

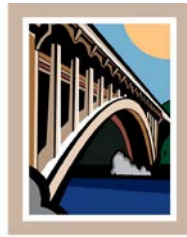


The City of Folsom California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019



CITY OF
FOLSOM
DISTINCTIVE BY NATURE



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

CITY OF FOLSOM, CALIFORNIA

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

**Stacey Tamagni
Finance Director**

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INTRODUCTORY SECTION



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CITY OF FOLSOM, CALIFORNIA

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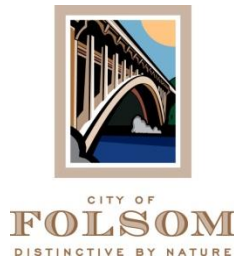
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December 23, 2019

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, 2019 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 assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse; to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP, and to comply with applicable laws and regulations. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable 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 79,835. 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, 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 for the ensuing 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 \$6.2 million and a surplus of \$5.7 million added to the General Fund's fund balance. This activity increased our unassigned fund balance to 23.5% of expenditures and continues to exceed the Council Policy of a 15% unassigned fund balance. In fiscal year 2019, our property taxes were up 8.7%, reflecting higher sales prices. Our sales taxes were up 13.7%.

As of June 30, 2019, California's unemployment forecast is expected to continue to improve slightly according to a UCLA Anderson Forecast, based primarily on the recent strength of 2019 and increased equipment spending. The California Economic Development Department listed the June 2019 unemployment rate for the State and County at 4.4% and 4.1% respectively. Folsom's unemployment rate was 3.1%. A comparison to one year ago had the State and County at 4.5% and 4.2% respectively and Folsom at 3.2%. The number of people employed in Folsom changed from 36,100 in June 2018 to 36,400 in June 2019.

With respect to the local housing market, sales activity in Folsom in fiscal year 2019 decreased by 13.82% from fiscal year 2018, while the median sales price increased by 5.51%. It is projected that the number of sales will increase from the FY 2019 level only slightly and home prices will continue to increase at about the same level, all combining to increase property values and subsequent property tax collection.

Building permits issued in 2019 were down (1.85%) when compared with the number issued in 2018. The number of single-family home permits increased from 247 in FY18 to 474 in FY19 while total permits decreased by 93 over the same period. The average value per permit was \$47,317 in FY 2019.

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 mainly due to the low unemployment rate. 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.

INDEPENDENT AUDIT - The City of Folsom's financial statements have been audited by Badawi & Associates, 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. Badawi & Associates, concluded based on the audit, that there was a reasonable basis for rendering an unmodified opinion for the fiscal year ended June 30, 2019, 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 2018-19 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 Ramirez, 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



Stacey Tamagni
Finance Director



Government Finance Officers Association

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

Presented to

**City of Folsom
California**

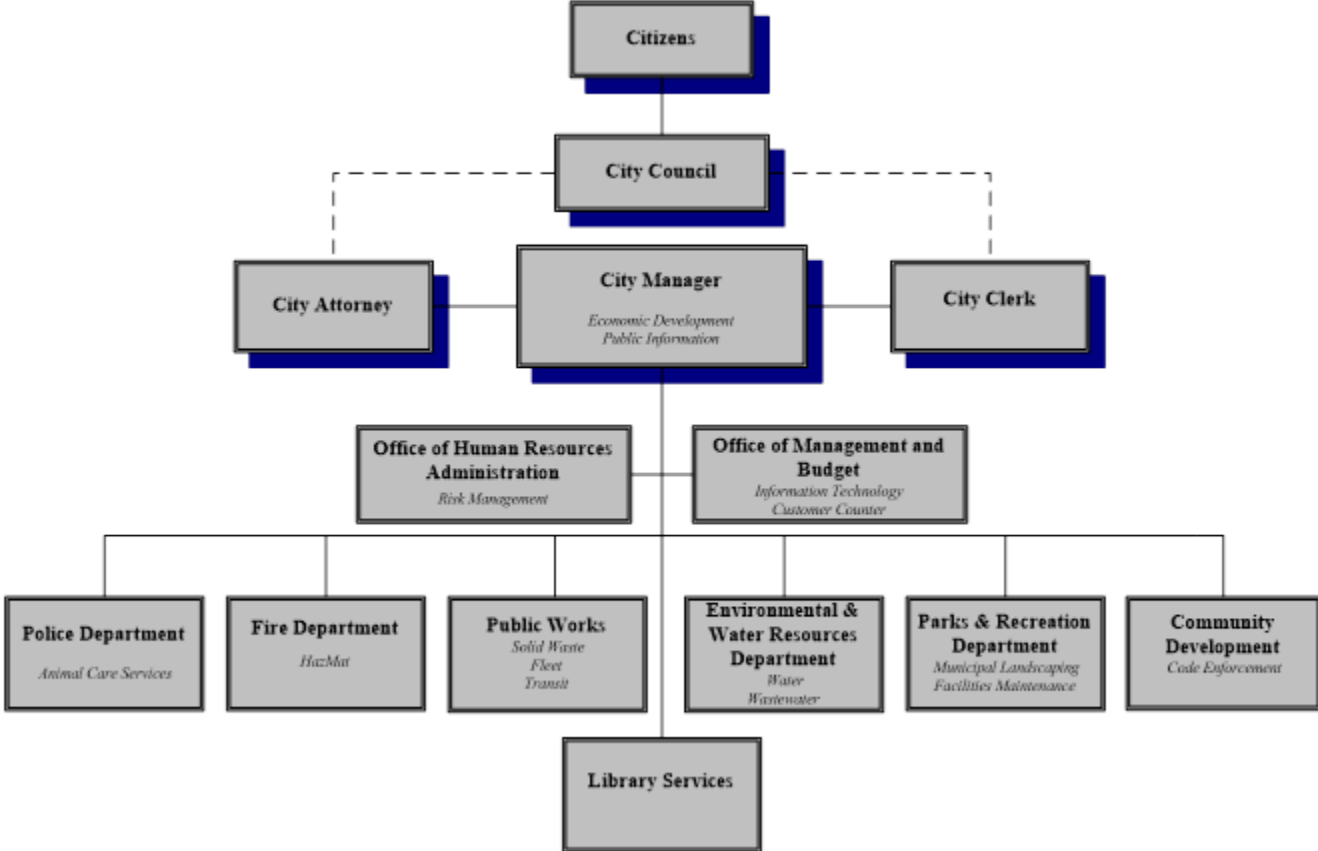
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

City Organizational Chart



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



Kerri Howell, Mayor



Sarah Aquino, Vice Mayor



Ernie Sheldon



Roger Gaylord III



Mike Kozlowski

**CITY OFFICIALS
Elaine Andersen, City Manager
Stacey Tamagni, Finance Director**

FINANCIAL SECTION



CITY OF
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
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 City of Folsom, California (City), as of and for the year ended June 30, 2019, 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

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-17, and budgetary comparison information, pension information, and OPEB information on pages 92-98 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

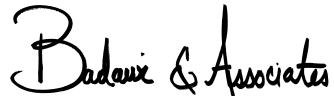
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplementary information, and the statistical information on pages 100-212, 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 on pages 100-212 are the responsibility of management and were derived from and relates 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 on pages 100-212 is 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 23, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Badawi and Associates
Certified Public Accountants
Berkeley, California
December 23, 2019

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, 2019. 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) 2018-19 by \$450,814,636 (*net position*). Of this amount, \$(132,541,246) is unrestricted, \$74,839,449 is restricted for specific purposes, and \$508,516,433 is the net investment in capital assets.
- Compared to 2018, the City's total net position increased \$63,773,935, or 16.48%, during 2019. The increase in 2019 was mostly due to \$45 million in capital contributions, \$16 million in additions to capital assets, \$4.8 million Transit Annexation, \$11.9 decrease in Long Term liabilities due to scheduled debt payments, \$2.6 decrease in deferred inflows related to OPEB..
- The City's total long-term debt decreased by \$12 million compared to the prior year, or (7.47)%. The decrease was made up of \$12 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 and recreation. The business-type activities of the City include water, wastewater, solid waste,

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

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 2018-19, an increase of \$63,773,935 in net position in the government-wide financial statements was reported. An increase of \$8,692,714 in fund balance was reported in the fund financial statements for FY 18-19. 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, 2019, the City's combined net position (governmental and business-type activities) totaled \$450,814,636, an increase of 16.48% from June 30, 2018. The City's net position is broken out into three categories: net investment in capital assets totaling \$508,516,433 (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 \$74,839,449 and unrestricted totaling \$(132,541,246). 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, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other	\$ 267,194,401	\$248,703,511	\$ 44,192,849	\$40,312,386	\$ 311,387,250	\$289,015,897
Capital assets, net	369,199,817	351,974,325	162,073,390	143,481,051	531,273,207	495,455,376
Total assets	636,394,218	\$600,677,836	206,266,239	\$183,793,437	842,660,457	\$784,471,273
Deferred Outflows of Resources						
Deferred outflows related to pensions	26,441,944	27,411,605	4,753,889	5,747,574	31,195,833	33,159,179
Deferred amounts on refunding	-	-	471,117	519,549	471,117	519,549
Total	26,441,944	27,411,605	5,225,006	6,267,123	31,666,950	33,678,728
Liabilities						
Long-term liabilities	126,869,021	137,411,275	20,071,014	21,388,259	146,940,035	158,799,534
Other liabilities	228,940,083	217,993,589	39,308,865	42,658,804	268,248,948	260,652,393
Total liabilities	355,809,104	355,404,864	59,379,879	64,047,063	415,188,983	419,451,927
Deferred Inflows of Resources						
Deferred inflows related to pensions	2,505,324	2,885,216	637,870	884,662	3,143,194	3,769,878
Deferred inflows related to OPEB	4,150,659	6,228,745	438,224	914,965	4,588,883	7,143,710
Special assessments not collected	-	41,329	-	-	-	41,329
Deferred amounts on refunding	591,711	702,456	-	-	591,711	702,456
Total	7,247,694	9,857,746	1,076,094	1,799,627	8,323,788	11,657,373
Net position						
Net investment in capital assets	365,447,799	341,907,988	143,068,634	123,233,937	508,516,433	465,141,925
Restricted	74,711,884	54,379,397	127,565	127,565	74,839,449	54,506,962
Unrestricted	(140,380,319)	(133,460,554)	7,839,073	852,368	(132,541,246)	(132,608,186)
Total net position	\$ 299,779,364	\$ 262,826,831	\$ 151,035,272	\$ 124,213,870	\$ 450,814,636	\$ 387,040,701

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, 2019**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 45,312,893	\$46,521,199	\$ 31,871,753	\$32,331,583	\$ 77,184,646	\$ 78,852,782
Operating grants and contributions	3,673,894	2,774,627	4,958,663	6,603,611	8,632,557	9,378,238
Capital grants and contributions	30,603,509	10,798,615	25,829,934	1,746,682	56,433,443	12,545,297
General revenues						
Property taxes	26,669,899	24,537,819	-	-	26,669,899	24,537,819
Sales and use tax	25,359,293	22,294,827	-	-	25,359,293	22,294,827
Other taxes	4,070,333	3,820,424	-	-	4,070,333	3,820,424
Investment earnings (loss)	11,463,007	(3,666,825)	1,367,314	187,322	12,830,321	(3,479,503)
Miscellaneous	1,922,130	4,408,453	-	-	1,922,130	4,408,453
Total Revenues	149,074,958	111,489,139	64,027,664	40,869,198	213,102,622	152,358,337
Expenses						
General government	19,894,674	21,571,309	-	-	19,894,674	21,571,309
Public safety	43,071,617	42,267,172	-	-	43,071,617	42,267,172
Public ways and facilities	24,860,981	26,740,758	-	-	24,860,981	26,740,758
Community services	6,119,243	6,328,357	-	-	6,119,243	6,328,357
Culture and recreation	16,783,176	19,316,157	-	-	16,783,176	19,316,157
Interest and fiscal charges	4,687,431	2,510,553	-	-	4,687,431	2,510,553
Water	-	-	15,018,849	14,416,465	15,018,849	14,416,465
Wastewater	-	-	5,989,117	5,777,106	5,989,117	5,777,106
Solid waste	-	-	10,823,361	10,383,837	10,823,361	10,383,837
Transit	-	-	2,297,111	4,093,944	2,297,111	4,093,944
Facilities augmentation	-	-	326,061	242,058	326,061	242,058
Total expenses	115,417,123	118,734,307	34,454,499	34,913,410	149,871,622	153,647,717
Increase/decrease in net position before transfers and extraordinary item	33,657,835	(7,245,168)	29,573,165	5,955,788	63,231,000	(1,289,380)
Transfers	3,003,762	3,008,033	(3,003,762)	(3,008,033)	-	-
Extraordinary items	-	10,732,952	-	-	-	10,732,952
Special items	290,936	-	251,999	-	542,935	-
Change in net position	36,952,533	6,495,817	26,821,402	2,947,755	63,773,935	9,443,572
Net position, beginning of year	262,826,831	256,331,014	124,213,870	121,266,115	387,040,701	377,597,129
Net position, end of year	\$ 299,779,364	\$ 262,826,831	\$ 151,035,272	\$ 124,213,870	\$ 450,814,636	\$ 387,040,701

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

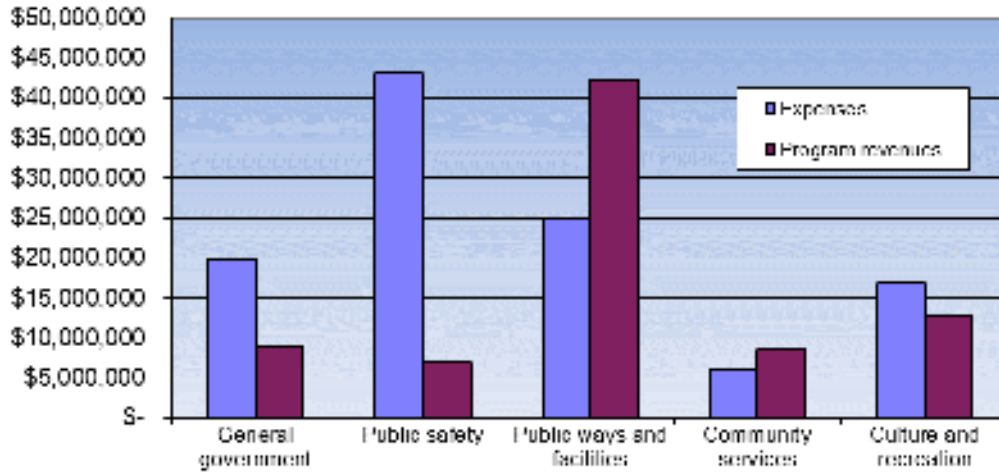
At the end of FY 2018-19, total revenues for the governmental activities, excluding transfers from the business-type activities of \$3 million, was \$149,074,958, an increase of approximately \$37.6 million from the previous year mostly due to increases in Capital Grants and Contributions, Investment Earnings due to the GASB 72 adjustment, and Property and Sales Tax revenues. Which was offset by a \$1.2 million decrease in Charges for Services, a \$2.5 million decrease in Miscellaneous Revenue. Expenses totaled \$115,417,123, a decrease of

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

\$3.3 million or (2.8)% from the prior year. After transfers and special items, revenues exceeded expenses and thus governmental activities increased the City’s net position by \$36,952,533.

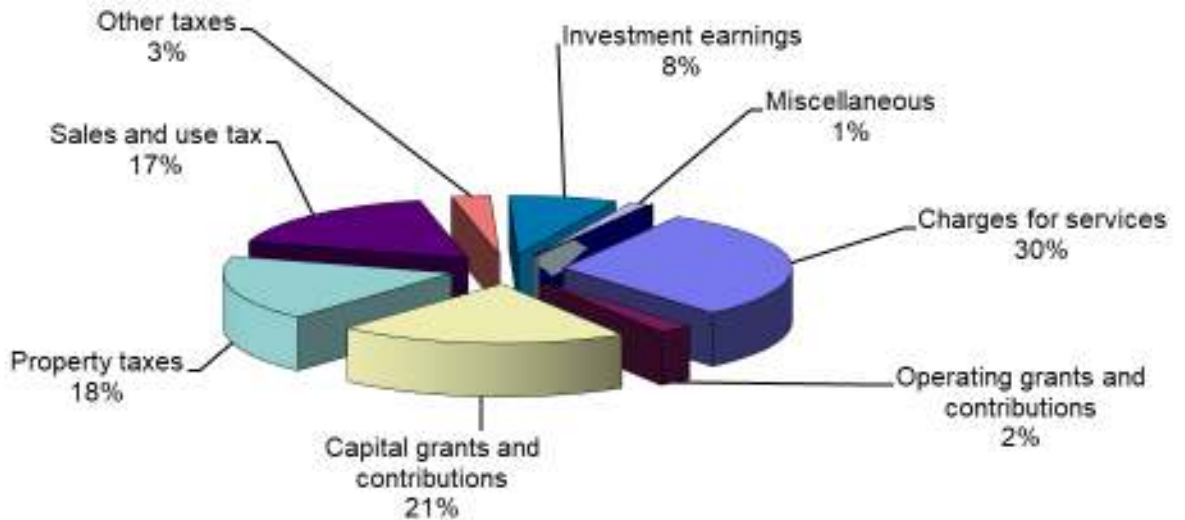
Overall program revenues increased by approximately \$19.5 million. General revenues saw an overall increase of approximately \$18.1 million. The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities:

Expenses and Program Revenues – Governmental Activities



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

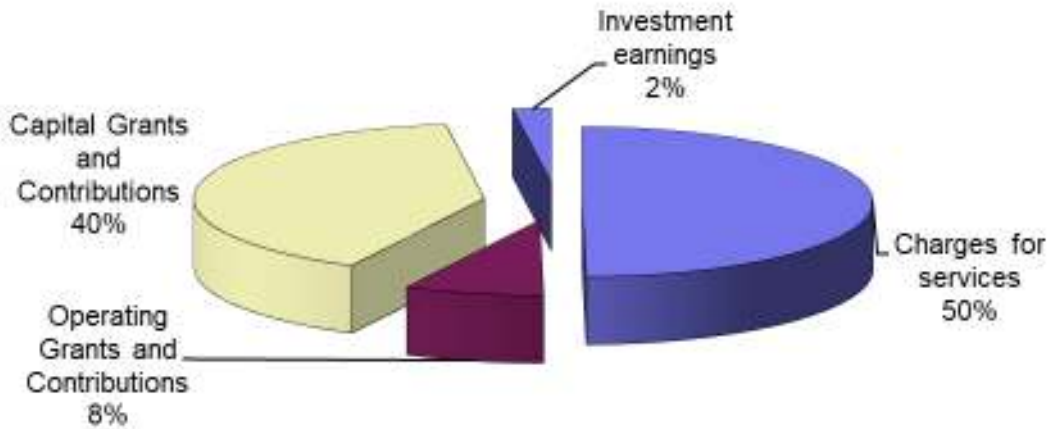
Revenues by Source - Governmental Activities



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)

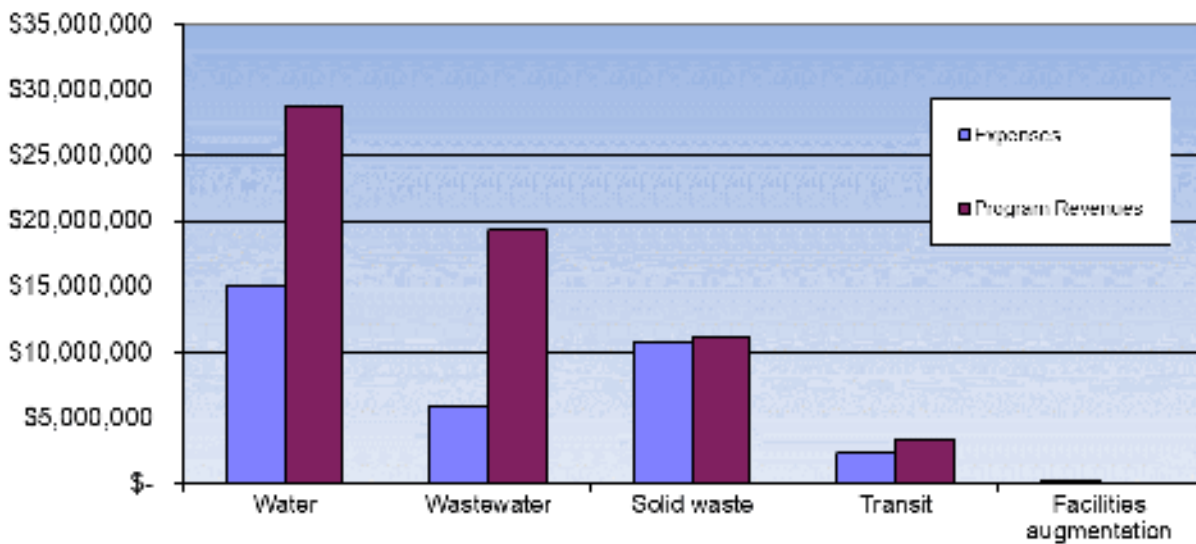
Revenues by Source - Business-Type Activities



Business-type activities increased the City’s net position by \$26,821,402. At the end of FY 2018-19, business-type activities reported total revenues, excluding transfers in from governmental activities, of \$64,027,664, an increase of \$23.2 million from the prior year. Increase is mostly due to the increase in Capital Contributions. Expenses totaled \$34,454,499, a decrease of \$458,911 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 \$230,133,445, an increase of \$8,692,714 during FY 2019. The increase is mostly due to activity in the Folsom Housing Special Revenue Fund and the Folsom Ranch Financing Authority related GASB 72 adjustments. Of the total fund balance, \$22,140,246 (9.6%) 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 \$136 million for the fiscal year ended June 30, 2019, which represents a decrease of (37.19) % from the fiscal year ended June 30, 2018. The decrease is mostly due to the bond issuances in the Public Financing Authority Debt Service Fund and the Folsom Ranch Financing Authority which occurred in FY 2018. Expenditures and other financing uses for governmental functions totaled \$128 million, a decrease of (27.51) % from the prior year. The decrease is mostly due to the bond refunding in the Public Financing Authority Debt Service Fund which occurred in FY 2018.

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, 2019

	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2019	2018	2019	2018	2019	2018
General Fund	\$ 92,260,837	\$ 86,107,564	\$ 86,601,533	\$ 85,284,054	\$ 5,659,304	\$ 823,510
Folsom Housing - Special Revenue Fund	2,580,492	10,475,884	25,322	22,712	2,555,170	10,453,172
Folsom Public Financing Authority	6,023,070	37,389,056	13,094,089	61,158,451	(7,071,019)	(23,769,395)
Folsom Ranch Financing Authority	7,540,182	51,253,486	2,293,993	1,142,733	5,246,189	50,110,753
Transportation Improvement Fund	7,626,933	8,075,921	9,389,920	5,056,292	(1,762,987)	3,019,629
Other Governmental Funds	20,160,013	23,518,660	16,093,956	23,217,392	4,066,057	301,268
Total	<u>\$ 136,191,527</u>	<u>\$ 216,820,571</u>	<u>\$ 127,498,813</u>	<u>\$ 175,881,634</u>	<u>\$ 8,692,714</u>	<u>\$ 40,938,937</u>

In the governmental funds, expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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 2018-19 there was an increase in fund balance of \$5.7 million which resulted in a nonspendable fund balance of \$1.1 million, an assigned fund balance of \$2.2 million and unassigned fund balance of \$20.4 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 23.5% of total General Fund expenditures and transfers out of \$86,601,533 while total fund balance represents 27.3% of that same amount.

General Fund revenues of \$84.9 million were up \$6.7 million or 8.6% higher than FY 2017-18 revenues of \$78.2 million. The table below provides a revenue comparison between Fiscal Years 2018-19 versus 2017-18.

	2019	2018	\$ Change	% Change
Property taxes	\$ 26,669,899	\$ 24,537,819	\$ 2,132,080	8.7%
Sales & use taxes	25,359,293	22,294,827	3,064,466	13.7%
Transient occupancy	2,377,895	2,197,780	180,115	8.2%
Real Property transfer	507,368	526,629	(19,261)	-3.7%
Other	1,185,070	1,096,015	89,055	8.1%
Licenses and permits	3,064,352	2,768,076	296,276	10.7%
Vehicle license fees	6,902,484	6,484,423	418,061	6.4%
Intergovernmental	490,901	781,752	(290,851)	-37.2%
Charges for current services	16,000,415	15,521,751	478,664	3.1%
Fines and forfeitures	158,797	153,532	5,265	3.4%
Interest	566,730	(1,135)	567,865	-50032.2%
Miscellaneous	1,629,239	1,822,394	(193,155)	-10.6%
Total	\$ 84,912,443	\$ 78,183,863	\$ 6,728,580	8.6%

Property tax revenues increased 8.7% over the prior fiscal year, due to increasing home values and increased sales activity. Transient occupancy taxes (TOT) increased by \$180k, or 8.2% over last year. Licenses and permits increased \$296k or 10.7%. Sales tax revenue increased by \$3.1 million, or 13.7% over last year, but this is offset by a decrease in Intergovernmental revenues of 37.2%.

