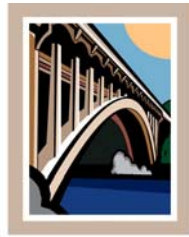


City of **Folsom**
CALIFORNIA

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015



CITY OF
FOLSOM
DISTINCTIVE BY NATURE



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

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



CITY OF
FOLSOM
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CITY OF FOLSOM, CALIFORNIA

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

December 17, 2015

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

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015 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 74,014. 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 unit, the Folsom Public Financing Authority (FPFA), which is a separable legal entity that is included in this report because of the significance of its operational or financial relationship with the City. The FPFA is reported on a blended basis as part of the primary government because the board is composed of City Council members or they are, in substance, part of the City's operations. The FPFA is an entity created to issue bonds to finance City projects. Also included in the CAFR, as a separate Statement of Fiduciary Position, is the activity of the RDA Obligation Retirement 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's recovery from the recession continues, with general fund revenues having a modest increase (3.3%), expenditures held in check (2.3% increase), and a surplus of \$1,966,501 that was added to the General Fund's fund balance. This increased our fund balance to 13.07% of expenditures and was the fourth year in a row that we have added to our General Fund balance. In FY15 our property taxes were up 5.8%, reflecting higher sales prices and fewer Prop 8 properties. Our sales taxes were up only a very modest 0.6% reflecting the low inflation rate, a reduction in energy and fuel prices, and a leveling of consumer consumption.

As of June 30, 2015, employment levels in California have continued to increase. The California Economic Development Department listed the June 2015 unemployment rate for the State and County at 6.2% and 5.8% respectively. Folsom's unemployment rate was 3.8%. A comparison to one year ago had the State and County at 7.3% and 7.1% respectively and Folsom at 3.1%. The increase in the unemployment rate for Folsom is due to a change in reporting by the California Economic Development Department. The number of people employed in Folsom changed from 26,800 in June 2014 to 34,100 in June 2015.

With respect to the local housing market, sales activity in Folsom in fiscal year 2015 was flat compared to fiscal year 2014, while the median sales price increased by 6.72%. It is projected that the number of sales will increase and price increases will continue into the next fiscal year. New development projects starting up throughout the city and the revaluing of Prop 8 properties to market will increase property values and subsequent property tax collection.

Auto sales were up a modest 2% in FY15 after a 10% increase in FY14. It is projected that auto sales will increase again in FY16 at about a 6-8% rate.

Building permits were steady with a 2-3% increase in both number and construction value. The average construction value of a permit was \$70,836 in FY15 as compared to \$70,460 in FY14 and \$44,404 in FY13. The change is mainly a reflection on the number of single family home permits as this increased from 252 in FY13 to 332 in FY14 and 325 in FY15. It is expected that this trend will continue with new development within the City.

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. The economy has continued to improve and the California economic forecast from the University of the Pacific is for California to experience steady growth in real gross state product of about 3% over the next four years. The improved State budget is also a positive indicator of the state economy, allowing the State to generate budget surpluses and build their rainy-day reserves. The State's major revenue sources – the personal income tax, sales and use tax, and corporation tax – all have revenues higher than expected. The State is also looking at lower than budgeted expenditures especially for medi-cal and the CalWORKS program.

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 unqualified opinion for the fiscal year ended June 30, 2015, 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.

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 2014-15 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 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

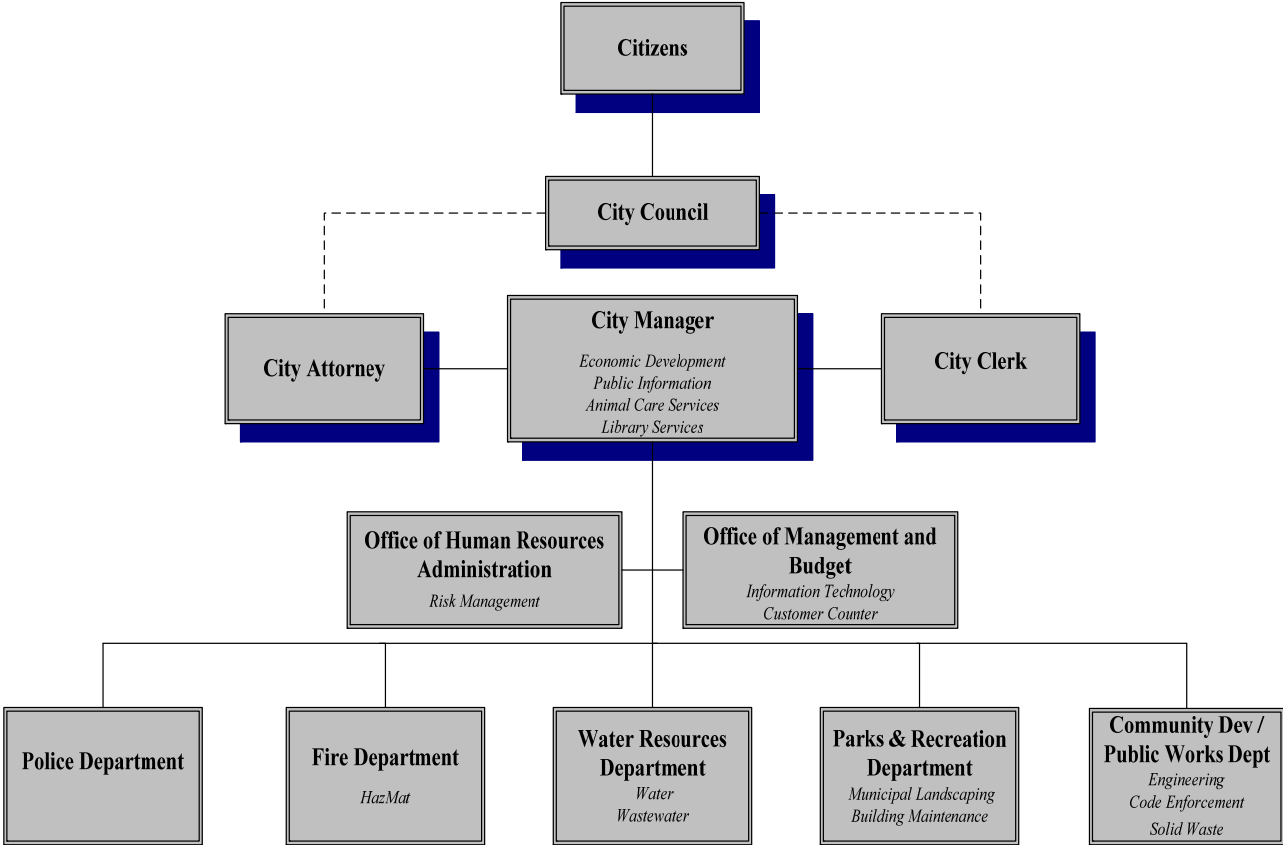
**City of Folsom
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

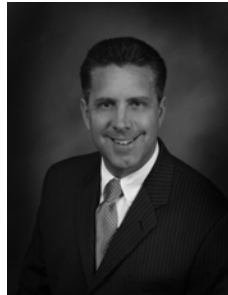
City Organizational Chart



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



Steve Miklos, Mayor



Jeff Starsky, Vice Mayor



Andy Morin



Ernie Sheldon



Kerri Howell

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

FINANCIAL SECTION



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

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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, California (City), as of and for the year ended June 30, 2015, 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, 2015, 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 discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinions are 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 on pages 4 through 18, the schedule of funding progress on page 88, the budgetary comparison information on pages 89 through 90, the schedule of changes in the City's net pension liability and related ratios on page 86, and the schedule of pension contributions on page 87 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 nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules 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 December 18, 2015, 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
December 18, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015. We encourage readers to consider the information presented here in conjunction with the transmittal letter on page vii 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) 2014-15 by \$443,531,593 (*net position*). Of this amount, \$(66,278,572) is unrestricted, \$44,424,065 is restricted for specific purposes, and \$465,386,100 is the net investment in capital assets.
- The City's total net position decreased in FY 2014-2015. The total decrease was \$96,594,021 or 17.88% as compared to prior year total net position mostly due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.
- The City's total long-term debt decreased by \$12.7 million compared to the prior year, or 7%. The decrease was made up of \$18.7 million in scheduled principal payments and capital lease payments, offset by additions of \$6 million in OPEB liability, compensated absences and deferred amounts.
- Three elements were added to the Statement of Net Position per GASB 68. Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions and a Net Pension Liability in the Long-term liability section. Refer to Note. 11 of the Notes to the Financial Statements for a detailed explanation of how this GASB effects the financial statements.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

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.

A component unit, the Folsom Public Financing Authority, is included in our basic financial statements and is a legally separate entity for which the City is financially accountable and it has the same board as the City Council. Complete financial statements of the Folsom Public 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 2014-15, a decrease of \$96,594,021 in net position in the government-wide financial statements was reported, and a decrease of \$4,374,462 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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 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 agency funds and private-purpose trust 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 private-purpose trust fund is used to account for activity related to the dissolution of the former Redevelopment Agency. 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 pension schedules to show the net pension liability for the City's pension plans, and contributions made to the plans.

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, 2015, the City's combined net position (governmental and business-type activities) totaled \$443,531,593, a decrease of 17.9% from FY 2013-14 amounts. The City's net position is broken out into three categories: net investment in capital assets totaling \$465,386,100 (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 \$44,424,065 and unrestricted totaling \$(66,278,572). 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, 2015

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other	\$ 187,274,916	\$187,273,191	\$ 35,443,115	\$37,503,129	\$ 222,718,031	\$224,776,320
Capital assets, net	366,410,378	375,589,416	137,002,241	128,769,240	503,412,619	504,358,656
Total assets	553,685,294	\$562,862,607	172,445,356	\$166,272,369	726,130,650	\$729,134,976
Deferred Outflows of Resources						
Deferred amount related to pensions	7,735,121	-	1,595,804	-	9,330,925	-
Deferred amounts on refunding	-	-	667,388	718,373	667,388	718,373
Liabilities						
Long-term liabilities	133,481,072	145,047,299	26,218,554	27,392,781	159,699,626	172,440,080
Other liabilities	90,072,244	10,007,085	26,428,199	6,021,900	116,500,443	16,028,985
Total liabilities	223,553,316	155,054,384	52,646,753	33,414,681	276,200,069	188,469,065
Deferred Inflows of Resources						
Deferred amount related to pensions	12,410,568	-	2,853,680	-	15,264,248	-
Special assessments not collected	-	41,329	-	-	-	41,329
Deferred amounts on refunding	1,091,724	1,217,341	-	-	1,091,724	1,217,341
Net position						
Net investment in capital assets	352,122,867	368,751,791	113,263,233	103,935,042	465,386,100	472,686,833
Restricted	43,903,207	36,162,905	520,858	512,201	44,424,065	36,675,106
Unrestricted	(71,702,596)	1,634,857	5,424,024	29,128,818	(66,278,572)	30,763,675
Total net position	\$ 324,323,478	\$ 406,549,553	\$ 119,208,115	\$ 133,576,061	\$ 443,531,593	\$ 540,125,614

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, 2015**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 33,843,529	\$34,748,408	\$ 30,310,031	\$31,818,678	\$ 64,153,560	\$ 66,567,086
Operating grants and contributions	2,631,565	2,883,514	5,947,821	4,883,545	8,579,386	7,767,059
Capital grants and contributions	14,275,960	16,542,881	554,070	2,616,710	14,830,030	19,159,591
General revenues						
Property taxes	20,169,495	19,042,480	-	-	20,169,495	19,042,480
Sales and use tax	19,386,661	19,442,008	-	-	19,386,661	19,442,008
Other taxes	2,860,264	2,593,291	-	-	2,860,264	2,593,291
Investment earnings	423,710	695,856	220,380	384,577	644,090	1,080,433
Miscellaneous	1,921,290	2,423,607	-	-	1,921,290	2,423,607
Gain on disposal of capital assets	96,858	3,500	-	-	96,858	3,500
Total Revenues	95,609,332	\$98,375,545	37,032,302	\$39,703,510	132,641,634	138,079,055
Expenses						
General government	16,789,611	16,949,780	-	-	16,789,611	16,949,780
Public safety	31,457,224	31,853,391	-	-	31,457,224	31,853,391
Public ways and facilities	24,655,423	23,900,284	-	-	24,655,423	23,900,284
Community services	3,358,210	3,293,971	-	-	3,358,210	3,293,971
Culture and recreation	13,917,727	13,949,169	-	-	13,917,727	13,949,169
Interest and fiscal charges	5,669,088	6,280,411	-	-	5,669,088	6,280,411
Water	-	-	12,666,550	12,088,326	12,666,550	12,088,326
Wastewater	-	-	5,175,177	5,154,810	5,175,177	5,154,810
Solid waste	-	-	8,702,357	8,518,137	8,702,357	8,518,137
Transit	-	-	3,344,616	3,316,706	3,344,616	3,316,706
Facilities augmentation	-	-	-	23,375	-	23,375
Total expenses	95,847,283	96,227,005	29,888,700	29,101,354	125,735,983	125,328,359
Increase/decrease in net position before transfers and extraordinary item	(237,951)	2,148,540	7,143,602	10,602,156	6,905,651	12,750,696
Transfers	2,599,139	2,510,879	(2,599,139)	(2,510,879)	-	-
Extraordinary items	-	(381,150)	-	-	-	(381,150)
Change in net position	2,361,188	4,278,269	4,544,463	8,091,277	6,905,651	12,369,546
Net position, beginning of year, restated	321,962,290	\$402,271,284	114,663,652	\$125,484,784	436,625,942	527,756,068
Net position, end of year	\$ 324,323,478	406,549,553	\$ 119,208,115	133,576,061	\$ 443,531,593	\$ 540,125,614

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.

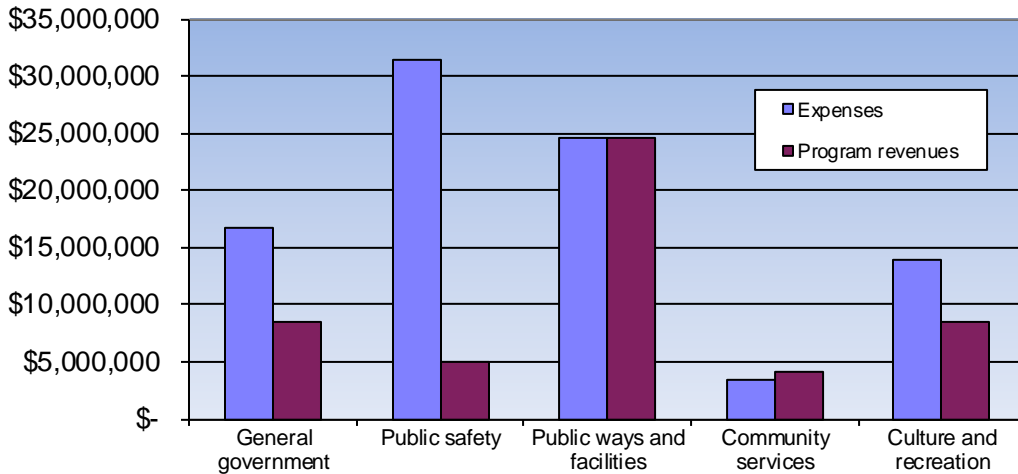
At the end of FY 2014-15, total revenues for the governmental activities, excluding transfers from the business-type activities of \$2.6 million, was \$95,609,332, a decrease of approximately \$2.8 million from the previous year mostly due to decreases in Capital Grants and Contributions revenue that was up in the prior year for transportation related projects. Expenses totaled

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

\$95,847,283, a decrease of \$380k or .4% from the prior year. After transfers and extraordinary items, revenues exceeded expenses and thus governmental activities increased the City’s net position by \$2,361,188.

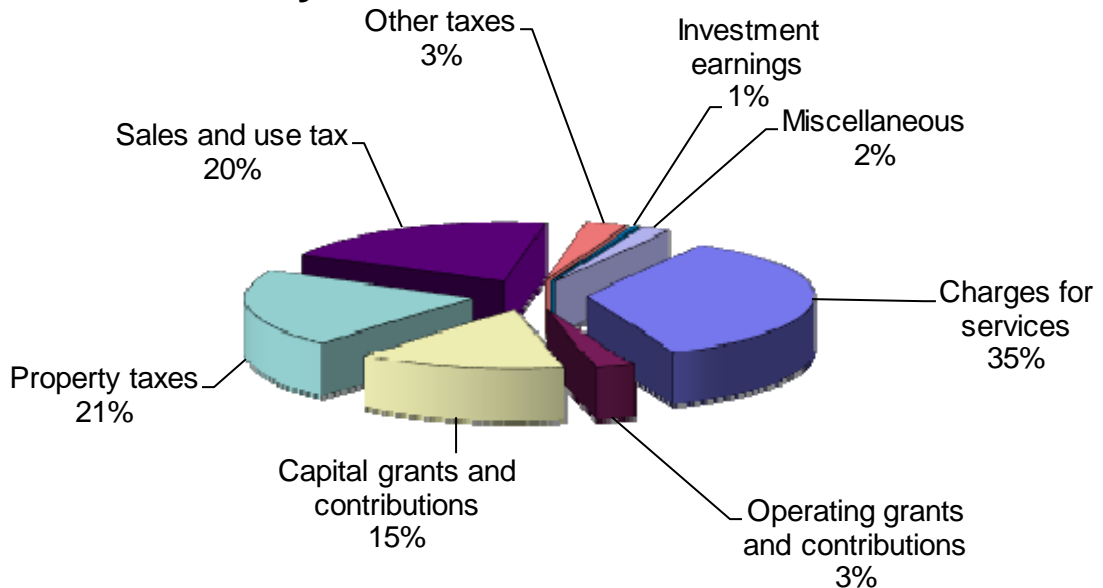
Overall program revenues decreased by approximately \$3.4 million. General revenues saw an overall increase of approximately \$658k primarily due to an increase in Property taxes. The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities.

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

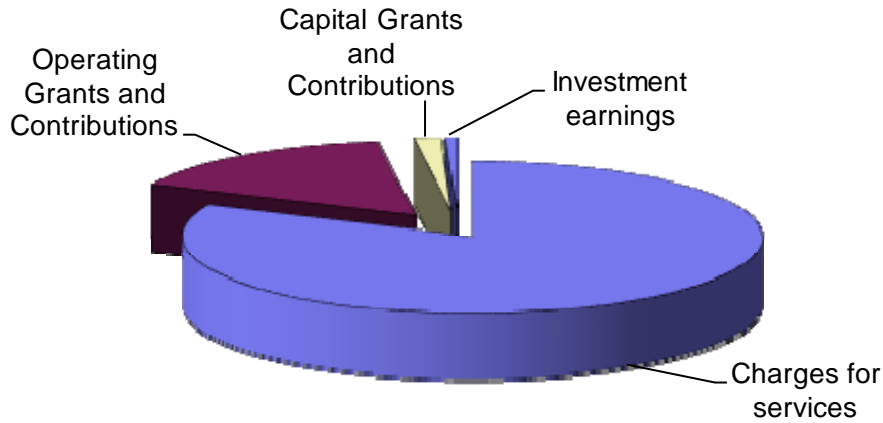


Business-type activities: The City has five business-type activities: Water, Wastewater, Solid Waste, Transit, and Facilities Augmentation. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

Charges for Services as their largest source of revenues. Capital Grants and Contributions, as well as Operating Grants and Contributions, were the other revenue sources. Capital Grants and Contributions include revenues received from developers for capital infrastructure.

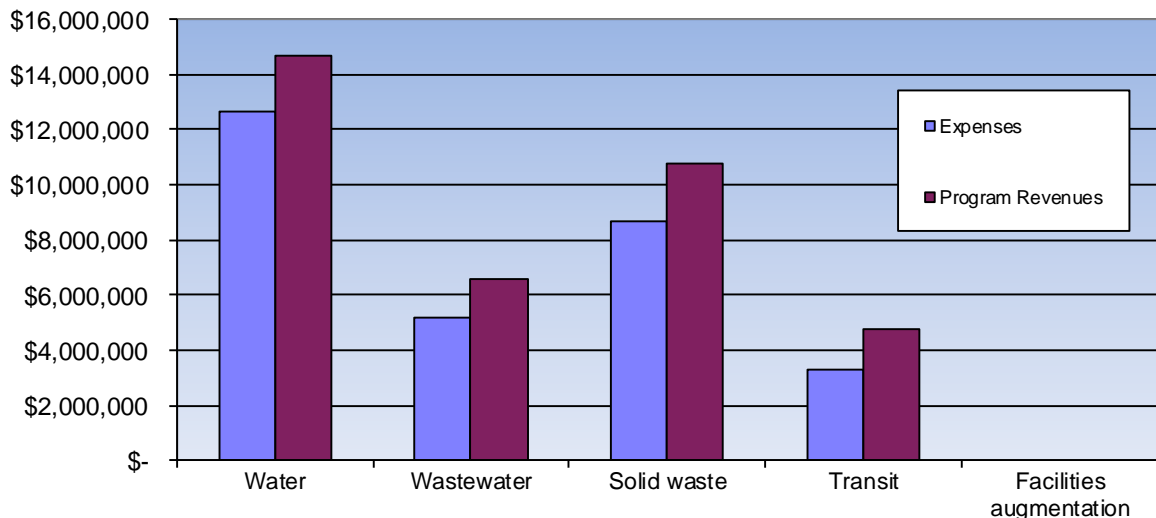
Revenues by Source - Business-Type Activities



Business-type activities increased the City’s net position by \$4,544,463. At the end of FY 2014-15, business-type activities reported total revenues, excluding transfers in from governmental activities, of \$37,032,302, a decrease of \$2.7 million from the prior year. Decrease is mostly due to a decrease in Capital grants and contributions related to developer contributions. Expenses totaled \$29,888,700, an increase of \$787k 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 \$167,982,201, a decrease of \$4,374,462 in comparison with the prior year fund balance. This decrease is mostly due to activity in the Public Financing Authority Debt Service Fund, offset by increases in the General and Transportation Improvement Funds. Of the total fund balance, \$7,640,556 (4.5%) 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 \$101 million for the fiscal year ended June 30, 2015, which represents a decrease of 3.5% from the fiscal year ended June 30, 2014. Expenditures and other financing uses for governmental functions totaled \$106 million, a decrease of 1.5% 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, 2015

	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2015	2014	2015	2014	2015	2014
General Fund	\$ 72,639,226	\$ 71,089,034	\$ 70,672,725	\$ 69,486,763	\$ 1,966,501	\$ 1,602,271
Folsom Housing - Special Revenue Fund	248,655	301,883	101,220	35,519	147,435	266,364
Folsom Public Financing Authority	7,472,733	7,993,343	15,318,522	18,241,210	(7,845,789)	(10,247,867)
Transportation Improvement Fund	5,654,538	8,955,589	4,591,417	6,700,128	1,063,121	2,255,461
Other Governmental Funds	15,315,050	16,714,198	15,020,780	12,800,074	294,270	3,914,124
Total	<u>\$ 101,330,202</u>	<u>\$ 105,054,047</u>	<u>\$ 105,704,664</u>	<u>\$ 107,263,694</u>	<u>\$ (4,374,462)</u>	<u>\$ (2,209,647)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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 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 2014-15 there was an increase in fund balance of \$1,966,501, which resulted in a nonspendable fund balance of \$339k, an assigned fund balance of \$740k and unassigned fund balance of \$8.2 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 11.5% of total General Fund expenditures and transfers out of \$70,672,725, while total fund balance represents 13.1% of that same amount. The unassigned fund balance is being carefully monitored, as maintaining a sufficient balance is essential to the fiscal health of the City.

General Fund revenues of \$66.2 million were up \$2.1 million or 3.3% higher than FY 2013-14 revenues of \$64.1 million. The table below provides a revenue comparison between Fiscal Years 2014-15 versus 2013-14.

	2015	2014	\$ Change	% Change
Property taxes	\$ 20,169,495	\$ 19,042,480	\$ 1,127,015	5.9%
Sales & use taxes	19,386,661	19,442,008	(55,347)	-0.3%
Transient occupancy	1,601,768	1,474,676	127,092	8.6%
Real Property transfer	461,770	384,598	77,172	20.1%
Other	796,726	734,017	62,709	8.5%
Licenses and permits	2,123,853	2,100,673	23,180	1.1%
Vehicle license fees	5,596,355	5,198,998	397,357	7.6%
Intergovernmental	970,943	1,521,943	(551,000)	-36.2%
Charges for current services	13,051,654	12,093,241	958,413	7.9%
Fines and forfeitures	250,761	270,170	(19,409)	-7.2%
Interest	90,832	183,474	(92,642)	-50.5%
Miscellaneous	1,725,447	1,655,547	69,900	4.2%
	<u>\$ 66,226,265</u>	<u>\$ 64,101,825</u>	<u>\$ 2,124,440</u>	<u>3.3%</u>

Property tax revenues increased 5.9% over the prior fiscal year, due to increasing home values. Sales tax revenues, a major portion of the General Fund budget, decreased only slightly, .3%, over the same twelve month period in the prior year. The stability is in line with regional and national trends. Transient occupancy taxes (TOT) increased by \$127k, or 8.6% over last year. Licenses and permits increased \$23k or 1.1%. Charges for current services increased \$958k or 7.9%.

General fund expenditures of \$70,672,725, excluding transfers out, increased by \$1.6 million or 2.3% over prior year expenditures of \$69,056,763. This increase is due to slightly increased spending across all functions.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Expenditures	2015	2014	\$ variance	% variance
General government	\$ 16,065,731	\$15,704,718	\$ 361,013	2.3%
Public safety	32,467,359	31,856,932	610,427	1.9%
Public ways and facilities	5,786,041	5,586,614	199,427	3.6%
Community services	3,582,489	3,394,648	187,841	5.5%
Culture and recreation	11,706,148	11,610,920	95,228	0.8%
Capital Outlay	641,186	580,267	60,919	10.5%
Debt service principal payments	423,748	322,664	101,084	31.3%
	\$ 70,672,702	\$69,056,763	\$ 1,615,939	2.3%

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

Comparative Fund Balance - Governmental Funds

	2015	2014	Net Change
General Fund	\$ 9,237,114	\$ 7,270,613	\$ 1,966,501
Folsom Housing - Special Revenue Fund	11,370,889	11,223,454	147,435
Folsom Public Financing Authority	107,704,920	115,550,709	(7,845,789)
Transportation Improvement Fund	11,581,594	10,518,473	1,063,121
Other Governmental Funds	28,087,684	27,793,414	294,270
	\$ 167,982,201	\$ 172,356,663	\$ (4,374,462)

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 2014-2015, the fund reported revenues of \$249k and expenditures and transfers of \$101k, increasing fund balance by \$147k.

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. As of June 30, 2015 and 2014, the Authority's governmental debt service fund reported combined ending fund balance of \$108 million and \$116 million respectively, a decrease of \$8 million in comparison with the prior fiscal year.

Revenues and other financing sources for FPFA's governmental functions overall totaled \$7.5 million in FY 2014-15, and represent a decrease of \$520k in comparison with the prior fiscal year. This is due to a slight reduction in payments required to be received for the payment of debt. Expenditures and other financing uses for governmental functions, totaling \$15 million, decreased by \$3 million from the prior fiscal year. The decrease is mostly due to a reduction in total debt service payments due. For additional information please refer to Note 7 of this report and the separately issued financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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 \$4.6 million in FY 2014-15, down \$2.1 million from the prior fiscal year. The decrease is mostly related to increased project costs for projects such as Folsom Blvd Improvements and Street Overlay in the prior year.

Proprietary Funds

Water Fund

Net position of the Water Fund increased by \$1.4 million in FY 2014-15. Operating revenue for FY 2014-15 was \$13.1 million, a decrease of \$1.1 million due to water conservation throughout the fiscal year. Operating expenses increased \$600k to \$11.7 million primarily due to increased maintenance and operations expenses. Net transfers were \$749k, a decrease of \$47k from prior year levels. As of June 30, 2015, the fund's net position, after a restatement of beginning Net Position, was \$75.7 million, of which \$68.1 million was the net investment in capital assets, while the remaining \$7.6 million was unrestricted.

Wastewater Fund

Operating revenues were at \$6.2 million, an increase of \$61k from the prior year. Expenses were at \$5.2 million, right in line with the prior year. The net result was operating income of \$989k. Other items which affected net position were capital contributions of \$268k and other non-operating revenues of \$234k. The total increase to net position in FY 2014-15 was \$976k, leaving a balance, after a restatement of beginning Net Position, of \$43 million. As of June 30, 2015, of the Fund's net position, \$39.6 million was the net investment in capital assets, and the remaining \$3.4 million was unrestricted.

Solid Waste Fund

Operating revenues were at \$10.4 million, an increase of \$120k from the prior year. Operating expenses were at \$8.7 million, an increase of \$200k. The net result was operating income of \$1.7 million. The total increase to net position in FY 2014-15 was \$951k, leaving a balance, after a restatement of beginning Net Position, of \$(1.4) million. As of June 30, 2015, of the Fund's net position, \$4.0 million was the net investment in capital assets, and the remaining \$(5.4) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

	Operating Revenues, Nonoperating Revenues, Capital Contributions & Transfers		Operating Expenses, Nonoperating Expenses & Transfers		Net Change in Net Position	
	2015	2014	2015	2014	2015	2014
Water	\$ 14,811,175	\$ 16,957,339	\$ 13,415,459	\$ 12,885,244	\$ 1,395,716	\$ 4,072,095
Wastewater	6,674,104	7,847,068	5,698,437	5,673,058	975,667	2,174,010
Solid Waste	10,797,944	10,680,302	9,847,191	9,641,383	950,753	1,038,919
Other Enterprise Funds	4,780,011	4,374,577	3,557,684	3,568,324	1,222,327	806,253
Total	\$ 37,063,234	\$37,680,906	\$ 32,518,771	\$31,431,035	\$ 4,544,463	\$ 8,091,277

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 \$134k higher than final budget amounts. All expenditure categories were less than current year budget appropriations due to savings in contracts, services and supplies and salary and benefit savings, except Public Safety and Culture & Recreation.

Revenues were \$66.2 million or 106% of budgeted amounts. A shortfall from budgeted amounts did occur in Sales and use tax, which ended the fiscal year at 98% of budget, or \$19.4 million, Intergovernmental revenues, which ended the fiscal year at 72% of budget, or \$970k and Fines and Forfeitures, which ended the fiscal year at 80% of budget, or \$251k. These are offset by Property Taxes which were \$1.76 million above budget, Charges for current services which were \$1.5 million above budget, and miscellaneous revenues, which was \$482k 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, 2015, amounted to \$503 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 table on the following page.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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, 2015		Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014	
Land	\$ 16,135,337	\$16,017,837	\$ 1,033,791	\$1,033,791	\$ 17,169,128	\$ 17,051,628	
Construction in progress	777,332	3,081,624	7,518,912	-	8,296,244	3,081,624	
Buildings	40,880,081	43,251,873	44,876	47,421	40,924,957	43,299,294	
Improvements	304,842,898	309,973,882	120,814,866	123,558,700	425,657,764	433,532,582	
Equipment	3,774,730	3,264,200	7,589,796	4,129,328	11,364,526	7,393,528	
Total capital assets	\$ 366,410,378	\$375,589,416	\$ 137,002,241	\$128,769,240	\$ 503,412,619	\$ 504,358,656	

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

- Equipment purchases of \$2.9 million for various vehicles and machinery
- Construction expenditures of \$2.6 million for the Street Overlay project
- Construction expenditures of \$1.8 million for the Folsom Lake Trail project

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

Long-term debt

As of June 30, 2015, the City had \$133,481,072 of outstanding long-term debt related to governmental activities and \$26,218,554 of long-term debt related to business-type activities, for a total of \$159,699,626. During the year, \$18.7 million of long-term debt was retired, resulting in a net decrease of 7%. 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 \$132,604,011. Of this amount, \$3,760,000 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, 2015:

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2015	2014	2015	2014	2015	2014	
General obligation bonds	\$ 3,760,000	\$ 6,195,000	-	-	\$ 3,760,000	\$ 6,195,000	-39%
Certificates of participation	-	820,000	-	-	-	820,000	-100%
Revenue bonds	104,491,230	112,260,832	24,352,781	25,494,830	128,844,011	137,755,662	-6%
City Hall & Fire Station Lease Obligation	6,113,936	7,544,642	-	-	6,113,936	7,544,642	-
Capital lease obligations	1,901,301	1,302,208	-	-	1,901,301	1,302,208	46%
Compensated absences	3,621,624	3,789,434	636,640	708,064	4,258,264	4,497,498	-5%
Post employment benefit obligation	12,085,431	11,481,474	1,175,517	1,132,146	13,260,948	12,613,620	5%
Landfill closure liability	87,000	87,000	-	-	87,000	87,000	0%
Less: Deferred amounts for issuance cost, discounts/premiums	1,420,550	1,566,709	53,616	57,741	1,474,166	1,624,450	-9%
Total	\$ 133,481,072	\$ 145,047,299	\$ 26,218,554	\$ 27,392,781	\$ 159,699,626	\$ 172,440,080	-7%

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

The following summarizes the City's long-term debt activity during FY 2014-15:

A new \$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%.

