Revenue and Taxation Code, Section 4701, more commonly known as the "Teeter Plan". Under this plan, current secured real property tax levies are distributed by Sacramento County to the City as if the taxes had been collected in full. In return, the County retains all rights to collect any delinquencies and subsequent penalties and interest. Thus, under the Teeter Plan, the City receives 100% of all secured real property taxes levied.

**Schedule 9**  
**CITY OF FOLSOM, CALIFORNIA**  
**Ratio of Outstanding Debt by Type**  
**Fiscal Year 2017, With Ten Year Trend Analysis**

	2008	2009	2010	2011	2012
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 23,110,000	\$ 20,665,000	\$ 17,600,000	\$ 14,900,000	\$12,120,000
Certificates of Participation	7,065,000	5,835,000	4,540,000	4,170,000	1,190,000
FPFA Revenue Bonds	126,205,000 (4)	121,800,000	117,210,000	133,690,000	130,084,002
RDA Tax Allocation Bonds	30,595,000	30,070,000	45,230,000	66,095,000	-
City Hall & Fire Station Lease Obligation	-	-	-	-	10,314,467
Owner Participation Agreements	5,338,117	2,243,348	1,841,640	2,455,122	-
Special Assessment Debt	-	-	-	-	-
Notes Payable	-	2,000,000	1,500,000	1,000,000	500,000
Capital Leases	1,090,739	909,667	1,099,843	875,382	575,716
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 29,480,000	\$ 28,730,000	\$ 28,600,000	\$ 27,630,000	\$ 26,670,000
Capital Leases	1,462,154	1,102,224	972,023	528,387	308,274
Note Payable	2,500,000	-	-	-	-
<b>Total Primary Government</b>	<b>\$ 226,846,010</b>	<b>\$ 213,355,239</b>	<b>\$ 218,593,506</b>	<b>\$ 251,343,891</b>	<b>\$ 181,762,459</b>
Percentage of Personal Income	Not available	Not available	Not available	Not available	Not available
Per Capita	3,480	3,346	3,385	3,845	2,696
Population	65,194	63,772	64,576	65,375	67,429

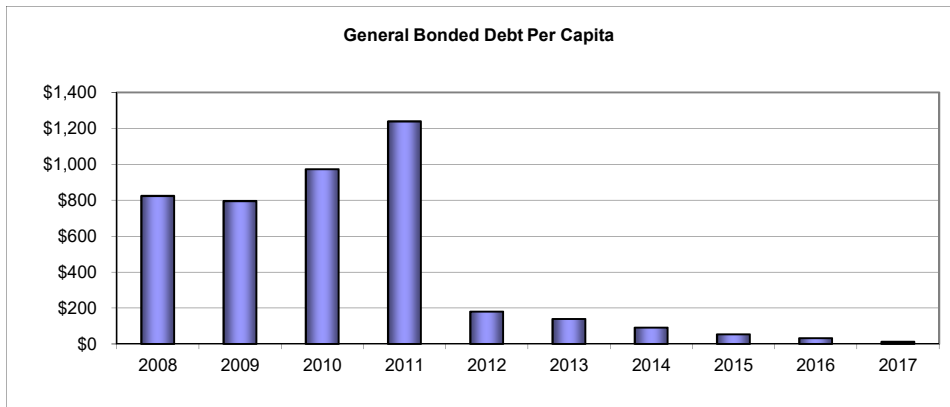
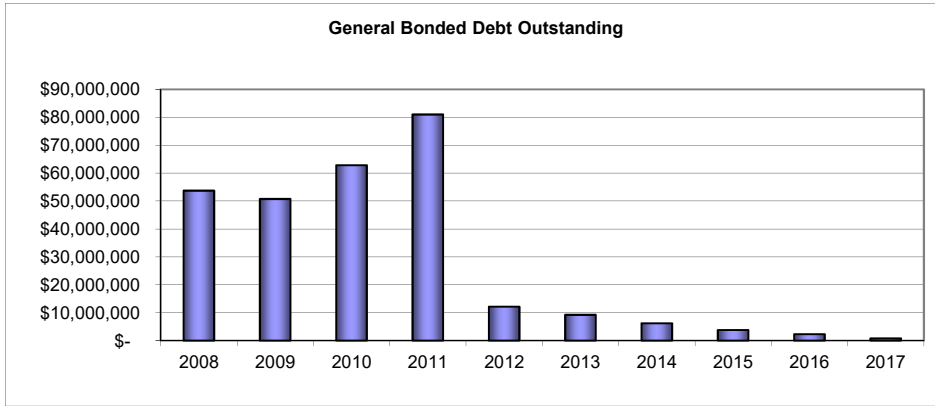
Sources: The City's Comprehensive Annual Financial Reports; State Department of Finance

- (1) The City purchased a Sports Complex during FY 2006 for \$6.5 million. Terms of the purchase called for a \$3 million down payment and a note payable over 7 years for \$3.5 million.
- (2) Population figures used for per capita calculation excludes the inmate population at Folsom Prison.
- (3) Leases associated with synthetic turf at Livermore field.
- (4) The FPFA issued Special Tax Revenue Bonds to advance refund bond issues to reduce debt service payments
- (5) The RDA was dissolved by the State during FY12. RDA Tax Allocation Bonds were transferred to a Private Purpose Trust Fund and are not legal obligations of the City.

