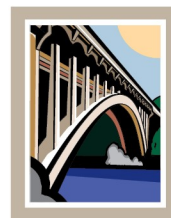




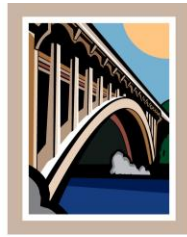
The City of Folsom California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018



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FOLSOM
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CITY OF
FOLSOM
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

CITY OF FOLSOM, CALIFORNIA

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

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

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INTRODUCTORY SECTION



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CITY OF FOLSOM, CALIFORNIA

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

December 21, 2018

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

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018 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 78,447. The City is approximately 110 miles northeast of San Francisco and 20 miles east of Sacramento. The City is located along the eastern end of the Highway 50 corridor in an area of the Sacramento Valley that has experienced considerable growth over the past 15 years.

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

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

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

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

THE LOCAL ECONOMY - The City of Folsom continues to see growth in revenues and unassigned fund balance with general fund revenues having an increase of \$3.5 million and a surplus of \$824k added to the General Fund's fund balance. This activity increased our unassigned fund balance to 18.4% of expenditures and continues to exceed the Council Policy of a 15% unassigned fund balance. In fiscal year 2018, our property taxes were up 5.3%, reflecting higher sales prices as well as an increase in the number of home sales. Our sales taxes were down 9.8%. This decrease is mainly due to a new system implementation by the State causing delays in processing sales tax returns which occurred in 2018 and will continue in the beginning fiscal year 2019.

As of June 30, 2018, California's unemployment forecast is expected to continue to improve slightly according to a UCLA Anderson Forecast, based primarily on the recent strength of 2018 and increased equipment spending. The California Economic Development Department listed the June 2018 unemployment rate for the State and County at 4.5% and 4.2% respectively. Folsom's unemployment rate was 3.2%. A comparison to one year ago had the State and County at 4.7% and 5.0% respectively and Folsom at 3.2%. The number of people employed in Folsom changed from 35,100 in June 2017 to 36,100 in June 2018.

With respect to the local housing market, sales activity in Folsom in fiscal year 2018 increased by 5.38% from fiscal year 2017, while the median sales price increased by 9.00%. It is projected that the number of sales and price increases will continue into the next fiscal year, along with the revaluing of Prop 8 properties to market, all combining to increase property values and subsequent property tax collection.

Building permits issued in 2018 were up 13.58% when compared with the number issued in 2017. The change is mainly a reflection of the number of single family home permits, as this increased from 180 in FY17 to 247 in FY18. However there was a decrease in the average value per permit from \$29,091 in FY 2017 to \$21,851 in FY 2018.

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

INDEPENDENT AUDIT - The City of Folsom's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, a firm of licensed certified public accountants. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements. Vavrinek, Trine, Day & Co., LLP, concluded based on the audit, that there was a reasonable basis for rendering an unmodified opinion for the fiscal year ended June 30, 2018, 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 2017-18 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, Fawn Merrill, 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,



Elaine Andersen
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**

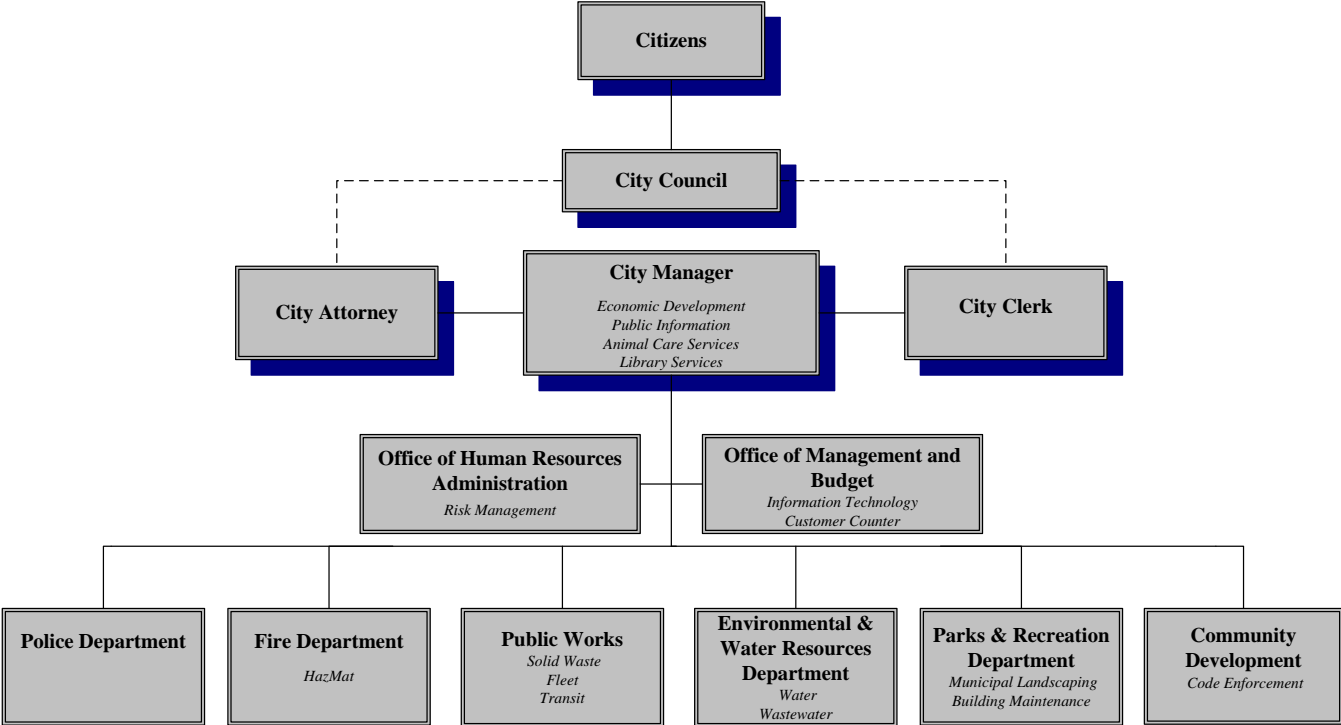
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City Organizational Chart



CITY OF FOLSOM
CITY COUNCIL and CITY OFFICIALS
As of June 30, 2018



Steve Miklos, Mayor



Ernie Sheldon, Vice Mayor



Andy Morin



Roger Gaylord III



Kerri Howell

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

FINANCIAL SECTION



CITY OF
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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Folsom, California, (City) as of and for the year ended June 30, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. 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, the budgetary comparison information, the schedules of changes in the City's net pension liability and related ratios, the schedules of pension contributions, the schedule of changes in the City's net OPEB liability and related ratios, the schedule of investment returns, and the schedule of OPEB contributions, as listed as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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.

Vavrinick, Trine, Day & Co. LLP

Sacramento, California
December 21, 2018

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, 2018. We encourage readers to consider the information presented here in conjunction with the transmittal letter on page v and the City's basic financial statements.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources at the close of the Fiscal Year (FY) 2017-18 by \$387,040,701 (*net position*). Of this amount, \$(132,608,186) is unrestricted, \$54,506,962 is restricted for specific purposes, and \$465,141,925 is the net investment in capital assets.
- Compared to 2017, the City's total net position decreased \$88,675,652, or (18.64)%, during 2018. The decrease in 2018 was mostly due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of GASB 75 resulted in a change in accounting, principle, and a prior period adjustment. See Note 12.
- The City's total long-term debt increased by \$32 million compared to the prior year, or 25.4%. The increase was made up of \$89 million of revenue bonds, offset by reductions of \$53 million in bond refunding, \$4 million in scheduled principal payments, capital lease payments, and adjustments to compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

and recreation. The business-type activities of the City include water, wastewater, solid waste, transit and facilities augmentation.

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

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

Focus is on major funds.

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

Governmental, Proprietary, and Fiduciary.

Fund Financial Statements

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

Governmental Funds – Governmental funds include most of the City's basic services and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Reconciliations are prepared for the governmental funds' Balance Sheet and the governmental funds' Statement of

Revenues, Expenditures and Changes in Fund Balances to facilitate comparisons between governmental funds and governmental activities. The primary differences between the government-wide and fund financial statements relate to noncurrent assets such as land and buildings and improvements, and non-current liabilities, such as bonded debt and amounts owed for compensated absences and capital lease obligations, which are reported in the government-wide statements but not in the fund financial statements.

In FY 2017-18, a decrease of \$88,675,652 in net position in the government-wide financial statements was reported, however this decrease was due to a \$98 million prior period adjust due to the implementation of GASB 75. So taking that into consideration net position actually increased \$10 million during FY 17-18. An increase of \$40,938,937 in fund balance was reported in the fund financial statements for FY 17-18. Refer to the "Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities" for details on the factors contributing to this difference.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Folsom Housing Special Revenue Fund, Folsom Public Financing Authority Debt

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. At June 30, 2018, the City's combined net position (governmental and business-type activities) totaled \$387,040,701, a decrease of (18.64)% from June 30, 2017 amounts as the result of the implementation of GASB 75. The City's net position is broken out into three categories: net investment in capital assets totaling \$465,141,925 (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 \$54,506,962 and unrestricted totaling \$(132,608,184). 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, 2018

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other	\$ 248,703,511	\$205,102,810	\$ 40,312,386	\$38,307,254	\$ 289,015,897	\$243,410,064
Capital assets, net	351,974,325	350,065,483	143,481,051	143,897,023	495,455,376	493,962,506
Total assets	600,677,836	\$555,168,293	183,793,437	\$182,204,277	784,471,273	\$737,372,570
Deferred Outflows of Resources						
Deferred outflows related to pensions	25,301,736	20,195,526	7,857,443	4,703,368	33,159,179	24,898,894
Deferred amounts on refunding	-	-	519,549	567,981	519,549	567,981
Total	25,301,736	20,195,526	8,376,992	5,271,349	33,678,728	25,466,875
Liabilities						
Long-term liabilities	137,411,275	115,517,935	21,388,259	23,724,258	158,799,534	139,242,193
Other liabilities	217,993,589	112,930,496	42,658,804	29,773,496	260,652,393	142,703,992
Total liabilities	355,404,864	228,448,431	64,047,063	53,497,754	419,451,927	281,946,185
Deferred Inflows of Resources						
Deferred inflows related to pensions	775,347	3,402,592	2,994,531	893,495	3,769,878	4,296,087
Deferred inflows related to OPEB	6,228,745	-	914,965	-	7,143,710	-
Special assessments not collected	41,329	41,329	-	-	41,329	41,329
Deferred amounts on refunding	702,456	840,491	-	-	702,456	840,491
Total	7,747,877	4,284,412	3,909,496	893,495	11,657,373	5,177,907
Net position						
Net investment in capital assets	341,907,988	342,339,996	123,233,937	122,445,820	465,141,925	464,785,816
Restricted	54,379,397	37,928,602	127,565	127,565	54,506,962	38,056,167
Unrestricted	(133,460,554)	(37,637,622)	852,368	10,511,992	(132,608,186)	(27,125,630)
Total net position	\$ 262,826,831	\$ 342,630,976	\$ 124,213,870	\$ 133,085,377	\$ 387,040,701	\$ 475,716,353

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, 2018

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 46,521,199	\$32,886,659	\$ 32,331,583	\$31,699,393	\$ 78,852,782	\$ 64,586,052
Operating grants and contributions	2,774,627	2,233,379	6,603,611	7,946,673	9,378,238	10,180,052
Capital grants and contributions	10,798,615	14,891,177	1,746,682	4,834,197	12,545,297	19,725,374
General revenues						
Property taxes	24,537,819	23,301,973	-	-	24,537,819	23,301,973
Sales and use tax	22,294,827	24,721,293	-	-	22,294,827	24,721,293
Other taxes	3,820,424	3,716,243	-	-	3,820,424	3,716,243
Investment earnings (loss)	(3,666,825)	(2,344,854)	187,322	205,005	(3,479,503)	(2,139,849)
Miscellaneous	4,408,453	2,189,407	-	-	4,408,453	2,189,407
Total Revenues	111,489,139	101,595,277	40,869,198	44,685,268	152,358,337	146,280,545
Expenses						
General government	21,571,309	17,619,148	-	-	21,571,309	17,619,148
Public safety	42,267,172	38,519,301	-	-	42,267,172	38,519,301
Public ways and facilities	26,740,758	23,789,377	-	-	26,740,758	23,789,377
Community services	6,328,357	4,611,256	-	-	6,328,357	4,611,256
Culture and recreation	19,316,157	16,043,161	-	-	19,316,157	16,043,161
Interest and fiscal charges	2,510,553	4,679,003	-	-	2,510,553	4,679,003
Water	-	-	14,416,465	13,169,040	14,416,465	13,169,040
Wastewater	-	-	5,777,106	5,254,071	5,777,106	5,254,071
Solid waste	-	-	10,383,837	9,488,964	10,383,837	9,488,964
Transit	-	-	4,093,944	3,847,851	4,093,944	3,847,851
Facilities augmentation	-	-	242,058	3,040	242,058	3,040
Total expenses	118,734,307	105,261,245	34,913,410	31,762,966	153,647,717	137,024,212
Increase/decrease in net position before transfers and extraordinary item	(7,245,168)	(3,665,968)	5,955,788	12,922,302	(1,289,380)	9,256,333
Transfers	3,008,033	2,869,992	(3,008,033)	(2,869,992)	-	-
Extraordinary items	10,732,952	-	-	-	10,732,952	-
Change in net position	6,495,817	(795,976)	2,947,755	10,052,310	9,443,572	9,256,334
Net position, beginning of year	256,331,014	343,426,952	121,266,115	123,033,067	377,597,129	466,460,019
Net position, end of year	\$ 262,826,831	\$ 342,630,976	\$ 124,213,870	\$ 133,085,377	\$ 387,040,701	\$ 475,716,353

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. In FY 2017-18 there was a restatement of net position as of July 1, 2017 due to the implementation of GASB 75. For more information see Note 19.

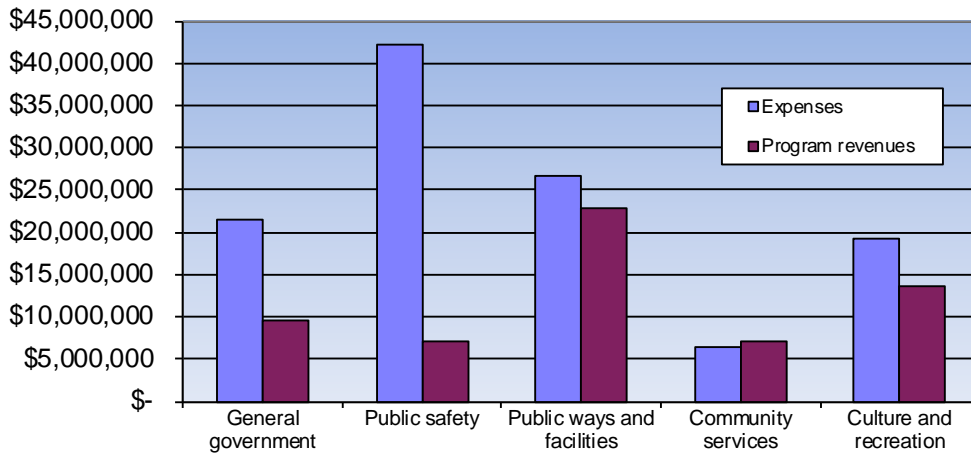
At the end of FY 2017-18, total revenues for the governmental activities, excluding transfers from the business-type activities of \$3 million, was \$111,489,139, an increase of approximately \$9.9 million from the previous year mostly due to increases in Charges for Services, offset by a \$4 million decrease in Capital Grants, a \$2.4 million decrease in Sales and Use Tax, and a \$3.7 million investment loss. The increase of \$13.7 million or 41.46% in Charges for Services was mainly due to increased impact fee revenue due to the development South of Highway 50. Expenses

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

totalled \$118,734,307, an increase of \$13.5 million or 12.8% from the prior year. This increase is mostly due to the \$4 million increase in GASB 68 expenses, and \$3.5 million increase in long-term debt due to debt issuance. After transfers and extraordinary items, revenues exceeded expenses and thus governmental activities increased the City's net position by \$6,495,817.

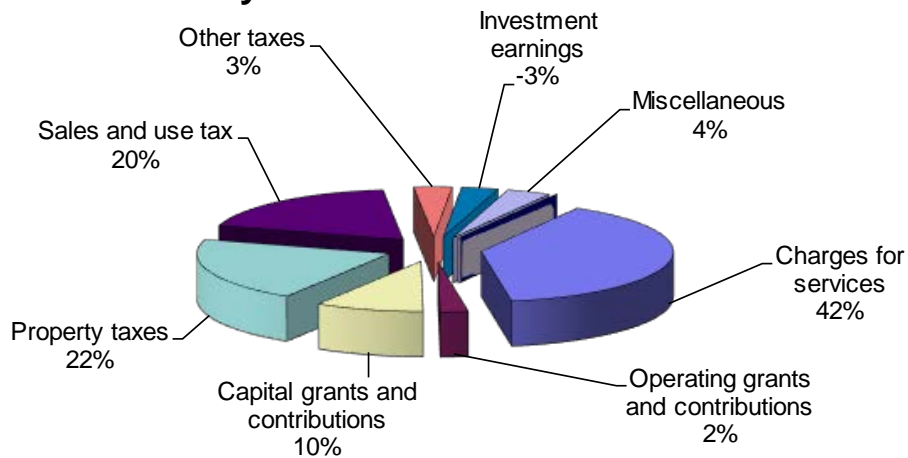
Overall program revenues increased by approximately \$10 million. General revenues saw an overall decrease of approximately \$(189,364). The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities:

Expenses and Program Revenues – Governmental Activities



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

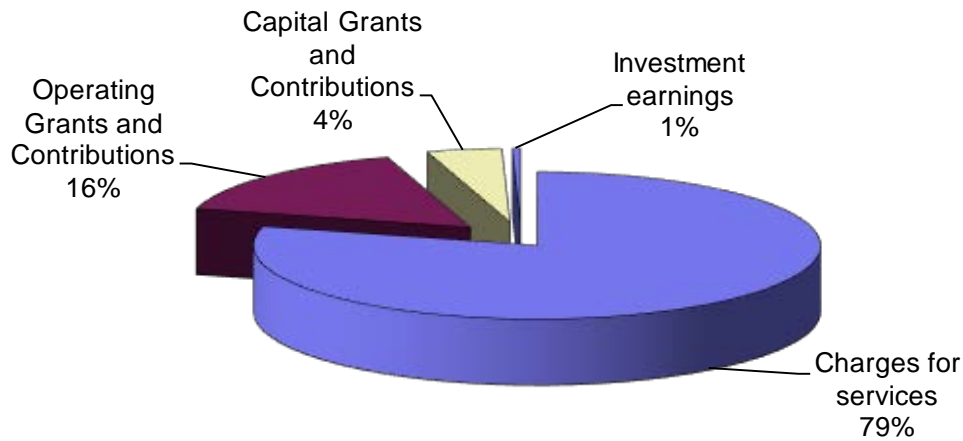
Revenues by Source - Governmental Activities



Business-type activities: The City has five business-type activities: Water, Wastewater, Solid Waste, Transit, and Facilities Augmentation. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported Charges for Services as their largest source of revenues. Capital Grants and Contributions, as well as Operating Grants and Contributions, were the other revenue sources. Capital Grants and Contributions include revenues received from developers for capital infrastructure.

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

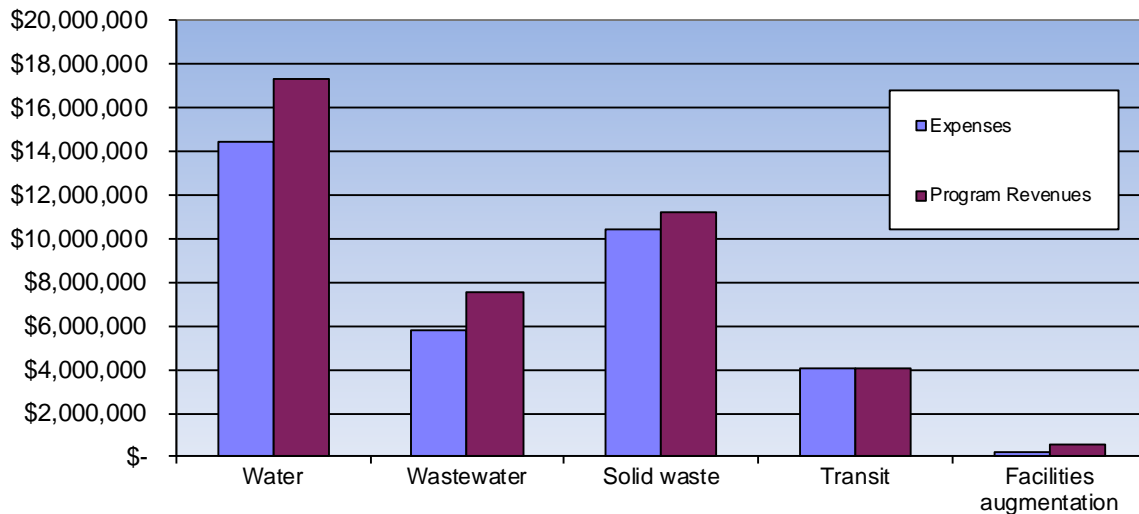
Revenues by Source - Business-Type Activities



Business-type activities increased the City’s net position by \$2,947,755. At the end of FY 2017-18, business-type activities reported total revenues, excluding transfers in from governmental activities, of \$40,869,198, a decrease of \$3.8 million from the prior year. Decrease is mostly due to the decrease in grant revenue. Expenses totaled \$34,913,410, an increase of \$3.1 million 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 \$221,440,731, an increase of \$40,938,937 during FY 2018. The increase is mostly due to activity in the Folsom Housing Special Revenue Fund and the Folsom Ranch Financing Authority related to refunding and bond issuances. Of the total fund balance, \$14,053,574 (6.3%) 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 \$217 million for the fiscal year ended June 30, 2018, which represents an increase of 105% from the fiscal year ended June 30, 2017. The increase is mostly due to the bond issuances in the Public Financing Authority Debt Service Fund and the Folsom Ranch Financing Authority. Expenditures and other financing uses for governmental functions totaled \$176 million, an increase of 54% from the prior year. The increase is mostly due to the bond refunding in the Public Financing Authority Debt Service Fund.

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, 2018

	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2018	2017	2018	2017	2018	2017
General Fund	\$ 86,107,564	\$ 82,625,249	\$ 85,284,054	\$ 78,022,716	\$ 823,510	\$ 4,602,533
Folsom Housing - Special Revenue Fund	10,475,884	402,681	22,712	18,058	10,453,172	384,623
Folsom Public Financing Authority	37,389,056	4,086,363	61,158,451	16,280,083	(23,769,395)	(12,193,720)
Folsom Ranch Financing Authority	51,253,486	(564,878)	1,142,733	403,544	50,110,753	(968,422)
Transportation Improvement Fund	8,075,921	6,437,926	5,056,292	6,651,141	3,019,629	(213,215)
Other Governmental Funds	23,518,660	13,037,325	23,217,392	13,108,796	301,268	(71,471)
Total	\$ 216,820,571	\$ 106,024,666	\$ 175,881,634	\$ 114,484,338	\$ 40,938,937	\$ (8,459,672)

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 2017-18 there was an increase in fund balance of \$823,510 which resulted in a nonspendable fund balance of \$442k, an assigned fund balance of \$1.9 million and unassigned fund balance of \$15.7 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 18.4% of total General Fund expenditures and transfers out of \$85,284,054 while total fund balance represents 21.1% of that same amount.

General Fund revenues of \$78.2 million were up \$1.6 million or 2.1% higher than FY 2016-17 revenues of \$76.6 million. The table below provides a revenue comparison between Fiscal Years 2017-18 versus 2016-17.

	2018	2017	\$ Change	% Change
Property taxes	\$ 24,537,819	\$ 23,301,973	\$ 1,235,846	5.3%
Sales & use taxes	22,294,827	24,721,293	(2,426,466)	-9.8%
Transient occupancy	2,197,780	2,160,257	37,523	1.7%
Real Property transfer	526,629	544,063	(17,434)	-3.2%
Other	1,096,015	1,011,923	84,092	8.3%
Licenses and permits	2,768,076	2,163,426	604,650	27.9%
Vehicle license fees	6,484,423	6,065,568	418,855	6.9%
Intergovernmental	781,752	577,037	204,715	35.5%
Charges for current services	15,521,751	13,829,099	1,692,652	12.2%
Fines and forfeitures	153,532	192,263	(38,731)	-20.1%
Interest	(1,135)	148,717	(149,852)	-100.8%
Miscellaneous	1,822,394	1,845,682	(23,288)	-1.3%
Total	\$ 78,183,863	\$ 76,561,301	\$ 1,622,562	2.1%

Property tax revenues increased 5.3% over the prior fiscal year, due to increasing home values and increased sales activity. Transient occupancy taxes (TOT) increased by \$38k, or 1.7% over last year. Licenses and permits increased \$605k or 27.9%. Intergovernmental revenues increased by \$205k, or 35.5% over last year. Charges for current services increased \$1.69 million or 12.2%, but this is offset by a decrease in Sales tax revenues of 9.8% mostly due to a new system implementation by the State causing delays in processing sales tax returns which occurred in FY 18, and \$150k decrease in Interest Revenues due to GASB 31 FMV adjustments.

General fund expenditures of \$85,284,054, excluding transfers out, increased by \$7.3 million or 9.3% over prior year expenditures of \$78,022,716. This increase is due to slightly increased spending across most functions, however Capital Outlay had a significant increase due to increased equipment purchases including 2 Fire Engines, a Vactor, a Backhoe, and Vehicles.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Expenditures	2018	2017	\$ variance	% variance
General government	\$ 17,607,014	\$16,183,582	\$ 1,423,432	8.8%
Public safety	37,216,488	37,284,196	(67,708)	-0.2%
Public ways and facilities	6,610,529	5,734,448	876,081	15.3%
Community services	6,196,867	4,722,516	1,474,351	31.2%
Culture and recreation	14,249,229	13,155,732	1,093,497	8.3%
Capital Outlay	3,176,115	721,748	2,454,367	340.1%
Debt service principal payments	227,812	220,494	7,318	3.3%
Total	<u>\$ 85,284,054</u>	<u>\$78,022,716</u>	<u>\$ 7,261,338</u>	<u>9.3%</u>

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

Comparative Fund Balance - Governmental Funds

	2018	2017	Net Change
General Fund	\$ 18,010,708	\$ 17,187,198	\$ 823,510
Folsom Housing - Special Revenue Fund	22,432,098	11,978,926	10,453,172
Folsom Public Financing Authority	81,506,413	105,275,808	(23,769,395)
Folsom Ranch Financing Authority	57,248,324	7,137,571	50,110,753
Transportation Improvement Fund	14,003,614	10,983,985	3,019,629
Other Governmental Funds	28,239,574	27,938,306	301,268
Total	<u>\$ 221,440,731</u>	<u>\$ 180,501,794</u>	<u>\$ 40,938,937</u>

Folsom Housing Special Revenue Fund

The Folsom Housing Special Revenue Fund was created in FY 2011-12 after the City elected to retain the Housing function of the former RDA. This fund accounts for the Housing activities of the City that were previously accounted for in the Redevelopment Special Revenue Fund. For FY 2017-2018, the fund reported revenues of \$10.5 million and expenditures and transfers of \$23k, increasing fund balance by \$10.5 million. This increase was mostly due to the transfer of \$9.8 million of housing bond proceeds from the Successor Agency.

Folsom Public Financing Authority Debt Service Fund

The Folsom Public Financing Authority's (FPFA) governmental debt service fund provides information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. The Authority's governmental debt service fund balance decreased \$23.8 million during 2018.

Revenues for FPFA's governmental functions overall totaled \$37.4 million in FY 2017-18, and represent an increase of \$33.3 million in comparison with the prior fiscal year. This is mostly due to investment earnings related to GASB 72 adjustments and bond issuance. Expenditures for governmental functions, totaling \$61.2 million, increased by \$44.9 million from the prior fiscal year. The increase is mostly due to a bond refunding. For additional information please refer to Note 7 of this report and the separately issued financial statements.

Folsom Ranch Financing Authority Debt Service Fund

The Folsom Ranch Financing Authority's (FRFA) governmental debt service fund provides information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. The Authority's governmental debt service fund balance increased \$50.1 million during 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Revenues for FPFA's governmental functions overall totaled \$51.3 million in FY 2017-18, and represent an increase of \$51.8 million in comparison with the prior fiscal year. This is mostly due to bond issuance and investment earnings related to GASB 72 adjustments. Expenditures for governmental functions, totaling \$1.1 million, increased by \$700k from the prior fiscal year. For additional information please refer to Note 7 of this report and the separately issued financial statements.

Transportation Improvement Capital Projects Fund

The Transportation Improvement Capital Projects Fund is used to account for long-term major road projects financed through developer mitigation charges and Measure A funding. Expenditures and transfers in the Transportation Improvement Capital Projects Fund were \$5.1 million in FY 2017-18, down \$1.6 million from the prior fiscal year. The decrease is mostly related to decreased project costs for projects such as Orangevale Bridge.

Proprietary Funds

Water Fund

Net position of the Water Fund increased by \$2.1 million in FY 2017-18. Operating revenue for FY 2017-18 was \$14.1 million, an increase of \$500K due to favorable water usage levels throughout the fiscal year. Operating expenses increased \$1.3 million to \$13.6 million primarily due to increased maintenance and operations expenses. Net transfers were \$900k, an increase of \$93k from prior year levels. As of June 30, 2018, the fund's net position was \$82.7 million, of which \$76.6 million was the net investment in capital assets, while the remaining \$6.1 million was unrestricted.

Wastewater Fund

Operating revenues were at \$6.8 million, an increase of \$250k from the prior year. Expenses were at \$5.8 million, up \$500k from the prior year. The net result was operating income of \$1 million. Other items which affected net position were capital contributions of \$800K and other non-operating revenues of \$40k. The total increase to net position in FY 2017-18 was \$1.1 million, leaving a balance of \$46.5 million. As of June 30, 2018, of the Fund's net position, \$42.9 million was the net investment in capital assets, and the remaining \$3.7 million was unrestricted.

Solid Waste Fund

Operating revenues were at \$10.8 million, a decrease of \$100k from the prior year. Operating expenses were at \$10.4 million, an increase of \$900k. The net result was operating income of \$460K. The total decrease to net position in FY 2017-18 was \$(325)k, leaving a balance of \$(4.2) million. As of June 30, 2018, of the Fund's net position, \$2.4 million was the net investment in capital assets, and the remaining \$(6.6) 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	
	2018	2017	2018	2017	2018	2017
Water	\$ 17,398,139	\$ 21,188,181	\$ 15,317,028	\$ 13,977,040	\$ 2,081,111	\$ 7,211,141
Wastewater	7,640,216	8,076,466	6,492,823	5,856,133	1,147,393	2,220,333
Solid Waste	11,313,187	11,211,105	11,638,306	10,736,052	(325,119)	475,053
Other Enterprise Funds	4,648,649	4,217,052	4,604,279	4,071,269	44,370	145,783
Total	\$ 41,000,191	\$ 44,692,804	\$ 38,052,436	\$ 34,640,494	\$ 2,947,755	\$ 10,052,310

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 \$484k lower than final budget amounts. The expenditure category that exceeded current year budget appropriations due to staff costs was Culture & Recreation.

Revenues were \$78.2 million or 102% of budgeted amounts. A shortfall from budgeted amounts did occur in Sales and Use Tax, which ended the fiscal year at 98% of budget, and Fines and Forfeitures, which ended the fiscal year at 59% of budget. This is offset by Licenses and Permits which were \$797k above budget, and Property Tax which was \$315k 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, 2018, amounted to \$495 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment and construction in progress. The total increase in the City's capital assets for the current fiscal year was less than 1%, as shown in the following table. Capital assets for the governmental and business-type activities are presented below to illustrate the changes from the prior year:

	Capital assets (Net of Depreciation) June 30, 2018					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 17,364,826	\$16,516,487	\$ 1,033,791	\$1,033,791	\$ 18,398,617	\$ 17,550,278
Construction in progress	17,052,850	8,814,185	3,060,782	7,293,376	20,113,632	16,107,561
Buildings	35,054,071	36,310,676	37,241	39,786	35,091,312	36,350,462
Improvements	277,296,611	284,688,224	133,413,331	128,107,131	410,709,942	412,795,355
Equipment	5,205,967	3,735,911	5,935,906	7,422,939	11,141,873	11,158,850
Total capital assets	\$ 351,974,325	\$350,065,483	\$ 143,481,051	\$143,897,023	\$ 495,455,376	\$ 493,962,506

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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

- Equipment purchases of \$2.2 million for various vehicles and machinery
- Construction expenditures of \$5.0 million for the Econome Park project
- Construction expenditures of \$3.7 million for the Fire Station #39 project
- Construction expenditures of \$2.9 million for the Folsom Lake Trail Phase 2 project
- Construction expenditures of \$1.6 million for the Water Treatment Plant Grading & Pump Station No. 1 Basin Reuse 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, 2018, the City had \$137,411,275 of outstanding long-term debt related to governmental activities and \$21,388,259 of long-term debt related to business-type activities, for a total of \$158,799,534. During the year, \$62 million of long-term debt was retired, offset by an addition of \$91 million of revenue bonds, and Long-term loan liability, resulting in a net increase of 25.4%. 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, landfill closure costs, long term loans, 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 \$145,152,674. 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, 2018:

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2018	2017	2018	2017	2018	2017	
General obligation bonds	\$ -	\$ 825,000	\$ -	\$ -	\$ -	\$ 825,000	-100%
Revenue bonds	124,427,251	93,841,368	20,725,423	21,973,818	145,152,674	115,815,186	25%
City Hall & Fire Station Lease Obligation	1,692,207	3,117,370	-	-	1,692,207	3,117,370	-46%
Capital lease obligations	1,239,579	1,467,391	-	-	1,239,579	1,467,391	-16%
Compensated absences	3,533,143	3,190,102	621,595	613,103	4,154,738	3,803,205	9%
Landfill closure liability	434,000	434,000	-	-	434,000	434,000	0%
Long-Term loan	1,628,000	-	-	-	1,628,000	-	0%
Less: Discounts/premiums	4,457,095	1,128,235	41,241	45,366	4,498,336	1,173,601	283%
Total	\$ 137,411,275	\$ 104,003,466	\$ 21,388,259	\$ 22,632,287	\$ 158,799,534	\$ 126,635,753	25%

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

Credit Rating

As of June 30, 2018 the City's 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, a AAA rating is no longer assured on these insured bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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

- Property taxes are continuing to show growth and sales taxes are remaining stable.
- While the City's revenue growth is slow, the City must at the same time support rising costs in employee wage and benefits.
- Unassigned General Fund balance was \$15.7 million, or 18.4% of FY 2018 expenditures. This exceeds the Folsom City Council policy of 15%.

Next Year's Budget

The City closed the fiscal year in a positive financial position, with a General Fund balance of \$18,010,708, an increase of \$824k from the prior year. While the General Fund continues to have upward movement in its fund balance, the growth is expected to slow. City management will continue to monitor the General Fund's position and report to Council on a quarterly basis.

The General Fund budget for 2019 appropriates approximately \$89 million, an increase of 4.2% over the prior year final expenditures. General Fund revenue for 2019 is projected to be \$89 million, approximately a \$7.0 million increase from 2018. 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) 461-6000 or visit the City's website at www.folsom.ca.us.