General fund expenditures of \$86,601,533, excluding transfers out, increased by \$1.3 million or 1.5% over prior year expenditures of \$85,284,054. This increase is due to slightly increased spending across most functions, except for General Government that had a \$4.1 decrease mainly due to the transit annexation.

Expenditures	2019	2018	\$ variance	% variance
General government	\$ 13,484,116	\$17,607,014	\$ (4,122,898)	-23.4%
Public safety	42,059,757	37,216,488	4,843,269	13.0%
Public ways and facilities	6,626,501	6,610,529	15,972	0.2%
Community services	6,719,373	6,196,867	522,506	8.4%
Culture and recreation	14,866,302	14,249,229	617,073	4.3%
Capital Outlay	2,610,106	3,176,115	(566,009)	-17.8%
Debt service principal payments	235,378	227,812	7,566	3.3%
Total	\$ 86,601,533	\$85,284,054	\$ 1,317,479	1.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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

	2019	2018	Net Change
General Fund	\$ 23,670,012	\$ 18,010,708	\$ 5,659,304
Folsom Housing - Special Revenue Fund	24,987,268	22,432,098	2,555,170
Folsom Public Financing Authority	74,435,394	81,506,413	(7,071,019)
Folsom Ranch Financing Authority	62,494,513	57,248,324	5,246,189
Transportation Improvement Fund	12,240,627	14,003,614	(1,762,987)
Other Governmental Funds	32,305,631	28,239,574	4,066,057
Total	\$ 230,133,445	\$ 221,440,731	\$ 8,692,714

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 2018-2019, the fund reported revenues of \$2.6 million and expenditures and transfers of \$25k, increasing fund balance by \$2.6 million.

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 \$7.1 million during 2019.

Revenues for FPFA's governmental functions overall totaled \$6.0 million in FY 2018-19, and represent a decrease of \$31.3 million in comparison with the prior fiscal year. This is mostly due to investment earnings related to GASB 72 adjustments and bond issuance which occurred in FY 2018. Expenditures for governmental functions, totaling \$13.1 million, decreased by \$48.1 million from the prior fiscal year. The decrease is mostly due to a bond refunding which occurred in FY 2018. 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 \$5.2 million during 2019.

Revenues for FPFA's governmental functions overall totaled \$7.5 million in FY 2018-19, and represent a decrease of \$43.7 million in comparison with the prior fiscal year. This is mostly due to the FY 2018 bond issuance and investment earnings related to GASB 72 adjustments. Expenditures for governmental functions, totaling \$2.3 million, increased by \$1.2 million from the prior fiscal year. For additional information please refer to Note 7 of this report and the separately issued financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Transportation Improvement Capital Projects Fund

The Transportation Improvement Capital Projects Fund is used to account for long-term major road projects financed through developer mitigation charges and Measure A funding. Expenditures and transfers in the Transportation Improvement Capital Projects Fund were \$9.4 million in FY 2018-19, up \$4.3 million from the prior fiscal year. The decrease is mostly related to decreased project costs for projects such as New Traffic Signal Improvements, Street Overlay, and Greenback/Madison Paving.

Proprietary Funds

Water Fund

Net position of the Water Fund increased by \$13.4 million in FY 2018-19. Operating revenue for FY 2018-19 was \$13.9 million, a decrease of \$200K due to a decrease in water consumption due to wet weather. Operating expenses increased \$639k to \$14.2 million primarily due to increased maintenance and operations expenses. Net transfers were \$937k, an increase of \$36k from prior year levels. As of June 30, 2019, the fund's net position was \$96.1 million, of which \$88.0 million was the net investment in capital assets, while the remaining \$8.1 million was unrestricted.

Wastewater Fund

Operating revenues were at \$6.7 million, a decrease of \$45k from the prior year. Expenses were at \$6.0 million, up \$212k from the prior year. The net result was operating income of \$745K. Other items which affected net position were capital contributions of \$12.6 million and other non-operating revenues of \$477k. The total increase to net position in FY 2018-19 was \$13.1 million, leaving a balance of \$59.6 million. As of June 30, 2019, of the Fund's net position, \$53.8 million was the net investment in capital assets, and the remaining \$5.8 million was unrestricted.

Solid Waste Fund

Operating revenues were at \$10.9 million, an increase of \$100k from the prior year. Operating expenses were at \$10.8 million, an increase of \$440k. The net result was operating income of \$116k. The total decrease to net position in FY 2018-19 was \$(662)k, leaving a balance of \$(4.9) million. As of June 30, 2019, of the Fund's net position, \$1.3 million was the net investment in capital assets, and the remaining \$(6.2) million was unrestricted.

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

	Operating Revenues, Nonoperating Revenues, Capital Contributions & Transfers		Operating Expenses, Nonoperating Expenses & Transfers		Net Change in Net Position	
	2019	2018	2019	2018	2019	2018
Water	\$ 29,397,443	\$ 17,398,139	\$ 15,955,482	\$ 15,317,028	\$ 13,441,961	\$ 2,081,111
Wastewater	19,764,600	7,640,216	6,662,521	6,492,823	13,102,079	1,147,393
Solid Waste	11,450,589	11,313,187	12,112,762	11,638,306	(662,173)	(325,119)
Other Enterprise Funds	3,471,938	4,648,649	2,784,402	4,604,279	687,536	44,370
Total	\$ 64,084,570	\$ 41,000,191	\$ 37,515,167	\$ 38,052,436	\$ 26,569,403	\$ 2,947,755

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

After taking into account these adjustments, actual expenditures were \$5.3 million lower than final budget amounts, mostly due to the annexation of transit services which occurred in FY 2019. The expenditure category that exceeded current year budget appropriations due to staff costs was Culture & Recreation.

Revenues were \$84.9 million or 105% of budgeted amounts. A shortfall from budgeted amounts did occur in Real Property Transfer, which ended the fiscal year at 92% of budget, and Fines and Forfeitures, which ended the fiscal year at 66% of budget. This is offset by Charges for Current Services which was \$1.2 million above budget, Licenses and Permits which were \$960k above budget, and Property Tax which was \$745k 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, 2019, amounted to \$531 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 7.2%, 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, 2019						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 17,583,347	\$17,364,826	\$ 815,270	\$1,033,791	\$ 18,398,617	\$ 18,398,617
Construction in progress	4,937,533	17,052,850	1,441,483	3,060,782	6,379,016	20,113,632
Buildings	38,827,291	35,054,071	34,696	37,241	38,861,987	35,091,312
Improvements	303,268,484	277,296,611	156,210,525	133,413,331	459,479,009	410,709,942
Equipment	4,583,162	5,205,967	3,571,416	5,935,906	8,154,578	11,141,873
Total capital assets	\$ 369,199,817	\$351,974,325	\$ 162,073,390	\$143,481,051	\$ 531,273,207	\$ 495,455,376

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

- Equipment purchases of \$2.1 million for various vehicles and machinery
- Construction expenditures of \$2.2 million for the Fire Station 39 (Empire Ranch) project
- Construction expenditures of \$2.1 million for the Greenback-Madison/Folsom Auburn project
- Construction expenditures of \$2.3 million for the Traffic Signal Improvements project

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

- Construction expenditures of \$1.5 million for the Oak Parkway Trail Undercrossing project
- Construction expenditures of \$1.5 million for the Lake Natoma Class I Trail-Phase II project
- Construction expenditures of \$626,000 for the Water Treatment Plant Reservoir No. 2 Tank Rehabilitation 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, 2019, the City had \$126,869,021 of outstanding long-term debt related to governmental activities and \$20,071,014 of long-term debt related to business-type activities, for a total of \$146,940,035. During the year, \$16.3 million of long-term debt was retired, offset by an addition of \$4.5 million in compensated absences, resulting in a net decrease of 7.47%. 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 \$134,060,297. 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, 2019:

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2019	2018	2019	2018	2019	2018	
Revenue bonds	\$ 66,180,000	\$ 124,427,251	\$ 9,515,000	\$ 20,725,423	\$ 75,695,000	\$ 145,152,674	-48%
Notes from direct borrowings and direct placements	48,441,540	-	9,923,757	-	58,365,297	-	
City Hall & Fire Station Lease Obligation	1,526,817	1,692,207	-	-	1,526,817	1,692,207	-10%
Capital lease obligations	1,004,201	1,239,579	-	-	1,004,201	1,239,579	-19%
Compensated absences	3,765,559	3,533,143	595,141	621,595	4,360,700	4,154,738	5%
Landfill closure liability	434,000	434,000	-	-	434,000	434,000	0%
Long-Term loan	1,221,000	1,628,000	-	-	1,221,000	1,628,000	0%
Less: Discounts/premiums	4,295,904	4,457,095	37,116	41,241	4,333,020	4,498,336	-4%
Total	\$ 126,869,021	\$ 137,411,275	\$ 20,071,014	\$ 21,388,259	\$ 146,940,035	\$ 158,799,534	-7%

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, 2019 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 \$20.3 million, or 23.5% of FY 2019 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 \$23,670,012, an increase of \$5.7 million from the prior year. While the General Fund continues to have upward movement in its fund balance, the growth is expected to slow. City management will continue to monitor the General Fund's position and report to Council on a quarterly basis.

The General Fund budget for 2020 appropriates approximately \$91 million, an increase of 2.2% over the prior year final expenditures. General Fund revenue for 2020 is projected to be \$91 million, approximately a \$5.0 million increase from 2019. 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, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 92,235,615	\$ 39,725,096	\$ 131,960,711
Receivables, net of allowances for uncollectibles	19,682,372	4,466,481	24,148,853
Due from other governments	13,230,958	897	13,231,855
Inventory	380,520	-	380,520
Prepays	725,048	-	725,048
Deposits	3,726,923	-	3,726,923
Restricted assets - cash and investments	1,707,510	375	1,707,885
Investments held in trust	135,505,455	-	135,505,455
Capital assets, net of accumulated depreciation:			
Nondepreciable	22,520,880	2,256,753	24,777,633
Depreciable	346,678,937	159,816,637	506,495,574
Total assets	<u>636,394,218</u>	<u>206,266,239</u>	<u>842,660,457</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	26,441,944	4,753,889	31,195,833
Deferred amounts on refunding	-	471,117	471,117
Total deferred outflows of resources	<u>26,441,944</u>	<u>5,225,006</u>	<u>31,666,950</u>
LIABILITIES:			
Accounts payable	10,766,578	3,854,866	14,621,444
Wages payable	3,310,808	402,065	3,712,873
Interest payable	1,534,776	58,047	1,592,823
Loan payable	670,000	-	670,000
Due to other governments	781,846	2,743,978	3,525,824
Unearned revenue	2,500,811	226,328	2,727,139
Long-term liabilities (due within one year):			
Other long-term liabilities due within one year	10,636,891	1,445,639	12,082,530
Long-term liabilities (due in more one year):			
Net pension liability	122,353,279	24,017,525	146,370,804
Net other postemployment benefits (OPEB) liability	87,021,985	8,006,056	95,028,041
Other long-term liabilities due in more than one year	116,232,130	18,625,375	134,857,505
Total liabilities	<u>355,809,104</u>	<u>59,379,879</u>	<u>415,188,983</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	2,505,324	637,870	3,143,194
Deferred inflows related to OPEB	4,150,659	438,224	4,588,883
Deferred amounts on refunding	591,711	-	591,711
Total deferred inflows of resources	<u>7,247,694</u>	<u>1,076,094</u>	<u>8,323,788</u>
NET POSITION:			
Net investment in capital assets	365,447,799	143,068,634	508,516,433
Restricted for:			
Nonexpendable: Wetlands/Open space	434,118	-	434,118
Capital Projects	13,369,180	-	13,369,180
Debt service	22,204,880	-	22,204,880
Low and moderate income housing	24,987,268	-	24,987,268
Transportation/streets	6,750,541	-	6,750,541
Lighting and landscape assessment districts	5,843,104	-	5,843,104
Other Special Revenue	1,122,793	-	1,122,793
Critical facilities	-	127,565	127,565
Unrestricted	(140,380,319)	7,839,073	(132,541,246)
Total net position	<u>\$ 299,779,364</u>	<u>\$ 151,035,272</u>	<u>\$ 450,814,636</u>

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

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 19,894,674	\$ 8,802,272	\$ 265,774	\$ -
Public safety	43,071,617	6,851,973	124,996	-
Public ways and facilities	24,860,981	11,089,762	3,067,201	28,132,209
Community services	6,119,243	8,290,473	209,767	-
Culture and recreation	16,783,176	10,278,413	6,156	2,471,300
Interest and fiscal charges	4,687,431	-	-	-
Total governmental activities	115,417,122	45,312,893	3,673,894	30,603,509
Business-type activities:				
Water	15,018,849	13,912,610	1,523,579	13,277,424
Wastewater	5,989,117	6,734,594	55,642	12,552,510
Solid Waste	10,823,361	10,939,391	229,664	-
Transit	2,297,111	285,158	3,149,778	-
Facilities Augmentation	326,061	-	-	-
Total business-type activities	34,454,499	31,871,753	4,958,663	25,829,934
TOTAL	\$ 149,871,621	\$ 77,184,646	\$ 8,632,557	\$ 56,433,443

GENERAL REVENUES:

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

Transfers

Special Items

- Annexation of Transit Services
- Transfer of Assets from Transit to City

Total general revenues, special items, and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	
			PRIMARY GOVERNMENT:
			Governmental activities:
\$ (10,826,628)	\$ -	\$ (10,826,628)	General government
(36,094,648)	-	(36,094,648)	Public safety
17,428,191	-	17,428,191	Public ways and facilities
2,380,997	-	2,380,997	Community services
(4,027,307)	-	(4,027,307)	Culture and recreation
(4,687,431)	-	(4,687,431)	Interest and fiscal charges
			Total governmental activities
<u>(35,826,827)</u>	<u>-</u>	<u>(35,826,827)</u>	
			Business-type activities:
-	13,694,764	13,694,764	Water
-	13,353,629	13,353,629	Wastewater
-	345,694	345,694	Solid Waste
-	1,137,825	1,137,825	Transit
-	(326,061)	(326,061)	Facilities Augmentation
			Total business-type activities
<u>-</u>	<u>28,205,851</u>	<u>28,205,851</u>	
<u>(35,826,827)</u>	<u>28,205,851</u>	<u>(7,620,976)</u>	TOTAL
			GENERAL REVENUES:
			Taxes:
26,669,899	-	26,669,899	Property
25,359,293	-	25,359,293	Sales and use
4,070,333	-	4,070,333	Other
11,463,007	1,367,314	12,830,321	Investment earnings (loss)
1,922,130	-	1,922,130	Miscellaneous
<u>3,003,762</u>	<u>(3,003,762)</u>	<u>-</u>	Transfers
			Special Items
	542,935	542,935	Annexation of Transit Services
290,936	(290,936)	-	Transfer of Assets from Transit to City
<u>72,779,360</u>	<u>(1,384,449)</u>	<u>71,394,911</u>	Total general revenues, special items, and transfers
36,952,533	26,821,402	63,773,935	Change in net position
<u>262,826,831</u>	<u>124,213,870</u>	<u>387,040,701</u>	Net position, beginning of year
<u>\$ 299,779,364</u>	<u>\$ 151,035,272</u>	<u>\$ 450,814,636</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, 2019**

	<u>General Fund</u>	<u>Folsom Housing Special Revenue Fund</u>	<u>Folsom Public Financing Authority Debt Service Fund</u>	<u>Folsom Ranch Financing Authority Debt Service Fund</u>
ASSETS				
Cash and cash equivalents	\$ 18,742,147	\$ 12,066,004	\$ 101,490	\$ -
Cash with fiscal agent	-	-	104,953	-
Receivables	1,756,916	12,922,164	1,997	-
Insurance deposits	725,048	-	-	-
Due from other funds	791,101	-	-	-
Due from other governments	11,825,082	-	-	-
Inventory	380,520	-	-	-
Investments held in trust	-	-	73,010,942	62,494,513
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Cash with fiscal agent	-	-	1,216,012	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,220,814</u>	<u>\$ 24,988,168</u>	<u>\$ 74,435,394</u>	<u>\$ 62,494,513</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 6,232,545	\$ 900	\$ -	\$ -
Wages payable	2,494,023	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Loan Payable	-	-	-	-
Unearned revenue	1,824,234	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>10,550,802</u>	<u>900</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	1,105,568	-	-	-
Restricted	-	24,987,268	71,649,366	62,494,513
Committed	-	-	-	-
Assigned	2,214,552	-	96,736	-
Unassigned	20,349,892	-	2,689,292	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>23,670,012</u>	<u>24,987,268</u>	<u>74,435,394</u>	<u>62,494,513</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 34,220,814</u>	<u>\$ 24,988,168</u>	<u>\$ 74,435,394</u>	<u>\$ 62,494,513</u>

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

<u>Transportation Improvement Capital Projects Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>	
ASSETS			
\$ 13,533,420	\$ 31,460,912	\$ 75,903,973	Cash and cash equivalents
-	195,562	300,515	Cash with fiscal agent
763,331	4,122,863	19,567,271	Receivables
-	-	725,048	Insurance deposits
-	-	791,101	Due from other funds
116,000	1,289,876	13,230,958	Due from other governments
-	-	380,520	Inventory
-	-	135,505,455	Investments held in trust
148,000	343,498	491,498	Restricted assets:
-	-	1,216,012	Cash and cash equivalents
			Cash with fiscal agent
<u>\$ 14,560,751</u>	<u>\$ 37,412,711</u>	<u>\$ 248,112,351</u>	Total assets
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
\$ 1,541,958	\$ 2,964,638	\$ 10,740,041	Accounts payable
-	1,234	2,495,257	Wages payable
-	791,101	791,101	Due to other funds
778,166	3,680	781,846	Due to other governments
-	670,000	670,000	Loan Payable
-	676,427	2,500,661	Unearned revenue
<u>2,320,124</u>	<u>5,107,080</u>	<u>17,978,906</u>	Total liabilities
FUND BALANCES:			
-	434,118	1,539,686	Nonspendable
4,378,276	23,933,848	187,443,271	Restricted
-	5,425,995	5,425,995	Committed
7,862,351	3,410,608	13,584,247	Assigned
-	(898,938)	22,140,246	Unassigned
<u>12,240,627</u>	<u>32,305,631</u>	<u>230,133,445</u>	TOTAL FUND BALANCES
<u>\$ 14,560,751</u>	<u>\$ 37,412,711</u>	<u>\$ 248,112,351</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, 2019

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

Total fund balances - total governmental funds (Page 25)	\$ 230,133,445
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	22,520,880
Depreciable capital assets, net	346,657,310
Deferred outflows - amount related to pensions	26,441,944
Deferred amounts on refunding not in governmental funds	(591,711)
Net unmatured long-term debt	(122,669,462)
Accrued interest	(1,534,776)
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	(3,765,559)
Net post-employment benefit liability (OPEB)	(87,021,985)
Net pension liability	(122,353,279)
Deferred inflows - amount related to pensions	(2,505,324)
Deferred inflows - amount related to OPEB	(4,150,659)
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>19,052,540</u>
Net position of governmental activities (Page 21)	<u>\$ 299,779,364</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, 2019

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund
REVENUES			
Taxes:			
Property	\$ 26,669,899	\$ -	\$ -
Sales and use	25,359,293	-	-
Transient occupancy	2,377,895	-	-
Real property transfer	507,368	-	-
Other	1,185,070	-	-
Licenses and permits	3,064,352	-	-
Vehicle license fees	6,902,484	-	-
Intergovernmental	490,901	-	2,781,493
Charges for current services	16,000,415	41,536	-
Fines and forfeitures	158,797	2,024,069	-
Assessment collections	-	-	-
Investment income (loss)	566,730	514,887	3,241,577
Miscellaneous	1,629,239	-	-
Total revenues	84,912,443	2,580,492	6,023,070
EXPENDITURES			
Current:			
General government	13,484,116	18,675	775,142
Public safety	42,059,757	-	-
Public ways and facilities	6,626,501	-	-
Community services	6,719,373	-	-
Culture and recreation	14,866,302	-	-
Capital outlay	2,610,106	-	-
Debt service:			
Principal payments	235,378	-	9,841,101
Interest and fiscal charges	-	-	2,477,846
Total expenditures	86,601,533	18,675	13,094,089
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,689,090)	2,561,817	(7,071,019)
OTHER FINANCING SOURCES (USES)			
Transfers in	7,348,394	-	-
Transfers out	-	(6,647)	-
Total other financing sources (uses)	7,348,394	(6,647)	-
NET CHANGE IN FUND BALANCES	5,659,304	2,555,170	(7,071,019)
FUND BALANCES, BEGINNING OF YEAR	18,010,708	22,432,098	81,506,413
FUND BALANCES, END OF YEAR	\$ 23,670,012	\$ 24,987,268	\$ 74,435,394

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
\$ -	\$ -	\$ -	\$ 26,669,899
-	-	-	25,359,293
-	-	-	2,377,895
-	-	-	507,368
-	-	-	1,185,070
-	-	6,330	3,070,682
-	-	-	6,902,484
2,163,993	2,991,659	5,845,936	14,273,982
-	4,012,670	13,003,667	33,058,288
-	-	92,765	2,275,631
-	-	5,807	5,807
5,376,189	480,629	830,724	11,010,736
-	141,975	150,917	1,922,131
<u>7,540,182</u>	<u>7,626,933</u>	<u>19,936,146</u>	<u>128,619,266</u>
-	-	422,692	14,700,625
-	-	62,814	42,122,571
-	975,072	4,566,225	12,167,798
-	-	-	6,719,373
-	-	273,301	15,139,603
-	7,816,779	5,575,403	16,002,288
130,000	-	-	10,206,479
2,163,993	-	1,002	4,642,841
<u>2,293,993</u>	<u>8,791,851</u>	<u>10,901,437</u>	<u>121,701,578</u>
<u>5,246,189</u>	<u>(1,164,918)</u>	<u>9,034,709</u>	<u>6,917,688</u>
-	-	223,867	7,572,261
-	(598,069)	(5,192,519)	(5,797,235)
-	(598,069)	(4,968,652)	1,775,026
5,246,189	(1,762,987)	4,066,057	8,692,714
57,248,324	14,003,614	28,239,574	221,440,731
<u>\$ 62,494,513</u>	<u>\$ 12,240,627</u>	<u>\$ 32,305,631</u>	<u>\$ 230,133,445</u>

REVENUES

Taxes:

Property
Sales and use
Transient occupancy
Real property transfer
Other

Licenses and permits

Vehicle license fees

Intergovernmental

Charges for current services

Fines and forfeitures

Assessment collections

Investment income (loss)

Miscellaneous

Total revenues

EXPENDITURES

Current:

General government

Public safety

Public ways and facilities

Community services

Culture and recreation

Capital outlay

Debt service:

Principal payments

Interest and fiscal charges

Total expenditures

EXCESS (DEFICIENCY) OF REVENUES
OVER (UNDER) EXPENDITURES

OTHER FINANCING SOURCES (USES)

Transfers in

Transfers out

Total other financing sources (uses)

NET CHANGE IN FUND BALANCES

FUND BALANCES, BEGINNING OF YEAR

FUND BALANCES, END OF YEAR

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

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CITY OF FOLSOM, CALIFORNIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total governmental funds (Page 29)	\$	8,692,714
<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		16,002,288
Depreciation expense		(19,051,035)
<p>Governmental funds do not report contributed capital, whereas this revenue is reported in the Government-Wide Statement of Activities</p>		
		20,003,420
<p>Assets transferred between Transit Services and the City are reported as an extraordinary item</p>		
		290,936
<p>Premiums, discounts, and other charges related to long-term debt are expended in the year of issuance by governmental funds. However, these costs are deferred and amortized in the statement of activities. This amount reflects the amortization of premiums, discounts, and other deferred charges.</p>		
		271,936
<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>		
		(9,349,800)
<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>		
		6,540,053
<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	10,206,479	
Change in compensated absences	(232,416)	
Change in Long-Term loan	407,000	
Change in accrued interest	(44,590)	
	10,336,473	10,336,473
<p>Internal service funds are used by management to charge the costs of fleet management, management information services, facilities costs, and insurance, to individual funds. The net revenue (expense) of certain activities of the Internal Service Funds is reported with Governmental Activities.</p>		
		3,215,548
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (Page 23)	\$	<u><u>36,952,533</u></u>