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 30th, 2015 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Current economic projections continue to project gradual improvement in economic growth, but there are still pressures on the budget. These include:

- Unemployment rate in Folsom as of June 30, 2015, at 3.8%. This is up from 3.0% in June 2014. The increase in the unemployment rate for Folsom is due to a change in reporting by California Economic Development Department.
- 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 \$8.2 million, or 11.5% of FY 2015 expenditures. This is still below the Council policy of 15%, but moving in the right direction.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Next Year's Budget

The City closed the fiscal year in a positive financial position, with a General Fund balance of \$9,237,114, an increase of \$2 million from the prior year. While the General Fund is continuing to have upward movement in its fund balance, the growth is modest and City management will continue to monitor the General Fund's position and report to Council on a quarterly basis.

The General Fund budget for 2016 appropriates approximately \$74 million, an increase of 4% over the prior year final expenditures. General Fund revenue for 2016 is projected to be \$74 million, approximately a \$1 million increase from 2015. 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.

BASIC FINANCIAL STATEMENTS



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

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CITY OF FOLSOM, CALIFORNIA

STATEMENT OF NET POSITION JUNE 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and investments	\$ 55,767,337	\$ 27,355,304	\$ 83,122,641
Receivables, net of allowances for uncollectibles	14,014,821	3,709,412	17,724,233
Due from other governments	6,807,032	618,397	7,425,429
Inventory	303,665	-	303,665
Prepays	35,829	-	35,829
Insurance deposits	2,724,885	-	2,724,885
Restricted assets - cash and investments	2,656,515	3,760,002	6,416,517
Investments held in trust	104,964,832	-	104,964,832
Capital assets, net of accumulated depreciation:			
Nondepreciable	16,912,669	8,552,703	25,465,372
Depreciable	349,497,709	128,449,538	477,947,247
Total assets	<u>553,685,294</u>	<u>172,445,356</u>	<u>726,130,650</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflow related to pensions	7,735,121	1,595,804	9,330,925
Deferred amounts on refunding	-	667,388	667,388
Total deferred outflows of resources	<u>7,735,121</u>	<u>2,263,192</u>	<u>9,998,313</u>
LIABILITIES:			
Accounts payable	5,049,107	5,424,515	10,473,622
Wages payable	2,567,732	374,549	2,942,281
Interest payable	1,715,366	70,900	1,786,266
Due to other governments	385,428	2,349,655	2,735,083
Unearned revenue	976,072	825,860	1,801,932
Long-term liabilities:			
Net pension liability	79,378,539	17,382,720	96,761,259
Other long-term liabilities due within one year	12,257,700	1,360,147	13,617,847
Other long-term liabilities due in more than one year	121,223,372	24,858,407	146,081,779
Total liabilities	<u>223,553,316</u>	<u>52,646,753</u>	<u>276,200,069</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflow related to pensions	12,410,568	2,853,680	15,264,248
Special assessments not collected	41,329	-	41,329
Deferred amounts on refunding	1,091,724	-	1,091,724
Total deferred inflows of resources	<u>13,543,621</u>	<u>2,853,680</u>	<u>16,397,301</u>
NET POSITION:			
Net investment in capital assets	352,122,867	113,263,233	465,386,100
Restricted for:			
Debt service	13,765,934	-	13,765,934
Low and moderate income housing	11,370,889	-	11,370,889
Transportation/streets	15,190,337	-	15,190,337
Lighting and landscape assessment districts	3,576,047	-	3,576,047
Critical facilities	-	520,858	520,858
Unrestricted	(71,702,596)	5,424,024	(66,278,572)
Total net position	<u>\$ 324,323,478</u>	<u>\$ 119,208,115</u>	<u>\$ 443,531,593</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, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 16,789,611	\$ 7,552,485	\$ 418,354	\$ 585,555
Public safety	31,457,224	4,913,124	86,048	-
Public ways and facilities	24,655,423	11,013,797	2,101,861	11,452,558
Community services	3,358,210	4,119,947	25,302	-
Culture and recreation	13,917,727	6,244,176	-	2,237,847
Interest and fiscal charges	5,669,088	-	-	-
Total governmental activities	95,847,283	33,843,529	2,631,565	14,275,960
Business-type activities:				
Water	12,666,550	13,105,941	1,311,125	281,084
Wastewater	5,175,177	6,163,970	157,853	272,986
Solid Waste	8,702,357	10,362,825	400,466	-
Transit	3,344,616	677,295	4,078,377	-
Facilities Augmentation	-	-	-	-
Total business-type activities	29,888,700	30,310,031	5,947,821	554,070
TOTAL	\$ 125,735,983	\$ 64,153,560	\$ 8,579,386	\$ 14,830,030

GENERAL REVENUES:

- Taxes:
 - Property
 - Sales and use
 - Other
- Investment earnings
- Miscellaneous
- Gain from sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, restated

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>	
			PRIMARY GOVERNMENT:
			Governmental activities:
\$ (8,233,217)	\$ -	\$ (8,233,217)	General government
(26,458,052)	-	(26,458,052)	Public safety
(87,207)	-	(87,207)	Public ways and facilities
787,039	-	787,039	Community services
(5,435,704)	-	(5,435,704)	Culture and recreation
(5,669,088)	-	(5,669,088)	Interest and fiscal charges
			Total governmental activities
<u>(45,096,229)</u>	<u>-</u>	<u>(45,096,229)</u>	
			Business-type activities:
-	2,031,600	2,031,600	Water
-	1,419,632	1,419,632	Wastewater
-	2,060,934	2,060,934	Solid Waste
-	1,411,056	1,411,056	Transit
-	-	-	Facilities Augmentation
			Total business-type activities
<u>-</u>	<u>6,923,222</u>	<u>6,923,222</u>	
<u>(45,096,229)</u>	<u>6,923,222</u>	<u>(38,173,007)</u>	TOTAL
			GENERAL REVENUES:
			Taxes:
20,169,495	-	20,169,495	Property
19,386,661	-	19,386,661	Sales and use
2,860,264	-	2,860,264	Other
423,710	220,380	644,090	Investment earnings
1,921,290	-	1,921,290	Miscellaneous
96,858	-	96,858	Gain from sale of assets
<u>2,599,139</u>	<u>(2,599,139)</u>	<u>-</u>	Transfers
<u>47,457,417</u>	<u>(2,378,759)</u>	<u>45,078,658</u>	Total general revenues and transfers
2,361,188	4,544,463	6,905,651	Change in net position
321,962,290	114,663,652	436,625,942	Net position, beginning of year, restated
<u>\$ 324,323,478</u>	<u>\$ 119,208,115</u>	<u>\$ 443,531,593</u>	Net position, end of year

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

CITY OF FOLSOM, CALIFORNIA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General Fund</u>	<u>Folsom Housing Special Revenue Fund</u>	<u>Folsom Public Financing Authority Debt Service Fund</u>
ASSETS			
Cash and cash equivalents	\$ 8,174,600	\$ 872,775	\$ 41,304
Cash with fiscal agent	-	-	352,509
Receivables	2,064,719	7,792,695	-
Insurance deposits	35,829	-	-
Due from other funds	517,818	-	-
Due from other governments	3,594,765	2,708,094	-
Inventory	303,665	-	-
Investments held in trust	-	-	104,964,832
Restricted assets:			
Cash and cash equivalents	-	-	-
Cash with fiscal agent	-	-	2,346,275
Total assets	<u><u>\$ 14,691,396</u></u>	<u><u>\$ 11,373,564</u></u>	<u><u>\$ 107,704,920</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 2,456,071	\$ 2,675	\$ -
Wages payable	2,248,872	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	749,339	-	-
Total liabilities	<u><u>5,454,282</u></u>	<u><u>2,675</u></u>	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES			
Special Assessments not collected	-	-	-
FUND BALANCES:			
Nonspendable	339,494	-	-
Restricted	-	11,370,889	107,663,616
Committed	-	-	-
Assigned	740,393	-	41,304
Unassigned	8,157,227	-	-
TOTAL FUND BALANCES	<u><u>9,237,114</u></u>	<u><u>11,370,889</u></u>	<u><u>107,704,920</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u><u>\$ 14,691,396</u></u>	<u><u>\$ 11,373,564</u></u>	<u><u>\$ 107,704,920</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			
\$ 12,869,253	\$ 22,731,510	\$ 44,689,442	Cash and cash equivalents
-	2,884,203	3,236,712	Cash with fiscal agent
25,254	4,089,385	13,972,053	Receivables
-	-	35,829	Insurance deposits
-	-	517,818	Due from other funds
415,815	88,358	6,807,032	Due from other governments
-	-	303,665	Inventory
-	-	104,964,832	Investments held in trust
-	-	-	Restricted assets:
-	310,240	310,240	Cash and cash equivalents
-	-	2,346,275	Cash with fiscal agent
<u>\$ 13,310,322</u>	<u>\$ 30,103,696</u>	<u>\$ 177,183,898</u>	Total assets
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
\$ 1,343,300	\$ 1,224,942	\$ 5,026,988	Accounts payable
-	5,340	2,254,212	Wages payable
-	517,818	517,818	Due to other funds
385,428	-	385,428	Due to other governments
-	226,583	975,922	Unearned revenue
<u>1,728,728</u>	<u>1,974,683</u>	<u>9,160,368</u>	Total liabilities
DEFERRED INFLOWS OF RESOURCES			
-	41,329	41,329	Special Assessments not collected
FUND BALANCES:			
-	268,396	607,890	Nonspendable
11,581,594	21,477,615	152,093,714	Restricted
-	3,663,039	3,663,039	Committed
-	3,195,305	3,977,002	Assigned
-	(516,671)	7,640,556	Unassigned
<u>11,581,594</u>	<u>28,087,684</u>	<u>167,982,201</u>	TOTAL FUND BALANCES
<u>\$ 13,310,322</u>	<u>\$ 30,103,696</u>	<u>\$ 177,183,898</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, 2015

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

Total fund balances - total governmental funds (Page 25)	\$ 167,982,201
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	16,912,669
Depreciable capital assets, net	349,311,442
Deferred outflows - amount related to pensions	7,735,121
Deferred amounts on refunding not in governmental funds	(1,091,724)
Net unmatured long-term debt	(117,687,017)
Accrued interest	(1,715,366)
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	(87,000)
Compensated absences	(3,621,624)
Post-employment benefit obligation	(12,085,431)
Net pension liability	(79,378,539)
Deferred inflows - amount related to pensions	(12,410,568)
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>10,459,314</u>
Net position of governmental activities (Page 21)	<u><u>\$ 324,323,478</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, 2015

	<u>General Fund</u>	<u>Folsom Housing Special Revenue Fund</u>	<u>Folsom Public Financing Authority Debt Service Fund</u>
REVENUES			
Taxes:			
Property	\$ 20,169,495	\$ -	\$ -
Sales and use	19,386,661	-	-
Transient occupancy	1,601,768	-	-
Real property transfer	461,770	-	-
Other	796,726	-	-
Licenses and permits	2,123,853	-	-
Vehicle license fees	5,596,355	-	-
Intergovernmental	970,943	-	7,462,876
Charges for current services	13,051,654	38,404	-
Fines and forfeitures	250,761	208,931	-
Assessment collections	-	-	-
Interest	90,832	-	9,857
Miscellaneous	1,725,447	1,320	-
Total revenues	<u>66,226,265</u>	<u>248,655</u>	<u>7,472,733</u>
EXPENDITURES			
Current:			
General government	16,065,731	99,169	429,286
Public safety	32,467,359	-	-
Public ways and facilities	5,786,041	-	-
Community services	3,582,489	-	-
Culture and recreation	11,706,148	-	-
Capital outlay	641,186	-	-
Debt service:			
Principal payments	423,748	-	9,580,308
Interest and fiscal charges	-	-	5,227,398
Total expenditures	<u>70,672,702</u>	<u>99,169</u>	<u>15,236,992</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,446,437)</u>	<u>149,486</u>	<u>(7,764,259)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,412,961	-	-
Transfers out	(23)	(2,051)	(81,530)
Total other financing sources (uses)	<u>6,412,938</u>	<u>(2,051)</u>	<u>(81,530)</u>
NET CHANGE IN FUND BALANCES	1,966,501	147,435	(7,845,789)
FUND BALANCES, BEGINNING OF YEAR	7,270,613	11,223,454	115,550,709
FUND BALANCES, END OF YEAR	<u>\$ 9,237,114</u>	<u>\$ 11,370,889</u>	<u>\$ 107,704,920</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
\$ -	\$ -	\$ 20,169,495
-	-	19,386,661
-	-	1,601,768
-	-	461,770
-	-	796,726
-	4,770	2,128,623
-	-	5,596,355
2,637,661	4,977,803	16,049,283
2,925,417	7,808,119	23,823,594
-	316,862	776,554
-	1,518,403	1,518,403
91,460	203,144	395,293
-	194,523	1,921,290
<u>5,654,538</u>	<u>15,023,624</u>	<u>94,625,815</u>
-	1,326,219	17,920,405
-	246	32,467,605
2,611,179	3,406,653	11,803,873
-	-	3,582,489
-	265,650	11,971,798
1,706,649	3,249,998	5,597,833
-	2,875,000	12,879,056
-	599,320	5,826,718
<u>4,317,828</u>	<u>11,723,086</u>	<u>102,049,777</u>
<u>1,336,710</u>	<u>3,300,538</u>	<u>(7,423,962)</u>
-	291,426	6,704,387
(273,589)	(3,297,694)	(3,654,887)
<u>(273,589)</u>	<u>(3,006,268)</u>	<u>3,049,500</u>
1,063,121	294,270	(4,374,462)
10,518,473	27,793,414	172,356,663
<u>\$ 11,581,594</u>	<u>\$ 28,087,684</u>	<u>\$ 167,982,201</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
Interest
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, 2015

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

Net change in fund balances - total governmental funds (Page 29)		\$ (4,374,462)
<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		6,830,828
Depreciation expense		(17,832,817)
<p>Governmental funds do not report contributed capital, whereas this revenue is reported in the Government-Wide Statement of Activities</p>		
		858,242
<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>		
		271,776
<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>		
		533,277
<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	12,879,056	
Change in compensated absences	167,810	
Change in accrued interest	157,630	
Change in post-employment benefit obligation	(603,957)	12,600,539
<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>		
		3,473,805
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (Page 23)		\$ 2,361,188

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, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				Total	Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Other Non-major Enterprise Funds		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 12,152,774	\$ 9,451,257	\$ 2,866,371	\$ 2,884,902	\$ 27,355,304	\$ 7,841,183
Receivables, net of allowances	2,400,672	1,029,385	200,399	78,956	3,709,412	42,768
Due from other governments	21,431	1,655	-	595,311	618,397	-
Insurance deposits	-	-	-	-	-	2,724,885
Total current assets	14,574,877	10,482,297	3,066,770	3,559,169	31,683,113	10,608,836
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	3,760,000	-	-	-	3,760,000	-
Cash with fiscal agent	2	-	-	-	2	-
Capital assets	142,074,013	58,685,240	9,516,374	3,539,986	213,815,613	4,886,100
Accumulated depreciation	(50,234,262)	(19,099,041)	(5,513,107)	(1,966,962)	(76,813,372)	(4,699,833)
Total noncurrent assets	95,599,753	39,586,199	4,003,267	1,573,024	140,762,243	186,267
Total assets	110,174,630	50,068,496	7,070,037	5,132,193	172,445,356	10,795,103
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	508,267	335,749	619,111	132,677	1,595,804	-
Deferred amounts on refunding	667,388	-	-	-	667,388	-
Total deferred outflows of resources	1,175,655	335,749	619,111	132,677	2,263,192	-
LIABILITIES						
Current liabilities:						
Accounts payable	3,722,907	599,684	362,533	739,391	5,424,515	22,119
Wages payable	119,799	86,192	141,752	26,806	374,549	313,520
Interest payable	70,900	-	-	-	70,900	-
Due to other governments	90	2,349,565	-	-	2,349,655	-
Deposits	330,357	-	-	495,503	825,860	150
Accrued compensated absences, payable within one year	46,576	43,007	78,731	16,920	185,234	-
Long term debt, due within one year	1,174,913	-	-	-	1,174,913	-
Total current liabilities	5,465,542	3,078,448	583,016	1,278,620	10,405,626	335,789
Noncurrent liabilities:						
Net pension liability	5,536,430	3,657,234	6,743,832	1,445,224	17,382,720	-
Accrued compensated absences, payable after one year	152,708	76,901	182,142	39,656	451,407	-
Post-employment benefit obligation	373,081	12,061	444,084	346,291	1,175,517	-
Long term debt, due after one year net of unamortized premiums/discounts	23,231,483	-	-	-	23,231,483	-
Total noncurrent liabilities	29,293,702	3,746,196	7,370,058	1,831,171	42,241,127	-
Total liabilities	34,759,244	6,824,644	7,953,074	3,109,791	52,646,753	335,789
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows related to pensions	908,903	600,399	1,107,119	237,259	2,853,680	-
NET POSITION						
Net investment in capital assets	68,100,743	39,586,199	4,003,267	1,573,024	113,263,233	186,267
Restricted	-	-	-	520,858	520,858	-
Unrestricted	7,581,395	3,393,003	(5,374,312)	(176,062)	5,424,024	10,273,047
Total net position	\$ 75,682,138	\$ 42,979,202	\$ (1,371,045)	\$ 1,917,820	\$ 119,208,115	\$ 10,459,314

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
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Other Non-major Enterprise Funds	Total	
OPERATING REVENUES:						
Charges for services	\$ 13,105,941	\$ 6,163,970	\$ 10,362,825	\$ 677,295	\$ 30,310,031	\$ 18,660,191
OPERATING EXPENSES:						
Employee services	3,525,957	2,286,570	4,313,074	1,020,142	11,145,743	14,803,167
Utilities	593,520	57,714	14,438	8,836	674,508	-
Supplies	787,766	445,419	808,564	170,325	2,212,074	-
Maintenance and operations	875,840	89,635	575,632	33,073	1,574,180	-
Contractual services	1,557,803	451,628	1,584,150	1,623,617	5,217,198	-
Depreciation	3,458,119	1,537,813	963,918	216,061	6,175,911	58,133
Other	929,050	306,398	442,581	272,562	1,950,591	-
Total operating expenses	11,728,055	5,175,177	8,702,357	3,344,616	28,950,205	14,861,300
OPERATING INCOME (LOSS)	1,377,886	988,793	1,660,468	(2,667,321)	1,359,826	3,798,891
NONOPERATING REVENUE (EXPENSES):						
Investment income	113,025	71,531	11,485	24,339	220,380	28,417
Interest expense	(938,495)	-	-	-	(938,495)	-
Gain (Loss) on sale of capital assets	-	4,521	-	-	4,521	96,858
Other	1,311,125	157,853	276,052	-	1,745,030	-
Intergovernmental revenues	30,488	-	124,414	4,078,377	4,233,279	-
Total nonoperating revenue (expense)	516,143	233,905	411,951	4,102,716	5,264,715	125,275
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,894,029	1,222,698	2,072,419	1,435,395	6,624,541	3,924,166
CAPITAL CONTRIBUTIONS AND TRANSFERS:						
Capital contributions	250,596	268,465	-	-	519,061	-
Transfers in	-	7,764	23,168	-	30,932	-
Transfers out	(748,909)	(523,260)	(1,144,834)	(213,068)	(2,630,071)	(450,361)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	(498,313)	(247,031)	(1,121,666)	(213,068)	(2,080,078)	(450,361)
CHANGE IN NET POSITION	1,395,716	975,667	950,753	1,222,327	4,544,463	3,473,805
NET POSITION, BEGINNING OF YEAR, RESTATED	74,286,422	42,003,535	(2,321,798)	695,493	114,663,652	6,985,509
NET POSITION, END OF YEAR	\$ 75,682,138	\$ 42,979,202	\$ (1,371,045)	\$ 1,917,820	\$ 119,208,115	\$ 10,459,314

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, 2015 BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 13,457,651	\$ 6,409,505	\$ 10,384,586
Payments to suppliers	(2,131,124)	(616,732)	(2,929,410)
Payments to employees	(3,583,954)	(2,258,768)	(4,306,999)
Payments to other governments	(21,431)	2,013	19,135
Cash received from (paid to) other sources	382,075	(205,733)	(271,982)
Net cash provided by (used for) operating activities	<u>8,103,217</u>	<u>3,330,285</u>	<u>2,895,330</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(748,909)	(523,260)	(1,144,834)
Transfers from other funds	-	-	23,168
Intergovernmental revenues	30,488	7,764	124,414
Net cash provided by (used for) noncapital financing activities	<u>(718,421)</u>	<u>(515,496)</u>	<u>(997,252)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(4,136,636)	(4,988,687)	(3,302,994)
Principal paid on capital debt and leases	(1,142,049)	-	-
Proceeds from capital debt	-	-	-
Interest paid on capital debt	(978,210)	-	-
Net cash used by capital and related financing activities	<u>(6,256,895)</u>	<u>(4,988,687)</u>	<u>(3,302,994)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	116,552	75,510	13,104
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,244,453	(2,098,388)	(1,391,812)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,668,323	11,549,645	4,258,183
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 15,912,776</u>	<u>\$ 9,451,257</u>	<u>\$ 2,866,371</u>
Summary:			
Cash and cash equivalents	\$ 12,152,774	\$ 9,451,257	\$ 2,866,371
Restricted assets	3,760,002	-	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 15,912,776</u>	<u>\$ 9,451,257</u>	<u>\$ 2,866,371</u>

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:
\$ 1,746,995	\$ 31,998,737	\$ 18,658,609	Receipts from customers and users
(1,767,129)	(7,444,395)	3,495	Payments to suppliers
(998,499)	(11,148,220)	(14,603,455)	Payments to employees
(79,107)	(79,390)	-	Payments to other governments
(970,680)	(1,066,320)	96,858	Cash received from (paid to) other sources
			Net cash provided by (used for) operating activities
(2,068,420)	12,260,412	4,155,507	
			CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
(213,068)	(2,630,071)	(1,082,441)	Transfers to other funds
-	23,168	-	Transfers from other funds
4,078,377	4,241,043	-	Intergovernmental revenues
			Net cash provided by (used for) noncapital financing activities
3,865,309	1,634,140	(1,082,441)	
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
(783,831)	(13,212,148)	(1)	Acquisition and construction of capital assets
-	(1,142,049)	-	Principal paid on capital debt and leases
-	-	-	Loss on sale of fixed assets
-	(978,210)	-	Interest paid on capital debt
			Net cash used by capital and related financing activities
(783,831)	(15,332,407)	(1)	
			CASH FLOWS FROM INVESTING ACTIVITIES:
22,640	227,806	24,474	Interest and dividends on investments
			NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
1,035,698	(1,210,049)	3,097,539	
1,849,204	32,325,355	4,743,644	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR
<u>\$ 2,884,902</u>	<u>\$ 31,115,306</u>	<u>\$ 7,841,183</u>	CASH AND CASH EQUIVALENTS, END OF YEAR
			Summary:
\$ 2,884,902	\$ 27,355,304	\$ 7,841,183	Cash and cash equivalents
-	3,760,002	-	Restricted assets
<u>\$ 2,884,902</u>	<u>\$ 31,115,306</u>	<u>\$ 7,841,183</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, 2014**

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,377,886	\$ 988,793	\$ 1,660,468
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3,458,119	1,537,813	963,918
Amortization of deferred charges	-	-	-
Other non-operating income (expense)	1,311,125	100,665	170,599
Gain (loss) on sale of capital assets	-	-	-
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	409,712	(86,663)	21,761
Decrease (increase) in due from other governments	(21,431)	2,013	19,135
Increase (decrease) in accounts payable	1,683,805	427,664	53,374
Increase (decrease) in wages payable	5,632	11,806	7,095
Increase (decrease) in due to other governments	-	332,198	-
Increase (decrease) in deferred revenue	(58,002)	-	-
Increase (decrease) in accrued compensated absences	(79,683)	15,090	(14,484)
Increase (decrease) in OPEB	16,054	906	13,464
	<u>16,054</u>	<u>906</u>	<u>13,464</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 8,103,217</u>	<u>\$ 3,330,285</u>	<u>\$ 2,895,330</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Receipt of contributed assets	\$ 250,596	\$ 268,465	\$ -

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
\$ (2,667,321)	\$ 1,359,826	\$ 3,798,891	Operating income (loss)
			Adjustments to reconcile operating income to net cash provided (used) by operating activities:
216,061	6,175,911	58,133	Depreciation
-	-	-	Amortization of deferred charges
(698,118)	884,271	-	Other non-operating income (expense)
-	-	96,858	Gain (loss) on sale of capital assets
			Changes in assets and liabilities:
577,120	921,930	(1,582)	Decrease (increase) in accounts receivable
(79,107)	(79,390)	-	Decrease (increase) in due from other governments
68,722	2,233,565	3,495	Increase (decrease) in accounts payable
1,042	25,575	199,763	Increase (decrease) in wages payable
			Increase (decrease) in due to other governments
-	332,198	-	Increase (decrease) in deferred revenue
492,580	434,578	-	Increase (decrease) in accrued compensated absences
7,654	(71,423)	(51)	Increase (decrease) in OPEB
12,947	43,371	-	
<u>\$ (2,068,420)</u>	<u>\$ 12,260,412</u>	<u>\$ 4,155,507</u>	NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES
\$ -	\$ 519,061	\$ -	NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: 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, 2015

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 12,277,061
Cash with fiscal agent	1,734,772
Receivables, net:	
Accrued interest	14,370
Due from other governments	251,577
Restricted assets:	
Cash and cash equivalents	1,338,205
Cash with fiscal agent	<u>12,531,352</u>
Total assets	<u>\$ 28,147,337</u>
LIABILITIES:	
Accounts payable	\$ 30,770
Rebatable arbitrage	497
Due to assessment holders	<u>28,116,070</u>
Total liabilities	<u>\$ 28,147,337</u>

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

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUND JUNE 30, 2015

	<u>RDA Obligation Retirement Trust Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 3,686,166
Cash with fiscal agent	325,803
Receivables:	
General accounts	250
Accrued interest	4,070
Loans	1,351,758
Restricted assets - Cash and Investments	23,389,370
Capital assets	
Non-depreciable	1,363,456
Depreciable	306,307
Less: accumulated depreciation	<u>(228,506)</u>
Total assets	<u>30,198,674</u>
LIABILITIES:	
Accounts payable	98,887
Advances from other governments	2,708,094
Interest payable	1,443,039
Long-term liabilities:	
Due within one year	2,307,417
Due in more than one year	<u>59,457,511</u>
Total liabilities	<u>66,014,948</u>
NET POSITION:	
Total net position (deficit) held in trust	<u><u>\$ (35,816,274)</u></u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUND FOR THE YEAR ENDED JUNE 30, 2015

	<u>RDA Obligation Retirement Trust Fund</u>
ADDITIONS:	
Tax increment revenues	\$ 5,202,735
Charges for services	9,089
Investment earnings	<u>188,235</u>
Total additions	<u>5,400,059</u>
DEDUCTIONS:	
Program expenses	351,718
Capital outlay	16,283
Interest and fiscal charges	<u>3,679,649</u>
Total deductions	<u>4,047,650</u>
EXTRAORDINARY ITEM:	
Loss on sale of property	<u>(214,743)</u>
CHANGE IN NET POSITION	1,137,666
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>(36,953,940)</u>
NET POSITION (DEFICIT), END OF YEAR	<u><u>\$ (35,816,274)</u></u>

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, 2015

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 Unit

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 a joint powers authority with the Folsom Redevelopment Agency (RDA), known as the **Folsom Public Financing Authority** (FPFA) on September 19, 1988, 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 PFA and its continued existence and no change in the structure is required. The FPFA is 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 is reported in the City’s fund financial statements as a debt service fund. 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.

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.

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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.

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 both Agency funds, which have no measurement focus, and a Trust fund, which does have a measurement focus. They both 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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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.

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.

Fiduciary Funds: Agency funds account for assets held in agency funds by the City as an agent for various bonded assessment districts and the Trust fund is for reporting activity of the Redevelopment Obligation Retirement Trust Fund.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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.
- 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, except guaranteed investment contracts, which are recorded at cost. 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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 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 the lower of actual historical cost or fair market value (as of the date donated for contributed assets) although for certain older assets estimated historical costs are used.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. This statement was implemented by the City as of July 1, 2014.

GASB Statement No. 69 – In January 2013, GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. The objective of this statement is to improve accounting and financial reporting by State and local governments for government combinations and disposals of government operations. The statement provides authoritative

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

guidance on a variety of government combinations including mergers, acquisitions, and transfers of operations. This statement was effective July 1, 2014. The City has determined that this statement is not applicable.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to a defined benefit pension plan prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68. This statement was implemented by the City as of July 1, 2014.

Future Accounting Standards Board (GASB) Pronouncements –

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures should be organized by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City has not determined its effect on the financial statements.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The City has not determined its effect on the financial statements.

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, statement 43, and statement No. 50, *Pension Disclosures*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The City has not determined its effect on the financial statements.

GASB Statement No. 75 - In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 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. 76 – In June 2015, GASB issues Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement is effective for reporting periods beginning after June 15, 2015. The City has not determined its effect on the financial statements.