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BASIC FINANCIAL STATEMENTS



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

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CITY OF FOLSOM, CALIFORNIA

STATEMENT OF NET POSITION JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 79,302,431	\$ 35,343,947	\$ 114,646,378
Receivables, net of allowances for uncollectibles	18,807,046	4,711,091	23,518,137
Due from other governments	8,605,724	257,069	8,862,793
Inventory	399,669	-	399,669
Prepays	42,415	-	42,415
Deposits	3,034,476	-	3,034,476
Restricted assets - cash and investments	2,128,599	279	2,128,878
Investments held in trust	136,383,151	-	136,383,151
Capital assets, net of accumulated depreciation:			
Nondepreciable	34,417,676	4,094,573	38,512,249
Depreciable	317,556,649	139,386,478	456,943,127
Total assets	600,677,836	183,793,437	784,471,273
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	27,411,605	5,747,574	33,159,179
Deferred amounts on refunding	-	519,549	519,549
Total deferred outflows of resources	27,411,605	6,267,123	33,678,728
LIABILITIES:			
Accounts payable	7,171,446	3,260,029	10,431,475
Wages payable	2,522,641	394,487	2,917,128
Interest payable	1,490,186	61,651	1,551,837
Due to other governments	397,808	2,600,003	2,997,811
Unearned revenue	1,334,308	159,132	1,493,440
Long-term liabilities:			
Net pension liability	113,593,248	24,202,177	137,795,425
Net other postemployment benefits (OPEB) liability	91,483,952	11,981,325	103,465,277
Other long-term liabilities due within one year	10,529,563	1,428,499	11,958,062
Other long-term liabilities due in more than one year	126,881,712	19,959,760	146,841,472
Total liabilities	355,404,864	64,047,063	419,451,927
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	2,885,216	884,662	3,769,878
Deferred inflows related to OPEB	6,228,745	914,965	7,143,710
Special assessments not collected	41,329	-	41,329
Deferred amounts on refunding	702,456	-	702,456
Total deferred inflows of resources	9,857,746	1,799,627	11,657,373
NET POSITION:			
Net investment in capital assets	341,907,988	123,233,937	465,141,925
Restricted for:			
Nonexpendable: Wetlands/Open space	871,378	-	871,378
Debt service	9,131,998	-	9,131,998
Low and moderate income housing	22,432,098	-	22,432,098
Transportation/streets	16,936,734	-	16,936,734
Lighting and landscape assessment districts	5,007,189	-	5,007,189
Critical facilities	-	127,565	127,565
Unrestricted	(133,460,554)	852,368	(132,608,186)
Total net position	\$ 262,826,831	\$ 124,213,870	\$ 387,040,701

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, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 21,571,309	\$ 9,259,206	\$ 270,082	\$ -
Public safety	42,267,172	6,784,548	208,770	52,595
Public ways and facilities	26,740,758	12,763,442	2,137,223	7,964,554
Community services	6,328,357	6,861,396	152,228	-
Culture and recreation	19,316,157	10,852,607	6,324	2,781,466
Interest and fiscal charges	2,510,553	-	-	-
Total governmental activities	118,734,306	46,521,199	2,774,627	10,798,615
Business-type activities:				
Water	14,416,465	14,119,233	2,814,808	374,114
Wastewater	5,777,106	6,780,004	-	789,512
Solid Waste	10,383,837	10,840,441	339,746	-
Transit	4,093,944	591,905	3,449,057	-
Facilities Augmentation	242,058	-	-	583,056
Total business-type activities	34,913,410	32,331,583	6,603,611	1,746,682
TOTAL	\$ 153,647,716	\$ 78,852,782	\$ 9,378,238	\$ 12,545,297

GENERAL REVENUES:

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

Transfers

Extraordinary Items

- Housing bond proceeds from Successor Agency
- Transfer of Asset from Successor Agency

Total general revenues, extraordinary items, 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			
Governmental Activities	Business-Type Activities	Total	
			PRIMARY GOVERNMENT:
			Governmental activities:
\$ (12,042,021)	\$ -	\$ (12,042,021)	General government
(35,221,259)	-	(35,221,259)	Public safety
(3,875,539)	-	(3,875,539)	Public ways and facilities
685,267	-	685,267	Community services
(5,675,760)	-	(5,675,760)	Culture and recreation
(2,510,553)	-	(2,510,553)	Interest and fiscal charges
			Total governmental activities
<u>(58,639,866)</u>	<u>-</u>	<u>(58,639,866)</u>	
			Business-type activities:
-	2,891,690	2,891,690	Water
-	1,792,410	1,792,410	Wastewater
-	796,350	796,350	Solid Waste
-	(52,982)	(52,982)	Transit
-	340,998	340,998	Facilities Augmentation
			Total business-type activities
<u>-</u>	<u>5,768,466</u>	<u>5,768,466</u>	
<u>(58,639,866)</u>	<u>5,768,466</u>	<u>(52,871,400)</u>	TOTAL
			GENERAL REVENUES:
			Taxes:
24,537,819	-	24,537,819	Property
22,294,827	-	22,294,827	Sales and use
3,820,424	-	3,820,424	Other
(3,666,825)	187,322	(3,479,503)	Investment earnings (loss)
4,408,453	-	4,408,453	Miscellaneous
<u>3,008,033</u>	<u>(3,008,033)</u>	<u>-</u>	Transfers
			Extraordinary Items
9,812,877	-	9,812,877	Housing bond proceeds from Successor Agency
920,075	-	920,075	Transfer of Asset from Successor Agency
<u>65,135,683</u>	<u>(2,820,711)</u>	<u>62,314,972</u>	Total general revenues, extraordinary items, and transfers
6,495,817	2,947,755	9,443,572	Change in net position
<u>256,331,014</u>	<u>121,266,115</u>	<u>377,597,129</u>	Net position, beginning of year, restated
<u>\$ 262,826,831</u>	<u>\$ 124,213,870</u>	<u>\$ 387,040,701</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, 2018

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund	Folsom Ranch Financing Authority Debt Service Fund
ASSETS				
Cash and cash equivalents	\$ 16,399,598	\$ 8,115,879	\$ 95,280	\$ -
Cash with fiscal agent	-	-	403,303	-
Receivables	1,668,213	12,819,266	1,456	-
Insurance deposits	42,415	-	-	-
Due from other funds	573,300	-	-	-
Due from other governments	6,141,303	1,523,853	-	-
Inventory	399,669	-	-	-
Investments held in trust	-	-	79,134,827	57,248,324
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Cash with fiscal agent	-	-	1,871,547	-
Total assets	<u>\$ 25,224,498</u>	<u>\$ 22,458,998</u>	<u>\$ 81,506,413</u>	<u>\$ 57,248,324</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 4,340,108	\$ 26,900	\$ -	\$ -
Wages payable	2,094,224	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	779,458	-	-	-
Total liabilities	<u>7,213,790</u>	<u>26,900</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Special Assessments not collected	-	-	-	-
FUND BALANCES:				
Nonspendable	442,084	-	-	-
Restricted	-	22,432,098	81,409,677	57,248,324
Committed	-	-	-	-
Assigned	1,869,501	-	96,736	-
Unassigned	15,699,123	-	-	-
TOTAL FUND BALANCES	<u>18,010,708</u>	<u>22,432,098</u>	<u>81,506,413</u>	<u>57,248,324</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 25,224,498</u>	<u>\$ 22,458,998</u>	<u>\$ 81,506,413</u>	<u>\$ 57,248,324</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			
\$ 13,145,790	\$ 27,900,585	\$ 65,657,132	Cash and cash equivalents
-	190,919	594,222	Cash with fiscal agent
66,859	4,103,728	18,659,522	Receivables
-	-	42,415	Insurance deposits
1,000,000	-	1,573,300	Due from other funds
634,273	306,295	8,605,724	Due from other governments
-	-	399,669	Inventory
-	-	136,383,151	Investments held in trust
165,052	92,000	257,052	Restricted assets:
-	-	-	Cash and cash equivalents
-	-	1,871,547	Cash with fiscal agent
<u>\$ 15,011,974</u>	<u>\$ 32,593,527</u>	<u>\$ 234,043,734</u>	Total assets
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
\$ 610,552	\$ 2,178,468	\$ 7,156,028	Accounts payable
-	6,156	2,100,380	Wages payable
-	1,573,300	1,573,300	Due to other funds
397,808	-	397,808	Due to other governments
-	554,700	1,334,158	Unearned revenue
<u>1,008,360</u>	<u>4,312,624</u>	<u>12,561,674</u>	Total liabilities
DEFERRED INFLOWS OF RESOURCES			
-	41,329	41,329	Special Assessments not collected
FUND BALANCES:			
-	429,294	871,378	Nonspendable
14,003,614	19,965,104	195,058,817	Restricted
-	5,201,522	5,201,522	Committed
-	3,490,803	5,457,040	Assigned
-	(847,149)	14,851,974	Unassigned
<u>14,003,614</u>	<u>28,239,574</u>	<u>221,440,731</u>	TOTAL FUND BALANCES
<u>\$ 15,011,974</u>	<u>\$ 32,593,527</u>	<u>\$ 234,043,734</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, 2018

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

Total fund balances - total governmental funds (Page 25)	\$ 221,440,731
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	34,417,676
Depreciable capital assets, net	317,514,905
Deferred outflows - amount related to pensions	27,411,605
Deferred amounts on refunding not in governmental funds	(702,456)
Net unmatured long-term debt	(133,444,132)
Accrued interest	(1,490,186)
Certain accrued liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds as follows:	
Landfill closure liability	(434,000)
Compensated absences	(3,533,143)
Net post-employment benefit liability (OPEB)	(91,483,952)
Net pension liability	(113,593,248)
Deferred inflows - amount related to pensions	(2,885,216)
Deferred inflows - amount related to OPEB	(6,228,745)
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>15,836,992</u>
Net position of governmental activities (Page 21)	<u><u>\$ 262,826,831</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, 2018

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund
REVENUES			
Taxes:			
Property	\$ 24,537,819	\$ -	\$ -
Sales and use	22,294,827	-	-
Transient occupancy	2,197,780	-	-
Real property transfer	526,629	-	-
Other	1,096,015	-	-
Licenses and permits	2,768,076	-	-
Vehicle license fees	6,484,423	-	-
Intergovernmental	781,752	-	3,116,290
Charges for current services	15,521,751	19,123	-
Fines and forfeitures	153,532	615,225	-
Assessment collections	-	-	-
Investment income (loss)	(1,135)	28,659	(12,613,346)
Miscellaneous	1,822,394	-	1,112
Total revenues	78,183,863	663,007	(9,495,944)
EXPENDITURES			
Current:			
General government	17,607,014	18,667	271,866
Public safety	37,216,488	-	-
Public ways and facilities	6,610,529	-	-
Community services	6,196,867	-	-
Culture and recreation	14,249,229	-	-
Capital outlay	3,176,115	-	-
Debt service:			
Principal payments	227,812	-	6,844,280
Interest and fiscal charges	-	-	1,507,305
Total expenditures	85,284,054	18,667	8,623,451
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,100,191)	644,340	(18,119,395)
OTHER FINANCING SOURCES (USES)			
Bond issuance	-	-	46,885,000
Issuance of loan	-	-	-
Payment to refunded escrow agent	-	-	(52,535,000)
Transfers in	7,923,701	-	-
Transfers out	-	(4,045)	-
Total other financing sources (uses)	7,923,701	(4,045)	(5,650,000)
EXTRAORDINARY ITEM:			
Housing Bond Proceeds transferred from the Successor Agency	-	9,812,877	-
NET CHANGE IN FUND BALANCES	823,510	10,453,172	(23,769,395)
FUND BALANCES, BEGINNING OF YEAR	17,187,198	11,978,926	105,275,808
FUND BALANCES, END OF YEAR	\$ 18,010,708	\$ 22,432,098	\$ 81,506,413

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

Folsom Ranch Financing Authority Debt Service Fund	Transportation Improvement Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 24,537,819
-	-	-	22,294,827
-	-	-	2,197,780
-	-	-	526,629
-	-	-	1,096,015
-	-	7,229	2,775,305
-	-	-	6,484,423
1,012,733	2,496,229	4,940,074	12,347,078
-	5,367,590	15,395,938	36,304,402
-	-	152,582	921,339
-	-	35,728	35,728
8,455,753	58,102	416,100	(3,655,867)
-	154,000	640,946	2,618,452
<u>9,468,486</u>	<u>8,075,921</u>	<u>21,588,597</u>	<u>108,483,930</u>
-	-	961,885	18,859,432
-	-	-	37,216,488
-	1,486,023	4,824,502	12,921,054
-	-	-	6,196,867
-	-	100,279	14,349,508
-	2,622,096	12,390,949	18,189,160
130,000	-	825,000	8,027,092
1,012,733	-	20,138	2,540,176
<u>1,142,733</u>	<u>4,108,119</u>	<u>19,122,753</u>	<u>118,299,777</u>
<u>8,325,753</u>	<u>3,967,802</u>	<u>2,465,844</u>	<u>(9,815,847)</u>
41,785,000	-	-	88,670,000
-	-	1,790,000	1,790,000
-	-	-	(52,535,000)
-	-	140,063	8,063,764
-	(948,173)	(4,094,639)	(5,046,857)
<u>41,785,000</u>	<u>(948,173)</u>	<u>(2,164,576)</u>	<u>40,941,907</u>
-	-	-	9,812,877
50,110,753	3,019,629	301,268	40,938,937
<u>7,137,571</u>	<u>10,983,985</u>	<u>27,938,306</u>	<u>180,501,794</u>
<u>\$ 57,248,324</u>	<u>\$ 14,003,614</u>	<u>\$ 28,239,574</u>	<u>\$ 221,440,731</u>

REVENUES

Taxes:

Property
Sales and use
Transient occupancy
Real property transfer
Other

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

Total revenues

EXPENDITURES

Current:

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

Capital outlay

Debt service:

Principal payments
Interest and fiscal charges

Total expenditures

EXCESS (DEFICIENCY) OF REVENUES

OVER (UNDER) EXPENDITURES

OTHER FINANCING SOURCES (USES)

Bond issuance
Issuance of loan
Payment to refunded escrow agent
Transfers in
Transfers out

Total other financing sources (uses)

EXTRAORDINARY ITEM:

Housing Bond Proceeds
transferred from Successor Agency

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, 2018

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

Net change in fund balances - total governmental funds (Page 29)		\$ 40,938,937
<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		18,189,160
Depreciation expense		(18,396,628)
<p>Governmental funds do not report contributed capital, whereas this revenue is reported in the Government-Wide Statement of Activities</p>		
		1,226,164
<p>Assets transferred between the Folsom Successor Agency and the City are reported as an extraordinary item</p>		
		920,075
<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>		
		(3,190,825)
<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>		
		(4,755,775)
<p>Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in net OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represents the net change in OPEB related amounts.</p>		
		101,734
<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	8,027,092	
Change in compensated absences	(343,041)	
Change in estimate for landfill closure liability	-	
Issuance of long-term debt	(88,670,000)	
Long-Term loan	(1,628,000)	
Payment to refunded escrow agent	52,535,000	
Change in accrued interest	29,623	
	29,623	(30,049,326)
<p>Internal service funds are used by management to charge the costs of fleet management, management information services, facilities costs, and insurance, to individual funds. The net revenue (expense) of certain activities of the Internal Service Funds is reported with Governmental Activities.</p>		
		1,512,301
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (Page 23)		\$ 6,495,817

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, 2018

	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	\$ 17,172,169	\$ 10,147,689	\$ 5,238,462	\$ 2,785,627	\$ 35,343,947	\$ 13,051,077
Receivables, net of allowances	3,020,817	1,387,142	238,716	64,416	4,711,091	147,524
Due from other governments	-	1,315	19,688	236,066	257,069	-
Insurance deposits	-	-	-	-	-	3,034,476
Total current assets	20,192,986	11,536,146	5,496,866	3,086,109	40,312,107	16,233,077
Noncurrent assets:						
Restricted assets:						
Cash with fiscal agent	279	-	-	-	279	-
Capital assets	158,248,487	66,806,567	10,607,003	3,389,335	239,051,392	4,741,577
Accumulated depreciation	(61,369,629)	(23,928,364)	(8,217,788)	(2,054,560)	(95,570,341)	(4,699,833)
Total noncurrent assets	96,879,137	42,878,203	2,389,215	1,334,775	143,481,330	41,744
Total assets	117,072,123	54,414,349	7,886,081	4,420,884	183,793,437	16,274,821
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,902,145	1,254,679	2,163,350	427,400	5,747,574	-
Deferred amounts on refunding	519,549	-	-	-	519,549	-
Total deferred outflows of resources	2,421,694	1,254,679	2,163,350	427,400	6,267,123	-
LIABILITIES						
Current liabilities:						
Accounts payable	2,655,433	317,950	270,144	16,502	3,260,029	15,418
Wages payable	142,104	76,796	142,130	33,457	394,487	422,261
Interest payable	61,651	-	-	-	61,651	-
Due to other governments	90	2,599,913	-	-	2,600,003	-
Deposits	159,132	-	-	-	159,132	150
Accrued compensated absences, payable within one year	48,706	27,208	43,847	17,947	137,708	-
Long term debt, due within one year	1,290,791	-	-	-	1,290,791	-
Total current liabilities	4,357,907	3,021,867	456,121	67,906	7,903,801	437,829
Noncurrent liabilities:						
Net pension liability	7,754,716	5,131,088	9,344,374	1,971,999	24,202,177	-
Accrued compensated absences, payable after one year	209,864	75,576	168,620	29,828	483,888	-
Net OPEB liability	4,393,790	641,768	3,704,036	3,241,731	11,981,325	-
Long term debt, due after one year net of unamortized premiums/discounts	19,475,872	-	-	-	19,475,872	-
Total noncurrent liabilities	31,834,242	5,848,432	13,217,030	5,243,558	56,143,262	-
Total liabilities	36,192,149	8,870,299	13,673,151	5,311,464	64,047,063	437,829
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows related to pensions	288,438	191,619	335,235	69,370	884,662	-
Deferred inflows related to OPEB	321,590	70,585	268,168	254,622	914,965	-
NET POSITION						
Net investment in capital assets	76,631,744	42,878,203	2,389,215	1,334,775	123,233,937	41,744
Restricted for critical facilities use	-	-	-	127,565	127,565	-
Unrestricted	6,059,896	3,658,322	(6,616,338)	(2,249,512)	852,368	15,795,248
Total net position (deficit)	\$ 82,691,640	\$ 46,536,525	\$ (4,227,123)	\$ (787,172)	\$ 124,213,870	\$ 15,836,992

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

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				Total	Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Other Non-major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 14,119,233	\$ 6,780,004	\$ 10,840,441	\$ 591,905	\$ 32,331,583	\$ 18,509,811
OPERATING EXPENSES:						
Employee services	4,533,833	2,551,775	5,027,897	1,318,096	13,431,601	16,947,753
Utilities	741,338	69,583	12,690	10,449	834,060	-
Supplies	866,402	249,726	910,928	145,371	2,172,427	-
Maintenance and operations	374,967	219,247	651,498	98,744	1,344,456	-
Contractual services	1,776,219	396,535	2,091,278	1,673,535	5,937,567	-
Depreciation	3,984,380	1,714,921	1,123,940	576,018	7,399,259	29,928
Other	1,318,907	575,319	565,606	513,789	2,973,621	-
Total operating expenses	13,596,046	5,777,106	10,383,837	4,336,002	34,092,991	16,977,681
OPERATING INCOME (LOSS)	523,187	1,002,898	456,604	(3,744,097)	(1,761,408)	1,532,130
NONOPERATING REVENUE (EXPENSES):						
Investment income	89,984	40,700	32,007	24,631	187,322	(10,955)
Interest expense	(820,419)	-	-	-	(820,419)	-
Other	2,767,308	-	219,511	31,236	3,018,055	-
Intergovernmental revenues	47,500	-	120,235	3,417,821	3,585,556	-
Total nonoperating revenue (expense)	2,084,373	40,700	371,753	3,473,688	5,970,514	(10,955)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,607,560	1,043,598	828,357	(270,409)	4,209,106	1,521,175
CAPITAL CONTRIBUTIONS AND TRANSFERS:						
Capital contributions	374,114	789,512	-	583,056	1,746,682	-
Transfers in	-	30,000	100,993	-	130,993	-
Transfers out	(900,563)	(715,717)	(1,254,469)	(268,277)	(3,139,026)	(8,874)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	(526,449)	103,795	(1,153,476)	314,779	(1,261,351)	(8,874)
CHANGE IN NET POSITION	2,081,111	1,147,393	(325,119)	44,370	2,947,755	1,512,301
NET POSITION (DEFICIT), BEGINNING OF YEAR, RESTATED	80,610,529	45,389,132	(3,902,004)	(831,542)	121,266,115	14,324,691
NET POSITION (DEFICIT), END OF YEAR	\$ 82,691,640	\$ 46,536,525	\$ (4,227,123)	\$ (787,172)	\$ 124,213,870	\$ 15,836,992

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, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	Water	Wastewater	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 13,983,966	\$ 6,661,478	\$ 10,936,750
Payments to suppliers	(4,649,122)	(804,602)	(3,753,353)
Payments to employees	(4,205,454)	(2,307,812)	(4,606,042)
Payments to other governments	1,741,788	(1,241)	(187)
Cash received from (paid to) other sources	1,448,401	(575,319)	(346,095)
Net cash provided by (used for) operating activities	8,319,579	2,972,504	2,231,073
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(900,563)	(715,717)	(1,254,469)
Transfers from other funds	-	30,000	100,993
Intergovernmental revenues received	47,500	-	120,235
Net cash provided by (used for) noncapital financing activities	(853,063)	(685,717)	(1,033,241)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(3,316,149)	(2,109,190)	(400,586)
Principal paid on capital debt and leases	(1,199,963)	-	-
Interest paid on capital debt	(824,546)	-	-
Net cash provided by (used for) capital and related financing activities	(5,340,658)	(2,109,190)	(400,586)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends (paid) on investments	147,977	80,246	50,811
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,273,835	257,843	848,057
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,898,613	9,889,846	4,390,405
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 17,172,448	\$ 10,147,689	\$ 5,238,462
Summary:			
Cash and cash equivalents	\$ 17,172,169	\$ 10,147,689	\$ 5,238,462
Restricted assets	279	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 17,172,448	\$ 10,147,689	\$ 5,238,462

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			Governmental Activities Internal Service Funds	
Other Non-major Enterprise Funds	Total			
\$ 542,991	\$ 32,125,185	\$ 18,448,008		CASH FLOWS FROM OPERATING ACTIVITIES:
(2,197,421)	(11,404,498)	(8,089)		Receipts from customers and users
(1,232,914)	(12,352,222)	(16,570,336)		Payments to suppliers
(160,864)	1,579,496	-		Payments to employees
(240,495)	286,492	14,945		Payments to other governments
				Cash received from (paid to) other sources
(3,288,703)	10,234,453	1,884,528		Net cash provided by (used for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
(268,277)	(3,139,026)	(8,874)		Transfers to other funds
-	130,993	525,151		Transfers from other funds
3,417,821	3,585,556	-		Intergovernmental revenues
3,149,544	577,523	516,277		Net cash provided by (used for) noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
-	(5,825,925)	-		Acquisition and construction of capital assets
-	(1,199,963)	-		Principal paid on capital debt and leases
-	(824,546)	-		Interest paid on capital debt
-	(7,850,434)	-		Net cash provided by (used for) capital and related financing activities
29,179	308,213	(33,014)		CASH FLOWS FROM INVESTING ACTIVITIES:
				Interest and dividends (paid) on investments
(109,980)	3,269,755	2,367,791		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
2,895,607	32,074,471	10,683,286		CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR
\$ 2,785,627	\$ 35,344,226	\$ 13,051,077		CASH AND CASH EQUIVALENTS, END OF YEAR
				Summary:
\$ 2,785,627	\$ 35,343,947	\$ 13,051,077		Cash and cash equivalents
-	279	-		Restricted assets
\$ 2,785,627	\$ 35,344,226	\$ 13,051,077		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, 2018**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<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)	\$ 523,187	\$ 1,002,898	\$ 456,604
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3,984,380	1,714,921	1,123,940
Pension Expense	318,988	241,717	425,234
OPEB Expense	(5,252)	(1,153)	(4,379)
Other non-operating income (expense)	2,767,308	-	219,511
Increase (decrease) in:			
Accounts receivable	(172,573)	(310,584)	96,309
Due from other governments	1,741,788	(1,241)	(187)
Accounts payable	(890,196)	130,489	(86,959)
Wages payable	7,199	1,526	4,276
Due to other governments	-	192,058	-
Unearned revenue	37,306	-	-
Accrued compensated absences	7,444	1,873	(3,276)
	<u>7,444</u>	<u>1,873</u>	<u>(3,276)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 8,319,579</u>	<u>\$ 2,972,504</u>	<u>\$ 2,231,073</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Receipt of contributed assets	\$ 374,114	\$ 789,512	\$ -

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		Governmental
Other Non-major Enterprise Funds	Total	Internal Service Funds
\$ (3,744,097)	\$ (1,761,408)	\$ 1,532,130
576,018	7,399,259	29,929
84,912	1,070,851	-
(4,161)	(14,945)	-
614,293	3,601,112	14,945
(48,914)	(435,762)	(61,804)
(160,864)	1,579,496	-
(610,321)	(1,456,987)	(8,089)
1,979	14,980	377,417
-	192,058	-
-	37,306	-
2,452	8,493	-
<u>\$ (3,288,703)</u>	<u>\$ 10,234,453</u>	<u>\$ 1,884,528</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Operating income (loss)
Adjustments to reconcile operating income to
net cash provided (used) by operating activities:
Depreciation
Other non-operating income (expense)
Other non-operating income (expense)
Other non-operating income (expense)
Changes in assets and liabilities:
receivable
from other governments
Increase (decrease) in accounts payable
Increase (decrease) in wages payable
to other governments
Increase (decrease) in unearned revenue
compensated absences

**NET CASH PROVIDED BY (USED FOR)
OPERATING ACTIVITIES**

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

\$ 583,056 \$ 1,746,682 \$ -
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 TRUST FUNDS JUNE 30, 2018

	Other Post Employment Benefits Trust Fund	RDA Successor Private Purpose Trust Fund	Agency Funds
ASSETS:			
Cash and cash equivalents		\$ 7,348,353	\$ 13,299,850
Cash with fiscal agent		239	17,296,833
OPEB Plan Investments:			
Mutual Funds:			
Fixed income securities	\$ 2,798,288		
Domestic equity funds	2,025,613		
International equity funds	502,927		
Real estate partnership	258,311		
Cash equivalents	7,871		
Receivables:			
General accounts		250	
Accrued interest		82,751	50,860
Loans		1,169,318	
Due from other governments			274,032
Capital assets			
Non-depreciable		133,967	
Depreciable		119,534	
Less: accumulated depreciation		(119,534)	
Restricted assets:			
Cash and cash equivalents			1,316,097
Cash with fiscal agent			12,446,688
Total assets	5,593,010	8,734,878	44,684,360
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding		8,901,981	
LIABILITIES:			
Accounts payable	7,871	98,609	35,119
Rebatable arbitrage			497
Due to assessment holders			44,648,744
Advances from other governments		1,523,853	
Interest payable		710,555	
Long-term liabilities:			
Due within one year		1,961,685	
Due in more than one year		52,991,311	
Total liabilities	7,871	57,286,013	44,684,360
NET POSITION:			
Net position restricted for OPEB benefits	\$ 5,585,139		
Total net position (deficit) held in trust	\$ 5,585,139	\$ (39,649,154)	

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

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Other Post Employment Benefits Trust Fund	RDA Successor Private Purpose Trust Fund
ADDITIONS:		
Tax increment revenues		\$ 4,769,468
Contributions from the City	\$ 4,600,953	-
Investment earnings	316,708	164,873
	4,917,661	4,934,341
DEDUCTIONS:		
Benefit payments	4,100,953	
Expenses	-	971,543
Interest and fiscal charges	-	1,733,313
	4,100,953	2,704,856
EXTRAORDINARY ITEM:		
Housing Bond Proceeds transferred to the City of Folsom		9,812,877
Asset transferred to City	-	920,075
	816,708	(8,503,467)
CHANGE IN NET POSITION	816,708	(8,503,467)
NET POSITION (DEFICIT), BEGINNING OF YEAR	4,768,431	(31,145,687)
NET POSITION (DEFICIT), END OF YEAR	\$ 5,585,139	\$ (39,649,154)

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

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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, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Blended Component Units

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

Fiduciary-type Component Unit

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

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

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

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

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

Measurement Focus, Basis of Accounting and Basis of Presentation

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

The City reports the following major governmental funds:

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

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

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

The **Folsom Ranch 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:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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. The Private Purpose Trust fund is for reporting activity of the Redevelopment Successor Private Purpose Trust Fund. The OPEB Trust Fund is used to account for Other Post-Employment Benefits.

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

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

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

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

Budgetary Data

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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 historical cost. Donated or contributed assets are recorded at their acquisition value.

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

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

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

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

Compensated Absences – Compensated absences are recorded in accordance with GAAP. Only vested or accumulated compensated absences that are expected to be due or mature are

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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.

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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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 four 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. The last one is deferred inflows related to OPEB reported in the Statement of Net Position - Governmental Activities and Business-type activities, described in detail in Note 12.

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

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

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

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

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

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

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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.

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Folsom Retiree Health Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefits payments are recognized currently due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

Effective in Current Fiscal Year

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This City has implemented this statement effective July 1, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* - Effective July 1, 2017, the City implemented GASB Statement No. 81. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. There was no material impact to the financial statements.

GASB Statement No. 85, *Omnibus 2017* - Effective July 1, 2017, the City implemented GASB Statement No. 85. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). There was no material impact to the financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* - Effective July 1, 2017, the City implemented GASB Statement No. 86. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. There was no material impact to the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for fiscal years beginning after December 15, 2019, the City early implemented GASB 89. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. There was no material impact to the financial statements.

Effective in Future Fiscal Years

GASB Statement No. 83 - In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the Statement. The City has not determined the effect, if any, on the financial statements.

GASB Statement No. 84 - In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not determined the effect, if any, on the financial statements.

GASB Statement No. 87 - In June 2017, GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined the effect, if any, on the financial statements.

GASB Statement No. 88 - In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for fiscal years beginning after June 15, 2018. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The City has not determined the effect, if any, on the financial statements.

GASB Statement No. 90 - In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*, effective for the fiscal years beginning after December 15, 2018. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The City has not determined the effect, if any, on the financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments totaled \$310,459,477 as of June 30, 2018, 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, 2018 are reported below and on the following page:

	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds	
				Statements of Net Position	Total
Cash, cash equivalents and investments	\$ 79,302,431	\$ 35,343,947	\$ 114,646,378	\$ 37,945,275	\$ 152,591,653
Investments held in trust	136,383,151	-	136,383,151	-	136,383,151
OPEB Plan Investments	-	-	-	5,593,010	5,593,010
Restricted cash and investments	2,128,599	279	2,128,878	13,762,785	15,891,663
	<u>\$ 217,814,181</u>	<u>\$ 35,344,226</u>	<u>\$ 253,158,407</u>	<u>\$ 57,301,070</u>	<u>\$ 310,459,477</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

	<u>Fair Value</u>
City treasury deposits:	
Deposits	\$ 1,017,773
Outstanding Checks	(1,664,508)
Petty cash	<u>7,494</u>
Total city treasury deposits:	<u>(639,241)</u>
City treasury investments	
Certificate of Deposit	12,832,785
Commercial Paper	19,779,083
Corporate Notes (American Express Credit)	1,011,350
Corporate Notes (Bank of New York)	998,830
Corporate Notes (Barclays)	2,000,000
Corporate Notes (Citibank)	980,782
Corporate Notes (Gen Elec)	1,148,350
Corporate Notes (Gen Elec)	582,455
Corporate Notes (Goldman Sachs Bank)	1,000,000
Corporate Notes (International Bank for Recon)	1,969,862
Corporate Notes (JP Morgan Chase & Co)	2,000,000
Corporate Notes (PNC Bank)	987,880
Corporate Notes (Union Bank)	3,303,153
Corporate Notes (US Bank Corp)	1,003,900
Corporate Notes (Wells Fargo Bank NA)	1,002,570
Corporate Notes (Wells Fargo Bank NA)	1,005,580
Corporate Notes (Wells Fargo Bank NA)	1,999,980
Federal Farm Credit Bank (FFCB)	1,500,000
Federal Home Loan Bank (FHLB)	4,019,720
Federal Home Loan Mortgage Corp (FHLMC)	4,991,250
Local Agency Investment Fund (LAIF)	28,688,610
Money market mutual funds (WF)	3,095,678
Municipal obligations (City)	41,290,608
Municipal obligations (FRFA)	57,248,324
Municipal obligations (FPFA)	<u>79,134,827</u>
Total city treasury investments	<u>273,575,577</u>
Total funds in City Treasury	<u>272,936,336</u>
Cash and investments with fiscal agents	
JPA (CAMP)	2,071,051
Money Market Mutual Fund	29,859,080
OPEB Plan Investments - Mutual Funds	<u>5,593,010</u>
Total cash and investments with fiscal agents	<u>37,523,141</u>
Total cash and investments	<u>\$ 310,459,477</u>

* Potential unrealized loss relating to this investment has been allocated to the pool.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Cash Deposits – At June 30, 2018, the recorded amount of the City’s deposits was \$1,017,773 and the bank balance was \$1,094,607. As of June 30, 2018, the City’s deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

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

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

Investments

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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)	2008 FPFA Series A&B	2010 Revenue Bds A&B	2011 FPFA Ser A&B	2012 FPFA ST REF BONDS	2015 FRFA	2017 FPFA ST REF BONDS	2017 FRFA	2018 FRFA	2009 Water	2013 Water	2016 RDA
U.S. Treasury Obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x
U.S. Treasury Obligations	5 years	None	None	n/a	n/a	x	n/a	x	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
U.S. Agency Securities	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x
Banker's Acceptances	360 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x
Commercial paper	270 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x
Commercial paper	180 days	30%	10%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a	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	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Money market mutual funds	N/A	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x
Municipal obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	n/a	n/a	n/a	x	x	x
State obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	n/a	n/a	n/a	x	x	n/a
Investment agreements - *	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	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	n/a	n/a	x	x	x	x	x	n/a
Local Agency Investment Fund (LAIF)	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x
Other *, *1	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x	x	x	x
City's investment policy *2	N/A	N/A	N/A	x	x	n/a	x	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest bearing accounts	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	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	n/a	n/a	n/a	n/a	n/a	n/a	x
Cash (insured at all times by FDIC)	None	None	None	n/a	n/a	x	n/a	x	x	n/a	x	x	x	x	x	x	x	n/a	n/a	n/a
Deposit Accounts (FDIC Insured) *3	None	None	None	n/a	n/a	x	n/a	x	x	n/a	x	x	x	x	x	x	x	n/a	n/a	x
CD's, time deposits and bankers acceptances	30 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Certificates of deposit	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	n/a	n/a	n/a	n/a	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, 2018

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, 2018, 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	More than 15
Certificate of Deposit	\$ 12,832,785	\$ 2,481,397	\$ 3,950,000	\$ 2,466,000	\$ 1,720,000	\$ 2,215,388	\$ -	\$ -	\$ -
Commercial Paper	19,779,083	19,779,083	-	-	-	-	-	-	-
Corporate Notes	31,505,662	6,326,773	4,681,449	13,999,210	4,490,080	2,008,150	-	-	-
LAIF	28,688,610	28,688,610	-	-	-	-	-	-	-
Money Market Mutual Funds	3,095,678	3,095,678	-	-	-	-	-	-	-
Municipal Obligations (City)	41,290,608	15,725,783	11,779,401	6,274,558	4,274,392	3,236,475	-	-	-
Municipal Obligations (FRFA)	57,248,324	264,935	-	141,915	148,804	924,215	3,360,813	5,703,900	46,703,742
Municipal Obligations (FPFA)	79,134,827	4,451,120	4,939,517	3,186,930	8,443,332	2,745,319	9,948,904	45,419,705	-
Total	\$ 273,575,577	\$ 80,813,379	\$ 25,350,367	\$ 26,068,613	\$ 19,076,608	\$ 11,129,547	\$ 13,309,717	\$ 51,123,605	\$ 46,703,742

Fiscal Agent

Investment Type									
JPA (CAMP)	\$ 2,071,051	\$ 2,071,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Mutual Fund	29,859,080	29,859,080	-	-	-	-	-	-	-
OPEB Plan Investments - Mutual Funds	5,593,010	5,593,010	-	-	-	-	-	-	-
Total	\$ 37,523,141	\$ 37,523,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018, 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, 2018

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	4.20%
Commercial Paper	P-1	A-1	6.47%
Corporate Notes (American Express Credit)	A2	A-	0.33%
Corporate Notes (Bank of New York)	A1	A	0.33%
Corporate Notes (Barclays)	A2	A	0.65%
Corporate Notes (Citibank)	A1	A+	0.32%
Corporate Notes (Gen Elec)	A2	BBB+	0.38%
Corporate Notes (Gen Elec)	A2	BBB+	0.19%
Corporate Notes (Goldman Sachs Bank)	A3	BBB+	0.33%
Corporate Notes (International Bank for Recon)	Aaa	Not rated	0.64%
Corporate Notes (JP Morgan Chase & Co)	A3	A-	0.65%
Corporate Notes (PNC Bank)	A2	A	0.32%
Corporate Notes (Union Bank)	A2	A+	1.08%
Corporate Notes (US Bank Corp)	A1	A+	0.33%
Corporate Notes (Wells Fargo Bank NA)	A2	A-	0.33%
Corporate Notes (Wells Fargo Bank NA)	A2	A-	0.33%
Corporate Notes (Wells Fargo Bank NA)	A2	A-	0.65%
Federal Farm Credit Bank (FFCB)	Aaa	AA+	0.49%
Federal Home Loan Bank (FHLB)	Aaa	AA+	1.32%
Federal Home Loan Mortgage Corp (FHLMC)	Aaa	AA+	1.63%
Local Agency Investment Fund (LAIF)	Not rated	Not rated	9.39%
Money market mutual funds (WF)	Aaa	AAA	10.79%
Municipal obligations (City)	Aaa to A3	AAA to A-	13.52%
Municipal Obligations (FRFA)	Not rated	Not rated	18.74%
Municipal Obligations (FPFA)	Not rated	Not rated	25.90%
JPA	Not rated	AAAm	0.68%
			<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, 2018, 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	\$ 30,685,000
Mangini - CFD 19	Municipal Obligations	28,530,000
Parkway II - CFD 14	Municipal Obligations	14,640,000
Russell Ranch - CFD 20	Municipal Obligations	13,255,000
Empire Ranch - CFD 10	Municipal Obligations	10,915,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

Folsom Public Financing Authority Debt Service Fund:

Issuer	Investment Type	Amount
Broadstone II - CFD 7	Municipal Obligations	\$ 4,563,503
Broadstone II - CFD 7	Municipal Obligations	5,970,000

Folsom Ranch Financing Authority Debt Service Fund:

Issuer	Investment Type	Amount
Willow Hill - CFD 17	Municipal Bonds	\$ 6,155,000

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, 2018

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2018. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

As of June 30, 2018, the City has the following recurring fair value measurements:

Investments by Fair Value Level	Balance at June 30, 2018	Fair Value Measurements on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
City Pooled Investments				
Certificate of Deposit	\$ 12,832,785	\$ -	\$ 12,832,785	\$ -
Commercial Paper	19,779,083	-	19,779,083	-
Corporate Notes	31,505,662	-	31,505,662	-
Municipal Obligations (City)	41,290,608	-	41,290,608	-
Municipal Obligations (FRFA)	57,248,324	-	-	57,248,324
Municipal Obligations (FPFA)	79,134,827	-	-	79,134,827
Federal Home Loan Mortgage Co	-	-	-	-
Federal National Mortgage Association	-	-	-	-
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy				
Local Agency Investment Funds	28,688,610			
Money Market Mutual Funds	3,095,678			
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	31,784,288			
Total City's Pooled Investments	273,575,577			
Investments Held with Fiscal Agent Not Measured at Fair Value				
JPA (CAMP)	2,071,051			
Money Market Mutual Funds	29,859,080			
Investments Held with Fiscal Agent by Fair Value Level				
OPEB Plan Investments - Mutual Funds	5,593,010	-	5,593,010	-
Total Investments Held with Fiscal Agents	37,523,141			
Total Investments	\$ 311,098,718	-	\$ 111,001,148	136,383,151

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

3. RECEIVABLES

Receivables as of June 30, 2018, consist of the following:

Governmental Activities	General	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund	Transportation Improvement Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
	Receivables, net						
General accounts	\$ 1,609,315	\$ 2,000	\$ -	\$ -	\$ 80,131	\$ 102,053	\$ 1,793,499
Interest	58,898	9,229	1,456	66,859	177,316	45,471	359,229
Long-term loans	-	12,808,037	-	-	3,804,952	-	16,612,989
Total	\$ 1,668,213	\$ 12,819,266	\$ 1,456	\$ 66,859	\$ 4,062,399	\$ 147,524	\$ 18,765,717

Business-Type Activities	Water	Wastewater	Solid Waste	Other Enterprise	Total
	Receivables, net				
General accounts	\$ 444,726	\$ 141,336	\$ 94,882	\$ 54,787	\$ 735,731
Utilities	2,481,054	1,191,280	113,339	-	3,785,673
Interest	95,037	54,526	30,495	9,629	189,687
Total	\$ 3,020,817	\$ 1,387,142	\$ 238,716	\$ 64,416	\$ 4,711,091

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, 2018:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Zoo Improvement*	\$ 47,339
	Humbug Willow Creek Special Revenue*	525,961
Transportation Improvement	Park Capital Improvement Fund*	1,000,000
		\$ 1,573,300

All balances reported as "due to/due from" are short-term loans to cover temporary cash shortages as of June 30, 2018, and will be repaid in early fiscal year 2019.