**Schedule 9  
CITY OF FOLSOM, CALIFORNIA  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years**

2013	2014	2015	2016	2017	
					<b>Governmental Activities</b>
\$9,220,000	\$6,195,000	\$ 3,760,000	\$ 2,315,000	\$ 825,000	General Obligation Bonds
1,170,000	820,000	-	-	-	- Certificates of Participation
122,625,230	112,260,832	104,491,230	103,207,933	93,841,368	FFFA Revenue Bonds
-	-	-	-	-	- RDA Tax Allocation Bonds
8,947,773	7,544,642	6,113,936	4,640,514	3,117,370	City Hall & Fire Station Lease Obligation
-	-	-	-	-	- Owner Participation Agreements
-	-	-	-	-	- Special Assessment Debt
-	-	-	-	-	- Notes Payable
486,978	1,302,208	1,901,301	1,687,885	1,467,391	Capital Leases
					<b>Business-Type Activities</b>
\$ 25,685,000	\$25,494,830	\$ 24,352,781	\$ 23,181,993	\$ 21,973,818	Revenue Bonds
131,460	-	-	-	-	- Capital Leases
-	-	-	-	-	- Note Payable
<b>\$ 168,266,441</b>	<b>\$ 153,617,512</b>	<b>\$ 140,619,248</b>	<b>\$ 135,033,325</b>	<b>\$ 121,224,947</b>	<b>Total Primary Government</b>
Not available	Not available	Not available	Not available	Not available	Percentage of Personal Income
2,543	2,246	2,016	1,872	1,652	Per Capita
66,174	68,399	69,737	72,131	73,389	Population

**Schedule 10  
CITY OF FOLSOM, CALIFORNIA  
Ratios of General Bonded Debt Outstanding  
Fiscal Year 2017, With Ten Year Trend Analysis**



Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value of Property (1)	Per Capita (2)	Population (3)
	General Obligation Bonds	Redevelopment Bonds	Total			
2008	\$ 23,110,000	\$ 30,595,000	\$ 53,705,000	0.51%	823.77	65,194
2009	\$ 20,665,000	\$ 30,070,000	\$ 50,735,000	0.46%	795.57	63,772
2010	\$ 17,600,000	\$ 45,230,000 (5)	\$ 62,830,000	0.59%	972.96	64,576
2011	\$ 14,900,000	\$ 66,095,000 (6)	\$ 80,995,000	0.76%	1,238.93	65,375
2012	\$ 12,120,000	\$ - (7)	\$ 12,120,000	0.12%	179.74	67,429
2013	\$ 9,220,000	\$ -	\$ 9,220,000	0.09%	139.33	66,174
2014	\$ 6,195,000	\$ -	\$ 6,195,000	0.05%	90.57	68,399
2015	\$ 3,760,000	\$ -	\$ 3,760,000	0.03%	53.92	69,737
2016	\$ 2,315,000	\$ -	\$ 2,315,000	0.02%	32.09	72,131
2017	\$ 825,000	\$ -	\$ 825,000	0.01%	11.24	73,389

Source: The City's Comprehensive Annual Financial Reports

- (1) See Schedule 5 for property value data.
- (2) Population data can be found in Schedule 14.
- (3) Population figures used for per capita calculation excludes the inmate population at Folsom Prison.
- (4) The RDA issued Tax Allocation Bonds relating to construction on the Historic Railroad Block.
- (5) The RDA issued Tax Allocation Bonds relating to construction on the Sutter Streetscape.
- (6) The RDA issued Tax Allocation Bonds relating to future housing and non-housing redevelopment activities within the Project Area.
- (7) The RDA was dissolved by the State during FY12

**Schedule 11  
CITY OF FOLSOM, CALIFORNIA  
Debt Capacity Information, Direct and Overlapping  
Fiscal Year 2017, With Ten Year Trend Analysis**

<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Sacramento Regional County Sanitation District	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	9,886,018	9,918,663	13,659,353	22,435,787	21,554,132
Folsom Cordova Unified School District School Facility Improvement District No. 2	43,935,159	42,337,394	40,802,565	38,998,345	36,964,845
Folsom Cordova Unified School District School Facility Improvement District No. 3	979,696	955,448	1,633,953	1,656,714	1,591,946
San Juan Unified School District	2,073,667	1,957,071	1,906,917	2,344,499	2,213,590
El Dorado Irrigation District	-	-	-	-	-
<b>City of Folsom, Public Financing Authority</b>	<b>23,110,000</b>	<b>20,665,000</b>	<b>17,600,000</b>	<b>14,900,000</b>	<b>12,120,000</b>
City of Folsom 1915 Act Bonds	25,145,000	23,650,000	22,221,970	20,690,699	19,024,306
Special District 1915 Act Bonds (Estimate)	77,228	84,179	86,206	1,060,903	1,070,634
Folsom Community Facilities District #1	13,885,000	13,110,000	10,540,000	9,625,000	8,710,000
Folsom Community Facilities District #2	1,905,000	1,705,000	1,495,000	1,275,000	845,000
Folsom Community Facilities District #4	2,855,000	2,650,000	2,440,000	2,220,000	1,985,000
Folsom Community Facilities District #7	28,715,000	27,400,000	26,030,000	24,595,000	22,710,000
Folsom Community Facilities District #8	4,175,000	3,965,000	3,740,000	3,495,000	3,245,000
Folsom Community Facilities District #9	1,710,000	1,565,000	1,420,000	1,270,000	1,110,000
Folsom Community Facilities District #10	65,680,000	64,265,000	62,750,000	62,120,000	59,945,000
Folsom Community Facilities District #11	8,900,000	8,530,000	8,130,000	7,690,000	7,215,000
Folsom Community Facilities District #14	17,770,000	18,320,000	18,060,000	17,765,000	17,435,000
<b>TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 250,801,768</b>	<b>\$ 241,077,755</b>	<b>\$ 232,515,964</b>	<b>\$ 232,141,947</b>	<b>\$ 217,739,453</b>
<b>DIRECT &amp; OVERLAPPING GENERAL OBLIGATION DEBT:</b>					
Sacramento County General Fund Obligation	\$ 28,520,856	\$ 28,362,471	\$ 30,692,468	\$ 29,526,970	\$ 28,275,537
Sacramento County Pension Obligations	72,963,070	73,769,313	76,621,294	76,197,664	82,058,088
Sacramento County Board of Education Cert. of Participation	899,520	890,627	898,666	827,542	782,367
Los Rios Community College District Cert. of Participation	442,797	444,749	444,682	438,419	426,251
Folsom Cordova Unified School District Cert. of Participation	25,362,635	24,027,205	19,329,869	18,146,947	16,684,291
San Juan Unified School District Cert. of Participation	39,223	36,178	14,538	12,910	11,017
Sacramento Metropolitan Fire District Pension Obligations	124,901	125,967	129,260	126,202	122,160
<b>City of Folsom General Obligation Bonds</b>	<b>16,150,000</b>	<b>15,050,000</b>	<b>13,910,000</b>	<b>12,730,000</b>	<b>11,495,000</b>
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>	<b>144,493,002</b>	<b>142,696,510</b>	<b>142,010,777</b>	<b>138,006,654</b>	<b>139,854,711</b>
Less: Sacramento County self-supporting obligations	578,397	587,611	597,002	588,012	577,221
<b>TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>	<b>144,493,002</b>	<b>142,108,899</b>	<b>141,413,775</b>	<b>137,418,642</b>	<b>139,277,490</b>
<b>DIRECT COMBINED TOTAL DEBT</b>	<b>\$ 39,260,000</b>	<b>\$ 35,715,000</b>	<b>\$ 31,510,000</b>	<b>\$ 27,630,000</b>	<b>\$ 23,615,000</b>
GROSS OVERLAPPING COMBINED TOTAL DEBT	\$ 356,034,770	\$ 348,059,265	\$ 343,016,741	\$ 342,518,601	\$ 333,979,164
GROSS COMBINED TOTAL DEBT (2)	\$ 395,294,770	\$ 383,774,265	\$ 374,526,741	\$ 370,148,601	\$ 357,594,164
NET COMBINED TOTAL DEBT	\$ 395,294,770	\$ 383,186,654	\$ 373,929,739	\$ 369,560,589	\$ 357,016,943