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 not determined its effect on the financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments totaled \$249,786,550 as of June 30, 2015, 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, 2015 are reported below and on the following page:

	Governmental	Business-Type	Total	Fiduciary Funds	
	Activities	Activities		Statements of	Total
				Net Position	
Cash, cash equivalents and investments	\$ 55,767,337	\$ 27,355,304	\$ 83,122,641	\$ 18,023,633	\$ 101,146,274
Investments held in trust	104,964,832	-	104,964,832	-	104,964,832
Restricted cash and investments	2,656,515	3,760,002	6,416,517	37,258,927	43,675,444
	<u>\$ 163,388,684</u>	<u>\$ 31,115,306</u>	<u>\$ 194,503,990</u>	<u>\$ 55,282,560</u>	<u>\$ 249,786,550</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

	Fair Value
City treasury deposits:	
Deposits	\$ 4,523,884
Petty cash	8,236
Total city treasury deposits:	<u>4,532,120</u>

City treasury investments

Securities of U.S. government agencies	
Federal Farm Credit Bank (FFCB)	1,000,000
Federal Home Loan Bank (FHLB)	2,000,000
Federal Home Loan Mortgage Corp (FHLMC)	1,000,000
Federal National Mortgage Association (FNMA)	<u>5,000,000</u>
Total securities of U.S. government agencies	<u>9,000,000</u>
Certificate of Deposit	10,669,000
Commercial Paper	1,496,355
Corporate Notes (Bank of America)	1,501,575
Corporate Notes (Bank of New York)	997,500
Corporate Notes (Wachovia Bank)	1,575,435
Corporate Notes (Gen Elec)	1,148,350
Corporate Notes (Gen Elec)	582,455
Corporate Notes (Gen Elec)	1,463,871
Corporate Notes (JP Morgan Chase & Co)	2,000,000
Corporate Notes (US Bank Corp)	1,003,900
Local Agency Investment Fund	31,500,782
Money market mutual funds (WF)	2,885,878
Municipal obligations (City)	30,900,206
Municipal obligations (FPFA)	<u>104,964,832</u>
Total city treasury investments	<u>201,690,139</u>
Total funds in City Treasury	<u>206,222,259</u>

Cash and investments with fiscal agents

Certificate of Deposit	\$ 2,415,000
Commercial Paper	5,088,113
Federal Home Loan Bank (FHLB)	6,043,564
Federal Home Loan Mortgage Corp (FHLMC)	2,567,015
Federal National Mortgage Association (FNMA)	11,078,133
JPA (CAMP)	2,018,992
Money Market Mutual Fund	11,655,404
U. S. Treasury Notes	<u>2,698,070</u>
Total cash and investments with fiscal agents	<u>\$ 43,564,291</u>

Total cash and investments \$ 249,786,550

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

Cash Deposits – At June 30, 2015, the recorded amount of the City’s deposits was \$4,523,884 and the bank balance was \$905,961. As of June 30, 2015, 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%	None
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, 2015

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	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
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
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
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
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
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
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
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
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
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
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
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	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
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	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
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
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
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	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	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
Certificates of deposit	None	None	None	n/a	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

* 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, 2015

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, 2015, 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	\$ 10,669,000	\$ 8,000,000	\$ 493,000	\$ 694,000	\$ 494,000	\$ 988,000	\$ -	\$ -	\$ -
Commercial Paper	1,496,355	1,496,355	-	-	-	-	-	-	-
Corporate Notes	10,273,086	1,575,435	4,965,446	997,500	1,003,900	1,730,805	-	-	-
Federal Farm Credit Bank	1,000,000	-	-	-	-	1,000,000	-	-	-
Federal Home Loan Bank	2,000,000	-	-	2,000,000	-	-	-	-	-
Federal Home Loan Mortgage Co	1,000,000	-	-	1,000,000	-	-	-	-	-
Federal National Mortgage Association	5,000,000	1,000,000	-	-	-	4,000,000	-	-	-
LAIF	31,500,782	31,500,782	-	-	-	-	-	-	-
Money Market Mutual Funds	2,885,878	2,885,878	-	-	-	-	-	-	-
Municipal Obligations (City)	30,900,206	7,412,856	6,860,730	7,490,110	6,361,840	2,774,670	-	-	-
Municipal Obligations (FPFA)	104,964,832	6,587,002	7,008,469	7,929,363	7,599,954	7,356,154	39,908,890	24,840,000	3,735,000
Total	\$ 201,690,139	\$ 60,458,308	\$ 19,327,645	\$ 20,110,973	\$ 15,459,694	\$ 17,849,629	\$ 39,908,890	\$ 24,840,000	\$ 3,735,000

Fiscal Agent

Investment Type	Fair Value	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	\$ 2,415,000	\$ 1,810,000	\$ 605,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Paper	5,088,113	5,088,113	-	-	-	-	-	-	-
Federal Home Loan Bank	6,043,564	3,021,782	3,021,782	-	-	-	-	-	-
Federal Home Loan Mortgage Co	2,567,015	-	-	695,381	-	1,871,634	-	-	-
Federal National Mortgage Association	11,078,133	6,055,809	-	3,042,117	-	1,980,207	-	-	-
JPA (CAMP)	2,018,992	2,018,992	-	-	-	-	-	-	-
Money Market Mutual Fund	11,655,404	11,655,404	-	-	-	-	-	-	-
U.S. Treasury Notes	2,698,070	-	2,698,070	-	-	-	-	-	-
Total	\$ 43,564,291	\$ 29,650,100	\$ 6,324,852	\$ 3,737,498	\$ -	\$ 3,851,841	\$ -	\$ -	\$ -

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, 2015, 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, 2015

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	5.33%
Commercial Paper	P-1	A-1	2.68%
Corporate Note (Bank of America)	A1	A	0.61%
Corporate Note (Bank of New York Mellon)	A1	A+	0.41%
Corporate Notes (Wachovia Bank)	Aa3	A+	0.64%
Corporate Note (Gen Elec)	A1	AA+	1.31%
Corporate Note (JP Morgan Chase & Co)	A3	A	0.82%
Corporate Note (US Bancorp)	A1	A+	0.41%
Federal Farm Credit Bank (FFCB)	Aaa	AA+	0.41%
Federal Home Loan Bank (FHLB)	Aaa	AA+	3.28%
Federal Home Loan Mortgage Corp (FHLMC)	Aaa	AA+	1.46%
Federal National Mortgage Association (FNMA)	Aaa	AA+	6.56%
Local Agency Investment Fund (LAIF)	Not rated	Not rated	12.84%
Money Market Funds	Aaa	AAA	5.93%
Municipal Obligations (City)	Aa1 to Aa3	AAA to BBB-	12.60%
Municipal Obligations (FPFA)	Not rated	Not rated	42.80%
Treasury Notes	Not rated	Not rated	1.10%
JPA	Not rated	Not rated	0.82%
			<u>100.0%</u>

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, 2015, 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	\$ 35,560,000
Parkway II - CFD 14	Municipal Obligations	15,980,000
Empire Ranch - CFD 10	Municipal Obligations	16,705,000
Federal National Mortgage Association	Government Agencies	16,078,133

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:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

Folsom Public Financing Authority Debt Service Fund:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Willow Springs - CFD 11	Municipal Obligations	\$ 5,655,000
Prairie Oaks - Reassessment District No. 2008-01	Municipal Obligations	7,000,942
Broadstone II - CFD 7	Municipal Obligations	7,840,693
Broadstone II - CFD 7	Municipal Obligations	9,010,000

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, 2015

3. RECEIVABLES

Receivables as of June 30, 2015, consist of the following:

<u>Governmental Activities</u>	General	Folsom Housing Special Revenue Fund	Transportation Improvement Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Receivables, net						
General accounts	\$ 2,036,801	\$ -	\$ -	\$ 143,166	\$ 35,293	\$ 2,215,260
Interest	27,918	1,636	25,254	45,716	7,475	107,999
Long-term loans	-	7,791,059	-	3,900,503	-	11,691,562
Due from other governments	3,594,765	2,708,094	415,815	88,358	-	6,807,032
Total	\$ 5,659,484	\$ 10,500,789	\$ 441,069	\$ 4,177,743	\$ 42,768	\$ 20,821,853

<u>Business-Type Activities</u>	Water	Wastewater	Solid Waste	Other Enterprise	Total
Receivables, net					
General accounts	\$ 376,926	\$ -	\$ 54,365	\$ 75,327	\$ 506,618
Utilities	2,073,862	1,131,914	214,645	-	3,420,421
Allowance for uncollectibles	(78,813)	(125,965)	(75,190)	-	(279,968)
Interest	28,697	23,436	6,579	3,629	62,341
Due from other governments	21,431	1,655	-	595,311	618,397
Total	\$ 2,422,103	\$ 1,031,040	\$ 200,399	\$ 674,267	\$ 4,327,809

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, 2015:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Transportation Tax*	\$ 49,549
	Transportation System Management*	34,583
	Humbug Willow Creek Special Revenue*	433,686
		<u>\$ 517,818</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, 2015, and will be repaid in early fiscal year 2015.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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, 2015:

Transfers out	Transfers in				
	General	Other Governmental	Wastewater Enterprise Fund	Solid Waste Enterprise Fund	Total
General Fund	\$ -	\$ 23	\$ -	\$ -	\$ 23
Folsom Housing	2,051	-	-	-	2,051
Folsom PFA - Debt Service Fund	46	81,484	-	-	81,530
Transportation Improvement Fund	273,589	-	-	-	273,589
Other governmental funds	3,087,775	209,919	-	-	3,297,694
Water Enterprise	733,380	-	7,764	7,765	748,909
Wastewater Enterprise	507,857	-	-	15,403	523,260
Solid Waste Enterprise	1,144,834	-	-	-	1,144,834
Other enterprise funds	213,068	-	-	-	213,068
Internal Service Fund	450,361	-	-	-	450,361
Total	\$ 6,412,961	\$ 291,426	\$ 7,764	\$ 23,168	\$ 6,735,319

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 \$3.2 million, (2) Reimbursement for salaries and benefits \$1.4 million, (3) Project reimbursements from Other Governmental funds \$1.1 million and (4) Transfer for Debt Service \$725k million. Transfers to the governmental funds mostly consisted of (1) \$81k to other governmental funds from the other governmental funds for debt service and (2) \$210k from other governmental funds to other governmental funds for project reimbursement.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Governmental activities:	July 1, 2014	Transfers	Additions	Deletions	June 30, 2015
Capital assets, not being depreciated					
Land	\$ 16,017,837	117,500			\$ 16,135,337
Construction in progress	3,081,624	(7,300,275)	4,995,983		777,332
Total capital assets, not being depreciated	19,099,461	(7,182,775)	4,995,983	-	16,912,669
Capital assets, being depreciated:					
Buildings	79,489,229				79,489,229
Improvements	477,556,138	8,707,775	858,242		487,122,155
Equipment	20,567,897	(1,525,000)	2,857,417	(794,262)	21,106,052
Total capital assets, being depreciated	577,613,264	7,182,775	3,715,659	(794,262)	587,717,436
Less accumulated depreciation for:					
Buildings	(36,237,356)		(2,371,792)		(38,609,148)
Improvements	(167,582,256)		(14,697,001)		(182,279,257)
Equipment	(17,303,697)		(821,887)	794,262	(17,331,322)
Total accumulated depreciation	(221,123,309)	-	(17,890,680)	794,262	(238,219,727)
Governmental activities capital assets, net	\$ 375,589,416	\$ -	\$ (9,179,038)	\$ -	\$ 366,410,378
Business-type activities:	July 1, 2014	Transfers	Additions	Deletions	June 30, 2015
Capital assets, not being depreciated					
Land	\$ 1,033,791	-	-	-	\$ 1,033,791
Construction in progress	-	(1,409,620)	8,928,532		7,518,912
Total capital asset, not being depreciated	1,033,791	(1,409,620)	8,928,532	-	8,552,703
Capital assets, being depreciated:					
Buildings	76,348	-	-	-	76,348
Improvements	184,442,849	1,409,620	519,061	-	186,371,530
Equipment	15,294,701	-	4,961,319	(1,440,988)	18,815,032
Total capital assets, being depreciated	199,813,898	1,409,620	5,480,380	(1,440,988)	205,262,910
Less accumulated depreciation for:					
Buildings	(28,927)	-	(2,545)	-	(31,472)
Improvements	(60,884,149)	-	(4,672,515)	-	(65,556,664)
Equipment	(11,165,373)	-	(1,500,851)	1,440,988	(11,225,236)
Total accumulated depreciation	(72,078,449)	-	(6,175,911)	1,440,988	(76,813,372)
Business-type activities capital assets, net	\$ 128,769,240	-	8,233,001	-	\$ 137,002,241

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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

Governmental activities:		
General government	\$	524,648
Public safety		1,022,231
Public works		13,590,253
Community Services		-
Culture and recreation		2,695,415
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets		58,133
Total depreciation expense - governmental activities	<u>\$</u>	<u>17,890,680</u>
Business-type activities:		
Water	\$	3,458,119
Wastewater		1,537,813
Solid waste		963,918
Other enterprise funds		216,061
Total depreciation expense - business-type activities	<u>\$</u>	<u>6,175,911</u>

7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2015:

	June 30, 2014	Additions	Reductions	June 30, 2015	Amount due within one year
Governmental activities:					
General obligation bonds	\$ 6,195,000	\$ -	\$ (2,435,000)	\$ 3,760,000	\$ 1,445,000
Certificates of participation	820,000	-	(820,000)	-	-
Revenue bonds	112,260,832	-	(7,769,602)	104,491,230	7,923,297
City Hall & Fire Station Lease Obligation	7,544,642	-	(1,430,706)	6,113,936	1,473,422
Capital lease obligations	1,302,208	1,022,841	(423,748)	1,901,301	213,416
Compensated absences	3,789,434	3,548,037	(3,715,847)	3,621,624	1,006,406
Other Post employment benefit obligation (Note 12)	11,481,474	603,957	-	12,085,431	-
Landfill closure liability (Note 16)	87,000	-	-	87,000	50,000
Add: Discounts/premiums, net	1,566,709	-	(146,159)	1,420,550	146,159
Governmental activities long-term liabilities	<u>\$ 145,047,299</u>	<u>\$ 5,174,835</u>	<u>\$ (16,741,062)</u>	<u>\$ 133,481,072</u>	<u>\$ 12,257,700</u>
Business-type activities					
Revenue bonds	\$ 25,494,830	\$ -	\$ (1,142,049)	\$ 24,352,781	\$ 1,170,788
Compensated absences	708,064	718,604	(790,028)	636,640	185,234
Other Post employment benefit obligation (Note 12)	1,132,146	43,371	-	1,175,517	-
Add: Issuance discounts/premiums, net	57,741	-	(4,125)	53,616	4,125
Business-type activities long-term liabilities	<u>\$ 27,392,781</u>	<u>\$ 761,975</u>	<u>\$ (1,936,202)</u>	<u>\$ 26,218,554</u>	<u>\$ 1,360,147</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

General Obligation Bonds

2003 Refunding General Obligation Bonds. Issued in February, 2003, the City issued the City of Folsom Refunding General Obligation Bonds Series 2003R for the purpose of refunding and defeasing Series A and B of the 1993 General Obligation Bonds. The Series 2003R are payable semi-annually on February 1 and August 1 of each year commencing August 1, 2003 through 2014, with annual principal installments ranging from \$1,255,000 to \$1,690,000. Interest rates on the bonds range from 1.10% to 4.00%. The Bonds were paid off on August 1, 2014.

\$ -

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%.

3,760,000

Total Governmental Activities General Obligation Bonds

\$ 3,760,000

Year Ending <u>June 30</u>	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,445,000	\$ 114,275
2017	1,490,000	62,800
2018	825,000	16,500
Total	<u>\$ 3,760,000</u>	<u>\$ 193,575</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 2012 with interest rates from 3.75% to 5.5%, with remaining installments ranging from \$90,000 to \$215,000. \$ 915,000

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 2012. 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. 1,975,000

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. 57,770,000

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. 6,620,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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.

16,705,000

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.

8,780,000

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.

1,817,340

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.

9,908,890

Total Governmental Revenue Bonds

\$ 104,491,230

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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. \$ 12,470,000

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. 11,882,781

Total Business-type activities Revenue Bonds \$ 24,352,781

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
2016	\$ 7,923,297	\$ 4,699,646	\$ 1,170,788	\$ 832,891
2017	8,300,988	4,371,736	1,208,175	796,495
2018	8,735,828	4,018,274	1,248,395	758,911
2019	9,019,681	3,639,955	1,286,666	718,190
2020	8,953,770	3,242,522	1,329,474	674,229
2021-2025	32,982,666	11,098,299	7,359,759	2,614,239
2026-2030	24,840,000	3,671,404	7,641,676	1,134,383
2031-2034	3,735,000	286,310	3,107,848	199,625
Total	<u>\$ 104,491,230</u>	<u>\$ 35,028,145</u>	<u>\$ 24,352,781</u>	<u>\$ 7,728,963</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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

\$ 6,113,936

Year Ending June 30	Lease Obligation	
	Governmental Activities	
	Principal	Interest
2016	\$ 1,473,422	\$ 160,572
2017	1,523,144	119,570
2018	1,425,163	79,275
2019	165,390	56,967
2020	172,185	51,203
2021-2025	933,940	163,605
2026-2027	420,692	16,428
Total	<u>\$ 6,113,936</u>	<u>\$ 647,620</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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%.

1,023,460

\$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%

877,841

\$1,901,301

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 2,255,565
Less: accumulated depreciation	<u>(91,822)</u>
Total	<u>\$ 2,163,743</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Fiscal year ending</u>	<u>Governmental Activities</u>
2016	\$ 275,346
2017	275,346
2018	275,346
2019	275,346
2020	275,346
2021-2025	<u>811,383</u>
Total minimum lease payments	<u>2,188,113</u>
Less: amount representing interest	<u>(286,812)</u>
Present value of minimum lease payments	<u>\$ 1,901,301</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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.

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 \$32,081,744 through fiscal year 2034. Principal and interest paid for the current year and total customer net revenues were \$2,006,871 and \$4,200,121 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, 2015 is as follows:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT

Description	Issue Date	Maturity Date	June 30, 2015
Assessment District Blue Ravine Oaks East	8/3/89	9/2/15	\$ 70,000
Assessment District 89-1 Folsom Auto Plaza	12/18/03	9/2/18	2,115,000
Assessment District 90-1 Hannaford Crossing	4/1/98	9/2/20	845,000
Assessment District 92-1 Natoma Station	12/8/92	9/2/19	125,000
Assessment District 93-2 Legends	6/8/93	9/2/18	135,000
Assessment District 94-3 Cobble Hills Ridge	9/29/94	9/2/19	495,000
Assessment District 95-1 Ridgeview	7/24/95	9/2/20	530,000
Assessment District 95-2 Cresleigh Natoma	7/24/95	9/2/20	450,000
Reassessment District 2008-01 Prairie Oaks Ranch	7/30/08	9/2/19	7,000,942
Community Facilities District No. 2 Natoma Station II	5/4/10	12/1/19	5,795,000
Community Facilities District No. 3 Folsom Heights	3/18/98	12/1/15	85,000
Community Facilities District No. 4 Broadstone	5/13/98	8/1/18	1,095,000
Community Facilities District No. 7 Broadstone II, Series 2011	8/2/11	9/1/24	9,010,000
Community Facilities District No. 7 Broadstone II, Series 2012	7/12/12	9/1/21	7,840,693
Community Facilities District No. 8 The Parkway, Series 2012	7/12/12	9/1/21	2,068,197
Community Facilities District No. 9 Willow Creek South	7/19/07	9/1/17	575,000
Community Facilities District No. 10, Empire Ranch, Series 2007	7/19/07	9/1/28	35,560,000
Community Facilities District No. 10, Empire Ranch, Series 2010	7/7/10	9/1/24	16,705,000
Community Facilities District No. 11 Willow Springs	7/19/07	9/1/23	5,655,000
Community Facilities District No. 14 Parkway II, Series 2007	7/19/07	9/1/32	15,980,000
			\$ 112,134,832

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, 2015
Folsom RDA, Central Folsom Redevelopment Project TABS, Series 2005	8/25/2005	8/1/1933	\$ 9,855,000
Folsom RDA, Central Folsom Redevelopment Project TABS, Series 2006	12/14/2006	8/1/1936	16,225,000
Folsom RDA, Central Folsom Redevelopment Project TABS, Series 2009	10/22/2009	8/1/1936	14,840,000
Folsom RDA, Central Folsom Redevelopment Project Subordinate TABS, Taxable Series 2011A	3/4/2011	9/1/1935	9,175,000
Folsom RDA, Central Folsom Redevelopment Project Housing Set Aside TABS, Taxable Series 2011B	3/4/2011	8/1/1935	10,465,000
			\$ 60,560,000

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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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, 2015 follows:

	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
Nonspendable:						
Inventory	\$ 303,665	\$ -	\$ -	\$ -	\$ -	\$ 303,665
Prepays	35,829	-	-	-	-	35,829
Land held for resale	-	-	-	-	-	-
Endowment principal	-	-	-	-	268,396	268,396
Total nonspendable fund balance	339,494	-	-	-	268,396	607,890
Restricted for:						
Debt Service	-	-	107,663,616	-	2,738,944	110,402,560
Police training and equipment	-	-	-	-	461,190	461,190
Police capital projects	-	-	-	-	499,042	499,042
Fire capital projects	-	-	-	-	2,797,853	2,797,853
General capital improvements	-	-	-	-	1,018,569	1,018,569
Light rail transportation improvements	-	-	-	-	580,507	580,507
Drainage capital projects	-	-	-	-	453,468	453,468
CFD 10 improvements	-	-	-	-	2,877,758	2,877,758
Park capital improvements	-	-	-	-	2,414,460	2,414,460
Zoo improvements	-	-	-	-	46,730	46,730
Lighting and Landscape districts	-	-	-	-	3,576,047	3,576,047
Transportation projects	-	-	-	11,581,594	3,509,414	15,091,008
Community Development Block Grant	-	-	-	-	227,250	227,250
Folsom Specific Plan Area infrastructure	-	-	-	-	276,383	276,383
Loans receivable	-	10,500,789	-	-	-	10,500,789
Low and Moderate Income Housing	-	870,100	-	-	-	870,100
Total restricted fund balance	-	11,370,889	107,663,616	11,581,594	21,477,615	152,093,714
Committed for:						
Transportation projects	-	-	-	-	99,329	99,329
Tree mitigation	-	-	-	-	660,709	660,709
General plan amendment	-	-	-	-	310,292	310,292
Low income housing	-	-	-	-	1,380,038	1,380,038
Wetland/open space maintenance	-	-	-	-	35,057	35,057
Park improvements	-	-	-	-	1,177,614	1,177,614
Total committed fund balance	-	-	-	-	3,663,039	3,663,039
Assigned to:						
Encumbrances	740,393	-	-	-	-	740,393
Purpose of fund	-	-	41,304	-	3,195,305	3,236,609
Total assigned fund balance	740,393	-	41,304	-	3,195,305	3,977,002
Unassigned fund balance:	8,157,227	-	-	-	(516,671)	7,640,556
Total fund balances	\$ 9,237,114	\$ 11,370,889	\$ 107,704,920	\$ 11,581,594	\$ 28,087,684	\$ 167,982,201

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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 provisions, assumptions and membership information that can be found on the CalPERS website: 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% @ 55 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, 2015, are summarized as follows:

	Miscellaneous		
	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	23.038%	23.038%	23.038%

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

	Safety		
	Classic - Prior to June 30, 2010	New - On or after July 1, 2010	New - On or after January 1, 2013
Hire Date	3% @ 50	2% @ 50	2.7% @ 55
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	36.607%	36.607%	36.607%

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

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	275	95
Inactive employees entitled to but not yet receiving benefits	282	46
Active employees	275	125
Total	<u>832</u>	<u>266</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.

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, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. 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, 2013 actuarial valuations were determined using the following actuarial assumptions:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.5%	7.5%
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	7.5% (1)	7.5% (1)
Mortality Rate Table	Based on CalPERS Experience Study	Based on CalPERS Experience Study

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

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

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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>Target Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11+</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability, measured as of June 30, 2014, for each Plan follows:

	<u>Miscellaneous</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2014	<u>\$ 161,384,658</u>	<u>\$ 102,531,433</u>	<u>\$ 58,853,225</u>
Changes in the year:			
Service Cost	\$ 3,733,451	\$ -	\$ 3,733,451
Interest on the total pension liability	12,026,923	-	12,026,923
Contribution - employer	-	4,376,606	(4,376,606)
Contribution - employee	-	2,232,850	(2,232,850)
Net investment income	-	17,933,745	(17,933,745)
Benefit payments, including refunds of employee contributions	(5,784,838)	(5,784,838)	-
Net changes	<u>9,975,536</u>	<u>18,758,363</u>	<u>(8,782,827)</u>
Balance at June 30, 2015	<u>\$ 171,360,194</u>	<u>\$ 121,289,796</u>	<u>\$ 50,070,398</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

	Safety		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 142,118,102	\$ 88,478,338	\$ 53,639,764
Changes in the year:			
Service Cost	\$ 3,769,467	\$ -	\$ 3,769,467
Interest on the total pension liability	10,582,614	-	10,582,614
Contribution - employer	-	4,616,712	(4,616,712)
Contribution - employee	-	1,285,454	(1,285,454)
Net investment income	-	15,398,818	(15,398,818)
Benefit payments, including refunds of employee contributions	(5,802,650)	(5,802,650)	-
Net changes	8,549,431	15,498,334	(6,948,903)
Balance at June 30, 2015	\$ 150,667,533	\$ 103,976,672	\$ 46,690,861
Total for both plans	\$ 322,027,727	\$ 225,266,468	\$ 96,761,259

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:

	Miscellaneous	Safety	Total
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$ 73,885,293	\$ 68,165,481	\$ 142,050,774
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$ 50,070,398	\$ 46,690,861	\$ 96,761,259
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$ 30,339,664	\$ 29,033,314	\$ 59,372,978

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, 2015, the City recognized pension expense of \$3,813,721 for the Miscellaneous plan and \$4,712,116 for the Safety plan. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 9,330,925	\$ -
Net differences between projected and actual earnings on plan investments	-	15,264,248
Total	<u>\$ 9,330,925</u>	<u>\$ 15,264,248</u>

\$9,330,925, 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, 2016. 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,	<u>Amortization</u>		Total
	Miscellaneous	Safety	
2016	\$ (2,054,986)	\$ (1,761,077)	\$ (3,816,063)
2017	(2,054,986)	(1,761,077)	(3,816,063)
2018	(2,054,986)	(1,761,077)	(3,816,063)
2019	(2,054,984)	(1,761,075)	(3,816,059)
Total	<u>\$ (8,219,942)</u>	<u>\$ (7,044,306)</u>	<u>\$ (15,264,248)</u>

12. POST-EMPLOYMENT HEALTH CARE BENEFITS

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 newly created 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 2014-2015, the City contributed \$3,181,429 to the plan,

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

for current premiums. Plan members receiving benefits contributed \$478,146 or approximately 15% 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.

	Governmental Activities	Business-Type Activities	Total
Annual required contribution	5,132,283	368,556	\$ 5,500,839
Interest on net OPEB obligation	670,804	48,172	718,976
Adjustment to annual required contribution	(2,230,857)	(160,201)	(2,391,058)
Annual OPEB cost (expense)	3,572,230	256,527	3,828,757
Contributions made	(2,968,273)	(213,156)	(3,181,429)
Increase in net OPEB obligation	603,957	43,371	647,328
Net OPEB obligation - beginning of year	11,481,474	1,132,146	12,613,620
Net OPEB obligation - end of year	<u>\$ 12,085,431</u>	<u>\$ 1,175,517</u>	<u>\$ 13,260,948</u>

The ARC was determined as part of the February 1, 2014 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 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 4,697,765	52%	\$ 11,438,006
6/30/2014	3,997,182	71%	12,613,620
6/30/2015	3,828,757	83%	13,260,948

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, 2015, based on the February 1, 2014 actuary report, was as follows:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

Actuarial accrued liability (AAL)	\$ 62,120,717
Actuarial value of plan assets	<u>3,029,563</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 59,091,154</u>
Funded ratio (actuarial value of plan assets/AAL)	4.9%
Covered payroll (active plan members)	\$ 41,480,006
UAAL as a percentage of covered payroll	142.5%

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 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, 2014, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 5.7% 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 \$3,029,563. 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, 2015 was 29 years.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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. 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 \$2,722,264 and \$2,113,419 as of June 30, 2015 and 2014 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, 2015 and 2014 is as follows:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

	Balance 6/30/2013	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2014
General Liability	\$ 698,718	\$ 436,113	\$ 33,972	\$ (315,934)	\$ (91,754)	\$ 761,115
Workers' Compensation	1,440,538	1,119,732	92,173	(1,300,139)	-	1,352,304
Total	\$ 2,139,256	\$ 1,555,845	\$ 126,145	\$ (1,616,073)	\$ (91,754)	\$ 2,113,419

	Balance 6/30/2014	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2015
General Liability	\$ 761,115	\$ 527,524	\$ 41,489	\$ (417,428)	\$ (259,275)	\$ 653,425
Workers' Compensation	1,352,304	1,262,818	86,191	(506,234)	(126,240)	2,068,839
Total	\$ 2,113,419	\$ 1,790,342	\$ 127,680	\$ (923,662)	\$ (385,515)	\$ 2,722,264

The following is summary financial information of the NCCSIF for the liability and workers' compensation program for the fiscal year ended June 30, 2015.

	Liability	Workers' Compensation	Total
Assets	\$ 11,922,766	\$ 39,104,262	\$ 51,027,028
Liabilities	10,407,169	31,239,731	41,646,900
Net assets	<u>\$ 1,515,597</u>	<u>\$ 7,864,531</u>	<u>\$ 9,380,128</u>
Revenues	\$ 5,823,863	\$ 8,472,118	\$ 14,295,981
Expenses	6,138,103	9,486,158	15,624,261
Operating income	<u>(314,240)</u>	<u>(1,014,040)</u>	<u>(1,328,280)</u>
Investment income	166,591	477,887	644,478
Net income	<u>(147,649)</u>	<u>(536,153)</u>	<u>(683,802)</u>
Net assets, beginning of year	1,663,246	8,400,684	10,063,930
Net assets, end of year	<u>\$ 1,515,597</u>	<u>\$ 7,864,531</u>	<u>\$ 9,380,128</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

The NCCSIF audited financial statements for the period ended June 30, 2015 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, 2014 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 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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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, 2015 the City received \$0 of critical facilities fees. The City, at June 30, 2015 had \$520,858 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 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,

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

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. As of June 30, 2015, the estimate for post closure costs was \$87,000.

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.

17. DEFICIT FUND BALANCES

- The Humbug Willow Creek Special Revenue Fund had a deficit fund balance of \$514,882 at June 30, 2015 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 \$1,371,045 at June 30, 2015 primarily as a result of the implementation of GASB 68 and the corresponding net pension liability that was added to the financial statements.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

18. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

- Expenditures exceeded appropriations in the General Fund by \$134,285 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Folsom Housing Special Revenue Fund by \$49,169 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Community Development Block Grant Special Revenue Fund by \$28,045 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Folsom Public Financing Authority Debt Service Fund by \$750,354 due to early repayments of debt due to calls and the payoff of the 2003 General Obligation bonds.
- Expenditures exceeded appropriations in the City Parks and Traffic Signals Debt Service Fund by \$388,546 due to principal payment.
- Expenditures exceeded appropriations in the General Obligation School Facilities Debt Service Fund by \$5,072 due to the GASB 31 adjustment for investments.
- Expenditures exceeded appropriations in the Recreation Facility Debt Service Fund by \$323,071 due to principal payment.