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, 2019

	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	\$ 20,610,773	\$ 12,640,094	\$ 6,324,194	\$ 150,035	\$ 39,725,096	\$ 16,031,127
Receivables, net of allowances	2,821,397	1,427,135	215,621	2,328	4,466,481	115,101
Due from other governments	-	897	-	-	897	-
Insurance deposits	-	-	-	-	-	3,726,923
Total current assets	23,432,170	14,068,126	6,539,815	152,363	44,192,474	19,873,151
Noncurrent assets:						
Restricted assets:						
Cash with fiscal agent	375	-	-	-	375	-
Capital assets	172,370,433	79,171,893	10,355,995	-	261,898,321	3,683,144
Accumulated depreciation	(65,365,278)	(25,379,173)	(9,080,480)	-	(99,824,931)	(3,661,517)
Total noncurrent assets	107,005,530	53,792,720	1,275,515	-	162,073,765	21,627
Total assets	130,437,700	67,860,846	7,815,330	152,363	206,266,239	19,894,778
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,721,134	1,104,882	1,927,873	-	4,753,889	-
Deferred amounts on refunding	471,117	-	-	-	471,117	-
Total deferred outflows of resources	2,192,251	1,104,882	1,927,873	-	5,225,006	-
LIABILITIES						
Current liabilities:						
Accounts payable	3,411,278	125,962	317,626	-	3,854,866	26,537
Wages payable	156,584	82,697	162,784	-	402,065	815,551
Interest payable	58,047	-	-	-	58,047	-
Due to other governments	86	2,743,892	-	-	2,743,978	-
Deposits	226,328	-	-	-	226,328	150
Accrued compensated absences, payable within one year	47,882	14,680	49,478	-	112,040	-
Long term debt, due within one year	1,333,599	-	-	-	1,333,599	-
Total current liabilities	5,233,804	2,967,231	529,888	-	8,730,923	842,238
Noncurrent liabilities:						
Net pension liability	8,452,841	5,521,212	10,043,472	-	24,017,525	-
Accrued compensated absences, payable after one year	213,347	80,160	189,594	-	483,101	-
Net OPEB liability	4,025,021	559,849	3,421,186	-	8,006,056	-
Long term debt, due after one year net of unamortized premiums/discounts	18,142,274	-	-	-	18,142,274	-
Total noncurrent liabilities	30,833,483	6,161,221	13,654,252	-	50,648,956	-
Total liabilities	36,067,287	9,128,452	14,184,140	-	59,379,879	842,238
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows related to pensions	219,138	152,893	265,839	-	637,870	-
Deferred inflows related to OPEB	209,925	45,779	182,520	-	438,224	-
NET POSITION						
Net investment in capital assets	88,000,399	53,792,720	1,275,515	-	143,068,634	21,627
Restricted for critical facilities use	-	-	-	127,565	127,565	-
Unrestricted	8,133,202	5,845,884	(6,164,811)	24,798	7,839,073	19,030,913
Total net position (deficit)	\$ 96,133,601	\$ 59,638,604	\$ (4,889,296)	\$ 152,363	\$ 151,035,272	\$ 19,052,540

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, 2019**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					Governmental Activities Internal Service Funds
	Water	Wastewater	Solid Waste	Other Non-major Enterprise Funds	Total	
OPERATING REVENUES:						
Charges for services	\$ 13,912,610	\$ 6,734,594	\$ 10,939,391	\$ 285,158	\$ 31,871,753	\$ 19,181,382
OPERATING EXPENSES:						
Employee services	4,920,541	2,794,822	5,465,170	573,435	13,753,968	17,626,725
Utilities	758,755	88,321	14,631	5,785	867,492	-
Supplies	1,206,313	289,409	986,629	87,243	2,569,594	-
Maintenance and operations	578,284	109,917	725,347	42,816	1,456,364	-
Contractual services	1,782,871	200,735	1,962,451	1,020,595	4,966,652	-
Depreciation	3,995,652	1,730,161	1,113,697	336,011	7,175,521	20,117
Other	992,408	775,752	555,436	557,287	2,880,883	-
Total operating expenses	14,234,824	5,989,117	10,823,361	2,623,172	33,670,474	17,646,842
OPERATING INCOME (LOSS)	(322,214)	745,477	116,030	(2,338,014)	(1,798,721)	1,534,540
NONOPERATING REVENUE (EXPENSES):						
Investment income	683,830	421,854	224,628	37,002	1,367,314	452,272
Interest expense	(784,025)	-	-	-	(784,025)	-
Other	46,162	55,642	180,433	18,363	300,600	-
Impact Fees	1,223,791	-	-	-	1,223,791	-
Intergovernmental revenues	253,626	-	49,231	3,131,415	3,434,272	-
Total nonoperating revenue (expense)	1,423,384	477,496	454,292	3,186,780	5,541,952	452,272
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,101,170	1,222,973	570,322	848,766	3,743,231	1,986,812
CAPITAL CONTRIBUTIONS AND TRANSFERS:						
Capital contributions	13,277,424	12,552,510	-	-	25,829,934	-
Transfers in	-	-	56,906	-	56,906	1,856,110
Transfers out	(936,633)	(673,404)	(1,289,401)	(161,230)	(3,060,668)	(627,374)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	12,340,791	11,879,106	(1,232,495)	(161,230)	22,826,172	1,228,736
SPECIAL ITEM:						
Annexation of Transit Services	-	-	-	542,935	542,935	-
Transfer of Assets from Transit to City	-	-	-	(290,936)	(290,936)	-
CHANGE IN NET POSITION	13,441,961	13,102,079	(662,173)	939,535	26,821,402	3,215,548
NET POSITION (DEFICIT), BEGINNING OF YEAR,	82,691,640	46,536,525	(4,227,123)	(787,172)	124,213,870	15,836,992
NET POSITION (DEFICIT), END OF YEAR	\$ 96,133,601	\$59,638,604	\$ (4,889,296)	\$ 152,363	\$151,035,272	\$ 19,052,540

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, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	Water	Wastewater	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 14,084,189	\$ 6,784,054	\$ 10,931,991
Payments to suppliers	(3,570,378)	(880,370)	(3,641,576)
Payments to employees	(4,574,000)	(2,402,395)	(4,921,230)
Payments to other governments	(4)	418	19,688
Cash received from (paid to) other sources	277,545	(720,110)	(375,003)
Net cash provided by (used for) operating activities	6,217,352	2,781,597	2,013,870
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(936,633)	(673,404)	(1,289,401)
Transfers from other funds	-	-	56,906
Intergovernmental revenues received	253,626	-	49,231
Net cash provided by (used for) noncapital financing activities	(683,007)	(673,404)	(1,183,264)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(848,128)	(92,168)	3
Principal paid on capital debt and leases	(1,238,234)	-	-
Interest paid on capital debt	(788,151)	-	-
Net cash provided by (used for) capital and related financing activities	(2,874,513)	(92,168)	3
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends (paid) on investments	778,868	476,380	255,123
SPECIAL ITEM:			
Annexation of Transit Services	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,438,700	2,492,405	1,085,732
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,172,448	10,147,689	5,238,462
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 20,611,148	\$ 12,640,094	\$ 6,324,194
Summary:			
Cash and cash equivalents	\$ 20,610,773	\$ 12,640,094	\$ 6,324,194
Restricted assets	375	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 20,611,148	\$ 12,640,094	\$ 6,324,194

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			
\$ 339,945	\$ 32,140,179	\$ 19,220,625		CASH FLOWS FROM OPERATING ACTIVITIES:
(1,496,372)	(9,588,696)	11,119		Receipts from customers and users
(5,764,987)	(17,662,612)	(17,233,435)		Payments to suppliers
236,066	256,168	-		Payments to employees
(215,492)	(1,033,060)	-		Payments to other governments
		-		Cash received from (paid to) other sources
(6,900,840)	4,111,979	1,998,309		Net cash provided by (used for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
(161,230)	(3,060,668)	(627,374)		Transfers to other funds
-	56,906	1,163,663		Transfers from other funds
3,131,415	3,434,272	-		Intergovernmental revenues
2,970,185	430,510	536,289		Net cash provided by (used for) noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
-	(940,293)	-		Acquisition and construction of capital assets
-	(1,238,234)	-		Principal paid on capital debt and leases
-	(788,151)	-		Interest paid on capital debt
-	(2,966,678)	-		Net cash provided by (used for) capital and related financing activities
44,303	1,554,674	445,452		CASH FLOWS FROM INVESTING ACTIVITIES:
				Interest and dividends (paid) on investments
1,250,760	1,250,760	-		SPECIAL ITEM:
				Annexation of Transit Services
(2,635,592)	4,381,245	2,980,050		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
2,785,627	35,344,226	13,051,077		CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR
\$ 150,035	\$ 39,725,471	\$ 16,031,127		CASH AND CASH EQUIVALENTS, END OF YEAR
\$ 150,035	\$ 39,725,096	\$ 16,031,127		Summary:
-	375	-		Cash and cash equivalents
				Restricted assets
\$ 150,035	\$ 39,725,471	\$ 16,031,127		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, 2019**

	<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)	\$ (322,214)	\$ 745,477	\$ 116,030
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	3,995,652	1,730,161	1,113,697
Pension Expense	809,836	501,195	865,179
OPEB Expense	(480,434)	(106,725)	(368,498)
Other non-operating income (expense)	1,269,953	55,642	180,433
Increase (decrease) in:			
Accounts receivable	104,383	(94,519)	(7,400)
Due from other governments	-	418	19,688
Accounts payable	755,845	(191,988)	47,482
Wages payable	14,480	5,901	20,654
Due to other governments	(4)	143,979	-
Unearned revenue	67,196	-	-
Accrued compensated absences	2,659	(7,944)	26,605
	<u>6,217,352</u>	<u>2,781,597</u>	<u>2,013,870</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 6,217,352	\$ 2,781,597	\$ 2,013,870
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Receipt of contributed assets	\$ 13,277,424	\$ 12,552,510	\$ -

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
\$ (2,338,014)	\$ (1,798,721)	\$ 1,534,540
336,011	7,175,521	20,118
(1,613,969)	562,241	-
(3,496,351)	(4,452,008)	-
18,364	1,524,392	-
54,787	57,251	39,242
236,066	256,172	-
(16,502)	594,837	11,119
(33,457)	7,578	393,290
-	143,975	-
-	67,196	-
(47,775)	(26,455)	-
<u>\$ (6,900,840)</u>	<u>\$ 4,111,979</u>	<u>\$ 1,998,309</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:

\$ - \$ 25,829,934 \$ -
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, 2019

	Other Post Employment Benefits Trust Fund	RDA Successor Private Purpose Trust Fund	Agency Funds
ASSETS:			
Cash and cash equivalents		\$ 5,913,083	\$ 16,113,196
OPEB Plan Investments:			
Mutual Funds:			
Fixed income securities	\$ 3,507,051		
Domestic equity funds	2,117,662		
International equity funds	460,217		
Real estate partnership	306,494		
Cash equivalents	16,430		
Receivables:			
General accounts		250	
Accrued interest		48,887	66,641
Loans		1,188,315	
Due from other governments			159,991
Capital assets			
Non-depreciable		133,967	
Depreciable		119,534	
Less: accumulated depreciation		(119,534)	
Restricted assets:			
Cash and cash equivalents			30,674
Cash with fiscal agent			12,602,804
Total assets	6,407,854	7,284,502	28,973,306
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding		8,433,456	
LIABILITIES:			
Accounts payable	16,430	70,130	387,164
Rebatable arbitrage			497
Due to assessment holders			28,585,645
Advances from other governments		-	
Interest payable		690,828	
Long-term liabilities:			
Due within one year		2,150,000	
Due in more than one year		50,572,018	
Total liabilities	16,430	53,482,976	28,973,306
NET POSITION:			
Net position restricted for OPEB benefits	\$ 6,391,424		
Total net position (deficit) held in trust		\$ (37,765,018)	

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, 2019

	Other Post Employment Benefits Trust Fund	RDA Successor Private Purpose Trust Fund
ADDITIONS:		
Tax increment revenues		\$ 3,882,988
Contributions from the City	\$ 4,727,327	-
Investment earnings	306,285	241,455
	5,033,612	4,124,443
DEDUCTIONS:		
Benefit payments	4,227,327	
Expenses	-	563,231
Interest and fiscal charges	-	1,677,076
	4,227,327	2,240,307
CHANGE IN NET POSITION	806,285	1,884,136
NET POSITION (DEFICIT), BEGINNING OF YEAR	5,585,139	(39,649,154)
NET POSITION (DEFICIT), END OF YEAR	\$ 6,391,424	\$ (37,765,018)

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, 2019

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, 2019

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.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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, 2019

- 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, 2019

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

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

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

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

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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 net realizable value.

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

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

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

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

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

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

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

Compensated Absences – Compensated absences are recorded in accordance with GAAP. Only vested or accumulated compensated absences that are expected to be due or mature are reported as an expenditure and fund liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

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

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

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

not be recognized as revenue until then. The City has three items that qualify for reporting in this category. The first one is deferred inflow related to pensions reported in the Statement of Net Position - Governmental Activities and Business-type activities, described in detail in Note 11. The second is 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, restricted, or committed fund balance since they do not constitute expenditures or liabilities.

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

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

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

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

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

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

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

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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. 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 determined that the requirements of this Statement effective in the current year do not have a material impact on the financial statements.

GASB Statement No. 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 implemented the requirements of this Statement as of July 1, 2018.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Effective in Future Fiscal Years

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 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. 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.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 86, *Conduit Debt Obligations*, effective for the fiscal years beginning after December 15, 2020. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City has not determined the effect, if any, on the financial statements.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments totaled \$310,244,583 as of June 30, 2019, 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, 2019 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	\$ 92,235,615	\$ 39,725,096	\$ 131,960,711	\$ 22,026,279	\$ 153,986,990
Investments held in trust	135,505,455	-	135,505,455	-	135,505,455
OPEB Plan Investments	-	-	-	6,407,854	6,407,854
Restricted cash and investments	1,707,510	375	1,707,885	12,633,478	14,341,363
	<u>\$ 229,448,580</u>	<u>\$ 39,725,471</u>	<u>\$ 269,174,051</u>	<u>\$ 41,067,611</u>	<u>\$ 310,241,662</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

	Fair Value
City treasury deposits:	
Deposits	\$ 4,053,493
Outstanding Checks	(1,524,114)
Petty cash	7,091
	<u>2,536,470</u>
Total city treasury deposits:	<u>2,536,470</u>
City treasury investments	
Certificate of Deposit	14,285,045
Commercial Paper	9,837,927
Corporate Notes (American Express Credit)	1,011,350
Corporate Notes (Bank of New York)	998,830
Corporate Notes (Bank of New York)	997,000
Corporate Notes (Barclays)	2,000,000
Corporate Notes (Citibank)	980,782
Corporate Notes (Citibank)	982,710
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)	976,670
Corporate Notes (JP Morgan Chase & Co)	2,000,000
Corporate Notes (PNC Bank)	987,880
Corporate Notes (PNC Bank)	974,490
Corporate Notes (State Street Corp)	2,542,650
Corporate Notes (Union Bank)	1,000,960
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 Agricultural Mortgage Corporation	2,400,000
Federal Farm Credit Bank (FFCB)	1,500,000
Federal Home Loan Bank (FHLB)	2,473,757
Federal Home Loan Mortgage Corp (FHLMC)	5,991,250
Local Agency Investment Fund (LAIF)	51,295,316
Money market mutual funds (WF)	3,904,504
Municipal obligations (City)	33,750,458
Municipal obligations (FRFA)	62,494,513
Municipal obligations (FPFA)	73,010,941
	<u>285,105,830</u>
Total city treasury investments	<u>285,105,830</u>
Total funds in City Treasury	<u>287,642,300</u>
Cash and investments with fiscal agents	
JPA (CAMP)	1,800,036
Money Market Mutual Fund	14,391,474
OPEB Plan Investments - Mutual Funds	6,407,852
	<u>22,599,362</u>
Total cash and investments with fiscal agents	<u>22,599,362</u>
Total cash and investments	<u>\$ 310,241,662</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Cash Deposits – At June 30, 2019, the recorded amount of the City’s deposits was \$4,053,493 and the bank balance was \$2,318,422. As of June 30, 2019, 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, 2019

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														
				COP's						BTA								
				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	x	x	x	x	x	x	x	x	x	x
U.S. Treasury Obligations	5 years	None	None	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	x	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	x	x	x	x	x	x	x	x	x	x	x
Commercial paper	270 days	None	None	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x	x
Commercial paper	180 days	30%	10%	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	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
Money market mutual funds	N/A	None	None	n/a	n/a	n/a	n/a	x	x	x	x	x	x	x	x	x	x	x
Municipal obligations	None	None	None	n/a	n/a	n/a	n/a	x	x	x	x	n/a	n/a	n/a	n/a	n/a	x	x
State obligations	None	None	None	n/a	n/a	n/a	n/a	x	x	x	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a
Investment agreements - *	None	None	None	n/a	n/a	n/a	n/a	n/a	x	x	n/a	n/a	n/a	n/a	n/a	n/a	x	x
California Asset Management Program (CAMP)	None	None	None	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	x	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	x	x	x	x	x	x	x
City's investment policy *2	N/A	N/A	N/A	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
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	x
Cash (insured at all times by FDIC)	None	None	None	x	n/a	x	x	n/a	x	x	x	x	x	x	x	x	n/a	n/a
Deposit Accounts (FDIC Insured) *3	None	None	None	x	n/a	x	x	n/a	x	x	x	x	x	x	x	x	n/a	n/a
CD's, time deposits and bankers acceptances	30 days	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Certificates of deposit	None	None	None	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.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

maturing evenly over time as necessary to provide cash flow and liquidity needed for operations. At June 30, 2019, 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	\$ 14,285,045	\$ 3,950,000	\$ 2,956,657	\$ 2,950,000	\$ 2,460,388	\$ 1,968,000	\$ -	\$ -	\$ -
Commercial Paper	9,837,927	9,837,927							
Corporate Notes	36,527,126	2,711,587	15,963,902	9,430,080	5,547,800	2,873,757			
LAIF	51,295,316	51,295,316							
Money Market Mutual Funds	3,904,504	3,904,504							
Municipal Obligations (City)	33,750,458	14,260,421	7,560,704	5,773,372	3,736,475	2,419,487			
Municipal Obligations (FRFA)	62,494,513	136,425	144,071	152,214	948,290	544,119	3,733,316	7,375,350	49,460,728
Municipal Obligations (FPFA)	73,010,941	4,262,575	2,760,596	6,904,998	2,758,005	4,320,110	37,067,298	14,937,359	-
Total	\$ 285,105,830	\$ 90,358,756	\$ 29,385,930	\$ 25,210,664	\$ 15,450,958	\$ 12,125,472	\$ 40,800,614	\$ 22,312,709	\$ 49,460,728

Fiscal Agent

Investment Type									
JPA (CAMP)	\$ 1,800,036	\$ 1,800,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Mutual Fund	14,391,474	14,391,474	-	-	-	-	-	-	-
OPEB Plan Assets - Mutual Funds	6,407,852	6,407,852	-	-	-	-	-	-	-
Total	\$ 22,599,362	\$ 22,599,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019, 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, 2019

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	4.74%
Commercial Paper	P-1	A-1	3.27%
Corporate Notes (American Express Credit)	A2	A-	0.34%
Corporate Notes (Bank of New York)	A1	A	0.33%
Corporate Notes (Bank of New York)	A1	A	0.33%
Corporate Notes (Barclays)	A2	A	0.66%
Corporate Notes (Citibank)	Aa3	A+	0.33%
Corporate Notes (Citibank)	Aa3	A+	0.33%
Corporate Notes (Gen Elec)	Baa1	BBB+	0.38%
Corporate Notes (Gen Elec)	Baa1	BBB+	0.19%
Corporate Notes (Goldman Sachs Bank)	A3	BBB+	0.33%
Corporate Notes (International Bank for Recon)	Aaa	Not rated	0.65%
Corporate Notes (JP Morgan Chase & Co)	A2	A-	0.32%
Corporate Notes (JP Morgan Chase & Co)	A2	A-	0.66%
Corporate Notes (MUFG Union Bank)	A2	A	0.33%
Corporate Notes (PNC Bank)	A2	A	0.33%
Corporate Notes (PNC Bank)	A2	A	0.32%
Corporate Notes (State Street Corp)	A1	A	0.84%
Corporate Notes (Wells Fargo & Co.)	A2	A-	0.33%
Corporate Notes (Wells Fargo & Co.)	A2	A-	0.33%
Corporate Notes (Wells Fargo & Co.)	A2	A-	0.66%
Federal Agricultural Mortgage Corporation (FAMC)	Not rated	Not rated	0.80%
Federal Farm Credit Bank (FFCB)	Aaa	AA+	0.50%
Federal Home Loan Bank (FHLB)	Aaa	AA+	0.82%
Federal Home Loan Mortgage Corp (FHLMC)	Aaa	AA+	1.99%
Local Agency Investment Fund (LAIF)	Not rated	Not rated	17.02%
Money market mutual funds (WF)	Aaa-mf	AAAm	6.07%
Municipal obligations (City)	Aaa to A2	AAA to A-	11.20%
Municipal Obligations (FRFA)	Not rated	Not rated	20.74%
Municipal Obligations (FPFA)	Not rated	Not rated	24.23%
JPA	Not rated	AAAm	0.60%
			100.0%

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

As of June 30, 2019, 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, 2019

Issuer	Investment Type	Amount
Empire Ranch - CFD 10	Municipal Obligations	\$ 31,453,722
Mangini - CFD 19	Municipal Obligations	37,432,901
Parkway II - CFD 14	Municipal Obligations	14,937,359
Russell Ranch - CFD 20	Municipal Obligations	17,560,943
Empire Ranch - CFD 10	Municipal Obligations	12,419,815

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	\$ 6,768,638
Broadstone II - CFD 7	Municipal Obligations	3,453,449

Folsom Ranch Financing Authority Debt Service Fund:

Issuer	Investment Type	Amount
Willow Hill - CFD 17	Municipal Bonds	\$ 7,500,669

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.

As of June 30, 2019, the City had \$51,295,316 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.67% in the previous year. The LAIF fair value factor of 1.00171179 was used to calculate the fair value of the investments in LAIF.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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.