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, 2018:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Transfers out	Transfers in				Total
	General	Other Governmental	Wastewater Enterprise Fund	Solid Waste Enterprise Fund	
Folsom Housing	\$ 4,045	\$ -	\$ -	\$ -	\$ 4,045
Transportation Improvement Fund	948,173	-	-	-	948,173
Other governmental funds	3,924,576	140,063	30,000	-	4,094,639
Water Enterprise	900,563	-	-	-	900,563
Wastewater Enterprise	614,724	-	-	100,993	715,717
Solid Waste Enterprise	1,254,469	-	-	-	1,254,469
Other enterprise funds	268,277	-	-	-	268,277
Internal Service Fund	8,874	-	-	-	8,874
Total	\$ 7,923,701	\$ 140,063	\$ 30,000	\$ 100,993	\$ 8,194,757

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 \$3.6 million, (2) Reimbursement for salaries and benefits \$1.4 million, and (3) Project and capital reimbursements from Other Governmental funds \$3.1 million. Transfers to the governmental funds mostly consisted of \$140k from other governmental funds to other governmental funds for project reimbursement.

6. CAPITAL ASSETS

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

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

Governmental activities:	July 1, 2017	Additions	Deletions	Transfers	June 30, 2018
Capital assets, not being depreciated					
Land	\$ 16,516,487	\$ -	\$ -	\$ 848,339	\$ 17,364,826
Construction in progress	8,814,185	15,285,394	-	(7,046,729)	17,052,850
Total capital assets, not being depreciated	25,330,672	15,285,394	-	(6,198,390)	34,417,676
Capital assets, being depreciated:					
Buildings	79,489,229	-	-	1,012,638	80,501,867
Improvements	496,485,884	1,226,163	-	6,220,863	503,932,910
Equipment	19,935,596	2,903,766	(882,288)	-	21,957,074
Total capital assets, being depreciated	595,910,709	4,129,929	(882,288)	7,233,501	606,391,851
Less accumulated depreciation for:					
Buildings	(43,178,553)	(2,229,989)	-	(39,254)	(45,447,796)
Improvements	(211,797,660)	(14,762,857)	-	(75,782)	(226,636,299)
Equipment	(16,199,685)	(1,433,710)	882,288	-	(16,751,107)
Total accumulated depreciation	(271,175,898)	(18,426,556)	882,288	(115,036)	(288,835,202)
Governmental activities capital assets, net	\$ 350,065,483	\$ 988,767	\$ -	\$ 920,075	\$ 351,974,325

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Business-type activities:	July 1, 2017	Additions	Deletions	Transfers	June 30, 2018
Capital assets, not being depreciated					
Land	\$ 1,033,791	\$ -	\$ -	\$ -	1,033,791
Construction in progress	7,293,376	5,182,806	-	(9,415,400)	3,060,782
Total capital asset, not being depreciated	8,327,167	5,182,806	-	(9,415,400)	4,094,573
Capital assets, being depreciated:					
Buildings	76,348	-	-	-	76,348
Improvements	203,374,295	1,163,626	-	9,415,400	213,953,321
Equipment	20,486,748	636,856	(196,458)	-	20,927,146
Total capital assets, being depreciated	223,937,391	1,800,482	(196,458)	9,415,400	234,956,815
Less accumulated depreciation for:					
Buildings	(36,562)	(2,545)	-	-	(39,107)
Improvements	(75,267,164)	(5,272,826)	-	-	(80,539,990)
Equipment	(13,063,809)	(2,123,889)	196,458	-	(14,991,240)
Total accumulated depreciation	(88,367,535)	(7,399,260)	196,458	-	(95,570,337)
Business-type activities capital assets, net	\$ 143,897,023	\$ (415,972)	\$ -	\$ -	\$ 143,481,051

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

Governmental activities:	
General government	\$ 488,606
Public safety	1,328,317
Public works	13,545,535
Community Services	-
Culture and recreation	3,034,170
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	29,928
Total depreciation expense - governmental activities	<u>\$ 18,426,556</u>
Business-type activities:	
Water	\$ 3,984,381
Wastewater	1,714,921
Solid waste	1,123,940
Other enterprise funds	576,018
Total depreciation expense - business-type activities	<u>\$ 7,399,260</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2018:

Governmental activities:	June 30, 2017	Additions	Reductions	June 30, 2018	Amount due within one year
General obligation bonds	\$ 825,000	\$ -	\$ (825,000)	\$ -	\$ -
Revenue bonds	93,841,368	88,670,000	(58,084,117)	124,427,251	8,515,815
City Hall & Fire Station Lease Obligation	3,117,370	-	(1,425,163)	1,692,207	165,390
Capital lease obligations	1,467,391	-	(227,812)	1,239,579	235,378
Compensated absences	3,190,102	3,545,404	(3,202,363)	3,533,143	827,789
Landfill closure liability (Note 16)	434,000	-	-	434,000	217,000
Long-Term loan	-	2,035,000	(407,000)	1,628,000	407,000
Add: Discounts/premiums, net	1,128,235	3,378,536	(49,676)	4,457,095	161,191
Governmental activities long-term liabilities	<u>\$ 104,003,466</u>	<u>\$ 97,628,940</u>	<u>\$ (64,221,131)</u>	<u>\$ 137,411,275</u>	<u>\$ 10,529,563</u>

Business-type activities	June 30, 2017	Additions	Reductions	June 30, 2018	Amount due within one year
Revenue bonds	\$ 21,973,818	\$ -	\$ (1,248,395)	\$ 20,725,423	\$ 1,286,667
Compensated absences	613,103	770,414	(761,922)	621,595	137,707
Add: Issuance discounts/premiums, net	45,366	-	(4,125)	41,241	4,125
Business-type activities long-term liabilities	<u>\$ 22,632,287</u>	<u>\$ 770,414</u>	<u>\$ (2,014,442)</u>	<u>\$ 21,388,259</u>	<u>\$ 1,428,499</u>

Revenue Bonds

Governmental Activities:

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

\$ 485,000

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

1,210,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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. 2,935,000

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. 12,460,000

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. 6,480,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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.

5,767,251

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

6,420,000

In July 2017, the Folsom Public Financing Authority privately placed with BBVA Compass Bank the Folsom Public Financing Authority Special Tax Revenue Bonds, Series 2017A in the amount of \$44,075,000 with an interest rate of 2.67%, and Taxable Series 2017B in the amount of \$2,810,000 with an interest rate of 4.11%. The Series 2017A Special Tax Revenue Bonds mature beginning September 1, 2018 through September 1, 2032 with principal payments ranging from \$1,085,000 to \$5,105,000. The Taxable Series 2017B Special Tax Revenue Bonds mature beginning September 1, 2018 through September 1, 2028 with principal payments ranging from \$140,000 to \$435,000. The bonds were issued to finance and purchase five separate issues of special tax refunding bonds of three existing community facilities districts and pay certain costs associated with issuance. Both the Series 2017A Bonds and Taxable Series 2017B Bonds may be called at the option of the City on any interest payment date beginning September 1, 2022 at 100%.

46,885,000

In August 2017, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2017 in the amount of \$28,530,000 with interest rates of 3.00% to 5.00%. The Special Tax Revenue Term Bond maturing September 1, 2022 has sinking fund requirements that begin September 1, 2019 and go through September 1, 2022 with principal payments ranging from \$135,000 to \$245,000. Future Term Bond sinking fund requirements begin September 1, 2023 through September 1, 2027 with principal payments ranging from \$285,000 to \$490,000; September 1, 2028 through September 1, 2032 with principal payments ranging from \$550,000 to \$825,000; September 1, 2033 through September 1, 2037 with principal payments ranging from \$905,000 through \$1,280,000; and September 1, 2038 through September 1, 2047 with principal payments ranging from \$1,350,000 to \$2,095,000. The bonds were issued to finance and purchase special tax bonds of Community Facilities District No. 19, deposit to a reserve fund, and pay certain costs of issuance. The 2017 Special Tax Bonds are eligible for optional redemption on interest payment dates on or after September 1, 2027 at 100%.

28,530,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

In June 2018, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2018 in the amount of \$13,255,000 with interest rates of 3.00% to 5.00%. The Special Tax Revenue Term Bond maturing September 1, 2023 has sinking fund requirements that begin September 1, 2020 and go through September 1, 2023 with principal payments ranging from \$65,000 to \$100,000. The Special Tax Revenue Serial Bonds maturing in 2024 and 2025 have principal payments of \$135,000 and \$155,000 respectively. Future Term Bond sinking fund requirements begin September 1, 2026 through September 1, 2028 with principal payments ranging from \$175,000 to \$225,000; September 1, 2029 through September 1, 2033 with principal payments ranging from \$255,000 to \$385,000; September 1, 2034 through September 1, 2038 with principal payments ranging from \$425,000 through \$595,000; and September 1, 2039 through September 1, 2048 with principal payments ranging from \$625,000 to \$970,000. The bonds were issued to finance and purchase special tax bonds of Community Facilities District No. 20, deposit to a reserve fund, and pay certain costs of issuance. The 2018 Special Tax Bonds are eligible for optional redemption on any date on or after September 1, 2025 through August 31, 2026 at 103%; on or after September 1, 2026 through August 31, 2027 at 102%; on or after September 1, 2027 through August 31, 2028 at 101%; on or after September 1, 2028 at 100%.

13,255,000

Total Governmental Revenue Bonds

\$ 124,427,251

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.

\$ 10,290,000

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

10,435,423

Total Business-type activities Revenue Bonds

\$ 20,725,423

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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
2019	\$ 8,515,815	\$ 4,618,875	\$ 1,286,666	\$ 718,190
2020	9,208,770	4,459,558	1,329,474	674,229
2021	8,062,312	4,140,840	1,367,224	627,881
2022	7,485,354	3,862,788	1,416,590	577,927
2023	6,455,000	3,608,799	1,470,365	525,042
2024-2028	31,660,000	14,504,004	8,200,516	1,752,654
2029-2033	15,905,000	10,410,927	4,840,184	451,916
2034-2038	9,000,000	8,167,328	814,404	12,827
2039-2043	12,315,000	5,518,875	-	-
2044-2048	14,850,000	2,105,347	-	-
2049	970,000	24,250	-	-
Total	\$ 124,427,251	\$ 61,421,591	\$ 20,725,423	\$ 5,340,666

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

\$ 1,692,207

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Year Ending June 30	Lease Obligation Governmental Activities	
	Principal	Interest
2019	\$ 165,390	\$ 56,967
2020	172,185	51,203
2021	173,786	45,249
2022	180,098	39,199
2023	186,113	32,934
2024-2027	814,635	62,651
Total	<u>\$ 1,692,207</u>	<u>\$ 288,203</u>

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%.	\$ 710,341
\$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%	<u>529,238</u>
	<u>\$ 1,239,579</u>

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 2,255,565
Less: accumulated depreciation	<u>(852,317)</u>
Total	<u>\$ 1,403,248</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

	<u>Governmental Activities</u>
<u>Fiscal year ending</u>	
2019	\$ 275,346
2020	275,346
2021	275,346
2022	275,346
2023	130,346
2024	<u>130,346</u>
Total minimum lease payments	<u>1,362,075</u>
Less: amount representing interest	<u>(122,497)</u>
Present value of minimum lease payments	<u>\$ 1,239,579</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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.

Long-Term Loan

In February 2016 the Folsom City Council approved Resolution No. 9719 authorizing a loan of \$1,232,000 from SACOG to complete the Johnny Cash Trail project. Then in November 2016, an increase to the original Tier 3 Loan of Congestion Mitigation and Air Quality Program (CMAQ) funds from \$1,232,000 to \$2,035,000 with the approval of Resolution No. 9847. The additional funds were needed to complete the second phase of the Johnny Cash Trail project. The City of Folsom agrees to repay the five year interest free loan from SACOG with local funds on January 31st of each year beginning January 31, 2018, with annual payments of \$407,000.

Total Long-Term Loan

\$1,628,000

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 \$26,066,089 through fiscal year 2034. Principal and interest paid for the current year and total customer net revenues were \$2,007,306 and \$4,675,354 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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2018 is as follows:

Description	Issue Date	Maturity Date	June 30, 2018
Assessment District 89-1 Folsom Auto Plaza	12/18/03	9/2/18	\$ - ⁽²⁾
Assessment District 90-1 Hannaford Crossing	4/1/98	9/2/20	445,000
Assessment District 92-1 Natoma Station	12/8/92	9/2/19	55,000
Assessment District 93-2 Legends	6/8/93	9/2/18	35,000
Assessment District 94-3 Cobble Hills Ridge	9/29/94	9/2/19	215,000
Assessment District 95-1 Ridgeview	7/24/95	9/2/20	285,000
Assessment District 95-2 Cresleigh Natoma	7/24/95	9/2/20	240,000
Reassessment District 2008-01 Prairie Oaks Ranch	7/30/08	9/2/19	3,216,108
Community Facilities District No. 2 Natoma Station II	5/4/10	12/1/19	2,490,000
Community Facilities District No. 4 Broadstone	5/13/98	8/1/18	205,000
Community Facilities District No. 7 Broadstone II, Series 2011	8/2/11	9/1/24	6,790,000
Community Facilities District No. 7 Broadstone II, Series 2012	7/12/12	9/1/21	4,563,503
Community Facilities District No. 8 The Parkway, Series 2012	7/12/12	9/1/21	1,203,748
Community Facilities District No. 9 Willow Creek South	7/19/07	9/1/17	- ⁽¹⁾
Community Facilities District No. 10, Empire Ranch, Series 2007	7/19/07	9/1/28	- ⁽¹⁾
Community Facilities District No. 10, Empire Ranch, Series 2010	7/7/10	9/1/24	12,460,000
Community Facilities District No. 10, Empire Ranch, Series 2017	7/11/17	9/1/28	30,685,000
Community Facilities District No. 11 Willow Springs	7/19/07	9/1/23	- ⁽¹⁾
Community Facilities District No. 11 Willow Springs, Series 2017	7/11/17	9/1/23	3,190,000
Community Facilities District No. 14 Parkway II, Series 2007	7/19/07	9/1/32	- ⁽¹⁾
Community Facilities District No. 14 Parkway II, Series 2017	7/11/17	9/1/32	14,640,000
Community Facilities District No. 16, The Islands at Parkshore IA1, Series 2018	3/15/18	9/1/48	5,770,000
Community Facilities District No. 17 Willow Hill Pipeline Proj., Series 2015	9/3/15	9/1/45	6,420,000
Community Facilities District No. 19, Mangini Ranch, Series 2017	8/23/17	9/1/47	28,530,000
Community Facilities District No. 20, Russell Ranch, Series 2018	6/5/18	9/1/48	13,255,000
			<u>\$ 134,693,359</u>

Note:

(1) These bonds were refunded in 2018.

(2) These bonds were called, utilizing funds on hand.

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, 2018
Successor Agency to the Former Redevelopment Agency, Central Folsom	10/5/16	8/1/36	\$ 33,475,000
Redevelopment Project TABS, Series 2016A (Tax Exempt)			
Successor Agency to the Former Redevelopment Agency, Central Folsom	10/5/16	8/1/35	17,955,000
Redevelopment Project TABS, Series 2016B (Federally Taxable)			
Owner Participation Agreement			800,006
Less: Issuance discounts/premiums, net			<u>2,722,990</u>
			<u>\$ 54,952,996</u>

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Investments held in trust represent assets held for future special assessment debt service. This category also includes amounts restricted for Debt service, Low and moderate income housing, Transportation/streets, Lighting and landscape assessment districts and Critical facilities.

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

In the Fund Financial Statements, Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2018 follows:

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund	Folsom Ranch Financing Authority	Transportation Improvement Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventory	\$ 399,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,669
Insurance deposits	42,415	-	-	-	-	-	42,415
Endowment principal	-	-	-	-	-	429,294	429,294
Total nonspendable fund balance	442,084	-	-	-	-	429,294	871,378
Restricted for:							
Debt Service	-	-	81,409,677	57,248,324	-	1,994,427	140,652,428
Police training and equipment	-	-	-	-	-	838,097	838,097
Police capital projects	-	-	-	-	-	443,565	443,565
Fire capital projects	-	-	-	-	-	2,506,111	2,506,111
General capital improvements	-	-	-	-	-	1,594,160	1,594,160
Light rail transportation improvements	-	-	-	-	-	759,906	759,906
Drainage capital projects	-	-	-	-	-	701,031	701,031
CFD 10 improvements	-	-	-	-	-	2,443,568	2,443,568
Park capital improvements	-	-	-	-	-	938,016	938,016
Zoo improvements	-	-	-	-	-	125,111	125,111
Lighting and Landscape districts	-	-	-	-	-	5,007,189	5,007,189
Transportation projects	-	-	-	-	14,003,614	2,828,137	16,831,751
Community Development Block Grant	-	-	-	-	-	213,654	213,654
Folsom Specific Plan Area infrastructure	-	-	-	-	-	25,146	25,146
2011 Non-Housing Bond Proceeds	-	-	-	-	-	301,428	301,428
Transit Capital Improvement	-	-	-	-	-	24,039	24,039
Corp Yard Capital Improvement	-	-	-	-	-	22,752	22,752
Loans receivable	-	12,808,037	-	-	-	-	12,808,037
Low and Moderate Income Housing	-	9,624,061	-	-	-	-	9,624,061
Total restricted fund balance	-	22,432,098	81,409,677	57,248,324	14,003,614	20,766,337	195,860,050
Committed for:							
Transportation projects	-	-	-	-	-	104,983	104,983
Tree mitigation	-	-	-	-	-	935,809	935,809
Low income housing	-	-	-	-	-	1,813,828	1,813,828
Park improvements	-	-	-	-	-	2,346,902	2,346,902
Total committed fund balance	-	-	-	-	-	5,201,522	5,201,522
Assigned to:							
Purchase orders	1,869,501	-	-	-	-	-	1,869,501
Purpose of fund	-	-	96,736	-	-	3,487,970	3,584,706
Total assigned fund balance	1,869,501	-	96,736	-	-	3,487,970	5,454,207
Unassigned fund balance:	15,699,123	-	-	-	-	(1,645,549)	14,053,574
Total fund balances	\$ 18,010,708	\$ 22,432,098	\$ 81,506,413	\$ 57,248,324	\$ 14,003,614	\$ 28,239,574	\$ 221,440,731

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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% @ 57 for “new” members with a start date on or after January 1, 2013. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2018, 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	30.492%	30.492%	30.492%

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

	Safety		
	Classic - Prior to June 30, 2010	New - On or after July 1, 2010	New - On or after January 1, 2013
Hire Date			
Formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-57
Monthly benefits, as a % of annual salary	3.00%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	11.25%
Required employer contribution rates	46.865%	46.865%	46.865%

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	327	125
Inactive employees entitled to but not yet receiving benefits	278	49
Active employees	282	126
Total	<u>887</u>	<u>300</u>

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. In 2018, the employer contribution to CalPERS was \$6,531,894 and \$6,574,602 for the Miscellaneous and Safety Plan, respectively.

B. Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. 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, 2016 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, 2018

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
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	7.15% (1)	7.15% (1)
Mortality Rate Table	Based on CalPERS Experience Study	Based on CalPERS Experience Study

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

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

Change of Assumption – For the measurement date of June 30, 2017 the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Asset Class	Current Target Allocation	Real Return Years 1 - 10	Real Return Years 11+
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	100.0%		

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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.

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability, measured as of June 30, 2017, for each Plan follows:

	Miscellaneous		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 187,022,768	\$ 123,743,093	\$ 63,279,675
Changes in the year:			
Service Cost	\$ 3,904,924	\$ -	\$ 3,904,924
Interest on the total pension liability	13,879,289	-	13,879,289
Changes in benefit terms	34,533	-	34,533
Changes in assumptions	11,945,025	-	11,945,025
Differences between actual and expected experience	(2,802,533)	-	(2,802,533)
Net Plan to Plan Resource Movement		2,162	(2,162)
Contribution - employer	-	5,781,400	(5,781,400)
Contribution - employee	-	1,655,762	(1,655,762)
Net investment income	-	13,918,884	(13,918,884)
Benefit payments, including refunds of employee contributions	(8,072,643)	(8,072,643)	-
Administrative expense	-	(182,949)	182,949
Net changes	18,888,595	13,102,616	5,785,979
Balance at June 30, 2018	\$ 205,911,363	\$ 136,845,709	\$ 69,065,654

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

	Safety		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 164,898,116	\$ 104,824,925	\$ 60,073,191
Changes in the year:			
Service Cost	\$ 3,853,558	\$ -	\$ 3,853,558
Interest on the total pension liability	12,440,896	-	12,440,896
Changes in benefit terms	304,817	-	304,817
Changes in assumptions	11,011,292	-	11,011,292
Differences between actual and expected experience	(165,828)	-	(165,828)
Contribution - employer	-	5,843,744	(5,843,744)
Contribution - employee	-	1,488,989	(1,488,989)
Net investment income	-	11,610,189	(11,610,189)
Benefit payments, including refunds of employee contributions	(7,953,218)	(7,953,218)	-
Administrative expense	-	(154,767)	154,767
Net changes	19,491,517	10,834,937	8,656,580
Balance at June 30, 2018	\$ 184,389,633	\$ 115,659,862	\$ 68,729,771
Balance at June 30, 2018 - Both Plans	\$ 390,300,996	\$ 252,505,571	\$ 137,795,425

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	6.15%	6.15%	6.15%
Net Pension Liability	\$ 98,096,183	\$ 95,695,176	\$ 193,791,359
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 69,065,654	\$ 68,729,771	\$ 137,795,425
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 45,117,723	\$ 46,755,400	\$ 91,873,123

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

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

For the year ended June 30, 2018, the City recognized pension expense of \$9,218,622 for the Miscellaneous plan and \$9,489,715 for the Safety plan. At June 30, 2018, 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, 2018

	Safety		Miscellaneous		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumption	\$ 8,852,214	\$ 1,139,140	\$ 7,520,942	\$ -	\$ 16,373,156	\$ 1,139,140
Differences between actual and expected experience	391,324	174,674	-	2,456,064	391,324	2,630,738
Net differences between projected and actual earnings on plan investments	1,574,283	-	1,713,920	-	3,288,203	-
Pension contributions subsequent to measurement date	6,574,602	-	6,531,894	-	13,106,496	-
Total	<u>\$ 17,392,423</u>	<u>\$ 1,313,814</u>	<u>\$ 15,766,756</u>	<u>\$ 2,456,064</u>	<u>\$ 33,159,179</u>	<u>\$ 3,769,878</u>

\$13,106,496 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	Amortization	
	Safety	Misc
2018	\$ 1,651,052	\$ 2,674,268
2019	3,474,262	\$ 4,404,924
2020	2,876,239	\$ 728,693
2021	1,289,802	\$ (1,029,088)
2022	212,654	-
Total	<u>\$ 9,504,009</u>	<u>\$ 6,778,797</u>

12. POST-EMPLOYMENT HEALTH CARE BENEFITS

EMPLOYER/PLAN REPORTING

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Plan Membership - At June 30, 2018, the Plan membership consisted of the following:

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

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

Contributions - The contribution requirements of plan members and the City are established and may be amended by City Council. The Council establishes rates based on an actuarially determined rate. For year ended June 30, 2018, the City contributed \$4,600,953 to the plan, for current premiums.

Investments

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board of Authority. It is the policy of the Retirement Board of Authority to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Global Equities & Real Estate	50%
Global Fixed Income	50%
Total	100%

Rate of return - For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentration of investments:

As of June 30, 2018, 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:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

Issuer	Investment Type	Amount
Blackrock Total Return - K	Mutual Fund - Fixed Income	\$ 445,133
Guggenheim Investments Macro Oppor. Inst.	Mutual Fund - Fixed Income	452,300
Guggenheim Investments Invest. Grade Bond Fd	Mutual Fund - Fixed Income	454,091
Prudential Funds Total Return Bond CL Q	Mutual Fund - Fixed Income	445,100
Western Asset Core Plus Bond IS	Mutual Fund - Fixed Income	441,436
Alger Funds Spectra Z	Mutual Fund - Domestic Equity	297,780
Oakmark Select Fund - Institutional	Mutual Fund - Domestic Equity	257,460

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of June 30, 2017.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.80%
Investment Rate of Return	4.4% (1)
General Inflation	2.75%
Payroll increase	2.75%
Mortality	2014 CalPERS experience study
Retirement Age	2009 CalPERS Rates for Misc and Safety Employees
Healthcare Cost Trend Rate	4.00%

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

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

The long-term expected rate of return on OPEB plan investments was determined by looking at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Geometric means were used. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

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

Changes in the Net OPEB Liability

	OPEB Plan Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) =(a) - (b)
June 30, 2017	\$ 115,494,096	\$ 4,768,431	\$ 110,725,665
Changes recognized for the measurement period:			
Service Cost	\$ 2,208,096		\$ 2,208,096
Interest	5,040,097	-	5,040,097
Changes in assumptions	(9,590,919)	-	(9,590,919)
Changes in benefit terms			-
Contribution - employer	-	4,600,953	(4,600,953)
Contribution - employee	-	-	-
Expected Investment Income		311,032	(311,032)
Investment Gains/Losses	-	5,677	(5,677)
Expected Benefit payments	(4,100,953)	(4,100,953)	-
Net changes	(6,443,679)	816,709	(7,260,388)
Balance at June 30, 2018	\$ 109,050,417	\$ 5,585,140	\$ 103,465,277

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.4 percent) or 1-percentage-point higher (5.4 percent) than the current discount rate:

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.8%
Net OPEB liability	\$119,276,912	\$103,465,277	\$89,875,382

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.0%
Net OPEB liability	\$120,096,937	\$103,465,277	\$89,303,228

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$4,484,275. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes in assumptions	\$ 7,066,992
Net differences between projected and actual earnings on OPEB plan investments	76,718
Total	\$ 7,143,710

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:	Deferred (Inflows) of Resources
2019	\$ (2,543,107)
2020	(2,543,107)
2021	(2,038,318)
2022	(19,178)

13. RISK MANAGEMENT

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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 \$3,031,855 and \$3,557,006 as of June 30, 2018 and 2017 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, 2018 and 2017 is as follows:

	Balance 6/30/2016	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2017
General Liability	\$ 1,015,180	\$ 540,766	\$ (10,315)	\$ (519,541)	\$ (175,607)	\$ 850,483
Workers' Compensation	2,791,984	1,073,320	(16,938)	(293,336)	(848,507)	2,706,523
Total	\$ 3,807,164	\$ 1,614,086	\$ (27,253)	\$ (812,877)	\$ (1,024,114)	\$ 3,557,006

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

	Balance 6/30/2017	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2018
General Liability	\$ 850,483	\$ 441,366	\$ (8,695)	\$ (609,359)	\$ -	\$ 673,795
Workers' Compensation	2,706,523	378,232	(26,917)	(583,420)	(116,358)	2,358,060
Total	<u>\$ 3,557,006</u>	<u>\$ 819,598</u>	<u>\$ (35,612)</u>	<u>\$ (1,192,779)</u>	<u>\$ (116,358)</u>	<u>\$ 3,031,855</u>

The following is summary financial information of the NCCSIF for the liability and workers' compensation program for the fiscal year ended June 30, 2018.

	Liability	Workers' Compensation	Total
Assets	\$ 13,215,833	\$ 44,099,525	\$ 57,315,358
Liabilities	9,030,201	32,666,167	41,696,368
Net assets	<u>\$ 4,185,632</u>	<u>\$ 11,433,358</u>	<u>\$ 15,618,990</u>
Revenues	\$ 6,596,109	\$ 12,138,101	\$ 18,734,210
Expenses	6,550,790	12,311,062	18,861,852
Operating income	45,319	(172,961)	(127,642)
Investment income	(63,109)	(186,338)	(249,447)
Net income	(17,790)	(359,299)	(377,089)
Net assets, beginning of year	4,203,422	11,792,657	15,996,079
Net assets, end of year	<u>\$ 4,185,632</u>	<u>\$ 11,433,358</u>	<u>\$ 15,618,990</u>

The NCCSIF audited financial statements for the period ended June 30, 2018 are available on the City's website.

Coverage Limits:

Amount	Coverage provider	Payment Source
LIABILITY CLAIMS:		
\$ - \$ 100,000	Self-Insured	Banking layer
100,001 500,000	Northern California Cities Self Insurance Fund	Shared risk pool
500,001 40,000,000	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 40,000,000	California Joint Powers Risk Management Authority	Shared risk pool

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

14. COMMITMENTS

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.

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, 2018 the City received \$0 of critical facilities fees. The City, at June 30, 2018 had \$474,664 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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

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

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

During FY 2009, the City initiated a "clean closure" of the inactive landfill in accordance with Title 27 of the California Code of Regulations. Clean closure is a process where the waste in the inactive landfill is removed, sorted and characterized for recycling or offsite disposal, resulting in a clean property. The City initiated the clean closure to address the impacts to groundwater and to reduce postclosure monitoring costs. The clean closure was completed in November 2009 and received certification of clean closure in accordance with Title 27 requirements from the respective oversight agencies in January 2010. The City remains responsible for continued postclosure groundwater monitoring and must demonstrate compliance with the prescribed monitoring requirements for 3 consecutive years. During FY 2013, a review conducted by one of the respective oversight agencies noted that while the corrective action performed is working, the City will need to continue to perform postclosure groundwater monitoring in order to achieve full compliance. During FY 2017, the oversight agency informed the City that the current groundwater monitoring and reporting program would likely not result in site closure within the next 10 years, or by 2027. To expedite closure, the City proposed an alternative closure

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

strategy that was accepted. This strategy focused on a comprehensive reevaluation of the hydrogeological conditions by surrounding the site with a new monitoring system. The City believes this new strategy could lead to closure in approximately 26 months. As of June 30, 2018, the estimate for post closure costs was \$434,000.

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

17. DEFICIT FUND BALANCES

- The General Plan Amendment Revenue Fund had a deficit fund balance of \$1,788 at June 30, 2018 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Humbug Willow Creek Special Revenue Fund had a deficit fund balance of \$793,809 at June 30, 2018 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Zoo Improvement Capital Projects Fund had a deficit fund balance of \$51,552 at June 30, 2018 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 \$4.2 million at June 30, 2018 primarily as a result of the implementation of GASB 68 and GASB 75 and the corresponding net pension and net OPEB liabilities that were added to the financial statements.
- The Transit Enterprise Fund had a deficit fund balance of \$1.26 million at June 30, 2018 primarily as a result of the implementation of GASB 68 and GASB 75 and the corresponding net pension and net OPEB liabilities that were added to the financial statements.

18. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

- Expenditures exceeded appropriations in the Light, Landscape, and Maintenance Districts Special Revenue Funds by \$20,678 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Folsom Ranch Financing Authority Debt Service Fund by \$737,064 due to new bond issuance.
- Expenditures exceeded appropriations in the City Parks and Traffic Signals Debt Service Fund by \$2,250 due to interest payment.
- Expenditures exceeded appropriations in the General Obligation School Facilities Debt Service Fund by \$1,388 due to interest payment.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

19. CHANGE IN ACCOUNTING PRINCIPLES

Implementation of new accounting standard GASB Statement No. 75 – As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. As a result of the implementation, the City restated beginning net position as noted below:

	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
Water Fund (Business-Type Activities)			
Deferred outflows of resources related to OPEB	\$ -	\$ -	\$ -
Other Postemployment Benefit (OPEB) Liability	-	(4,720,632)	(4,720,632)
Other Postemployment Benefit (OPEB) Obligation	(342,209)	342,209	-
Net position, beginning of year	84,988,952	(4,378,423)	80,610,529
Wastewater Fund (Business-Type Activities)			
Deferred outflows of resources related to OPEB	\$ -	\$ -	\$ -
Other Postemployment Benefit (OPEB) Liability	-	(713,506)	(713,506)
Other Postemployment Benefit (OPEB) Obligation	(6,959)	6,959	-
Net position, beginning of year	46,095,679	(706,547)	45,389,132
Solid Waste Fund (Business-Type Activities)			
Deferred outflows of resources related to OPEB	\$ -	\$ -	\$ -
Other Postemployment Benefit (OPEB) Liability	-	(3,976,583)	(3,976,583)
Other Postemployment Benefit (OPEB) Obligation	(418,894)	418,894	-
Net position, beginning of year	(344,315)	(3,557,689)	(3,902,004)
Transit Fund (Business-Type Activities)			
Deferred outflows of resources related to OPEB	\$ -	\$ -	\$ -
Other Postemployment Benefit (OPEB) Liability	-	(3,500,512)	(3,500,512)
Other Postemployment Benefit (OPEB) Obligation	(323,909)	323,909	-
Net position, beginning of year	2,217,496	(3,176,603)	(959,107)
Total Business-Type Activities	\$ 131,865,841	(23,638,524)	\$ 108,227,317
Government Wide Governmental Activities			
Deferred outflows of resources related to OPEB	\$ -	\$ -	\$ -
Other Postemployment Benefit (OPEB) Liability	-	(97,814,431)	(97,814,431)
Other Postemployment Benefit (OPEB) Obligation	(11,514,469)	11,514,469	-
Net position, beginning of year	342,630,976	(86,299,962)	256,331,014
Total Government Wide Governmental Activities	\$ 331,116,507	\$ (172,599,924)	\$ 158,516,583

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2018

20. SUBSEQUENT EVENT

On November 13, 2018, the City of Folsom (City) passed Resolution No. 10195, which approved an annexation agreement between the City and the Sacramento Regional Transit District (SacRT) to operate transit services currently operated by the City. The effective date of the annexation is proposed to be January 1, 2019, at which time the City's Transit Fund will be closed and all remaining transit-related revenues, assets, liabilities, and fund balance will be transferred to SacRT.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Pension Liability				
Service Cost	\$ 3,733,451	\$ 3,463,856	\$ 3,550,932	\$ 3,904,924
Interest on the total pension liability	12,026,923	12,827,742	13,405,790	13,879,289
Changes in benefit terms	-	819,877	282,187	34,533
Changes in assumptions	-	(3,280,830)	-	11,945,025
Differences between actual and expected experience	-	294,972	(2,420,273)	(2,802,533)
Benefit payments, including refunds of employee contributions	(5,784,838)	(6,486,519)	(6,795,160)	(8,072,643)
Net change in total pension liability	9,975,536	7,639,098	8,023,476	18,888,595
Total pension liability - beginning	161,384,658	171,360,194	178,999,292	187,022,768
Total pension liability - ending (a)	\$ 171,360,194	\$ 178,999,292	\$ 187,022,768	\$ 205,911,363
Plan fiduciary net position				
Contributions - employer	\$ 4,376,606	\$ 4,523,081	\$ 5,159,464	\$ 5,781,400
Contributions - employee	2,232,850	1,593,443	1,580,964	1,655,762
Net investment income	17,933,745	2,668,545	593,250	13,918,884
Benefit payments	(5,784,838)	(6,486,519)	(6,795,160)	(8,072,643)
Net Plan to Plan Resource Movement	-	-	-	2,162
Administrative expense	-	(138,974)	(75,236)	(182,949)
Net change in plan fiduciary net position	18,758,363	2,159,576	463,282	13,102,616
Plan fiduciary net position - beginning	102,531,433	121,289,796	123,449,372	123,743,093
Plan fiduciary net position - ending (b)	\$ 121,289,796	\$ 123,449,372	\$ 123,912,654	\$ 136,845,709
Net pension liability - ending (a)-(b)	\$ 50,070,398	\$ 55,549,920	\$ 63,110,114	\$ 69,065,654
Plan fiduciary net position as a percentage of the total pension liability	70.78%	68.97%	66.26%	66.46%
Covered payroll	22,140,150	21,527,190	22,082,925	21,890,526
Net pension liability as percentage of covered payroll	226.15%	258.05%	285.79%	315.50%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
	<u>Safety</u>	<u>Safety</u>	<u>Safety</u>	<u>Safety</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Pension Liability				
Service Cost	\$ 3,769,467	\$ 3,525,048	\$ 3,439,072	\$ 3,853,558
Interest on the total pension liability	10,582,614	11,200,515	11,862,083	12,440,896
Changes in benefit terms	-	253,356	254,592	304,817
Changes in assumptions	-	(2,937,784)	-	11,011,292
Differences between actual and expected experience	-	(106,665)	681,197	(165,828)
Benefit payments, including refunds of employee contributions	(5,802,650)	(6,454,000)	(7,486,831)	(7,953,218)
Net change in total pension liability	8,549,431	5,480,470	8,750,113	19,491,517
Total pension liability - beginning	142,118,102	150,667,533	156,148,003	164,898,116
Total pension liability - ending (a)	\$ 150,667,533	\$ 156,148,003	\$ 164,898,116	\$ 184,389,633
Plan fiduciary net position				
Contributions - employer	\$ 4,616,712	\$ 4,705,025	\$ 4,910,890	\$ 5,843,744
Contributions - employee	1,285,454	1,313,706	1,218,093	1,488,989
Net investment income	15,398,818	2,317,142	557,570	11,610,189
Benefit payments	(5,802,650)	(6,454,000)	(7,486,831)	(7,953,218)
Plan to Plan Resource Movement	-	(49,988)	-	-
Administrative Expense	-	(118,942)	(64,412)	(154,767)
Net change in plan fiduciary net position	15,498,334	1,712,943	(864,690)	10,834,937
Plan fiduciary net position - beginning	88,478,338	103,976,672	105,689,615	104,824,925
Plan fiduciary net position - ending (b)	\$ 103,976,672	\$ 105,689,615	\$ 104,824,925	\$ 115,659,862
Net pension liability - ending (a)-(b)	\$ 46,690,861	\$ 50,458,388	\$ 60,073,191	\$ 68,729,771
Plan fiduciary net position as a percentage of the total pension liability	69.01%	67.69%	63.57%	62.73%
Covered payroll	18,541,342	18,593,681	18,863,681	19,300,575
Net pension liability as percentage of covered payroll	251.82%	271.37%	318.46%	356.10%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017

Notes to Schedule:

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS – LAST 10 YEARS*

	<u>Miscellaneous Plan</u> <u>2015</u>	<u>Miscellaneous Plan</u> <u>2016</u>	<u>Miscellaneous Plan</u> <u>2017</u>	<u>Miscellaneous Plan</u> <u>2018</u>
Actuarially determined contribution	\$ 4,523,081	\$ 5,159,464	\$ 5,819,059	\$ 6,531,894
Contributions in relation to the actuarially determined contributions	(4,523,081)	(5,159,464)	(5,819,059)	(6,531,894)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,527,190	\$ 22,082,925	\$ 21,890,526	\$ 22,161,909
Contributions as a percentage of covered payroll	21.01%	23.36%	26.58%	29.47%
	<u>Safety Plan</u> <u>2015</u>	<u>Safety Plan</u> <u>2016</u>	<u>Safety Plan</u> <u>2017</u>	<u>Safety Plan</u> <u>2018</u>
Actuarially determined contribution	\$ 4,705,025	\$ 4,910,890	\$ 5,861,310	\$ 6,574,602
Contributions in relation to the actuarially determined contributions	(4,705,025)	(4,910,890)	(5,861,310)	(6,574,602)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,593,681	\$ 18,863,681	\$ 19,300,575	\$ 20,342,212
Contributions as a percentage of covered payroll	25.30%	26.03%	30.37%	32.32%

Notes to Schedule

	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Valuation date:				
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Market value	Market value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50%	7.50%	7.50%	7.50%
Retirement age	55	55	55	55
Mortality	Based on CalPERS Experience Study	Based on CalPERS Experience Study	Based on CalPERS Experience Study	Based on CalPERS Experience Study

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

As of the fiscal year ending June 30, 2018

Last Ten Years*

	2018	2017
Total OPEB liability		
Service cost	\$ 2,208,096	\$ 2,148,999
Interest	5,040,097	4,259,868
Changes in assumptions	(9,590,919)	-
Differences between actual and expected experience	-	-
Benefit payments, including refunds of employee contributions	(4,100,953)	(3,943,224)
Net change in total OPEB liability	(6,443,679)	2,465,643
Total OPEB liability -- beginning	115,494,096	113,028,453
Total OPEB liability -- ending (a)	\$ 109,050,417	\$ 115,494,096
Plan fiduciary net position		
Plan to plan resource movement	\$ -	\$ -
Contributions - employer	4,600,953	4,053,403
Contributions - employee	-	-
Net investment income	311,032	464,483
Differences between projected and actual earnings on plan investments	5,677	-
Administrative expenses	-	-
Benefit payments, including refunds of employee contributions	(4,100,953)	(3,603,403)
Net change in fiduciary net position	816,709	914,483
Plan fiduciary net position -- beginning	4,768,431	3,853,948
Plan fiduciary net position -- ending (b)	\$ 5,585,140	\$ 4,768,431
City's Net OPEB liability -- ending (a) - (b)	\$ 103,465,277	\$ 110,725,665
Plan fiduciary net position as a percentage of the total OPEB liability	5.12%	4.13%
Covered-employee payroll	\$ 42,504,121	\$ 41,191,102
City's Net OPEB liability as a percentage of covered-employee payroll	243.42%	268.81%
Measurement Date	June 30, 2018	June 30, 2017

Notes to Schedule

* Fiscal year 2017 was the first year of implementation, therefore, only two years are shown.

Schedule of Investment Returns

As of the fiscal year ending June 30, 2018

Last Ten Years*

	2018	2017
Annual money-weighted rate of return - net of investment expense	6.0%	10.9%

Notes to Schedule

* Fiscal year 2017 was the first year of implementation, therefore, only two years are shown.

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions

As of the fiscal year ending June 30, 2018
Last Ten Years*

	2018
Actuarially determined contributions	\$ 7,260,092
Contributions in relation to the actuarially determined contributions	<u>4,600,953</u>
Contribution deficiency (excess)	<u>\$ 2,659,139</u>
Covered-employee payroll	\$ 42,504,121
Contributions as a percentage of covered-employee payroll	10.82%

Notes to Schedule

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal year 2018 were from the June 30, 2017 actuarial valuation.

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	N/A
Amortization period	N/A
Asset valuation method	Bond Buyer 20 index
Inflation	2.75%
Healthcare Cost Trend Rate	4.00%
Salary Increase	2.75%
Investment Rate of Return	4.40%
Retirement age:	2009 CalPERS Rates for Misc and Safety Employees
Mortality:	2014 CalPERS experience study

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes

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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property	\$ 24,222,970	\$ 24,222,970	\$ 24,537,819	\$ 314,849
Sales and use	22,735,493	22,735,493	22,294,827	(440,666)
Transient occupancy	1,903,025	1,903,025	2,197,780	294,755
Real property transfer	439,750	439,750	526,629	86,879
Other	790,000	790,000	1,096,015	306,015
Licenses and permits	1,971,369	1,971,369	2,768,076	796,707
Vehicle license fees	6,225,442	6,225,442	6,484,423	258,981
Intergovernmental revenues	572,000	722,000	781,752	59,752
Charges for current services	12,450,155	15,261,549	15,521,751	260,202
Fines and forfeitures	260,406	260,406	153,532	(106,874)
Interest revenue	185,400	185,400	(1,135)	(186,535)
Miscellaneous	1,592,294	1,662,294	1,822,394	160,100
Total revenues	<u>73,348,304</u>	<u>76,379,698</u>	<u>78,183,863</u>	<u>1,804,165</u>
EXPENDITURES:				
Current operating:				
General government	18,003,098	18,003,098	17,607,014	396,084
Public safety	36,982,641	37,274,394	37,216,488	57,906
Public ways and facilities	6,483,411	6,663,411	6,610,529	52,882
Community services	4,814,699	7,610,699	6,196,867	1,413,832
Culture and recreation	12,727,493	12,812,887	14,249,229	(1,436,342)
Capital outlay	3,176,115	3,176,115	3,176,115	-
Debt service:				
Principal payments	227,812	227,812	227,812	-
Total expenditures	<u>82,415,269</u>	<u>85,768,416</u>	<u>85,284,054</u>	<u>484,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,066,965)</u>	<u>(9,388,718)</u>	<u>(7,100,191)</u>	<u>2,288,527</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	9,066,965	9,388,718	7,923,701	(1,465,017)
Total other financing sources (uses)	<u>9,066,965</u>	<u>9,388,718</u>	<u>7,923,701</u>	<u>(1,465,017)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>823,510</u>	<u>\$ 823,510</u>
FUND BALANCE, BEGINNING OF YEAR	<u>17,187,198</u>	<u>17,187,198</u>	<u>17,187,198</u>	
FUND BALANCE - ENDING	<u>\$ 17,187,198</u>	<u>\$ 17,187,198</u>	<u>\$ 18,010,708</u>	

Refer to Note to Required Supplementary Information

CITY OF FOLSOM, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOLSOM HOUSING SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Fines and Forfeitures	\$ -	\$ -	\$ 615,225	\$ 615,225
Charges for current services	125,000	125,000	19,123	(105,877)
Interest	33,804	33,804	28,659	(5,145)
Miscellaneous	(54,759)	(54,759)	9,812,877	9,867,636
Total revenues	<u>104,045</u>	<u>104,045</u>	<u>10,475,884</u>	<u>10,371,839</u>
EXPENDITURES:				
Current operating:				
General government	<u>100,000</u>	<u>100,000</u>	<u>18,667</u>	<u>81,333</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>18,667</u>	<u>81,333</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,045</u>	<u>4,045</u>	<u>10,457,217</u>	<u>10,453,172</u>
OTHER FINANCING USES:				
Transfers out	<u>(4,045)</u>	<u>(4,045)</u>	<u>(4,045)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(4,045)</u>	<u>(4,045)</u>	<u>(4,045)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	10,453,172	<u>\$ 10,453,172</u>
FUND BALANCE - BEGINNING OF YEAR	<u>11,978,926</u>	<u>11,978,926</u>	<u>11,978,926</u>	
FUND BALANCE - END OF YEAR	<u>\$ 11,978,926</u>	<u>\$ 11,978,926</u>	<u>\$ 22,432,098</u>	

City of Folsom

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

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, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 11,993,509	\$ 11,993,509	\$ 3,116,290	\$ (8,877,219)
Investment income (loss)	4,180,111	4,180,111	(12,613,346)	(16,793,457)
Total revenues	<u>16,173,620</u>	<u>16,173,620</u>	<u>(9,495,944)</u>	<u>(25,669,564)</u>
EXPENDITURES				
General Government	-	-	271,866	(271,866)
Debt service:				
Principal	10,942,675	10,942,675	6,844,280	4,098,395
Interest and fiscal charges	4,830,946	4,830,946	1,507,305	3,323,641
Total expenditures	<u>15,773,621</u>	<u>15,773,621</u>	<u>8,623,451</u>	<u>7,150,170</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>399,999</u>	<u>399,999</u>	<u>(18,119,395)</u>	<u>(18,519,394)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(399,999)	(399,999)	-	399,999
TOTAL OTHER FINANCING SOURCES (USES)	<u>(399,999)</u>	<u>(399,999)</u>	<u>(5,650,000)</u>	<u>(5,250,001)</u>
NET CHANGE IN FUND BALANCE	-	-	(23,769,395)	<u>\$ (23,769,395)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>120,642,943</u>	<u>120,642,943</u>	<u>105,275,808</u>	
FUND BALANCE - END OF YEAR	<u>\$ 120,642,943</u>	<u>\$ 120,642,943</u>	<u>\$ 81,506,413</u>	

CITY OF FOLSOM, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOLSOM RANCH FINANCING AUTHORITY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 1,012,733	\$ 882,733
Investment income (loss)	275,669	275,669	8,455,753	8,180,084
Total revenues	<u>405,669</u>	<u>405,669</u>	<u>9,468,486</u>	<u>9,062,817</u>
EXPENDITURES				
Debt service:				
Principal	275,669	275,669	130,000	145,669
Interest and fiscal charges	130,000	130,000	1,012,733	(882,733)
Total expenditures	<u>405,669</u>	<u>405,669</u>	<u>1,142,733</u>	<u>(737,064)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,325,753</u>	<u>8,325,753</u>
OTHER FINANCING USES				
Bond issuance	-	-	41,785,000	41,785,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>41,785,000</u>	<u>41,785,000</u>
NET CHANGE IN FUND BALANCE	-	-	50,110,753	<u>\$ 50,110,753</u>
FUND BALANCE - BEGINNING OF YEAR	<u>7,137,571</u>	<u>7,137,571</u>	<u>7,137,571</u>	
FUND BALANCE - END OF YEAR	<u>\$ 7,137,571</u>	<u>\$ 7,137,571</u>	<u>\$ 57,248,324</u>	

City of Folsom

NOTE TO OTHER SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

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, 2018:

<u>Fund</u>	<u>Expenditures in excess of appropriations</u>
Folsom Ranch Financing Authority Debt Service Fund	\$ 737,064

**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, 2018**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 14,395,888	\$ 1,497,412	\$ 11,575,572	\$ 431,713	\$ 27,900,585
Cash with fiscal agent	-	-	190,919	-	190,919
Receivables					
General accounts	46,568	33,563	-	-	80,131
Accrued interest	95,804	8,780	70,327	2,405	177,316
Loans	3,804,952	-	-	-	3,804,952
Special assessments - delinquent	-	41,329	-	-	41,329
Due from other governments	283,548	491	22,256	-	306,295
Restricted assets:					
Cash and cash equivalents	92,000	-	-	-	92,000
Total assets	<u>\$ 18,718,760</u>	<u>\$ 1,581,575</u>	<u>\$ 11,859,074</u>	<u>\$ 434,118</u>	<u>\$ 32,593,527</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,214,357	\$ -	\$ 961,674	\$ -	\$ 2,176,031
Wages payable	-	-	6,156	-	6,156
Due to other funds	528,398	-	1,047,339	-	1,575,737
Unearned revenue	554,700	-	-	-	554,700
Total liabilities	<u>2,297,455</u>	<u>-</u>	<u>2,015,169</u>	<u>-</u>	<u>4,312,624</u>
DEFERRED INFLOWS OF RESOURCES					
Special assessments not collected		41,329			41,329
FUND BALANCES:					
Nonspendable	-	-	-	429,294	429,294
Restricted	9,012,188	1,994,427	9,754,898	4,824	20,766,337
Committed	5,201,522	-	-	-	5,201,522
Assigned	2,953,192	344,219	140,559	-	3,437,970
Unassigned	(745,597)	(798,400)	(51,552)	-	(1,595,549)
Total fund balances	<u>16,421,305</u>	<u>1,540,246</u>	<u>9,843,905</u>	<u>434,118</u>	<u>28,239,574</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,718,760</u>	<u>\$ 1,581,575</u>	<u>\$ 11,859,074</u>	<u>\$ 434,118</u>	<u>\$ 32,593,527</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES:					
Licenses and permits	\$ 7,229	\$ -	\$ -	\$ -	\$ 7,229
Intergovernmental revenues	4,917,818	-	22,256	-	4,940,074
Charges for current services	5,948,979	-	9,446,959	-	15,395,938
Fines and forfeitures	152,582	-	-	-	152,582
Assessment collections	-	35,728	-	-	35,728
Investment income (loss)	197,145	20,286	192,329	6,340	416,100
Miscellaneous	45,505	-	595,441	-	640,946
Total revenues	11,269,258	56,014	10,256,985	6,340	21,588,597
EXPENDITURES:					
Current:					
General government	961,885	-	-	-	961,885
Public ways and facilities	3,312,434	-	1,512,068	-	4,824,502
Culture and recreation	100,279	-	-	-	100,279
Capital outlay	3,069,838	-	9,321,111	-	12,390,949
Debt service:					
Principal payments	-	825,000	-	-	825,000
Interest and fiscal charges	-	20,138	-	-	20,138
Total expenditures	7,444,436	845,138	10,833,179	-	19,122,753
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,824,822	(789,124)	(576,194)	6,340	2,465,844
OTHER FINANCING SOURCES (USES):					
Issuance of loan			1,790,000		1,790,000
Transfers in	40,063	-	100,000	-	140,063
Transfers out	(2,439,743)	(9,276)	(1,644,104)	(1,516)	(4,094,639)
Total other financing sources (uses)	(2,399,680)	(9,276)	245,896	(1,516)	(2,164,576)
NET CHANGE IN FUND BALANCES	1,425,142	(798,400)	(330,298)	4,824	301,268
FUND BALANCES, BEGINNING OF YEAR	14,996,163	2,338,646	10,174,203	429,294	27,938,306
FUND BALANCES, END OF YEAR	\$ 16,421,305	\$ 1,540,246	\$ 9,843,905	\$ 434,118	\$ 28,239,574

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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:

Road Maint/Rehab – To account for money apportioned under Streets and Highways Code Sec. 2032.

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

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

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

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

Light and Landscape Districts:

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

Los Cerros	Briggs Ranch	Natoma Station
Folsom Heights	Broadstone Unit 3	Broadstone
Hannaford Cross	Lake Natoma Shores	Cobble Hills/Reflections
Sierra Estates	Lakeridge Estates	La Collina Del Lago
Cobble Ridge	Prairie Oaks Ranch	Silverbrook
Willow Creek East	Blue Ravine Oaks	Steeplechase
Willow Creek So.	American River Canyon No.	Willow Springs
Willow Springs Maint. Dist.	CFD# 12 Maint. Dist.	CFD# 13 ARC Maint. Dist.
American River Canyon #2	The Residences at ARC No.	Fieldstone Meadows
ARC L&L Dist #3	Blue Ravine Oaks No. 2	Folsom Heights L&L 2
Broadstone L&L 4	CFD #16 Islands Maint. Dist.	Willow Creek Estates 2
Prospect Ridge	CFD#18 Maint Dist.	

Transportation System Management:

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

Community Development Block Grant:

To account for Community Development Grant monies.

Humbug Willow Creek:

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

General Plan Amendment:

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

Tree Planting:

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

Zoo Special Revenue:

To account for revenues and expenditures for designated zoo activities.

Other Special Revenue:

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

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

Housing Trust Special Revenue
Sphere of Influence
Police Officer Training Fund

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CITY OF FOLSOM, CALIFORNIA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2018

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Traffic Congestion Relief
ASSETS				
Cash and cash equivalents	\$ 572,019	\$ 129,148	\$ 2,338,331	\$ 89,861
Receivables				
General accounts	-	-	-	-
Accrued interest	2,702	802	8,571	182
Loans	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	36,000	-	-
Total assets	<u>\$ 574,721</u>	<u>\$ 165,950</u>	<u>\$ 2,346,902</u>	<u>\$ 90,043</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 72,406	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	456,248	-	-	-
Total liabilities	<u>528,654</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	115,950	-	90,043
Committed	-	-	2,346,902	-
Assigned	46,067	50,000	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>46,067</u>	<u>165,950</u>	<u>2,346,902</u>	<u>90,043</u>
Total liabilities and fund balances (deficit)	<u>\$ 574,721</u>	<u>\$ 165,950</u>	<u>\$ 2,346,902</u>	<u>\$ 90,043</u>

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
				ASSETS
\$ 2,803,662	\$ 5,298,170	\$ 63,376	\$ 63,976	Cash and cash equivalents
				Receivables
-	11,048	-	30,963	General accounts
21,500	29,205	607	421	Accrued interest
-	-	-	126,234	Loans
196,310	52,023	-	-	Due from other governments
				Restricted assets:
-	-	41,000	-	Cash and cash equivalents
<u>\$ 3,021,472</u>	<u>\$ 5,390,446</u>	<u>\$ 104,983</u>	<u>\$ 221,594</u>	Total assets
				LIABILITIES AND FUND BALANCE
				LIABILITIES
\$ 399,328	\$ 383,257	\$ -	\$ 7,940	Accounts payable
-	-	-	-	Due to other funds
-	-	-	-	Unearned revenue
<u>399,328</u>	<u>383,257</u>	<u>-</u>	<u>7,940</u>	Total liabilities
				FUND BALANCES
2,622,144	5,007,189	-	213,654	Restricted
-	-	104,983	-	Committed
-	-	-	-	Assigned
-	-	-	-	Unassigned
<u>2,622,144</u>	<u>5,007,189</u>	<u>104,983</u>	<u>213,654</u>	Total fund balances (deficit)
<u>\$ 3,021,472</u>	<u>\$ 5,390,446</u>	<u>\$ 104,983</u>	<u>\$ 221,594</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, 2018

	Humbug Willow Creek	General Plan Amendment	Tree Planting
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 930,919
Receivables			
General accounts	-	-	-
Accrued interest	-	649	4,890
Loans	-	-	-
Due from other governments	35,215	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ 35,215	\$ 649	\$ 935,809
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 303,023	\$ -	\$ -
Due to other funds	525,961	2,437	-
Unearned revenue	40	-	-
Total liabilities	829,024	2,437	-
 FUND BALANCES			
Restricted	-	-	-
Committed	-	-	935,809
Assigned	-	-	-
Unassigned	(793,809)	(1,788)	-
Total fund balances (deficit)	(793,809)	(1,788)	935,809
Total liabilities and fund balances (deficit)	\$ 35,215	\$ 649	\$ 935,809

Zoo	Other	Total Nonmajor Special Revenue Funds
\$ 122,988	\$ 1,983,438	\$ 14,395,888
1,557	3,000	46,568
566	25,709	95,804
-	3,678,718	3,804,952
-	-	283,548
-	15,000	92,000
<u>\$ 125,111</u>	<u>\$ 5,705,865</u>	<u>\$ 18,718,760</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

\$ -	\$ 48,403	\$ 1,214,357
-	-	528,398
-	98,412	554,700
-	146,815	2,297,455

Accounts payable
Due to other funds
Unearned revenue

Total liabilities

FUND BALANCES

125,111	838,097	9,012,188
-	1,813,828	5,201,522
-	2,907,125	3,003,192
-	-	(795,597)
<u>125,111</u>	<u>5,559,050</u>	<u>16,421,305</u>
<u>\$ 125,111</u>	<u>\$ 5,705,865</u>	<u>\$ 18,718,760</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, 2018

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Traffic Congestion Relief
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	113,138	-	89,269
Charges for current services	378,613	-	1,580,609	-
Fines and forfeitures	-	-	-	-
Interest	7,901	1,441	216	774
Miscellaneous	-	-	-	-
Total revenues	<u>386,514</u>	<u>114,579</u>	<u>1,580,825</u>	<u>90,043</u>
EXPENDITURES:				
Current:				
General government	340,010	-	-	-
Public ways and facilities	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>340,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>46,504</u>	<u>114,579</u>	<u>1,580,825</u>	<u>90,043</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(50,000)	(108,630)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(50,000)</u>	<u>(108,630)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	46,504	64,579	1,472,195	90,043
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(437)</u>	<u>101,371</u>	<u>874,707</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 46,067</u>	<u>\$ 165,950</u>	<u>\$ 2,346,902</u>	<u>\$ 90,043</u>

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
\$ -	\$ -	\$ -	\$ -	REVENUES:
2,047,954	-	-	77,041	Licenses and permits
-	2,976,378	29,652	1,212	Intergovernmental
-	-	-	-	Charges for current services
56,155	80,069	1,429	-	Fines and forfeitures
-	1,940	-	2,447	Interest
<u>2,104,109</u>	<u>3,058,387</u>	<u>31,081</u>	<u>80,700</u>	Miscellaneous
				Total revenues
-	-	-	-	EXPENDITURES:
477,923	2,703,780	-	102,618	Current:
-	-	-	-	General government
713,547	-	-	-	Public ways and facilities
<u>1,191,470</u>	<u>2,703,780</u>	<u>-</u>	<u>102,618</u>	Culture and recreation
				Capital Outlay
				Total expenditures
<u>912,639</u>	<u>354,607</u>	<u>31,081</u>	<u>(21,918)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	-	OTHER FINANCING SOURCES (USES):
(1,701,292)	(430,143)	(20,000)	(7,054)	Transfers in
				Transfers out
<u>(1,701,292)</u>	<u>(430,143)</u>	<u>(20,000)</u>	<u>(7,054)</u>	TOTAL OTHER FINANCING SOURCES (USES)
(788,653)	(75,536)	11,081	(28,972)	NET CHANGE IN FUND BALANCES
<u>3,410,797</u>	<u>5,082,725</u>	<u>93,902</u>	<u>242,626</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 2,622,144</u>	<u>\$ 5,007,189</u>	<u>\$ 104,983</u>	<u>\$ 213,654</u>	FUND BALANCES (DEFICIT), END OF YEAR

Continued on next page

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON MAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Humbug Willow Creek	General Plan Amendment	Tree Planting
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	2,590,416	-	-
Charges for current services	146,538	82,033	211,951
Fines and forfeitures	-	-	-
Interest	229	1,242	13,434
Miscellaneous	-	-	-
Total revenues	<u>2,737,183</u>	<u>83,275</u>	<u>225,385</u>
EXPENDITURES:			
Current:			
General government	-	236,960	-
Public ways and facilities	-	-	2,881
Culture and recreation	95,889	-	-
Capital Outlay	2,356,293	-	-
Total expenditures	<u>2,452,182</u>	<u>236,960</u>	<u>2,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>285,001</u>	<u>(153,685)</u>	<u>222,504</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	40,063	-	-
Transfers out	-	-	(51,254)
TOTAL OTHER FINANCING SOURCES (USES)	<u>40,063</u>	<u>-</u>	<u>(51,254)</u>
NET CHANGE IN FUND BALANCES	325,064	(153,685)	171,250
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(1,118,873)</u>	<u>151,897</u>	<u>764,559</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (793,809)</u>	<u>\$ (1,788)</u>	<u>\$ 935,809</u>

<u>Zoo</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>	
			REVENUES:
\$ -	\$ 7,229	\$ 7,229	Licenses and permits
-	-	4,917,818	Intergovernmental
19,455	522,538	5,948,979	Charges for current services
-	152,582	152,582	Fines and forfeitures
1,668	32,587	197,145	Interest
12,359	28,759	45,505	Miscellaneous
<u>33,482</u>	<u>743,695</u>	<u>11,269,258</u>	Total revenues
			EXPENDITURES:
			Current:
-	384,915	961,885	General government
-	25,230	3,312,432	Public ways and facilities
-	4,390	100,279	Culture and recreation
-	-	3,069,840	Capital Outlay
<u>-</u>	<u>414,535</u>	<u>7,444,436</u>	Total expenditures
<u>33,482</u>	<u>329,160</u>	<u>3,824,822</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
			OTHER FINANCING SOURCES (USES):
-	-	40,063	Transfers in
-	(71,370)	(2,439,743)	Transfers out
<u>-</u>	<u>(71,370)</u>	<u>(2,399,680)</u>	TOTAL OTHER FINANCING SOURCES (USES)
33,482	257,790	1,425,142	NET CHANGE IN FUND BALANCES
<u>91,629</u>	<u>5,301,260</u>	<u>14,996,163</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 125,111</u>	<u>\$ 5,559,050</u>	<u>\$ 16,421,305</u>	FUND BALANCES (DEFICIT), END OF YEAR

**CITY OF FOLSOM, CALIFORNIA
 PLANNING SERVICES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	\$ 555,704	\$ 378,613	\$ (177,091)
Interest	-	-	7,901	7,901
Total revenues	<u>200,000</u>	<u>555,704</u>	<u>386,514</u>	<u>(169,190)</u>
EXPENDITURES				
Current operating:				
General government	<u>200,000</u>	<u>555,704</u>	<u>340,010</u>	<u>215,694</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>46,504</u>	<u>46,504</u>
NET CHANGE IN FUND BALANCE	-	-	46,504	<u>\$ 46,504</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(437)</u>	<u>(437)</u>	<u>(437)</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ (437)</u>	<u>\$ (437)</u>	<u>\$ 46,067</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 113,138	\$ (186,862)
Other	(182,080)	(182,080)	-	182,080
Interest	-	-	1,441	1,441
Total revenues	<u>117,920</u>	<u>117,920</u>	<u>114,579</u>	<u>(3,341)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>117,920</u>	<u>117,920</u>	<u>114,579</u>	<u>(3,341)</u>
OTHER FINANCING USES				
Transfers out	<u>(117,920)</u>	<u>(117,920)</u>	<u>(50,000)</u>	<u>67,920</u>
NET CHANGE IN FUND BALANCE	-	-	64,579	<u>\$ 64,579</u>
FUND BALANCE - BEGINNING OF YEAR	<u>101,371</u>	<u>101,371</u>	<u>101,371</u>	
FUND BALANCE - END OF YEAR	<u>\$ 101,371</u>	<u>\$ 101,371</u>	<u>\$ 165,950</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 970,000	\$ 970,000	\$ 1,580,609	\$ 610,609
Interest	15,000	15,000	216	(14,784)
Miscellaneous	<u>(609,725)</u>	<u>(475,212)</u>	<u>-</u>	<u>475,212</u>
Total revenues	<u>375,275</u>	<u>509,788</u>	<u>1,580,825</u>	<u>1,071,037</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>366,645</u>	<u>501,158</u>	<u>-</u>	<u>501,158</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,630</u>	<u>8,630</u>	<u>1,580,825</u>	<u>1,572,195</u>
OTHER FINANCING USES				
Transfers out	<u>(8,630)</u>	<u>(8,630)</u>	<u>(108,630)</u>	<u>(100,000)</u>
NET CHANGE IN FUND BALANCE	-	-	1,472,195	<u>\$ 1,472,195</u>
FUND BALANCE - BEGINNING OF YEAR	<u>874,707</u>	<u>874,707</u>	<u>874,707</u>	
FUND BALANCE - END OF YEAR	<u>\$ 874,707</u>	<u>\$ 874,707</u>	<u>\$ 2,346,902</u>	

**CITY OF FOLSOM, CALIFORNIA
TRAFFIC CONGESTION RELIEF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 89,269	\$ 89,269
Interest	-	-	774	774
Miscellaneous	-	-	-	-
Total revenues	-	-	90,043	90,043
EXPENDITURES:				
Current operating:				
Public ways and facilities	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	90,043	90,043
NET CHANGE IN FUND BALANCE	-	-	90,043	\$ 90,043
FUND BALANCE - BEGINNING OF YEAR	-	-	-	
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 90,043	