19. CHANGE IN ACCOUNTING PRINCIPLES

Implementation of new accounting standard GASB Statement No. 68 and No. 71- As discussed in Note 1 to the financial statements, the district adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as of July 1, 2014 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB No. 68*. The impact of the implementation on the beginning net position is as follows:

Water Fund (Business-Type Activities)	June 30, 2014 Previously Presented	Restatement	July 1, 2014 Restated
Deferred outflows of resources	\$ -	\$ (483,934)	\$ (483,934)
Net pension liability	-	6,507,573	6,507,573
Net position, beginning of year	80,310,061	(6,023,639)	74,286,422
Wastewater Fund (Business-Type Activities)			
Deferred outflows of resources	\$ -	\$ (319,675)	\$ (319,675)
Net pension liability	-	4,298,747	4,298,747
Net position, beginning of year	45,982,607	(3,979,072)	42,003,535

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2015

Solid Waste Fund (Business-Type Activities)	June 30, 2014 Previously Presented	Restatement	July 1, 2014 Restated
Deferred outflows of resources	\$ -	\$ (589,472)	\$ (589,472)
Net pension liability	-	7,926,765	7,926,765
Net position, beginning of year	5,015,495	(7,337,293)	(2,321,798)
Transit Fund (Business-Type Activities)	June 30, 2014 Previously Presented	Restatement	July 1, 2014 Restated
Deferred outflows of resources	\$ -	\$ (126,325)	\$ (126,325)
Net pension liability	-	1,698,730	1,698,730
Net position, beginning of year	1,755,697	(1,572,405)	183,292
Total Business-Type Activities	\$ 133,063,860	-	\$ 133,063,860
Government Wide Governmental Activities	June 30, 2014 Previously Presented	Restatement	July 1, 2014 Restated
Deferred outflows of resources	\$ -	\$ (7,473,911)	\$ (7,473,911)
Net pension liability	-	92,061,174	92,061,174
Net position, beginning of year	406,549,553	(84,587,263)	321,962,290
Total Government Wide Governmental Activites	\$ 406,549,553	\$ -	\$ 406,549,553

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*

	Miscellaneous
	2015
Total Pension Liability	
Service Cost	\$ 3,733,451
Interest on the total pension liability	12,026,923
Benefit payments, including refunds of employee contributions	(5,784,838)
Net change in total pension liability	9,975,536
Total pension liability - beginning	161,384,658
Total pension liability - ending (a)	\$ 171,360,194
Plan fiduciary net position	
Contributions - employer	\$ 4,376,606
Contributions - employee	2,232,850
Net investment income	17,933,745
Benefit payments	(5,784,838)
Net change in plan fiduciary net position	18,758,363
Plan fiduciary net position - beginning	102,531,433
Plan fiduciary net position - ending (b)	\$ 121,289,796
Net pension liability - ending (a)-(b)	\$ 50,070,398
Plan fiduciary net position as a percentage of the total pension liability	70.78%
Covered - employee payroll	22,140,150
Net pension liability as percentage of covered employee payroll	226.15%
Measurement Date	June 30, 2014

	Safety
	2015
Total Pension Liability	
Service Cost	\$ 3,769,467
Interest on the total pension liability	10,582,614
Benefit payments, including refunds of employee contributions	(5,802,650)
Net change in total pension liability	8,549,431
Total pension liability - beginning	142,118,102
Total pension liability - ending (a)	\$ 150,667,533
Plan fiduciary net position	
Contributions - employer	\$ 4,616,712
Contributions - employee	1,285,454
Net investment income	15,398,818
Benefit payments	(5,802,650)
Net change in plan fiduciary net position	15,498,334
Plan fiduciary net position - beginning	88,478,338
Plan fiduciary net position - ending (b)	\$ 103,976,672
Net pension liability - ending (a)-(b)	\$ 46,690,861
Plan fiduciary net position as a percentage of the total pension liability	69.01%
Covered - employee payroll	18,541,342
Net pension liability as percentage of covered employee payroll	251.82%
Measurement Date	June 30, 2014

Notes to Schedule:

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS – LAST 10 YEARS*

	<u>Miscellaneous</u>
	<u>2015</u>
Actuarially determined contribution	\$ 5,207,270
Contributions in relation to the actuarially determined contributions	(5,207,270)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	21,527,190
Contributions as a percentage of covered-employee payroll	24.19%

	<u>Safety</u>
	<u>2015</u>
Actuarially determined contribution	\$ 5,394,746
Contributions in relation to the actuarially determined contributions	(5,394,746)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	18,593,681
Contributions as a percentage of covered-employee payroll	29.01%

Notes to Schedule

Valuation date:

June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.3% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50%
Retirement age	55
Mortality	Based on CalPERS Experience Study

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

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)
2/1/2010	\$ 41,891,986	\$ 2,053,837	\$ 39,838,149	4.9%	\$ 34,654,299	115.0%
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%

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property	\$ 18,413,810	\$ 18,413,810	\$ 20,169,495	\$ 1,755,685
Sales and use	19,798,036	19,798,036	19,386,661	(411,375)
Transient occupancy	1,310,214	1,310,214	1,601,768	291,554
Real property transfer	385,000	385,000	461,770	76,770
Other	655,107	655,107	796,726	141,619
Licenses and permits	1,919,954	1,919,954	2,123,853	203,899
Vehicle license fees	5,230,000	5,230,000	5,596,355	366,355
Intergovernmental revenues	560,000	1,345,342	970,943	(374,399)
Charges for current services	11,232,611	11,576,945	13,051,654	1,474,709
Fines and forfeitures	314,000	314,000	250,761	(63,239)
Interest revenue	110,000	110,000	90,832	(19,168)
Miscellaneous	1,030,282	1,243,204	1,725,447	482,243
Total revenues	<u>60,959,014</u>	<u>62,301,612</u>	<u>66,226,265</u>	<u>3,924,653</u>
EXPENDITURES:				
Current operating:				
General government	16,551,524	16,629,169	16,065,731	563,438
Public safety	32,172,630	32,452,126	32,467,359	(15,233)
Public ways and facilities	6,085,354	6,070,354	5,786,041	284,313
Community services	3,424,548	3,734,548	3,582,489	152,059
Culture and recreation	10,457,286	10,587,286	11,706,148	(1,118,862)
Capital outlay	641,186	641,186	641,186	-
Debt service:				
Principal payments	423,748	423,748	423,748	-
Total expenditures	<u>69,756,276</u>	<u>70,538,417</u>	<u>70,672,702</u>	<u>(134,285)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,797,262)</u>	<u>(8,236,805)</u>	<u>(4,446,437)</u>	<u>3,790,368</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	8,797,262	8,855,416	6,412,961	(2,442,455)
Transfers out	-	-	(23)	(23)
Total other financing sources (uses)	<u>8,797,262</u>	<u>8,855,416</u>	<u>6,412,938</u>	<u>(2,442,478)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>618,611</u>	<u>1,966,501</u>	<u>\$ 1,347,890</u>
FUND BALANCE, BEGINNING OF YEAR	<u>7,270,613</u>	<u>7,270,613</u>	<u>7,270,613</u>	
FUND BALANCE - ENDING	<u>\$ 7,270,613</u>	<u>\$ 7,889,224</u>	<u>\$ 9,237,114</u>	

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, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Fines and Forfeitures	\$ 190,000	\$ 190,000	\$ 208,931	\$ 18,931
Charges for current services	-	-	38,404	38,404
Interest	70,000	70,000	-	(70,000)
Miscellaneous	(207,949)	(207,949)	1,320	209,269
Total revenues	<u>52,051</u>	<u>52,051</u>	<u>248,655</u>	<u>196,604</u>
EXPENDITURES:				
Current operating:				
General government	<u>50,000</u>	<u>50,000</u>	<u>99,169</u>	<u>(49,169)</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>99,169</u>	<u>(49,169)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,051</u>	<u>2,051</u>	<u>149,486</u>	<u>147,435</u>
OTHER FINANCING USES:				
Transfers out	<u>(2,051)</u>	<u>(2,051)</u>	<u>(2,051)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(2,051)</u>	<u>(2,051)</u>	<u>(2,051)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	147,435	<u>\$ 147,435</u>
FUND BALANCE - BEGINNING OF YEAR	<u>11,223,454</u>	<u>11,223,454</u>	<u>11,223,454</u>	
FUND BALANCE - END OF YEAR	<u>\$ 11,223,454</u>	<u>\$ 11,223,454</u>	<u>\$ 11,370,889</u>	

City of Folsom

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

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.

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, 2015**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental	\$ 9,225,308	\$ 9,225,308	\$ 7,462,876	\$ (1,762,432)
Interest	5,261,376	5,261,376	9,857	(5,251,519)
Total revenues	<u>14,486,684</u>	<u>14,486,684</u>	<u>7,472,733</u>	<u>(7,013,951)</u>
EXPENDITURES				
General Government	-	-	429,286	(429,286)
Debt service:				
Principal	9,225,308	9,225,308	9,580,308	(355,000)
Interest and fiscal charges	5,249,830	5,249,830	5,227,398	22,432
Cost of issuance	11,500	11,500	-	11,500
Total expenditures	<u>14,486,638</u>	<u>14,486,638</u>	<u>15,236,992</u>	<u>(750,354)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>46</u>	<u>46</u>	<u>(7,764,259)</u>	<u>(7,764,305)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(46)</u>	<u>(46)</u>	<u>(81,530)</u>	<u>(81,484)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(46)</u>	<u>(46)</u>	<u>(81,530)</u>	<u>(81,484)</u>
NET CHANGE IN FUND BALANCE	-	-	(7,845,789)	<u>\$ (7,845,789)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>115,550,709</u>	<u>115,550,709</u>	<u>115,550,709</u>	
FUND BALANCE - END OF YEAR	<u>\$ 115,550,709</u>	<u>\$ 115,550,709</u>	<u>\$ 107,704,920</u>	

City of Folsom

NOTE TO OTHER SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

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, 2015:

Fund	Expenditures in excess of appropriations
Folsom Public Financing Authority Debt Service Fund	\$ 750,354

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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, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 11,111,325	\$ 2,998,712	\$ 8,319,812	\$ 301,661	\$ 22,731,510
Cash with fiscal agent	-	-	2,884,203	-	2,884,203
Receivables					
General accounts	38,890	62,947	-	-	101,837
Accrued interest	23,705	5,437	15,908	666	45,716
Loans	3,900,503	-	-	-	3,900,503
Special assessments - delinquent	-	41,329	-	-	41,329
Due from other governments	78,585	9,773	-	-	88,358
Restricted assets:					
Cash and cash equivalents	310,240	-	-	-	310,240
Total assets	<u>\$ 15,463,248</u>	<u>\$ 3,118,198</u>	<u>\$ 11,219,923</u>	<u>\$ 302,327</u>	<u>\$ 30,103,696</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,072,195	\$ -	\$ 152,084	\$ 663	\$ 1,224,942
Wages payable	-	-	5,340	-	5,340
Due to other funds	517,818	-	-	-	517,818
Unearned revenue	226,583	-	-	-	226,583
Total liabilities	<u>1,816,596</u>	<u>-</u>	<u>157,424</u>	<u>663</u>	<u>1,974,683</u>
DEFERRED INFLOWS OF RESOURCES					
Special assessments not collected	-	41,329	-	-	41,329
FUND BALANCES:					
Nonspendable	-	-	-	268,396	268,396
Restricted	7,811,103	2,738,944	10,927,568	-	21,477,615
Committed	3,627,982	-	-	35,057	3,663,039
Assigned	2,722,449	337,925	134,931	-	3,195,305
Unassigned	(514,882)	-	-	(1,789)	(516,671)
Total fund balances	<u>13,646,652</u>	<u>3,076,869</u>	<u>11,062,499</u>	<u>301,664</u>	<u>28,087,684</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 15,463,248</u>	<u>\$ 3,118,198</u>	<u>\$ 11,219,923</u>	<u>\$ 302,327</u>	<u>\$ 30,103,696</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES:					
Licenses and permits	\$ 4,770	\$ -	\$ -	\$ -	\$ 4,770
Intergovernmental revenues	4,883,520	-	94,283	-	4,977,803
Charges for current services	4,090,373	-	3,717,746	-	7,808,119
Fines and forfeitures	316,862	-	-	-	316,862
Assessment collections	-	1,518,403	-	-	1,518,403
Interest revenue	104,806	18,635	76,463	3,240	203,144
Miscellaneous	55,304	139,038	181	-	194,523
Total revenues	<u>9,455,635</u>	<u>1,676,076</u>	<u>3,888,673</u>	<u>3,240</u>	<u>15,023,624</u>
EXPENDITURES:					
Current:					
General government	1,319,796	6,423	-	-	1,326,219
Public safety	246	-	-	-	246
Public ways and facilities	2,087,167	-	1,319,486	-	3,406,653
Culture and recreation	261,590	-	-	4,060	265,650
Capital outlay	3,122,402	-	127,596	-	3,249,998
Debt service:					
Principal payments	-	2,875,000	-	-	2,875,000
Interest and fiscal charges	-	599,320	-	-	599,320
Total expenditures	<u>6,791,201</u>	<u>3,480,743</u>	<u>1,447,082</u>	<u>4,060</u>	<u>11,723,086</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,664,434</u>	<u>(1,804,667)</u>	<u>2,441,591</u>	<u>(820)</u>	<u>3,300,538</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	202,690	81,484	7,252	-	291,426
Transfers out	(2,325,579)	(22,816)	(948,330)	(969)	(3,297,694)
Total other financing sources (uses)	<u>(2,122,889)</u>	<u>58,668</u>	<u>(941,078)</u>	<u>(969)</u>	<u>(3,006,268)</u>
NET CHANGE IN FUND BALANCES	541,545	(1,745,999)	1,500,513	(1,789)	294,270
FUND BALANCES, BEGINNING OF YEAR	<u>13,105,107</u>	<u>4,822,868</u>	<u>9,561,986</u>	<u>303,453</u>	<u>27,793,414</u>
FUND BALANCES, END OF YEAR	<u>\$ 13,646,652</u>	<u>\$ 3,076,869</u>	<u>\$ 11,062,499</u>	<u>\$ 301,664</u>	<u>\$ 28,087,684</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.	American River Canyon #2	The Residences at ARC No.
Fieldstone Meadows		

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 Arts and Culture Fund
Police Officer Training Fund
Folsom Historic District
Housing Trust Special Revenue
Oaks at Willow Springs

Cultural Events
Sacramento Transportation Billboard Fund
Lembi Aquatic Center Sponsorship Fund
Sphere of Influence

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CITY OF FOLSOM, CALIFORNIA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2015

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Gas Tax
ASSETS				
Cash and cash equivalents	\$ 360,451	\$ -	\$ 1,175,021	\$ 3,437,195
Receivables				
General accounts	-	-	-	-
Accrued interest	995	398	2,593	7,121
Loans	-	-	-	-
Due from other governments	-	-	-	46,048
Restricted assets:				
Cash and cash equivalents	-	161,580	-	-
Total assets	<u>\$ 361,446</u>	<u>\$ 161,978</u>	<u>\$ 1,177,614</u>	<u>\$ 3,490,364</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 113,837	\$ -	\$ -	\$ 93,379
Due to other funds	-	49,549	-	-
Unearned revenue	222,724	-	-	-
Total liabilities	<u>336,561</u>	<u>49,549</u>	<u>-</u>	<u>93,379</u>
 FUND BALANCES				
Restricted	-	112,429	-	3,396,985
Committed	-	-	1,177,614	-
Assigned	24,885	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>24,885</u>	<u>112,429</u>	<u>1,177,614</u>	<u>3,396,985</u>
Total liabilities and fund balances (deficit)	<u>\$ 361,446</u>	<u>\$ 161,978</u>	<u>\$ 1,177,614</u>	<u>\$ 3,490,364</u>

Light and Landscape Districts	Transportation System Management	Community Development Block Grant	
			ASSETS
\$ 3,724,491	\$ -	\$ 31,044	Cash and cash equivalents
			Receivables
11,048	-	26,292	General accounts
7,164	252	158	Accrued interest
-	-	199,468	Loans
32,537	-	-	Due from other governments
			Restricted assets:
-	133,660	-	Cash and cash equivalents
<u>\$ 3,775,240</u>	<u>\$ 133,912</u>	<u>\$ 256,962</u>	Total assets
			LIABILITIES AND FUND BALANCE
			LIABILITIES
\$ 199,193	\$ -	\$ 29,712	Accounts payable
-	34,583	-	Due to other funds
-	-	-	Unearned revenue
<u>199,193</u>	<u>34,583</u>	<u>29,712</u>	Total liabilities
			FUND BALANCES
3,576,047	-	227,250	Restricted
-	99,329	-	Committed
-	-	-	Assigned
-	-	-	Unassigned
<u>3,576,047</u>	<u>99,329</u>	<u>227,250</u>	Total fund balances (deficit)
<u>\$ 3,775,240</u>	<u>\$ 133,912</u>	<u>\$ 256,962</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, 2015

	Humbug Willow Creek	General Plan Amendment	Tree Planting
ASSETS			
Cash and cash equivalents	\$ -	\$ 311,456	\$ 663,502
Receivables			
General accounts	-	-	-
Accrued interest	-	703	1,528
Loans	-	-	-
Due from other governments	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ -	\$ 312,159	\$ 665,030
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 81,156	\$ 1,867	\$ 4,321
Due to other funds	433,686	-	-
Unearned revenue	40	-	-
Total liabilities	514,882	1,867	4,321
 FUND BALANCES			
Restricted	-	-	-
Committed	-	310,292	660,709
Assigned	-	-	-
Unassigned	(514,882)	-	-
Total fund balances (deficit)	(514,882)	310,292	660,709
Total liabilities and fund balances (deficit)	\$ -	\$ 312,159	\$ 665,030

Zoo	Other	Total Nonmajor Special Revenue Funds
\$ 35,597	\$ 1,372,568	\$ 11,111,325
1,550	-	38,890
55	2,738	23,705
-	3,701,035	3,900,503
-	-	78,585
-	15,000	310,240
<u>\$ 37,202</u>	<u>\$ 5,091,341</u>	<u>\$ 15,463,248</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

\$ -	\$ 548,730	\$ 1,072,195
-	-	517,818
-	3,819	226,583
-	552,549	1,816,596

Accounts payable
Due to other funds
Unearned revenue

Total liabilities

FUND BALANCES

37,202	461,190	7,811,103
-	1,380,038	3,627,982
-	2,697,564	2,722,449
-	-	(514,882)
<u>37,202</u>	<u>4,538,792</u>	<u>13,646,652</u>
<u>\$ 37,202</u>	<u>\$ 5,091,341</u>	<u>\$ 15,463,248</u>

Restricted
Committed
Assigned
Unassigned
Total fund balances (deficit)
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, 2015

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Gas Tax
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	280,854	-	2,101,861
Charges for current services	879,197	-	173,576	-
Fines and forfeitures	-	-	-	-
Interest	4,797	2,277	12,758	24,108
Miscellaneous	-	-	-	-
Total revenues	<u>883,994</u>	<u>283,131</u>	<u>186,334</u>	<u>2,125,969</u>
EXPENDITURES:				
Current:				
General government	833,296	-	120,407	-
Public safety	-	-	-	-
Public ways and facilities	-	-	-	1,053
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	1,093,332
Total expenditures	<u>833,296</u>	<u>-</u>	<u>120,407</u>	<u>1,094,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>50,698</u>	<u>283,131</u>	<u>65,927</u>	<u>1,031,584</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(588,739)	(999)	(875,733)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(588,739)</u>	<u>(999)</u>	<u>(875,733)</u>
NET CHANGE IN FUND BALANCES	50,698	(305,608)	64,928	155,851
FUND BALANCES, BEGINNING OF YEAR	<u>(25,813)</u>	<u>418,037</u>	<u>1,112,686</u>	<u>3,241,134</u>
FUND BALANCES, END OF YEAR	<u>\$ 24,885</u>	<u>\$ 112,429</u>	<u>\$ 1,177,614</u>	<u>\$ 3,396,985</u>

Light and Landscape Districts	Transportation System Management	Community Development Block Grant
\$ -	\$ -	\$ -
-	-	144,316
2,675,442	40,260	748
-	-	-
34,241	1,221	785
-	-	-
<u>2,709,683</u>	<u>41,481</u>	<u>145,849</u>
-	-	-
-	-	-
1,855,424	-	194,726
-	-	-
-	-	-
<u>1,855,424</u>	<u>-</u>	<u>194,726</u>
<u>854,259</u>	<u>41,481</u>	<u>(48,877)</u>
12	-	-
(497,509)	(47,685)	(4,119)
<u>(497,497)</u>	<u>(47,685)</u>	<u>(4,119)</u>
356,762	(6,204)	(52,996)
<u>3,219,285</u>	<u>105,533</u>	<u>280,246</u>
<u>\$ 3,576,047</u>	<u>\$ 99,329</u>	<u>\$ 227,250</u>

REVENUES:

Licenses and permits
Intergovernmental
Charges for current services
Fines and forfeitures
Interest
Miscellaneous

Total revenues

EXPENDITURES:

Current:

General government
Public safety
Public ways and facilities
Culture and recreation
Capital Outlay

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

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, 2015

	Humbug Willow Creek	General Plan Amendment	Tree Planting
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	2,237,847	118,642	-
Charges for current services	80,968	62,196	76,844
Fines and forfeitures	-	-	-
Interest	-	3,471	7,372
Miscellaneous	680	-	7,655
	2,319,495	184,309	91,871
Total revenues	2,319,495	184,309	91,871
EXPENDITURES:			
Current:			
General government	-	173,601	-
Public safety	-	-	-
Public ways and facilities	-	-	35,964
Culture and recreation	188,726	-	-
Capital Outlay	2,029,070	-	-
	2,217,796	173,601	35,964
Total expenditures	2,217,796	173,601	35,964
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	101,699	10,708	55,907
OTHER FINANCING SOURCES (USES):			
Transfers in	202,667	-	-
Transfers out	-	(54,741)	(56,087)
	202,667	(54,741)	(56,087)
TOTAL OTHER FINANCING SOURCES (USES)	202,667	(54,741)	(56,087)
NET CHANGE IN FUND BALANCES	304,366	(44,033)	(180)
FUND BALANCES, BEGINNING OF YEAR	(819,248)	354,325	660,889
FUND BALANCES, END OF YEAR	\$ (514,882)	\$ 310,292	\$ 660,709

<u>Zoo</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>	
			REVENUES:
\$ -	\$ 4,770	\$ 4,770	Licenses and permits
-	-	4,883,520	Intergovernmental
19,396	81,746	4,090,373	Charges for current services
-	316,862	316,862	Fines and forfeitures
258	13,518	104,806	Interest
12,723	34,246	55,304	Miscellaneous
<u>32,377</u>	<u>451,142</u>	<u>9,455,635</u>	Total revenues
			EXPENDITURES:
			Current:
-	192,492	1,319,796	General government
-	246	246	Public safety
-	-	2,087,167	Public ways and facilities
-	72,864	261,590	Culture and recreation
-	-	3,122,402	Capital Outlay
<u>-</u>	<u>265,602</u>	<u>6,791,201</u>	Total expenditures
<u>32,377</u>	<u>185,540</u>	<u>2,664,434</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
			OTHER FINANCING SOURCES (USES):
-	11	202,690	Transfers in
(7,319)	(192,648)	(2,325,579)	Transfers out
<u>(7,319)</u>	<u>(192,637)</u>	<u>(2,122,889)</u>	TOTAL OTHER FINANCING SOURCES (USES)
25,058	(7,097)	541,545	NET CHANGE IN FUND BALANCES
<u>12,144</u>	<u>4,545,889</u>	<u>13,105,107</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 37,202</u>	<u>\$ 4,538,792</u>	<u>\$ 13,646,652</u>	FUND BALANCES, 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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for current services	\$ 248,000	\$ 1,172,280	\$ 879,197	\$ (293,083)
Interest	2,000	2,000	4,797	2,797
Total revenues	<u>250,000</u>	<u>1,174,280</u>	<u>883,994</u>	<u>(290,286)</u>
EXPENDITURES				
Current operating:				
General government	<u>250,000</u>	<u>1,171,420</u>	<u>833,296</u>	<u>338,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>2,860</u>	<u>50,698</u>	<u>47,838</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	2,860	50,698	<u>\$ 47,838</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(25,813)</u>	<u>(25,813)</u>	<u>(25,813)</u>	
FUND BALANCE - END OF YEAR	<u>\$ (25,813)</u>	<u>\$ (22,953)</u>	<u>\$ 24,885</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ 303,037	\$ 303,037	\$ 280,854	\$ (22,183)
Other	68,822	68,931	-	(68,931)
Interest	1,200	1,200	2,277	1,077
Total revenues	<u>373,059</u>	<u>373,168</u>	<u>283,131</u>	<u>(90,037)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	-	109	-	109
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>373,059</u>	<u>373,059</u>	<u>283,131</u>	<u>(89,928)</u>
OTHER FINANCING USES				
Transfers out	<u>(373,059)</u>	<u>(373,059)</u>	<u>(588,739)</u>	<u>(215,680)</u>
NET CHANGE IN FUND BALANCE	-	-	(305,608)	<u><u>\$ (305,608)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>418,037</u>	<u>418,037</u>	<u>418,037</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 418,037</u></u>	<u><u>\$ 418,037</u></u>	<u><u>\$ 112,429</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 200,000	\$ 200,000	\$ 173,576	\$ (26,424)
Interest	-	-	12,758	12,758
Miscellaneous	<u>290,354</u>	<u>399,891</u>	<u>-</u>	<u>(399,891)</u>
Total revenues	<u>490,354</u>	<u>599,891</u>	<u>186,334</u>	<u>(413,557)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>489,355</u>	<u>598,892</u>	<u>120,407</u>	<u>478,485</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>999</u>	<u>999</u>	<u>65,927</u>	<u>64,928</u>
OTHER FINANCING USES				
Transfers out	<u>(999)</u>	<u>(999)</u>	<u>(999)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	64,928	<u>\$ 64,928</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,112,686</u>	<u>1,112,686</u>	<u>1,112,686</u>	
FUND BALANCE - END OF YEAR	<u>\$1,112,686</u>	<u>\$ 1,112,686</u>	<u>\$ 1,177,614</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$1,823,119	\$1,844,119	\$2,101,861	\$ 257,742
Charges for current services	-	-	-	-
Interest	-	-	24,108	24,108
Miscellaneous	803,885	1,004,396	-	(1,004,396)
Total revenues	<u>2,627,004</u>	<u>2,848,515</u>	<u>2,125,969</u>	<u>(722,546)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	1,000,000	1,200,511	1,053	1,199,458
Capital Outlay	-	-	1,093,332	(1,093,332)
Total expenditures	<u>1,000,000</u>	<u>1,200,511</u>	<u>1,094,385</u>	<u>106,126</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,627,004</u>	<u>1,648,004</u>	<u>1,031,584</u>	<u>(616,420)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				-
Transfers out	(1,627,004)	(1,648,004)	(875,733)	772,271
NET CHANGE IN FUND BALANCE	-	-	155,851	<u>\$ 155,851</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,241,134</u>	<u>3,241,134</u>	<u>3,241,134</u>	
FUND BALANCE - END OF YEAR	<u>\$3,241,134</u>	<u>\$3,241,134</u>	<u>\$3,396,985</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, 2015

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for current services	2,613,212	2,613,212	2,675,442	62,230
Fines, Impact Fees	-	-	-	-
Interest	28,900	28,900	34,241	5,341
Miscellaneous	-	-	-	-
Total revenues	<u>2,642,112</u>	<u>2,642,112</u>	<u>2,709,683</u>	<u>67,571</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>2,214,990</u>	<u>2,042,830</u>	<u>1,855,424</u>	<u>187,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>427,122</u>	<u>599,282</u>	<u>854,259</u>	<u>254,977</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	12	12
Transfers out	<u>(427,122)</u>	<u>(427,122)</u>	<u>(497,509)</u>	<u>(70,387)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(427,122)</u>	<u>(427,122)</u>	<u>(497,509)</u>	<u>(70,387)</u>
NET CHANGE IN FUND BALANCE	-	172,160	356,750	<u>\$ 184,590</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,219,285</u>	<u>3,219,285</u>	<u>3,219,285</u>	
FUND BALANCE - END OF YEAR	<u>\$ 3,219,285</u>	<u>\$ 3,391,445</u>	<u>\$ 3,576,035</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 25,000	\$ 25,000	\$ 40,260	\$ 15,260
Intergovernmental	-	-	-	-
Interest	<u>1,000</u>	<u>1,000</u>	<u>1,221</u>	<u>221</u>
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>41,481</u>	<u>15,481</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>23,315</u>	<u>23,315</u>	<u>-</u>	<u>23,315</u>
Total expenditures	<u>23,315</u>	<u>23,315</u>	<u>-</u>	<u>23,315</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,685</u>	<u>2,685</u>	<u>41,481</u>	<u>38,796</u>
OTHER FINANCING USES:				
Transfers out	<u>(2,685)</u>	<u>(2,685)</u>	<u>(47,685)</u>	<u>(45,000)</u>
NET CHANGE IN FUND BALANCE	-	-	(6,204)	<u>\$ (6,204)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>105,533</u>	<u>105,533</u>	<u>105,533</u>	
FUND BALANCE - END OF YEAR	<u>\$ 105,533</u>	<u>\$ 105,533</u>	<u>\$ 99,329</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 144,316	\$ (5,684)
Charges for current services	20,000	20,000	748	(19,252)
Interest	-	-	-	-
Miscellaneous	800	800	785	(15)
Total revenues	<u>170,800</u>	<u>170,800</u>	<u>145,849</u>	<u>(24,951)</u>
EXPENDITURES:				
Current Operating:				
Public ways and facilities	<u>166,681</u>	<u>166,681</u>	<u>194,726</u>	<u>(28,045)</u>
Total expenditures	<u>166,681</u>	<u>166,681</u>	<u>194,726</u>	<u>(28,045)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,119</u>	<u>4,119</u>	<u>(48,877)</u>	<u>(52,996)</u>
OTHER FINANCING USES:				
Transfers out	<u>(4,119)</u>	<u>(4,119)</u>	<u>(4,119)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(52,996)	<u><u>\$ (52,996)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>280,246</u>	<u>280,246</u>	<u>280,246</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 280,246</u></u>	<u><u>\$ 280,246</u></u>	<u><u>\$ 227,250</u></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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ 1,389,040	\$ 4,221,814	\$ 2,237,847	\$(1,983,967)
Charges for current services	85,000	85,000	80,968	(4,032)
Interest	-	-	-	-
Miscellaneous	-	-	680	680
Total revenues	<u>1,474,040</u>	<u>4,306,814</u>	<u>2,319,495</u>	<u>(1,987,319)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	-	188,726	(188,726)
Capital outlay	<u>1,515,040</u>	<u>4,368,814</u>	<u>2,029,070</u>	<u>2,339,744</u>
Total expenditures	<u>1,515,040</u>	<u>4,368,814</u>	<u>2,217,796</u>	<u>2,151,018</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(41,000)</u>	<u>(62,000)</u>	<u>101,699</u>	<u>163,699</u>
OTHER FINANCING USES:				
Transfers in	-	-	202,667	202,667
Transfers out	<u>(41,000)</u>	<u>(62,000)</u>	<u>-</u>	<u>62,000</u>
NET CHANGE IN FUND BALANCE	(82,000)	(124,000)	304,366	<u>\$ 428,366</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(819,248)</u>	<u>(819,248)</u>	<u>(819,248)</u>	
FUND BALANCE - END OF YEAR	<u>\$ (901,248)</u>	<u>\$ (943,248)</u>	<u>\$ (514,882)</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 60,000	\$ 60,000	\$ 62,196	\$ 2,196
Intergovernmental	225,000	337,981	118,642	(219,339)
Interest	6,000	6,000	3,471	(2,529)
Miscellaneous	<u>276,741</u>	<u>276,741</u>	<u>-</u>	<u>(276,741)</u>
Total revenues	<u>567,741</u>	<u>680,722</u>	<u>184,309</u>	<u>(496,413)</u>
EXPENDITURES:				
Current operating:				
General government	<u>513,000</u>	<u>625,981</u>	<u>173,601</u>	<u>452,380</u>
Total expenditures	<u>513,000</u>	<u>625,981</u>	<u>173,601</u>	<u>452,380</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>54,741</u>	<u>54,741</u>	<u>10,708</u>	<u>(44,033)</u>
OTHER FINANCING USES:				
Transfers out	<u>(54,741)</u>	<u>(54,741)</u>	<u>(54,741)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(44,033)	<u>\$ (44,033)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>354,325</u>	<u>354,325</u>	<u>354,325</u>	
FUND BALANCE - END OF YEAR	<u>\$ 354,325</u>	<u>\$ 354,325</u>	<u>\$ 310,292</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	-
Charges for current services	20,000	20,000	76,844	56,844
Fines and forfeitures	-	-	-	-
Interest	-	-	7,372	7,372
Miscellaneous	71,077	71,077	7,655	(63,422)
Total revenues	<u>91,077</u>	<u>91,077</u>	<u>91,871</u>	<u>794</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	52,000	59,291	35,964	23,327
Total expenditures	<u>52,000</u>	<u>59,291</u>	<u>35,964</u>	<u>23,327</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>39,077</u>	<u>31,786</u>	<u>55,907</u>	<u>24,121</u>
OTHER FINANCING USES:				
Transfers out	<u>(39,077)</u>	<u>(31,786)</u>	<u>(56,087)</u>	<u>(24,301)</u>
NET CHANGE IN FUND BALANCE	-	-	(180)	<u>\$ (180)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>660,889</u>	<u>660,889</u>	<u>660,889</u>	
FUND BALANCE - END OF YEAR	<u>\$ 660,889</u>	<u>\$ 660,889</u>	<u>\$ 660,709</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 17,500	\$ 17,500	\$ 19,396	\$ 1,896
Interest	300	300	258	(42)
Miscellaneous	2,389	2,389	12,723	10,334
Total revenues	<u>20,189</u>	<u>20,189</u>	<u>32,377</u>	<u>12,188</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>20,189</u>	<u>20,189</u>	<u>32,377</u>	<u>12,188</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			-	-
Transfers out	<u>(20,189)</u>	<u>(20,189)</u>	<u>(7,319)</u>	<u>12,870</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,189)</u>	<u>(20,189)</u>	<u>(7,319)</u>	<u>12,870</u>
NET CHANGE IN FUND BALANCE	-	-	25,058	<u>\$ 25,058</u>
FUND BALANCE - BEGINNING OF YEAR	<u>12,144</u>	<u>12,144</u>	<u>12,144</u>	
FUND BALANCE - END OF YEAR	<u>\$ 12,144</u>	<u>\$ 12,144</u>	<u>\$ 37,202</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Licenses and permits	\$ 6,500	\$ 6,500	\$ 4,770	\$ (1,730)
Intergovernmental	-	-	-	-
Charges for current services	100,000	100,000	81,746	(18,254)
Fines and forfeitures	-	-	316,862	316,862
Interest	37,700	62,700	13,518	(49,182)
Miscellaneous	327,749	349,749	34,246	(315,503)
Total revenues	<u>471,949</u>	<u>518,949</u>	<u>451,142</u>	<u>(67,807)</u>
EXPENDITURES:				
Current operating:				
General government	215,000	215,000	192,492	22,508
Public safety	26,162	26,162	246	25,916
Culture and recreation	41,500	88,500	72,864	15,636
Total expenditures	<u>282,662</u>	<u>329,662</u>	<u>265,602</u>	<u>64,060</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>189,287</u>	<u>189,287</u>	<u>185,540</u>	<u>(3,747)</u>
OTHER FINANCING USES:				
Transfers in	-	-	11	11
Transfers out	(189,287)	(189,287)	(192,648)	(3,361)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(189,287)</u>	<u>(189,287)</u>	<u>(192,637)</u>	<u>(3,350)</u>
NET CHANGE IN FUND BALANCE	-	-	(7,097)	<u><u>\$ (7,097)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>4,545,889</u>	<u>4,545,889</u>	<u>4,545,889</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 4,545,889</u></u>	<u><u>\$ 4,545,889</u></u>	<u><u>\$ 4,538,792</u></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.