<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>% Applicable (1)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Sacramento Regional County Sanitation District	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	7.127%	26,372,363	26,100,332	25,697,846	25,091,940	24,238,927
Folsom Cordova Unified School District School Facility Improvement District No. 2	99.708%	34,838,817	31,403,928	28,320,810	25,790,703	23,083,820
Folsom Cordova Unified School District School Facility Improvement District No. 3	15.047%	1,313,398	2,681,686	3,881,454	4,952,688	7,090,114
Folsom Cordova Unified School District School Facility Improvement District No. 5	99.993%	-	-	-	39,997,200	93,738,438
San Juan Unified School District	0.714%	2,586,340	2,440,033	2,914,760	2,698,717	3,399,459
El Dorado Irrigation District	0.039%	-	520	385	935	367
<b>City of Folsom, Public Financing Authority</b>	<b>100.000%</b>	<b>9,220,000</b>	<b>6,195,000</b>	<b>3,760,000</b>	<b>2,315,000</b>	<b>825,000</b>
City of Folsom 1915 Act Bonds	100.000%	17,151,884	13,745,561	11,765,942	9,663,940	6,340,471
Special District 1915 Act Bonds (Estimate)	398-100%	1,212,719	1,050,213	1,483,894	1,661,199	2,079,247
Folsom Community Facilities District #1	100.000%	-	-	-	-	-
Folsom Community Facilities District #2	100.000%	7,770,000	6,800,000	5,795,000	4,745,000	3,645,000
Folsom Community Facilities District #3	100.000%	605,000	350,000	85,000	-	-
Folsom Community Facilities District #4	100.000%	1,740,000	1,485,000	1,095,000	810,000	515,000
Folsom Community Facilities District #7	100.000%	21,090,000	19,010,282	16,850,693	15,083,791	13,256,420
Folsom Community Facilities District #8	100.000%	2,985,000	2,597,190	2,068,197	1,786,772	1,499,948
Folsom Community Facilities District #9	100.000%	945,000	775,000	575,000	390,000	195,000
Folsom Community Facilities District #10	100.000%	57,660,000	55,200,000	52,265,000	49,625,000	46,900,000
Folsom Community Facilities District #11	100.000%	6,720,000	6,200,000	5,655,000	5,080,000	4,485,000
Folsom Community Facilities District #14	100.000%	17,050,000	16,620,000	15,980,000	15,615,000	14,885,000
Folsom Community Facilities District #17	83.588%	-	-	-	5,579,499	5,475,014
<b>TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 209,260,521</b>	<b>\$ 192,654,745</b>	<b>\$ 178,193,981</b>	<b>\$ 210,887,384</b>	<b>\$ 251,652,225</b>
<b>DIRECT &amp; OVERLAPPING GENERAL OBLIGATION DEBT:</b>						
Sacramento County General Fund Obligation	8.682%	\$ 27,124,496	\$ 25,537,949	\$ 23,919,031	\$ 22,095,102	\$ 20,462,977
Sacramento County Pension Obligations	8.682%	82,019,808	84,998,096	84,138,157	83,630,628	81,959,486
Sacramento County Board of Education Cert. of Participation	8.682%	747,008	687,498	627,191	564,473	492,704
Los Rios Community College District Cert. of Participation	7.127%	411,593	399,678	386,947	376,963	354,889
Folsom Cordova Unified School District Cert. of Participation	64.754%	15,101,192	13,723,642	12,170,071	9,785,084	7,967,980
San Juan Unified School District Cert. of Participation	0.714%	9,060	7,264	5,398	3,589	3,554
Sacramento Metropolitan Fire District Cert. of Participation	0.150%	-	-	-	13,702	13,958
Sacramento Metropolitan Fire District Pension Obligations	0.150%	106,108	90,995	98,863	79,206	78,546
<b>City of Folsom General Obligation Bonds</b>	<b>100.000%</b>	<b>10,117,733</b>	<b>8,694,642</b>	<b>6,991,777</b>	<b>5,406,423</b>	<b>3,767,131</b>
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>135,637,038</b>	<b>134,139,764</b>	<b>128,337,435</b>	<b>121,646,170</b>	<b>114,796,225</b>
Less: Sacramento County self-supporting obligations		569,871	554,033	538,642	-	-
<b>TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>135,067,167</b>	<b>133,585,731</b>	<b>127,798,793</b>	<b>121,646,170</b>	<b>114,796,225</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b> (3)	100.000%	\$ 63,380,000	\$ 62,000,000	\$ 60,560,000	\$ 59,055,000	\$ 53,755,000
<b>DIRECT COMBINED TOTAL DEBT</b>		<b>\$ 19,337,773</b>	<b>\$ 14,889,642</b>	<b>\$ 10,751,777</b>	<b>\$ 7,721,423</b>	<b>\$ 4,692,131</b>
GROSS OVERLAPPING COMBINED TOTAL DEBT		\$ 325,559,786	\$ 311,904,867	\$ 356,339,639	\$ 383,867,131	\$ 415,611,319
GROSS COMBINED TOTAL DEBT (2)		\$ 344,897,559	\$ 326,794,509	\$ 367,091,416	\$ 391,588,554	\$ 420,203,450
NET COMBINED TOTAL DEBT		\$ 344,327,688	\$ 326,240,476	\$ 366,552,774	\$ 391,588,554	\$ 420,203,450