**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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$1,621,723	\$1,621,723	\$2,047,954	\$ 426,231
Interest	-	-	56,155	56,155
Miscellaneous	<u>1,208,065</u>	<u>1,208,065</u>	<u>-</u>	<u>(1,208,065)</u>
Total revenues	<u>2,829,788</u>	<u>2,829,788</u>	<u>2,104,109</u>	<u>(725,679)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	-	445,000	477,925	(32,925)
Capital Outlay	<u>800,000</u>	<u>800,000</u>	<u>713,545</u>	<u>86,455</u>
Total expenditures	800,000	1,245,000	1,191,470	53,530
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,029,788</u>	<u>1,584,788</u>	<u>912,639</u>	<u>(672,149)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(2,029,788)</u>	<u>(2,029,788)</u>	<u>(1,701,292)</u>	<u>328,496</u>
NET CHANGE IN FUND BALANCE	-	(445,000)	(788,653)	<u>\$ (343,653)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,410,797</u>	<u>3,410,797</u>	<u>3,410,797</u>	
FUND BALANCE - END OF YEAR	<u>\$3,410,797</u>	<u>\$2,965,797</u>	<u>\$2,622,144</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 3,005,500	\$ 3,005,500	\$ 2,976,378	\$ (29,122)
Interest	65,650	65,650	80,069	14,419
Miscellaneous	42,095	42,095	1,940	(40,155)
Total revenues	<u>3,113,245</u>	<u>3,113,245</u>	<u>3,058,387</u>	<u>(54,858)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>2,684,248</u>	<u>2,684,248</u>	<u>2,703,780</u>	<u>(19,532)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>428,997</u>	<u>428,997</u>	<u>354,607</u>	<u>(74,390)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(428,997)</u>	<u>(428,997)</u>	<u>(430,143)</u>	<u>(1,146)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(428,997)</u>	<u>(428,997)</u>	<u>(430,143)</u>	<u>(1,146)</u>
NET CHANGE IN FUND BALANCE	-	-	(75,536)	<u>\$ (75,536)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>5,082,725</u>	<u>5,082,725</u>	<u>5,082,725</u>	
FUND BALANCE - END OF YEAR	<u>\$ 5,082,725</u>	<u>\$ 5,082,725</u>	<u>\$ 5,007,189</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 30,000	\$ 30,000	\$ 29,652	\$ (348)
Intergovernmental	26,960	26,960	-	(26,960)
Interest	700	700	1,429	729
Total revenues	<u>57,660</u>	<u>57,660</u>	<u>31,081</u>	<u>(26,579)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>57,660</u>	<u>57,660</u>	<u>31,081</u>	<u>(26,579)</u>
OTHER FINANCING USES:				
Transfers out	<u>(57,660)</u>	<u>(57,660)</u>	<u>(20,000)</u>	<u>37,660</u>
NET CHANGE IN FUND BALANCE	-	-	11,081	<u>\$ 11,081</u>
FUND BALANCE - BEGINNING OF YEAR	<u>93,902</u>	<u>93,902</u>	<u>93,902</u>	
FUND BALANCE - END OF YEAR	<u>\$ 93,902</u>	<u>\$ 93,902</u>	<u>\$ 104,983</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, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ 165,000	\$ 165,000	\$ 77,041	\$ (87,959)
Charges for current services	-	-	1,212	1,212
Interest	7,054	7,054	-	(7,054)
Miscellaneous	-	-	2,447	2,447
Total revenues	<u>172,054</u>	<u>172,054</u>	<u>80,700</u>	<u>(91,354)</u>
EXPENDITURES:				
Current Operating:				
Public ways and facilities	<u>165,000</u>	<u>165,000</u>	<u>102,618</u>	<u>62,382</u>
Total expenditures	<u>165,000</u>	<u>165,000</u>	<u>102,618</u>	<u>62,382</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,054</u>	<u>7,054</u>	<u>(21,918)</u>	<u>(28,972)</u>
OTHER FINANCING USES:				
Transfers out	<u>(7,054)</u>	<u>(7,054)</u>	<u>(7,054)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(28,972)	<u>\$ (28,972)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>242,626</u>	<u>242,626</u>	<u>242,626</u>	
FUND BALANCE - END OF YEAR	<u>\$ 242,626</u>	<u>\$ 242,626</u>	<u>\$ 213,654</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ 3,109,710	\$ 2,590,416	\$ (519,294)
Charges for current services	40,000	40,000	146,538	106,538
Interest	-	3,124,937	229	(3,124,708)
Miscellaneous	-	-	-	-
Total revenues	<u>40,000</u>	<u>6,274,647</u>	<u>2,737,183</u>	<u>(3,537,464)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	165,643	165,643	95,889	69,754
Capital outlay	-	6,234,647	2,356,293	3,878,354
Total expenditures	<u>165,643</u>	<u>6,400,290</u>	<u>2,452,182</u>	<u>3,948,108</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(125,643)</u>	<u>(125,643)</u>	<u>285,001</u>	<u>410,644</u>
OTHER FINANCING USES:				
Transfers in	<u>125,643</u>	<u>125,643</u>	<u>40,063</u>	<u>(85,580)</u>
NET CHANGE IN FUND BALANCE	-	-	325,064	<u>\$ 325,064</u>
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(1,118,873)</u>	<u>(1,118,873)</u>	<u>(1,118,873)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (1,118,873)</u>	<u>\$ (1,118,873)</u>	<u>\$ (793,809)</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 60,000	\$ 60,000	\$ 82,033	\$ 22,033
Intergovernmental	-	-	-	-
Interest	1,000	1,000	1,242	242
Miscellaneous	289,000	289,000	-	(289,000)
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>83,275</u>	<u>(266,725)</u>
EXPENDITURES:				
Current operating:				
General government	350,000	350,000	236,960	113,040
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>236,960</u>	<u>113,040</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(153,685)</u>	<u>(153,685)</u>
NET CHANGE IN FUND BALANCE	-	-	(153,685)	<u>\$ (153,685)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>151,897</u>	<u>151,897</u>	<u>151,897</u>	
FUND BALANCE - END OF YEAR	<u>\$ 151,897</u>	<u>\$ 151,897</u>	<u>\$ (1,788)</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	-
Charges for current services	90,000	90,000	211,951	121,951
Fines and forfeitures	-	-	-	-
Interest	6,000	6,000	13,434	7,434
Miscellaneous	25,487	25,487	-	(25,487)
Total revenues	<u>121,487</u>	<u>121,487</u>	<u>225,385</u>	<u>103,898</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	82,200	83,736	2,881	80,855
Total expenditures	<u>82,200</u>	<u>83,736</u>	<u>2,881</u>	<u>80,855</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>39,287</u>	<u>37,751</u>	<u>222,504</u>	<u>184,753</u>
OTHER FINANCING USES:				
Transfers out	<u>(39,287)</u>	<u>(37,751)</u>	<u>(51,254)</u>	<u>(13,503)</u>
NET CHANGE IN FUND BALANCE	-	-	171,250	<u>\$ 171,250</u>
FUND BALANCE - BEGINNING OF YEAR	<u>764,559</u>	<u>764,559</u>	<u>764,559</u>	
FUND BALANCE - END OF YEAR	<u>\$ 764,559</u>	<u>\$ 764,559</u>	<u>\$ 935,809</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 19,000	\$ 19,000	\$ 19,455	\$ 455
Interest	-	-	1,668	1,668
Miscellaneous	(9,000)	21,000	12,359	(8,641)
Total revenues	<u>10,000</u>	<u>40,000</u>	<u>33,482</u>	<u>(6,518)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>30,000</u>	<u>33,482</u>	<u>3,482</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>30,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>30,000</u>
NET CHANGE IN FUND BALANCE	-	-	33,482	<u>\$ 33,482</u>
FUND BALANCE - BEGINNING OF YEAR	<u>91,629</u>	<u>91,629</u>	<u>91,629</u>	
FUND BALANCE - END OF YEAR	<u>\$ 91,629</u>	<u>\$ 91,629</u>	<u>\$ 125,111</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 7,229	\$ 7,229
Intergovernmental	-	-	-	-
Charges for current services	526,500	526,500	522,538	(3,962)
Fines and forfeitures	-	-	152,582	152,582
Interest	12,300	12,300	32,587	20,287
Miscellaneous	42,570	184,323	28,759	(155,564)
Total revenues	581,370	723,123	743,695	20,572
EXPENDITURES:				
Current operating:				
General government	505,000	505,000	384,915	120,085
Public ways and facilities		-	25,230	(25,230)
Culture and recreation	5,000	5,000	4,390	610
Total expenditures	510,000	510,000	414,535	95,465
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	71,370	213,123	329,160	116,037
OTHER FINANCING USES:				
Transfers out	(71,370)	(213,123)	(71,370)	141,753
TOTAL OTHER FINANCING SOURCES (USES)	(71,370)	(213,123)	(71,370)	141,753
NET CHANGE IN FUND BALANCE	-	-	257,790	\$ 257,790
FUND BALANCE - BEGINNING OF YEAR	5,301,260	5,301,260	5,301,260	
FUND BALANCE - END OF YEAR	\$ 5,301,260	\$ 5,301,260	\$ 5,559,050	

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, 2018

	1915 Assessment Districts	Community Correctional Facility	City Parks and Signals
ASSETS			
Cash and cash equivalents	\$ 1,054,362	\$ 296,255	\$ 48,880
Receivables:			
General accounts	-	-	-
Accrued interest	5,836	1,640	277
Special assessments - delinquent	41,329	-	-
Due from other governments	-	-	-
Total assets	\$ 1,101,527	\$ 297,895	\$ 49,157
DEFERRED INFLOWS OF RESOURCES:			
Special Assessments not collected	\$ 41,329	\$ -	\$ -
Total deferred inflows of resources	41,329	-	-
FUND BALANCES:			
Restricted	1,060,198	-	-
Assigned	-	297,895	49,157
Total fund balances	1,060,198	297,895	49,157
Total deferred inflows and fund balances	\$ 1,101,527	\$ 297,895	\$ 49,157

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Total Nonmajor Debt Service Funds</u>	
ASSETS			
\$ 45,489	\$ 52,426	\$ 1,497,412	Cash and cash equivalents
-	33,563	33,563	Receivables:
734	293	8,780	General accounts
-	-	41,329	Accrued interest
491	-	491	Special assessments - delinquent
<u>491</u>	<u>-</u>	<u>491</u>	Due from other governments
<u>\$ 46,714</u>	<u>\$ 86,282</u>	<u>\$ 1,581,575</u>	Total assets
DEFERRED INFLOWS OF RESOURCES:			
\$ -	\$ -	\$ 41,329	Special Assessments not collected
<u>-</u>	<u>-</u>	<u>41,329</u>	Total deferred inflows of resources
FUND BALANCES:			
46,714	86,282	1,193,194	Restricted
<u>-</u>	<u>-</u>	<u>347,052</u>	Assigned
<u>46,714</u>	<u>86,282</u>	<u>1,540,246</u>	Total fund balances
<u>\$ 46,714</u>	<u>\$ 86,282</u>	<u>\$ 1,581,575</u>	Total deferred inflows and fund balances

CITY OF FOLSOM, CALIFORNIA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>1915 Assessment Districts</u>	<u>Community Correctional Facility</u>	<u>City Parks and Signals</u>
REVENUES:			
Assessment collections	\$ -	\$ -	\$ -
Investment income (loss)	15,494	4,354	729
	<u>15,494</u>	<u>4,354</u>	<u>729</u>
Total revenues	<u>15,494</u>	<u>4,354</u>	<u>729</u>
EXPENDITURES:			
Debt service:			
Principal payments	-	-	-
Interest and fiscal charges	-	-	2,250
	<u>-</u>	<u>-</u>	<u>2,250</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>2,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>15,494</u>	<u>4,354</u>	<u>(1,521)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	15,494	4,354	(1,521)
FUND BALANCES, BEGINNING OF YEAR	<u>1,044,704</u>	<u>293,541</u>	<u>50,678</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,060,198</u>	<u>\$ 297,895</u>	<u>\$ 49,157</u>

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Total Nonmajor Debt Service Funds</u>	
			REVENUES:
\$ 35,728	\$ -	\$ 35,728	Assessment collections
(1,054)	763	20,286	Investment income (loss)
<u>34,674</u>	<u>763</u>	<u>56,014</u>	Total revenues
			EXPENDITURES:
			Debt service:
825,000	-	825,000	Principal payments
17,888	-	20,138	Interest and fiscal charges
<u>842,888</u>	<u>-</u>	<u>845,138</u>	Total expenditures
			EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
<u>(808,214)</u>	<u>763</u>	<u>(789,124)</u>	
			OTHER FINANCING SOURCES (USES):
<u>(9,276)</u>	<u>-</u>	<u>(9,276)</u>	Transfers Out
			Total other financing sources (uses)
<u>(9,276)</u>	<u>-</u>	<u>(9,276)</u>	
(817,490)	763	(798,400)	NET CHANGE IN FUND BALANCES
<u>864,204</u>	<u>85,519</u>	<u>2,338,646</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 46,714</u>	<u>\$ 86,282</u>	<u>\$ 1,540,246</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, 2018**

	<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	-	-	15,494	15,494
Total revenues	<u>-</u>	<u>-</u>	<u>15,494</u>	<u>15,494</u>
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>15,494</u>	<u>15,494</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	15,494	<u>\$ 15,494</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,044,704</u>	<u>1,044,704</u>	<u>1,044,704</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,044,704</u>	<u>\$ 1,044,704</u>	<u>\$ 1,060,198</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	4,354	4,354
Total revenues	-	-	4,354	4,354
EXPENDITURES				
General Government	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	4,354	4,354
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	4,354	<u>\$ 4,354</u>
FUND BALANCE - BEGINNING OF YEAR	<u>293,541</u>	<u>293,541</u>	<u>293,541</u>	
FUND BALANCE - END OF YEAR	<u>\$ 293,541</u>	<u>\$ 293,541</u>	<u>\$ 297,895</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ 342	\$ 729	\$ 387
Miscellaneous	-	-	-	-
Total revenues	-	342	729	387
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	2,250	(2,250)
Total expenditures	-	-	2,250	(2,250)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	342	(1,521)	(1,863)
OTHER FINANCING USES				
Transfers out	-	(342)	-	342
NET CHANGE IN FUND BALANCE	-	-	(1,521)	<u>\$ (1,521)</u>
FUND BALANCE - BEGINNING OF YEAR	50,678	50,678	50,678	
FUND BALANCE - END OF YEAR	<u>\$ 50,678</u>	<u>\$ 50,678</u>	<u>\$ 49,157</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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Assessment collections	\$ -	\$ -	\$ 35,728	\$ 35,728
Interest	8,000	8,000	(1,054)	(9,054)
Miscellaneous	842,776	842,776	-	(842,776)
Total revenues	<u>850,776</u>	<u>850,776</u>	<u>34,674</u>	<u>(816,102)</u>
EXPENDITURES				
Debt service:				
Principal	825,000	825,000	825,000	-
Interest and fiscal charges	16,500	16,500	17,888	(1,388)
Total expenditures	<u>841,500</u>	<u>841,500</u>	<u>842,888</u>	<u>(1,388)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,276</u>	<u>9,276</u>	<u>(808,214)</u>	<u>(817,490)</u>
OTHER FINANCING USES				
Transfers out	<u>(9,276)</u>	<u>(9,276)</u>	<u>(9,276)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,276)</u>	<u>(9,276)</u>	<u>(9,276)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(817,490)	<u><u>\$ (817,490)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>864,204</u>	<u>864,204</u>	<u>864,204</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 864,204</u></u>	<u><u>\$ 864,204</u></u>	<u><u>\$ 46,714</u></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, 2018**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 763	\$ 763
Total revenues	-	-	763	763
EXPENDITURES				
General Government	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	763	763
OTHER FINANCING USES				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	763	<u>\$ 763</u>
FUND BALANCE - BEGINNING OF YEAR	<u>85,519</u>	<u>85,519</u>	<u>85,519</u>	
FUND BALANCE - END OF YEAR	<u>\$ 85,519</u>	<u>\$ 85,519</u>	<u>\$ 86,282</u>	

NONMAJOR CAPITAL PROJECTS FUNDS

1915 Assessment Districts:

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

Prairie Oaks Ranch 92-2

Mello Roos Assessment Districts:

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

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

2011 Non-Housing Bond Proceeds:

To account for the construction proceeds from the 2011A tax allocation bonds.

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.

Transit Capital Improvement:

To account for development mitigation fees to finance transit capital outlay and facilities in the Folsom Plan Area.

Corp Yard Capital Improvement:

To account for development mitigation fees to finance corp yard capital outlay and facilities in the Folsom Plan Area.

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.

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CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	<u>1915 Assessment Districts</u>	<u>Mello-Roos Assessment Districts</u>	<u>2011 Non-Housing Bond Proceeds</u>	<u>Park Capital Improvement</u>	<u>Police Capital Improvement</u>	<u>Fire Capital Improvement</u>
ASSETS						
Cash and cash equivalents	\$ 321	\$ 2,605,681	\$ 351,039	\$ 2,183,493	\$ 440,740	\$ 2,558,112
Cash with fiscal agent	-	190,919	-	-	-	-
Receivables:						
Accrued interest	2	17,211	666	16,362	2,825	18,290
Due from other governments	-	-	-	22,256	-	-
	<u>323</u>	<u>2,813,811</u>	<u>351,705</u>	<u>2,222,111</u>	<u>443,565</u>	<u>2,576,402</u>
Total assets	<u>\$ 323</u>	<u>\$ 2,813,811</u>	<u>\$ 351,705</u>	<u>\$ 2,222,111</u>	<u>\$ 443,565</u>	<u>\$ 2,576,402</u>
 LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ 370,243	\$ 50,277	\$ 282,763	\$ -	\$ 70,291
Wages payable	-	-	-	6,156	-	-
Due to other funds	-	-	-	1,000,000	-	-
	<u>-</u>	<u>370,243</u>	<u>50,277</u>	<u>1,288,919</u>	<u>-</u>	<u>70,291</u>
Total liabilities	<u>-</u>	<u>370,243</u>	<u>50,277</u>	<u>1,288,919</u>	<u>-</u>	<u>70,291</u>
 FUND BALANCE						
Restricted	-	2,443,568	301,428	933,192	443,565	2,506,111
Assigned	323	-	-	-	-	-
Unassigned	-	-	-	-	-	-
	<u>323</u>	<u>2,443,568</u>	<u>301,428</u>	<u>933,192</u>	<u>443,565</u>	<u>2,506,111</u>
Total fund balances	<u>323</u>	<u>2,443,568</u>	<u>301,428</u>	<u>933,192</u>	<u>443,565</u>	<u>2,506,111</u>
Total liabilities and fund balance	<u>\$ 323</u>	<u>\$ 2,813,811</u>	<u>\$ 351,705</u>	<u>\$ 2,222,111</u>	<u>\$ 443,565</u>	<u>\$ 2,576,402</u>

<u>General Capital Improvement</u>	<u>Drainage Capital Improvement</u>	<u>Zoo Improvement</u>	<u>Transit Capital Improvement</u>	<u>Corp Yard Capital Improvement</u>	<u>Light Rail Transportation</u>	<u>Major Capital and Renovation</u>	
							ASSETS
\$ 1,587,475	\$ 707,097	\$ -	\$ 24,028	\$ 22,752	\$ 756,758	\$ 72,345	Cash and cash equivalents
-	-	-	-	-	-	-	- Cash with fiscal agent
6,867	3,006	54	11	-	3,210	400	Receivables: Accrued interest
-	-	-	-	-	-	-	- Due from other governments
<u>\$ 1,594,342</u>	<u>\$ 710,103</u>	<u>\$ 54</u>	<u>\$ 24,039</u>	<u>\$ 22,752</u>	<u>\$ 759,968</u>	<u>\$ 72,745</u>	Total assets

LIABILITIES AND FUND BALANCES

							LIABILITIES:
\$ 182	\$ 9,072	\$ 4,267	\$ -	\$ -	\$ 62	\$ -	Accounts payable
-	-	-	-	-	-	-	Wages payable
-	-	47,339	-	-	-	-	Due to other funds
<u>182</u>	<u>9,072</u>	<u>51,606</u>	<u>-</u>	<u>-</u>	<u>62</u>	<u>-</u>	Total liabilities
							FUND BALANCE
1,594,160	701,031	-	24,039	22,752	759,906	-	Restricted
-	-	-	-	-	-	72,745	Assigned
-	-	(51,552)	-	-	-	-	Unassigned
<u>1,594,160</u>	<u>701,031</u>	<u>(51,552)</u>	<u>24,039</u>	<u>22,752</u>	<u>759,906</u>	<u>72,745</u>	Total fund balances
<u>\$ 1,594,342</u>	<u>\$ 710,103</u>	<u>\$ 54</u>	<u>\$ 24,039</u>	<u>\$ 22,752</u>	<u>\$ 759,968</u>	<u>\$ 72,745</u>	Total liabilities and fund balances

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS			
Cash and cash equivalents	\$ 67,119	\$ 198,612	\$ 11,575,572
Cash with fiscal agent	-	-	190,919
Receivables:			
Accrued interest	372	1,051	70,327
Due from other governments	-	-	22,256
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 67,491</u>	<u>\$ 199,663</u>	<u>\$ 11,859,074</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ 174,517	\$ 961,674
Wages payable	-	-	6,156
Due to other funds	-	-	1,047,339
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>174,517</u>	<u>2,015,169</u>
FUND BALANCE			
Restricted	-	25,146	9,754,898
Assigned	67,491	-	140,559
Unassigned	-	-	(51,552)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>67,491</u>	<u>25,146</u>	<u>9,843,905</u>
Total liabilities and fund balances	<u>\$ 67,491</u>	<u>\$ 199,663</u>	<u>\$ 11,859,074</u>

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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, 2018**

	1915 Assessment Districts	Mello-Roos Assessment Districts	2011 Non-Housing Bond Proceeds	Park Capital Improvement	Police Capital Improvement	Fire Capital Improvement
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 22,256	\$ -	\$ -
Charges for current services	-	-	430,576	4,058,782	535,099	832,887
Interest	6	74,379	2,581	41,898	7,698	21,365
Miscellaneous	-	511,211	-	82,532	-	-
Total revenues	6	585,590	433,157	4,205,468	542,797	854,252
EXPENDITURES:						
Public ways and facilities	-	540	2,436	470,815	-	(27,683)
Capital outlay	-	2,711,597	129,293	4,959,399	-	1,421,296
Total expenditures	-	2,712,137	131,729	5,430,214	-	1,393,613
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6	(2,126,547)	301,428	(1,224,746)	542,797	(539,361)
OTHER FINANCING SOURCES (USES):						
Issuance of Loan	-	1,790,000	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(28,115)	(500,000)	(79,493)
Total other financing sources (uses)	-	1,790,000	-	(28,115)	(500,000)	(79,493)
NET CHANGE IN FUND BALANCE	6	(336,547)	301,428	(1,252,861)	42,797	(618,854)
FUND BALANCE, BEGINNING OF YEAR	317	2,780,115	-	2,186,053	400,768	3,124,965
FUND BALANCE, END OF YEAR	\$ 323	\$ 2,443,568	\$ 301,428	\$ 933,192	\$ 443,565	\$ 2,506,111

General Capital Improvement	Drainage Capital Improvement	Zoo Improvement	Transit Capital Improvement	Corp Yard Capital Improvement	Light Rail Transportation	Major Capital and Renovation	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	REVENUES:
1,468,166	831,628	-	24,012	602,752	442,305	-	Intergovernmental
20,125	9,708	(127)	27	-	9,899	1,063	Charges for current services
-	-	1,698	-	-	-	-	Interest
-	-	-	-	-	-	-	Miscellaneous
<u>1,488,291</u>	<u>841,336</u>	<u>1,571</u>	<u>24,039</u>	<u>602,752</u>	<u>452,204</u>	<u>1,063</u>	Total revenues
10,350	147,272	(7,713)	-	580,000	3,760	-	EXPENDITURES:
-	-	99,526	-	-	-	-	Public ways and facilities
-	-	-	-	-	-	-	Capital outlay
<u>10,350</u>	<u>147,272</u>	<u>91,813</u>	<u>-</u>	<u>580,000</u>	<u>3,760</u>	<u>-</u>	Total expenditures
<u>1,477,941</u>	<u>694,064</u>	<u>(90,242)</u>	<u>24,039</u>	<u>22,752</u>	<u>448,444</u>	<u>1,063</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
-	-	-	-	-	-	-	OTHER FINANCING SOURCES (USES):
-	-	100,000	-	-	-	-	Issuance of Loan
(712,101)	(213,348)	(30,000)	-	-	(76,231)	-	Transfers in
-	-	-	-	-	-	-	Transfers out
<u>(712,101)</u>	<u>(213,348)</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>(76,231)</u>	<u>-</u>	Total other financing sources (uses)
765,840	480,716	(20,242)	24,039	22,752	372,213	1,063	NET CHANGE IN FUND BALANCE
<u>828,320</u>	<u>220,315</u>	<u>(31,310)</u>	<u>-</u>	<u>-</u>	<u>387,693</u>	<u>71,682</u>	FUND BALANCE, BEGINNING OF YEAR
<u>\$ 1,594,160</u>	<u>\$ 701,031</u>	<u>\$ (51,552)</u>	<u>\$ 24,039</u>	<u>\$ 22,752</u>	<u>\$ 759,906</u>	<u>\$ 72,745</u>	FUND BALANCE, END OF YEAR

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, 2018**

	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ 22,256
Charges for current services	-	220,752	9,446,959
Interest	987	2,720	192,329
Miscellaneous	-	-	595,441
Total revenues	<u>987</u>	<u>223,472</u>	<u>\$10,256,985</u>
EXPENDITURES:			
Public ways and facilities	-	332,291	1,512,068
Capital outlay	-	-	9,321,111
Total expenditures	<u>-</u>	<u>332,291</u>	<u>10,833,179</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>987</u>	<u>(108,819)</u>	<u>\$(576,194)</u>
OTHER FINANCING SOURCES (USES):			
Issuance of Loan	-	-	1,790,000
Transfers in	-	-	100,000
Transfers out	-	(4,816)	(1,644,104)
Total other financing sources (uses)	<u>-</u>	<u>(4,816)</u>	<u>245,896</u>
NET CHANGE IN FUND BALANCE	987	(113,635)	(330,298)
FUND BALANCE, BEGINNING OF YEAR	<u>66,504</u>	<u>138,781</u>	<u>10,174,203</u>
FUND BALANCE, END OF YEAR	<u>\$ 67,491</u>	<u>\$ 25,146</u>	<u>\$ 9,843,905</u>

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, 2018

	<u>Wetland/ Open space Maintenance</u>
ASSETS	
Cash and cash equivalents	\$ 431,713
Receivables:	
Accrued interest	<u>2,405</u>
Total assets	<u>\$ 434,118</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
 FUND BALANCES	
Nonspendable	429,294
Restricted	<u>4,824</u>
Total fund balances	<u>434,118</u>
Total liabilities and fund balances	<u>\$ 434,118</u>

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - PERMANENT FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Wetland/ Open space Maintenance</u>
REVENUES:	
Interest	<u>\$ 6,340</u>
Total revenues	<u> 6,340</u>
EXPENDITURES:	
Current:	
Culture and recreation	<u> -</u>
Total expenditures	<u> -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u> 6,340</u>
OTHER FINANCING SOURCES (USES):	
Transfers out	<u> (1,516)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u> (1,516)</u>
NET CHANGE IN FUND BALANCES	4,824
FUND BALANCES, BEGINNING OF YEAR	<u> 429,294</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 434,118</u></u>

**CITY OF FOLSOM, CALIFORNIA
WETLAND/OPEN SPACE MAINTENANCE PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Interest	\$ 6,000	\$ 6,000	\$ 6,340	\$ 340
Miscellaneous	<u>5,516</u>	<u>5,516</u>	<u>-</u>	<u>(5,516)</u>
Total revenues	<u>11,516</u>	<u>11,516</u>	<u>6,340</u>	<u>(5,176)</u>
EXPENDITURES				
Current operating:				
General government	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,516</u>	<u>1,516</u>	<u>6,340</u>	<u>4,824</u>
OTHER FINANCING USES				
Transfers out	<u>(1,516)</u>	<u>(1,516)</u>	<u>(1,516)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	4,824	<u>\$ 4,824</u>
FUND BALANCE - BEGINNING OF YEAR	<u>429,294</u>	<u>429,294</u>	<u>429,294</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ 429,294</u>	<u>\$ 429,294</u>	<u>\$ 434,118</u>	

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, 2018**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,310,542	\$ 475,085	\$ 2,785,627
Receivables, net of allowances for uncollectibles	61,127	3,289	64,416
Due from other governments	<u>236,066</u>	<u>-</u>	<u>236,066</u>
Total current assets	<u>2,607,735</u>	<u>478,374</u>	<u>3,086,109</u>
Noncurrent assets			
Capital assets	3,389,335	-	3,389,335
Less: accumulated depreciation	<u>(2,054,560)</u>	<u>-</u>	<u>(2,054,560)</u>
Total noncurrent assets	<u>1,334,775</u>	<u>-</u>	<u>1,334,775</u>
Total assets	<u>3,942,510</u>	<u>478,374</u>	<u>4,420,884</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	<u>427,400</u>	<u>-</u>	<u>427,400</u>
LIABILITIES			
Current liabilities			
Accounts payable	12,791	3,711	16,502
Wages payable	33,457	-	33,457
Accrued compensated absences payable within one year	<u>17,947</u>	<u>-</u>	<u>17,947</u>
Total current liabilities	<u>64,195</u>	<u>3,711</u>	<u>67,906</u>
Noncurrent liabilities			
Net pension liability	1,971,999	-	1,971,999
Accrued compensated absences payable after one year	29,828	-	29,828
Net OPEB liability	<u>3,241,731</u>	<u>-</u>	<u>3,241,731</u>
Total liabilities	<u>5,307,753</u>	<u>3,711</u>	<u>5,311,464</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	69,370	-	69,370
Deferred inflows related to OPEB	<u>254,622</u>	<u>-</u>	<u>254,622</u>
NET POSITION			
Net investment in capital assets	1,334,775	-	1,334,775
Restricted for critical facilities use	-	127,565	127,565
Unrestricted	<u>(2,596,610)</u>	<u>347,098</u>	<u>(2,249,512)</u>
Total net position (deficit)	<u><u>\$(1,261,835)</u></u>	<u><u>\$ 474,663</u></u>	<u><u>\$ (787,172)</u></u>

CITY OF FOLSOM, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES:			
Charges for services	\$ 591,905	\$ -	\$ 591,905
OPERATING EXPENSES:			
Employee services	1,318,096	-	1,318,096
Utilities	10,449	-	10,449
Supplies	145,371	-	145,371
Maintenance and operations	98,744	-	98,744
Contractual services	1,673,535	-	1,673,535
Depreciation	576,018	-	576,018
Other	271,731	242,058	513,789
TOTAL OPERATING EXPENSES	<u>4,093,944</u>	<u>242,058</u>	<u>4,336,002</u>
OPERATING INCOME (LOSS)	<u>(3,502,039)</u>	<u>(242,058)</u>	<u>(3,744,097)</u>
NONOPERATING REVENUE (EXPENSES):			
Investment income (loss)	16,656	7,975	24,631
Intergovernmental revenue	3,417,821	-	3,417,821
Other	31,236	-	31,236
Total nonoperating revenue (expense)	<u>3,465,713</u>	<u>7,975</u>	<u>3,473,688</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(36,326)</u>	<u>(234,083)</u>	<u>(270,409)</u>
TRANSFERS:			
Capital contributions	-	583,056	583,056
Transfers out	(266,402)	(1,875)	(268,277)
TOTAL TRANSFERS	<u>(266,402)</u>	<u>581,181</u>	<u>314,779</u>
CHANGE IN NET POSITION	(302,728)	347,098	44,370
NET POSITION (DEFICIT), BEGINNING OF YEAR, RESTATED	<u>(959,107)</u>	<u>127,565</u>	<u>(831,542)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (1,261,835)</u>	<u>\$ 474,663</u>	<u>\$ (787,172)</u>

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 542,991	\$ -	\$ 542,991
Payments to suppliers	(1,959,074)	(238,347)	(2,197,421)
Payments to employees	(1,232,914)	-	(1,232,914)
Payments to other governments	(160,864)	-	(160,864)
Cash paid to other sources	(240,495)	-	(240,495)
Net cash provided (used) for operating activities	<u>(3,050,356)</u>	<u>(238,347)</u>	<u>(3,288,703)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(266,402)	(1,875)	(268,277)
Intergovernmental revenues	3,417,821	-	3,417,821
Net cash provided (used) for noncapital financing activities	<u>3,151,419</u>	<u>(1,875)</u>	<u>3,149,544</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	21,490	7,689	29,179
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	122,553	(232,533)	(109,980)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,187,989</u>	<u>707,618</u>	<u>2,895,607</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,310,542</u>	<u>\$ 475,085</u>	<u>\$ 2,785,627</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 2,310,542</u>	<u>\$ 475,085</u>	<u>\$ 2,785,627</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, 2018

	Transit	Facilities Augmentation	TOTAL NON-MAJOR ENTERPRISE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (3,502,039)	\$ (242,058)	\$ (3,744,097)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	576,018	-	576,018
Pension Expense	84,912	-	84,912
OPEB Expense	(4,161)	-	(4,161)
Other non-operating income (expense)	31,237	583,056	614,293
Increase (decrease) in:			
Accounts receivable	(48,914)	-	(48,914)
Due from other governments	(160,864)	-	(160,864)
Accounts payable	(30,976)	(579,345)	(610,321)
Wages payable	1,979	-	1,979
Compensated absences	2,452	-	2,452
	<u>\$ (3,050,356)</u>	<u>\$ (238,347)</u>	<u>\$ (3,288,703)</u>
Net cash provided (used) by operating activities	<u>\$ (3,050,356)</u>	<u>\$ (238,347)</u>	<u>\$ (3,288,703)</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, 2018

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
ASSETS:				
Current assets				
Cash and cash equivalents	\$ 3,283,560	\$ 8,346,387	\$ 1,421,130	\$ 13,051,077
Receivables:				
General accounts	52,550	-	-	52,550
Accrued interest	17,823	21,380	6,268	45,471
Retiree health benefits	-	49,503	-	49,503
Insurance deposits	-	3,034,476	-	3,034,476
Total current assets	3,353,933	11,451,746	1,427,398	16,233,077
Noncurrent assets				
Capital assets	4,741,577	-	-	4,741,577
Less: accumulated depreciation	(4,699,833)	-	-	(4,699,833)
Total noncurrent assets	41,744	-	-	41,744
Total assets	3,395,677	11,451,746	1,427,398	16,274,821
LIABILITIES:				
Current liabilities				
Accounts payable	-	15,418	-	15,418
Wages payable	-	405,763	16,498	422,261
Unearned revenue	-	150	-	150
Total liabilities	-	421,331	16,498	437,829
NET POSITION:				
Net investment in capital assets	41,744	-	-	41,744
Unrestricted	3,353,933	11,030,415	1,410,900	15,795,248
Total net position	\$ 3,395,677	\$ 11,030,415	\$ 1,410,900	\$ 15,836,992

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 122,950	\$ 17,549,062	\$ 837,799	\$ 18,509,811
Total operating revenues	122,950	17,549,062	837,799	18,509,811
OPERATING EXPENSES:				
Employee services	-	16,401,551	546,202	16,947,753
Depreciation	29,928	-	-	29,928
Total operating expenses	29,928	16,401,551	546,202	16,977,681
OPERATING INCOME (LOSS)	93,022	1,147,511	291,597	1,532,130
NONOPERATING REVENUE (EXPENSES):				
Investment income	11,475	(39,341)	16,911	(10,955)
Total nonoperating revenue (expenses)	11,475	(39,341)	16,911	(10,955)
Income (Loss) before transfers	104,497	1,108,170	308,508	1,521,175
TRANSFERS:				
Transfers out	(8,874)	-	-	(8,874)
CHANGE IN NET POSITION	95,623	1,108,170	308,508	1,512,301
NET POSITION, BEGINNING OF YEAR	3,300,054	9,922,245	1,102,392	14,324,691
NET POSITION, END OF YEAR	\$ 3,395,677	\$ 11,030,415	\$ 1,410,900	\$ 15,836,992

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS NON MAJOR INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 70,401	\$ 17,539,808	\$ 837,799	\$ 18,448,008
Payments to suppliers	-	(8,089)	-	(8,089)
Payments to employees	-	(16,010,201)	(560,135)	(16,570,336)
Cash received (used) from other sources	-	-	14,945	14,945
Net cash provided (used) by operating activities	<u>70,401</u>	<u>1,521,518</u>	<u>292,609</u>	<u>1,884,528</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds		525,151		525,151
Transfers to other funds	(8,874)		-	(8,874)
Net cash provided (used) by noncapital financing activities	<u>(8,874)</u>	<u>525,151</u>	<u>-</u>	<u>516,277</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	6,327	(39,341)	-	(33,014)
CHANGE IN CASH AND CASH EQUIVALENTS	67,854	2,007,328	292,609	2,367,791
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,215,706</u>	<u>6,339,059</u>	<u>1,128,521</u>	<u>10,683,286</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,283,560</u>	<u>\$ 8,346,387</u>	<u>\$ 1,421,130</u>	<u>\$ 13,051,077</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 93,022	\$ 1,147,511	\$ 291,597	\$ 1,532,130
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	29,929	-	-	29,929
Other Non-Operating income (expense)	-	-	14,945	14,945
Increase (decrease) in:				
Accounts receivable	(52,550)	(9,254)	-	(61,804)
Accounts payable	-	(8,089)	-	(8,089)
Wages payable	-	391,350	(13,933)	377,417
Net cash provided (used) by operating activities	<u>\$ 70,401</u>	<u>\$ 1,521,518</u>	<u>\$ 292,609</u>	<u>\$ 1,884,528</u>

AGENCY FUNDS

1915 Assessment Districts:

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

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

Mello-Roos Districts:

- Willow Creek Community Facilities District No. 1 Refunding
- Natoma Station Community Facilities District No. 2 Refunding
- Folsom Heights Community Facilities District No. 3 Refunding
- Broadstone Community Facilities District No. 4 Refunding
- Broadstone 2 Community Facilities District No. 7
- Parkway Community Facilities District No. 8
- Willow Creek Estates South Community Facilities District No. 8
- Empire Ranch Community Facilities District No. 10
- Willow Springs Community Facilities District No. 11
- Islands IA2 Community Facilities District No. 16
- Parkway Community Facilities District No. 14
- Islands at Parkshore 1 Community Facilities District No. 16
- Willow Hill Pipeline Community Facilities District No. 17
- Mangini Community Facilities District No. 19
- Russell Ranch Community Facilities District No. 20