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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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'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, 2019, the City has the following recurring fair value measurements:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Investments by Fair Value Level	Balance at June 30, 2019	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	\$ 14,285,045	\$ -	\$ 14,285,045	\$ -
Commercial Paper	9,837,927	-	9,837,927	-
Corporate Notes	36,527,126	-	36,527,126	-
Municipal Obligations (City)	33,750,458	-	33,750,458	-
Municipal Obligations (FRFA)	62,494,513	-	-	62,494,513
Municipal Obligations (FPFA)	73,010,941	-	-	73,010,941
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	51,295,316			
Money Market Mutual Funds	3,904,504			
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	55,199,820			
Total City's Pooled Investments	285,105,830			
Investments Held with Fiscal Agent Not Measured at Fair Value				
JPA (CAMP)	1,800,036			
Money Market Mutual Funds	14,391,474			
Investments Held with Fiscal Agent by Fair Value Level				
OPEB Plan Investments - Mutual Funds	6,407,852	-	6,407,852	-
Total Investments Held with Fiscal Agents	22,599,362			
Total Investments	\$ 307,705,192	-	\$ 100,808,408	135,505,454

3. RECEIVABLES

Receivables as of June 30, 2019, consist of the following:

Governmental Activities	General	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund Fund	Transportation Improvement Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Receivables, net							
General accounts	\$ 1,677,909	\$ 78,985	\$ -	\$ -	\$ 148,469	\$ 45,873	\$ 1,951,236
Interest	79,007	57,310	1,997	93,331	201,051	69,228	501,924
Long-term loans	-	12,785,869	-	670,000	3,773,343	-	17,229,212
Total	\$ 1,756,916	\$ 12,922,164	\$ 1,997	\$ 763,331	\$ 4,122,863	\$ 115,101	\$ 19,682,372

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Business-Type Activities	Water	Wastewater	Solid Waste	Other Enterprise	Total
Receivables, net					
General accounts	\$ 511,603	\$ 140,160	\$ 45,965	\$ -	\$ 697,728
Utilities	2,193,507	1,215,135	129,990	-	3,538,632
Interest	116,287	71,840	39,666	2,328	230,121
Total	\$ 2,821,397	\$ 1,427,135	\$ 215,621	\$ 2,328	\$ 4,466,481

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, 2019:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Zoo Improvement*	\$ 36,178
	General Plan Amendment*	30,753
	Humbug Willow Creek Special Revenue*	724,170
		<u>\$ 791,101</u>

* Non-major governmental fund

All balances reported as “due to/due from” are short-term loans to cover temporary cash shortages as of June 30, 2019, and will be repaid in early fiscal year 2020.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 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, 2019:

Transfers out	Transfers in				Total
	General	Other Governmental	Internal Services Fund	Solid Waste Enterprise Fund	
Folsom Housing	\$ 6,647	\$ -	\$ -	\$ -	\$ 6,647
Transportation Improvement Fund	598,069	-	-	-	598,069
Other governmental funds	3,112,542	223,867	1,856,110	-	5,192,519
Water Enterprise	932,233	-	-	4,400	936,633
Wastewater Enterprise	634,138	-	-	39,266	673,404
Solid Waste Enterprise	1,289,401	-	-	-	1,289,401
Other enterprise funds	147,990	-	-	13,240	161,230
Internal Service Fund	627,374	-	-	-	627,374
Total	\$ 7,348,394	\$ 223,867	\$ 1,856,110	\$ 56,906	\$ 9,485,277

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 \$3.5 million, (2) Reimbursement for salaries and benefits \$860k, and (3) Project and capital reimbursements from Other Governmental funds \$2.5 million. Transfers to the governmental funds mostly consisted of \$207k from other governmental funds to other governmental funds for project reimbursement.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

Governmental activities:	July 1, 2018	Transfers (1)	Additions	Deletions (1)	June 30, 2019
Capital assets, not being depreciated					
Land	\$ 17,364,826	\$ 218,521	\$ -	\$ -	\$ 17,583,347
Construction in progress	17,052,850	(27,095,504)	14,980,187	-	4,937,533
Total capital assets, not being depreciated	34,417,676	(26,876,983)	14,980,187	-	22,520,880
Capital assets, being depreciated:					
Buildings	80,501,867	5,969,922	-	(52,840)	86,418,949
Improvements	503,932,910	21,197,997	20,003,420	-	545,134,327
Equipment	21,957,074	-	1,052,919	(850,614)	22,159,379
Total capital assets, being depreciated	606,391,851	27,167,919	21,056,339	(903,454)	653,712,655
Less accumulated depreciation for:					
Buildings	(45,447,796)	-	(2,196,702)	52,840	(47,591,658)
Improvements	(226,636,299)	-	(15,229,544)	-	(241,865,843)
Equipment	(16,751,107)	-	(1,644,906)	819,796	(17,576,217)
Total accumulated depreciation	(288,835,202)	-	(19,071,152)	872,636	(307,033,718)
Governmental activities capital assets, net	\$ 351,974,325	\$ 290,936	\$ 16,965,374	\$ (30,818)	\$ 369,199,817

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Business-type activities:	July 1, 2018	Transfers	Additions	Deletions	June 30, 2019
Capital assets, not being depreciated					
Land	\$ 1,033,791	\$ (218,521)	\$ -	\$ -	\$ 815,270
Construction in progress	3,060,782	(2,362,841)	743,542	-	1,441,483
Total capital asset, not being depreciated	4,094,573	(2,581,362)	743,542	-	2,256,753
Capital assets, being depreciated:					
Buildings	76,348	-	-	-	76,348
Improvements	213,953,321	2,209,039	25,829,934	(7,179)	241,985,115
Equipment	20,927,146	-	193,148	(3,540,188)	17,580,106
Total capital assets, being depreciated	234,956,815	2,209,039	26,023,082	(3,547,367)	259,641,569
Less accumulated depreciation for:					
Buildings	(39,107)	-	(2,545)	-	(41,652)
Improvements	(80,539,990)	81,387	(5,322,173)	6,186	(85,774,590)
Equipment	(14,991,240)	-	(1,850,803)	2,833,353	(14,008,690)
Total accumulated depreciation	(95,570,337)	81,387	(7,175,521)	2,839,539	(99,824,932)
Business-type activities capital assets, net	\$ 143,481,051	\$ (290,936)	\$ 19,591,103	\$ (707,828)	\$ 162,073,390

(1) Transfers and Deletions include Transit Assets that were either transferred to the City's Public Work's Department or transferred to the Sacramento Regional Transit District (SacRT) following the annexation of the City's Transit Operations by SacRT during FY19.

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

Governmental activities:

General government	\$ 437,124
Public safety	1,431,240
Public works	13,779,930
Community Services	-
Culture and recreation	3,402,741
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	20,117
Total depreciation expense - governmental activities	<u>\$ 19,071,152</u>

Business-type activities:

Water	\$ 3,995,652
Wastewater	1,730,161
Solid waste	1,113,697
Other enterprise funds	336,011
Total depreciation expense - business-type activities	<u>\$ 7,175,521</u>

The current year increase in Capital Contributions is due to a significant amount of development activity, primarily in the Folsom Plan Area. Developer Contributions for Sewer, Water, Streets, Drainage, and Signal Projects accepted by the City were \$12,552,510, \$13,277,424, \$12,244,526, \$7,171,394 and \$587,500 respectively

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2019:

	June 30, 2018	Additions	Reductions	June 30, 2019	Amount due within one year
Governmental activities:					
Revenue bonds	\$ 71,775,000	\$ -	\$ (5,595,000)	\$ 66,180,000	\$ 4,230,000
Notes from direct borrowings and direct placements	52,652,251	-	(4,210,711)	48,441,540	4,381,619
City Hall & Fire Station Lease Obligation	1,692,207	-	(165,390)	1,526,817	172,185
Capital lease obligations	1,239,579	-	(235,378)	1,004,201	243,200
Compensated absences	3,533,143	3,727,661	(3,495,245)	3,765,559	824,696
Landfill closure liability (Note 16)	434,000	-	-	434,000	217,000
Long-Term loan	1,628,000	-	(407,000)	1,221,000	407,000
Add: Discounts/premiums, net	4,457,095	-	(161,191)	4,295,904	161,191
Governmental activities long-term liabilities	\$ 137,411,275	\$ 3,727,661	\$ (14,269,915)	\$ 126,869,021	\$ 10,636,891
Business-type activities					
	June 30, 2018	Additions	Reductions	June 30, 2019	Amount due within one year
Revenue bonds	\$ 10,290,000	\$ -	\$ (775,000)	\$ 9,515,000	\$ 800,000
Notes from direct borrowings and direct placements	10,435,423	-	(511,666)	9,923,757	529,474
Compensated absences	621,595	755,125	(781,579)	595,141	112,040
Add: Issuance discounts/premiums, net	41,241	-	(4,125)	37,116	4,125
Business-type activities long-term liabilities	\$ 21,388,259	\$ 755,125	\$ (2,072,370)	\$ 20,071,014	\$ 1,445,639

Revenue Bonds

Governmental Activities:

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.

\$ 1,510,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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.

10,930,000

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

5,665,000

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.

6,290,000

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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

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

\$ 66,180,000

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.

\$ 9,515,000

Total Business-type activities Revenue Bonds

\$ 9,515,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2020	4,230,000	3,136,244	800,000	674,229
2021	2,935,000	2,971,270	825,000	627,881
2022	3,120,000	2,830,692	855,000	577,927
2023	3,310,000	2,679,283	890,000	525,042
2024	3,510,000	11,313,044	925,000	1,752,654
2025-2029	7,045,000	10,051,216	5,220,000	451,916
2030-2034	6,410,000	8,167,328	-	-
2035-2029	9,710,000	5,518,875	-	-
2040-2044	12,930,000	2,105,347	-	-
2045-2049	12,980,000	24,250	-	-
Total	\$ 66,180,000	\$ 48,797,549	\$ 9,515,000	\$ 4,609,650

Notes from Direct Borrowings and Direct Placements

Governmental Activities:

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.

\$ 4,266,540

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%.

44,175,000

Total Governmental Notes from Direct Borrowing and Direct Placements

\$ 48,441,540

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Business-type activities:

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.

\$ 9,923,757

Total Business-type activities Notes from Direct Borrowings and Direct Placements

\$ 9,923,757

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2020	4,381,619	1,271,376	529,474	304,259
2021	4,489,714	1,150,865	542,224	287,380
2022	4,350,207	1,030,756	561,590	269,995
2023	3,145,000	928,376	580,365	252,009
2024	2,985,000	843,949	598,952	233,435
2025-2029	24,600,000	2,457,615	3,282,192	867,927
2030-2034	4,490,000	243,237	3,828,960	308,880
Total	<u>\$ 48,441,540</u>	<u>\$ 7,926,173</u>	<u>\$ 9,923,757</u>	<u>\$ 2,523,884</u>

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

\$ 1,526,817

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Year Ending June 30	Lease Obligation Governmental Activities	
	Principal	Interest
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	\$ 1,526,817	\$ 231,236

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%.

\$ 600,026

\$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%

404,174

\$ 1,004,201

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and equipment	\$ 2,255,565
Less: accumulated depreciation	(1,105,815)
Total	<u>\$ 1,149,750</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

<u>Fiscal year ending</u>	Governmental Activities
2020	275,346
2021	275,346
2022	275,346
2023	130,346
2024	130,346
Total minimum lease payments	<u>1,086,730</u>
Less: amount representing interest	<u>(82,529)</u>
Present value of minimum lease payments	<u>\$ 1,004,201</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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

\$1,221,000

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 \$24,061,233 through fiscal year 2034. Principal and interest paid for the current year and total customer net revenues were \$2,004,856 and \$4,877,612 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, 2019

included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2019 is as follows:

Description	Issue Date	Maturity Date	June 30, 2019
Assessment District 90-1 Hannaford Crossing	4/1/98	9/2/20	\$ - (1)
Assessment District 92-1 Natoma Station	12/8/92	9/2/19	30,000
Assessment District 93-2 Legends	6/8/93	9/2/18	-
Assessment District 94-3 Cobble Hills Ridge	9/29/94	9/2/19	- (1)
Assessment District 95-1 Ridgeview	7/24/95	9/2/20	- (1)
Assessment District 95-2 Cresleigh Natoma	7/24/95	9/2/20	- (1)
Reassessment District 2008-01 Prairie Oaks Ranch	7/30/08	9/2/19	1,676,154
Community Facilities District No. 2 Natoma Station II	5/4/10	12/1/19	1,275,000
Community Facilities District No. 4 Broadstone	5/13/98	8/1/18	-
Community Facilities District No. 7 Broadstone II, Series 2011	8/2/11	9/1/24	5,970,000
Community Facilities District No. 7 Broadstone II, Series 2012	7/12/12	9/1/21	3,370,886
Community Facilities District No. 8 The Parkway, Series 2012	7/12/12	9/1/21	895,654
Community Facilities District No. 10, Empire Ranch, Series 2010	7/7/10	9/1/24	10,930,000
Community Facilities District No. 10, Empire Ranch, Series 2017	7/11/17	9/1/28	29,025,000
Community Facilities District No. 11 Willow Springs, Series 2017	7/11/17	9/1/23	1,280,000
Community Facilities District No. 14 Parkway II, Series 2017	7/11/17	9/1/32	13,870,000
Community Facilities District No. 16, The Islands at Parkshore IA1, Series 2018	3/15/18	9/1/48	5,700,000
Community Facilities District No. 17 Willow Hill Pipeline Proj., Series 2015	9/3/15	9/1/45	6,290,000
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
			\$ 122,097,694

Note:

(1) 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, 2019
Successor Agency to the Former Redevelopment Agency, Central Folsom Redevelopment Project TABS, Series 2016A (Tax Exempt)	10/5/16	8/1/36	\$ 32,210,000
Successor Agency to the Former Redevelopment Agency, Central Folsom Redevelopment Project TABS, Series 2016B (Federally Taxable)	10/5/16	8/1/35	17,165,000
Owner Participation Agreement			767,343
Less: Issuance discounts/premiums, net			2,579,675
			\$ 52,722,018

10. CLASSIFICATION OF NET POSITION/FUND BALANCE

In the Government-wide Financial Statements, net position is classified in the following categories.

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

Restricted Net Position – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Investments held in trust represent assets held for future special assessment debt service. This category also includes amounts

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 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	\$ 380,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,520
Insurance deposits	725,048	-	-	-	-	-	725,048
Endowment principal	-	-	-	-	-	434,118	434,118
Total nonspendable fund balance	1,105,568	-	-	-	-	434,118	1,539,686
Restricted for:							
Debt Service	-	-	71,649,366	62,494,513	-	1,218,279	135,362,158
Police training and equipment	-	-	-	-	-	800,658	800,658
Police capital projects	-	-	-	-	-	764,598	764,598
Fire capital projects	-	-	-	-	-	1,193,722	1,193,722
General capital improvements	-	-	-	-	-	3,556,438	3,556,438
Light rail transportation improvements	-	-	-	-	-	895,260	895,260
Drainage capital projects	-	-	-	-	-	1,090,456	1,090,456
CFD 10 improvements	-	-	-	-	-	2,514,950	2,514,950
Park capital improvements	-	-	-	-	-	2,507,315	2,507,315
Zoo improvements	-	-	-	-	-	135,874	135,874
Lighting and Landscape districts	-	-	-	-	-	5,843,104	5,843,104
Transportation projects	-	-	-	-	4,378,276	2,372,265	6,750,541
Community Development Block Grant	-	-	-	-	-	186,261	186,261
Folsom Specific Plan Area infrastructure	-	-	-	-	-	16,735	16,735
2011 Non-Housing Bond Proceeds	-	-	-	-	-	148,910	148,910
Transit Capital Improvement	-	-	-	-	-	354,927	354,927
Corp Yard Capital Improvement	-	-	-	-	-	334,096	334,096
Loans receivable	-	12,808,037	-	-	-	-	12,808,037
Low and Moderate Income Housing	-	12,179,231	-	-	-	-	12,179,231
Total restricted fund balance	-	24,987,268	71,649,366	62,494,513	4,378,276	23,933,848	187,443,271
Committed for:							
Transportation projects	-	-	-	-	-	119,427	119,427
Tree mitigation	-	-	-	-	-	1,007,191	1,007,191
Low income housing	-	-	-	-	-	1,888,839	1,888,839
Park improvements	-	-	-	-	-	2,410,538	2,410,538
Total committed fund balance	-	-	-	-	-	5,425,995	5,425,995
Assigned to:							
Purchase orders	2,214,552	-	-	-	7,862,351	-	10,076,903
Purpose of fund	-	-	96,736	-	-	3,410,608	3,507,344
Total assigned fund balance	2,214,552	-	96,736	-	7,862,351	3,410,608	13,584,247
Unassigned fund balance:	20,349,892	-	2,689,292	-	-	(898,938)	22,140,246
Total fund balances	\$ 23,670,012	\$ 24,987,268	\$ 74,435,394	\$ 62,494,513	\$ 12,240,627	\$ 32,305,631	\$ 230,133,445

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, 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	10.593%	33.554%	33.554%
Unfunded Liability Contribution	\$ 4,971,935	-	-
	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	18.887%	49.897%	49.897%
Unfunded Liability Contribution	\$ 4,310,835	-	-

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	378	132
Inactive employees entitled to but not yet receiving benefits	275	58
Active employees	285	129
Total	<u>938</u>	<u>319</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 2019, the employer contribution to CalPERS was \$7,191,072 and \$7,128,404 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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
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	7.50% (1)	7.50% (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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2018 the accounting discount rate remained at 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.

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11+</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

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.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 104,878,998	\$ 100,076,895	\$ 204,955,893
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 74,553,365	\$ 71,817,439	\$ 146,370,804
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 49,506,003	\$ 48,723,411	\$ 98,229,414

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, 2019, the City recognized pension expense of \$13,802,865 for the Miscellaneous plan and \$10,391,505 for the Safety plan, for a total pension expense of \$24,194,370.. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Safety</u>		<u>Miscellaneous</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumption	\$ 6,693,138	\$ 1,111,481	\$ 3,096,859	\$ 1,184,739	\$ 9,789,997	\$ 2,296,220
Differences between actual and expected experience	2,886,813	120,391	3,490,590	726,583	6,377,403	846,974
Net differences between projected and actual earnings on plan investments	409,883	-	299,074	-	708,957	-
Pension contributions subsequent to measurement date	7,128,404	-	7,191,072	-	14,319,476	-
Total	<u>\$ 17,118,238</u>	<u>\$ 1,231,872</u>	<u>\$ 14,077,595</u>	<u>\$ 1,911,322</u>	<u>\$ 31,195,833</u>	<u>\$ 3,143,194</u>

\$14,319,476 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, 2020. 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	
	<u>Safety</u>	<u>Misc</u>
2019	\$ 3,713,773	\$ 5,327,157
2020	3,115,752	1,394,721
2021	1,529,313	(1,387,883)
2022	399,124	(358,794)
Total	<u>\$ 8,757,962</u>	<u>\$ 4,975,201</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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.

Plan Membership - At June 30, 2019, the Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	317
Inactive plan members entitles to but not yet receiving benefit payments	0
Active plan members	187
Total	<u>504</u>

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, 2019, the City contributed \$4,727,327 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, 2019:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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

Rate of return - For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.1 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, 2019, 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
Blackrock Total Return - K	Mutual Fund - Fixed Income	\$ 528,682
Guggenheim Investments Macro Oppor. Inst.	Mutual Fund - Fixed Income	497,164
Guggenheim Investments Invest. Grade Bond Fd	Mutual Fund - Fixed Income	511,520
Prudential Funds Total Return Bond CL Q	Mutual Fund - Fixed Income	534,524
Western Asset Core Plus Bond IS	Mutual Fund - Fixed Income	534,565
Alger Funds Capital Appreciation	Mutual Fund - Domestic Equity	393,626

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of June 30, 2019.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.50%
Investment Rate of Return	5.5% (1)
General Inflation	2.75%
Payroll increase	3.00%
Mortality	2017 CalPERS experience study
Retirement Age	2017 CalPERS experience study
Healthcare Cost Trend Rate	6.00%

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

Mortality rates were based on the 2017 CalPERS Mortality for Miscellaneous Employees, 2017 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, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global Equities & Real Estate	4.75%
Global Fixed Income	1.75%

Discount rate - The discount rate used to measure the total OPEB liability was 5.5 percent. The discount rate is based on the index rate of the 20 year, tax exempt rate using the Bond Buyer 20 Index.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2018	\$ 109,050,417	\$ 5,585,140	\$ 103,465,277
Changes recognized for the measurement period:			
Service Cost	\$ 2,305,252		\$ 2,305,252
Interest	4,806,648	-	4,806,648
Differences between actual and expected experience	(3,828,632)	-	(3,828,632)
Changes in assumptions	(6,686,894)	-	(6,686,894)
Changes in benefit terms			-
Contribution - employer	-	4,727,327	(4,727,327)
Contribution - employee	-	-	-
Expected Investment Income		306,283	(306,283)
Investment Gains/Losses	-	-	-
Expected Benefit payments	(4,227,327)	(4,227,327)	-
Net changes	(7,630,953)	806,283	(8,437,236)
Balance at June 30, 2019	\$ 101,419,464	\$ 6,391,423	\$ 95,028,041

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 (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current discount rate:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.5%
Net OPEB liability	\$109,374,341	\$95,028,041	\$83,282,843

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 (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current healthcare cost trend rates:

	1% Decrease 5.00%	Healthcare Cost Trend Rate 6.00%	1% Increase 7.0%
Net OPEB liability	\$82,495,205	\$95,028,041	\$110,427,869

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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

For the year ended June 30, 2019, the City recognized OPEB expense of (\$6,264,736) At June 30, 2019, 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	\$ 4,543,065
OPEB plan investments	45,818
Total	\$ 4,588,883

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
2020	\$ (2,540,177)
2021	(2,035,388)
2022	(16,248)
2023	2,930

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 five fiscal years.

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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 five fiscal years.

The City's deposit for its banking layer administered by NCCSIF of \$3,724,303 and \$3,031,855 as of June 30, 2019 and 2018 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, 2019 and 2018 is as follows:

	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	\$ 3,557,006	\$ 819,598	\$ (35,612)	\$ (1,192,779)	\$ (116,358)	\$ 3,031,855

	Balance 6/30/2018	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2019
General Liability	\$ 673,795	\$ 622,856	\$ 100,104	\$ (422,139)	\$ 321,958	\$ 1,296,574
Workers' Compensation	2,358,060	1,120,579	286,007	(994,591)	(342,326)	2,427,729
Total	\$ 3,031,855	\$ 1,743,435	\$ 386,111	\$ (1,416,730)	\$ (20,368)	\$ 3,724,303

The following is summary financial information of the NCCSIF for the liability and workers' compensation program for the fiscal year ended June 30, 2019.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

	Liability	Workers' Compensation	Total
Assets	\$ 14,494,731	\$48,766,598	\$63,261,329
Liabilities	8,151,386	33,277,801	41,429,187
Net assets	<u>\$ 6,343,345</u>	<u>\$15,488,797</u>	<u>\$21,832,142</u>
Revenues	\$ 7,185,257	\$11,185,636	\$18,370,893
Expenses	5,805,418	9,494,774	15,300,192
Operating income	1,379,839	1,690,862	3,070,701
Investment income	777,874	2,364,577	3,142,451
Net income	<u>2,157,713</u>	<u>4,055,439</u>	<u>6,213,152</u>
Net assets, beginning of year	4,185,632	11,433,358	15,618,990
Net assets, end of year	<u>\$ 6,343,345</u>	<u>\$15,488,797</u>	<u>\$21,832,142</u>

The NCCSIF audited financial statements for the period ended June 30, 2019 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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 the City received \$0 of critical facilities fees. The City, at June 30, 2019 had \$152,363 available for reimbursement of general facilities credits.

Annexation Agreement -

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

15. CONTINGENT LIABILITIES

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

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

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

Arbitrage Rebate - Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. The City estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

16. LANDFILL CLOSURE/POSTCLOSURE

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

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

During FY 2009, the City initiated a "clean closure" of the inactive landfill in accordance with Title 27 of the California Code of Regulations. Clean closure is a process where the waste in the inactive landfill is removed, sorted and characterized for recycling or offsite disposal, resulting in a clean property. The City initiated the clean closure to address the impacts to groundwater and to reduce postclosure monitoring costs. The clean closure was completed in November 2009 and received certification of clean closure in accordance with Title 27 requirements from the respective oversight agencies in January 2010. The City remains responsible for continued postclosure groundwater monitoring and must demonstrate compliance with the prescribed monitoring requirements for 3 consecutive years. During FY 2013, a review conducted by one of the respective oversight agencies noted that while the corrective action performed is working, the City will need to continue to perform postclosure groundwater monitoring in order to achieve full compliance. During FY 2017, the oversight agency informed the City that the current groundwater monitoring and reporting program would likely not result in site closure within the next 10 years, or by 2027. To expedite closure, the City proposed an alternative closure strategy that was accepted. This strategy focused on a comprehensive reevaluation of the hydrogeological conditions by surrounding the site with a new monitoring system. The oversight agency has concurred that the City has now completed two of three years of monitoring and reporting requirements under the new monitoring system. Provided the City completes the required number of sampling events through June 2020 and such samples do not exceed the required limits, the City can proceed with a request to rescind the oversight agency's Waste Discharge Requirements. As of June 30, 2019, the estimate for post closure costs was \$434,000.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

17. DEFICIT FUND BALANCES

- The Planning Services Special Revenue Fund had a deficit fund balance of \$7,658 at June 30, 2019 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The General Plan Amendment Revenue Fund had a deficit fund balance of \$30,587 at June 30, 2019 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 \$824,527 at June 30, 2019 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 \$36,166 at June 30, 2019 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 \$4.9 million at June 30, 2019 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 Transportation Tax Special Revenue Fund by \$25,000 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Traffic Congestion Relief Special Revenue Funds by \$78,173 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Transportation System Management Special Revenue Funds by \$15,000 due to planned expenditure of fund balance.
- Expenditures exceeded appropriations in the Folsom Ranch Financing Authority Debt Service Fund by \$26,180 due to early repayments of debt due to calls.
- Expenditures exceeded appropriations in the Folsom Ranch Financing Authority Debt Service Fund by \$480,093 due to the first interest payments for CFD 20.
- Expenditures exceeded appropriations in the General Obligation School Facilities Debt Service Fund by \$1,002 due to interest payment.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2019

19. TRANSFER OF TRANSIT OPERATIONS

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. As part of this agreement, SaCRT committed to maintaining or improving existing levels of service and offered similar positions within SacRT to all current Folsom transit staff. The effective date of the annexation was January 1, 2019, at which time the City's Transit Fund closed and all remaining transit-related revenues, assets, liabilities, and fund balance were transferred to SacRT. The City will continue to receive 2 percent of the Local Transportation funds assigned to Pedestrians and Bicycles projects as provided by the County of Sacramento.