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, 2015

	1915 Assessment Districts	Community Correctional Facility	City Parks and Signals
ASSETS			
Cash and cash equivalents	\$ 1,015,527	\$ 284,708	\$ 52,387
Receivables:			
General accounts	-	-	-
Accrued interest	2,232	624	206
Special assessments - delinquent	41,329	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 1,059,088</u>	<u>\$ 285,332</u>	<u>\$ 52,593</u>
 DEFERRED INFLOWS OF RESOURCES:			
Special Assessments not collected	\$ 41,329	\$ -	\$ -
Total liabilities	41,329	-	-
 FUND BALANCES:			
Restricted	1,017,759	-	-
Assigned	-	285,332	52,593
Total fund balances	1,017,759	285,332	52,593
Total liabilities and fund balances	<u>\$ 1,059,088</u>	<u>\$ 285,332</u>	<u>\$ 52,593</u>

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Total Nonmajor Debt Service Funds</u>	
ASSETS			
\$ 1,619,133	\$ 26,957	\$ 2,998,712	Cash and cash equivalents
			Receivables:
-	62,947	62,947	General accounts
1,684	691	5,437	Accrued interest
-	-	41,329	Special assessments - delinquent
<u>9,773</u>	<u>-</u>	<u>9,773</u>	Due from other governments
<u>\$ 1,630,590</u>	<u>\$ 90,595</u>	<u>\$ 3,118,198</u>	Total assets
DEFERRED INFLOWS OF RESOURCES:			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,329</u>	Special Assessments not collected
<u>-</u>	<u>-</u>	<u>41,329</u>	Total liabilities
FUND BALANCES:			
1,630,590	90,595	2,738,944	Restricted
<u>-</u>	<u>-</u>	<u>337,925</u>	Assigned
<u>1,630,590</u>	<u>90,595</u>	<u>3,076,869</u>	Total fund balances
<u>\$ 1,630,590</u>	<u>\$ 90,595</u>	<u>\$ 3,118,198</u>	Total liabilities and fund balances

CITY OF FOLSOM, CALIFORNIA

NONMAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND FOR THE YEAR ENDED JUNE 30, 2015

	1915 Assessment Districts	Community Correctional Facility	City Parks and Signals
REVENUES:			
Assessment collections	\$ -	\$ -	\$ -
Interest	10,858	3,038	1,189
Miscellaneous	-	-	67,250
	10,858	3,038	68,439
Total revenues	10,858	3,038	68,439
EXPENDITURES:			
Current:			
General Government	-	-	-
Debt service:			
Principal payments	-	-	440,000
Interest and fiscal charges	-	-	15,796
	-	-	455,796
Total expenditures	-	-	455,796
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,858	3,038	(387,357)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(2,816)	-	(542)
	(2,816)	-	(542)
Total other financing sources (uses)	(2,816)	-	(542)
NET CHANGE IN FUND BALANCES	8,042	3,038	(387,899)
FUND BALANCES, BEGINNING OF YEAR	1,009,717	282,294	440,492
FUND BALANCES, END OF YEAR	\$ 1,017,759	\$ 285,332	\$ 52,593

General Obligation School Facilities	Recreation Facility	Total Nonmajor Debt Service Funds	
			REVENUES:
\$ 1,518,403	\$ -	\$ 1,518,403	Assessment collections
-	3,550	18,635	Interest
-	71,788	139,038	Miscellaneous
<u>1,518,403</u>	<u>75,338</u>	<u>1,676,076</u>	Total revenues
			EXPENDITURES:
			Current:
6,423	-	6,423	General Government
			Debt service:
2,435,000	-	2,875,000	Principal payments
<u>187,299</u>	<u>396,225</u>	<u>599,320</u>	Interest and fiscal charges
<u>2,628,722</u>	<u>396,225</u>	<u>3,480,743</u>	Total expenditures
<u>(1,110,319)</u>	<u>(320,887)</u>	<u>(1,804,667)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES):
-	81,484	81,484	Transfers in
<u>(16,912)</u>	<u>(2,546)</u>	<u>(22,816)</u>	Transfers Out
<u>(16,912)</u>	<u>78,938</u>	<u>58,668</u>	Total other financing sources (uses)
(1,127,231)	(241,949)	(1,745,999)	NET CHANGE IN FUND BALANCES
<u>2,757,821</u>	<u>332,544</u>	<u>4,822,868</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 1,630,590</u>	<u>\$ 90,595</u>	<u>\$ 3,076,869</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, 2015**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Special Assessment	\$ -	\$ -	\$ -	\$ -
Interest	<u>2,816</u>	<u>2,816</u>	<u>10,858</u>	<u>8,042</u>
Total revenues	<u>2,816</u>	<u>2,816</u>	<u>10,858</u>	<u>8,042</u>
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,816</u>	<u>2,816</u>	<u>10,858</u>	<u>8,042</u>
OTHER FINANCING USES				
Transfers out	<u>(2,816)</u>	<u>(2,816)</u>	<u>(2,816)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	8,042	<u>\$ 8,042</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,009,717</u>	<u>1,009,717</u>	<u>1,009,717</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,009,717</u>	<u>\$ 1,009,717</u>	<u>\$ 1,017,759</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	3,038	3,038
Total revenues	-	-	3,038	3,038
EXPENDITURES				
General Government	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	3,038	3,038
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	3,038	<u>\$ 3,038</u>
FUND BALANCE - BEGINNING OF YEAR	<u>282,294</u>	<u>282,294</u>	<u>282,294</u>	
FUND BALANCE - END OF YEAR	<u>\$ 282,294</u>	<u>\$ 282,294</u>	<u>\$ 285,332</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 600	\$ 600	\$ 1,189	\$ 589
Miscellaneous	67,192	67,192	67,250	58
Total revenues	<u>67,792</u>	<u>67,792</u>	<u>68,439</u>	<u>647</u>
EXPENDITURES				
Debt service:				
Principal	38,000	38,000	440,000	(402,000)
Interest and fiscal charges	29,250	29,250	15,796	13,454
Total expenditures	<u>67,250</u>	<u>67,250</u>	<u>455,796</u>	<u>(388,546)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>542</u>	<u>542</u>	<u>(387,357)</u>	<u>14,101</u>
OTHER FINANCING USES				
Transfers out	<u>(542)</u>	<u>(542)</u>	<u>(542)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(387,899)	<u>\$ (387,899)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>440,492</u>	<u>440,492</u>	<u>440,492</u>	
FUND BALANCE - END OF YEAR	<u>\$ 440,492</u>	<u>\$ 440,492</u>	<u>\$ 52,593</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Assessment collections	\$ 2,619,650	\$2,619,650	\$ 1,518,403	\$ (1,101,247)
Interest	20,912	20,912	-	(20,912)
Total revenues	<u>2,640,562</u>	<u>2,640,562</u>	<u>1,518,403</u>	<u>(1,122,159)</u>
EXPENDITURES				
Current:				
General Government	-	-	6,423	(6,423)
Debt service:				
Principal	2,435,000	2,435,000	2,435,000	-
Interest and fiscal charges	188,650	188,650	187,299	1,351
Total expenditures	<u>2,623,650</u>	<u>2,623,650</u>	<u>2,628,722</u>	<u>(5,072)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>16,912</u>	<u>16,912</u>	<u>(1,110,319)</u>	<u>(1,120,808)</u>
OTHER FINANCING USES				
Transfers out	<u>(16,912)</u>	<u>(16,912)</u>	<u>(16,912)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(16,912)</u>	<u>(16,912)</u>	<u>(16,912)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(1,127,231)	<u>\$ (1,127,231)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,757,821</u>	<u>2,757,821</u>	<u>2,757,821</u>	
FUND BALANCE - END OF YEAR	<u>\$ 2,757,821</u>	<u>\$2,757,821</u>	<u>\$ 1,630,590</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, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 3,550	\$ 3,550
Miscellaneous	75,700	75,700	71,788	(3,912)
Total revenues	<u>75,700</u>	<u>75,700</u>	<u>75,338</u>	<u>(362)</u>
EXPENDITURES				
General Government	904	904	-	904
Debt service:				
Interest and fiscal charges	72,250	72,250	396,225	(323,975)
Total expenditures	<u>73,154</u>	<u>73,154</u>	<u>396,225</u>	<u>(323,071)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,546</u>	<u>2,546</u>	<u>(320,887)</u>	<u>(323,433)</u>
OTHER FINANCING USES				
Transfers in	-	-	81,484	81,484
Transfers out	(2,546)	(2,546)	(2,546)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,546)</u>	<u>(2,546)</u>	<u>78,938</u>	<u>81,484</u>
NET CHANGE IN FUND BALANCE	-	-	(241,949)	<u>\$ (241,949)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>332,544</u>	<u>332,544</u>	<u>332,544</u>	
FUND BALANCE - END OF YEAR	<u>\$ 332,544</u>	<u>\$ 332,544</u>	<u>\$ 90,595</u>	

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NONMAJOR CAPITAL PROJECTS FUNDS

1915 Assessment Districts:

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

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, 2015**

	<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>
ASSETS						
Cash and cash equivalents	\$ 308	\$ 4,289	\$ 2,436,179	\$ 498,237	\$ 2,792,082	\$ 1,038,840
Cash with fiscal agent	-	2,884,203	-	-	-	-
Receivables:						
Accrued interest	<u>1</u>	<u>30</u>	<u>4,055</u>	<u>805</u>	<u>5,771</u>	<u>1,894</u>
Total assets	<u>\$ 309</u>	<u>\$ 2,888,522</u>	<u>\$ 2,440,234</u>	<u>\$ 499,042</u>	<u>\$ 2,797,853</u>	<u>\$ 1,040,734</u>
 LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ 10,764	\$ 20,434	\$ -	\$ -	\$ 22,165
Wages payable	<u>-</u>	<u>-</u>	<u>5,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>10,764</u>	<u>25,774</u>	<u>-</u>	<u>-</u>	<u>22,165</u>
 FUND BALANCE						
Restricted	-	2,877,758	2,414,460	499,042	2,797,853	1,018,569
Assigned	<u>309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>309</u>	<u>2,877,758</u>	<u>2,414,460</u>	<u>499,042</u>	<u>2,797,853</u>	<u>1,018,569</u>
Total liabilities and fund balance	<u>\$ 309</u>	<u>\$ 2,888,522</u>	<u>\$ 2,440,234</u>	<u>\$ 499,042</u>	<u>\$ 2,797,853</u>	<u>\$ 1,040,734</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>	
							ASSETS
\$ 467,251	\$ 11,641	\$ 640,771	\$ 69,680	\$ 64,647	\$ 295,887	\$ 8,319,812	Cash and cash equivalents
-	-	-	-	-	-	2,884,203	Cash with fiscal agent
949	25	1,476	153	142	607	15,908	Receivables: Accrued interest
<u>\$ 468,200</u>	<u>\$ 11,666</u>	<u>\$ 642,247</u>	<u>\$ 69,833</u>	<u>\$ 64,789</u>	<u>\$ 296,494</u>	<u>\$ 11,219,923</u>	Total assets
							LIABILITIES AND FUND BALANCES
							LIABILITIES:
\$ 14,732	\$ 2,138	\$ 61,740	\$ -	\$ -	\$ 20,111	\$ 152,084	Accounts payable
-	-	-	-	-	-	5,340	Wages payable
<u>14,732</u>	<u>2,138</u>	<u>61,740</u>	<u>-</u>	<u>-</u>	<u>20,111</u>	<u>157,424</u>	Total liabilities
							FUND BALANCE
453,468	9,528	580,507	-	-	276,383	10,927,568	Restricted
-	-	-	69,833	64,789	-	134,931	Assigned
<u>453,468</u>	<u>9,528</u>	<u>580,507</u>	<u>69,833</u>	<u>64,789</u>	<u>276,383</u>	<u>11,062,499</u>	Total fund balances
<u>\$ 468,200</u>	<u>\$ 11,666</u>	<u>\$ 642,247</u>	<u>\$ 69,833</u>	<u>\$ 64,789</u>	<u>\$ 296,494</u>	<u>\$ 11,219,923</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, 2015**

	<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	-	-	1,196,391	351,410	428,464	554,110
Interest	4	582	26,243	4,041	19,895	9,350
Miscellaneous	-	7	174	-	-	-
Total revenues	<u>4</u>	<u>589</u>	<u>1,222,808</u>	<u>355,451</u>	<u>448,359</u>	<u>563,460</u>
EXPENDITURES:						
Public ways and facilities	-	10,764	265,805	-	-	61,946
Total expenditures	<u>-</u>	<u>10,764</u>	<u>265,805</u>	<u>-</u>	<u>-</u>	<u>61,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4</u>	<u>(10,175)</u>	<u>957,003</u>	<u>355,451</u>	<u>448,359</u>	<u>501,514</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	5,480	-	-	-
Transfers out	-	(42)	(73,686)	(225,554)	(254,471)	(302,115)
Total other financing sources (uses)	<u>-</u>	<u>(42)</u>	<u>(68,206)</u>	<u>(225,554)</u>	<u>(254,471)</u>	<u>(302,115)</u>
NET CHANGE IN FUND BALANCE	4	(10,217)	888,797	129,897	193,888	199,399
FUND BALANCE, BEGINNING OF YEAR	<u>305</u>	<u>2,887,975</u>	<u>1,525,663</u>	<u>369,145</u>	<u>2,603,965</u>	<u>819,170</u>
FUND BALANCE, END OF YEAR	<u>\$ 309</u>	<u>\$ 2,877,758</u>	<u>\$ 2,414,460</u>	<u>\$ 499,042</u>	<u>\$ 2,797,853</u>	<u>\$ 1,018,569</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>	
\$ 94,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,283	REVENUES:
344,396	-	247,968	-	-	595,007	3,717,746	Intergovernmental
4,716	124	7,221	745	692	2,850	76,463	Charges for current services
-	-	-	-	-	-	181	Interest
<u>443,395</u>	<u>124</u>	<u>255,189</u>	<u>745</u>	<u>692</u>	<u>597,857</u>	<u>\$3,888,673</u>	Miscellaneous
							Total revenues
<u>355,039</u>	<u>2,288</u>	<u>124,064</u>	<u>-</u>	<u>-</u>	<u>499,580</u>	<u>1,319,486</u>	EXPENDITURES:
							Public ways and facilities
<u>355,039</u>	<u>2,288</u>	<u>251,660</u>	<u>-</u>	<u>-</u>	<u>499,580</u>	<u>1,447,082</u>	Total expenditures
<u>88,356</u>	<u>(2,164)</u>	<u>3,529</u>	<u>745</u>	<u>692</u>	<u>98,277</u>	<u>\$2,441,591</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
-	1,772	-	-	-	-	7,252	OTHER FINANCING SOURCES (USES):
(46,060)	(1,622)	(44,408)	(193)	(179)	-	(948,330)	Transfers in
							Transfers out
<u>(46,060)</u>	<u>150</u>	<u>(44,408)</u>	<u>(193)</u>	<u>(179)</u>	<u>-</u>	<u>(941,078)</u>	Total other financing sources (uses)
42,296	(2,014)	(40,879)	552	513	98,277	1,500,513	NET CHANGE IN FUND BALANCE
<u>411,172</u>	<u>11,542</u>	<u>621,386</u>	<u>69,281</u>	<u>64,276</u>	<u>178,106</u>	<u>9,561,986</u>	FUND BALANCE, BEGINNING OF YEAR
<u>\$ 453,468</u>	<u>\$ 9,528</u>	<u>\$ 580,507</u>	<u>\$ 69,833</u>	<u>\$ 64,789</u>	<u>\$ 276,383</u>	<u>\$ 11,062,499</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, 2015

	<u>Wetland/ Open space Maintenance</u>
ASSETS	
Cash and cash equivalents	\$ 301,661
Receivables	
Accrued interest	<u>666</u>
Total assets	<u><u>\$ 302,327</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 663</u>
Total liabilities	<u>663</u>
 FUND BALANCES	
Nonspendable	268,396
Restricted	-
Committed	<u>35,057</u>
Total fund balances	<u>301,664</u>
Total liabilities and fund balances	<u><u>\$ 302,327</u></u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - PERMANENT FUND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Wetland/ Open space Maintenance</u>
REVENUES:	
Interest	<u>\$ 3,240</u>
Total revenues	<u> 3,240</u>
EXPENDITURES:	
Current:	
Culture and recreation	<u> 4,060</u>
Total expenditures	<u> 4,060</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u> (820)</u>
OTHER FINANCING SOURCES (USES):	
Transfers out	<u> (969)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u> (969)</u>
NET CHANGE IN FUND BALANCES	(1,789)
FUND BALANCES, BEGINNING OF YEAR	<u> 303,453</u>
FUND BALANCES, END OF YEAR	<u><u> \$ 301,664</u></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, 2015**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,783,411	\$ 1,101,491	\$ 2,884,902
Receivables, net of allowances for uncollectibles	76,533	2,423	78,956
Due from other governments	<u>595,311</u>	<u>-</u>	<u>595,311</u>
Total current assets	<u>2,455,255</u>	<u>1,103,914</u>	<u>3,559,169</u>
Noncurrent assets			
Capital assets	3,539,986	-	3,539,986
Less: accumulated depreciation	<u>(1,966,962)</u>	<u>-</u>	<u>(1,966,962)</u>
Total noncurrent assets	<u>1,573,024</u>	<u>-</u>	<u>1,573,024</u>
Total assets	<u>4,028,279</u>	<u>1,103,914</u>	<u>5,132,193</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	<u>132,677</u>	<u>-</u>	<u>132,677</u>
LIABILITIES			
Current liabilities			
Accounts payable	156,335	583,056	739,391
Wages payable	26,806	-	26,806
Deposits	495,503	-	495,503
Accrued compensated absences payable within one year	<u>16,920</u>	<u>-</u>	<u>16,920</u>
Total current liabilities	<u>695,564</u>	<u>583,056</u>	<u>1,278,620</u>
Noncurrent liabilities			
Net pension liability	1,445,224	-	1,445,224
Accrued compensated absences payable after one year	39,656	-	39,656
Post-employment benefit obligation	<u>346,291</u>	<u>-</u>	<u>346,291</u>
Total liabilities	<u>2,526,735</u>	<u>583,056</u>	<u>3,109,791</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	<u>237,259</u>	<u>-</u>	<u>237,259</u>
NET POSITION			
Net investment in capital assets	1,573,024	-	1,573,024
Restricted for critical facilities use	-	520,858	520,858
Unrestricted	<u>(176,062)</u>	<u>-</u>	<u>(176,062)</u>
Total net position	<u>\$ 1,396,962</u>	<u>\$ 520,858</u>	<u>\$ 1,917,820</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES:			
Charges for services	\$ 677,295	\$ -	\$ 677,295
OPERATING EXPENSES:			
Employee services	1,020,142	-	1,020,142
Utilities	8,836	-	8,836
Supplies	170,325	-	170,325
Maintenance and operations	33,073	-	33,073
Contractual services	1,623,617	-	1,623,617
Depreciation	216,061	-	216,061
Other	272,562	-	272,562
TOTAL OPERATING EXPENSES	<u>3,344,616</u>	<u>-</u>	<u>3,344,616</u>
OPERATING INCOME (LOSS)	<u>(2,667,321)</u>	<u>-</u>	<u>(2,667,321)</u>
NONOPERATING REVENUE (EXPENSES):			
Investment income	12,562	11,777	24,339
Intergovernmental revenue	4,078,377	-	4,078,377
Total nonoperating revenue (expense)	<u>4,090,939</u>	<u>11,777</u>	<u>4,102,716</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>1,423,618</u>	<u>11,777</u>	<u>1,435,395</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:			
Transfers out	<u>(209,948)</u>	<u>(3,120)</u>	<u>(213,068)</u>
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(209,948)</u>	<u>(3,120)</u>	<u>(213,068)</u>
CHANGE IN NET POSITION	1,213,670	8,657	1,222,327
NET POSITION, BEGINNING OF YEAR, RESTATED	<u>183,292</u>	<u>512,201</u>	<u>695,493</u>
NET POSITION, END OF YEAR	<u>\$ 1,396,962</u>	<u>\$ 520,858</u>	<u>\$ 1,917,820</u>

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 1,746,995	\$ -	\$ 1,746,995
Payments to suppliers	(1,743,754)	(23,375)	(1,767,129)
Payments to employees	(998,499)	-	(998,499)
Payments to other governments	(79,107)	-	(79,107)
Cash paid to other sources	(970,680)	-	(970,680)
Net cash provided (used) for operating activities	<u>(2,045,045)</u>	<u>(23,375)</u>	<u>(2,068,420)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(209,948)	(3,120)	(213,068)
Intergovernmental revenues	4,078,377	-	4,078,377
Net cash provided (used) for noncapital financing activities	<u>3,868,429</u>	<u>(3,120)</u>	<u>3,865,309</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	12,844	9,796	22,640
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,052,397	(16,699)	1,035,698
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	731,014	1,118,190	1,849,204
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,783,411</u>	<u>\$ 1,101,491</u>	<u>\$ 2,884,902</u>
Summary:			
Cash and cash equivalents	<u>\$ 1,783,411</u>	<u>\$ 1,101,491</u>	<u>\$ 2,884,902</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,783,411</u>	<u>\$ 1,101,491</u>	<u>\$ 2,884,902</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, 2014

	Transit	Facilities Augmentation	TOTAL NON-MAJOR ENTERPRISE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,667,321)	\$ -	\$ (2,667,321)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	216,061	-	216,061
Other non-operating income (expense)	(698,118)	-	(698,118)
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	577,120	-	577,120
Decrease (increase) in due from other governments	(79,107)	-	(79,107)
Increase (decrease) in accounts payable	92,097	(23,375)	68,722
Increase (decrease) in wages payable	1,042	-	1,042
Increase (decrease) in deferred revenue	492,580	-	492,580
compensated absences	7,654	-	7,654
Increase (decrease) in OPEB	12,947	-	12,947
	<u>\$ (2,045,045)</u>	<u>\$ (23,375)</u>	<u>\$ (2,068,420)</u>
Net cash provided (used) by operating activities	<u>\$ (2,045,045)</u>	<u>\$ (23,375)</u>	<u>\$ (2,068,420)</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, 2015

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
ASSETS:				
Current assets				
Cash and cash equivalents	\$ 3,575,254	\$ 3,429,412	\$ 836,517	\$ 7,841,183
Receivables:				
Accrued interest	4,490	2,985	-	7,475
Retiree health benefits	-	35,293	-	35,293
Insurance deposits	-	2,724,885	-	2,724,885
Total current assets	3,579,744	6,192,575	836,517	10,608,836
Noncurrent assets				
Capital assets	4,886,100	-	-	4,886,100
Less: accumulated depreciation	(4,699,833)	-	-	(4,699,833)
Total noncurrent assets	186,267	-	-	186,267
Total assets	3,766,011	6,192,575	836,517	10,795,103
LIABILITIES:				
Current liabilities				
Accounts payable	-	22,119	-	22,119
Wages payable	-	278,034	35,486	313,520
Unearned revenue	-	150	-	150
Total liabilities	-	300,303	35,486	335,789
NET POSITION:				
Net investment in capital assets	186,267	-	-	186,267
Unrestricted	3,579,744	5,892,272	801,031	10,273,047
Total net position	\$ 3,766,011	\$ 5,892,272	\$ 801,031	\$ 10,459,314

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 1,739,000	\$ 15,378,776	\$ 1,542,415	\$ 18,660,191
Total operating revenues	<u>1,739,000</u>	<u>15,378,776</u>	<u>1,542,415</u>	<u>18,660,191</u>
OPERATING EXPENSES:				
Employee services	-	14,061,783	741,384	14,803,167
Depreciation	58,133	-	-	58,133
Total operating expenses	<u>58,133</u>	<u>14,061,783</u>	<u>741,384</u>	<u>14,861,300</u>
OPERATING INCOME (LOSS)	<u>1,680,867</u>	<u>1,316,993</u>	<u>801,031</u>	<u>3,798,891</u>
NONOPERATING REVENUE (EXPENSES):				
Investment income	19,822	8,595	-	28,417
Gain on sale of capital assets	96,858	-	-	96,858
Total nonoperating revenue (expenses)	<u>116,680</u>	<u>8,595</u>	<u>-</u>	<u>125,275</u>
Income (Loss) before transfers	1,797,547	1,325,588	801,031	3,924,166
TRANSFERS:				
Transfers out	<u>(450,361)</u>	<u>-</u>	<u>-</u>	<u>(450,361)</u>
CHANGE IN NET POSITION	1,347,186	1,325,588	801,031	3,473,805
NET POSITION, BEGINNING OF YEAR	<u>2,418,825</u>	<u>4,566,684</u>	<u>-</u>	<u>6,985,509</u>
NET POSITION, END OF YEAR	<u>\$ 3,766,011</u>	<u>\$ 5,892,272</u>	<u>\$ 801,031</u>	<u>\$ 10,459,314</u>

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
NON MAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Equipment Replacement</u>	<u>Risk Management</u>	<u>Compensated Leaves</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,739,000	\$ 15,377,194	\$ 1,542,415	\$ 18,658,609
Payments to suppliers	-	3,495	-	3,495
Payments to employees	-	(13,886,456)	(716,999)	(14,603,455)
Cash received (used) from other sources	96,858	-	-	96,858
Net cash provided (used) by operating activities	<u>1,835,858</u>	<u>1,494,233</u>	<u>825,416</u>	<u>4,155,507</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers to other funds	<u>(450,361)</u>	<u>(632,080)</u>	-	<u>(1,082,441)</u>
Net cash provided by (used for) noncapital financing activities	<u>(450,361)</u>	<u>(632,080)</u>	-	<u>(1,082,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	<u>15,879</u>	<u>8,595</u>	-	<u>24,474</u>
CHANGE IN CASH AND CASH EQUIVALENTS	1,401,375	870,748	825,416	3,097,539
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,173,879</u>	<u>2,558,664</u>	<u>11,101</u>	<u>4,743,644</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,575,254</u>	<u>\$ 3,429,412</u>	<u>\$ 836,517</u>	<u>\$ 7,841,183</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,680,867	\$ 1,316,993	\$ 801,031	\$ 3,798,891
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	58,133	-	-	58,133
Other Non-Operating income (expense)	-	-	-	-
Gain (loss) on sale of capital assets	96,858	-	-	96,858
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	-	(1,582)	-	(1,582)
Decrease in accounts payable	-	3,495	-	3,495
Decrease in wages payable	-	175,378	24,385	199,763
Increase in deferred revenue	-	(51)	-	(51)
Net cash provided (used) by operating activities	<u>\$ 1,835,858</u>	<u>\$ 1,494,233</u>	<u>\$ 825,416</u>	<u>\$ 4,155,507</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
- Parkway Community Facilities District No. 14

Business and Improvement District:

- Folsom Historic District

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2015**

	<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>
ASSETS						
Cash and cash equivalents	\$ 24,964	\$ 12,099	\$ 70,765	\$ 614,052	\$ 7,642	\$ 902,083
Cash with fiscal agent	-	-	-	-	-	-
Receivables:						
Accrued interest	22	3	179	2,001	17	1,687
Due from other governments	(29)	405	320	(101)	-	14,855
Restricted assets:						
Cash and cash equivalents	-	-	30,673	578,618	-	728,914
Cash with fiscal agent	57,500	-	-	-	-	-
	<u>57,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 82,457</u>	<u>\$ 12,507</u>	<u>\$ 101,937</u>	<u>\$ 1,194,570</u>	<u>\$ 7,659</u>	<u>\$ 1,647,539</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rebatable Arbitrage	-	-	-	-	-	-
Due to assessment holders	82,457	12,507	101,937	1,194,570	7,659	1,647,539
	<u>82,457</u>	<u>12,507</u>	<u>101,937</u>	<u>1,194,570</u>	<u>7,659</u>	<u>1,647,539</u>
Total liabilities	<u>\$ 82,457</u>	<u>\$ 12,507</u>	<u>\$ 101,937</u>	<u>\$ 1,194,570</u>	<u>\$ 7,659</u>	<u>\$ 1,647,539</u>