Business and Improvement District

- Folsom Historic District

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2018**

	<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>	<u>Cobble Hills Ridge</u>
ASSETS							
Cash and cash equivalents	\$ 7,609	\$ 7,186	\$ 57,684	\$ 63,306	\$ 7,952	\$ 578,169	\$ 233,376
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Accrued interest	43	88	485	1,125	44	7,171	759
Due from other governments	-	(105)	74	1	-	(4,691)	1,771
Restricted assets:							
Cash and cash equivalents	-	-	30,673	1	-	1,285,423	-
Cash with fiscal agent	-	-	-	-	-	-	-
Total assets	<u>\$ 7,652</u>	<u>\$ 7,169</u>	<u>\$ 88,916</u>	<u>\$ 64,433</u>	<u>\$ 7,996</u>	<u>\$ 1,866,072</u>	<u>\$ 235,906</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ 3,751	\$ -	\$ -	\$ 635	\$ -
Rebatable Arbitrage	-	-	-	-	-	-	-
Due to assessment holders	7,652	7,169	85,165	64,433	7,996	1,865,437	235,906
Total liabilities	<u>\$ 7,652</u>	<u>\$ 7,169</u>	<u>\$ 88,916</u>	<u>\$ 64,433</u>	<u>\$ 7,996</u>	<u>\$ 1,866,072</u>	<u>\$ 235,906</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>	<u>Natoma Station CFD #2</u>	<u>Folsom Heights CFD #3</u>	
							ASSETS
\$ 275,458	\$ 113,498	\$ 251,852	\$ 1,616,849	\$ 1,286	\$ 676,420	\$ 1,308	Cash and cash equivalents
-	-	-	-	-	19	-	Cash with fiscal agent
1,045	301	934	5,360	7	3,988	18	Receivables: Accrued interest
1,135	552	2,857	(76)	5,539	71,173	(1,225)	Due from other governments
-	-	-	-	-	-	-	Restricted assets: Cash and cash equivalents
-	-	-	-	-	1,074,054	-	Cash with fiscal agent
<u>\$ 277,638</u>	<u>\$ 114,351</u>	<u>\$ 255,643</u>	<u>\$ 1,622,133</u>	<u>\$ 6,832</u>	<u>\$ 1,825,654</u>	<u>\$ 101</u>	Total assets
							LIABILITIES AND FUND BALANCES
							LIABILITIES:
\$ -	\$ -	\$ 73	\$ -	\$ -	\$ -	\$ 50	Accounts payable
-	-	-	-	497	-	-	Rebatale Arbitrage
<u>277,638</u>	<u>114,351</u>	<u>255,570</u>	<u>1,622,133</u>	<u>6,335</u>	<u>1,825,654</u>	<u>51</u>	Due to assessment holders
<u>\$ 277,638</u>	<u>\$ 114,351</u>	<u>\$ 255,643</u>	<u>\$ 1,622,133</u>	<u>\$ 6,832</u>	<u>\$ 1,825,654</u>	<u>\$ 101</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET (CONTINUED)
AGENCY FUNDS
JUNE 30, 2018**

	<u>Broadstone CFD #4</u>	<u>Broadstone 2 CFD #7</u>	<u>Parkway CFD #8</u>	<u>Willow Creek Estates South CFD #8</u>	<u>Empire Ranch CFD #10</u>	<u>Willow Springs CFD #11</u>	<u>CFD #16 Islands IA2</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ 2,752,238	\$ 372,687	\$ 33,840	\$ 4,197,376	\$ -	\$ 282,561
Cash with fiscal agent	125,429	134,350	3,108	2	1,228	3,970	5,066,385
Receivables:							
Accrued interest	164	8,282	1,110	247	9,964	104	467
Due from other governments	(465)	87,288	3,888	(101)	69,408	3,783	344
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	-	-
Cash with fiscal agent	<u>216,627</u>	<u>2,299,312</u>	<u>324,247</u>	<u>-</u>	<u>4,469,535</u>	<u>-</u>	<u>430,680</u>
Total assets	<u>\$ 341,755</u>	<u>\$ 5,281,470</u>	<u>\$ 705,040</u>	<u>\$ 33,988</u>	<u>\$ 8,747,511</u>	<u>\$ 7,857</u>	<u>\$ 5,780,437</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 81,648	\$ (51,042)	\$ 1	\$ -	\$ (243,319)	\$ 243,322	\$ -
Rebatable Arbitrage	-	-	-	-	-	-	-
Due to assessment holders	<u>260,107</u>	<u>5,332,512</u>	<u>705,039</u>	<u>33,988</u>	<u>8,990,830</u>	<u>(235,465)</u>	<u>5,780,437</u>
Total liabilities	<u>\$ 341,755</u>	<u>\$ 5,281,470</u>	<u>\$ 705,040</u>	<u>\$ 33,988</u>	<u>\$ 8,747,511</u>	<u>\$ 7,857</u>	<u>\$ 5,780,437</u>

<u>Parkway CFD #14</u>	<u>Folsom Historic District</u>	<u>CFD #16 Islands at Parkshore 1</u>	<u>CFD #17 Willow Hill Pipeline</u>	<u>Mangini CFD #19</u>	<u>Russell Ranch CFD #20</u>	<u>Total Agency Funds</u>	
							ASSETS
\$ 990,418	\$ 4,374	\$ 17,112	\$ 742,291	\$ -	\$ 15,000	\$ 13,299,850	Cash and cash equivalents
9	-	-	281,816	3,463,201	8,217,316	17,296,833	Cash with fiscal agent
2,181	91	80	6,802	-	-	50,860	Receivables: Accrued interest
27,668	3,317	2,032	(135)	-	-	274,032	Due from other governments
-	-	-	-	-	-	1,316,097	Restricted assets: Cash and cash equivalents
-	-	-	410,342	2,199,391	1,022,500	12,446,688	Cash with fiscal agent
<u>\$ 1,020,276</u>	<u>\$ 7,782</u>	<u>\$ 19,224</u>	<u>\$ 1,441,116</u>	<u>\$ 5,662,592</u>	<u>\$ 9,254,816</u>	<u>\$ 44,684,360</u>	Total assets
							LIABILITIES AND FUND BALANCES
							LIABILITIES:
\$ -	\$ -	\$ -	\$ (2,800)	\$ 2,800	\$ -	\$ 35,119	Accounts payable
-	-	-	-	-	-	497	Rebatable Arbitrage
1,020,276	7,782	19,224	1,443,916	5,659,792	9,254,816	44,648,744	Due to assessment holders
<u>\$ 1,020,276</u>	<u>\$ 7,782</u>	<u>\$ 19,224</u>	<u>\$ 1,441,116</u>	<u>\$ 5,662,592</u>	<u>\$ 9,254,816</u>	<u>\$ 44,684,360</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Blue Ravine Oaks East				
Assets				
Cash	\$ 7,508	\$ 101	\$ -	\$ 7,609
Accrued interest	33	127	117	43
Due from other governments	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,541</u>	<u>\$ 228</u>	<u>\$ 117</u>	<u>\$ 7,652</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	7,541	111	-	7,652
Total liabilities	<u>\$ 7,541</u>	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ 7,652</u>
Legends Refunding				
Assets				
Cash	\$ 48,406	\$ 759	\$ 41,979	\$ 7,186
Accrued interest	101	217	230	88
Due from other governments	593	-	698	(105)
Total assets	<u>\$ 49,100</u>	<u>\$ 976</u>	<u>\$ 42,907</u>	<u>\$ 7,169</u>
Liabilities				
Accounts payable	\$ -	\$ 41,543	\$ 41,543	\$ -
Due to assessment holders	49,100	49	41,980	7,169
Total liabilities	<u>\$ 49,100</u>	<u>\$ 41,592</u>	<u>\$ 83,523</u>	<u>\$ 7,169</u>
Natoma Station				
Assets				
Cash	\$ 74,576	\$ 15,372	\$ 32,264	\$ 57,684
Accrued interest	396	1,440	1,351	485
Due from other governments	409	74	409	74
Restricted cash	30,673	-	-	30,673
Total assets	<u>\$ 106,054</u>	<u>\$ 16,886</u>	<u>\$ 34,024</u>	<u>\$ 88,916</u>
Liabilities				
Accounts payable	\$ 1	\$ 36,014	\$ 32,264	\$ 3,751
Due to assessment holders	106,053	15,126	36,014	85,165
Total liabilities	<u>\$ 106,054</u>	<u>\$ 51,140</u>	<u>\$ 68,278</u>	<u>\$ 88,916</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Folsom Auto Plaza				
Assets				
Cash	\$ 65,952	\$ 857	\$ 3,503	\$ 63,306
Accrued interest	3,173	1,078	3,126	1,125
Due from other governments	1	-	-	1
Restricted cash	1	-	-	1
Total assets	<u>\$ 69,127</u>	<u>\$ 1,935</u>	<u>\$ 6,629</u>	<u>\$ 64,433</u>
Liabilities				
Accounts payable	\$ -	\$ 3,503	\$ 3,503	\$ -
Due to assessment holders	69,127	(1,191)	3,503	64,433
Total liabilities	<u>\$ 69,127</u>	<u>\$ 2,312</u>	<u>\$ 7,006</u>	<u>\$ 64,433</u>
Lake Natoma Shores				
Assets				
Cash	\$ 7,846	\$ 106	\$ -	\$ 7,952
Accrued interest	33	134	123	44
Due from other governments	-	-	-	-
Total assets	<u>\$ 7,879</u>	<u>\$ 240</u>	<u>\$ 123</u>	<u>\$ 7,996</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	7,879	117	-	7,996
Total liabilities	<u>\$ 7,879</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ 7,996</u>
Prairie Oaks Refunding				
Assets				
Cash	\$ 722,215	\$ 1,583,852	\$ 1,727,898	\$ 578,169
Accrued interest	5,377	21,769	19,975	7,171
Due from other governments	1,422	15,184	21,297	(4,691)
Restricted cash	1,096,993	188,430	-	1,285,423
Total assets	<u>\$ 1,826,007</u>	<u>\$ 1,809,235</u>	<u>\$ 1,769,170</u>	<u>\$ 1,866,072</u>
Liabilities				
Accounts payable	\$ 635	\$ 1,695,550	\$ 1,695,550	\$ 635
Due to assessment holders	1,825,372	1,767,961	1,727,896	1,865,437
Total liabilities	<u>\$ 1,826,007</u>	<u>\$ 3,463,511</u>	<u>\$ 3,423,446</u>	<u>\$ 1,866,072</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Cobble Hills Ridge Refunding				
Assets				
Cash	\$ 183,439	\$ 166,224	\$ 116,287	\$ 233,376
Accrued interest	462	2,398	2,101	759
Due from other governments	1,529	1,771	1,529	1,771
Total assets	<u>\$ 185,430</u>	<u>\$ 170,393</u>	<u>\$ 119,917</u>	<u>\$ 235,906</u>
Liabilities				
Accounts payable	\$ -	\$ 112,987	\$ 112,987	\$ -
Due to assessment holders	185,430	166,760	116,284	235,906
Total liabilities	<u>\$ 185,430</u>	<u>\$ 279,747</u>	<u>\$ 229,271</u>	<u>\$ 235,906</u>
Ridgeview Refunding				
Assets				
Cash	\$ 229,033	\$ 155,715	\$ 109,290	\$ 275,458
Accrued interest	667	3,281	2,903	1,045
Due from other governments	3,402	1,135	3,402	1,135
Restricted cash	-	-	-	-
Total assets	<u>\$ 233,102</u>	<u>\$ 160,131</u>	<u>\$ 115,595</u>	<u>\$ 277,638</u>
Liabilities				
Accounts payable	\$ -	\$ 106,818	\$ 106,818	\$ -
Due to assessment holders	233,102	153,824	109,288	277,638
Total liabilities	<u>\$ 233,102</u>	<u>\$ 260,642</u>	<u>\$ 216,106</u>	<u>\$ 277,638</u>
Cresleigh Natoma Refunding				
Assets				
Cash	\$ 98,165	\$ 107,617	\$ 92,284	\$ 113,498
Accrued interest	203	928	830	301
Due from other governments	325	552	325	552
Total assets	<u>\$ 98,693</u>	<u>\$ 109,097</u>	<u>\$ 93,439</u>	<u>\$ 114,351</u>
Liabilities				
Accounts payable	\$ -	\$ 91,188	\$ 91,188	\$ -
Rebateable arbitrage	-	-	-	-
Due to assessment holders	98,693	107,942	92,284	114,351
Total liabilities	<u>\$ 98,693</u>	<u>\$ 199,130</u>	<u>\$ 183,472</u>	<u>\$ 114,351</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Hannaford Crossing Refunding				
Assets				
Cash	\$ 240,808	\$ 194,418	\$ 183,374	\$ 251,852
Accrued interest	660	2,877	2,603	934
Due from other governments	4,076	2,857	4,076	2,857
Total assets	<u>\$ 245,544</u>	<u>\$ 200,152</u>	<u>\$ 190,053</u>	<u>\$ 255,643</u>
Liabilities				
Accounts payable	\$ 73	\$ 183,374	\$ 183,374	\$ 73
Due to assessment holders	245,471	195,636	185,537	255,570
Total liabilities	<u>\$ 245,544</u>	<u>\$ 379,010</u>	<u>\$ 368,911</u>	<u>\$ 255,643</u>
CFD 2013-01 Water Fac & Sup				
Assets				
Cash	\$ 648,831	\$ 991,574	\$ 23,556	\$ 1,616,849
Accrued interest	4,057	16,226	14,923	5,360
Due from other governments	30,655	-	30,731	(76)
Restricted cash	-	-	-	-
Total assets	<u>\$ 683,543</u>	<u>\$ 1,007,800</u>	<u>\$ 69,210</u>	<u>\$ 1,622,133</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	683,543	962,145	23,555	1,622,133
Total liabilities	<u>\$ 683,543</u>	<u>\$ 962,145</u>	<u>\$ 23,555</u>	<u>\$ 1,622,133</u>
Willow Creek CFD #1 Refunding				
Assets				
Cash	\$ 1,269	\$ 17	\$ -	\$ 1,286
Accrued interest	5	22	20	7
Due from other governments	5,539	-	-	5,539
Total assets	<u>\$ 6,813</u>	<u>\$ 39</u>	<u>\$ 20</u>	<u>\$ 6,832</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Rebateable arbitrage	497	-	-	497
Due to assessment holders	6,316	19	-	6,335
Total liabilities	<u>\$ 6,813</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 6,832</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Natoma Station CFD #2 Refunding				
Assets				
Cash	\$ 1,080,702	\$ 944,526	\$ 1,348,808	\$ 676,420
Cash with fiscal agent	13	1,301,001	1,300,995	19
Accrued interest	4,432	10,674	11,118	3,988
Due from other governments	7,809	71,173	7,809	71,173
Restricted cash	1,067,394	6,660	-	1,074,054
Total assets	<u>\$ 2,160,350</u>	<u>\$ 2,334,034</u>	<u>\$ 2,668,730</u>	<u>\$ 1,825,654</u>
Liabilities				
Accounts payable	\$ -	\$ 1,316,371	\$ 1,316,371	\$ -
Due to assessment holders	2,160,350	1,021,485	1,356,181	1,825,654
Total liabilities	<u>\$ 2,160,350</u>	<u>\$ 2,337,856</u>	<u>\$ 2,672,552</u>	<u>\$ 1,825,654</u>
Folsom Heights CFD #3 Refunding				
Assets				
Cash	\$ 3,282	\$ 44	\$ 2,018	\$ 1,308
Cash with fiscal agent	-	-	-	-
Accrued interest	14	56	52	18
Due from other governments	(1,225)	-	-	(1,225)
Restricted cash	-	-	-	-
Total assets	<u>\$ 2,071</u>	<u>\$ 100</u>	<u>\$ 2,070</u>	<u>\$ 101</u>
Liabilities				
Accounts payable	\$ 50	\$ -	\$ -	\$ 50
Due to assessment holders	2,021	48	2,018	51
Total liabilities	<u>\$ 2,071</u>	<u>\$ 48</u>	<u>\$ 2,018</u>	<u>\$ 101</u>
Broadstone CFD # 4 Refunding				
Assets				
Cash	\$ 248,065	\$ 6,295	\$ 254,360	\$ -
Cash with fiscal agent	1	321,159	195,731	125,429
Accrued interest	612	-	448	164
Due from other governments	1,826	-	2,291	(465)
Restricted cash	345,882	-	129,255	216,627
Total assets	<u>\$ 596,386</u>	<u>\$ 327,454</u>	<u>\$ 582,085</u>	<u>\$ 341,755</u>
Liabilities				
Accounts payable	\$ -	\$ 336,008	\$ 254,360	\$ 81,648
Due to assessment holders	596,386	6,569	342,848	260,107
Total liabilities	<u>\$ 596,386</u>	<u>\$ 342,577</u>	<u>\$ 597,208</u>	<u>\$ 341,755</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Broadstone 2 CFD # 7				
Assets				
Cash	\$ 2,656,005	\$ 2,714,645	\$ 2,618,412	\$ 2,752,238
Cash with fiscal agent	214,762	82,741	163,153	134,350
Accrued interest	6,965	24,379	23,062	8,282
Due from other governments	39,929	87,288	39,929	87,288
Restricted cash	2,287,947	11,365	-	2,299,312
Total assets	<u>\$ 5,205,608</u>	<u>\$ 2,920,418</u>	<u>\$ 2,844,556</u>	<u>\$ 5,281,470</u>
Liabilities				
Accounts payable	\$ 30,601	\$ 2,371,593	\$ 2,453,236	\$ (51,042)
Due to assessment holders	5,175,007	2,694,274	2,536,769	5,332,512
Total liabilities	<u>\$ 5,205,608</u>	<u>\$ 5,065,867</u>	<u>\$ 4,990,005</u>	<u>\$ 5,281,470</u>
Parkway CFD # 8				
Assets				
Cash	\$ 362,579	\$ 357,818	\$ 347,710	\$ 372,687
Cash with fiscal agent	4,386	2,677	3,955	3,108
Accrued interest	911	3,281	3,082	1,110
Due from other governments	3,602	3,888	3,602	3,888
Restricted cash	323,281	966	-	324,247
Total assets	<u>\$ 694,759</u>	<u>\$ 368,630</u>	<u>\$ 358,349</u>	<u>\$ 705,040</u>
Liabilities				
Accounts payable	\$ 1	\$ 341,014	\$ 341,014	\$ 1
Due to assessment holders	694,758	357,989	347,708	705,039
Total liabilities	<u>\$ 694,759</u>	<u>\$ 699,003</u>	<u>\$ 688,722</u>	<u>\$ 705,040</u>
Willow Creek Estates South CFD # 9				
Assets				
Cash	\$ 63,347	\$ 7,998	\$ 37,505	\$ 33,840
Cash with fiscal agent	6,583	28,746	35,327	2
Accrued interest	355	571	679	247
Due from other governments	644	-	745	(101)
Restricted cash	171,000	-	171,000	-
Total assets	<u>\$ 241,929</u>	<u>\$ 37,315</u>	<u>\$ 245,256</u>	<u>\$ 33,988</u>
Liabilities				
Accounts payable	\$ -	\$ 30,705	\$ 30,705	\$ -
Due to assessment holders	241,929	459	208,400	33,988
Total liabilities	<u>\$ 241,929</u>	<u>\$ 31,164</u>	<u>\$ 239,105</u>	<u>\$ 33,988</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Empire Ranch CFD # 10				
Assets				
Cash	\$ 4,048,595	\$ 5,656,716	\$ 5,507,935	\$ 4,197,376
Cash with fiscal agent	1,515	2,738,437	2,738,724	1,228
Accrued interest	9,075	28,653	27,764	9,964
Due from other governments	93,067	69,408	93,067	69,408
Restricted cash	6,010,211	2,623,206	4,163,882	4,469,535
Total assets	<u>\$ 10,162,463</u>	<u>\$ 11,116,420</u>	<u>\$ 12,531,372</u>	<u>\$ 8,747,511</u>
Liabilities				
Accounts payable	\$ -	\$ 4,701,264	\$ 4,944,583	\$ (243,319)
Due to assessment holders	10,162,463	36,141,653	37,313,286	8,990,830
Total liabilities	<u>\$ 10,162,463</u>	<u>\$ 40,842,917</u>	<u>\$ 42,257,869</u>	<u>\$ 8,747,511</u>
Willow Springs CFD # 11				
Assets				
Cash	\$ 90,681	\$ 465,178	\$ 555,859	\$ -
Cash with fiscal agent	1,435,345	743,372	2,174,747	3,970
Accrued interest	392	-	288	104
Due from other governments	13,159	3,783	13,159	3,783
Restricted cash	864,734	669	865,403	-
Total assets	<u>\$ 2,404,311</u>	<u>\$ 1,213,002</u>	<u>\$ 3,609,456</u>	<u>\$ 7,857</u>
Liabilities				
Accounts payable	\$ 1	\$ 776,470	\$ 533,149	\$ 243,322
Due to assessment holders	2,404,310	2,009,870	4,649,645	(235,465)
Total liabilities	<u>\$ 2,404,311</u>	<u>\$ 2,786,340</u>	<u>\$ 5,182,794</u>	<u>\$ 7,857</u>
CFD #16 Islands IA2				
Assets				
Cash	\$ 7,199	\$ 279,991	\$ 4,629	\$ 282,561
Cash with fiscal agent	-	5,211,091	144,706	5,066,385
Accrued interest	73	1,700	1,306	467
Due from other governments	723	344	723	344
Restricted cash	-	430,680	-	430,680
Total assets	<u>\$ 7,995</u>	<u>\$ 5,923,806</u>	<u>\$ 151,364</u>	<u>\$ 5,780,437</u>
Liabilities				
Accounts payable	\$ -	\$ 4,629	\$ 4,629	\$ -
Due to assessment holders	7,995	6,068,183	295,741	5,780,437
Total liabilities	<u>\$ 7,995</u>	<u>\$ 6,072,812</u>	<u>\$ 300,370</u>	<u>\$ 5,780,437</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Parkway CFD # 14				
Assets				
Cash	\$ 991,202	\$ 1,387,419	\$ 1,388,203	\$ 990,418
Cash with fiscal agent	62,816	1,002,472	1,065,279	9
Accrued interest	2,272	5,986	6,077	2,181
Due from other governments	62,860	27,668	62,860	27,668
Restricted cash	1,414,922	1,045	1,415,967	-
Total assets	<u>\$ 2,534,072</u>	<u>\$ 2,424,590</u>	<u>\$ 3,938,386</u>	<u>\$ 1,020,276</u>
Liabilities				
Accounts payable	\$ -	\$ 1,262,634	\$ 1,262,634	\$ -
Due to assessment holders	2,534,072	15,902,506	17,416,302	1,020,276
Total liabilities	<u>\$ 2,534,072</u>	<u>\$ 17,165,140</u>	<u>\$ 18,678,936</u>	<u>\$ 1,020,276</u>
Folsom Historic District				
Assets				
Cash	\$ 3,813	\$ 140,763	\$ 140,202	\$ 4,374
Cash with fiscal agent	-	-	-	-
Accrued interest	94	260	263	91
Due from other governments	3,324	3,317	3,324	3,317
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,231</u>	<u>\$ 144,340</u>	<u>\$ 143,789</u>	<u>\$ 7,782</u>
Liabilities				
Accounts payable	\$ -	\$ 140,202	\$ 140,202	\$ -
Due to assessment holders	7,231	140,753	140,202	7,782
Total liabilities	<u>\$ 7,231</u>	<u>\$ 280,955</u>	<u>\$ 280,404</u>	<u>\$ 7,782</u>
CFD #16 Islands at Parkshore 1				
Assets				
Cash	\$ -	\$ 31,338	\$ 14,226	\$ 17,112
Cash with fiscal agent	-	-	-	-
Accrued interest	112	77	109	80
Due from other governments	2,201	-	169	2,032
Restricted cash	-	-	-	-
Total assets	<u>\$ 2,313</u>	<u>\$ 31,415</u>	<u>\$ 14,504</u>	<u>\$ 19,224</u>
Liabilities				
Accounts payable	\$ 4,557	\$ 5,063	\$ 9,620	\$ -
Due to assessment holders	(2,244)	31,137	9,669	19,224
Total liabilities	<u>\$ 2,313</u>	<u>\$ 36,200</u>	<u>\$ 19,289</u>	<u>\$ 19,224</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
CFD #17 Willow Hill Pipeline				
Assets				
Cash	\$ 123,429	\$ 1,048,142	\$ 429,280	\$ 742,291
Cash with fiscal agent	1,080,700	3,411	802,295	281,816
Accrued interest	16,105	9,648	18,951	6,802
Due from other governments	26,292	-	26,427	(135)
Restricted cash	409,119	1,223	-	410,342
Total assets	<u>\$ 1,655,645</u>	<u>\$ 1,062,424</u>	<u>\$ 1,276,953</u>	<u>\$ 1,441,116</u>
Liabilities				
Accounts payable	\$ -	\$ 418,400	\$ 421,200	\$ (2,800)
Due to assessment holders	1,655,645	1,017,046	1,228,775	1,443,916
Total liabilities	<u>\$ 1,655,645</u>	<u>\$ 1,435,446</u>	<u>\$ 1,649,975</u>	<u>\$ 1,441,116</u>
CFD #19 Mangini				
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	28,408,699	24,945,498	3,463,201
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash	-	2,204,750	5,359	2,199,391
Total assets	<u>\$ -</u>	<u>\$ 30,613,449</u>	<u>\$ 24,950,857</u>	<u>\$ 5,662,592</u>
Liabilities				
Accounts payable	\$ -	\$ 2,800	\$ -	\$ 2,800
Due to assessment holders	-	31,027,734	25,367,942	5,659,792
Total liabilities	<u>\$ -</u>	<u>\$ 31,030,534</u>	<u>\$ 25,367,942</u>	<u>\$ 5,662,592</u>
CFD #20 Russell Ranch				
Assets				
Cash	\$ -	\$ 15,000	\$ -	\$ 15,000
Cash with fiscal agent	-	13,123,204	4,905,888	8,217,316
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash	-	1,022,500	-	1,022,500
Total assets	<u>\$ -</u>	<u>\$ 14,160,704</u>	<u>\$ 4,905,888</u>	<u>\$ 9,254,816</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	-	14,281,567	5,026,751	9,254,816
Total liabilities	<u>\$ -</u>	<u>\$ 14,281,567</u>	<u>\$ 5,026,751</u>	<u>\$ 9,254,816</u>
Grand Totals:				
		Assets		\$ 44,684,360
		Liabilities		\$ 44,684,360

STATISTICAL SECTION



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends Information

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

Revenue Capacity Information

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

Debt Capacity Information

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

Demographic and Economic Information

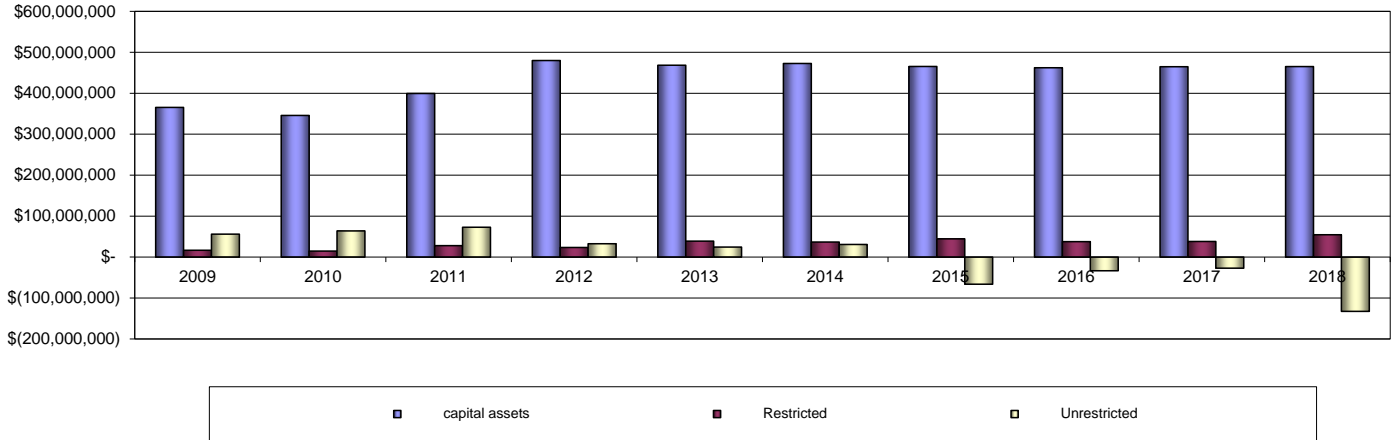
These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information

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

Schedule 1
CITY OF FOLSOM, CALIFORNIA
Net Position by Component,
Fiscal Year 2018, With Ten Year Trend Analysis
(accrual basis of accounting)

Total Primary Government Net Position

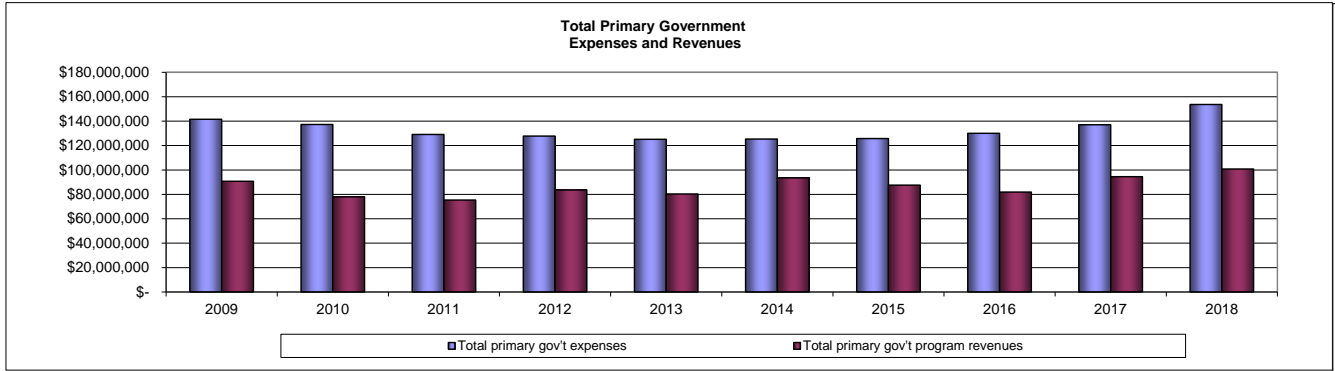


	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 249,294,117	\$ 235,070,576	\$ 289,842,203	\$ 373,572,187	\$ 364,036,649	\$ 368,751,791	\$ 352,122,867	\$ 345,540,942	\$ 342,339,996	\$ 341,907,988
Restricted	16,612,650	14,622,264	27,559,119	23,073,659	38,567,808	36,162,905	43,903,207	37,105,814	37,928,602	54,379,397
Unrestricted (1)	47,326,828	56,563,586	65,071,325	19,524,175	3,184,135	1,634,857	(71,702,596)	(39,219,804)	(37,637,622)	(133,460,554)
Total gov't activities net position	\$ 313,233,595	\$ 306,256,426	\$ 382,472,647	\$ 416,170,021	\$ 405,788,592	\$ 406,549,553	\$ 324,323,478	\$ 343,426,952	\$ 342,630,976	\$ 262,826,831
Business-type activities										
Net investment in capital assets	\$ 116,127,108	\$ 110,727,586	\$ 109,579,115	\$ 106,342,185	\$ 104,389,312	\$ 103,935,042	\$ 113,263,233	\$ 116,725,962	\$ 122,445,820	\$ 123,233,937
Restricted			326,097	326,097	326,097	512,201	520,858	527,202	127,565	127,565
Unrestricted	8,632,023	7,258,017	7,735,887	13,009,488	21,212,232	29,128,818	5,424,024	5,779,903	10,511,992	852,368
Total bus-type activities net position	\$ 124,759,131	\$ 117,985,603	\$ 117,641,099	\$ 119,677,770	\$ 125,927,641	\$ 133,576,061	\$ 119,208,115	\$ 123,033,067	\$ 133,085,377	\$ 124,213,870
Primary government										
Net investment in capital assets	\$ 365,421,225	\$ 345,798,162	\$ 399,421,318	\$ 479,914,372	\$ 468,425,961	\$ 472,686,833	\$ 465,386,100	\$ 462,266,904	\$ 464,785,816	\$ 465,141,925
Restricted	16,612,650	14,622,264	27,885,216	23,399,756	38,893,905	36,675,106	44,424,065	37,633,016	38,056,167	54,506,962
Unrestricted	55,958,851	63,821,603	72,807,212	32,533,663	24,396,367	30,763,675	(66,278,572)	(33,439,901)	(27,125,630)	(132,608,186)
Total primary gov't net position	\$ 437,992,726	\$ 424,242,029	\$ 500,113,746	\$ 535,847,791	\$ 531,716,233	\$ 540,125,614	\$ 443,531,593	\$ 466,460,019	\$ 475,716,353	\$ 387,040,701

Source: The City's Comprehensive Annual Financial Reports

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

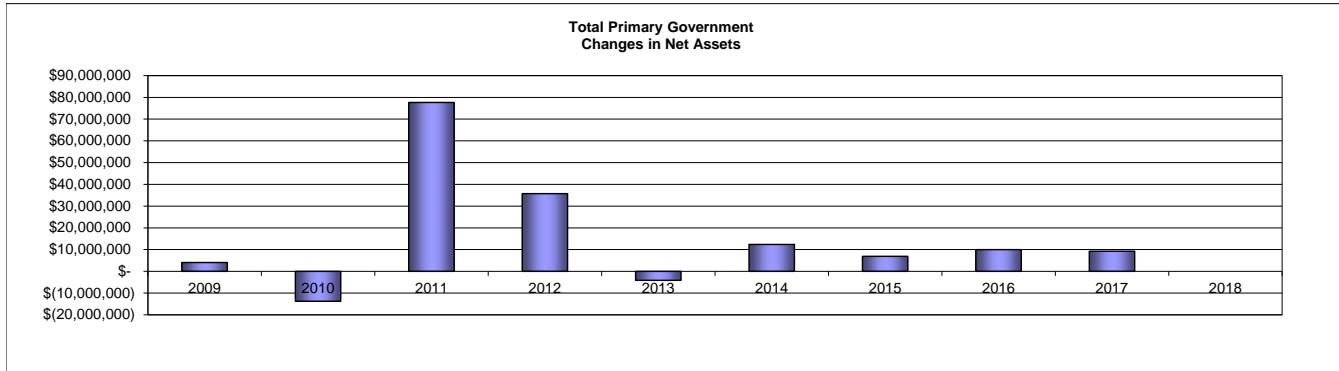
Schedule 2
CITY OF FOLSOM, CALIFORNIA
Changes in Net Position
Fiscal Year 2018, With Ten Year Trend Analysis
(accrual basis of accounting)



	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 20,939,721	\$ 21,503,751	\$ 21,216,003	\$ 15,526,948	\$ 14,992,033	\$ 16,949,780	\$ 16,789,611	\$ 16,842,039	\$ 17,619,148	\$ 21,571,309
Public safety	35,522,285	35,359,762	32,731,317	32,952,091	33,603,561	31,853,391	31,457,224	33,732,869	38,519,301	42,267,172
Public ways and facilities	23,627,838	21,212,291	19,795,837	24,285,037	24,461,319	23,900,284	24,655,423	23,760,187	23,789,377	26,740,758
Community services	4,371,136	3,503,233	3,030,879	3,100,464	3,068,322	3,293,971	3,358,210	3,795,881	4,611,256	6,328,357
Culture and recreation	15,608,095	13,882,885	13,142,439	13,256,421	13,928,174	13,949,169	13,917,727	15,226,602	16,043,161	19,316,157
Interest and fiscal changes	8,074,433	8,734,364	10,120,844	9,892,431	6,623,777	6,280,411	5,669,088	5,080,330	4,679,003	2,510,553
Total gov't activities expenses	108,143,508	104,196,287	100,037,320	99,013,392	96,677,186	96,227,005	95,847,283	98,437,909	105,261,245	118,734,307
Business-type activities:										
Water	15,785,836	18,171,481	13,578,162	13,289,143	11,920,409	12,088,326	12,666,550	12,704,599	13,169,040	14,416,465
Sewer	4,985,197	3,917,967	3,999,387	4,260,464	4,450,646	5,154,810	5,175,177	5,419,982	5,254,071	5,777,106
Solid Waste	10,225,341	9,098,186	8,126,349	7,804,698	8,358,745	8,518,137	8,702,357	9,347,062	9,488,964	10,383,837
Transit	2,172,862	1,869,090	3,347,961	3,394,091	3,704,361	3,316,706	3,344,616	3,709,459	3,847,851	4,093,944
Facilities Augmentation	210,976	9,500	-	-	-	23,375	-	407,237	3,040	242,058
Recreation	-	-	-	-	-	-	-	-	-	-
Total bus-type activities expense	33,380,212	33,066,224	29,051,859	28,748,396	28,434,161	29,101,354	29,888,700	31,588,339	31,762,966	34,913,410
Total primary gov't expenses	\$141,523,720	\$137,262,511	\$129,089,179	\$127,761,788	\$125,111,347	\$125,328,359	\$125,735,983	\$130,026,248	\$137,024,211	\$153,647,717