- (1) Current year percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
- (3) Effective January 31, 2012, under AB 1X 26, all Redevelopment Agencies in California were dissolved and replaced with Successor Agencies. The Folsom City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill. Successor Agencies are responsible for winding down the affairs of the RDAs including disposing of their assets and paying down remaining debt.

**Ratios to 2015-16 Assessed Valuation:**

<b>Direct Debt (\$2,315,000)</b>	<b>0.02%</b>
Total Direct and Overlapping Tax and Assessment Debt	1.80%
<b>Total Direct Debt (\$7,721,423)</b>	<b>0.07%</b>
Gross Combined Total Debt	3.34%
Net Combined Total Debt	3.27%

**Ratios to Redevelopment Incremental Valuation (\$753,344,693):**

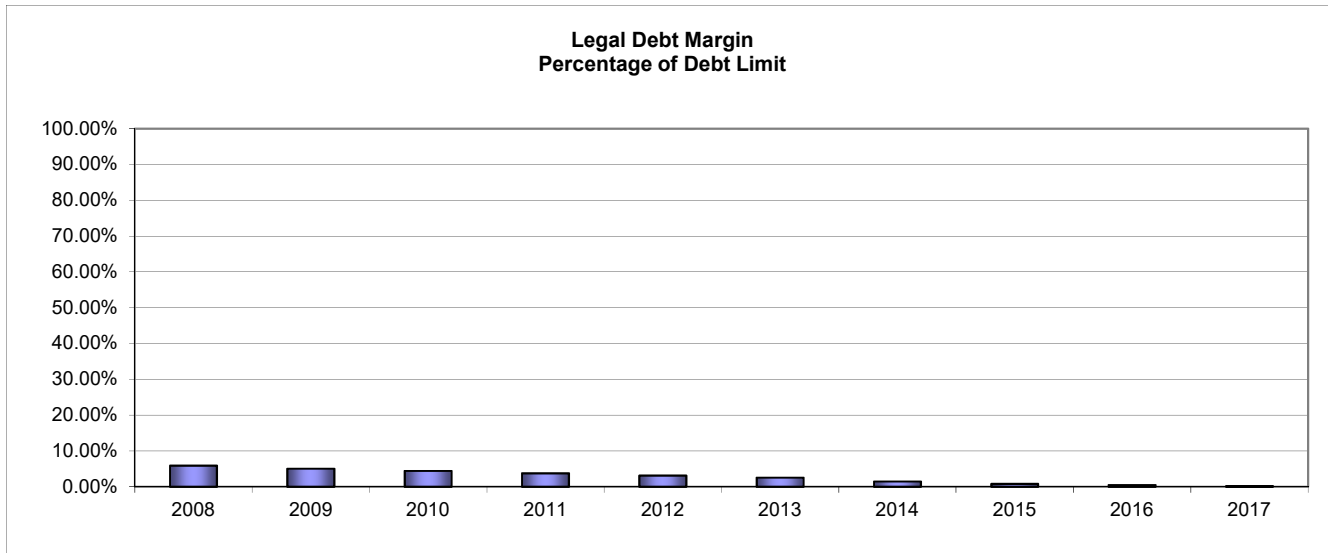
Total Overlapping Tax Increment Debt	7.60%
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Source: MuniServices

City of Folsom records - direct debt.

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**Schedule 12**  
**CITY OF FOLSOM, CALIFORNIA**  
**Legal Debt Margin**  
**Fiscal Year 2017, With Ten Year Trend Analysis**  
**(in thousands of dollars)**



	<b>Assessed Value</b>	<b>Debt Limit Percentage (1)</b>	<b>Debt Limit</b>	<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>Legal debt margin</b>	<b>Total net debt applicable to the limit as a percentage of debt limit</b>
2008	\$ 10,514,984	3.75%	\$ 394,312	\$ 23,110	\$ 371,202	5.86%
2009	\$ 10,933,425	3.75%	\$ 410,003	\$ 20,665	\$ 389,338	5.04%
2010	\$ 10,646,511	3.75%	\$ 399,244	\$ 17,600	\$ 381,644	4.41%
2011	\$ 10,601,321	3.75%	\$ 397,550	\$ 14,900	\$ 382,650	3.75%
2012	\$ 10,449,181	3.75%	\$ 391,844	\$ 12,120	\$ 379,724	3.09%
2013	\$ 9,761,577	3.75%	\$ 366,059	\$ 9,220	\$ 356,839	2.52%
2014	\$ 11,517,264	3.75%	\$ 431,897	\$ 6,195	\$ 425,702	1.43%
2015	\$ 12,864,274	3.75%	\$ 482,410	\$ 3,760	\$ 478,650	0.78%
2016	\$ 13,598,364	3.75%	\$ 509,939	\$ 2,315	\$ 507,624	0.45%
2017	\$ 13,550,693	3.75%	\$ 508,151	\$ 825	\$ 507,326	0.16%