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>Miscellaneous</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Pension Liability					
Service Cost	\$ 3,733,451	\$ 3,463,856	\$ 3,550,932	\$ 3,904,924	\$ 3,765,497
Interest on the total pension liability	12,026,923	12,827,742	13,405,790	13,879,289	14,940,919
Changes in benefit terms	-	819,877	282,187	34,533	2,198,934
Changes in assumptions	-	(3,280,830)	-	11,945,025	(1,842,927)
Differences between actual and expected experience	-	294,972	(2,420,273)	(2,802,533)	5,429,806
Benefit payments, including refunds of employee contributions	(5,784,838)	(6,486,519)	(6,795,160)	(8,072,643)	(9,232,060)
Net change in total pension liability	<u>9,975,536</u>	<u>7,639,098</u>	<u>8,023,476</u>	<u>18,888,595</u>	<u>15,260,169</u>
Total pension liability - beginning	<u>161,384,658</u>	<u>171,360,194</u>	<u>178,999,292</u>	<u>187,022,768</u>	<u>205,911,363</u>
Total pension liability - ending (a)	<u>\$ 171,360,194</u>	<u>\$ 178,999,292</u>	<u>\$ 187,022,768</u>	<u>\$ 205,911,363</u>	<u>\$ 221,171,532</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,376,606	\$ 4,523,081	\$ 5,159,464	\$ 5,781,400	\$ 6,511,558
Contributions - employee	2,232,850	1,593,443	1,580,964	1,655,762	1,634,191
Net investment income	17,933,745	2,668,545	593,250	13,918,884	11,477,303
Benefit payments	(5,784,838)	(6,486,519)	(6,795,160)	(8,072,643)	(9,232,060)
Net Plan to Plan Resource Movement	-	-	-	2,162	(338)
Administrative expense	-	(138,974)	(75,236)	(182,949)	(213,243)
Other Miscellaneous Income/(Expense)	-	-	-	-	(404,953)
Net change in plan fiduciary net position	<u>18,758,363</u>	<u>2,159,576</u>	<u>463,282</u>	<u>13,102,616</u>	<u>9,772,458</u>
Plan fiduciary net position - beginning	<u>102,531,433</u>	<u>121,289,796</u>	<u>123,449,372</u>	<u>123,743,093</u>	<u>136,845,709</u>
Plan fiduciary net position - ending (b)	<u>\$ 121,289,796</u>	<u>\$ 123,449,372</u>	<u>\$ 123,912,654</u>	<u>\$ 136,845,709</u>	<u>\$ 146,618,167</u>
Net pension liability - ending (a)-(b)	<u>\$ 50,070,398</u>	<u>\$ 55,549,920</u>	<u>\$ 63,110,114</u>	<u>\$ 69,065,654</u>	<u>\$ 74,553,365</u>
Plan fiduciary net position as a percentage of the total pension liability	70.78%	68.97%	66.26%	66.46%	66.29%
Covered payroll	22,140,150	21,527,190	22,082,925	21,890,526	22,161,909
Net pension liability as percentage of covered payroll	226.15%	258.05%	285.79%	315.50%	336.40%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
	<u>Safety</u>	<u>Safety</u>	<u>Safety</u>	<u>Safety</u>	<u>Safety</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Pension Liability					
Service Cost	\$ 3,769,467	\$ 3,525,048	\$ 3,439,072	\$ 3,853,558	\$ 3,990,444
Interest on the total pension liability	10,582,614	11,200,515	11,862,083	12,440,896	13,235,635
Changes in benefit terms	-	253,356	254,592	304,817	321,724
Changes in assumptions	-	(2,937,784)	-	11,011,292	(718,527)
Differences between actual and expected experience	-	(106,665)	681,197	(165,828)	3,317,456
Benefit payments, including refunds of employee contributions	(5,802,650)	(6,454,000)	(7,486,831)	(7,953,218)	(8,383,432)
Net change in total pension liability	<u>8,549,431</u>	<u>5,480,470</u>	<u>8,750,113</u>	<u>19,491,517</u>	<u>11,763,300</u>
Total pension liability - beginning	<u>142,118,102</u>	<u>150,667,533</u>	<u>156,148,003</u>	<u>164,898,116</u>	<u>184,389,633</u>
Total pension liability - ending (a)	<u>\$ 150,667,533</u>	<u>\$ 156,148,003</u>	<u>\$ 164,898,116</u>	<u>\$ 184,389,633</u>	<u>\$ 196,152,933</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,616,712	\$ 4,705,025	\$ 4,910,890	\$ 5,843,744	\$ 6,557,790
Contributions - employee	1,285,454	1,313,706	1,218,093	1,488,989	1,373,843
Net investment income	15,398,818	2,317,142	557,570	11,610,189	9,650,208
Benefit payments	(5,802,650)	(6,454,000)	(7,486,831)	(7,953,218)	(8,383,432)
Plan to Plan Resource Movement	-	(49,988)	-	-	(287)
Administrative Expense	-	(118,942)	(64,412)	(154,767)	(180,230)
Other Miscellaneous Income/(Expense)	-	-	-	-	(342,260)
Net change in plan fiduciary net position	<u>15,498,334</u>	<u>1,712,943</u>	<u>(864,690)</u>	<u>10,834,937</u>	<u>8,675,632</u>
Plan fiduciary net position - beginning	<u>88,478,338</u>	<u>103,976,672</u>	<u>105,689,615</u>	<u>104,824,925</u>	<u>115,659,862</u>
Plan fiduciary net position - ending (b)	<u>\$ 103,976,672</u>	<u>\$ 105,689,615</u>	<u>\$ 104,824,925</u>	<u>\$ 115,659,862</u>	<u>\$ 124,335,494</u>
Net pension liability - ending (a)-(b)	<u>\$ 46,690,861</u>	<u>\$ 50,458,388</u>	<u>\$ 60,073,191</u>	<u>\$ 68,729,771</u>	<u>\$ 71,817,439</u>
Plan fiduciary net position as a percentage of the total pension liability	69.01%	67.69%	63.57%	62.73%	63.39%
Covered payroll	18,541,342	18,593,681	18,863,681	19,300,575	20,342,212
Net pension liability as percentage of covered payroll	251.82%	271.37%	318.46%	356.10%	353.05%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018

Notes to Schedule:

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS – LAST 10 YEARS*

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>	<u>Miscellaneous Plan</u> <u>2019</u>
Actuarially determined contribution	\$ 4,523,081	\$ 5,159,464	\$ 5,819,059	\$ 6,531,894	\$ 7,191,072
Contributions in relation to the actuarially determined contributions	(4,523,081)	(5,159,464)	(5,819,059)	(6,531,894)	(7,191,072)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 21,527,190	\$ 22,082,925	\$ 21,890,526	\$ 22,161,909	\$ 23,324,130
Contributions as a percentage of covered payroll	21.01%	23.36%	26.58%	29.47%	30.83%
	<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>	<u>Safety Plan</u> <u>2019</u>
Actuarially determined contribution	\$ 4,705,025	\$ 4,910,890	\$ 5,861,310	\$ 6,574,602	\$ 7,128,404
Contributions in relation to the actuarially determined contributions	(4,705,025)	(4,910,890)	(5,861,310)	(6,574,602)	(7,128,404)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 18,593,681	\$ 18,863,681	\$ 19,300,575	\$ 20,342,212	\$ 21,877,386
Contributions as a percentage of covered payroll	25.30%	26.03%	30.37%	32.32%	32.58%

Notes to Schedule

Valuation date:	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
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	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	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	Market value
Inflation	2.75%	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	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%	7.50%
Retirement age	55	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	Based on CalPERS Experience Study

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS – LAST 10 YEARS* (Continued)

Schedule of Changes in the City's Net OPEB Liability and Related Ratios As of the fiscal year ending June 30, 2019 Last Ten Years*			
	2017	2018	2019
Total OPEB liability			
Service cost	\$ 2,148,999	\$ 2,208,096	\$ 2,305,252
Interest	4,259,868	5,040,097	4,806,648
Changes in assumptions	-	(9,590,919)	(6,686,894)
Differences between actual and expected experience	-	-	(3,828,632)
Benefit payments, including refunds of employee contributions	(3,943,224)	(4,100,953)	(4,227,327)
Net change in total OPEB liability	2,465,643	(6,443,679)	(7,630,953)
Total OPEB liability -- beginning	113,028,453	115,494,096	109,050,417
Total OPEB liability -- ending (a)	<u>\$ 115,494,096</u>	<u>\$ 109,050,417</u>	<u>\$ 101,419,464</u>
Plan fiduciary net position			
Plan to plan resource movement	\$ -	\$ -	\$ -
Contributions - employer	4,053,403	4,600,953	4,727,327
Contributions - employee	-	-	-
Net investment income	464,483	311,032	306,283
Differences between projected and actual earnings on plan investments	-	5,677	-
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(3,603,403)	(4,100,953)	(4,227,327)
Net change in fiduciary net position	914,483	816,709	806,283
Plan fiduciary net position -- beginning	3,853,948	4,768,431	5,585,140
Plan fiduciary net position -- ending (b)	<u>\$ 4,768,431</u>	<u>\$ 5,585,140</u>	<u>\$ 6,391,423</u>
City's Net OPEB liability -- ending (a) - (b)	<u>\$ 110,725,665</u>	<u>\$ 103,465,277</u>	<u>\$ 95,028,041</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.13%	5.12%	6.30%
Covered-employee payroll	\$ 41,191,102	\$ 42,504,121	\$ 45,201,515
City's Net OPEB liability as a percentage of covered-employee payroll	268.81%	243.42%	210.23%
Measurement Date	June 30, 2017	June 30, 2018	June 30, 2019

Notes to Schedule

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

Schedule of Investment Returns As of the fiscal year ending June 30, 2019 Last Ten Years*

	2017	2018	2019
Annual money-weighted rate of return - net of investment expense	10.9%	6.0%	5.1%

Notes to Schedule

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions

As of the fiscal year ending June 30, 2019
Last Ten Years*

	2018	2019
Actuarially determined contributions	\$ 7,260,092	\$ 8,437,236
Contributions in relation to the actuarially determined contribution	4,600,953	4,727,327
Contribution deficiency (excess)	<u>\$ 2,659,139</u>	<u>\$ 3,709,909</u>
Covered-employee payroll	\$ 42,504,121	\$ 45,201,515
Contributions as a percentage of covered-employee payroll	10.82%	10.46%

Notes to Schedule

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

Valuation date:

June 30, 2017

June 30, 2019

Methods and assumptions used to determine contribution rates:

	June 30, 2017	June 30, 2019
Actuarial cost method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Amortization method	N/A	N/A
Amortization period	N/A	N/A
Asset valuation method	Bond Buyer 20 index	Bond Buyer 20 index
Inflation	2.75%	2.75%
Healthcare Cost Trend Rate	4.00%	6.00%
Salary Increase	2.75%	3.00%
Investment Rate of Return	4.40%	5.50%
Retirement age:	2009 CalPERS Rates for Misc and Safety Employees	2017 CalPERS experience study
Mortality:	2014 CalPERS experience study	2017 CalPERS experience study

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 25,925,124	\$ 25,925,124	\$ 26,669,899	\$ 744,775
Sales and use	24,862,534	24,862,534	25,359,293	496,759
Transient occupancy	2,175,000	2,175,000	2,377,895	202,895
Real property transfer	550,000	550,000	507,368	(42,632)
Other	870,320	870,320	1,185,070	314,750
Licenses and permits	2,104,300	2,104,300	3,064,352	960,052
Vehicle license fees	6,612,729	6,612,729	6,902,484	289,755
Intergovernmental revenues	448,000	448,000	490,901	42,901
Charges for current services	14,830,179	14,830,179	16,000,415	1,170,236
Fines and forfeitures	237,500	237,500	158,797	(78,703)
Interest revenue	220,000	220,000	566,730	346,730
Miscellaneous	1,555,457	1,842,291	1,629,239	(213,052)
Total revenues	<u>80,391,143</u>	<u>80,677,977</u>	<u>84,912,443</u>	<u>4,234,466</u>
EXPENDITURES:				
Current operating:				
General government	18,609,138	18,546,717	13,484,116	5,062,601
Public safety	41,830,066	42,084,066	42,059,757	24,309
Public ways and facilities	7,281,670	7,281,670	6,626,501	655,169
Community services	6,888,119	6,888,119	6,719,373	168,746
Culture and recreation	14,122,610	14,261,487	14,866,302	(604,815)
Capital outlay	2,610,106	2,610,106	2,610,106	-
Debt service:				
Principal payments	235,378	235,378	235,378	-
Total expenditures	<u>91,577,087</u>	<u>91,907,543</u>	<u>86,601,533</u>	<u>5,306,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,185,944)</u>	<u>(11,229,566)</u>	<u>(1,689,090)</u>	<u>9,540,476</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,185,944	11,229,566	7,348,394	(3,881,172)
Total other financing sources (uses)	<u>11,185,944</u>	<u>11,229,566</u>	<u>7,348,394</u>	<u>(3,881,172)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>5,659,304</u>	<u>\$ 5,659,304</u>
FUND BALANCE, BEGINNING OF YEAR	<u>18,010,708</u>	<u>18,010,708</u>	<u>18,010,708</u>	
FUND BALANCE - ENDING	<u>\$ 18,010,708</u>	<u>\$ 18,010,708</u>	<u>\$ 23,670,012</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, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Fines and Forfeitures	\$ 130,000	\$ 130,000	\$ 2,024,069	\$ 1,894,069
Charges for current services	20,000	20,000	41,536	21,536
Interest	50,000	50,000	514,887	464,887
Miscellaneous	(93,353)	(93,353)	-	93,353
Total revenues	<u>106,647</u>	<u>106,647</u>	<u>2,580,492</u>	<u>2,473,845</u>
EXPENDITURES:				
Current operating:				
General government	<u>100,000</u>	<u>100,000</u>	<u>18,675</u>	<u>81,325</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>18,675</u>	<u>81,325</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,647</u>	<u>6,647</u>	<u>2,561,817</u>	<u>2,555,170</u>
OTHER FINANCING USES:				
Transfers out	<u>(6,647)</u>	<u>(6,647)</u>	<u>(6,647)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(6,647)</u>	<u>(6,647)</u>	<u>(6,647)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	2,555,170	<u>\$ 2,555,170</u>
FUND BALANCE - BEGINNING OF YEAR	<u>22,432,098</u>	<u>22,432,098</u>	<u>22,432,098</u>	
FUND BALANCE - END OF YEAR	<u>\$ 22,432,098</u>	<u>\$ 22,432,098</u>	<u>\$ 24,987,268</u>	

City of Folsom

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Intergovernmental	\$ 9,946,088	\$ 9,946,088	\$ 2,781,493	\$ (7,164,595)
Investment income (loss)	3,321,949	3,321,949	3,241,577	(80,372)
Total revenues	<u>13,268,037</u>	<u>13,268,037</u>	<u>6,023,070</u>	<u>(7,244,967)</u>
EXPENDITURES				
General Government	-	-	775,142	(775,142)
Debt service:				
Principal	9,837,871	9,837,871	9,841,101	(3,230)
Interest and fiscal charges	3,230,038	3,230,038	2,477,846	752,192
Total expenditures	<u>13,067,909</u>	<u>13,067,909</u>	<u>13,094,089</u>	<u>(26,180)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>200,128</u>	<u>200,128</u>	<u>(7,071,019)</u>	<u>(7,271,147)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(200,128)</u>	<u>(200,128)</u>	-	200,128
TOTAL OTHER FINANCING SOURCES (USES)	<u>(200,128)</u>	<u>(200,128)</u>	-	<u>200,128</u>
NET CHANGE IN FUND BALANCE	-	-	(7,071,019)	<u>\$ (7,071,019)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>120,642,943</u>	<u>120,642,943</u>	<u>81,506,413</u>	
FUND BALANCE - END OF YEAR	<u>\$ 120,642,943</u>	<u>\$ 120,642,943</u>	<u>\$ 74,435,394</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, 2019

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 2,163,993	\$ 563,993
Investment income (loss)	213,900	213,900	5,376,189	5,162,289
Total revenues	<u>1,813,900</u>	<u>1,813,900</u>	<u>7,540,182</u>	<u>5,726,282</u>
EXPENDITURES				
Debt service:				
Principal	130,000	130,000	130,000	-
Interest and fiscal charges	1,683,900	1,683,900	2,163,993	(480,093)
Total expenditures	<u>1,813,900</u>	<u>1,813,900</u>	<u>2,293,993</u>	<u>(480,093)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>5,246,189</u>	<u>5,246,189</u>
NET CHANGE IN FUND BALANCE	-	-	5,246,189	<u>\$ 5,246,189</u>
FUND BALANCE - BEGINNING OF YEAR	<u>57,248,324</u>	<u>57,248,324</u>	<u>57,248,324</u>	
FUND BALANCE - END OF YEAR	<u>\$ 57,248,324</u>	<u>\$ 57,248,324</u>	<u>\$ 62,494,513</u>	

City of Folsom

NOTE TO OTHER SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

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 and Folsom Ranch 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, 2019:

Fund	Expenditures in excess of appropriations
Folsom Public Financing Authority Debt Service Fund	\$ 26,180
Folsom Ranch Financing Authority Debt Service Fund	480,093

**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, 2019**

	<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	\$ 15,034,685	\$ 1,529,083	\$ 14,457,658	\$ 439,486	\$ 31,460,912
Cash with fiscal agent	-	-	195,562	-	195,562
Receivables					
General accounts	24,366	33,563	49,211	-	107,140
Accrued interest	101,828	10,029	86,335	2,859	201,051
Loans	3,773,343	-	-	-	3,773,343
Special assessments - delinquent	-	41,329	-	-	41,329
Due from other governments	1,289,612	264	-	-	1,289,876
Restricted assets:					
Cash and cash equivalents	343,498	-	-	-	343,498
Total assets	<u>\$ 20,567,332</u>	<u>\$ 1,614,268</u>	<u>\$ 14,788,766</u>	<u>\$ 442,345</u>	<u>\$ 37,412,711</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 2,318,610	\$ 41,329	\$ 604,699	\$ -	\$ 2,964,638
Wages payable	-	-	1,234	-	1,234
Due to other governments	3,680	-	-	-	3,680
Due to other funds	754,923	-	36,178	-	791,101
Loan Payable	-	-	670,000	-	670,000
Unearned revenue	676,427	-	-	-	676,427
Total liabilities	<u>3,753,640</u>	<u>41,329</u>	<u>1,312,111</u>	<u>-</u>	<u>5,107,080</u>
FUND BALANCES:					
Nonspendable	-	-	-	434,118	434,118
Restricted	9,338,162	1,218,279	13,369,180	8,227	23,933,848
Committed	5,425,995	-	-	-	5,425,995
Assigned	2,912,307	354,660	143,641	-	3,410,608
Unassigned	(862,772)	-	(36,166)	-	(898,938)
Total fund balances	<u>16,813,692</u>	<u>1,572,939</u>	<u>13,476,655</u>	<u>442,345</u>	<u>32,305,631</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 20,567,332</u>	<u>\$ 1,614,268</u>	<u>\$ 14,788,766</u>	<u>\$ 442,345</u>	<u>\$ 37,412,711</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES:					
Licenses and permits	\$ 6,330	\$ -	\$ -	\$ -	\$ 6,330
Intergovernmental revenues	5,743,988	-	101,948	-	5,845,936
Charges for current services	4,389,268	-	8,614,399	-	13,003,667
Fines and forfeitures	92,765	-	-	-	92,765
Assessment collections	-	5,807	-	-	5,807
Investment income (loss)	389,965	32,659	398,602	9,498	830,724
Miscellaneous	119,821	-	31,096	-	150,917
Total revenues	<u>10,742,137</u>	<u>38,466</u>	<u>9,146,045</u>	<u>9,498</u>	<u>19,936,146</u>
EXPENDITURES:					
Current:					
General government	422,692	-	-	-	422,692
Public ways and facilities	3,999,772	-	566,453	-	4,566,225
Culture and recreation	273,301	-	-	-	273,301
Capital outlay	3,063,597	-	2,511,806	-	5,575,403
Debt service:					
Interest and fiscal charges	-	1,002	-	-	1,002
Total expenditures	<u>7,822,176</u>	<u>1,002</u>	<u>3,078,259</u>	<u>-</u>	<u>10,901,437</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,919,961</u>	<u>37,464</u>	<u>6,067,786</u>	<u>9,498</u>	<u>9,034,709</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	207,278	-	16,589	-	223,867
Transfers out	(2,734,852)	(4,771)	(2,451,625)	(1,271)	(5,192,519)
Total other financing sources (uses)	<u>(2,527,574)</u>	<u>(4,771)</u>	<u>(2,435,036)</u>	<u>(1,271)</u>	<u>(4,968,652)</u>
NET CHANGE IN FUND BALANCES	392,387	32,693	3,632,750	8,227	4,066,057
FUND BALANCES, BEGINNING OF YEAR	<u>16,421,305</u>	<u>1,540,246</u>	<u>9,843,905</u>	<u>434,118</u>	<u>28,239,574</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,813,692</u>	<u>\$ 1,572,939</u>	<u>\$ 13,476,655</u>	<u>\$ 442,345</u>	<u>\$ 32,305,631</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Planning Services:

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

Transportation Tax:

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

Park Dedication (Quimby):

To account for Quimby Act Fees for park development purposes.

Traffic Congestion Relief:

To account for revenues and expenditures associated with the relief of Traffic Congestion.