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,111,144	\$ 11,247,511	\$ 7,975,006	\$ 8,179,094	\$ 6,702,220	\$ 7,709,627	\$ 7,552,485	\$ 7,496,678	\$ 7,950,354	\$ 9,259,206
Public safety	4,964,922	3,279,718	2,773,512	2,933,392	3,716,287	4,576,667	4,913,124	5,125,847	5,618,969	6,784,548
Public ways and facilities	12,335,305	9,008,716	8,385,271	8,090,723	9,820,449	12,599,223	11,013,797	7,997,349	8,565,624	12,763,442
Community services	3,012,191	1,710,336	2,076,218	1,745,987	2,368,217	3,498,093	4,119,947	4,986,243	4,552,806	6,861,396
Culture and recreation	4,750,580	4,881,270	4,756,192	4,913,376	5,449,076	6,364,798	6,244,176	4,966,763	6,198,906	10,852,607
Operating grants and contributions	9,874,356	1,953,565	2,430,713	2,667,867	2,090,718	2,883,514	2,631,565	2,354,928	2,233,379	2,774,627
Capital grants and contributions	19,193,100	15,472,115	13,168,019	21,050,894	12,646,821	16,542,881	14,275,960	11,437,916	14,891,177	10,798,615
Total gov't activities program revenue	59,241,598	47,553,231	41,564,931	49,581,333	42,793,788	54,174,803	50,751,054	44,365,724	50,011,215	60,094,441
Business-type activities:										
Charges for services:										
Water	12,424,614	11,806,006	12,271,149	12,684,028	14,730,130	14,201,854	13,105,941	12,205,895	13,605,851	14,119,233
Sewer	5,817,865	5,907,107	5,998,304	5,971,558	5,990,811	6,102,878	6,163,970	6,278,631	6,531,021	6,780,004
Solid Waste	9,814,954	9,938,754	10,399,855	10,071,219	10,140,081	10,240,575	10,362,825	10,620,422	10,957,586	10,840,441
Transit	190,354	183,005	780,618	702,917	690,404	1,273,371	677,295	623,745	604,935	591,905
Facilities augmentation	-	-	-	67,365	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,311,042	732,729	3,220,227	3,484,445	5,203,738	4,883,545	5,947,821	6,997,288	7,946,673	6,603,611
Capital grants and contributions	928,746	1,840,128	1,114,608	1,019,849	746,776	2,616,710	554,070	786,090	4,834,197	1,746,682
Total bus-type activities	31,487,575	30,407,729	33,784,761	34,001,381	37,501,940	39,318,933	36,811,922	37,512,071	44,480,263	40,681,876
Total primary gov't program revenues	\$ 90,729,173	\$ 77,960,960	\$ 75,349,692	\$ 83,582,714	\$ 80,295,728	\$ 93,493,736	\$ 87,562,976	\$ 81,877,795	\$ 94,491,478	\$ 100,776,317

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



	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (48,901,910)	\$ (56,643,056)	\$ (58,472,389)	\$ (49,432,059)	\$ (53,883,398)	\$ (42,052,202)	\$ (45,096,229)	\$ (54,072,185)	\$ (55,250,030)	\$ (58,639,866)
Business-type activities	(1,892,637)	(2,658,495)	4,732,902	5,252,985	9,067,779	10,217,579	6,923,222	5,923,732	12,717,297	5,768,466
Total primary gov't net (exp)/rev	\$ (50,794,547)	\$ (59,301,551)	\$ (53,739,487)	\$ (44,179,074)	\$ (44,815,619)	\$ (31,834,623)	\$ (38,173,007)	\$ (48,148,453)	\$ (42,532,733)	\$ (52,871,400)
General Revenue and Other changes in Net Position										
Government activities:										
Taxes										
Property	\$ 27,743,274	\$ 27,269,414	\$ 25,183,107	\$ 21,562,389	\$ 17,138,883	\$ 19,042,480	\$ 20,169,495	\$ 21,732,471	\$ 23,301,973	\$ 24,537,819
Sales and use	16,079,061	13,716,214	15,141,504	16,104,163	17,230,775	19,442,008	19,386,661	22,168,300	24,721,293	22,294,827
Other	1,706,058	1,612,536	1,789,663	1,807,002	2,577,095	2,593,291	2,860,264	3,202,564	3,716,243	3,820,424
Payments in lieu of services	-	-	-	-	-	-	-	-	-	-
Vehicle License Fees	5,630,342	-	-	-	-	-	-	-	-	-
Investments earnings (loss)	1,450,083	712,099	558,383	572,542	424,268	695,856	423,710	7,220,125	(2,344,854)	(3,666,825)
Miscellaneous	1,953,699	2,125,699	1,604,214	1,903,091	3,161,438	2,423,607	1,921,290	2,764,118	2,189,407	4,408,453
Gain/(loss) on disp of cap assets	7,573	-	430,486	-	3,451	3,500	96,858	168,454	-	-
Transfers	8,214,282	-	3,383,398	3,339,454	2,966,059	2,510,879	2,599,139	2,600,454	2,869,992	3,008,033
Extraordinary Items:										
Capital Contributions			86,597,855	-						
Gain on dissolution of RDA				37,840,792						
Xfer Asset from Successor Agency						(381,150)		381,150	-	9,812,877
Total governmental activities	62,784,372	45,435,962	134,688,610	83,129,433	43,501,969	46,330,471	47,457,417	60,237,636	54,454,054	64,215,608
Business-type activities:										
Investment earnings	287,151	114,892	96,525	123,140	148,151	384,577	220,380	501,674	205,005	187,322
Transfers	(8,214,282)	-	(3,383,398)	(3,339,454)	(2,966,059)	(2,510,879)	(2,599,139)	(2,600,454)	(2,869,992)	(3,008,033)
Total business-type activities	(7,927,131)	114,892	(3,286,873)	(3,216,314)	(2,817,908)	(2,126,302)	(2,378,759)	(2,098,780)	(2,664,987)	(2,820,711)
Total primary government	\$ 54,857,241	\$ 45,550,854	\$ 131,401,737	\$ 79,913,119	\$ 40,684,061	\$ 44,204,169	\$ 45,078,658	\$ 58,138,856	\$ 51,789,067	\$ 61,394,897
Change in Net Position										
Governmental activities	13,882,462	(6,977,169)	76,216,221	33,697,374	(10,381,429)	4,278,269	2,361,188	6,165,451	(795,976)	-
Business-type activities	(9,819,768)	(6,773,528)	1,446,029	2,036,671	6,249,871	8,091,277	4,544,463	3,824,952	10,052,310	-
Total Primary Government	\$ 4,062,694	\$ (13,750,697)	\$ 77,662,250	\$ 35,734,045	\$ (4,131,558)	\$ 12,369,546	\$ 6,905,651	\$ 9,990,403	\$ 9,256,334	\$ -
Net Position beginning of Year (as restated in prior fiscal years)	433,930,032	437,992,726	422,451,496	500,113,746	535,847,791	527,756,068	436,625,942	456,469,616	466,460,019	-
Net Position End of Year	\$ 437,992,726	\$ 424,242,029	\$ 500,113,746	\$ 535,847,791	\$ 531,716,233	\$ 540,125,614	\$ 443,531,593	\$ 466,460,019	\$ 475,716,353	\$ -

Source: The City's Comprehensive Annual Financial Reports

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Schedule 3
CITY OF FOLSOM, CALIFORNIA
Fund Balances, Governmental Funds,
Fiscal Year 2018, With Ten Year Trend Analysis
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 5,637,081	\$ 1,747,419			
Unreserved	9,584,080	5,520,065			
Nonspendable			375,393	364,358	305,446
Restricted					
Committed					
Assigned			538,234	469,059	342,002
Unassigned			3,993,214	4,108,447	5,020,894
Total Fund Balance	<u>\$ 15,221,161</u>	<u>\$ 7,267,484</u>	<u>\$ 4,906,841</u>	<u>\$ 4,941,864</u>	<u>\$ 5,668,342</u>
All Other Governmental Funds					
Reserved	129,955,359	136,844,273			
Unreserved	45,107,514	40,315,415			
Nonspendable			7,557,236	9,869,809	9,580,393
Restricted			187,004,914	160,122,141	152,261,985
Committed			6,816,225	6,265,521	2,203,431
Assigned			936,979	500,226	467,898
Unassigned			(1,295,568)	(1,483,486)	2,775,821
Total Fund Balance	<u>\$ 175,062,873</u>	<u>\$ 177,159,688</u>	<u>\$ 201,019,786</u>	<u>\$ 175,274,211</u>	<u>\$ 167,289,528</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	265,707	339,494	400,319	448,971	442,084
Restricted					
Committed					
Assigned	373,969	740,393	1,234,023	1,201,309	1,869,501
Unassigned	6,630,937	8,157,227	10,950,323	15,536,918	15,699,123
Total Fund Balance	<u>\$ 7,270,613</u>	<u>\$ 9,237,114</u>	<u>\$ 12,584,665</u>	<u>\$ 17,187,198</u>	<u>\$ 18,010,708</u>
All Other Governmental Funds					
Nonspendable	268,396	268,396	398,396	428,782	429,294
Restricted	158,429,877	152,093,714	170,205,119	157,036,583	195,058,817
Committed	3,548,476	3,663,039	3,581,269	3,690,161	5,201,522
Assigned	3,684,362	3,236,609	3,160,859	3,309,690	3,587,539
Unassigned	(845,061)	(516,671)	(968,842)	(1,150,620)	(847,149)
Total Fund Balance	<u>\$ 165,086,050</u>	<u>\$ 158,745,087</u>	<u>\$ 176,376,801</u>	<u>\$ 163,314,596</u>	<u>\$ 203,430,023</u>

Source: The City's Comprehensive Annual Financial Reports

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

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

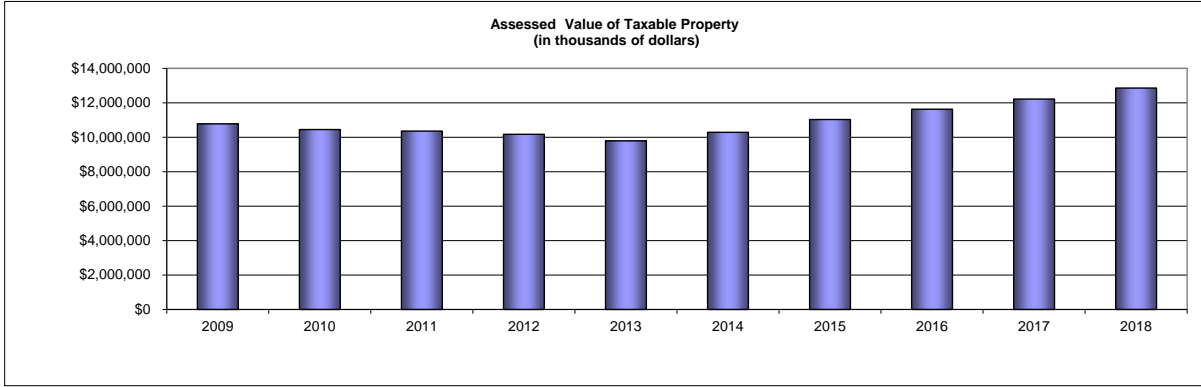
Revenue	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Taxes	\$ 45,528,393	\$ 42,598,164	\$ 42,114,274	\$ 39,473,554	\$ 36,946,753
Licenses, fees and permits	2,187,403	1,359,583	1,398,245	1,392,332	1,740,993
Vehicle License fees	5,630,342	5,434,694	5,534,031	5,086,212	4,976,818
Intergovernmental revenue	29,067,456	17,425,680	15,598,732	20,272,302	14,307,214
Charges for services	23,548,022	17,444,906	15,586,330	15,693,296	17,404,489
Fines and penalties	855,695	537,762	424,814	366,429	490,823
Assessment collections	3,583,022	3,227,235	3,022,779	3,324,303	3,482,141
Contributions from owners	-	-	-	-	-
Investment earnings (loss)	1,411,512	700,096	1,269,936	1,214,313	386,391
Miscellaneous	1,953,699	2,125,699	1,604,214	1,903,093	3,161,438
Total revenue	\$ 113,765,544	\$ 90,853,819	\$ 86,553,355	\$ 88,725,834	\$ 82,897,060
Expenditures					
General government	\$ 19,673,933	\$ 21,139,815	\$ 20,106,486	\$ 14,606,565	\$ 14,069,483
Public safety	34,039,597	33,795,698	30,860,677	31,237,025	31,831,334
Public ways and facilities	13,877,886	11,578,937	9,500,414	11,089,521	11,091,457
Community services	4,293,286	3,414,705	2,925,077	3,018,894	2,986,024
Culture and recreations	13,561,972	11,431,343	10,374,452	10,413,567	11,026,557
Capital outlay	18,301,637	12,882,877	18,671,363	9,003,180	2,586,067
Debt Service:					
Principal	11,981,979	10,154,002	11,434,546	12,233,666	12,511,714
Interest and fiscal charges	8,117,222	8,925,835	9,179,038	9,277,831	6,383,068
Cost of issuance	310,252	344,052	834,778	934,415	117,505
Total expenditures	\$ 124,157,764	\$ 113,667,264	\$ 113,886,831	\$ 101,814,664	\$ 92,603,209
Excess of revenue over (under) expenditures	\$ (10,392,220)	\$ (22,813,445)	\$ (27,333,476)	\$ (13,088,830)	\$ (9,706,149)
Other Financing Sources (Uses)					
Sale of property	-	-	430,486	-	-
Issuance of debt	-	-	44,560,000	25,557,469	15,034,361
Capital leases	-	-	-	-	-
Bond refunding	11,955,000	28,290,000	-	-	-
Bond discount	(115,411)	(56,779)	(824,502)	(62,306)	-
Issuance of loan	-	-	-	-	-
Bond premium	-	771,861	-	-	-
Payment to refunded escrow agent	(12,822,662)	(13,191,868)	-	(15,041,388)	(15,656,514)
Amortized loss on PY bond refinance	-	-	-	-	-
Extraordinary loss on dissolution of RDA	-	-	-	(26,420,154)	-
Transfers in	38,167,757	32,104,952	32,318,319	27,491,475	9,111,962
Transfers out	(32,830,048)	(30,961,583)	(27,651,372)	(24,146,818)	(6,041,865)
Total other financing sources (Uses)	\$ 4,354,636	\$ 16,956,583	\$ 48,832,931	\$ (12,621,722)	\$ 2,447,944
Net change in fund balances	\$ (6,037,584)	\$ (5,856,862)	\$ 21,499,455	\$ (25,710,552)	\$ (7,258,205)
Debt services as a percentage of non-capital expenditures	23.2%	23.8%	21.6%	23.2%	21.0%

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)

2014	2015	2016	2017	2018	
					Revenue
\$ 41,077,779	\$ 42,416,420	\$ 47,103,335	\$ 51,739,509	\$ 50,653,070	Taxes
2,109,745	2,128,623	2,098,807	2,171,246	2,775,305	Licenses, fees and permits
5,198,998	5,596,355	5,895,909	6,065,568	6,484,423	Vehicle License fees
18,611,026	16,049,283	12,819,545	15,233,546	12,347,078	Intergovernmental revenue
23,992,496	23,823,594	20,388,258	22,787,464	36,304,402	Charges for services
798,051	776,554	729,673	954,261	921,339	Fines and penalties
2,685,714	1,518,403	1,460,233	908,120	35,728	Assessment collections
-	-	-	-	-	Contributions from owners
633,581	395,293	7,068,427	(2,356,010)	(3,655,867)	Investment earnings (loss)
2,423,607	1,921,290	2,764,118	2,189,407	2,618,452	Miscellaneous
<u>\$ 97,530,997</u>	<u>\$ 94,625,815</u>	<u>\$ 100,328,305</u>	<u>\$ 99,693,111</u>	<u>\$ 108,483,930</u>	Total revenue
					Expenditures
\$ 16,920,618	\$ 17,920,405	\$ 17,392,563	\$ 17,718,687	\$ 18,859,432	General government
31,861,011	32,467,605	34,351,734	37,299,200	37,216,488	Public safety
10,633,571	11,803,873	10,763,219	10,546,397	12,921,054	Public ways and facilities
3,394,648	3,582,489	3,975,512	4,722,516	6,196,867	Community services
11,667,695	11,971,798	12,850,827	13,387,547	14,349,508	Culture and recreations
5,989,082	5,597,833	6,833,189	9,921,548	18,189,160	Capital outlay
					Debt Service:
15,465,193	12,879,056	11,090,135	12,600,203	8,027,092	Principal
6,398,811	5,826,718	5,119,301	4,835,589	2,540,176	Interest and fiscal charges
69,524	-	-	-	-	Cost of issuance
<u>\$ 102,400,153</u>	<u>\$ 102,049,777</u>	<u>\$ 102,376,480</u>	<u>\$ 111,031,687</u>	<u>\$ 118,299,777</u>	Total expenditures
\$ (4,869,156)	\$ (7,423,962)	\$ (2,048,175)	\$ (11,338,576)	\$ (9,815,847)	Excess of revenue over (under) expenditures
					Other Financing Sources (Uses)
-	-	-	-	-	Sale of property
-	-	6,675,000	-	88,670,000	Issuance of debt
-	-	-	-	-	Capital leases
-	-	-	-	-	Bond refunding
-	-	-	-	1,790,000	Bond discount
-	-	-	-	-	Issuance of loan
-	-	-	-	-	Bond premium
-	-	-	-	(52,535,000)	Payment to refunded escrow agent
-	-	-	-	-	Amortized loss on PY bond refinance
-	-	-	-	-	Extraordinary loss on dissolution of RDA
7,523,050	6,704,387	6,439,736	6,331,555	8,063,764	Transfers in
(4,863,541)	(3,654,887)	(3,025,319)	(3,452,651)	(5,046,857)	Transfers out
<u>\$ 2,659,509</u>	<u>\$ 3,049,500</u>	<u>\$ 10,089,417</u>	<u>\$ 2,878,904</u>	<u>\$ 40,941,907</u>	Total other financing sources (Uses)
<u>\$ (2,209,647)</u>	<u>\$ (4,374,462)</u>	<u>\$ 8,041,242</u>	<u>\$ (8,459,672)</u>	<u>\$ 31,126,060</u>	Net change in fund balances
22.7%	19.6%	17.0%	17.3%	10.6%	Debt services as a percentage of non-capital expenditures

Schedule 5
CITY OF FOLSOM, CALIFORNIA
Assessed Value and Estimated Actual Value of Taxable Property
Fiscal Year 2018, With Ten Year Trend Analysis
(in thousands of dollars)



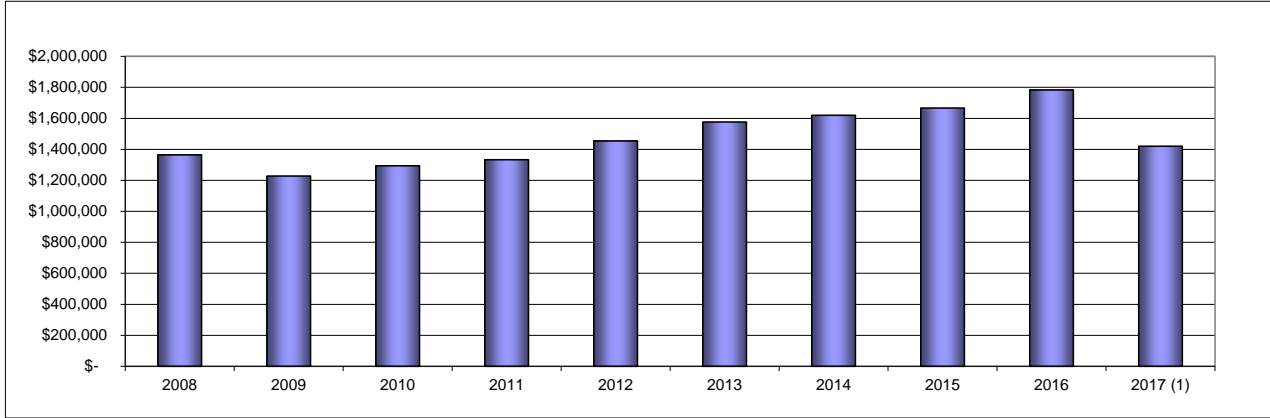
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other (1)	Unsecured Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Factor of Taxable Assessed Value
2009	\$ 7,603,600	\$ 2,537,311	\$ 155,166	\$ 637,347	Not available	\$ 154,158	\$ 10,779,267	1.1885	\$ 10,933,425	Not available
2010	\$ 7,322,351	\$ 2,568,605	\$ 160,566	\$ 594,990	Not available	\$ 197,310	\$ 10,449,201	1.2403	\$ 10,646,511	Not available
2011	\$ 7,880,409	\$ 1,974,636	\$ 158,866	\$ 587,410	Not available	\$ 241,689	\$ 10,359,632	1.2473	\$ 10,601,321	Not available
2012	\$ 7,145,644	\$ 2,558,036	\$ 158,600	\$ 586,902	Not available	\$ 276,882	\$ 10,172,299	1.2735	\$ 10,449,181	Not available
2013	\$ 6,791,316	\$ 2,108,662	\$ 159,900	\$ 790,301	\$ 287,803	\$ 346,963	\$ 9,791,019	1.3068	\$ 9,761,577 (3)	0.996993 (3)
2014	\$ 7,237,918	\$ 2,105,306	\$ 162,948	\$ 798,259	\$ 334,685	\$ 351,233	\$ 10,287,883	1.3522	\$ 11,517,264 (3)	1.119498 (3)
2015	\$ 7,863,637	\$ 2,133,511	\$ 161,792	\$ 894,465	\$ 311,204	\$ 333,742	\$ 11,030,867	1.3325	\$ 12,864,274 (3)	1.166207 (3)
2016	\$ 8,227,029	\$ 2,206,981	\$ 162,828	\$ 1,021,962	\$ 367,993	\$ 356,949	\$ 11,629,844	1.4196	\$ 13,598,364 (3)	1.169265 (3)
2017	\$ 8,671,194	\$ 2,315,233	\$ 162,343	\$ 1,076,357	\$ 364,265	\$ 370,001	\$ 12,219,391	1.4648	\$ 13,550,693 (3)	1.108950 (3)
2018	\$ 9,209,650	\$ 2,467,359	\$ 166,859	\$ 1,091,858	\$ 348,764	\$ 426,578	\$ 12,857,912	1.4970	\$ 15,154,811 (3)	1.178637 (3)

Source: County Assessor data, Avenu Insights & Analytics, 2011-12 and prior, previously published CAFR Report

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

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

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



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (1)
Motor Vehicle and Parts Dealers	\$ 322,101	\$ 260,633	\$ 264,616	\$ 287,365	\$ 342,749	\$ 408,649	\$ 425,196	\$ 460,449	\$ 466,504	\$ 356,126
Home furnishings and appliances	51,393	57,784	56,485	61,541	65,702	71,634	81,852	82,252	96,706	65,385
Bid Matri and Garden Equip	80,438	69,212	71,521	74,438	84,386	93,213	94,161	102,469	108,524	85,503
Food and Beverage Stores	59,228	60,474	63,585	71,654	74,194	78,944	79,159	79,806	81,880	60,130
Gasoline Stations	75,409	64,133	69,412	80,388	83,171	84,628	83,598	69,997	64,270	54,306
Clothing & Clothing Accessories	94,135	111,099	120,370	124,918	129,738	143,476	148,592	152,903	177,476	125,640
General merchandise stores	266,788	237,615	254,801	270,447	286,652	287,505	285,722	235,840	234,505	207,125
Food Services and Drinking Places	126,876	120,166	124,914	134,184	149,299	156,403	161,652	175,325	188,911	149,033
Other retail stores	157,482	117,744	120,522	124,566	127,862	136,099	133,671	135,499	131,765	92,058
Subtotal retail	1,233,850	1,098,860	1,146,226	1,229,501	1,343,753	1,460,551	1,493,603	1,494,540	1,550,541	\$ 1,195,306
All other outlets	130,324	128,810	147,585	103,528	110,206	115,786	126,130	171,928	232,418	224,734
Total	\$ 1,364,174	\$ 1,227,670	\$ 1,293,811	\$ 1,333,029	\$ 1,453,959	\$ 1,576,337	\$ 1,619,733	\$ 1,666,468	\$ 1,782,959	\$ 1,420,040

Sources: State Board of Equalization (BOE), California Department of Tax and Fee Administration (CDTFA)

(1) Since 2017, taxable transactions information is available via the CDTFA. Information only available through third quarter of 2017.

Schedule 6
CITY OF FOLSOM, CALIFORNIA
Direct and Overlapping Property Tax Rates
Fiscal Year 2018, With Ten Year Trend Analysis
(rate per \$100 of assessed value)

	County District Rates				School District, Bonds & Assessments					
	Basic County, City, School Levy	Sacramento Regional County Sanitation	Sacramento County Bonds	Total District Rates	General Obligation - School Districts (1)	Los Rios Community College	Folsom Cordova Bond Area #2	Folsom Cordova Bond Area #3	Folsom Cordova Bond Area #5	San Juan Unified Bond
2009	1.0000	0.0000	0.0000	1.0000	.0000 - .0298	0.0074	0.0283	0.0505	0.0000	0.0725
2010	1.0000	0.0000	0.0000	1.0000	.0000 - .0294	0.0124	0.0312	0.0985	0.0000	0.0688
2011	1.0000	0.0000	0.0000	1.0000	.0000 - .0290	0.009	0.0318	0.0962	0.0000	0.0813
2012	1.0000	0.0000	0.0000	1.0000	.0000 - .0330	0.0192	0.0349	0.0916	0.0000	0.0948
2013	1.0000	0.0000	0.0000	1.0000	.0000 - .0346	0.0193	0.0371	0.1155	0.0000	0.1003
2014	1.0000	0.0000	0.0000	1.0000	.0000 - .0245	0.0181	0.0341	0.1125	0.0000	0.1630
2015	1.0000	0.0000	0.0000	1.0000	.0000 - .0133	0.0111	0.0343	0.1229	0.0000	0.1509
2016	1.0000	0.0000	0.0000	1.0000	.0000 - .0369	0.0273	0.031	0.1129	0.0568	0.1547
2017	1.0000	0.0000	0.0000	1.0000	.0000 - .0219	0.0423	0.0584	0.1259	0.0641	0.1522
2018	1.0000	0.0000	0.0000	1.0000	.0000 - .0000	0.039	0.0516	0.1878	0.0071	0.2115

Source: Sacramento County, Department of Finance, Auditor-Controller; Avenu Insights & Analytics

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

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

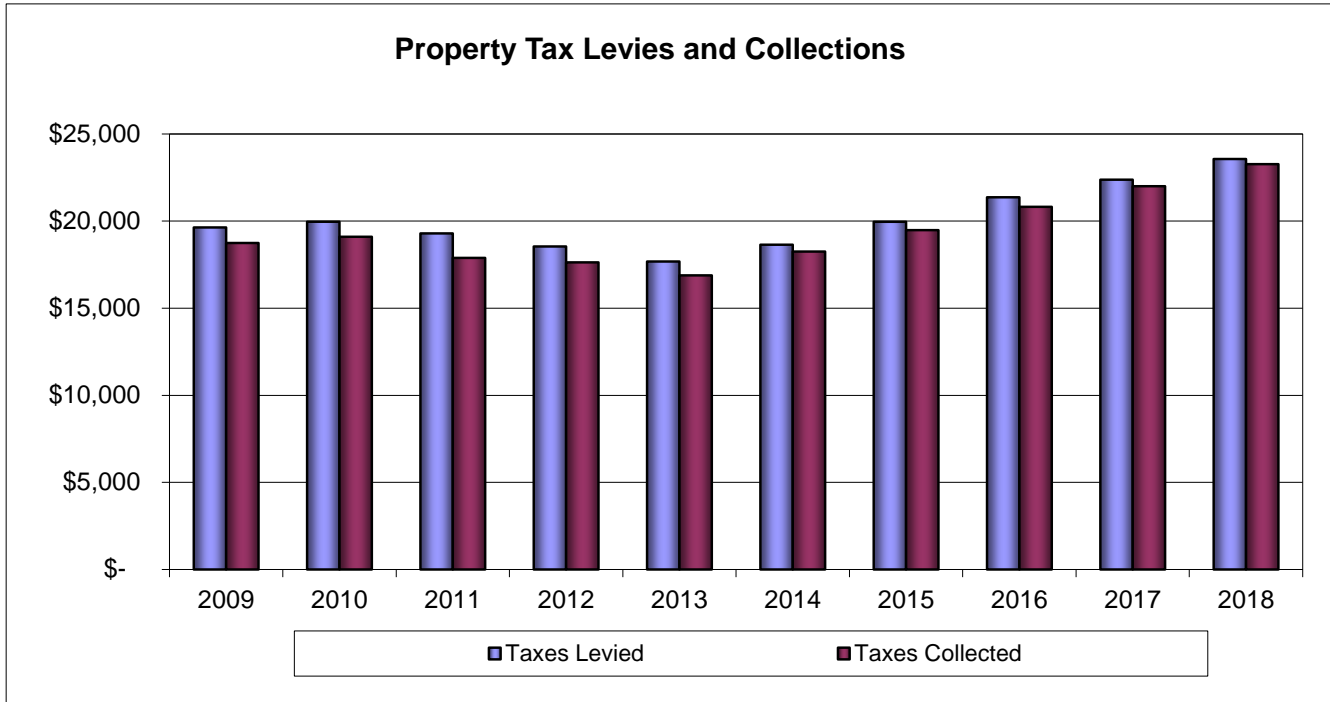
Schedule 7
CITY OF FOLSOM, CALIFORNIA
Principal Property Tax Payers
Fiscal Year 2018, And Nine Years Ago
(in thousands of dollars)

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value
Intel Corp	\$ 687,654	1	5.35%	\$ 567,788	1	5.47%
Broadstone Land Llc	216,221	2	1.68%	51,217	8	0.49%
Kaiser	79,161	3	0.62%			
Elliott Homes Inc.	72,748	4	0.57%			
Spectrum Waples Street LP	70,962	5	0.55%	62,399	4	0.60%
Chelsea Financing Partnership	64,972	6	0.51%	57,423	5	0.55%
Sequoia Equities Iron Point Fo	63,384	7	0.49%			
Kikkoman Foods Inc	58,183	8	0.45%	64,307	3	0.62%
Overlook At Blue Ravine LLC	56,801	9	0.44%	55,239	6	0.53%
Sherwood Iron Point Lp	55,749	10	0.43%			
Parkshore Plaza Office Propert				64,770	2	0.62%
Cowifi Iron Point LLC				52,020	7	0.50%
Braddock Logan Venture Group L				40,808	9	0.39%
Lakeridge Innovation LLC				40,687	10	0.39%
Total	\$ 1,425,835		11.09%	\$ 1,056,658		10%

Sources: Avenu Insights & Analytics, Sacramento County Assessor Combined Tax Rolls

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Schedule 8
CITY OF FOLSOM, CALIFORNIA
Property Tax Levies and Collections
Fiscal Year 2018, With Ten Year Trend Analysis
(in thousands of dollars)



Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percent of Levy (1)
2009	\$ 19,635	\$ 18,743	95.46%
2010	\$ 19,963	\$ 19,100	95.68%
2011	\$ 19,293	\$ 17,887	92.71%
2012	\$ 18,543	\$ 17,630	95.08%
2013	\$ 17,680	\$ 16,884	95.50%
2014	\$ 18,644	\$ 18,251	97.89%
2015	\$ 19,960	\$ 19,481	97.60%
2016	\$ 21,367	\$ 20,819	97.44%
2017	\$ 22,377	\$ 22,002	98.32%
2018	\$ 23,564	\$ 23,269	98.75%

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

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

Schedule 9
CITY OF FOLSOM, CALIFORNIA
Ratio of Outstanding Debt by Type
Fiscal Year 2018, With Ten Year Trend Analysis

	2009	2010	2011	2012	2013
Governmental Activities					
General Obligation Bonds	\$ 20,665,000	\$ 17,600,000	\$ 14,900,000	\$12,120,000	\$9,220,000
Certificates of Participation	5,835,000	4,540,000	4,170,000	1,190,000	1,170,000
FPFA Revenue Bonds	121,800,000	117,210,000	133,690,000	130,084,002	122,625,230
RDA Tax Allocation Bonds	30,070,000	45,230,000	66,095,000	-	-
City Hall & Fire Station Lease Obligation	-	-	-	10,314,467	8,947,773
Owner Participation Agreements	2,243,348	1,841,640	2,455,122	-	-
Special Assessment Debt	-	-	-	-	-
Notes Payable	2,000,000	1,500,000	1,000,000	500,000	-
Long-Term Loan	-	-	-	-	-
Capital Leases	909,667	1,099,843	875,382	575,716	486,978
Business-Type Activities					
Revenue Bonds	\$ 28,730,000	\$ 28,600,000	\$ 27,630,000	\$ 26,670,000	\$ 25,685,000
Capital Leases	1,102,224	972,023	528,387	308,274	131,460
Note Payable	-	-	-	-	-
Total Primary Government	\$ 213,355,239	\$ 218,593,506	\$ 251,343,891	\$ 181,762,459	\$ 168,266,441
Percentage of Personal Income	Not available	Not available	Not available	Not available	Not available
Per Capita	3,346	3,385	3,845	2,696	2,543
Population	63,772	64,576	65,375	67,429	66,174

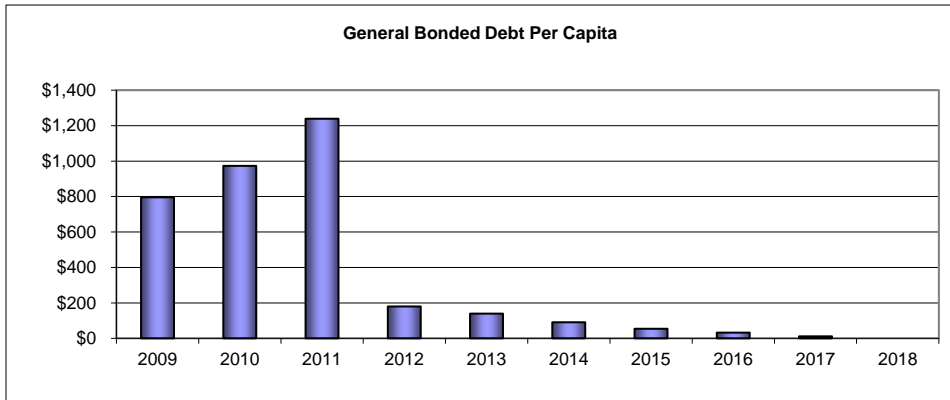
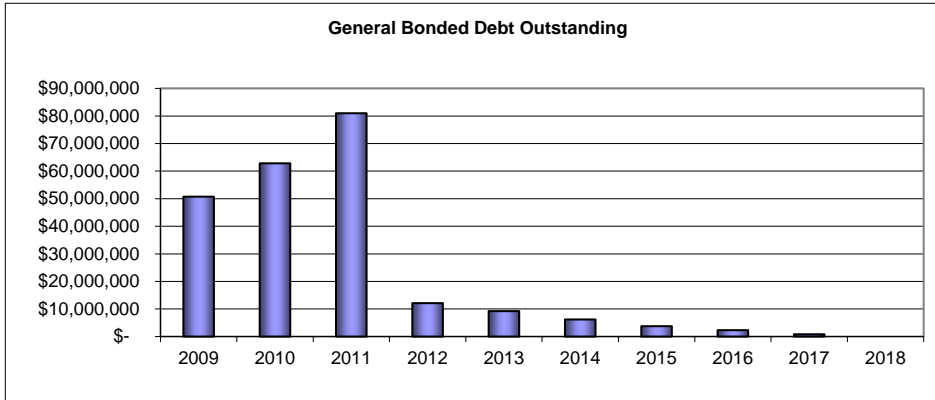
Sources: The City's Comprehensive Annual Financial Reports; State Department of Finance