Sources: The City's Comprehensive Annual Financial Reports; MuniServices

- (1) The California Government Code, Section 32605 provides for a legal debt limit of 15 % of gross assessed valuation. However, this provision was enacted when assessed valuation was based on 25% of market value. Effective fiscal year 1981-1982, each parcel is assessed at 100 % market value as of the most recent change of ownership for that parcel. Thus, the factor used to determine calculate the total net debt applicable to limit is 3.75% (25% \* 15%)



**Schedule 13**  
**CITY OF FOLSOM, CALIFORNIA**  
**Pledge Revenue Bond Coverage**  
**Fiscal Year 2017, With Ten Year Trend Analysis**

	2008	2009	2010	2011	2012
<b>Water Revenue Bonds</b>					
Utility Services Charges	\$ 11,497,007	\$ 12,592,586	\$ 11,866,189	\$ 12,309,896	\$ 12,708,434
Less Operating Expense	6,803,694 (2)	9,880,814	7,054,416	7,728,237	9,769,702
Net Available Revenue	4,693,313	2,711,772	4,811,773	4,581,659	2,938,732
Debt Service-Principal	725,000	750,000	780,000	970,000	960,000
Debt Service-Interest	1,419,894	1,370,129	1,272,486	1,113,029	1,068,780
Coverage	2.19	1.28	2.34	2.20	1.45
<b>Special Assessment &amp; Community Facility Bonds</b>					
Special Assessment Collections	16,278,842	16,226,589	16,241,785	16,022,940	16,139,062
Debt Service-Principal	4,875,000	5,690,000	6,578,030	7,951,271	7,366,393
Debt Service-Interest	8,224,457	8,847,185	8,955,158	7,627,998	7,252,534
Coverage	1.24	1.12	1.05	1.03	1.10
<b>RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage</b>					
Gross Tax Revenue	5,846,549	6,245,658	5,924,306	5,502,072	3,385,072 (4)
Debt Service-Principal	490,000	525,000	580,000	515,000	880,000
Debt Service-Interest	1,354,570	1,330,455	1,516,386	2,017,688	1,996,763
Coverage of Senior Debt	3.17	3.37	2.83	2.17	1.18
<b>RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage</b>					
Net Tax Revenue Available for Subordinated Debt <sup>(3)</sup>				2,648,504	1,096,510 (4)
Debt Service - Principal				-	250,000
Debt Service - Interest				-	846,510
Coverage of Subordinated Debt				N/A	1.00
<b>RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage</b>					
Gross Tax Revenue				1,375,518	1,124,940 (4)
Debt Service-Principal				-	255,000
Debt Service-Interest				-	869,940
Coverage				N/A	1.00

Source: City of Folsom

(1) During 2002-2007 the set aside for low and moderate income housing was increased to 25%.

(2) Includes payments for Golden State Water previously charged to Fund 220.

(3) Revenue available after Senior Debt payments and statutory pass-throughs

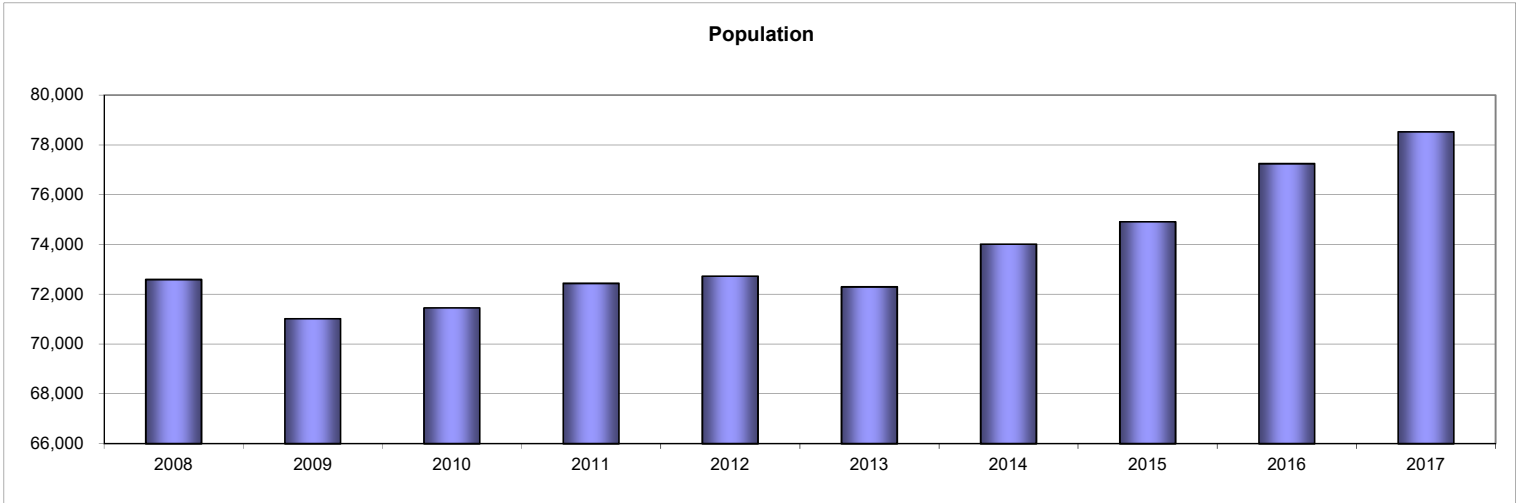
(4) The Redevelopment Agency (RDA) was dissolved by the State during FY12. RDA Tax Allocation Bonds were transferred to a Private Purpose Trust Fund (i.e. Successor Agency) and are not legal obligations of the RDA or the City.