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.	CFD#19 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, 2019

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Traffic Congestion Relief
ASSETS				
Cash and cash equivalents	\$ 457,810	\$ 7,165	\$ 2,395,351	\$ 106,203
Receivables				
General accounts	-	-	-	-
Accrued interest	2,956	940	15,187	638
Loans	-	-	-	-
Due from other governments	-	117,439	-	-
Restricted assets:				
Cash and cash equivalents	-	36,000	-	-
Total assets	\$ 460,766	\$ 161,544	\$ 2,410,538	\$ 106,841
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 54,137	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	414,287	-	-	-
Total liabilities	468,424	-	-	3,680
 FUND BALANCES				
Restricted	-	161,544	-	103,161
Committed	-	-	2,410,538	-
Assigned	-	-	-	-
Unassigned	(7,658)	-	-	-
Total fund balances (deficit)	(7,658)	161,544	2,410,538	103,161
Total liabilities and fund balances (deficit)	\$ 460,766	\$ 161,544	\$ 2,410,538	\$ 106,841

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
				ASSETS
\$ 2,784,976	\$ 5,829,457	\$ 77,658	\$ 80,537	Cash and cash equivalents
-	-	-	19,527	Receivables
23,895	35,635	769	489	General accounts
-	-	-	94,625	Accrued interest
286,369	382,384	-	-	Loans
-	-	-	-	Due from other governments
251,498	-	41,000	-	Restricted assets:
-	-	-	-	Cash and cash equivalents
<u>\$ 3,346,738</u>	<u>\$ 6,247,476</u>	<u>\$ 119,427</u>	<u>\$ 195,178</u>	Total assets
				LIABILITIES AND FUND BALANCE
				LIABILITIES
\$ 1,239,178	\$ 404,372	\$ -	\$ 8,917	Accounts payable
-	-	-	-	Due to other funds
-	-	-	-	Unearned revenue
<u>1,239,178</u>	<u>404,372</u>	<u>-</u>	<u>8,917</u>	Total liabilities
				FUND BALANCES
2,107,560	5,843,104	-	186,261	Restricted
-	-	119,427	-	Committed
-	-	-	-	Assigned
-	-	-	-	Unassigned
<u>2,107,560</u>	<u>5,843,104</u>	<u>119,427</u>	<u>186,261</u>	Total fund balances (deficit)
<u>\$ 3,346,738</u>	<u>\$ 6,247,476</u>	<u>\$ 119,427</u>	<u>\$ 195,178</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, 2019

	Humbug Willow Creek	General Plan Amendment	Tree Planting
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 1,000,885
Receivables			
General accounts	-	-	-
Accrued interest	-	166	6,306
Loans	-	-	-
Due from other governments	503,420	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ 503,420	\$ 166	\$ 1,007,191
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 603,777	\$ -	\$ -
Due to other funds	724,170	30,753	-
Unearned revenue	-	-	-
Total liabilities	1,327,947	30,753	-
 FUND BALANCES			
Restricted	-	-	-
Committed	-	-	1,007,191
Assigned	-	-	-
Unassigned	(824,527)	(30,587)	-
Total fund balances (deficit)	(824,527)	(30,587)	1,007,191
Total liabilities and fund balances (deficit)	\$ 503,420	\$ 166	\$ 1,007,191

<u>Zoo</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 133,163	\$ 2,161,480	\$ 15,034,685
1,839	3,000	24,366
872	13,975	101,828
-	3,678,718	3,773,343
-	-	1,289,612
-	15,000	343,498
<u>\$ 135,874</u>	<u>\$ 5,872,173</u>	<u>\$ 20,567,332</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

\$ -	\$ 8,229	\$ 2,318,610
-	-	754,923
-	262,140	676,427
-	270,369	3,753,640

Accounts payable
Due to other funds
Unearned revenue

Total liabilities

FUND BALANCES

135,874	800,658	9,338,162
-	1,888,839	5,425,995
-	2,912,307	2,912,307
-	-	(862,772)
<u>135,874</u>	<u>5,601,804</u>	<u>16,813,692</u>
<u>\$ 135,874</u>	<u>\$ 5,872,173</u>	<u>\$ 20,567,332</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, 2019

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Traffic Congestion Relief
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	117,439	-	88,465
Charges for current services	272,538	-	160,085	-
Fines and forfeitures	-	-	-	-
Interest	9,521	3,155	98,133	2,826
Miscellaneous	-	-	-	-
Total revenues	<u>282,059</u>	<u>120,594</u>	<u>258,218</u>	<u>91,291</u>
EXPENDITURES:				
Current:				
General government	295,784	-	-	-
Public ways and facilities	-	-	-	78,173
Culture and recreation	-	-	-	-
Capital Outlay	-	25,000	-	-
Total expenditures	<u>295,784</u>	<u>25,000</u>	<u>-</u>	<u>78,173</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,725)</u>	<u>95,594</u>	<u>258,218</u>	<u>13,118</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(40,000)	(100,000)	(194,582)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,000)</u>	<u>(100,000)</u>	<u>(194,582)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(53,725)	(4,406)	63,636	13,118
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>46,067</u>	<u>165,950</u>	<u>2,346,902</u>	<u>90,043</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (7,658)</u>	<u>\$ 161,544</u>	<u>\$ 2,410,538</u>	<u>\$ 103,161</u>

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
\$ -	\$ -	\$ -	\$ -	REVENUES:
2,978,736	-	-	119,892	Licenses and permits
-	3,620,944	26,902	1,223	Intergovernmental
-	-	-	-	Charges for current services
74,780	128,275	2,621	275	Fines and forfeitures
-	89,856	-	-	Interest
-	-	-	-	Miscellaneous
<u>3,053,516</u>	<u>3,839,075</u>	<u>29,523</u>	<u>121,390</u>	Total revenues
				EXPENDITURES:
-	-	-	-	Current:
1,213,449	2,553,602	-	142,180	General government
-	-	-	-	Public ways and facilities
616,315	-	15,000	-	Culture and recreation
-	-	-	-	Capital Outlay
<u>1,829,764</u>	<u>2,553,602</u>	<u>15,000</u>	<u>142,180</u>	Total expenditures
<u>1,223,752</u>	<u>1,285,473</u>	<u>14,523</u>	<u>(20,790)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
				OTHER FINANCING SOURCES (USES):
-	-	-	-	Transfers in
(1,738,336)	(449,558)	(79)	(6,603)	Transfers out
<u>(1,738,336)</u>	<u>(449,558)</u>	<u>(79)</u>	<u>(6,603)</u>	TOTAL OTHER FINANCING SOURCES (USES)
(514,584)	835,915	14,444	(27,393)	NET CHANGE IN FUND BALANCES
<u>2,622,144</u>	<u>5,007,189</u>	<u>104,983</u>	<u>213,654</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 2,107,560</u>	<u>\$ 5,843,104</u>	<u>\$ 119,427</u>	<u>\$ 186,261</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, 2019

	Humbug Willow Creek	General Plan Amendment	Tree Planting
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	2,439,456	-	-
Charges for current services	107,206	80,524	79,450
Fines and forfeitures	-	-	-
Interest	-	(408)	21,699
Miscellaneous	-	-	-
	<u>2,546,662</u>	<u>80,116</u>	<u>101,149</u>
EXPENDITURES:			
Current:			
General government	-	102,259	-
Public ways and facilities	-	-	963
Culture and recreation	271,363	-	-
Capital Outlay	2,407,282	-	-
	<u>2,678,645</u>	<u>102,259</u>	<u>963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(131,983)</u>	<u>(22,143)</u>	<u>100,186</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	207,278	-	-
Transfers out	(106,013)	(6,656)	(28,804)
	<u>101,265</u>	<u>(6,656)</u>	<u>(28,804)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>101,265</u>	<u>(6,656)</u>	<u>(28,804)</u>
NET CHANGE IN FUND BALANCES	(30,718)	(28,799)	71,382
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(793,809)</u>	<u>(1,788)</u>	<u>935,809</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (824,527)</u>	<u>\$ (30,587)</u>	<u>\$ 1,007,191</u>

<u>Zoo</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>	
			REVENUES:
\$ -	\$ 6,330	\$ 6,330	Licenses and permits
-	-	5,743,988	Intergovernmental
21,807	18,589	4,389,268	Charges for current services
-	92,765	92,765	Fines and forfeitures
3,200	45,888	389,965	Interest
13,546	16,419	119,821	Miscellaneous
<u>38,553</u>	<u>179,991</u>	<u>10,742,137</u>	Total revenues
			EXPENDITURES:
			Current:
-	24,649	422,692	General government
-	11,405	3,999,772	Public ways and facilities
-	1,938	273,301	Culture and recreation
-	-	3,063,597	Capital Outlay
<u>-</u>	<u>100,806</u>	<u>7,822,176</u>	Total expenditures
<u>38,553</u>	<u>79,185</u>	<u>2,919,961</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
			OTHER FINANCING SOURCES (USES):
-	-	207,278	Transfers in
(27,790)	(36,431)	(2,734,852)	Transfers out
<u>(27,790)</u>	<u>(36,431)</u>	<u>(2,527,574)</u>	TOTAL OTHER FINANCING SOURCES (USES)
10,763	42,754	392,387	NET CHANGE IN FUND BALANCES
<u>125,111</u>	<u>5,559,050</u>	<u>16,421,305</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 135,874</u>	<u>\$ 5,601,804</u>	<u>\$ 16,813,692</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Charges for current services	\$ 300,000	\$ 748,705	\$ 272,538	\$ (476,167)
Interest	-	-	9,521	9,521
Total revenues	<u>300,000</u>	<u>748,705</u>	<u>282,059</u>	<u>(466,646)</u>
EXPENDITURES				
Current operating:				
General government	<u>300,000</u>	<u>748,705</u>	<u>295,784</u>	<u>452,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(13,725)</u>	<u>(13,725)</u>
NET CHANGE IN FUND BALANCE	-	-	(53,725)	<u>\$ (53,725)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>46,067</u>	<u>46,067</u>	<u>46,067</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ 46,067</u>	<u>\$ 46,067</u>	<u>\$ (7,658)</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 117,439	\$ 32,439
Other	15,190	15,190	-	(15,190)
Interest	-	-	3,155	3,155
Total revenues	<u>100,190</u>	<u>100,190</u>	<u>120,594</u>	<u>20,404</u>
EXPENDITURES:				
Current operating:				
Capital Outlay	-	-	25,000	(25,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>100,190</u>	<u>100,190</u>	<u>95,594</u>	<u>(4,596)</u>
OTHER FINANCING USES				
Transfers out	<u>(100,190)</u>	<u>(100,190)</u>	<u>(100,000)</u>	<u>190</u>
NET CHANGE IN FUND BALANCE	-	-	(4,406)	<u>\$ (4,406)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>165,950</u>	<u>165,950</u>	<u>165,950</u>	
FUND BALANCE - END OF YEAR	<u>\$ 165,950</u>	<u>\$ 165,950</u>	<u>\$ 161,544</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 600,000	\$ 600,000	\$ 160,085	\$ (439,915)
Interest	15,000	15,000	98,133	83,133
Miscellaneous	<u>138,582</u>	<u>138,582</u>	<u>-</u>	<u>(138,582)</u>
Total revenues	<u>753,582</u>	<u>753,582</u>	<u>258,218</u>	<u>(495,364)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>353,582</u>	<u>353,582</u>	<u>258,218</u>	<u>(95,364)</u>
OTHER FINANCING USES				
Transfers out	<u>(353,582)</u>	<u>(353,582)</u>	<u>(194,582)</u>	<u>159,000</u>
NET CHANGE IN FUND BALANCE	-	-	63,636	<u>\$ 63,636</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,346,902</u>	<u>2,346,902</u>	<u>2,346,902</u>	
FUND BALANCE - END OF YEAR	<u>\$ 2,346,902</u>	<u>\$ 2,346,902</u>	<u>\$ 2,410,538</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 88,465	\$ 88,465
Interest	<u>-</u>	<u>-</u>	<u>2,826</u>	<u>2,826</u>
Total revenues	<u>-</u>	<u>-</u>	<u>91,291</u>	<u>91,291</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>-</u>	<u>-</u>	<u>78,173</u>	<u>(78,173)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>13,118</u>	<u>13,118</u>
NET CHANGE IN FUND BALANCE	-	-	13,118	<u>\$ 13,118</u>
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>90,043</u>	
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,161</u>	

**CITY OF FOLSOM, CALIFORNIA
 GAS TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$1,718,670	\$1,718,670	\$2,978,736	\$ 1,260,066
Interest	-	-	74,780	74,780
Miscellaneous	<u>1,764,536</u>	<u>2,202,230</u>	<u>-</u>	<u>(2,202,230)</u>
Total revenues	<u>3,483,206</u>	<u>3,920,900</u>	<u>3,053,516</u>	<u>(867,384)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	734,130	734,130	1,213,449	(479,319)
Capital Outlay	<u>1,050,000</u>	<u>1,236,196</u>	<u>616,315</u>	<u>619,881</u>
Total expenditures	1,784,130	1,970,326	1,829,764	140,562
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,699,076</u>	<u>1,950,574</u>	<u>1,223,752</u>	<u>(726,822)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,699,076)</u>	<u>(1,950,574)</u>	<u>(1,738,336)</u>	<u>212,238</u>
NET CHANGE IN FUND BALANCE	-	-	(514,584)	<u>\$ (514,584)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,622,144</u>	<u>2,622,144</u>	<u>2,622,144</u>	
FUND BALANCE - END OF YEAR	<u><u>\$2,622,144</u></u>	<u><u>\$2,622,144</u></u>	<u><u>\$2,107,560</u></u>	

**CITY OF FOLSOM, CALIFORNIA
LIGHT AND LANDSCAPE, AND MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 3,142,525	\$ 3,142,525	\$ 3,620,944	\$ 478,419
Interest	78,425	78,425	128,275	49,850
Miscellaneous	(181,480)	(181,480)	89,856	271,336
Total revenues	<u>3,039,470</u>	<u>3,039,470</u>	<u>3,839,075</u>	<u>799,605</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>2,591,547</u>	<u>2,591,547</u>	<u>2,553,602</u>	<u>37,945</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>447,923</u>	<u>447,923</u>	<u>1,285,473</u>	<u>837,550</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(447,923)</u>	<u>(447,923)</u>	<u>(449,558)</u>	<u>(1,635)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(447,923)</u>	<u>(447,923)</u>	<u>(449,558)</u>	<u>(1,635)</u>
NET CHANGE IN FUND BALANCE	-	-	835,915	<u>\$ 835,915</u>
FUND BALANCE - BEGINNING OF YEAR	<u>5,007,189</u>	<u>5,007,189</u>	<u>5,007,189</u>	
FUND BALANCE - END OF YEAR	<u>\$ 5,007,189</u>	<u>\$ 5,007,189</u>	<u>\$ 5,843,104</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, 2019**

	<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	\$ 26,902	\$ (3,098)
Interest	1,500	1,500	2,621	1,121
Other	<u>(31,421)</u>	<u>(31,421)</u>	<u>-</u>	<u>31,421</u>
Total revenues	<u>79</u>	<u>79</u>	<u>29,523</u>	<u>29,444</u>
EXPENDITURES:				
Capital Outlay	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>79</u>	<u>79</u>	<u>14,523</u>	<u>14,444</u>
OTHER FINANCING USES:				
Transfers out	<u>(79)</u>	<u>(79)</u>	<u>(79)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	14,444	<u>\$ 14,444</u>
FUND BALANCE - BEGINNING OF YEAR	<u>104,983</u>	<u>104,983</u>	<u>104,983</u>	
FUND BALANCE - END OF YEAR	<u>\$ 104,983</u>	<u>\$ 104,983</u>	<u>\$ 119,427</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 119,892	\$ (30,108)
Charges for current services	-	-	1,223	1,223
Interest	-	-	275	275
Miscellaneous	26,603	26,603	-	(26,603)
Total revenues	<u>176,603</u>	<u>176,603</u>	<u>121,390</u>	<u>(55,213)</u>
EXPENDITURES:				
Current Operating:				
Public ways and facilities	<u>170,000</u>	<u>170,000</u>	<u>142,180</u>	<u>27,820</u>
Total expenditures	<u>170,000</u>	<u>170,000</u>	<u>142,180</u>	<u>27,820</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,603</u>	<u>6,603</u>	<u>(20,790)</u>	<u>(27,393)</u>
OTHER FINANCING USES:				
Transfers out	<u>(6,603)</u>	<u>(6,603)</u>	<u>(6,603)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(27,393)	<u>\$ (27,393)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>213,654</u>	<u>213,654</u>	<u>213,654</u>	
FUND BALANCE - END OF YEAR	<u>\$ 213,654</u>	<u>\$ 213,654</u>	<u>\$ 186,261</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 1,192,888	\$ 3,504,882	\$ 2,439,456	\$ (1,065,426)
Charges for current services	100,000	100,000	107,206	7,206
Miscellaneous	<u>(252,128)</u>	<u>(252,128)</u>	<u>-</u>	<u>252,128</u>
Total revenues	<u>1,040,760</u>	<u>3,352,754</u>	<u>2,546,662</u>	<u>(806,092)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	-	271,363	(271,363)
Capital outlay	<u>985,000</u>	<u>3,548,492</u>	<u>2,407,282</u>	<u>1,141,210</u>
Total expenditures	<u>985,000</u>	<u>3,548,492</u>	<u>2,678,645</u>	<u>869,847</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>55,760</u>	<u>(195,738)</u>	<u>(131,983)</u>	<u>63,755</u>
OTHER FINANCING USES:				
Transfers in	50,253	553,249	207,278	(345,971)
Transfers out	<u>(106,013)</u>	<u>(106,013)</u>	<u>(106,013)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	251,498	(30,718)	(282,216)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(793,809)</u>	<u>(793,809)</u>	<u>(793,809)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (793,809)</u>	<u>\$ (542,311)</u>	<u>\$ (824,527)</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for current services	\$ 80,000	\$ 80,000	\$ 80,524	\$ 524
Interest	2,000	2,000	(408)	(2,408)
Miscellaneous	<u>84,656</u>	<u>84,656</u>	<u>-</u>	<u>(84,656)</u>
Total revenues	<u>166,656</u>	<u>166,656</u>	<u>80,116</u>	<u>(86,540)</u>
EXPENDITURES:				
Current operating:				
General government	<u>160,000</u>	<u>160,000</u>	<u>102,259</u>	<u>57,741</u>
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>102,259</u>	<u>57,741</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>6,656</u>	<u>6,656</u>	<u>(22,143)</u>	<u>(28,799)</u>
OTHER FINANCING USES:				
Transfers out	<u>(6,656)</u>	<u>(6,656)</u>	<u>(6,656)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(28,799)	<u>\$ (28,799)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(1,788)</u>	<u>(1,788)</u>	<u>(1,788)</u>	
FUND BALANCE - END OF YEAR	<u>\$ (1,788)</u>	<u>\$ (1,788)</u>	<u>\$ (30,587)</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 130,000	\$ 130,000	\$ 79,450	(50,550)
Interest	9,000	9,000	21,699	12,699
Miscellaneous	(15,092)	(15,092)	-	15,092
Total revenues	<u>123,908</u>	<u>123,908</u>	<u>101,149</u>	<u>(22,759)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	82,200	82,200	963	81,237
Total expenditures	<u>82,200</u>	<u>82,200</u>	<u>963</u>	<u>81,237</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>41,708</u>	<u>41,708</u>	<u>100,186</u>	<u>58,478</u>
OTHER FINANCING USES:				
Transfers out	<u>(41,708)</u>	<u>(41,708)</u>	<u>(28,804)</u>	<u>12,904</u>
NET CHANGE IN FUND BALANCE	-	-	71,382	<u>\$ 71,382</u>
FUND BALANCE - BEGINNING OF YEAR	<u>935,809</u>	<u>935,809</u>	<u>935,809</u>	
FUND BALANCE - END OF YEAR	<u>\$ 935,809</u>	<u>\$ 935,809</u>	<u>\$ 1,007,191</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 17,500	\$ 17,500	\$ 21,807	\$ 4,307
Interest	1,000	1,000	3,200	2,200
Miscellaneous	74,564	74,564	13,546	(61,018)
Total revenues	<u>93,064</u>	<u>93,064</u>	<u>38,553</u>	<u>(54,511)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	10,000	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>83,064</u>	<u>83,064</u>	<u>38,553</u>	<u>(44,511)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(83,064)	(83,064)	(27,790)	55,274
TOTAL OTHER FINANCING SOURCES (USES)	<u>(83,064)</u>	<u>(83,064)</u>	<u>(27,790)</u>	<u>55,274</u>
NET CHANGE IN FUND BALANCE	-	-	10,763	<u>\$ 10,763</u>
FUND BALANCE - BEGINNING OF YEAR	<u>125,111</u>	<u>125,111</u>	<u>125,111</u>	
FUND BALANCE - END OF YEAR	<u>\$ 125,111</u>	<u>\$ 125,111</u>	<u>\$ 135,874</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Licenses and permits	\$ 6,500	\$ 6,500	\$ 6,330	\$ (170)
Charges for current services	70,000	70,000	18,589	(51,411)
Fines and forfeitures	60,000	60,000	92,765	32,765
Interest	20,550	20,550	45,888	25,338
Miscellaneous	79,381	79,381	16,419	(62,962)
Total revenues	236,431	236,431	179,991	(56,440)
EXPENDITURES:				
Current operating:				
General government	5,000	5,000	24,649	(19,649)
Public safety	50,000	50,000	62,814	(12,814)
Public ways and facilities	80,000	80,000	11,405	68,595
Culture and recreation	5,000	5,000	1,938	3,062
Total expenditures	140,000	140,000	100,806	39,194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	96,431	96,431	79,185	(17,246)
OTHER FINANCING USES:				
Transfers out	(96,431)	(96,431)	(36,431)	60,000
TOTAL OTHER FINANCING SOURCES (USES)	(96,431)	(96,431)	(36,431)	60,000
NET CHANGE IN FUND BALANCE	-	-	42,754	\$ 42,754
FUND BALANCE - BEGINNING OF YEAR	5,559,050	5,559,050	5,559,050	
FUND BALANCE - END OF YEAR	\$ 5,559,050	\$ 5,559,050	\$ 5,601,804	

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, 2019

	1915 Assessment Districts	Community Correctional Facility	City Parks and Signals
ASSETS			
Cash and cash equivalents	\$ 1,076,477	\$ 302,468	\$ 49,905
Receivables:			
General accounts	-	-	-
Accrued interest	6,982	1,962	325
Special assessments - delinquent	41,329	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 1,124,788</u>	<u>\$ 304,430</u>	<u>\$ 50,230</u>
LIABILITIES:			
Accounts payable	\$ 41,329	\$ -	\$ -
Total deferred inflows of resources	41,329	-	-
FUND BALANCES:			
Restricted	1,083,459	-	-
Assigned	-	304,430	50,230
Total fund balances	1,083,459	304,430	50,230
Total deferred inflows and fund balances	<u>\$ 1,124,788</u>	<u>\$ 304,430</u>	<u>\$ 50,230</u>

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Total Nonmajor Debt Service Funds</u>	
ASSETS			
\$ 46,707	\$ 53,526	\$ 1,529,083	Cash and cash equivalents
			Receivables:
-	33,563	33,563	General accounts
412	348	10,029	Accrued interest
-	-	41,329	Special assessments - delinquent
264	-	264	Due from other governments
<u>\$ 47,383</u>	<u>\$ 87,437</u>	<u>\$ 1,614,268</u>	Total assets
LIABILITIES:			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,329</u>	Accounts payable
<u>-</u>	<u>-</u>	<u>41,329</u>	Total deferred inflows of resources
FUND BALANCES:			
47,383	87,437	1,218,279	Restricted
-	-	354,660	Assigned
<u>47,383</u>	<u>87,437</u>	<u>1,572,939</u>	Total fund balances
<u>\$ 47,383</u>	<u>\$ 87,437</u>	<u>\$ 1,614,268</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, 2019

	<u>1915 Assessment Districts</u>	<u>Community Correctional Facility</u>	<u>City Parks and Signals</u>
REVENUES:			
Assessment collections	\$ -	\$ -	\$ -
Investment income (loss)	<u>23,261</u>	<u>6,535</u>	<u>1,073</u>
Total revenues	<u>23,261</u>	<u>6,535</u>	<u>1,073</u>
EXPENDITURES:			
Debt service:			
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>23,261</u>	<u>6,535</u>	<u>1,073</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	23,261	6,535	1,073
FUND BALANCES, BEGINNING OF YEAR	<u>1,060,198</u>	<u>297,895</u>	<u>49,157</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 1,083,459</u></u>	<u><u>\$ 304,430</u></u>	<u><u>\$ 50,230</u></u>

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Total Nonmajor Debt Service Funds</u>	
			REVENUES:
\$ 5,807	\$ -	\$ 5,807	Assessment collections
<u>635</u>	<u>1,155</u>	<u>32,659</u>	Investment income (loss)
<u>6,442</u>	<u>1,155</u>	<u>38,466</u>	Total revenues
			EXPENDITURES:
			Debt service:
<u>1,002</u>	<u>-</u>	<u>1,002</u>	Interest and fiscal charges
<u>1,002</u>	<u>-</u>	<u>1,002</u>	Total expenditures
<u>5,440</u>	<u>1,155</u>	<u>37,464</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES):
<u>(4,771)</u>	<u>-</u>	<u>(4,771)</u>	Transfers Out
<u>(4,771)</u>	<u>-</u>	<u>(4,771)</u>	Total other financing sources (uses)
669	1,155	32,693	NET CHANGE IN FUND BALANCES
<u>46,714</u>	<u>86,282</u>	<u>1,540,246</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 47,383</u>	<u>\$ 87,437</u>	<u>\$ 1,572,939</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Special Assessment	\$ -	\$ -	\$ -	\$ -
Interest	565	565	23,261	22,696
Total revenues	<u>565</u>	<u>565</u>	<u>23,261</u>	<u>22,696</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>565</u>	<u>565</u>	<u>23,261</u>	<u>22,696</u>
OTHER FINANCING USES				
Transfers out	<u>(565)</u>	<u>(565)</u>	-	<u>(565)</u>
NET CHANGE IN FUND BALANCE	-	-	23,261	<u>\$ 23,261</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,060,198</u>	<u>1,060,198</u>	<u>1,060,198</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,060,198</u>	<u>\$ 1,060,198</u>	<u>\$ 1,083,459</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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	6,535	6,535
Total revenues	-	-	6,535	6,535
EXPENDITURES				
General Government	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	6,535	6,535
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	6,535	<u>\$ 6,535</u>
FUND BALANCE - BEGINNING OF YEAR	<u>297,895</u>	<u>297,895</u>	<u>297,895</u>	
FUND BALANCE - END OF YEAR	<u>\$ 297,895</u>	<u>\$ 297,895</u>	<u>\$ 304,430</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ 342	\$ 1,073	\$ 731
Miscellaneous	-	-	-	-
Total revenues	-	342	1,073	731
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	342	1,073	731
OTHER FINANCING USES				
Transfers out	-	(342)	-	342
NET CHANGE IN FUND BALANCE	-	-	1,073	<u>\$ 1,073</u>
FUND BALANCE - BEGINNING OF YEAR	49,157	49,157	49,157	
FUND BALANCE - END OF YEAR	<u>\$ 49,157</u>	<u>\$ 49,157</u>	<u>\$ 50,230</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Assessment collections	\$ -	\$ -	\$ 5,807	\$ 5,807
Interest	4,800	4,800	635	(4,165)
Miscellaneous	(29)	(29)	-	29
Total revenues	4,771	4,771	6,442	1,671
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	1,002	(1,002)
Total expenditures	-	-	1,002	(1,002)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,771	4,771	5,440	669
OTHER FINANCING USES				
Transfers out	(4,771)	(4,771)	(4,771)	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,771)	(4,771)	(4,771)	-
NET CHANGE IN FUND BALANCE	-	-	669	<u>\$ 669</u>
FUND BALANCE - BEGINNING OF YEAR	46,714	46,714	46,714	
FUND BALANCE - END OF YEAR	<u>\$ 46,714</u>	<u>\$ 46,714</u>	<u>\$ 47,383</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, 2019**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 1,155	\$ 1,155
Total revenues	-	-	1,155	1,155
EXPENDITURES				
General Government	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,155	1,155
OTHER FINANCING USES				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	1,155	<u>\$ 1,155</u>
FUND BALANCE - BEGINNING OF YEAR	<u>86,282</u>	<u>86,282</u>	<u>86,282</u>	
FUND BALANCE - END OF YEAR	<u>\$ 86,282</u>	<u>\$ 86,282</u>	<u>\$ 87,437</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, 2019**