<u>Cobble Hills Ridge</u>	<u>Ridgeview</u>	<u>Cresleigh Natoma</u>	<u>Hannaford Crossing</u>	<u>CFD 2013-01 Water Fac & Sup</u>	<u>Willow Creek CFD #1</u>	
ASSETS						
\$ 104,348	\$ 139,823	\$ 53,569	\$ 156,177	\$ 574,079	\$ 1,236	Cash and cash equivalents
-	-	-	-	-	-	Cash with fiscal agent
Receivables:						
45	134	2	101	92	3	Accrued interest
665	3,550	559	6,761	168	5,539	Due from other governments
Restricted assets:						
-	-	-	-	-	-	Cash and cash equivalents
-	-	-	-	-	-	Cash with fiscal agent
<u>\$ 105,058</u>	<u>\$ 143,507</u>	<u>\$ 54,130</u>	<u>\$ 163,039</u>	<u>\$ 574,339</u>	<u>\$ 6,778</u>	Total assets
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Accounts payable
-	-	-	-	-	497	Rebatable Arbitrage
<u>105,058</u>	<u>143,507</u>	<u>54,130</u>	<u>163,039</u>	<u>574,339</u>	<u>6,281</u>	Due to assessment holders
<u>\$ 105,058</u>	<u>\$ 143,507</u>	<u>\$ 54,130</u>	<u>\$ 163,039</u>	<u>\$ 574,339</u>	<u>\$ 6,778</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
AGENCY FUNDS
JUNE 30, 2015

	Natoma Station CFD #2	Folsom Heights CFD #3	Broadstone CFD #4	Broadstone 2 CFD #7	Parkway CFD #8	Willow Creek Estates South CFD #8
ASSETS						
Cash and cash equivalents	\$ 1,305,687	\$ (165,186)	\$ 320,077	\$ 2,467,662	\$ 346,973	\$ 180,948
Cash with fiscal agent	-	174,509	7,589	98,274	2,280	5,813
Receivables:						
Accrued interest	2,154	-	374	2,525	373	204
Due from other governments	77,166	(44)	1,973	21,864	3,337	37,042
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	-
Cash with fiscal agent	1,067,388	89,781	344,168	2,289,782	323,347	171,000
Total assets	<u>\$ 2,452,395</u>	<u>\$ 99,060</u>	<u>\$ 674,181</u>	<u>\$ 4,880,107</u>	<u>\$ 676,310</u>	<u>\$ 395,007</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ 30,601	\$ 1	\$ -
Rebatable Arbitrage	-	-	-	-	-	-
Due to assessment holders	2,452,395	99,060	674,181	4,849,506	676,309	395,007
Total liabilities	<u>\$ 2,452,395</u>	<u>\$ 99,060</u>	<u>\$ 674,181</u>	<u>\$ 4,880,107</u>	<u>\$ 676,310</u>	<u>\$ 395,007</u>

<u>Empire Ranch CFD #10</u>	<u>Willow Springs CFD #11</u>	<u>Parkway CFD #14</u>	<u>Folsom Historic District</u>	<u>CFD #17 Willow Hill Pipeline</u>	<u>Total Agency Funds</u>	
						ASSETS
\$ 3,896,005	\$ 338,318	\$ 924,857	\$ 883	\$ -	\$ 12,277,061	Cash and cash equivalents
1,036	1,411,367	33,904	-	-	1,734,772	Cash with fiscal agent
						Receivables:
3,315	304	797	38	-	14,370	Accrued interest
52,465	8,858	14,157	2,067	-	251,577	Due from other governments
						Restricted assets:
-	-	-	-	-	1,338,205	Cash and cash equivalents
5,916,047	864,322	1,408,017	-	-	12,531,352	Cash with fiscal agent
<u>\$ 9,868,868</u>	<u>\$ 2,623,169</u>	<u>\$ 2,381,732</u>	<u>\$ 2,988</u>	<u>\$ -</u>	<u>\$ 28,147,337</u>	Total assets
						LIABILITIES AND FUND BALANCES
						LIABILITIES:
\$ -	\$ (1)	\$ -	\$ -	\$ 169	\$ 30,770	Accounts payable
-	-	-	-	-	497	Rebatable Arbitrage
<u>9,868,868</u>	<u>2,623,170</u>	<u>2,381,732</u>	<u>2,988</u>	<u>(169)</u>	<u>28,116,070</u>	Due to assessment holders
<u>\$ 9,868,868</u>	<u>\$ 2,623,169</u>	<u>\$ 2,381,732</u>	<u>\$ 2,988</u>	<u>\$ -</u>	<u>\$ 28,147,337</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Blue Ravine Oaks East				
Assets				
Cash	\$ 38,892	\$ 65,895	\$ 79,823	\$ 24,964
Cash with fiscal agent	-	117,770	117,770	-
Accrued interest	5	102	85	22
Due from other governments	-	-	29	(29)
Restricted cash	57,500	-	-	57,500
Total assets	\$ 96,397	\$ 183,767	\$ 197,707	\$ 82,457
Liabilities				
Accounts payable	\$ -	\$ 2,053	\$ 2,053	\$ -
Due to assessment holders	96,397	65,883	79,823	82,457
Total liabilities	\$ 96,397	\$ 67,936	\$ 81,876	\$ 82,457
Legends Refunding				
Assets				
Cash	\$ 8,446	\$ 60,956	\$ 57,303	\$ 12,099
Cash with fiscal agent	-	-	-	-
Accrued interest	6	28	31	3
Due from other governments	4,007	405	4,007	405
Restricted cash	-	-	-	-
Total assets	\$ 12,459	\$ 61,389	\$ 61,341	\$ 12,507
Liabilities				
Accounts payable	\$ 50	\$ 3,196	\$ 3,246	\$ -
Due to assessment holders	12,409	57,348	57,250	12,507
Total liabilities	\$ 12,459	\$ 60,544	\$ 60,496	\$ 12,507
Natoma Station				
Assets				
Cash	\$ 61,454	\$ 41,546	\$ 32,235	\$ 70,765
Cash with fiscal agent	-	-	-	-
Accrued interest	30	725	576	179
Due from other governments	2,110	320	2,110	320
Restricted cash	30,673	-	-	30,673
Total assets	\$ 94,267	\$ 42,591	\$ 34,921	\$ 101,937
Liabilities				
Accounts payable	\$ -	\$ 2,227	\$ 2,227	\$ -
Due to assessment holders	94,267	39,904	32,234	101,937
Total liabilities	\$ 94,267	\$ 42,131	\$ 34,461	\$ 101,937

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Folsom Auto Plaza				
Assets				
Cash	\$ 699,235	\$ 556,900	\$ 642,083	\$ 614,052
Cash with fiscal agent	-	-	-	-
Accrued interest	398	8,076	6,473	2,001
Due from other governments	(55,816)	55,817	102	(101)
Restricted cash	486,764	91,854	-	578,618
Total assets	<u>\$ 1,130,581</u>	<u>\$ 712,647</u>	<u>\$ 648,658</u>	<u>\$ 1,194,570</u>
Liabilities				
Accounts payable	\$ 2,907	\$ 6,914	\$ 9,821	\$ -
Due to assessment holders	1,127,674	614,217	547,321	1,194,570
Total liabilities	<u>\$ 1,130,581</u>	<u>\$ 621,131</u>	<u>\$ 557,142</u>	<u>\$ 1,194,570</u>
Lake Natoma Shores				
Assets				
Cash	\$ 7,574	\$ 68	\$ -	\$ 7,642
Cash with fiscal agent	-	-	-	-
Accrued interest	3	68	54	17
Due from other governments	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,577</u>	<u>\$ 136</u>	<u>\$ 54</u>	<u>\$ 7,659</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	7,577	82	-	7,659
Total liabilities	<u>\$ 7,577</u>	<u>\$ 82</u>	<u>\$ -</u>	<u>\$ 7,659</u>
Prairie Oaks Refunding				
Assets				
Cash	\$ 1,004,196	\$ 1,732,357	\$ 1,834,470	\$ 902,083
Cash with fiscal agent	-	-	-	-
Accrued interest	319	7,869	6,501	1,687
Due from other governments	104,898	14,854	104,897	14,855
Restricted cash	547,688	410,641	229,415	728,914
Total assets	<u>\$ 1,657,101</u>	<u>\$ 2,165,721</u>	<u>\$ 2,175,283</u>	<u>\$ 1,647,539</u>
Liabilities				
Accounts payable	\$ 1,515	\$ 15,508	\$ 17,023	\$ -
Due to assessment holders	1,655,586	1,595,393	1,603,440	1,647,539
Total liabilities	<u>\$ 1,657,101</u>	<u>\$ 1,610,901</u>	<u>\$ 1,620,463</u>	<u>\$ 1,647,539</u>

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Cobble Hills Ridge Refunding				
Assets				
Cash	\$ 89,820	\$ 162,947	\$ 148,419	\$ 104,348
Cash with fiscal agent	-	-	-	-
Accrued interest	31	352	338	45
Due from other governments	1,190	665	1,190	665
Restricted cash	-	-	-	-
Total assets	<u>\$ 91,041</u>	<u>\$ 163,964</u>	<u>\$ 149,947</u>	<u>\$ 105,058</u>
Liabilities				
Accounts payable	\$ 342	\$ 4,744	\$ 5,086	\$ -
Due to assessment holders	90,699	162,433	148,074	105,058
Total liabilities	<u>\$ 91,041</u>	<u>\$ 167,177</u>	<u>\$ 153,160</u>	<u>\$ 105,058</u>
Ridgeview Refunding				
Assets				
Cash	\$ 118,160	\$ 154,283	\$ 132,620	\$ 139,823
Cash with fiscal agent	-	-	-	-
Accrued interest	49	617	532	134
Due from other governments	1,842	4,718	3,010	3,550
Restricted cash	-	-	-	-
Total assets	<u>\$ 120,051</u>	<u>\$ 159,618</u>	<u>\$ 136,162</u>	<u>\$ 143,507</u>
Liabilities				
Accounts payable	\$ 115	\$ 3,670	\$ 3,785	\$ -
Rebateable arbitrage	-	-	-	-
Due to assessment holders	119,936	156,076	132,505	143,507
Total liabilities	<u>\$ 120,051</u>	<u>\$ 159,746</u>	<u>\$ 136,290</u>	<u>\$ 143,507</u>
Cresleigh Natoma Refunding				
Assets				
Cash	\$ 47,176	\$ 107,895	\$ 101,502	\$ 53,569
Cash with fiscal agent	-	-	-	-
Accrued interest	15	145	158	2
Due from other governments	1,167	559	1,167	559
Restricted cash	-	-	-	-
Total assets	<u>\$ 48,358</u>	<u>\$ 108,599</u>	<u>\$ 102,827</u>	<u>\$ 54,130</u>
Liabilities				
Accounts payable	\$ 218	\$ 3,455	\$ 3,673	\$ -
Rebateable arbitrage	-	-	-	-
Due to assessment holders	48,140	107,271	101,281	54,130
Total liabilities	<u>\$ 48,358</u>	<u>\$ 110,726</u>	<u>\$ 104,954</u>	<u>\$ 54,130</u>

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Hannaford Crossing Refunding				
Assets				
Cash	\$ 139,413	\$ 225,085	\$ 208,321	\$ 156,177
Cash with fiscal agent	-	-	-	-
Accrued interest	46	597	542	101
Due from other governments	1,222	8,938	3,399	6,761
Restricted cash	-	-	-	-
Total assets	<u>\$ 140,681</u>	<u>\$ 234,620</u>	<u>\$ 212,262</u>	<u>\$ 163,039</u>
Liabilities				
Accounts payable	\$ 586	\$ 6,429	\$ 7,015	\$ -
Due to assessment holders	140,095	230,629	207,685	163,039
Total liabilities	<u>\$ 140,681</u>	<u>\$ 237,058</u>	<u>\$ 214,700</u>	<u>\$ 163,039</u>
CFD 2013-01 Water Fac & Sup				
Assets				
Cash	\$ -	\$ 759,499	\$ 185,420	\$ 574,079
Cash with fiscal agent	-	-	-	-
Accrued interest	-	806	714	92
Due from other governments	-	168	-	168
Restricted cash	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 760,473</u>	<u>\$ 186,134</u>	<u>\$ 574,339</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Rebateable arbitrage	-	-	-	-
Due to assessment holders	-	759,759	185,420	574,339
Total liabilities	<u>\$ -</u>	<u>\$ 759,759</u>	<u>\$ 185,420</u>	<u>\$ 574,339</u>
Willow Creek CFD #1 Refunding				
Assets				
Cash	\$ 1,225	\$ 11	\$ -	\$ 1,236
Cash with fiscal agent	-	-	-	-
Accrued interest	1	11	9	3
Due from other governments	5,539	-	-	5,539
Restricted cash	-	-	-	-
Total assets	<u>\$ 6,765</u>	<u>\$ 22</u>	<u>\$ 9</u>	<u>\$ 6,778</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Rebateable arbitrage	497	-	-	497
Due to assessment holders	6,268	13	-	6,281
Total liabilities	<u>\$ 6,765</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 6,778</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Natoma Station CFD #2 Refunding				
Assets				
Cash	\$ 1,309,293	\$ 1,345,075	\$ 1,348,681	\$ 1,305,687
Cash with fiscal agent	1	1,314,849	1,314,850	-
Accrued interest	375	8,755	6,976	2,154
Due from other governments	23,554	77,166	23,554	77,166
Restricted cash	1,061,604	19,392	13,608	1,067,388
Total assets	<u>\$ 2,394,827</u>	<u>\$ 2,765,237</u>	<u>\$ 2,707,669</u>	<u>\$ 2,452,395</u>
Liabilities				
Accounts payable	\$ 1,750	\$ 13,829	\$ 15,579	\$ -
Due to assessment holders	2,393,077	1,419,225	1,359,907	2,452,395
Total liabilities	<u>\$ 2,394,827</u>	<u>\$ 1,433,054</u>	<u>\$ 1,375,486</u>	<u>\$ 2,452,395</u>
Folsom Heights CFD #3 Refunding				
Assets				
Cash	\$ 143,285	\$ 1,844	\$ 310,315	\$ (165,186)
Cash with fiscal agent	32,594	419,150	277,235	174,509
Accrued interest	76	244	320	-
Due from other governments	33,046	-	33,090	(44)
Restricted cash	234,043	-	144,262	89,781
Total assets	<u>\$ 443,044</u>	<u>\$ 421,238</u>	<u>\$ 765,222</u>	<u>\$ 99,060</u>
Liabilities				
Accounts payable	\$ 200	\$ 8,375	\$ 8,575	\$ -
Due to assessment holders	442,844	(31,555)	312,229	99,060
Total liabilities	<u>\$ 443,044</u>	<u>\$ (23,180)</u>	<u>\$ 320,804</u>	<u>\$ 99,060</u>
Broadstone CFD#4 Refunding				
Assets				
Cash	\$ 419,404	\$ 389,528	\$ 488,855	\$ 320,077
Cash with fiscal agent	1	468,358	460,770	7,589
Accrued interest	84	1,491	1,201	374
Due from other governments	2,110	1,973	2,110	1,973
Restricted cash	351,605	6,690	14,127	344,168
Total assets	<u>\$ 773,204</u>	<u>\$ 868,040</u>	<u>\$ 967,063</u>	<u>\$ 674,181</u>
Liabilities				
Accounts payable	\$ -	\$ 8,022	\$ 8,022	\$ -
Due to assessment holders	773,204	392,742	491,765	674,181
Total liabilities	<u>\$ 773,204</u>	<u>\$ 400,764</u>	<u>\$ 499,787</u>	<u>\$ 674,181</u>

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Broadstone 2 CFD # 7				
Assets				
Cash	\$ 2,430,901	\$ 2,616,852	\$ 2,580,091	\$ 2,467,662
Cash with fiscal agent	18,979	79,295	-	98,274
Accrued interest	505	10,863	8,843	2,525
Due from other governments	24,935	24,375	27,446	21,864
Restricted cash	2,280,854	8,928	-	2,289,782
Total assets	<u>\$ 4,756,174</u>	<u>\$ 2,740,313</u>	<u>\$ 2,616,380</u>	<u>\$ 4,880,107</u>
Liabilities				
Accounts payable	\$ 30,600	\$ 21,478	\$ 21,477	\$ 30,601
Due to assessment holders	4,725,574	2,694,555	2,570,623	4,849,506
Total liabilities	<u>\$ 4,756,174</u>	<u>\$ 2,716,033</u>	<u>\$ 2,592,100</u>	<u>\$ 4,880,107</u>
Parkway CFD # 8				
Assets				
Cash	\$ 365,229	\$ 377,622	\$ 395,878	\$ 346,973
Cash with fiscal agent	903	1,377	-	2,280
Accrued interest	121	1,607	1,355	373
Due from other governments	9,639	3,337	9,639	3,337
Restricted cash	323,424	-	77	323,347
Total assets	<u>\$ 699,316</u>	<u>\$ 383,943</u>	<u>\$ 406,949</u>	<u>\$ 676,310</u>
Liabilities				
Accounts payable	\$ 500	\$ 8,939	\$ 9,438	\$ 1
Due to assessment holders	698,816	372,454	394,961	676,309
Total liabilities	<u>\$ 699,316</u>	<u>\$ 381,393</u>	<u>\$ 404,399</u>	<u>\$ 676,310</u>
Willow Creek Estates South CFD#9				
Assets				
Cash	\$ 214,038	\$ 193,517	\$ 226,607	\$ 180,948
Cash with fiscal agent	5,767	46	-	5,813
Accrued interest	41	870	707	204
Due from other governments	1,787	37,042	1,787	37,042
Restricted cash	171,000	-	-	171,000
Total assets	<u>\$ 392,633</u>	<u>\$ 231,475</u>	<u>\$ 229,101</u>	<u>\$ 395,007</u>
Liabilities				
Accounts payable	\$ -	\$ 7,333	\$ 7,333	\$ -
Due to assessment holders	392,633	228,650	226,276	395,007
Total liabilities	<u>\$ 392,633</u>	<u>\$ 235,983</u>	<u>\$ 233,609</u>	<u>\$ 395,007</u>

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Empire Ranch CFD # 10				
Assets				
Cash	\$ 3,846,347	\$ 5,350,141	\$ 5,300,483	\$ 3,896,005
Cash with fiscal agent	3	1,033	-	1,036
Accrued interest	671	14,883	12,239	3,315
Due from other governments	62,234	53,812	63,581	52,465
Restricted cash	5,867,975	48,072	-	5,916,047
Total assets	<u>\$ 9,777,230</u>	<u>\$ 5,467,941</u>	<u>\$ 5,376,303</u>	<u>\$ 9,868,868</u>
Liabilities				
Accounts payable	\$ -	\$ 23,502	\$ 23,502	\$ -
Due to assessment holders	9,777,230	5,378,095	5,286,457	9,868,868
Total liabilities	<u>\$ 9,777,230</u>	<u>\$ 5,401,597</u>	<u>\$ 5,309,959</u>	<u>\$ 9,868,868</u>
Willow Springs CFD # 11				
Assets				
Cash	\$ 561,986	\$ 883,793	\$ 1,107,461	\$ 338,318
Cash with fiscal agent	1,400,225	36,134	24,992	1,411,367
Accrued interest	101	1,763	1,560	304
Due from other governments	15,065	8,858	15,065	8,858
Restricted cash	867,258	29,007	31,943	864,322
Total assets	<u>\$ 2,844,635</u>	<u>\$ 959,555</u>	<u>\$ 1,181,021</u>	<u>\$ 2,623,169</u>
Liabilities				
Accounts payable	\$ -	\$ 9,365	\$ 9,366	\$ (1)
Due to assessment holders	2,844,635	705,269	926,734	2,623,170
Total liabilities	<u>\$ 2,844,635</u>	<u>\$ 714,634</u>	<u>\$ 936,100</u>	<u>\$ 2,623,169</u>
Parkway CFD # 14				
Assets				
Cash	\$ 892,557	\$ 1,377,530	\$ 1,345,230	\$ 924,857
Cash with fiscal agent	14,101	19,803	-	33,904
Accrued interest	172	3,569	2,944	797
Due from other governments	66,873	14,157	66,873	14,157
Restricted cash	1,403,234	11,164	6,381	1,408,017
Total assets	<u>\$ 2,376,937</u>	<u>\$ 1,426,223</u>	<u>\$ 1,421,428</u>	<u>\$ 2,381,732</u>
Liabilities				
Accounts payable	\$ -	\$ 11,668	\$ 11,668	\$ -
Due to assessment holders	2,376,937	1,349,417	1,344,622	2,381,732
Total liabilities	<u>\$ 2,376,937</u>	<u>\$ 1,361,085</u>	<u>\$ 1,356,290</u>	<u>\$ 2,381,732</u>

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Folsom Historic District				
Assets				
Cash	\$ 521	\$ 127,255	\$ 126,893	\$ 883
Cash with fiscal agent	-	-	-	-
Accrued interest	8	223	193	38
Due from other governments	-	2,067	-	2,067
Restricted cash	-	-	-	-
Total assets	<u>\$ 529</u>	<u>\$ 129,545</u>	<u>\$ 127,086</u>	<u>\$ 2,988</u>
Liabilities				
Accounts payable	\$ -	\$ 126,893	\$ 126,893	\$ -
Due to assessment holders	529	129,453	126,994	2,988
Total liabilities	<u>\$ 529</u>	<u>\$ 256,346</u>	<u>\$ 253,887</u>	<u>\$ 2,988</u>
CFD #17 Willow Hill Pipeline				
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ 169	\$ -	\$ 169
Due to assessment holders	-	-	-	(169)
Total liabilities	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ -</u>

Grand Totals:

Assets	\$ 28,147,337
Liabilities	\$ 28,147,337

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

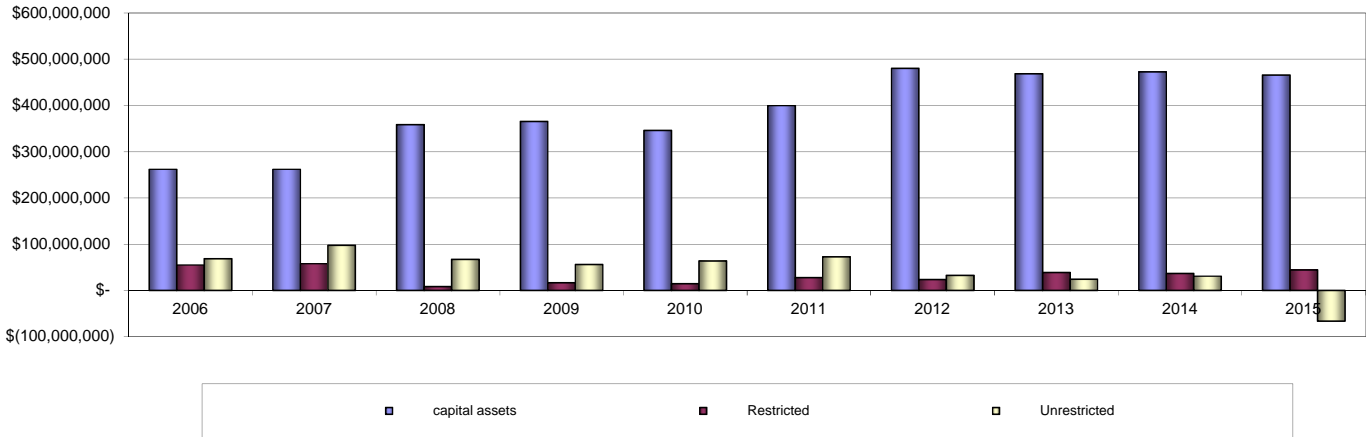
These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

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,
Last Ten Fiscal Years
(accrual basis of accounting)

Total Primary Government Net Position

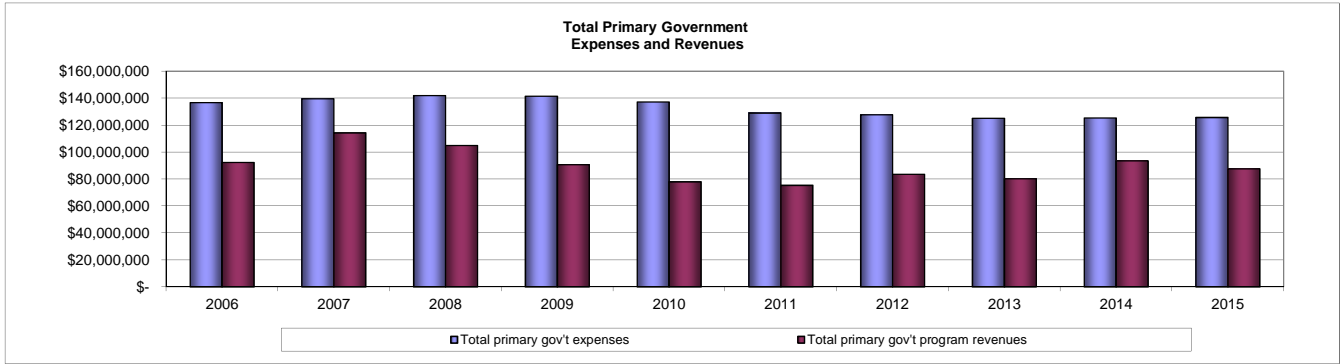


	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 154,097,984	\$ 147,327,906	\$ 237,784,529	\$ 249,294,117	\$ 235,070,576	\$ 289,842,203	\$ 373,572,187	\$ 364,036,649	\$ 368,751,791	\$ 352,122,867
Restricted	55,102,461	57,799,580	8,097,551	16,612,650	14,622,264	27,559,119	23,073,659	38,567,808	36,162,905	43,903,207
Unrestricted (1)	51,669,612	81,796,394	53,469,053	47,326,828	56,563,586	65,071,325	19,524,175	3,184,135	1,634,857	(71,702,596)
Total gov't activities net position	\$ 260,870,057	\$ 286,923,880	\$ 299,351,133	\$ 313,233,595	\$ 306,256,426	\$ 382,472,647	\$ 416,170,021	\$ 405,788,592	\$ 406,549,553	\$ 324,323,478
Business-type activities										
Net investment in capital assets	\$ 107,753,073	\$ 114,634,955	\$ 120,755,756	\$ 116,127,108	\$ 110,727,586	\$ 109,579,115	\$ 106,342,185	\$ 104,389,312	\$ 103,935,042	\$ 113,263,233
Restricted						326,097	326,097	326,097	512,201	520,858
Unrestricted	17,004,696	15,954,442	13,823,143	8,632,023	7,258,017	7,735,887	13,009,488	21,212,232	29,128,818	5,424,024
Total bus-type activities net position	\$ 124,757,769	\$ 130,589,397	\$ 134,578,899	\$ 124,759,131	\$ 117,985,603	\$ 117,641,099	\$ 119,677,770	\$ 125,927,641	\$ 133,576,061	\$ 119,208,115
Primary government										
Net investment in capital assets	\$ 261,851,057	\$ 261,962,861	\$ 358,540,285	\$ 365,421,225	\$ 345,798,162	\$ 399,421,318	\$ 479,914,372	\$ 468,425,961	\$ 472,686,833	\$ 465,386,100
Restricted	55,102,461	57,799,580	8,097,551	16,612,650	14,622,264	27,885,216	23,399,756	38,893,905	36,675,106	44,424,065
Unrestricted	68,674,308	97,750,836	67,292,196	55,958,851	63,821,603	72,807,212	32,533,663	24,396,367	30,763,675	(66,278,572)
Total primary gov't net position	\$ 385,627,826	\$ 417,513,277	\$ 433,930,032	\$ 437,992,726	\$ 424,242,029	\$ 500,113,746	\$ 535,847,791	\$ 531,716,233	\$ 540,125,614	\$ 443,531,593

Source: The City's Comprehensive Annual Financial Reports

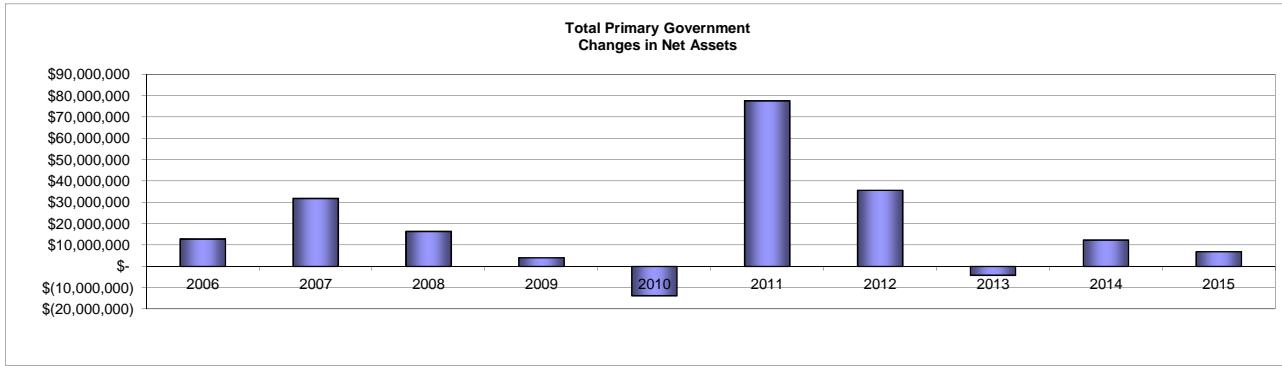
(1) FY12 decrease in Governmental activities, Unrestricted balance due to the State dissolution of RDA during FY12. FY14 decrease due to implementation of GASB 68