(1) 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

2014	2015	2016	2017	2018	
					Governmental Activities
\$6,195,000	\$ 3,760,000	\$ 2,315,000	\$ 825,000	\$ -	General Obligation Bonds
820,000	-	-	-	-	Certificates of Participation
112,260,832	104,491,230	103,207,933	93,841,368	124,427,251	FPFA Revenue Bonds
-	-	-	-	-	RDA Tax Allocation Bonds
7,544,642	6,113,936	4,640,514	3,117,370	1,692,207	City Hall & Fire Station Lease Obligation
-	-	-	-	-	Owner Participation
-	-	-	-	-	Agreements
-	-	-	-	-	Special Assessment Debt
-	-	-	-	-	Notes Payable
1,302,208	1,901,301	1,687,885	1,467,391	4,457,095	Long-Term Loan
				1,239,579	Capital Leases
					Business-Type Activities
\$25,494,830	\$ 24,352,781	\$ 23,181,993	\$ 21,973,818	\$ -	Revenue Bonds
-	-	-	-	-	Capital Leases
-	-	-	-	-	Note Payable
\$ 153,617,512	\$ 140,619,248	\$ 135,033,325	\$ 121,224,947	\$ 131,816,132	Total Primary Government
Not available	Not available	Not available	Not available	Not available	Percentage of Personal Income
2,246	2,016	1,872	1,652	1,793	Per Capita
68,399	69,737	72,131	73,389	73,521	Population

**Schedule 10
CITY OF FOLSOM, CALIFORNIA
Ratios of General Bonded Debt Outstanding
Fiscal Year 2018, With Ten Year Trend Analysis**



Fiscal Year	General Bonded Debt Outstanding			Percent of Assessed Value of Property (1)	Per Capita (2)	Population (3)
	General Obligation Bonds	Redevelopment Bonds	Total			
2009	\$ 20,665,000	\$ 30,070,000	\$ 50,735,000	0.46%	795.57	63,772
2010	\$ 17,600,000	\$ 45,230,000 (4)	\$ 62,830,000	0.59%	972.96	64,576
2011	\$ 14,900,000	\$ 66,095,000 (5)	\$ 80,995,000	0.76%	1,238.93	65,375
2012	\$ 12,120,000	\$ - (6)	\$ 12,120,000	0.12%	179.74	67,429
2013	\$ 9,220,000	\$ -	\$ 9,220,000	0.09%	139.33	66,174
2014	\$ 6,195,000	\$ -	\$ 6,195,000	0.05%	90.57	68,399
2015	\$ 3,760,000	\$ -	\$ 3,760,000	0.03%	53.92	69,737
2016	\$ 2,315,000	\$ -	\$ 2,315,000	0.02%	32.09	72,131
2017	\$ 825,000	\$ -	\$ 825,000	0.01%	11.24	73,389
2018	\$ -	\$ -	\$ -	0.00%	-	73,521

Source: The City's Comprehensive Annual Financial Reports

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

Schedule 11
CITY OF FOLSOM, CALIFORNIA
Debt Capacity Information, Direct and Overlapping
Fiscal Year 2018, With Ten Year Trend Analysis

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	2009	2010	2011	2012	2013
Sacramento Regional County Sanitation District	\$ 9,918,663	\$ 13,659,353	\$ 22,435,787	\$ 21,554,132	\$ 26,372,363
Los Rios Community College District					
Folsom Cordova Unified School District School Facility Improvement District No. 2	42,337,394	40,802,565	38,998,345	36,964,845	34,838,817
Folsom Cordova Unified School District School Facility Improvement District No. 3	955,448	1,633,953	1,656,714	1,591,946	1,313,398
Folsom Cordova Unified School District School Facility Improvement District No. 5					0
San Juan Unified School District	1,957,071	1,906,917	2,344,499	2,213,590	2,586,340
El Dorado Irrigation District					
City of Folsom, Public Financing Authority	20,665,000	17,600,000	14,900,000	12,120,000	9,220,000
City of Folsom 1915 Act Bonds	23,650,000	22,221,970	20,650,599	19,024,306	17,151,884
Special District 1915 Act Bonds (Estimate)	84,179	86,206	1,060,903	1,070,634	1,212,719
Folsom Community Facilities District #1	-	-	-	-	-
Folsom Community Facilities District #2	13,110,000	10,540,000	9,625,000	8,710,000	7,770,000
Folsom Community Facilities District #3	1,705,000	1,495,000	1,275,000	845,000	605,000
Folsom Community Facilities District #4	2,650,000	2,440,000	2,220,000	1,985,000	1,740,000
Folsom Community Facilities District #7	27,400,000	26,030,000	24,595,000	22,710,000	21,090,000
Folsom Community Facilities District #8	3,965,000	3,740,000	3,495,000	3,245,000	2,985,000
Folsom Community Facilities District #9	1,565,000	1,420,000	1,270,000	1,110,000	945,000
Folsom Community Facilities District #10	64,265,000	62,750,000	62,120,000	59,945,000	57,660,000
Folsom Community Facilities District #11	8,530,000	8,130,000	7,690,000	7,215,000	6,720,000
Folsom Community Facilities District #14	18,320,000	18,060,000	17,765,000	17,435,000	17,050,000
Folsom Community Facilities District #17	-	-	-	-	-
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 241,077,755	\$ 232,515,964	\$ 232,141,947	\$ 217,739,453	\$ 209,260,521
DIRECT & OVERLAPPING GENERAL OBLIGATION DEBT:					
Sacramento County General Fund Obligation	\$ 28,362,471	\$ 30,692,468	\$ 29,528,970	\$ 28,275,537	\$ 27,124,496
Sacramento County Pension Obligations	73,769,313	76,621,294	76,197,664	82,058,088	82,019,808
Sacramento County Board of Education Cert. of Participation	880,627	868,666	827,542	782,367	747,008
Los Rios Community College District Cert. of Participation	444,749	444,682	438,419	426,251	411,593
Folsom Cordova Unified School District Cert. of Participation	24,027,205	19,329,869	18,146,947	16,684,291	15,101,192
Sacramento Metropolitan Fire District Cert. of Participation	-	-	-	-	9,060
San Juan Unified School District Cert. of Participation	36,178	14,538	12,910	11,017	-
Sacramento Metropolitan Fire District Pension Obligations	125,967	129,260	126,202	122,160	106,108
City of Folsom General Obligation Bonds	15,050,000	13,910,000	12,730,000	11,495,000	10,117,773
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT	142,696,510	142,010,777	138,006,654	139,854,711	135,637,038
Less: Sacramento County self-supporting obligations	587,611	597,002	588,012	577,221	589,971
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT	142,108,899	141,413,775	137,418,642	139,277,490	135,067,167
DIRECT COMBINED TOTAL DEBT	\$ 35,715,000	\$ 31,510,000	\$ 27,630,000	\$ 23,615,000	\$ 19,337,773
GROSS OVERLAPPING COMBINED TOTAL DEBT	\$ 348,059,265	\$ 343,016,741	\$ 342,518,601	\$ 333,979,164	\$ 325,559,786
GROSS COMBINED TOTAL DEBT (2)	\$ 383,774,265	\$ 374,526,741	\$ 370,148,601	\$ 357,594,164	\$ 344,897,559
NET COMBINED TOTAL DEBT	\$ 383,186,654	\$ 373,929,739	\$ 369,560,589	\$ 357,016,943	\$ 344,327,688

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	2014	2015	2016	2017	2018
Sacramento Regional County Sanitation District	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	7.064%	26,100,332	25,697,846	25,091,940	24,238,927	29,175,733
Folsom Cordova Unified School District School Facility Improvement District No. 2	99.717%	31,403,928	28,320,810	25,790,703	23,083,820	20,258,927
Folsom Cordova Unified School District School Facility Improvement District No. 3	15.084%	2,681,686	3,881,454	4,952,688	7,090,114	6,882,043
Folsom Cordova Unified School District School Facility Improvement District No. 5	99.991%	-	-	39,997,200	93,738,438	183,353,497
San Juan Unified School District	0.704%	2,440,033	2,914,760	2,698,717	3,399,459	3,109,284
El Dorado Irrigation District	0.036%	620	895	935	367	175
City of Folsom, Public Financing Authority	100.000%	6,195,000	3,760,000	2,315,000	825,000	-
City of Folsom 1915 Act Bonds	100.000%	13,745,561	11,765,942	9,663,940	6,340,471	4,491,108
Special District 1915 Act Bonds (Estimate)	382.100%	1,050,213	1,483,894	1,661,199	2,079,247	1,966,043
Folsom Community Facilities District #1	100.000%	-	-	-	-	-
Folsom Community Facilities District #2	100.000%	6,800,000	5,795,000	4,745,000	3,645,000	2,490,000
Folsom Community Facilities District #3	100.000%	350,000	85,000	-	-	-
Folsom Community Facilities District #4	100.000%	1,485,000	1,095,000	810,000	515,000	205,000
Folsom Community Facilities District #7	100.000%	19,010,282	16,850,693	15,083,791	13,256,420	11,353,503
Folsom Community Facilities District #8	100.000%	2,597,190	2,068,197	1,786,772	1,499,948	1,203,748
Folsom Community Facilities District #9	100.000%	775,000	575,000	390,000	195,000	-
Folsom Community Facilities District #10	100.000%	55,200,000	52,265,000	49,625,000	46,900,000	43,145,000
Folsom Community Facilities District #11	100.000%	6,200,000	5,655,000	5,080,000	4,485,000	1,560,000
Folsom Community Facilities District #14	100.000%	16,620,000	15,980,000	15,615,000	14,885,000	14,640,000
Folsom Community Facilities District #16, Improvement Area #1	100.000%	-	-	-	-	5,770,000
Folsom Community Facilities District #17	100.000%	-	-	5,579,499	5,475,014	6,420,000
Folsom Community Facilities District #19	100.000%	-	-	-	-	28,530,000
Folsom Community Facilities District #20	100.000%	-	-	-	-	13,255,000
Folsom Community Facilities District #2014-1	100.000%	-	-	-	-	41,579
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 192,654,745	\$ 178,193,981	\$ 210,887,384	\$ 251,652,225	\$ 377,850,640
DIRECT & OVERLAPPING GENERAL OBLIGATION DEBT:						
Sacramento County General Fund Obligation	8.590%	\$ 25,537,949	\$ 23,919,031	\$ 22,095,102	\$ 20,462,977	\$ 18,355,189
Sacramento County Pension Obligations	8.590%	84,998,096	84,138,157	83,630,628	81,959,486	79,571,634
Sacramento County Board of Education Cert. of Participation	8.590%	687,498	627,191	564,473	492,704	415,756
Los Rios Community College District Cert. of Participation	7.064%	399,679	386,947	67,963	49,889	31,082
Folsom Cordova Unified School District Cert. of Participation	64.492%	13,723,642	12,170,071	9,785,084	7,987,980	6,084,494
San Juan Unified School District Cert. of Participation	0.704%	7,264	5,398	3,589	3,554	1,770
Sacramento Metropolitan Fire District Cert. of Participation	0.147%	-	-	13,702	13,958	13,362
Sacramento Metropolitan Fire District Pension Obligations	0.147%	90,995	98,863	79,206	78,546	72,653
City of Folsom General Obligation Bonds	100.000%	8,694,642	6,991,777	5,406,423	3,767,131	2,221,445
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		134,139,764	128,337,435	121,646,170	114,796,225	106,723,385
Less: Sacramento County self-supporting obligations		554,033	538,642	-	-	1,545,418
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT		133,585,731	127,798,793	121,646,170	114,796,225	105,177,967
OVERLAPPING TAX INCREMENT DEBT (Successor Agency): (3)	100.000%	\$ 62,000,000	\$ 60,560,000	\$ 59,055,000	\$ 53,755,000	\$ 51,430,000
DIRECT COMBINED TOTAL DEBT		\$ 14,889,642	\$ 10,751,777	\$ 7,721,423	\$ 4,592,131	\$ 2,221,445
GROSS OVERLAPPING COMBINED TOTAL DEBT		\$ 311,904,867	\$ 356,339,639	\$ 383,867,131	\$ 415,611,319	\$ 533,782,580
GROSS COMBINED TOTAL DEBT (2)		\$ 326,794,509	\$ 367,091,416	\$ 391,588,554	\$ 420,203,450	\$ 536,004,025
NET COMBINED TOTAL DEBT		\$ 326,240,476	\$ 366,552,774	\$ 391,588,554	\$ 420,203,450	\$ 534,458,607

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

Ratios to 2017-18 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt	2.92%
Total Direct Debt (\$2,221,445)	0.02%
Gross Combined Total Debt	4.14%
Net Combined Total Debt	4.13%

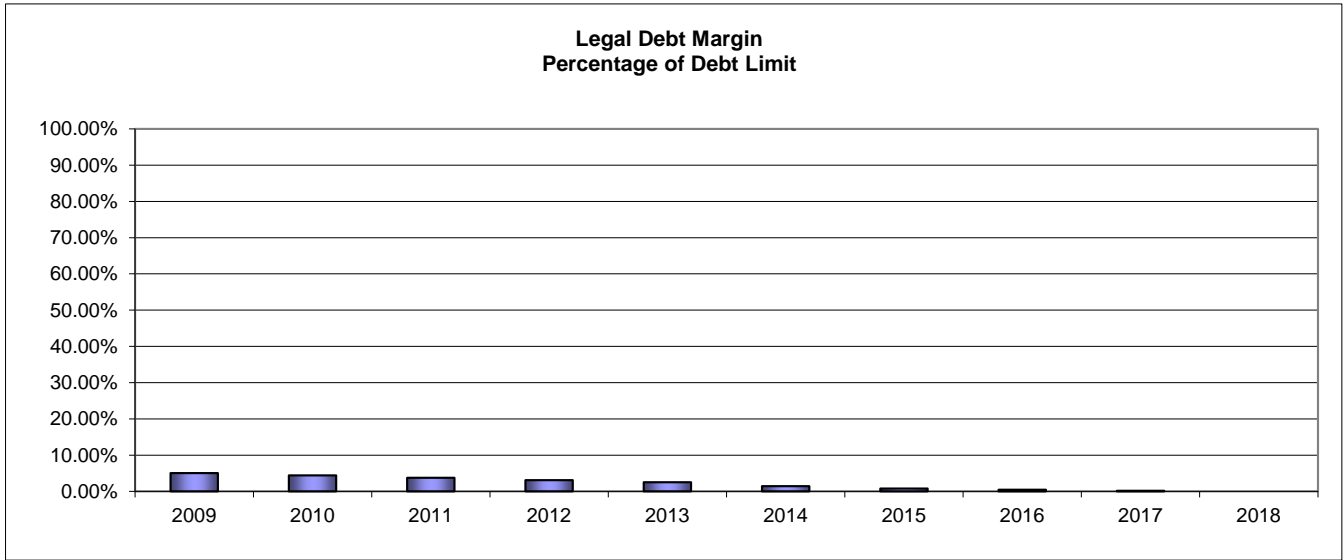
Ratios to Redevelopment Incremental Valuation (\$866,201,172):

Total Overlapping Tax Increment Debt	5.94%
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Source: Avenu Insights & Analytics
City of Folsom records - direct debt.

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**Schedule 12
CITY OF FOLSOM, CALIFORNIA
Legal Debt Margin
Fiscal Year 2018, 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
2009	\$ 10,933,425	3.75%	\$ 410,003	\$ 20,665	\$ 389,338	5.04%
2010	\$ 10,646,511	3.75%	\$ 399,244	\$ 17,600	\$ 381,644	4.41%
2011	\$ 10,601,321	3.75%	\$ 397,550	\$ 14,900	\$ 382,650	3.75%
2012	\$ 10,449,181	3.75%	\$ 391,844	\$ 12,120	\$ 379,724	3.09%
2013	\$ 9,761,577	3.75%	\$ 366,059	\$ 9,220	\$ 356,839	2.52%
2014	\$ 11,517,264	3.75%	\$ 431,897	\$ 6,195	\$ 425,702	1.43%
2015	\$ 12,864,274	3.75%	\$ 482,410	\$ 3,760	\$ 478,650	0.78%
2016	\$ 13,598,364	3.75%	\$ 509,939	\$ 2,315	\$ 507,624	0.45%
2017	\$ 13,550,693	3.75%	\$ 508,151	\$ 825	\$ 507,326	0.16%
2018	\$ 15,154,811	3.75%	\$ 568,305	\$ -	\$ 568,305	0.00%

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

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

Schedule 13
CITY OF FOLSOM, CALIFORNIA
Pledge Revenue Bond Coverage
Fiscal Year 2018, With Ten Year Trend Analysis

	2009	2010	2011	2012	2013
Water Revenue Bonds					
Utility Services Charges	\$ 12,592,586	\$ 11,866,189	\$ 12,309,896	\$ 12,708,434	\$ 14,755,852
Less Operating Expense	9,880,814	7,054,416	7,728,237	9,769,702	8,238,934
Net Available Revenue	2,711,772	4,811,773	4,581,659	2,938,732	6,516,918
Debt Service-Principal	750,000	780,000	970,000	960,000	985,000
Debt Service-Interest	1,370,129	1,272,486	1,113,029	1,068,780	1,064,579
	\$ 2,120,129	\$ 2,052,486	\$ 2,083,029	\$ 2,028,780	\$ 2,049,579
Coverage	1.28	2.34	2.20	1.45	3.18
Special Assessment & Community Facility Bonds					
Special Assessment Collections	16,226,589	16,241,785	16,022,940	16,139,062	15,705,171
Debt Service-Principal	5,690,000	6,578,030	7,951,271	7,366,393	8,794,705
Debt Service-Interest	8,847,185	8,955,158	7,627,998	7,252,534	6,635,434
Coverage	1.12	1.05	1.03	1.10	1.02
RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage					
Gross Tax Revenue	6,245,658	5,924,306	5,502,072	3,385,072 (2)	2,909,463
Debt Service-Principal	525,000	580,000	515,000	880,000	940,000
Debt Service-Interest	1,330,455	1,516,386	2,017,688	1,996,763	1,969,463
Coverage of Senior Debt	3.37	2.83	2.17	1.18	1.00
RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage					
Net Tax Revenue Available for Subordinated Debt ⁽¹⁾			2,648,504	1,096,510 (2)	1,060,988
Debt Service - Principal			-	250,000	215,000
Debt Service - Interest			-	846,510	845,988
Coverage of Subordinated Debt			N/A	1.00	1.00
RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage					
Gross Tax Revenue			1,375,518	1,124,940 (2)	1,126,088
Debt Service-Principal			-	255,000	175,000
Debt Service-Interest			-	869,940	951,088
Coverage			N/A	1.00	1.00

Source: City of Folsom

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

(2) 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.

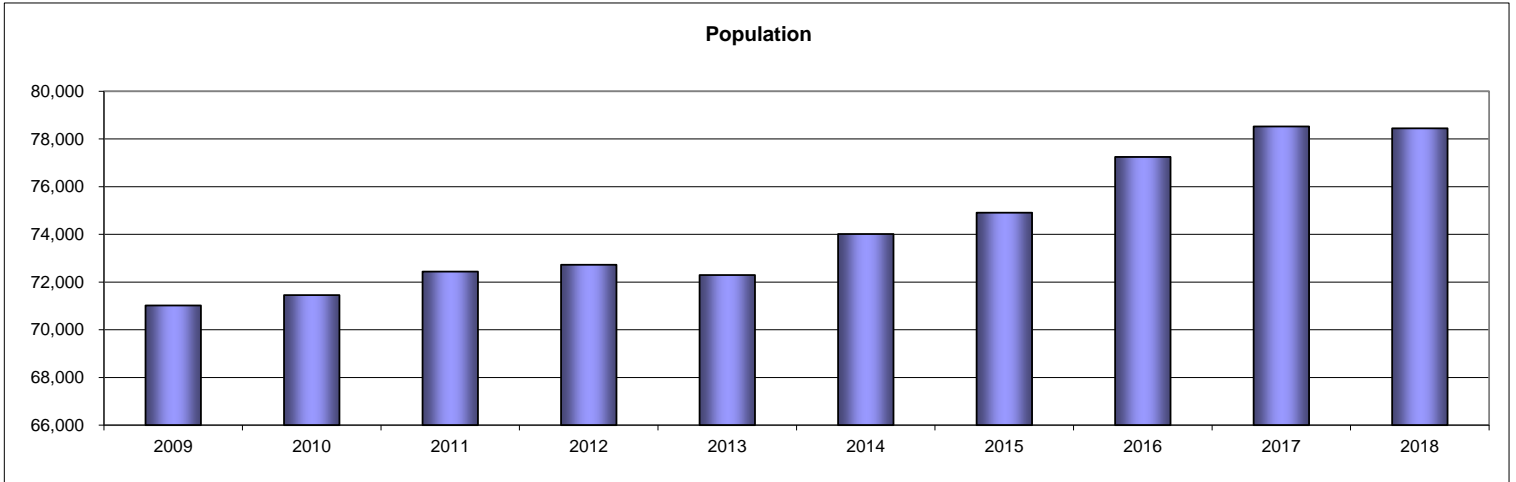
(3) In FY17, all bonds were refunded; Subordinated and Housing Set-Aside Bonds were defeased.

(4) In FY18, corrected prior year balance to exclude Lighting & Landscaping funds.

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

2014	2015	2016	2017	2018	
					Water Revenue Bonds
\$ 14,349,277	\$ 13,218,966	\$ 12,400,653	\$ 13,737,197	\$ 14,209,217	Utility Services Charges
8,452,397	8,945,873	8,230,547	8,571,343	9,533,863	Less Operating Expense
5,896,880	4,273,093	4,170,106	5,165,854	4,675,354	Net Available Revenue
1,124,752	1,142,049	1,170,788	1,208,175	1,248,395	Debt Service-Principal
828,672	864,822	832,891	796,495	758,911	Debt Service-Interest
\$ 1,953,424	\$ 2,006,871	\$ 2,003,679	\$ 2,004,670	\$ 2,007,306	
3.02	2.13	2.08	2.58	2.33	Coverage
					Special Assessment & Community Facility Bonds
15,378,021	15,706,798	16,152,972	15,611,680 (4)	15,115,858	Special Assessment Collections
11,895,928	9,463,202	9,480,329	10,932,664	7,113,480	Debt Service-Principal
6,349,684	5,790,222	5,507,126	4,868,399	3,623,570	Debt Service-Interest
0.84	1.03	1.08	0.99	1.41	Coverage
					RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage
2,812,863	2,997,413	2,999,563	3,350,525	4,049,688 (3)	Gross Tax Revenue
875,000	1,100,000	1,145,000	1,570,000	2,325,000	Debt Service-Principal
1,937,863	1,897,413	1,854,563	1,780,525	1,724,688	Debt Service-Interest
1.00	1.00	1.00	1.00	1.00	Coverage of Senior Debt
					RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage
1,160,319	974,850	976,688	-	-	Net Tax Revenue Available for Subordinated Debt ⁽¹⁾
325,000	150,000	160,000	-	-	Debt Service - Principal
835,319	824,850	816,688	-	-	Debt Service - Interest
1.00	1.00	1.00	N/A	N/A (3)	Coverage of Subordinated Debt
					RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage
1,124,425	1,126,313	1,126,050 (2)	-	-	Gross Tax Revenue
180,000	190,000	200,000	-	-	Debt Service-Principal
944,425	936,313	926,050	-	-	Debt Service-Interest
1.00	1.00	1.00	N/A	N/A (3)	Coverage

**Schedule 14
CITY OF FOLSOM, CALIFORNIA
Demographic and Economic Information
Fiscal Year 2018, With Ten Year Trend Analysis**



Year	Population Folsom (1)	Population County (3)	Estimated Personal Income Folsom	Per Capita Personal Income (2)	Median Projected Age (2)	Education Level in Years Schooling (2)	School Enrollment (3)	Unemployment Rate (4)
2009	71,018	1,433,187	\$ 2,846,543,476	\$ 40,082	36.20	Note 1	19,119	5.10%
2010	71,453	1,445,327	\$ 2,889,344,961	\$ 40,437	36.40	Note 1	19,182	5.80%
2011	72,439	1,428,355	\$ 2,445,033,567	\$ 33,753	35.90	Note 1	18,893	5.80%
2012	72,725	1,435,153	\$ 2,521,521,200	\$ 34,672	36.40	Note 1	19,154	5.00%
2013	72,294	1,445,806	\$ 2,553,336,604	\$ 35,319	37.60	Note 1	19,112	4.80%
2014	74,014	1,454,406	\$ 2,669,012,933	\$ 36,061	39.00	Note 1	19,356	3.90%
2015	74,909	1,470,912	\$ 2,902,199,387	\$ 38,743	37.70	Note 1	19,927	3.70%
2016	77,246	1,495,297	\$ 3,025,812,336	\$ 39,171	38.70	Note 1	19,865	3.90%
2017	78,525	1,514,770	\$ 3,223,922,400	\$ 41,056	39.90	Note 1	20,312	3.50%
2018	78,447	1,529,501	\$ 3,425,627,518	\$ 43,668	41.80	Note 1	20,353	2.80%

Note 1	2011	2012	2013	2014	2015	2016	2017	2018
Less than 9th grade	Not available	Not available	1.80%	1.60%	3.40%	2.00%	2.40%	3.40%
Some High School, no diploma	Not available	Not available	7.70%	4.20%	6.80%	6.00%	5.20%	3.70%
High School Graduate (or GED)	89.00%	89.60%	17.60%	20.80%	16.90%	17.20%	15.80%	14.40%
Some College, no degree	Not available	Not available	21.80%	20.20%	17.90%	19.90%	19.70%	21.80%
Associate Degree	Not available	Not available	9.20%	8.50%	9.00%	9.20%	9.10%	9.10%
Bachelor's Degree	40.40%	40.10%	26.90%	26.90%	26.90%	28.50%	29.40%	28.70%
Master's Degree	Not available	Not available	Not available	Not available	Not available	Not available	not available	not available
Professional School Degree	Not available	Not available	15.10%	17.80%	19.20%	17.30%	18.40%	18.90%
Doctorate Degree	Not available	Not available	Not available	Not available	Not available	Not available	not available	not available

- Sources:
- (1) California Department of Finance (includes prison population)
 - (2) Information provided by Avenu Insights & Analytics
 - (3) California Department of Education
 - (4) California Employment Development Department

**Schedule 15
CITY OF FOLSOM, CALIFORNIA
Principal Employers
Fiscal Year 2018 and Nine Years Ago**

<u>Employer</u>	<u>2018</u>			<u>2009</u>
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>
Intel Corporation	5,984	1	16.26%	6,500
California State Prison	1,572	2	4.27%	1,450
Folsom Prison	1,103	3	3.00%	975
Folsom Cordova Unified School District	1,062	4	2.89%	875
Mercy Hospital of Folsom	748	5	2.03%	450
California ISO	624	6	1.70%	550
City of Folsom	424	7	1.15%	480
Safe Credit Union	355	9	0.96%	
Micron Technology Inc	350	8	0.95%	
Costco	300	10	0.82%	
Verizon				1,100
Worthington Imports				680
Peterson's Folsom Lake Enterprises				654
Total City Labor Force:			36,800	26,000

Sources: Avenu Insights & Analytics
City of Folsom
Employment Development Department

**Schedule 16
CITY OF FOLSOM, CALIFORNIA
Government Employment Information
Fiscal Year 2018, With Ten Year Trend Analysis**

Function/Program	Full-time Equivalent Employees									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	3.75	5	6.25	6	5.25	5.5	5.5	5.75	5.5	5.5
City Attorney	5	5	4	4	4	3.75	3.75	3.75	4	4
Administrative Services (2)	11	12	0	0	0	0	0	0	0	0
City Clerk	3.5	3.5	3	3	3	3	3	3	3	3
Community Development (1)	34	38.5	26.5	26.5	22	20.4	20.4	21.4	22.4	24
Fire	78	79	69	64	63	65	65	69	69	71
Human Resources	6.75	6	6	6	5	5	5	5	5	5.5
Intergov't Affairs & Econ, Dev.	1.5	1.5	0	0	0	0	0	0	0	0
Library	16	15	13.5	12	11	11	10.5	10.5	10.5	10.5
Neighborhood Services (1)	7.5	0	0	0						
Office of Management & Budget	20	19	24	24	20	19	20	20	21	21.5
Parks & Recreation	65.55	50.8	53.8	52.8	43	43.4	42.4	44.8	46	46
Police Department	120.25	112.25	103.5	103.5	98.5	97.5	97.5	98.5	101.5	103.5
Public Works	68.2	59	54.75	55.5	51	46.9	45.9	45.9	47.7	48.4
Utilities	99	95	91.5	89	90.25	89.95	91.95	94.2	97.2	98.1
	<u>545.00</u>	<u>506.55</u>	<u>460.80</u>	<u>451.30</u>	<u>421.00</u>	<u>415.40</u>	<u>415.90</u>	<u>426.80</u>	<u>437.80</u>	<u>446.00</u>

Source: City Budget

- (1) During FY 2010 Neighborhood Services was merged into Community Development.
(2) During FY 2012, Administrative Services was merged into City Manager, Finance, and Parks and Recreation

Schedule 17
CITY OF FOLSOM, CALIFORNIA
Operating Indicators by Function/Program
Fiscal Year 2018, With Ten Year Trend Analysis

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police (1)										
Misdemeanor and felony arrests	2,009	1,855	1,463	1,270	1,324	1,410	1,414	1,257	1,251	1,023
Traffic citations	16,328	13,186	8,106	7,262	6,180	6,144	3,882	2,997	2,575	2,130
Traffic collisions	1,390	1,367	1,377	1,464	1,410	1,328	1,166	1,528	1,673	1,639
Fire										
Ambulance transports	3,167	2,608	2,692	3,099	3,099	3,186	3,367	3,819	4,045	4,446
Medical responses	3,989	3,409	3,618	3,526	3,526	3,485	3,671	4,369	4,748	5,105
Inspections completed	527	1,457	1,485	1,326	1,850	1,066	1,035	1,460	506	1,017
Other public works										
Lane miles of street overlay	5.37	9.5	2.3	9	7.2	-	4	8	2	-
Curb miles of streets swept	6,756	1,530	1,308	445	568	1,807	2,511	4,275	2,930	3,900
Hot pour crack seal applied (lineal ft.)	16,615	550,000	-	120,000	104,480	103,020	80,200	150,000	390,000	350,000
Square feet of street patch	44,672	243,750	12,000	83,000	84,560	408,000	187,650	200,000	75,000	450,000
Number of miles of road added	-	-	-	-	-	-	1	1	1	-
Number of traffic signals added	-	-	4	18	-	-	-	1	-	1
Number of streetlights added	-	-	-	28	4	-	19	15	35	14
Miles of storm drains added	-	0.58	-	0.2	0.1	0.3	0.5	0.6	0.2	-
Area of Slurry Seal applied (sq ft)	7,333,745	3,690,000	3,559,000	862,000	1,895,800	1,034,100	1,500,000	2,250,000	-	-
Parks and Recreation										
Aquatic center paid admissions	55,505	56,466	56,245	59,571	63,840	68,257	62,668	58,694	61,731	56,586
Community facilities reservations	3,839	3,046	2,224	2,374	2,801	2,949	3,449	3,269	3,115	3,315
Community facilities paid rentals	956	978	667	889	1,007	1,113	1,107	1,111	1,059	1,127
Total park acreage	435	435	439	439	439	439	439	439	439	451
Open space acreage	361	409	420	420	420	420	499	631	631	631
Trails maintenance	24	34	36	36	36	36	36	45	48	48
Recreation program participation	532,474	522,803	498,879	595,934	540,688	559,776	524,545	560,973	523,268	542,249
Zoo attendance	107,827	100,423	104,032	125,564	121,387	123,440	121,360	116,057	121,953	143,367
Library										
Volumes in collection	102,215	111,726	112,170	102,767	103,253	96,833	92,979	91,519	89,133	92,033
Total volumes borrowed	664,251	666,612	543,053	552,161	564,434	608,536	609,441	613,597	603,421	618,458
Water										
New connections	218	181	149	103	187	356	348	268	180	253
Water main breaks	3	3	2	1	5	3	8	5	1	4
Average consumption (gal/day)	24.3 MGD	20.9 MGD	19.8 MGD	19.3 MGD	20.3 MGD	16.6 MGD	14.9 MGD	14.2 MGD	16.65 MGD	17.35 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)	7.0 MGD	6.95 MGD	6.77 MGD	7.82 MGD	6.22 MGD	5.75 MGD	5.75 MGD	5.98 MGD	8.03 MGD	7.1 MGD
Daily average flow in gallons	12 MGD	12MGD	12 MGD	12 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14 MGD	14 MGD
Pump station capacity (gal/day)										
Refuse collection										
Solid Waste (tons per day)	138	138	134	131	136	136	140	144	150	151
Recycling (tons per day)	41	38	34	35	39	38	41	44	44	40
Green Waste (tons per day)	32	34	33	33	35	33	34	36	40	38
Transit										
Total route miles	241,675	181,153	187,036	194,900	184,727	175,402	195,390	200,897	195,989	197,147
Passengers-Folsom Stage Line	101,590	64,880	61,650	73,485	79,787	92,489	91,930	83,180	92,282	89,794
Passengers-Light Rail	780,756	764,660	739,024	778,856	745,108	734,500	702,935	689,935	619,684	627,850

Source: City of Folsom

N/A - Data not available

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

Schedule 18
CITY OF FOLSOM, CALIFORNIA
Capital Asset and Infrastructure Statistics by Function/Program
Fiscal Year 2018, With Ten Year Trend Analysis

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Works					
Miles of streets	259	259	259	259	259
Number of street lights	6,660	6,667	6,667	6,699	6,703
Number of traffic signals	92	96	100	118	118
Culture and recreation					
Zoo	1	1	1	1	1
Community centers	2	4	4	4	4
Community clubhouse	3	3	2	2	2
Parks	45	45	46	46	46
Park acreage	434	435	439	439	439
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	61	49	49	60	52
Sewage System					
Miles of sanitary sewers	267	267	267	267	267
Number of pump stations	9	9	9	9	15
Number of service connections	21,359	21,552	21,684	21,787	21,974
Water					
Miles of water mains	343	343	343	343	343
Number of service connections	19,169	19,350	19,275	19,376	19,563
Number of fire hydrants (not inc. San Juan)	2,860	2,874	2,895	2,919	2,921
Daily average consumption in gallons	24.3 MGD	20.9	19.8	20	20.3
Maximum daily capacity of plant in gallons	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
Drainage System					
Miles of storm drains	199	200	250	250	250

Source: City of Folsom

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

2014	2015	2016	2017	2018	<u>Function/Program</u>
					Public Works
300	301	302	303	303	Miles of streets
6,699	6,699	6,714	6,749	6,749	Number of street lights
118	118	119	119	122	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	47	Parks
439	439	439	439	451	Park acreage
3	3	3	3	3	Swimming pools
23	23	23	23	25	Tennis courts
4	4	4	4	5	Fire Stations
					Police
1	1	1	1	1	Stations
56	54	53	53	59	Patrol Units
					Sewage System
267	267	267	268	285	Miles of sanitary sewers
15	15	15	14	14	Number of pump stations
22,295	22,743	22,927	22,974	23,506	Number of service connections
					Water
343	343	343	346	365	Miles of water mains
19,919	20,267	20,535	20,755	21,177	Number of service connections
2,977	2,989	2,996	2,994	3,434	Number of fire hydrants (not inc. San Juan)
16.6 MGD	14.9 MGD	14.2 MGD	16.65 MGD	17.35 MGD	Daily average consumption in gallons
50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	Maximum daily capacity of plant in gallons
					Drainage System
250	250	250	250	250	Miles of storm drains

**Schedule 19
CITY OF FOLSOM, CALIFORNIA
Miscellaneous Statistics
Fiscal Year 2018, With Ten Year Trend Analysis**

	Education				Hospitals	
	Elementary schools	Secondary schools	Number of school instructors - FTE	Community colleges	Number of hospitals	Patient beds
2009	10	5	468	1	1	105
2010	10	5	455	1	1	105
2011	10	5	451	1	1	131
2012	10	5	446	1	1	131
2013	10	5	452	1	1	131
2014	10	5	453	1	1	131
2015	10	5	489	1	1	131
2016	10	5	540	1	1	131
2017	10	5	550	1	1	131
2018	10	5	552	1	1	131

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