	<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	\$ 327	\$ 2,303,462	\$ 147,498	\$ 3,718,597	\$ 760,686	\$ 1,181,825
Cash with fiscal agent	-	195,562	-	-	-	-
Receivables:						
Accrued interest	<u>2</u>	<u>15,926</u>	<u>1,412</u>	<u>17,297</u>	<u>3,912</u>	<u>11,897</u>
Total assets	<u>\$ 329</u>	<u>\$ 2,514,950</u>	<u>\$ 148,910</u>	<u>\$ 3,735,894</u>	<u>\$ 764,598</u>	<u>\$ 1,193,722</u>
 LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ 565,572	\$ -	\$ -
Wages payable	-	-	-	1,234	-	-
Loan Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,000</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,236,806</u>	<u>-</u>	<u>-</u>
 FUND BALANCE						
Restricted	-	2,514,950	148,910	2,499,088	764,598	1,193,722
Assigned	329	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>329</u>	<u>2,514,950</u>	<u>148,910</u>	<u>2,499,088</u>	<u>764,598</u>	<u>1,193,722</u>
Total liabilities and fund balance	<u>\$ 329</u>	<u>\$ 2,514,950</u>	<u>\$ 148,910</u>	<u>\$ 3,735,894</u>	<u>\$ 764,598</u>	<u>\$ 1,193,722</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							
\$ 3,535,152	\$ 1,067,577	\$ -	\$ 353,714	\$ 332,956	\$ 891,732	\$ 73,862	Cash and cash equivalents
-	-	-	-	-	-	-	- Cash with fiscal agent
							Receivables:
21,286	5,567	12	1,213	1,140	5,279	479	Accrued interest
<u>\$ 3,556,438</u>	<u>\$ 1,122,355</u>	<u>\$ 12</u>	<u>\$ 354,927</u>	<u>\$ 334,096</u>	<u>\$ 897,011</u>	<u>\$ 74,341</u>	Total assets

LIABILITIES AND FUND BALANCES

LIABILITIES:							
\$ -	\$ 31,899	\$ -	\$ -	\$ -	\$ 1,751	\$ -	Accounts payable
-	-	-	-	-	-	-	Wages payable
-	-	-	-	-	-	-	Loan Payable
-	31,899	36,178	-	-	1,751	-	Total liabilities
FUND BALANCE							
3,556,438	1,090,456	-	354,927	334,096	895,260	-	Restricted
-	-	-	-	-	-	74,341	Assigned
-	-	(36,166)	-	-	-	-	Unassigned
<u>3,556,438</u>	<u>1,090,456</u>	<u>(36,166)</u>	<u>354,927</u>	<u>334,096</u>	<u>895,260</u>	<u>74,341</u>	Total fund balances
<u>\$ 3,556,438</u>	<u>\$ 1,122,355</u>	<u>\$ 12</u>	<u>\$ 354,927</u>	<u>\$ 334,096</u>	<u>\$ 897,011</u>	<u>\$ 74,341</u>	Total liabilities and fund balances

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019**

	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS			
Cash and cash equivalents	\$ 68,527	\$ 21,743	\$ 14,457,658
Cash with fiscal agent	-	-	195,562
Receivables:			
Accrued interest	<u>444</u>	<u>469</u>	<u>86,335</u>
Total assets	<u><u>\$ 68,971</u></u>	<u><u>\$ 22,212</u></u>	<u><u>\$ 14,788,766</u></u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ 5,477	\$ 604,699
Wages payable	-	-	1,234
Loan Payable	<u>-</u>	<u>-</u>	<u>670,000</u>
Total liabilities	<u>-</u>	<u>5,477</u>	<u>642,111</u>
FUND BALANCE			
Restricted	-	16,735	13,369,180
Assigned	68,971	-	143,641
Unassigned	<u>-</u>	<u>-</u>	<u>(36,166)</u>
Total fund balances	<u>68,971</u>	<u>16,735</u>	<u>13,476,655</u>
Total liabilities and fund balances	<u><u>\$ 68,971</u></u>	<u><u>\$ 22,212</u></u>	<u><u>\$ 14,788,766</u></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, 2019

	1915 Assessment Districts	Mello-Roos Assessment Districts	2011 Non-Housing Bond Proceeds	Park Capital Improvement	Police Capital Improvement	Fire Capital Improvement
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 27,744	\$ -	\$ -
Charges for current services	-	-	-	2,613,218	307,384	478,923
Interest	6	84,525	5,789	53,983	13,649	76,193
Miscellaneous	-	-	-	31,096	-	-
Total revenues	<u>6</u>	<u>84,525</u>	<u>5,789</u>	<u>2,726,041</u>	<u>321,033</u>	<u>555,116</u>
EXPENDITURES:						
Public ways and facilities	-	-	-	231,909	-	24,844
Capital outlay	-	13,143	1,029	804,070	-	1,693,564
Total expenditures	<u>-</u>	<u>13,143</u>	<u>1,029</u>	<u>1,035,979</u>	<u>-</u>	<u>1,718,408</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6</u>	<u>71,382</u>	<u>4,760</u>	<u>1,690,062</u>	<u>321,033</u>	<u>(1,163,292)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(157,278)	(124,166)	-	(149,097)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(157,278)</u>	<u>(124,166)</u>	<u>-</u>	<u>(149,097)</u>
NET CHANGE IN FUND BALANCE	6	71,382	(152,518)	1,565,896	321,033	(1,312,389)
FUND BALANCE, BEGINNING OF YEAR	<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>
FUND BALANCE, END OF YEAR	<u>\$ 329</u>	<u>\$ 2,514,950</u>	<u>\$ 148,910</u>	<u>\$ 2,499,088</u>	<u>\$ 764,598</u>	<u>\$ 1,193,722</u>

General Capital Improvement	Drainage Capital Improvement	Zoo Improvement	Transit Capital Improvement	Corp Yard Capital Improvement	Light Rail Transportation	Major Capital and Renovation	
							REVENUES:
\$ -	\$ 74,204	\$ -	\$ -	\$ -	\$ -	\$ -	Intergovernmental
3,755,150	471,222	-	325,208	307,980	270,286	-	Charges for current services
108,811	21,397	(41)	5,680	5,359	19,780	1,596	Interest
-	-	-	-	-	-	-	Miscellaneous
<u>3,863,961</u>	<u>566,823</u>	<u>(41)</u>	<u>330,888</u>	<u>313,339</u>	<u>290,066</u>	<u>1,596</u>	Total revenues
							EXPENDITURES:
42,871	87,904	1,162	-	1,995	86,223	-	Public ways and facilities
-	-	-	-	-	-	-	Capital outlay
<u>42,871</u>	<u>87,904</u>	<u>1,162</u>	<u>-</u>	<u>1,995</u>	<u>86,223</u>	<u>-</u>	Total expenditures
<u>3,821,090</u>	<u>478,919</u>	<u>(1,203)</u>	<u>330,888</u>	<u>311,344</u>	<u>203,843</u>	<u>1,596</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
							OTHER FINANCING SOURCES (USES):
-	-	16,589	-	-	-	-	Transfers in
(1,858,812)	(89,494)	-	-	-	(68,489)	-	Transfers out
<u>(1,858,812)</u>	<u>(89,494)</u>	<u>16,589</u>	<u>-</u>	<u>-</u>	<u>(68,489)</u>	<u>-</u>	Total other financing sources (uses)
1,962,278	389,425	15,386	330,888	311,344	135,354	1,596	NET CHANGE IN FUND BALANCE
<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, BEGINNING OF YEAR
<u>\$ 3,556,438</u>	<u>\$ 1,090,456</u>	<u>\$ (36,166)</u>	<u>\$ 354,927</u>	<u>\$ 334,096</u>	<u>\$ 895,260</u>	<u>\$ 74,341</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, 2019**

	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ 101,948
Charges for current services	-	85,028	8,614,399
Interest	1,480	395	398,602
Miscellaneous	-	-	31,096
	<hr/>	<hr/>	<hr/>
Total revenues	1,480	85,423	\$9,146,045
EXPENDITURES:			
Public ways and facilities	-	89,545	566,453
Capital outlay	-	-	2,511,806
	<hr/>	<hr/>	<hr/>
Total expenditures	-	89,545	3,078,259
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	1,480	(4,122)	\$6,067,786
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	16,589
Transfers out	-	(4,289)	(2,451,625)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	(4,289)	(2,435,036)
NET CHANGE IN FUND BALANCE	1,480	(8,411)	3,632,750
FUND BALANCE, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	67,491	25,146	9,843,905
FUND BALANCE, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 68,971	\$ 16,735	\$ 13,476,655

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, 2019

	<u>Wetland/ Open space Maintenance</u>
ASSETS	
Cash and cash equivalents	\$ 439,486
Receivables:	
Accrued interest	<u>2,859</u>
Total assets	<u><u>\$ 442,345</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
 FUND BALANCES	
Nonspendable	434,118
Restricted	<u>8,227</u>
Total fund balances	<u>442,345</u>
Total liabilities and fund balances	<u><u>\$ 442,345</u></u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - PERMANENT FUND FOR THE YEAR ENDED JUNE 30, 2019

	Wetland/ Open space Maintenance
REVENUES:	
Interest	\$ 9,498
Total revenues	9,498
EXPENDITURES:	
Current:	
Culture and recreation	-
Total expenditures	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,498
OTHER FINANCING SOURCES (USES):	
Transfers out	(1,271)
TOTAL OTHER FINANCING SOURCES (USES)	(1,271)
NET CHANGE IN FUND BALANCES	8,227
FUND BALANCES, BEGINNING OF YEAR	434,118
FUND BALANCES, END OF YEAR	\$ 442,345

**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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Interest	\$ 7,000	\$ 7,000	\$ 9,498	\$ 2,498
Miscellaneous	<u>4,271</u>	<u>4,271</u>	<u>-</u>	<u>(4,271)</u>
Total revenues	<u>11,271</u>	<u>11,271</u>	<u>9,498</u>	<u>(1,773)</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>1,271</u>	<u>1,271</u>	<u>9,498</u>	<u>8,227</u>
OTHER FINANCING USES				
Transfers out	<u>(1,271)</u>	<u>(1,271)</u>	<u>(1,271)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	8,227	<u>\$ 8,227</u>
FUND BALANCE - BEGINNING OF YEAR	<u>434,118</u>	<u>434,118</u>	<u>434,118</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ 434,118</u>	<u>\$ 434,118</u>	<u>\$ 442,345</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, 2019**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 150,035	\$ 150,035
Receivables, net of allowances for uncollectibles	-	2,328	2,328
Due from other governments	-	-	-
Total current assets	<u>-</u>	<u>152,363</u>	<u>152,363</u>
Total assets	<u>-</u>	<u>152,363</u>	<u>152,363</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for critical facilities use	-	127,565	127,565
Unrestricted	-	24,798	24,798
Total net position (deficit)	<u>\$ -</u>	<u>\$ 152,363</u>	<u>\$ 152,363</u>

CITY OF FOLSOM, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES:			
Charges for services	\$ 285,158	\$ -	\$ 285,158
OPERATING EXPENSES:			
Employee services	573,435	-	573,435
Utilities	5,785	-	5,785
Supplies	87,243	-	87,243
Maintenance and operations	42,816	-	42,816
Contractual services	1,017,966	2,629	1,020,595
Depreciation	336,011	-	336,011
Other	233,855	323,432	557,287
TOTAL OPERATING EXPENSES	<u>2,297,111</u>	<u>326,061</u>	<u>2,623,172</u>
OPERATING INCOME (LOSS)	<u>(2,011,953)</u>	<u>(326,061)</u>	<u>(2,338,014)</u>
NONOPERATING REVENUE (EXPENSES):			
Investment income (loss)	31,512	5,490	37,002
Intergovernmental revenue	3,131,415	-	3,131,415
Other	18,363	-	18,363
Total nonoperating revenue (expense)	<u>3,181,290</u>	<u>5,490</u>	<u>3,186,780</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,169,337</u>	<u>(320,571)</u>	<u>848,766</u>
TRANSFERS:			
Transfers out	<u>(159,501)</u>	<u>(1,729)</u>	<u>(161,230)</u>
TOTAL TRANSFERS	<u>(159,501)</u>	<u>(1,729)</u>	<u>(161,230)</u>
SPECIAL ITEM:			
Annexation of Transit Services	542,935		542,935
Transfer of Assets from Transit to City	(290,936)		(290,936)
CHANGE IN NET POSITION	1,261,835	(322,300)	939,535
NET POSITION (DEFICIT), BEGINNING OF YEAR,	<u>(1,261,835)</u>	<u>474,663</u>	<u>(787,172)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 152,363</u>	<u>\$ 152,363</u>

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 339,945	\$ -	\$ 339,945
Payments to suppliers	(1,166,600)	(329,772)	(1,496,372)
Payments to employees	(5,764,987)	-	(5,764,987)
Payments to other governments	236,066	-	236,066
Cash paid to other sources	<u>(215,492)</u>	<u>-</u>	<u>(215,492)</u>
Net cash provided (used) for operating activities	<u>(6,571,068)</u>	<u>(329,772)</u>	<u>(6,900,840)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(159,501)	(1,729)	(161,230)
Intergovernmental revenues	<u>3,131,415</u>	<u>-</u>	<u>3,131,415</u>
Net cash provided (used) for noncapital financing activities	<u>2,971,914</u>	<u>(1,729)</u>	<u>2,970,185</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	<u>37,852</u>	<u>6,451</u>	<u>44,303</u>
SPECIAL ITEM:			
Annexation of Transit Services	1,250,760	-	1,250,760
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,310,542)	(325,050)	(2,635,592)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,310,542</u>	<u>475,085</u>	<u>2,785,627</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ 150,035</u>	<u>\$ 150,035</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ -</u></u>	<u><u>\$ 150,035</u></u>	<u><u>\$ 150,035</u></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, 2019

	<u>Transit</u>	<u>Facilities Augmentation</u>	<u>TOTAL NON-MAJOR ENTERPRISE FUNDS</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,011,953)	\$ (326,061)	\$ (2,338,014)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	336,011	-	336,011
Pension Expense	(1,613,969)		(1,613,969)
OPEB Expense	(3,496,351)		(3,496,351)
Other non-operating income (expense)	18,364	-	18,364
Increase (decrease) in:			
Accounts receivable	54,787	-	54,787
Due from other governments	236,066	-	236,066
Accounts payable	(12,791)	(3,711)	(16,502)
Wages payable	(33,457)	-	(33,457)
Compensated absences	(47,775)	-	(47,775)
Net cash provided (used) by operating activities	<u>\$ (6,571,068)</u>	<u>\$ (329,772)</u>	<u>\$ (6,900,840)</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, 2019

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
ASSETS:				
Current assets				
Cash and cash equivalents	\$ 5,744,736	\$ 9,338,069	\$ 948,322	\$ 16,031,127
Receivables:				
Accrued interest	23,358	38,318	7,552	69,228
Retiree health benefits	-	45,873	-	45,873
Insurance deposits	-	3,726,923	-	3,726,923
Total current assets	5,768,094	13,149,183	955,874	19,873,151
Noncurrent assets				
Capital assets	3,683,144	-	-	3,683,144
Less: accumulated depreciation	(3,661,517)	-	-	(3,661,517)
Total noncurrent assets	21,627	-	-	21,627
Total assets	5,789,721	13,149,183	955,874	19,894,778
LIABILITIES:				
Current liabilities				
Accounts payable	-	26,537	-	26,537
Wages payable	-	787,413	28,138	815,551
Unearned revenue	-	150	-	150
Total liabilities	-	814,100	28,138	842,238
NET POSITION:				
Net investment in capital assets	21,627	-	-	21,627
Unrestricted	5,768,094	12,335,083	927,736	19,030,913
Total net position	\$ 5,789,721	\$ 12,335,083	\$ 927,736	\$ 19,052,540

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 419,929	\$ 18,048,278	\$ 713,175	\$ 19,181,382
Total operating revenues	<u>419,929</u>	<u>18,048,278</u>	<u>713,175</u>	<u>19,181,382</u>
OPERATING EXPENSES:				
Employee services	-	17,024,050	602,675	17,626,725
Depreciation	20,117	-	-	20,117
Total operating expenses	<u>20,117</u>	<u>17,024,050</u>	<u>602,675</u>	<u>17,646,842</u>
OPERATING INCOME (LOSS)	<u>399,812</u>	<u>1,024,228</u>	<u>110,500</u>	<u>1,534,540</u>
NONOPERATING REVENUE (EXPENSES):				
Investment income	146,496	280,440	25,336	452,272
Total nonoperating revenue (expenses)	<u>146,496</u>	<u>280,440</u>	<u>25,336</u>	<u>452,272</u>
Income (Loss) before transfers	546,308	1,304,668	135,836	1,986,812
TRANSFERS:				
Transfers in	1,856,110	-	-	1,856,110
Transfers out	(8,374)	-	(619,000)	(627,374)
CHANGE IN NET POSITION	2,394,044	1,304,668	(483,164)	3,215,548
NET POSITION, BEGINNING OF YEAR	<u>3,395,677</u>	<u>11,030,415</u>	<u>1,410,900</u>	<u>15,836,992</u>
NET POSITION, END OF YEAR	<u>\$ 5,789,721</u>	<u>\$ 12,335,083</u>	<u>\$ 927,736</u>	<u>\$ 19,052,540</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS NON MAJOR INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 472,480	\$ 18,034,970	\$ 713,175	\$ 19,220,625
Payments to suppliers	-	11,119	-	11,119
Payments to employees	-	(16,642,400)	(591,035)	(17,233,435)
Net cash provided (used) by operating activities	<u>472,480</u>	<u>1,403,689</u>	<u>122,140</u>	<u>1,998,309</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	1,856,110	(692,447)		1,163,663
Transfers to other funds	(8,374)		(619,000)	(627,374)
Net cash provided (used) by noncapital financing activities	<u>1,847,736</u>	<u>(692,447)</u>	<u>(619,000)</u>	<u>536,289</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	<u>140,960</u>	<u>280,440</u>	<u>24,052</u>	<u>445,452</u>
CHANGE IN CASH AND CASH EQUIVALENTS	2,461,176	991,682	(472,808)	2,980,050
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,283,560</u>	<u>8,346,387</u>	<u>1,421,130</u>	<u>13,051,077</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,744,736</u>	<u>\$ 9,338,069</u>	<u>\$ 948,322</u>	<u>\$ 16,031,127</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 399,812	\$ 1,024,228	\$ 110,500	\$ 1,534,540
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	20,118	-	-	20,118
Increase (decrease) in:				
Accounts receivable	52,550	(13,308)	-	39,242
Accounts payable	-	11,119	-	11,119
Wages payable	-	381,650	11,640	393,290
Net cash provided (used) by operating activities	<u>\$ 472,480</u>	<u>\$ 1,403,689</u>	<u>\$ 122,140</u>	<u>\$ 1,998,309</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
- Area Wide Community Facilities District No. 18
- 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, 2019**

	Blue Ravine Oaks East	Legends Refunding	Natoma Station	Folsom Auto Plaza	Lake Natoma Shores	Prairie Oaks	Cobble Hills Ridge
ASSETS							
Cash and cash equivalents	\$ 7,769	\$ 9,087	\$ 22,706	\$ 62,173	\$ 1,044	\$ 334,509	\$ 33,393
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Accrued interest	52	27	423	590	30	8,867	335
Due from other governments	-	-	-	1	-	(19,875)	-
Restricted assets:							
Cash and cash equivalents	-	-	30,673	1	-	-	-
Cash with fiscal agent	-	-	-	-	-	-	-
Total assets	<u>\$ 7,821</u>	<u>\$ 9,114</u>	<u>\$ 53,802</u>	<u>\$ 62,765</u>	<u>\$ 1,074</u>	<u>\$ 323,501</u>	<u>\$ 33,728</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ -	\$ 438	\$ 1	\$ -	\$ -	\$ 635	\$ 438
Rebatable Arbitrage	-	-	-	-	-	-	-
Due to assessment holders	7,821	8,676	53,801	62,765	1,074	322,866	33,290
Total liabilities	<u>\$ 7,821</u>	<u>\$ 9,114</u>	<u>\$ 53,802</u>	<u>\$ 62,765</u>	<u>\$ 1,074</u>	<u>\$ 323,501</u>	<u>\$ 33,728</u>

Ridgeview	Cresleigh Natoma	Hannaford Crossing	CFD 2013-01 Water Fac & Sup	Willow Creek CFD #1	Natoma Station CFD #2	Folsom Heights CFD #3	
ASSETS							
\$ 15,796	\$ 23,105	\$ 41,940	\$ 766,270	\$ 1,315	\$ 331,511	\$ 1,335	Cash and cash equivalents
-	-	-	-	-	-	-	- Cash with fiscal agent
363	121	325	13,084	7	2,398	11	Receivables:
-	-	-	5,794	5,539	7,493	(1,225)	Accrued interest
-	-	-	-	-	-	-	Due from other governments
-	-	-	-	-	-	-	Restricted assets:
-	-	-	-	-	1,086,378	-	Cash and cash equivalents
-	-	-	-	-	-	-	Cash with fiscal agent
<u>\$ 16,159</u>	<u>\$ 23,226</u>	<u>\$ 42,265</u>	<u>\$ 785,148</u>	<u>\$ 6,861</u>	<u>\$ 1,427,780</u>	<u>\$ 121</u>	Total assets
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
\$ 438	\$ 438	\$ 73	\$ -	\$ -	\$ 2,193	\$ 50	Accounts payable
-	-	-	-	497	-	-	Rebatable Arbitrage
15,721	22,788	42,192	785,148	6,364	1,425,587	71	Due to assessment holders
<u>\$ 16,159</u>	<u>\$ 23,226</u>	<u>\$ 42,265</u>	<u>\$ 785,148</u>	<u>\$ 6,861</u>	<u>\$ 1,427,780</u>	<u>\$ 121</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET (CONTINUED)
AGENCY FUNDS
JUNE 30, 2019**

	<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>	<u>Parkway CFD #14</u>
ASSETS								
Cash and cash equivalents	\$ 46,360	\$ 3,152,135	\$ 381,525	\$ 33,821	\$ 5,333,969	\$ 4,069	\$ 1,870,242	\$ 1,064,472
Cash with fiscal agent	-	-	-	-	-	-	-	-
Receivables:								
Accrued interest	275	4,242	1,222	239	23,542	24	1,362	2,678
Due from other governments	-	27,724	3,482	-	90,970	5,865	4,492	17,373
Restricted assets:								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Cash with fiscal agent	(1)	2,341,394	325,775	-	4,539,202	-	638,624	-
Total assets	<u>\$ 46,634</u>	<u>\$ 5,525,495</u>	<u>\$ 712,004</u>	<u>\$ 34,060</u>	<u>\$ 9,987,683</u>	<u>\$ 9,958</u>	<u>\$ 2,514,720</u>	<u>\$ 1,084,523</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	\$ 4	\$ 30,602	\$ 1	\$ -	\$ -	\$ 342,257	\$ -	\$ -
Rebatable Arbitrage	-	-	-	-	-	-	-	-
Due to assessment holders	46,630	5,494,893	712,003	34,060	9,987,683	(332,299)	2,514,720	1,084,523
Total liabilities	<u>\$ 46,634</u>	<u>\$ 5,525,495</u>	<u>\$ 712,004</u>	<u>\$ 34,060</u>	<u>\$ 9,987,683</u>	<u>\$ 9,958</u>	<u>\$ 2,514,720</u>	<u>\$ 1,084,523</u>