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



	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 17,727,432	\$ 16,835,443	\$ 19,469,082	\$ 20,939,721	\$ 21,503,751	\$ 21,216,003	\$ 15,526,948	\$ 14,992,033	\$ 16,949,780	\$ 16,789,611
Public safety	29,598,227	34,460,808	37,583,877	35,522,285	35,359,762	32,731,317	32,952,091	33,603,561	31,853,391	31,457,224
Public ways and facilities	39,185,670	34,977,399	28,368,998	23,627,838	21,212,291	19,795,837	24,285,037	24,461,319	23,900,284	24,655,423
Community services	-	-	-	4,371,136	3,503,233	3,030,879	3,100,464	3,068,322	3,293,971	3,358,210
Culture and recreation	2,088,691	11,739,625	11,132,695	15,608,095	13,882,885	13,142,439	13,256,421	13,928,174	13,949,169	13,917,727
Interest and fiscal changes	4,869,279	4,999,999	9,857,714	8,074,433	8,734,364	10,120,844	9,892,431	6,623,777	6,280,411	5,669,088
Total gov't activities expenses	93,469,299	103,013,274	106,412,367	108,143,508	104,196,287	100,037,320	99,013,392	96,677,186	96,227,005	95,847,283
Business-type activities:										
Water	22,502,449	16,465,433	14,224,703	15,785,836	18,171,481	13,578,162	13,289,143	11,920,409	12,088,326	12,666,550
Sewer	4,253,167	5,165,414	4,688,247	4,985,197	3,917,967	3,999,387	4,260,464	4,450,646	5,154,810	5,175,177
Solid Waste	10,038,842	8,124,809	8,853,274	10,225,341	9,098,186	8,126,349	7,804,698	8,358,745	8,518,137	8,702,357
Transit	1,953,834	1,869,009	2,318,433	2,172,862	1,869,090	3,347,961	3,394,091	3,704,361	3,316,706	3,344,616
Facilities Augmentation	236,335	143,123	53,995	210,976	9,500	-	-	-	23,375	-
Recreation	4,367,018	4,798,139	5,417,363	-	-	-	-	-	-	-
Total bus-type activities expense	43,351,645	36,565,927	35,556,015	33,380,212	33,066,224	29,051,859	28,748,396	28,434,161	29,101,354	29,888,700
Total primary gov't expenses	\$ 136,820,944	\$ 139,579,201	\$ 141,968,382	\$ 141,523,720	\$ 137,262,511	\$ 129,089,179	\$ 127,761,788	\$ 125,111,347	\$ 125,328,359	\$ 125,735,983
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 7,708,844	\$ 3,029,063	\$ 5,507,917	\$ 5,111,144	\$ 11,247,511	\$ 7,975,006	\$ 8,179,094	\$ 6,702,220	\$ 7,709,627	\$ 7,552,485
Public safety	3,128,951	2,990,892	4,161,966	4,964,922	3,279,718	2,773,512	2,933,392	3,716,287	4,576,667	4,913,124
Public ways and facilities	18,415,375	36,433,784	11,814,823	12,335,305	9,008,716	8,385,271	8,090,723	9,820,449	12,599,223	11,013,797
Community services	-	-	-	3,012,191	1,710,336	2,076,218	1,745,987	2,368,217	3,498,093	4,119,947
Culture and recreation	4,850,223	2,039,259	1,869,916	4,750,580	4,881,270	4,756,192	4,913,376	5,449,076	6,364,798	6,244,176
Operating grants and contributions	2,256,018	14,130,089	14,546,734	9,874,356	1,953,565	2,430,713	2,667,867	2,090,718	2,883,514	2,631,565
Capital grants and contributions	7,564,892	12,060,808	26,150,603	19,193,100	15,472,115	13,168,019	21,050,894	12,646,821	16,542,881	14,275,960
Total gov't activities program revenue	43,924,303	70,683,895	64,051,959	59,241,598	47,553,231	41,564,931	49,581,333	42,793,788	54,174,803	50,751,054
Business-type activities:										
Charges for services:										
Water	8,211,157	9,349,920	11,081,270	12,424,614	11,806,006	12,271,149	12,684,028	14,730,130	14,201,854	13,105,941
Sewer	4,857,872	4,908,640	5,441,204	5,817,865	5,907,107	5,998,304	5,971,558	5,990,811	6,102,878	6,163,970
Solid Waste	9,325,612	9,645,537	10,598,656	9,814,954	9,938,754	10,399,855	10,071,219	10,140,081	10,240,575	10,362,825
Transit	198,471	214,316	169,736	190,354	183,005	780,618	702,917	690,404	1,273,371	677,295
Facilities augmentation	-	15,972	-	-	-	-	67,365	-	-	-
Recreation	2,680,640	3,127,222	3,388,715	-	-	-	-	-	-	-
Operating grants and contributions	3,052,991	3,684,858	3,225,525	2,311,042	732,729	3,220,227	3,484,445	5,203,738	4,883,545	5,947,821
Capital grants and contributions	20,046,336	12,659,029	6,951,581	928,746	1,840,128	1,114,608	1,019,849	746,776	2,616,710	554,070
Total business-type activities	48,373,079	43,605,494	40,856,687	31,487,575	30,407,729	33,784,761	34,001,381	37,501,940	39,318,933	36,811,922
Total primary gov't program revenues	\$ 92,297,382	\$ 114,289,389	\$ 104,908,646	\$ 90,729,173	\$ 77,960,960	\$ 75,349,692	\$ 83,582,714	\$ 80,295,728	\$ 93,493,736	\$ 87,562,976

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



	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental activities	\$ (49,544,996)	\$ (32,329,379)	\$ (42,360,408)	\$ (48,901,910)	\$ (56,643,056)	\$ (58,472,389)	\$ (49,432,059)	\$ (53,883,398)	\$ (42,052,202)	\$ (45,096,229)
Business-type activities	5,021,434	7,039,567	5,300,672	(1,892,637)	(2,658,495)	4,732,902	5,252,985	9,067,779	10,217,579	6,923,222
Total primary gov't net (exp)/rev	\$ (44,523,562)	\$ (25,289,812)	\$ (37,059,736)	\$ (50,794,547)	\$ (59,301,551)	\$ (53,739,487)	\$ (44,179,074)	\$ (44,815,619)	\$ (31,834,623)	\$ (38,173,007)
General Revenue and Other changes in Net Position										
Government activities:										
Taxes										
Property	\$ 20,723,349	\$ 24,576,162	\$ 26,315,286	\$ 27,743,274	\$ 27,269,414	\$ 25,183,107	\$ 21,562,389	\$ 17,138,883	\$ 19,042,480	\$ 20,169,495
Sales and use	19,959,523	18,746,973	18,350,321	16,079,061	13,716,214	15,141,504	16,104,163	17,230,775	19,442,008	19,386,661
Other	2,076,669	1,986,309	1,645,235	1,706,058	1,612,536	1,789,663	1,807,002	2,577,095	2,593,291	2,860,264
Payments in lieu of services	-	-	-	-	-	-	-	-	-	-
Vehicle License Fees	-	-	-	5,630,342	-	-	-	-	-	-
Investments earnings	3,445,844	4,338,027	4,031,828	1,450,083	712,099	558,383	572,542	424,268	695,856	423,710
Miscellaneous	3,022,228	6,658,044	2,417,215	1,953,699	2,125,699	1,604,214	1,903,091	3,161,438	2,423,607	1,921,290
Gain/(loss) on disp of cap assets	7,231,276	40,248	17,727	7,573	-	430,486	-	3,451	3,500	96,858
Transfers	(1,267,200)	2,037,439	2,010,049	8,214,282	-	3,383,398	3,339,454	2,966,059	2,510,879	2,599,139
Extraordinary Items:										
Capital Contributions						86,597,855	-			
Gain on dissolution of RDA							37,840,792			
Xfer Asset to Successor Agency									(381,150)	
Total governmental activities	55,191,689	58,383,202	54,787,661	62,784,372	45,435,962	134,688,610	83,129,433	43,501,969	46,330,471	47,457,417
Business-type activities:										
Investment earnings	900,279	829,500	698,879	287,151	114,892	96,525	123,140	148,151	384,577	220,380
Transfers	1,267,200	(2,037,439)	(2,010,049)	(8,214,282)	-	(3,383,398)	(3,339,454)	(2,966,059)	(2,510,879)	(2,599,139)
Total business-type activities	2,167,479	(1,207,939)	(1,311,170)	(7,927,131)	114,892	(3,286,873)	(3,216,314)	(2,817,908)	(2,126,302)	(2,378,759)
Total primary government	\$ 57,359,168	\$ 57,175,263	\$ 53,476,491	\$ 54,857,241	\$ 45,550,854	\$ 131,401,737	\$ 79,913,119	\$ 40,684,061	\$ 44,204,169	\$ 45,078,658
Change in Net Position										
Governmental activities	\$ 5,646,693	\$ 26,053,823	\$ 12,427,253	13,882,462	(6,977,169)	76,216,221	33,697,374	(10,381,429)	4,278,269	2,361,188
Business-type activities	7,188,913	5,831,628	3,989,502	(9,819,768)	(6,773,528)	1,446,029	2,036,671	6,249,871	8,091,277	4,544,463
Total Primary Government	\$ 12,835,606	\$ 31,885,451	\$ 16,416,755	\$ 4,062,694	\$ (13,750,697)	\$ 77,662,250	\$ 35,734,045	\$ (4,131,558)	\$ 12,369,546	\$ 6,905,651
Net Position beginning of Year (as restated for FY 2014 and 2015)	372,792,220	385,627,826	417,513,277	433,930,032	437,992,726	422,451,496	500,113,746	535,847,791	527,756,068	436,625,942
Net Position End of Year	\$ 385,627,826	\$ 417,513,277	\$ 433,930,032	\$ 437,992,726	\$ 424,242,029	\$ 500,113,746	\$ 535,847,791	\$ 531,716,233	\$ 540,125,614	\$ 443,531,593

Source: The City's Comprehensive Annual Financial Reports

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Schedule 3
CITY OF FOLSOM, CALIFORNIA
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 5,558,427	\$ 6,361,457	\$ 4,745,594	\$ 5,637,081	\$ 1,747,419
Unreserved	16,123,193	15,213,363	12,277,511	9,584,080	5,520,065
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total Fund Balance	<u>\$ 21,681,620</u>	<u>\$ 21,574,820</u>	<u>\$ 17,023,105</u>	<u>\$ 15,221,161</u>	<u>\$ 7,267,484</u>
All Other Governmental Funds					
Reserved	68,338,639	79,413,511	133,853,987	129,955,359	136,844,273
Unreserved	49,989,468	37,834,347.00	45,444,526	45,107,514	40,315,415
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total Fund Balance	<u>\$ 118,328,107</u>	<u>\$ 117,247,858</u>	<u>\$ 179,298,513</u>	<u>\$ 175,062,873</u>	<u>\$ 177,159,688</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Reserved					
Unreserved					
Nonspendable	375393	364,358	305,446	265,707	339,494
Restricted					
Committed					
Assigned	538234	469,059	342,002	373,969	740,393
Unassigned	3993214	4,108,447	5,020,894	6,630,937	8,157,227
Total Fund Balance	<u>\$ 4,906,841</u>	<u>\$ 4,941,864</u>	<u>\$ 5,668,342</u>	<u>\$ 7,270,613</u>	<u>\$ 9,237,114</u>
All Other Governmental Funds					
Reserved					
Unreserved					
Nonspendable	7557236	9,869,809	9,580,393	268,396	268,396
Restricted	187004914	160,122,141	152,261,985	158,429,877	152,093,714
Committed	6816225	6,265,521	2,203,431	3,548,476	3,663,039
Assigned	936979	500,226	467,898	3,684,362	3,236,609
Unassigned	(1,295,568)	(1,483,486)	2,775,821	(845,061)	(516,671)
Total Fund Balance	<u>\$ 201,019,786</u>	<u>\$ 175,274,211</u>	<u>\$ 167,289,528</u>	<u>\$ 165,086,050</u>	<u>\$ 158,745,087</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
Last Ten Fiscal Years
(modified accrual basis of accounting)

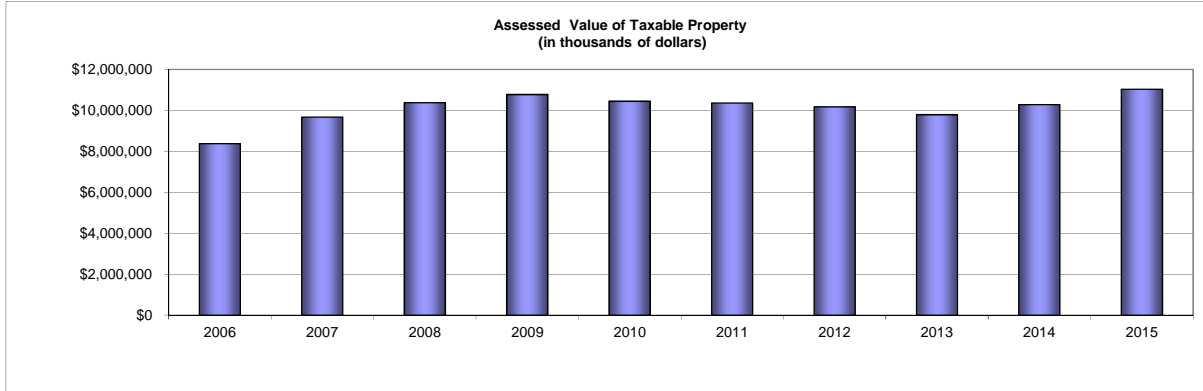
Revenue	2006	2007	2008	2009	2010
Taxes	\$ 42,759,541	\$ 45,309,444	\$ 46,310,842	\$ 45,528,393	\$ 42,598,164
Licenses, fees and permits	2,311,278	1,947,881	1,834,433	2,187,403	1,359,583
Vehicle License fees	-	-	-	5,630,342	5,434,694
Intergovernmental revenue	11,981,818	16,472,998	36,274,849	29,067,456	17,425,680
Charges for services	21,908,074	38,897,359	17,710,911	23,548,022	17,444,906
Fines and penalties	338,808	324,531	570,566	855,695	537,762
Assessment collections	3,191,685	3,323,227	3,238,712	3,583,022	3,227,235
Contributions from owners	-	-	4,031,828	-	-
Investment earnings	3,445,845	4,338,027	1,837,215	1,411,512	700,096
Miscellaneous	1,957,209	6,580,265	-	1,953,699	2,125,699
Total revenue	\$ 87,894,258	\$ 117,193,732	\$ 111,809,356	\$ 113,765,544	\$ 90,853,819
Expenditures					
General government	\$ 13,692,896	\$ 15,058,298	\$ 17,511,567	\$ 19,673,933	\$ 21,139,815
Public safety	28,512,957	33,053,025	35,845,343	34,039,597	33,795,698
Public ways and facilities	17,389,061	18,402,041	18,887,486	13,877,886	11,578,937
Community services	-	-	-	4,293,286	3,414,705
Culture and recreations	7,636,453	9,898,067	9,694,110	13,561,972	11,431,343
Capital outlay	21,938,338	46,885,486	29,276,885	18,301,637	12,882,877
Debt Service:					
Principal	5,870,924	7,688,661	6,798,808	11,981,979	10,154,002
Interest and fiscal charges	6,103,846	6,227,063	8,066,690	8,117,222	8,925,835
Cost of issuance	-	-	1,904,821	310,252	344,052
Total expenditures	\$ 101,144,475	\$ 137,212,641	\$ 127,985,710	\$ 124,157,764	\$ 113,667,264
Excess of revenue over (under) expenditures	\$ (13,250,217)	\$ (20,018,909)	\$ (16,176,354)	\$ (10,392,220)	\$ (22,813,445)
Other Financing Sources (Uses)					
Proceeds from Sale of property	7,249,553	77,779	(193,503)	-	-
Proceeds from issuance of debt	10,190,000	16,945,000	580,000	-	-
Capital leases	-	-	205,131	-	-
Proceeds from bond refunding	-	-	70,425,000	11,955,000	28,290,000
Bond discount	-	-	-	(115,411)	(56,779)
Gain on Invest in Local Oblig Bonds	-	-	-	-	771,861
Bond premium	-	-	-	-	-
Payment to refunded escrow agent	-	-	2,034,712	(12,822,662)	(13,191,868)
Amortized loss on PY bond refinance	-	-	-	-	-
Extraordinary loss on dissolution of RDA	-	-	-	-	-
Transfers in	27,517,966	33,337,710	17,111,898	38,167,757	32,104,952
Transfers out	(30,797,873)	(31,528,629)	(16,487,944)	(32,830,048)	(30,961,583)
Total other financing sources (Uses)	\$ 6,910,093	\$ 18,754,081	\$ 73,675,294	\$ 4,354,636	\$ 16,956,583
Net change in fund balances	\$ (6,340,124)	\$ (1,264,828)	\$ 57,498,940	\$ (6,037,584)	\$ (5,856,862)
Debt services as a percentage of non-capital expenditures	15.1%	15.4%	17.0%	23.2%	23.8%

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)

	2011	2012	2013	2014	2015	
						Revenue
\$	42,114,274	\$ 39,473,554	\$ 36,946,753	\$ 41,077,779	\$ 42,416,420	Taxes
	1,398,245	1,392,332	1,740,993	2,109,745	2,128,623	Licenses, fees and permits
	5,534,031	5,086,212	4,976,818	5,198,998	5,596,355	Vehicle License fees
	15,598,732	20,272,302	14,307,214	18,611,026	16,049,283	Intergovernmental revenue
	15,586,330	15,693,296	17,404,489	23,992,496	23,823,594	Charges for services
	424,814	366,429	490,823	798,051	776,554	Fines and penalties
	3,022,779	3,324,303	3,482,141	2,685,714	1,518,403	Assessment collections
	-	-	-	-	-	Contributions from owners
	533,961	1,214,313	386,391	633,581	395,293	Investment earnings
	1,604,214	1,903,093	3,161,438	2,423,607	1,921,290	Miscellaneous
\$	<u>85,817,380</u>	<u>\$ 88,725,834</u>	<u>\$ 82,897,060</u>	<u>\$ 97,530,997</u>	<u>\$ 94,625,815</u>	Total revenue
						Expenditures
\$	20,106,486	\$ 14,606,565	\$ 14,069,483	\$ 16,920,618	\$ 17,920,405	General government
	30,860,677	31,237,025	31,831,334	31,861,011	32,467,605	Public safety
	9,500,414	11,089,521	11,091,457	10,633,571	11,803,873	Public ways and facilities
	2,925,077	3,018,894	2,986,024	3,394,648	3,582,489	Community services
	10,374,452	10,413,567	11,026,557	11,667,695	11,971,798	Culture and recreations
	18,671,363	9,003,180	2,586,067	5,989,082	5,597,833	Capital outlay
						Debt Service:
	11,434,546	12,233,666	12,511,714	15,465,193	12,879,056	Principal
	9,179,038	9,277,831	6,383,068	6,398,811	5,826,718	Interest and fiscal charges
	834,778	934,415	117,505	69,524	-	Cost of issuance
\$	<u>113,886,831</u>	<u>\$ 101,814,664</u>	<u>\$ 92,603,209</u>	<u>\$ 102,400,153</u>	<u>\$ 102,049,777</u>	Total expenditures
\$	(28,069,451)	\$ (13,088,830)	\$ (9,706,149)	\$ (4,869,156)	\$ (7,423,962)	Excess of revenue over (under) expenditures
						Other Financing Sources (Uses)
	430,486	-	-	-	-	Proceeds from Sale of property
	44,560,000	25,557,469	15,034,361	-	-	Proceeds from issuance of debt
	-	-	-	-	-	Capital leases
	-	-	-	-	-	Proceeds from bond refunding
	(824,502)	(62,306)	-	-	-	Bond discount
	735,975	-	-	-	-	Gain on Invest in Local Oblig Bonds
	-	-	-	-	-	Bond premium
	-	(15,041,388)	(15,656,514)	-	-	Payment to refunded escrow agent
	-	-	-	-	-	Amortized loss on PY bond refinance
	-	(26,420,154)	-	-	-	Extraordinary loss on dissolution of RDA
	32,318,319	27,491,475	9,111,962	7,523,050	6,704,387	Transfers in
	(27,651,372)	(24,146,818)	(6,041,865)	(4,863,541)	(3,654,887)	Transfers out
\$	<u>49,568,906</u>	<u>\$ (12,621,722)</u>	<u>\$ 2,447,944</u>	<u>\$ 2,659,509</u>	<u>\$ 3,049,500</u>	Total other financing sources (Uses)
\$	<u>21,499,455</u>	<u>\$ (25,710,552)</u>	<u>\$ (7,258,205)</u>	<u>\$ (2,209,647)</u>	<u>\$ (4,374,462)</u>	Net change in fund balances
	21.6%	23.2%	21.0%	22.7%	19.6%	Debt services as a percentage of non-capital expenditures

Schedule 5
CITY OF FOLSOM, CALIFORNIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)



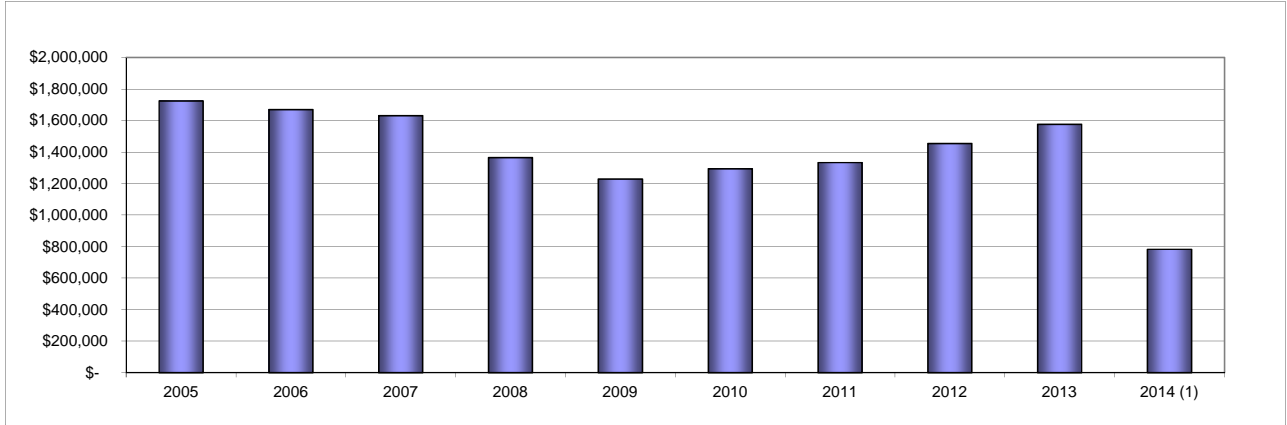
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other (1)	Unsecured Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Factor of Taxable Assessed Value
2006	\$ 5,658,810	\$ 1,625,483	\$ 133,434	\$ 1,075,040	Not available	\$ 118,704	\$ 8,374,063	1.1087	\$ 8,492,767	Not available
2007	\$ 6,389,298	\$ 2,001,273	\$ 135,087	\$ 1,267,980	Not available	\$ 119,731	\$ 9,673,907	1.1054	\$ 9,793,638	Not available
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)

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
Last Ten Calendar Years
(Taxable transactions in thousands of dollars)**



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)
Motor Vehicle and Parts Dealers	\$ 592,884	\$ 547,928	\$ 464,039	\$ 322,101	\$ 260,633	\$ 264,616	\$ 287,365	\$ 342,749	\$ 408,649	\$ 204,747
Home furnishings and appliances	32,476	33,513	33,563	51,393	57,784	56,485	61,541	65,702	71,634	38,568
Bld Matri and Garden Equip	140,949	110,933	99,283	80,438	69,212	71,521	74,438	84,386	93,213	49,581
Food and Beverage Stores	55,958	59,398	59,550	59,228	60,474	63,585	71,654	74,194	78,944	37,279
Gasoline Stations	63,955	70,347	74,225	75,409	64,133	69,412	80,388	83,171	84,628	43,230
Clothing & Clothing Accessories	94,238	95,799	100,125	94,135	111,099	120,370	124,918	129,738	143,476	69,424
General merchandise stores	267,446	281,609	272,647	266,788	237,615	254,801	270,447	286,652	287,505	130,620
Food Services and Drinking Places	117,814	129,339	134,127	126,876	120,166	124,914	134,184	149,299	156,403	80,407
Other retail stores	235,679	219,205	195,438	157,482	117,744	120,522	124,566	127,862	136,099	64,076
Subtotal retail	1,601,399	1,548,071	1,432,997	1,233,850	1,098,860	1,146,226	1,229,501	1,343,753	1,460,551	717,932
All other outlets	123,092	121,396	198,193	130,324	128,810	147,585	103,528	110,206	115,786	64,694
Total	\$ 1,724,491	\$ 1,669,467	\$ 1,631,190	\$ 1,364,174	\$ 1,227,670	\$ 1,293,811	\$ 1,333,029	\$ 1,453,959	\$ 1,576,337	\$ 782,626

Source: State Board of Equalization quarterly report.

(1) Information only available for first two quarters of 2014.

Schedule 6
CITY OF FOLSOM, CALIFORNIA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(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	San Juan Suburban Water District	San Juan Unified Bond
2006	1.0000	0.0055	0.0000	1.0055	.0000 - .0333	0.0032	0.0323	0.0000	0.0000	0.0677
2007	1.0000	0.0000	0.0000	1.0000	.0000 - .0319	0.0072	0.0290	0.0000	0.0000	0.0692
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

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.

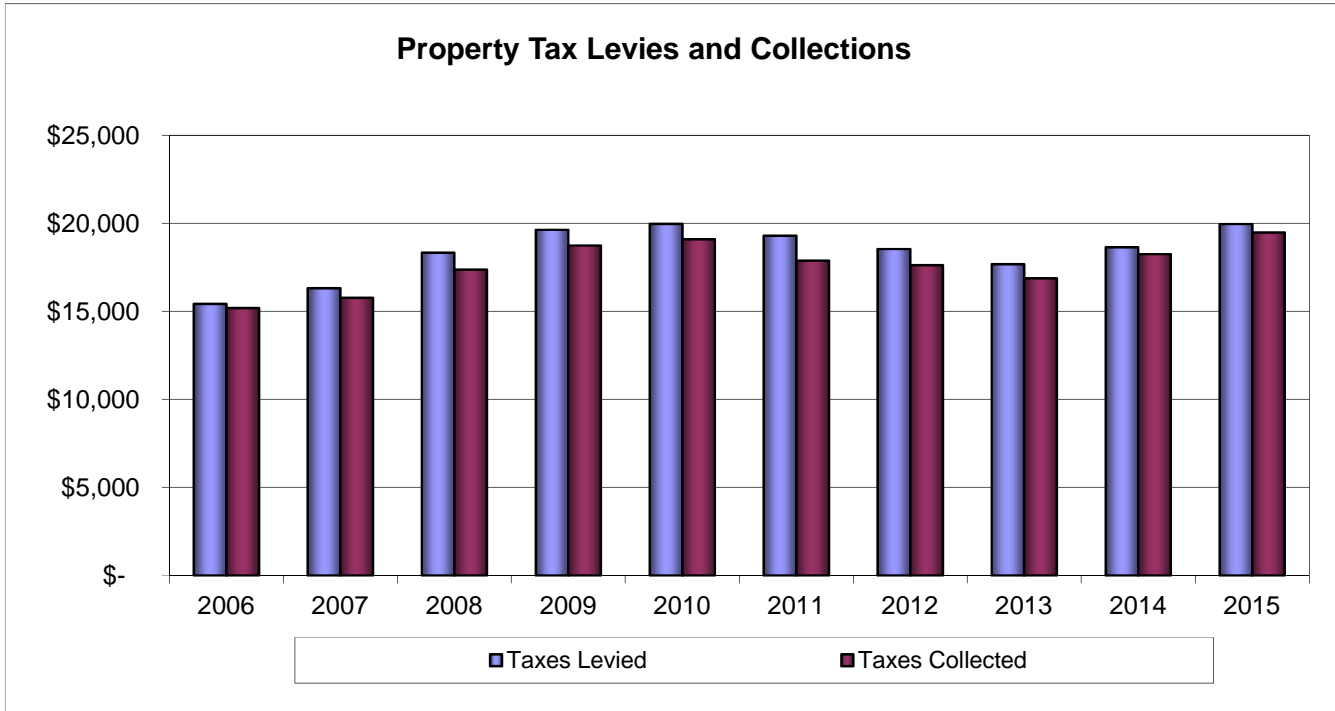
Schedule 7
CITY OF FOLSOM, CALIFORNIA
Principal Property Tax Payers
Current Year and Nine Years Ago
(in thousands of dollars)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value
Intel Corp	\$ 572,724	1	5.19%	\$ 526,719	1	7.96%
Broadstone Land Llc	106,620	2	0.97%			
Kaiser	85,269	3	0.77%	56,923	3	
Chelsea Financing Partnership	61,585	4	0.56%	49,745	4	0.75%
Kikkoman Foods Inc	60,760	5	0.55%	63,044	2	0.95%
Spectrum Waples Street LP	60,202	6	0.55%			
Overlook At Blue Ravine LLC	53,575	7	0.49%			
Sherwood Iron Point LP	52,838	8	0.48%			
CW Parkshore Plaza LLC	48,389	9	0.44%			
Broadstone Market Place LLC	46,064	10	0.42%			
Spk Parkshore Plaza Llc (Equit				45,508	3	0.69%
Willow Creek Associates L P Et				45,246	4	0.68%
Redwood Industrials Lampert At				41,565	7	0.63%
Blue Ravine Investors Llc				39,523	8	0.60%
Elliott Homes Inc.				38,027	9	0.57%
Folsom Broadstone Inc.				36,670	10	0.55%
Total	\$ 1,148,026		10.41%	\$ 942,969		13%

Sources: MuniServices, Sacramento County Assessor Combined Tax Rolls

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**Schedule 8
CITY OF FOLSOM, CALIFORNIA
Property Tax Levies and Collections
Last Ten Fiscal Years
(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)
2006	\$ 15,430	\$ 15,193	98.46%
2007	\$ 16,316	\$ 15,767	96.64%
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%

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
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Governmental Activities					
General Obligation Bonds	\$ 27,745,000	\$ 25,470,000	\$ 23,110,000	\$ 20,665,000	\$ 17,600,000
Certificates of Participation	10,350,000	8,240,000	7,065,000	5,835,000	4,540,000
FPFA Revenue Bonds	62,365,000	58,990,000	126,205,000 (6)	121,800,000	117,210,000
RDA Tax Allocation Bonds	14,595,000 (1)	31,085,000 (4)	30,595,000	30,070,000	45,230,000
City Hall & Fire Station Lease Obligation	-	-	-	-	-
Owner Participation Agreements	4,514,704	4,130,187	5,338,117	2,243,348	1,841,640
Special Assessment Debt	-	-	-	-	-
Notes Payable	-	-	-	2,000,000	1,500,000
Capital Leases	26,070	1,069,129 (5)	1,090,739	909,667	1,099,843
Business-Type Activities					
Revenue Bonds	30,905,000	30,205,000	\$ 29,480,000	\$ 28,730,000	\$ 28,600,000
Capital Leases	1,852,654	2,289,571	1,462,154	1,102,224	972,023
Note Payable	3,500,000 (2)	3,000,000	2,500,000		
Total Primary Government	\$ 155,853,429	\$ 164,478,887	\$ 226,846,010	\$ 213,355,239	\$ 218,593,506
Percentage of Personal Income	6%	6%	Not available	Not available	Not available
Per Capita	2,508 (3)	2,593	3,480	3,346	3,385
Population	62,148	63,439	65,194	63,772	64,576

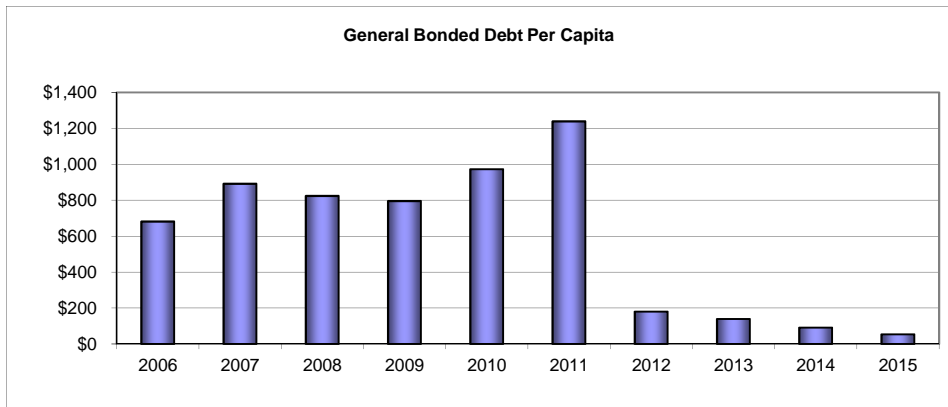
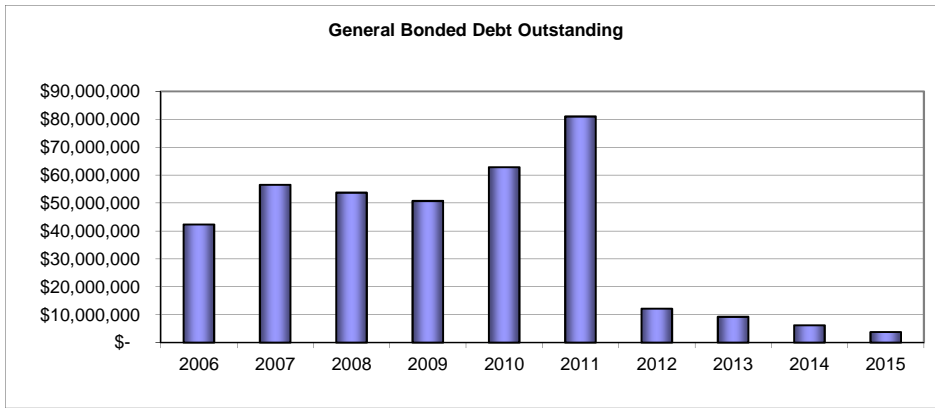
Sources: The City's Comprehensive Annual Financial Reports; State Department of Finance