(5) In FY17, all bonds were refunded; Subordinated and Housing Set-Aside Bonds were defeased.

**Schedule 13**  
**CITY OF FOLSOM, CALIFORNIA**  
**Pledge Revenue Bond Coverage**  
**Last Ten Fiscal Years**

2013	2014	2015	2016	2017	
\$ 14,755,852	\$ 14,349,277	\$ 13,218,966	\$ 12,400,653	\$ 13,737,197	<b>Water Revenue Bonds</b>
8,238,934	8,452,397	8,945,873	8,230,547	8,571,343	Utility Services Charges
6,516,918	5,896,880	4,273,093	4,170,106	5,165,854	Less Operating Expense
985,000	1,124,752	1,142,049	1,170,788	1,208,175	Net Available Revenue
1,064,579	828,672	864,822	832,891	796,495	Debt Service-Principal
3.18	3.02	2.13	2.08	2.58	Debt Service-Interest Coverage
					<b>Special Assessment &amp; Community Facility Bonds</b>
15,705,171	15,378,021	15,706,798	16,152,972	18,653,389	Special Assessment Collections
8,794,705	11,895,928	9,463,202	9,480,329	10,932,664	Debt Service-Principal
6,635,434	6,349,684	5,790,222	5,507,126	4,868,399	Debt Service-Interest Coverage
1.02	0.84	1.03	1.08	1.18	
					<b>RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage</b>
2,909,463	2,812,863	2,997,413	2,999,563	3,350,525 (5)	Gross Tax Revenue
940,000	875,000	1,100,000	1,145,000	1,570,000	Debt Service-Principal
1,969,463	1,937,863	1,897,413	1,854,563	1,780,525	Debt Service-Interest Coverage of Senior Debt
1.00	1.00	1.00	1.00	1.00	
					<b>RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage</b>
1,060,988	1,160,319	974,850	976,688	-	Net Tax Revenue Available for Subordinated Debt <sup>(3)</sup>
215,000	325,000	150,000	160,000	-	Debt Service - Principal
845,988	835,319	824,850	816,688	-	Debt Service - Interest Coverage of Subordinated Debt
1.00	1.00	1.00	1.00	N/A (5)	
					<b>RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage</b>
1,126,088	1,124,425	1,126,313	1,126,050 (4)	-	Gross Tax Revenue
175,000	180,000	190,000	200,000	-	Debt Service-Principal
951,088	944,425	936,313	926,050	-	Debt Service-Interest Coverage
1.00	1.00	1.00	1.00	N/A (5)	

**Schedule 14  
CITY OF FOLSOM, CALIFORNIA  
Demographic and Economic Information  
Fiscal Year 2017, With Ten Year Trend Analysis**



Year	Population Folsom (1)	Population County (3)	Personal Income County (2)	Estimated Personal Income Folsom	Per Capita Personal Income (3)	Median Projected Age (3)	Education Level in Years Schooling (3)	School Enrollment (4)	Unemployment Rate (5)
2008	72,590	1,424,415	Not available	\$ 2,839,357,850	\$ 39,115	36.20	Note 1	19,029	2.90%
2009	71,018	1,433,187	Not available	\$ 2,846,543,476	\$ 40,082	36.20	Note 1	19,119	5.10%
2010	71,453	1,445,327	Not available	\$ 2,889,344,961	\$ 40,437	36.40	Note 1	19,182	5.80%
2011	72,439	1,428,355	Not available	\$ 2,445,033,567	\$ 33,753	35.90	Note 1	18,893	5.80%
2012	72,725	1,435,153	Not available	\$ 2,521,521,200	\$ 34,672	36.40	Note 1	19,154	5.00%
2013	72,294	1,445,806	Not available	\$ 2,553,336,604	\$ 35,319	37.60	Note 1	19,112	4.80%
2014	74,014	1,454,406	Not available	\$ 2,669,012,933	\$ 36,061	39.00	Note 1	19,356	3.90%
2015	74,909	1,470,912	Not available	\$ 2,902,199,387	\$ 38,743	37.70	Note 1	19,927	3.70%
2016	77,246	1,495,297	Not available	\$ 3,025,812,336	\$ 39,171	38.70	Note 1	19,865	3.90%
2017	78,525	1,514,770	Not available	\$ 3,223,922,400	\$ 41,056	39.90	Note 1	20,312	3.50%

Note 1	2010	2011	2012	2013	2014	2015	2016	2017
Less than 9th grade	Not available	Not available	Not available	1.80%	1.60%	3.40%	2.00%	2.40%
Some High School, no diploma	Not available	Not available	Not available	7.70%	4.20%	6.80%	6.00%	5.20%
High School Graduate (or GED)	91.10%	89.00%	89.60%	17.60%	20.80%	16.90%	17.20%	15.80%
Some College, no degree	Not available	Not available	Not available	21.80%	20.20%	17.90%	19.90%	19.70%
Associate Degree	Not available	Not available	Not available	9.20%	8.50%	9.00%	9.20%	9.10%
Bachelor's Degree	41.90%	40.40%	40.10%	26.90%	26.90%	26.90%	28.50%	29.40%
Master's Degree	Not available	Not available	Not available	Not available	Not available	Not available	Not available	not available
Professional School Degree	Not available	Not available	Not available	15.10%	17.80%	19.20%	17.30%	18.40%
Doctorate Degree	Not available	Not available	Not available	Not available	Not available	Not available	Not available	not available

- Sources:
- (1) California Department of Finance (includes prison population)
  - (2) U.S. Department of Commerce, Bureau of Economic Analysis
  - (3) Information provided by MuniServices, LLC
  - (4) California Department of Education
  - (5) California Employment Development Department