- (1) The RDA issued Tax Allocation Bonds relating to construction of the Georgia Murray Library.
- (2) 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.
- (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) Leases associated with synthetic turf at Livermore field.
- (6) The FPFA issued Special Tax Revenue Bonds to advance refund bond issues to reduce debt service payments
- (7) 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

	2011	2012	2013	2014	2015	
						Governmental Activities
\$	14,900,000	\$12,120,000	\$9,220,000	\$6,195,000	\$ 3,760,000	General Obligation Bonds
	4,170,000	1,190,000	1,170,000	820,000	-	Certificates of Participation
	133,690,000	130,084,002	122,625,230	112,260,832	104,491,230	FPFA Revenue Bonds
	66,095,000	- (7)	-	-	-	RDA Tax Allocation Bonds
	-	10,314,467	8,947,773	7,544,642	6,113,936	City Hall & Fire Station Lease Obligation
	2,455,122	-	-	-	-	Owner Participation Agreements
	-	-	-	-	-	Special Assessment Debt
	1,000,000	500,000	-	-	-	Notes Payable
	875,382	575,716	486,978	1,302,208	1,901,301	Capital Leases
						Business-Type Activities
\$	27,630,000	\$ 26,670,000	\$ 25,685,000	\$25,494,830	\$ 24,352,781	Revenue Bonds
	528,387	308,274	131,460	-	-	Capital Leases
						Note Payable
\$	251,343,891	\$ 181,762,459	\$ 168,266,441	\$ 153,617,512	\$ 140,619,248	Total Primary Government
	Not available	Not available	Not available	Not available	Not available	Percentage of Personal Income
	3,845	2,696	2,543	2,246	2,016	Per Capita
	65,375	67,429	66,174	68,399	69,737	Population

**Schedule 10
CITY OF FOLSOM, CALIFORNIA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**



Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value of Property (1)	Per Capita (2)	Population (4)
	General Obligation Bonds	Redevelopment Bonds	Total			
2006	\$ 27,745,000	\$ 14,595,000 (3)	\$ 42,340,000	0.50%	681.28	62,148
2007	\$ 25,470,000	\$ 31,085,000 (5)	\$ 56,555,000	0.58%	891.49	63,439
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 (6)	\$ 62,830,000	0.59%	972.96	64,576
2011	\$ 14,900,000	\$ 66,095,000 (7)	\$ 80,995,000	0.76%	1,238.93	65,375
2012	\$ 12,120,000	\$ - (8)	\$ 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

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) The RDA issued Tax Allocation Bonds relating to construction of the Georgia Murray Library.
- (4) Population figures used for per capita calculation excludes the inmate population at Folsom Prison.
- (5) The RDA issued Tax Allocation Bonds relating to construction on the Historic Railroad Block.
- (6) The RDA issued Tax Allocation Bonds relating to construction on the Sutter Streetscape.
- (7) The RDA issued Tax Allocation Bonds relating to future housing and non-housing redevelopment activities within the Project Area.
- (8) The RDA was dissolved by the State during FY12

Schedule 11
CITY OF FOLSOM, CALIFORNIA
Debt Capacity Information, Direct and Overlapping
Last Ten Fiscal Years

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	2006	2007	2008	2009	2010
Sacramento Regional County Sanitation District	\$ 262,610	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	5,899,994	10,376,070	9,886,018	9,918,663	13,659,353
Folsom Cordova Unified School District School Facility Improvement District No. 2	47,259,699	45,632,325	43,935,159	42,337,394	40,802,565
Folsom Cordova Unified School District School Facility Improvement District No. 3	-	-	979,696	955,448	1,633,953
San Juan Unified School District	1,833,019	1,719,936	2,073,667	1,957,071	1,906,917
City of Folsom, Public Financing Authority	27,618,000	25,470,000	23,110,000	20,650,000	17,600,000
City of Folsom 1915 Act Bonds	27,700,000	26,465,000	25,145,000	23,650,000	22,221,970
Special District 1915 Act Bonds (Estimate)	78,284	81,784	77,228	84,179	86,206
Folsom Community Facilities District #1	830,000	-	-	-	-
Folsom Community Facilities District #2	15,335,000	14,625,000	13,885,000	13,110,000	10,540,000
Folsom Community Facilities District #3	2,275,000	2,095,000	1,905,000	1,705,000	1,495,000
Folsom Community Facilities District #4	3,235,000	3,050,000	2,855,000	2,650,000	2,440,000
Folsom Community Facilities District #7	31,745,000	29,850,000	28,715,000	27,400,000	26,030,000
Folsom Community Facilities District #8	4,555,000	4,370,000	4,175,000	3,965,000	3,740,000
Folsom Community Facilities District #9	1,855,000	1,855,000	1,710,000	1,565,000	1,420,000
Folsom Community Facilities District #10	63,125,000	62,170,000	65,680,000	64,265,000	62,750,000
Folsom Community Facilities District #11	10,025,000	9,735,000	8,900,000	8,530,000	8,130,000
Folsom Community Facilities District #14	18,020,000	17,910,000	17,770,000	18,320,000	18,060,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 261,851,606	\$ 255,405,115	\$ 250,801,768	\$ 241,077,755	\$ 232,517,974
DIRECT & OVERLAPPING GENERAL OBLIGATION DEBT:					
Sacramento County General Fund Obligation	\$ 29,485,124	\$ 27,274,185	\$ 28,520,856	\$ 28,362,471	\$ 30,692,468
Sacramento County Pension Obligations	74,038,689	73,612,701	72,963,070	73,769,313	76,621,294
Sacramento County Board of Education Cert. of Participation	991,865	955,054	889,520	880,627	868,666
Los Rios Community College District Cert. of Participation	462,314	464,148	442,797	444,749	444,682
Folsom Cordova Unified School District Cert. of Participation	4,735,870	26,316,760	25,362,635	24,027,205	19,329,869
San Juan Unified School District & Cert. of Participation	77,876	55,836	39,223	36,178	14,538
Sacramento Metropolitan Fire District Pension Obligations	136,172	124,159	124,901	125,967	129,260
City of Folsom General Obligation Bonds	18,245,000	17,210,000	16,150,000	15,050,000	13,910,000
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT	128,172,910	146,012,843	144,493,002	142,696,510	142,010,777
Less: Sacramento County self-supporting obligations	Net Available	606,841	578,397	587,611	587,002
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT	128,172,910	145,406,002	143,914,605	142,108,899	141,413,775
DIRECT COMBINED TOTAL DEBT	\$ 46,063,000	\$ 42,680,000	\$ 39,260,000	\$ 35,715,000	\$ 31,510,000
GROSS OVERLAPPING COMBINED TOTAL DEBT	\$ 343,961,516	\$ 358,737,958	\$ 356,034,770	\$ 348,059,265	\$ 343,018,751
GROSS COMBINED TOTAL DEBT (2)	\$ 390,024,516	\$ 401,417,958	\$ 395,294,770	\$ 383,774,265	\$ 374,528,751
NET COMBINED TOTAL DEBT	\$ 390,024,516	\$ 400,811,117	\$ 394,716,373	\$ 383,186,654	\$ 373,931,749

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	2011	2012	2013	2014	2015
Sacramento Regional County Sanitation District	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	7.113%	22,435,787	21,554,132	26,372,363	26,100,332	25,697,846
Folsom Cordova Unified School District School Facility Improvement District No. 2	99.646%	38,998,345	36,964,845	34,838,817	31,403,928	28,320,810
Folsom Cordova Unified School District School Facility Improvement District No. 3	9.821%	1,656,714	1,591,946	1,313,398	2,681,686	3,881,454
San Juan Unified School District	0.720%	2,344,499	2,213,590	2,586,340	2,440,033	2,914,760
El Dorado Irrigation District	0.021%	-	-	-	520	385
City of Folsom, Public Financing Authority	100.000%	14,900,000	12,120,000	9,220,000	6,195,000	3,760,000
City of Folsom 1915 Act Bonds	100.000%	20,690,699	19,024,306	17,151,884	13,745,561	11,765,942
Special District 1915 Act Bonds (Estimate)	257 - 100%	1,060,903	1,070,634	1,212,719	1,050,213	1,483,894
Folsom Community Facilities District #1	100.000%	-	-	-	-	-
Folsom Community Facilities District #2	100.000%	9,625,000	8,710,000	7,770,000	6,800,000	5,795,000
Folsom Community Facilities District #3	100.000%	1,275,000	845,000	605,000	350,000	85,000
Folsom Community Facilities District #4	100.000%	2,220,000	1,985,000	1,740,000	1,485,000	1,095,000
Folsom Community Facilities District #7	100.000%	24,595,000	22,710,000	21,090,000	19,010,282	16,850,693
Folsom Community Facilities District #8	100.000%	3,495,000	3,245,000	2,985,000	2,597,190	2,068,197
Folsom Community Facilities District #9	100.000%	1,270,000	1,110,000	945,000	775,000	575,000
Folsom Community Facilities District #10	100.000%	62,120,000	59,945,000	57,660,000	55,200,000	52,265,000
Folsom Community Facilities District #11	100.000%	7,690,000	7,215,000	6,720,000	6,200,000	5,665,000
Folsom Community Facilities District #14	100.000%	17,765,000	17,435,000	17,050,000	16,620,000	15,980,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 232,141,947	\$ 217,739,453	\$ 209,260,521	\$ 192,654,745	\$ 178,193,981
DIRECT & OVERLAPPING GENERAL OBLIGATION DEBT:						
Sacramento County General Fund Obligation	8.639%	\$ 29,526,970	\$ 28,275,537	\$ 27,124,496	\$ 25,537,949	\$ 23,919,031
Sacramento County Pension Obligations	8.639%	76,197,664	82,058,088	82,019,808	84,998,096	84,138,157
Sacramento County Board of Education Cert. of Participation	8.639%	827,542	782,367	747,008	687,498	627,191
Los Rios Community College District Cert. of Participation	7.113%	438,419	426,251	411,593	399,678	386,947
Folsom Cordova Unified School District Cert. of Participation	64.426%	18,146,947	16,684,291	15,101,192	13,723,642	12,170,071
San Juan Unified School District & Cert. of Participation	0.720%	12,910	11,017	9,060	7,264	5,398
Sacramento Metropolitan Fire District Pension Obligations	0.146%	126,202	122,160	106,108	90,995	98,863
City of Folsom General Obligation Bonds	100.000%	12,730,000	11,495,000	10,117,773	8,694,642	6,991,777
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		138,006,654	139,854,711	135,637,038	134,139,764	128,337,435
Less: Sacramento County self-supporting obligations		588,012	577,221	569,871	554,033	538,642
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT		137,418,642	139,277,490	135,067,167	133,585,731	127,798,793
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	(3)	100.000%		\$ 63,380,000	\$ 62,000,000	\$ 60,560,000
DIRECT COMBINED TOTAL DEBT		\$ 27,630,000	\$ 23,615,000	\$ 19,337,773	\$ 14,889,642	\$ 10,751,777
GROSS OVERLAPPING COMBINED TOTAL DEBT		\$ 342,518,601	\$ 333,979,164	\$ 388,939,786	\$ 373,904,867	\$ 356,339,639
GROSS COMBINED TOTAL DEBT (2)		\$ 370,148,601	\$ 357,594,164	\$ 408,277,559	\$ 388,794,509	\$ 367,091,416
NET COMBINED TOTAL DEBT		\$ 369,560,589	\$ 357,016,943	\$ 407,707,688	\$ 388,240,476	\$ 366,552,774

- 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.
- Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
- 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 2014-15 Assessed Valuation:

Direct Debt (\$3,760,000)	0.03%
Total Direct and Overlapping Tax and Assessment Debt	1.60%
Total Direct Debt (\$10,751,777)	0.10%
Gross Combined Total Debt	3.30%
Net Combined Total Debt	3.29%

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

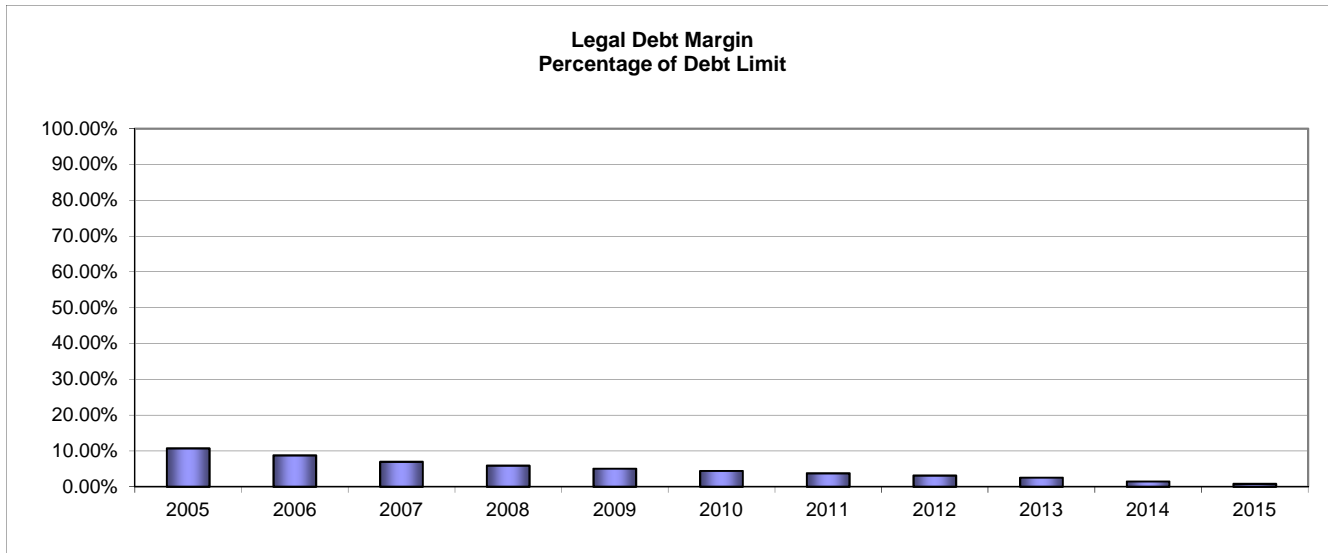
Total Overlapping Tax Increment Debt	8.04%
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Source: MuniServices

City of Folsom records - direct debt.

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Schedule 12
CITY OF FOLSOM, CALIFORNIA
Legal Debt Margin
Fiscal Year 2015, With Ten Year Trend Analysis
(in thousands of dollars)



	Assessed Value	Debt Limit Percentage (1)	Debt Limit	Total net debt applicable to the limit as a percentage of debt limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2005	\$ 7,467,201	3.75%	\$ 280,020	\$ 29,950	\$ 250,070	10.70%
2006	\$ 8,492,767	3.75%	\$ 318,479	\$ 27,745	\$ 290,734	8.71%
2007	\$ 9,793,638	3.75%	\$ 367,261	\$ 25,470	\$ 341,791	6.94%
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%

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
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Water Revenue Bonds					
Utility Services Charges	\$ 8,899,713	\$ 9,952,488	\$ 11,497,007	\$ 12,592,586	\$ 11,866,189
Less Operating Expense	5,845,124	7,049,751	6,803,694 (2)	9,880,814	7,054,416
Net Available Revenue	3,054,589	2,902,737	4,693,313	2,711,772	4,811,773
Debt Service-Principal	820,000	700,000	725,000	750,000	780,000
Debt Service-Interest	1,615,848	1,422,118	1,419,894	1,370,129	1,272,486
Coverage	1.25	1.37	2.19	1.28	2.34
Special Assessment & Community Facility Bonds					
Special Assessment Collections	-	16,051,721	16,278,842	16,226,589	16,241,785
Debt Service-Principal	5,210,000	6,440,000	4,875,000	5,690,000	6,578,030
Debt Service-Interest	10,682,874	10,414,015	8,224,457	8,847,185	8,955,158
Coverage	0.00	0.95	1.24	1.12	1.05
RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage					
Gross Tax Revenue	5,014,585 (1)	5,435,935 (1)	5,846,549	6,245,658	5,924,306
Debt Service-Principal	425,000	455,000	490,000	525,000	580,000
Debt Service-Interest	420,403	745,768	1,354,570	1,330,455	1,516,386
Coverage of Senior Debt	5.93	4.53	3.17	3.37	2.83
RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage					
Net Tax Revenue Available for Subordinated Debt ⁽³⁾					
Debt Service - Principal					
Debt Service - Interest					
Coverage of Subordinated Debt					
RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage					
Gross Tax Revenue					
Debt Service-Principal					
Debt Service-Interest					
Coverage					

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.

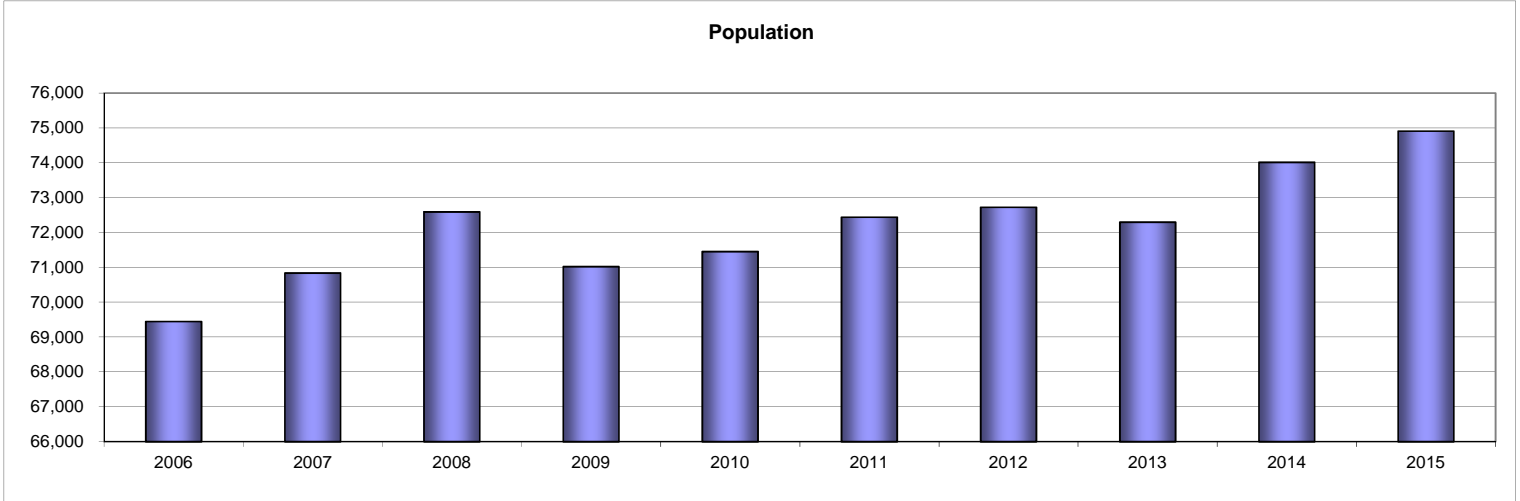
(3) Revenue available after Senior Debt payments and statutory pass-throughs

(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.

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

2011	2012	2013	2014	2015	
					Water Revenue Bonds
\$ 12,309,896	\$ 12,708,434	\$ 14,755,852	\$ 14,349,277	\$ 13,218,966	Utility Services Charges
7,728,237	9,769,702	8,238,934	8,452,397	8,945,873	Less Operating Expense
4,581,659	2,938,732	6,516,918	5,896,880	4,273,093	Net Available Revenue
970,000	960,000	985,000	1,124,752	1,142,049	Debt Service-Principal
1,113,029	1,068,780	1,064,579	828,672	864,822	Debt Service-Interest
2.20	1.45	3.18	3.02	2.13	Coverage
					Special Assessment & Community Facility Bonds
					Special Assessment
16,022,940	16,139,062	15,705,171	15,378,021	15,706,798	Collections
7,951,271	7,366,393	8,794,705	11,895,928	9,463,202	Debt Service-Principal
7,627,998	7,252,534	6,635,434	6,349,684	5,790,222	Debt Service-Interest
1.03	1.10	1.02	0.84	1.03	Coverage
					RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage
5,502,072	3,385,072 (4)	2,909,463	2,812,863	2,997,413	Gross Tax Revenue
515,000	880,000	940,000	875,000	1,100,000	Debt Service-Principal
2,017,688	1,996,763	1,969,463	1,937,863	1,897,413	Debt Service-Interest
2.17	1.18	1.00	1.00	1.00	Coverage of Senior Debt
					RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage
					Net Tax Revenue Available for Subordinated Debt ⁽³⁾
2,648,504	1,096,510 (4)	1,060,988	1,160,319	974,850	Debt Service - Principal
-	250,000	215,000	325,000	150,000	Debt Service - Interest
-	846,510	845,988	835,319	824,850	Coverage of Subordinated Debt
N/A	1.00	1.00	1.00	1.00	
					RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage
1,375,518	1,124,940 (4)	1,126,088	1,124,425	1,126,313	Gross Tax Revenue
-	255,000	175,000	180,000	190,000	Debt Service-Principal
-	869,940	951,088	944,425	936,313	Debt Service-Interest
N/A	1.00	1.00	1.00	1.00	Coverage

**Schedule 14
CITY OF FOLSOM, CALIFORNIA
Demographic and Economic Information
Last Ten Calendar Years**



Year	Population Folsom (1)	Population County (1)	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)
2006	69,445	1,385,607	\$ 76,562,777,000	\$ 2,544,117,575	\$ 36,635	36.19	Not available	18,584	5.20%
2007	70,835	1,406,804	\$ 80,006,404,000	\$ 2,653,195,760	\$ 37,456	36.10	Note 1	18,793	2.30%
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%

Note 1	2008	2009	2010	2011	2012	2013	2014	2015
Less than 9th grade	2.19%	2.16%	Not available	Not available	Not available	1.80%	1.60%	3.40%
Some High School, no diploma	7.72%	7.67%	Not available	Not available	Not available	7.70%	4.20%	6.80%
High School Graduate (or GED)	17.30%	17.22%	91.10%	89.00%	89.60%	17.60%	20.80%	16.90%
Some College, no degree	23.59%	23.57%	Not available	Not available	Not available	21.80%	20.20%	17.90%
Associate Degree	8.41%	8.44%	Not available	Not available	Not available	9.20%	8.50%	9.00%
Bachelor's Degree	27.65%	27.76%	41.90%	40.40%	40.10%	26.90%	26.90%	26.90%
Master's Degree	9.30%	9.33%	Not available	Not available	Not available	Not available	Not available	Not available
Professional School Degree	2.76%	2.78%	Not available	Not available	Not available	15.10%	17.80%	19.20%
Doctorate Degree	1.08%	1.08%	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
Current Fiscal Year**

<u>Employer</u>	2015		<u>Percentage of Total City Employment</u>
	<u>Employees</u>	<u>Rank</u>	
Intel Corporation	6,361	1	18.23%
California State Prison	1,726	2	4.95%
Folsom Prison	1,044	3	2.99%
Folsom Cordova Unified School District	802	4	2.30%
Mercy Hospital of Folsom	720	5	2.06%
California ISO	562	6	1.61%
Micron Technology Inc	480	7	1.38%
City of Folsom	387	8	1.11%
Walmart	297	9	0.85%
Verizon	294	10	0.84%
 Total City Labor Force:			 34,900

Sources: MuniServices
City of Folsom
Employment Development Department

**Schedule 16
CITY OF FOLSOM, CALIFORNIA
Government Employment Information
Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	5	5.75	3.75	3.75	5	6.25	6	5.25	5.5	5.5
City Attorney	5	5	5	5	5	4	4	4	3.75	3.75
Administrative Services (2)	14.88	14.13	14.13	11	12	0	0	0	0	0
City Clerk	4	4	4	3.5	3.5	3	3	3	3	3
Community Development (1)	23	46.25	47.5	34	38.5	26.5	26.5	22	20.4	20.4
Finance	20	21	22	20	19	24	24	20	19	20
Fire	76	76	83	78	79	69	64	63	65	65
Human Resources	6.75	6.75	6.75	6.75	6	6	6	5	5	5
Intergov't Affairs & Econ, Dev.	2	1	2	1.5	1.5	0	0	0	0	0
Library	16	16	19	16	15	13.5	12	11	11	10.5
Neighborhood Services (1)	30	4	5.5	7.5	0	0	0			
Parks & Recreation	71.65	70.15	71.9	65.55	50.8	53.8	52.8	43	43.4	42.4
Police Department	114.25	116.25	123.25	120.25	112.25	103.5	103.5	98.5	97.5	97.5
Public Works	59.1	59.1	61.7	68.2	59	54.75	55.5	51	46.9	45.9
Utilities	108.5	107.5	110.5	99	95	91.5	89	90.25	89.95	91.95
	<u>561.13</u>	<u>557.88</u>	<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>

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
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police (1)										
Misdemeanor and felony arrests	1,807	1,920	2,031	2,009	1,855	1,463	1,270	1,324	1,410	1,414
Traffic citations	10,922	14,566	16,055	16,328	13,186	8,106	7,262	6,180	6,144	3,882
Traffic collisions	1,536	1,521	1,393	1,390	1,367	1,377	1,464	1,410	1,328	1,166
Fire										
Ambulance transports	3,233	3,394	3,133	3,167	2,608	2,692	3,099	3,099	3,186	3,367
Medical responses	3,843	3,638	3,953	3,989	3,409	3,618	3,526	3,526	3,485	3,671
Inspections completed	171	390	280	527	1,457	1,485	1,326	1,850	1,066	1,035
Other public works										
Lane miles of street overlay	18	15	7	5.37	9.5	2.3	9	7.2	-	4
Curb miles of streets swept	4,537	4,546	4,876	6,756	1,530	1,308	445	568	1,807	2,511
Hot pour crack seal applied (lineal ft.)	-	-	255,000	16,615	550,000	-	120,000	104,480	103,020	80,200
Square feet of street patch	386,000	56,000	130,400	44,672	243,750	12,000	83,000	84,560	408,000	187,650
Number of miles of road added	5	7	2	-	-	-	-	-	-	1
Number of traffic signals added	10	-	2	-	-	4	18	-	-	-
Number of streetlights added	104	134	26	-	-	-	28	4	-	19
Miles of storm drains added	2	7	2	-	0.58	-	0.2	0.1	0.3	0.5
Area of Slurry Seal applied (sq ft)	N/A	N/A	7,110,000	7,333,745	3,690,000	3,559,000	862,000	1,895,800	1,034,100	1,500,000
Parks and Recreation										
Aquatic center paid admissions	58,633	51,546	51,254	55,505	56,466	56,245	59,571	63,840	68,257	62,668
Community facilities reservations	4,714	3,921	4,035	3,839	3,046	2,224	2,374	2,801	2,949	3,449
Community facilities paid rentals	780	712	791	956	978	667	889	1,007	1,113	1,107
Total park acreage	312	466	435	435	435	439	439	439	439	439
Open space acreage	350	359	359	361	409	420	420	420	420	499
Trails maintenance	22	22	22	24	34	36	36	36	36	36
Recreation program participation	419,003	480,261	551,244	532,474	522,803	498,879	595,934	540,688	559,776	524,545
Zoo attendance	110,200	125,065	117,828	107,827	100,423	104,032	125,564	121,387	123,440	121,360
Library										
Volumes in collection	67,234	73,115	92,100	102,215	111,726	112,170	102,767	103,253	96,833	92,979
Total volumes borrowed	308,345	360,064	542,371	664,251	666,612	543,053	552,161	564,434	608,536	609,441
Water										
New connections	1,582 (2)	491	244	218	181	149	103	187	356	348
Water main breaks	5	2	4	3	3	2	1	5	3	8
Average consumption (gal/day)	25.7 MGD	21.4MGD	22.1MGD	24.3 MGD	20.9 MGD	19.8 MGD	19.3 MGD	20.3 MGD	16.6 MGD	14.9 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
Wastewater										
Average daily sewage treatment (thousands of gallons)										
Daily average flow in gallons	8.09 MGD	8.13 MGD	8.0 MGD	7.0 MGD	6.95 MGD	6.77 MGD	7.82 MGD	6.22 MGD	5.75 MGD	5.75 MGD
Pump station capacity (gal/day)	12 MGD	12 MGD	12 MGD	12 MGD	12MGD	12 MGD	12 MGD	14.2 MGD	14.2 MGD	14.2 MGD
Refuse collection										
Solid Waste (tons per day)	144 (3)	151	147	138	138	134	131	136	136	140
Recycling (tons per day)	36 (3)	44	44	41	38	34	35	39	38	41
Green Waste (tons per day)	32 (3)	35	39	32	34	33	33	35	33	34
Transit										
Total route miles	286,199	265,957	271,651	241,675	181,153	187,036	194,900	184,727	175,402	195,390
Passengers-Folsom Stage Line	97,128	89,568	94,113	101,590	64,880	61,650	73,485	79,787	92,489	91,930
Passengers-Light Rail	458,544	797,628	929,201	780,756	764,660	739,024	778,856	745,108	734,500	702,935

Source: City of Folsom

N/A - Data not available

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

(2) Amount includes individual mobile homes.

(3) Differences from FY05 and FY06 are due to the City's new recycling program, which began operations in FY 2005-2006.

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public Works					
Miles of streets	250	257	259	259	259
Number of street lights	6,500	6,634	6,660 (2)	6,660	6,667
Number of traffic signals	90	90	92	92	96
Culture and recreation					
Zoo	1	1	1	1	1
Community centers	1	2	2	2	4
Community clubhouse	3	3	3	3	3
Parks	43	44	44	45	45
Park acreage	312	466	466	434	435
Swimming pools	3	3	3	3	3
Tennis courts	23	23	23	23	23
Fire Stations	4	4	4	4	4
Police					
Stations	1	1	1	1	1
Patrol Units	42	46	61	61	49
Sewage System					
Miles of sanitary sewers	255	261	267	267	267
Number of pump stations	11	9	9	9	9
Number of service connections	20,037	20,786	21,057	21,359	21,552
Water					
Miles of water mains	311	333	343	343	343
Number of service connections	20,866 (1)	18,707	18,951	19,169	19,350
Number of fire hydrants (not inc. San Juan)	2,816	2,889	2,958	2,860	2,874
Daily average consumption in gallons	25.7 MGD	21.4 MGD	22.1 MGD	24.3 MGD	20.9
Maximum daily capacity of plant in gallons	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
Drainage System					
Miles of storm drains	190	197	199	199	200

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

2011	2012	2013	2014	2015	<u>Function/Program</u>
					Public Works
259	259	259	300	301	Miles of streets
6,667	6,699	6,703	6,699	6,699	Number of street lights
100	118	118	118	118	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
49	60	52	56	54	Patrol Units
					Sewage System
267	267	267	267	267	Miles of sanitary sewers
9	9	15	15	15	Number of pump stations
21,684	21,787	21,974	22,295	22,743	Number of service connections
					Water
343	343	343	343	343	Miles of water mains
19,275	19,376	19,563	19,919	20,267	Number of service connections
					Number of fire hydrants (not inc. San Juan)
2,895	2,919	2,921	2,977	2,989	Daily average consumption in gallons
19.8	20	20.3	16.6 MGD	14.9 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
Last Ten Fiscal Years**

	Education				Hospitals	
	Elementary schools	Secondary schools	Number of school instructors - FTE	Community colleges	Number of hospitals	Patient beds
2006	9	4	438	1	1	105
2007	10	5	444	1	1	105
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

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