**Schedule 15  
CITY OF FOLSOM, CALIFORNIA  
Principal Employers  
Fiscal Year 2017**

<b><u>Employer</u></b>	2017		
	<b><u>Employees</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total City Employment</u></b>
Intel Corporation	5,609	1	15.49%
California State Prison	1,752	2	4.84%
Folsom Prison	1,125	3	3.11%
Folsom Cordova Unified School District	984	4	2.72%
Mercy Hospital of Folsom	746	5	2.06%
California ISO	593	6	1.64%
City of Folsom	418	7	1.15%
Micron Technology Inc	385	8	1.06%
Safe Credit Union	325	9	0.90%
Costco	300	10	0.83%
 Total City Labor Force:			 36,200

Sources: MuniServices  
City of Folsom  
Employment Development Department

**Schedule 16**  
**CITY OF FOLSOM, CALIFORNIA**  
**Government Employment Information**  
**Fiscal Year 2017, With Ten Year Trend Analysis**

Function/Program	Full-time Equivalent Employees									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	3.75	3.75	5	6.25	6	5.25	5.5	5.5	5.75	5.5
City Attorney	5	5	5	4	4	4	3.75	3.75	3.75	4
Administrative Services (2)	14.13	11	12	0	0	0	0	0	0	0
City Clerk	4	3.5	3.5	3	3	3	3	3	3	3
Community Development (1)	47.5	34	38.5	26.5	26.5	22	20.4	20.4	21.4	22.4
Fire	83	78	79	69	64	63	65	65	69	69
Human Resources	6.75	6.75	6	6	6	5	5	5	5	5
Intergov't Affairs & Econ. Dev.	2	1.5	1.5	0	0	0	0	0	0	0
Library	19	16	15	13.5	12	11	11	10.5	10.5	10.5
Neighborhood Services (1)	5.5	7.5	0	0	0					
Office of Management & Budget	22	20	19	24	24	20	19	20	20	21
Parks & Recreation	71.9	65.55	50.8	53.8	52.8	43	43.4	42.4	44.8	46
Police Department	123.25	120.25	112.25	103.5	103.5	98.5	97.5	97.5	98.5	101.5
Public Works	61.7	68.2	59	54.75	55.5	51	46.9	45.9	45.9	47.7
Utilities	110.5	99	95	91.5	89	90.25	89.95	91.95	94.2	97.2
	<u>584.98</u>	<u>545.00</u>	<u>506.55</u>	<u>460.80</u>	<u>451.30</u>	<u>421.00</u>	<u>415.40</u>	<u>415.90</u>	<u>426.80</u>	<u>437.80</u>

Source: City Budget

- (1) During FY 2004 Community Development and Neighborhood Services were split into two separate and distinct departments.  
During FY 2010 Neighborhood Services was merged into Community Development.
- (2) During FY 2012, Administrative Services was merged into City Manager, Finance, and Parks and Recreation

**Schedule 17**  
**CITY OF FOLSOM, CALIFORNIA**  
**Operating Indicators by Function/Program**  
**Fiscal Year 2017, With Ten Year Trend Analysis**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Police (1)</b>										
Misdemeanor and felony arrests	2,031	2,009	1,855	1,463	1,270	1,324	1,410	1,414	1,257	1,251
Traffic citations	16,055	16,328	13,186	8,106	7,262	6,180	6,144	3,882	2,997	2,575
Traffic collisions	1,393	1,390	1,367	1,377	1,464	1,410	1,328	1,166	1,528	1,673
<b>Fire</b>										
Ambulance transports	3,133	3,167	2,608	2,692	3,099	3,099	3,186	3,367	3,819	4,045
Medical responses	3,953	3,989	3,409	3,618	3,526	3,526	3,485	3,671	4,369	4,748
Inspections completed	280	527	1,457	1,485	1,326	1,850	1,066	1,035	1,460	506
<b>Other public works</b>										
Lane miles of street overlay	7	5.37	9.5	2.3	9	7.2	-	4	8	2
Curb miles of streets swept	4,876	6,756	1,530	1,308	445	568	1,807	2,511	4,275	2,930
Hot pour crack seal applied (lineal ft.)	255,000	16,615	550,000	-	120,000	104,480	103,020	80,200	150,000	390,000
Square feet of street patch	130,400	44,672	243,750	12,000	83,000	84,560	408,000	187,650	200,000	75,000
Number of miles of road added	2	-	-	-	-	-	-	1	1	1
Number of traffic signals added	2	-	-	4	18	-	-	-	1	-
Number of streetlights added	26	-	-	-	28	4	-	19	15	35
Miles of storm drains added	2	-	0.58	-	0.2	0.1	0.3	0.5	0.6	0.2
Area of Slurry Seal applied (sq ft)	7,110,000	7,333,745	3,690,000	3,559,000	862,000	1,895,800	1,034,100	1,500,000	2,250,000	-
<b>Parks and Recreation</b>										
Aquatic center paid admissions	51,254	55,505	56,466	56,245	59,571	63,840	68,257	62,668	58,694	61,731
Community facilities reservations	4,035	3,839	3,046	2,224	2,374	2,801	2,949	3,449	3,269	3,115
Community facilities paid rentals	791	956	978	667	889	1,007	1,113	1,107	1,111	1,059
Total park acreage	435	435	435	439	439	439	439	439	439	439
Open space acreage	359	361	409	420	420	420	420	499	631	631
Trails maintenance	22	24	34	36	36	36	36	36	45	48
Recreation program participation	551,244	532,474	522,803	498,879	595,934	540,688	559,776	524,545	560,973	523,268
Zoo attendance	117,828	107,827	100,423	104,032	125,564	121,387	123,440	121,360	116,057	121,953
<b>Library</b>										
Volumes in collection	92,100	102,215	111,726	112,170	102,767	103,253	96,833	92,979	91,519	89,133
Total volumes borrowed	542,371	664,251	666,612	543,053	552,161	564,434	608,536	609,441	613,597	603,421
<b>Water</b>										
New connections	244	218	181	149	103	187	356	348	268	180
Water main breaks	4	3	3	2	1	5	3	8	5	1
Average consumption (gal/day)	22.1MGD	24.3 MGD	20.9 MGD	19.8 MGD	19.3 MGD	20.3 MGD	16.6 MGD	14.9 MGD	14.2 MGD	16.65 MGD
Plant capacity (gal/day)	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)										
Daily average flow in gallons	8.0 MGD	7.0 MGD	6.95 MGD	6.77 MGD	7.82 MGD	6.22 MGD	5.75 MGD	5.75 MGD	5.98 MGD	8.03 MGD
Pump station capacity (gal/day)	12 MGD	12 MGD	12MGD	12 MGD	12 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14 MGD
<b>Refuse collection</b>										
Solid Waste (tons per day)	147	138	138	134	131	136	136	140	144	150
Recycling (tons per day)	44	41	38	34	35	39	38	41	44	44
Green Waste (tons per day)	39	32	34	33	33	35	33	34	36	40
<b>Transit</b>										
Total route miles	271,651	241,675	181,153	187,036	194,900	184,727	175,402	195,390	200,897	195,989
Passengers-Folsom Stage Line	94,113	101,590	64,880	61,650	73,485	79,787	92,489	91,930	83,180	92,282
Passengers-Light Rail	929,201	780,756	764,660	739,024	778,856	745,108	734,500	702,935	689,935	619,684

Source: City of Folsom

N/A - Data not available

(1) Prior to FY 2013, Police statistics were for calendar, not fiscal year

**Schedule 18**  
**CITY OF FOLSOM, CALIFORNIA**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Fiscal Year 2017, With Ten Year Trend Analysis**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Public Works</b>					
Miles of streets	259	259	259	259	259
Number of street lights	6,660 (2)	6,660	6,667	6,667	6,699
Number of traffic signals	92	92	96	100	118
<b>Culture and recreation</b>					
Zoo	1	1	1	1	1
Community centers	2	2	4	4	4
Community clubhouse	3	3	3	2	2
Parks	44	45	45	46	46
Park acreage	466	434	435	439	439
Swimming pools	3	3	3	3	3
Tennis courts	23	23	23	23	23
Fire Stations	4	4	4	4	4
<b>Police</b>					
Stations	1	1	1	1	1
Patrol Units	61	61	49	49	60
<b>Sewage System</b>					
Miles of sanitary sewers	267	267	267	267	267
Number of pump stations	9	9	9	9	9
Number of service connections	21,057	21,359	21,552	21,684	21,787
<b>Water</b>					
Miles of water mains	343	343	343	343	343
Number of service connections	18,951	19,169	19,350	19,275	19,376
Number of fire hydrants (not inc. San Juan)	2,958	2,860	2,874	2,895	2,919
Daily average consumption in gallons	22.1 MGD	24.3 MGD	20.9	19.8	20
Maximum daily capacity of plant in gallons	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
<b>Drainage System</b>					
Miles of storm drains	199	199	200	250	250

Source: City of Folsom

- (1) Amount includes individual mobile homes  
(2) FY08 Number Street Lights: The City performed a GPS Survey and Asset accounting.  
All prior years have been adjusted to this figure.

**Schedule 18**  
**CITY OF FOLSOM, CALIFORNIA**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Last Ten Fiscal Years**

2013	2014	2015	2016	2017	<u>Function/Program</u>
					Public Works
259	300	301	302	303	Miles of streets
6,703	6,699	6,699	6,714	6,749	Number of street lights
118	118	118	119	119	Number of traffic signals
					Culture and recreation
1	1	1	1	1	Zoo
4	4	4	4	4	Community centers
2	2	2	2	2	Community clubhouse
46	46	46	46	46	Parks
439	439	439	439	439	Park acreage
3	3	3	3	3	Swimming pools
23	23	23	23	23	Tennis courts
4	4	4	4	4	Fire Stations
					Police
1	1	1	1	1	Stations
52	56	54	53	53	Patrol Units
					Sewage System
267	267	267	267	268	Miles of sanitary sewers
15	15	15	15	14	Number of pump stations
21,974	22,295	22,743	22,927	22,974	Number of service connections
					Water
343	343	343	343	346	Miles of water mains
19,563	19,919	20,267	20,535	20,755	Number of service connections
					Number of fire hydrants (not inc. San Juan)
2,921	2,977	2,989	2,996	2,994	Daily average consumption in gallons
20.3	16.6 MGD	14.9 MGD	14.2 MGD	16.65 MGD	Maximum daily capacity of plant in gallons
50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	Drainage System
250	250	250	250	250	Miles of storm drains



**Schedule 19**  
**CITY OF FOLSOM, CALIFORNIA**  
**Miscellaneous Statistics**  
**Fiscal Year 2017, With Ten Year Trend Analysis**

	<b>Education</b>				<b>Hospitals</b>	
	<b>Elementary schools</b>	<b>Secondary schools</b>	<b>Number of school instructors - FTE</b>	<b>Community colleges</b>	<b>Number of hospitals</b>	<b>Patient beds</b>
2008	10	5	452	1	1	105
2009	10	5	468	1	1	105
2010	10	5	455	1	1	105
2011	10	5	451	1	1	131
2012	10	5	446	1	1	131
2013	10	5	452	1	1	131
2014	10	5	453	1	1	131
2015	10	5	489	1	1	131
2016	10	5	540	1	1	131
2017	10	5	550	1	1	131

Sources: Folsom Cordova Unified School District, City of Folsom  
Mercy Hospital of Folsom