<u>Folsom Historic District</u>	<u>CFD #16 Islands at Parkshore 1</u>	<u>CFD #17 Willow Hill Pipeline</u>	<u>Area Wide CFD #18</u>	<u>Mangini CFD #19</u>	<u>Russell Ranch CFD #20</u>	<u>Total Agency Funds</u>	
ASSETS							
\$ 4,793	\$ 98,632	\$ 1,045,548	\$ 1,193	\$ 1,018,922	\$ 405,562	\$ 16,113,196	Cash and cash equivalents
-	-	-	-	-	-	-	Cash with fiscal agent
29	334	3,337	152	2,506	66	66,641	Receivables:
(191)	5,743	1,261	385	5,160	-	159,991	Accrued interest
-	-	-	-	-	-	30,674	Due from other governments
-	-	413,856	1,224	2,233,852	1,022,500	12,602,804	Restricted assets:
							Cash and cash equivalents
							Cash with fiscal agent
<u>\$ 4,631</u>	<u>\$ 104,709</u>	<u>\$ 1,464,002</u>	<u>\$ 2,954</u>	<u>\$ 3,260,440</u>	<u>\$ 1,428,128</u>	<u>\$ 28,973,306</u>	Total assets
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
\$ -	\$ 4,557	\$ -	\$ -	\$ (1)	\$ 5,040	\$ 387,164	Accounts payable
-	-	-	-	-	-	497	Rebatable Arbitrage
4,631	100,152	1,464,002	2,954	3,260,441	1,423,088	28,585,645	Due to assessment holders
<u>\$ 4,631</u>	<u>\$ 104,709</u>	<u>\$ 1,464,002</u>	<u>\$ 2,954</u>	<u>\$ 3,260,440</u>	<u>\$ 1,428,128</u>	<u>\$ 28,973,306</u>	Total liabilities

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Blue Ravine Oaks East				
Assets				
Cash	\$ 7,609	\$ 160	\$ -	\$ 7,769
Accrued interest	43	178	169	52
Due from other governments	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,652</u>	<u>\$ 338</u>	<u>\$ 169</u>	<u>\$ 7,821</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to assessment holders	7,652	169	-	7,821
Total liabilities	<u>\$ 7,652</u>	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ 7,821</u>
Legends Refunding				
Assets				
Cash	\$ 7,186	\$ 39,317	\$ 37,416	\$ 9,087
Accrued interest	88	13	74	27
Due from other governments	(105)	105	-	-
Total assets	<u>\$ 7,169</u>	<u>\$ 39,435</u>	<u>\$ 37,490</u>	<u>\$ 9,114</u>
Liabilities				
Accounts payable	\$ -	\$ 37,749	\$ 37,311	\$ 438
Due to assessment holders	7,169	1,507	-	8,676
Total liabilities	<u>\$ 7,169</u>	<u>\$ 39,256</u>	<u>\$ 37,311</u>	<u>\$ 9,114</u>
Natoma Station				
Assets				
Cash	\$ 57,684	\$ 1,328	\$ 36,306	\$ 22,706
Accrued interest	485	1,356	1,418	423
Due from other governments	74	-	74	-
Restricted cash	30,673	-	-	30,673
Total assets	<u>\$ 88,916</u>	<u>\$ 2,684</u>	<u>\$ 37,798</u>	<u>\$ 53,802</u>
Liabilities				
Accounts payable	\$ 3,751	\$ 32,556	\$ 36,306	\$ 1
Due to assessment holders	85,165	1,192	32,556	53,801
Total liabilities	<u>\$ 88,916</u>	<u>\$ 33,748</u>	<u>\$ 68,862</u>	<u>\$ 53,802</u>

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Folsom Auto Plaza				
Assets				
Cash	\$ 63,306	\$ 1,282	\$ 2,415	\$ 62,173
Accrued interest	1,125	1,425	1,960	590
Due from other governments	1	-	-	1
Restricted cash	1	-	-	1
Total assets	<u>\$ 64,433</u>	<u>\$ 2,707</u>	<u>\$ 4,375</u>	<u>\$ 62,765</u>
Liabilities				
Accounts payable	\$ -	\$ 2,415	\$ 2,415	\$ -
Due to assessment holders	64,433	747	2,415	62,765
Total liabilities	<u>\$ 64,433</u>	<u>\$ 3,162</u>	<u>\$ 4,830</u>	<u>\$ 62,765</u>
Lake Natoma Shores				
Assets				
Cash	\$ 7,952	\$ 92	\$ 7,000	\$ 1,044
Accrued interest	44	88	102	30
Due from other governments	-	-	-	-
Total assets	<u>\$ 7,996</u>	<u>\$ 180</u>	<u>\$ 7,102</u>	<u>\$ 1,074</u>
Liabilities				
Accounts payable	\$ -	\$ 7,000	\$ 7,000	\$ -
Due to assessment holders	7,996	78	7,000	1,074
Total liabilities	<u>\$ 7,996</u>	<u>\$ 7,078</u>	<u>\$ 14,000</u>	<u>\$ 1,074</u>
Prairie Oaks Refunding				
Assets				
Cash	\$ 578,169	\$ 1,517,647	\$ 1,761,307	\$ 334,509
Accrued interest	7,171	31,428	29,732	8,867
Due from other governments	(4,691)	-	15,184	(19,875)
Restricted cash	1,285,423	187,402	1,472,825	-
Total assets	<u>\$ 1,866,072</u>	<u>\$ 1,736,477</u>	<u>\$ 3,279,048</u>	<u>\$ 323,501</u>
Liabilities				
Accounts payable	\$ 635	\$ 1,728,463	\$ 1,728,463	\$ 635
Due to assessment holders	1,865,437	218,733	1,761,304	322,866
Total liabilities	<u>\$ 1,866,072</u>	<u>\$ 1,947,196</u>	<u>\$ 3,489,767</u>	<u>\$ 323,501</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Cobble Hills Ridge Refunding				
Assets				
Cash	\$ 233,376	\$ 25,705	\$ 225,688	\$ 33,393
Accrued interest	759	686	1,110	335
Due from other governments	1,771	-	1,771	-
Total assets	<u>\$ 235,906</u>	<u>\$ 26,391</u>	<u>\$ 228,569</u>	<u>\$ 33,728</u>
Liabilities				
Accounts payable	\$ -	\$ 222,814	\$ 222,376	\$ 438
Due to assessment holders	235,906	236	202,852	33,290
Total liabilities	<u>\$ 235,906</u>	<u>\$ 223,050</u>	<u>\$ 425,228</u>	<u>\$ 33,728</u>
Ridgeview Refunding				
Assets				
Cash	\$ 275,458	\$ 37,074	\$ 296,736	\$ 15,796
Accrued interest	1,045	525	1,207	363
Due from other governments	1,135	-	1,135	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 277,638</u>	<u>\$ 37,599</u>	<u>\$ 299,078</u>	<u>\$ 16,159</u>
Liabilities				
Accounts payable	\$ -	\$ 294,754	\$ 294,316	\$ 438
Due to assessment holders	277,638	(161)	261,756	15,721
Total liabilities	<u>\$ 277,638</u>	<u>\$ 294,593</u>	<u>\$ 556,072</u>	<u>\$ 16,159</u>
Cresleigh Natoma Refunding				
Assets				
Cash	\$ 113,498	\$ 157,537	\$ 247,930	\$ 23,105
Accrued interest	301	216	396	121
Due from other governments	552	-	552	-
Total assets	<u>\$ 114,351</u>	<u>\$ 157,753</u>	<u>\$ 248,878</u>	<u>\$ 23,226</u>
Liabilities				
Accounts payable	\$ -	\$ 247,248	\$ 246,810	\$ 438
Rebateable arbitrage	-	-	-	-
Due to assessment holders	114,351	32	91,595	22,788
Total liabilities	<u>\$ 114,351</u>	<u>\$ 247,280</u>	<u>\$ 338,405</u>	<u>\$ 23,226</u>

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Hannaford Crossing Refunding				
Assets				
Cash	\$ 251,852	\$ 257,693	\$ 467,605	\$ 41,940
Accrued interest	934	480	1,089	325
Due from other governments	2,857	-	2,857	-
Total assets	<u>\$ 255,643</u>	<u>\$ 258,173</u>	<u>\$ 471,551</u>	<u>\$ 42,265</u>
Liabilities				
Accounts payable	\$ 73	\$ 467,605	\$ 467,605	\$ 73
Due to assessment holders	255,570	1,505	214,883	42,192
Total liabilities	<u>\$ 255,643</u>	<u>\$ 469,110</u>	<u>\$ 682,488</u>	<u>\$ 42,265</u>
CFD 2013-01 Water Fac & Sup				
Assets				
Cash	\$ 1,616,849	\$ 2,137,054	\$ 2,987,633	\$ 766,270
Accrued interest	5,360	51,588	43,864	13,084
Due from other governments	(76)	5,870	-	5,794
Restricted cash	-	-	-	-
Total assets	<u>\$ 1,622,133</u>	<u>\$ 2,194,512</u>	<u>\$ 3,031,497</u>	<u>\$ 785,148</u>
Liabilities				
Accounts payable	\$ -	\$ 6,592	\$ 6,592	\$ -
Due to assessment holders	1,622,133	2,150,572	2,987,557	785,148
Total liabilities	<u>\$ 1,622,133</u>	<u>\$ 2,157,164</u>	<u>\$ 2,994,149</u>	<u>\$ 785,148</u>
Willow Creek CFD #1 Refunding				
Assets				
Cash	\$ 1,286	\$ 956	\$ 927	\$ 1,315
Accrued interest	7	30	30	7
Due from other governments	5,539	-	-	5,539
Total assets	<u>\$ 6,832</u>	<u>\$ 986</u>	<u>\$ 957</u>	<u>\$ 6,861</u>
Liabilities				
Accounts payable	\$ -	\$ 2,781	\$ 2,781	\$ -
Rebateable arbitrage	497	-	-	497
Due to assessment holders	6,335	29	-	6,364
Total liabilities	<u>\$ 6,832</u>	<u>\$ 2,810</u>	<u>\$ 2,781</u>	<u>\$ 6,861</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Natoma Station CFD #2 Refunding				
Assets				
Cash	\$ 676,420	\$ 1,000,956	\$ 1,345,882	\$ 331,494
Cash with fiscal agent	19	1,303,589	1,303,591	17
Accrued interest	3,988	6,463	8,053	2,398
Due from other governments	71,173	7,493	71,173	7,493
Restricted cash	1,074,054	12,324	-	1,086,378
Total assets	<u>\$ 1,825,654</u>	<u>\$ 2,330,825</u>	<u>\$ 2,728,699</u>	<u>\$ 1,427,780</u>
Liabilities				
Accounts payable	\$ -	\$ 1,317,599	\$ 1,315,406	\$ 2,193
Due to assessment holders	1,825,654	953,542	1,353,609	1,425,587
Total liabilities	<u>\$ 1,825,654</u>	<u>\$ 2,271,141</u>	<u>\$ 2,669,015</u>	<u>\$ 1,427,780</u>
Folsom Heights CFD #3 Refunding				
Assets				
Cash	\$ 1,308	\$ 27	\$ -	\$ 1,335
Cash with fiscal agent	-	-	-	-
Accrued interest	18	31	38	11
Due from other governments	(1,225)	-	-	(1,225)
Restricted cash	-	-	-	-
Total assets	<u>\$ 101</u>	<u>\$ 58</u>	<u>\$ 38</u>	<u>\$ 121</u>
Liabilities				
Accounts payable	\$ 50	\$ -	\$ -	\$ 50
Due to assessment holders	51	20	-	71
Total liabilities	<u>\$ 101</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 121</u>
Broadstone CFD # 4 Refunding				
Assets				
Cash	\$ -	\$ 135,665	\$ 89,303	\$ 46,362
Cash with fiscal agent	125,429	83,403	208,834	(2)
Accrued interest	164	1,020	909	275
Due from other governments	(465)	465	-	-
Restricted cash	216,627	-	216,628	(1)
Total assets	<u>\$ 341,755</u>	<u>\$ 220,553</u>	<u>\$ 515,674</u>	<u>\$ 46,634</u>
Liabilities				
Accounts payable	\$ 81,648	\$ 88,838	\$ 170,482	\$ 4
Due to assessment holders	260,107	2,093	215,570	46,630
Total liabilities	<u>\$ 341,755</u>	<u>\$ 90,931</u>	<u>\$ 386,052</u>	<u>\$ 46,634</u>

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Broadstone 2 CFD # 7				
Assets				
Cash	\$ 2,752,238	\$ 4,702,412	\$ 4,391,441	\$ 3,063,209
Cash with fiscal agent	134,350	126,917	172,341	88,926
Accrued interest	8,282	10,178	14,218	4,242
Due from other governments	87,288	27,724	87,288	27,724
Restricted cash	2,299,312	42,082	-	2,341,394
Total assets	<u>\$ 5,281,470</u>	<u>\$ 4,909,313</u>	<u>\$ 4,665,288</u>	<u>\$ 5,525,495</u>
Liabilities				
Accounts payable	\$ (51,042)	\$ 4,421,285	\$ 4,339,641	\$ 30,602
Due to assessment holders	5,332,512	2,703,230	2,540,849	5,494,893
Total liabilities	<u>\$ 5,281,470</u>	<u>\$ 7,124,515</u>	<u>\$ 6,880,490</u>	<u>\$ 5,525,495</u>
Parkway CFD # 8				
Assets				
Cash	\$ 372,687	\$ 357,819	\$ 348,980	\$ 381,526
Cash with fiscal agent	3,108	10,546	13,655	(1)
Accrued interest	1,110	4,201	4,089	1,222
Due from other governments	3,888	3,482	3,888	3,482
Restricted cash	324,247	1,528	-	325,775
Total assets	<u>\$ 705,040</u>	<u>\$ 377,576</u>	<u>\$ 370,612</u>	<u>\$ 712,004</u>
Liabilities				
Accounts payable	\$ 1	\$ 342,256	\$ 342,256	\$ 1
Due to assessment holders	705,039	358,700	351,736	712,003
Total liabilities	<u>\$ 705,040</u>	<u>\$ 700,956</u>	<u>\$ 693,992</u>	<u>\$ 712,004</u>
Willow Creek Estates South CFD # 9				
Assets				
Cash	\$ 33,840	\$ 705	\$ 726	\$ 33,819
Cash with fiscal agent	2	-	-	2
Accrued interest	247	782	790	239
Due from other governments	(101)	101	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 33,988</u>	<u>\$ 1,588</u>	<u>\$ 1,516</u>	<u>\$ 34,060</u>
Liabilities				
Accounts payable	\$ -	\$ 625	\$ 625	\$ -
Due to assessment holders	33,988	697	625	34,060
Total liabilities	<u>\$ 33,988</u>	<u>\$ 1,322</u>	<u>\$ 1,250</u>	<u>\$ 34,060</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Empire Ranch CFD # 10				
Assets				
Cash	\$ 4,197,376	\$ 5,876,632	\$ 4,740,793	\$ 5,333,215
Cash with fiscal agent	1,228	36,559	37,033	754
Accrued interest	9,964	92,528	78,950	23,542
Due from other governments	69,408	90,970	69,408	90,970
Restricted cash	4,469,535	69,667	-	4,539,202
Total assets	<u>\$ 8,747,511</u>	<u>\$ 6,166,356</u>	<u>\$ 4,926,184</u>	<u>\$ 9,987,683</u>
Liabilities				
Accounts payable	\$ (243,319)	\$ 3,048,945	\$ 2,805,626	\$ -
Due to assessment holders	8,990,830	5,742,561	4,745,708	9,987,683
Total liabilities	<u>\$ 8,747,511</u>	<u>\$ 8,791,506</u>	<u>\$ 7,551,334</u>	<u>\$ 9,987,683</u>
Willow Springs CFD # 11				
Assets				
Cash	\$ -	\$ 336,189	\$ 336,189	\$ -
Cash with fiscal agent	3,970	192	93	4,069
Accrued interest	104	-	80	24
Due from other governments	3,783	5,865	3,783	5,865
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,857</u>	<u>\$ 342,246</u>	<u>\$ 340,145</u>	<u>\$ 9,958</u>
Liabilities				
Accounts payable	\$ 243,322	\$ 428,640	\$ 329,705	\$ 342,257
Due to assessment holders	(235,465)	482,720	579,554	(332,299)
Total liabilities	<u>\$ 7,857</u>	<u>\$ 911,360</u>	<u>\$ 909,259</u>	<u>\$ 9,958</u>
CFD #16 Islands IA2				
Assets				
Cash	\$ 282,561	\$ 355,680	\$ 551,427	\$ 86,814
Cash with fiscal agent	5,066,385	-	3,282,957	1,783,428
Accrued interest	467	5,465	4,570	1,362
Due from other governments	344	4,492	344	4,492
Restricted cash	430,680	207,944	-	638,624
Total assets	<u>\$ 5,780,437</u>	<u>\$ 573,581</u>	<u>\$ 3,839,298</u>	<u>\$ 2,514,720</u>
Liabilities				
Accounts payable	\$ -	\$ 174,386	\$ 174,386	\$ -
Due to assessment holders	5,780,437	329,654	3,595,371	2,514,720
Total liabilities	<u>\$ 5,780,437</u>	<u>\$ 504,040</u>	<u>\$ 3,769,757</u>	<u>\$ 2,514,720</u>

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Parkway CFD # 14				
Assets				
Cash	\$ 990,418	\$ 1,274,623	\$ 1,203,977	\$ 1,061,064
Cash with fiscal agent	9	13,741	10,342	3,408
Accrued interest	2,181	9,476	8,979	2,678
Due from other governments	27,668	17,373	27,668	17,373
Restricted cash	-	-	-	-
Total assets	<u>\$ 1,020,276</u>	<u>\$ 1,315,213</u>	<u>\$ 1,250,966</u>	<u>\$ 1,084,523</u>
Liabilities				
Accounts payable	\$ -	\$ 1,168,453	\$ 1,168,453	\$ -
Due to assessment holders	1,020,276	1,265,056	1,200,809	1,084,523
Total liabilities	<u>\$ 1,020,276</u>	<u>\$ 2,433,509</u>	<u>\$ 2,369,262</u>	<u>\$ 1,084,523</u>
Folsom Historic District				
Assets				
Cash	\$ 4,374	\$ 145,314	\$ 144,895	\$ 4,793
Cash with fiscal agent	-	-	-	-
Accrued interest	91	53	115	29
Due from other governments	3,317	-	3,508	(191)
Restricted cash	-	-	-	-
Total assets	<u>\$ 7,782</u>	<u>\$ 145,367</u>	<u>\$ 148,518</u>	<u>\$ 4,631</u>
Liabilities				
Accounts payable	\$ -	\$ 144,895	\$ 144,895	\$ -
Due to assessment holders	7,782	141,744	144,895	4,631
Total liabilities	<u>\$ 7,782</u>	<u>\$ 286,639</u>	<u>\$ 289,790</u>	<u>\$ 4,631</u>
CFD #16 Islands at Parkshore 1				
Assets				
Cash	\$ 22,551	\$ 135,900	\$ 59,819	\$ 98,632
Cash with fiscal agent	-	-	-	-
Accrued interest	80	1,240	986	334
Due from other governments	2,032	3,711	-	5,743
Restricted cash	-	-	-	-
Total assets	<u>\$ 24,663</u>	<u>\$ 140,851</u>	<u>\$ 60,805</u>	<u>\$ 104,709</u>
Liabilities				
Accounts payable	\$ 4,557	\$ 11,056	\$ 11,056	\$ 4,557
Due to assessment holders	20,106	112,241	32,195	100,152
Total liabilities	<u>\$ 24,663</u>	<u>\$ 123,297</u>	<u>\$ 43,251</u>	<u>\$ 104,709</u>

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
CFD #17 Willow Hill Pipeline				
Assets				
Cash	\$ 742,291	\$ 1,155,689	\$ 1,429,155	\$ 468,825
Cash with fiscal agent	281,816	472,752	177,845	576,723
Accrued interest	6,802	7,726	11,191	3,337
Due from other governments	(135)	1,396	-	1,261
Restricted cash	410,342	3,514	-	413,856
Total assets	<u>\$ 1,441,116</u>	<u>\$ 1,641,077</u>	<u>\$ 1,618,191</u>	<u>\$ 1,464,002</u>
Liabilities				
Accounts payable	\$ (2,800)	\$ 953,694	\$ 950,894	\$ -
Due to assessment holders	1,443,916	449,636	429,550	1,464,002
Total liabilities	<u>\$ 1,441,116</u>	<u>\$ 1,403,330</u>	<u>\$ 1,380,444</u>	<u>\$ 1,464,002</u>
CFD #18 Area Wide Improvements & Services				
Assets				
Cash	\$ -	\$ 134,071	\$ 132,878	\$ 1,193
Cash with fiscal agent	-	-	-	-
Accrued interest	-	658	506	152
Due from other governments	-	385	-	385
Restricted cash	-	1,224	-	1,224
Total assets	<u>\$ -</u>	<u>\$ 136,338</u>	<u>\$ 133,384</u>	<u>\$ 2,954</u>
Liabilities				
Accounts payable	\$ -	\$ 5,955	\$ 5,955	\$ -
Due to assessment holders	-	10,309	7,355	2,954
Total liabilities	<u>\$ -</u>	<u>\$ 16,264</u>	<u>\$ 13,310</u>	<u>\$ 2,954</u>
CFD #19 Mangini				
Assets				
Cash	\$ -	\$ 1,971,582	\$ 953,293	\$ 1,018,289
Cash with fiscal agent	3,463,201	22,327	3,484,895	633
Accrued interest	-	10,907	8,401	2,506
Due from other governments	-	5,160	-	5,160
Restricted cash	2,199,391	34,461	-	2,233,852
Total assets	<u>\$ 5,662,592</u>	<u>\$ 2,044,437</u>	<u>\$ 4,446,589</u>	<u>\$ 3,260,440</u>
Liabilities				
Accounts payable	\$ 2,800	\$ 14,505	\$ 17,306	\$ (1)
Due to assessment holders	5,659,792	1,664,187	4,063,538	3,260,441
Total liabilities	<u>\$ 5,662,592</u>	<u>\$ 1,678,692</u>	<u>\$ 4,080,844</u>	<u>\$ 3,260,440</u>

CFD #20 Russell Ranch

Assets

Cash	\$ 15,000	\$ 266	\$ 9,066	\$ 6,200
Cash with fiscal agent	8,217,316	55,116	7,873,070	399,362
Accrued interest	-	287	221	66
Due from other governments	-	-	-	-
Restricted cash	1,022,500	-	-	1,022,500
Total assets	<u>\$ 9,254,816</u>	<u>\$ 55,669</u>	<u>\$ 7,882,357</u>	<u>\$ 1,428,128</u>

Liabilities

Accounts payable	\$ -	\$ 8,290	\$ 3,250	\$ 5,040
Due to assessment holders	9,254,816	55,446	7,887,174	1,423,088
Total liabilities	<u>\$ 9,254,816</u>	<u>\$ 63,736</u>	<u>\$ 7,890,424</u>	<u>\$ 1,428,128</u>

Grand Totals:

Assets	\$ 28,973,306
Liabilities	\$ 28,973,306

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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

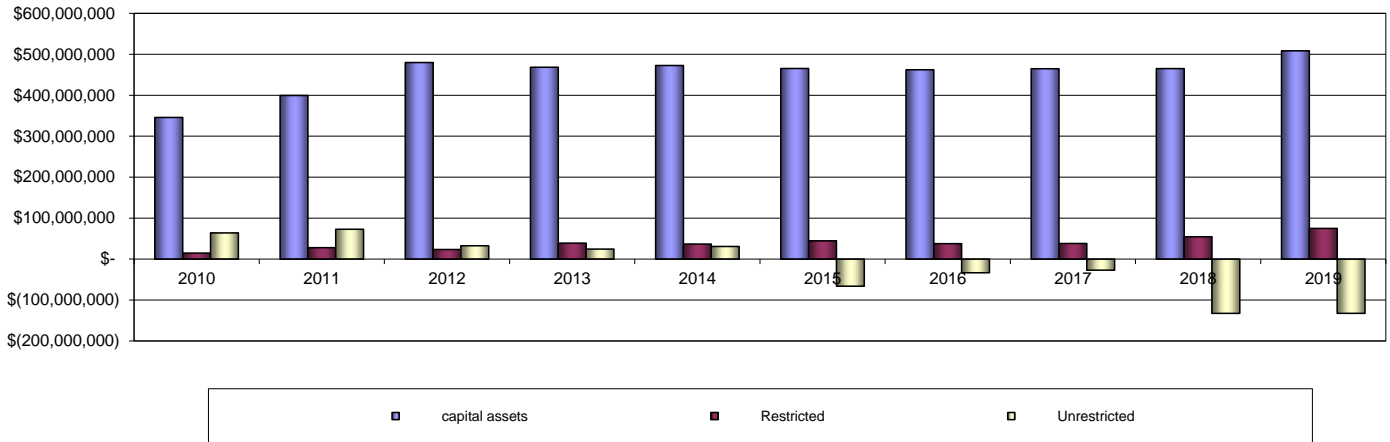
These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

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 2019, With Ten Year Trend Analysis
(accrual basis of accounting)

Total Primary Government Net Position

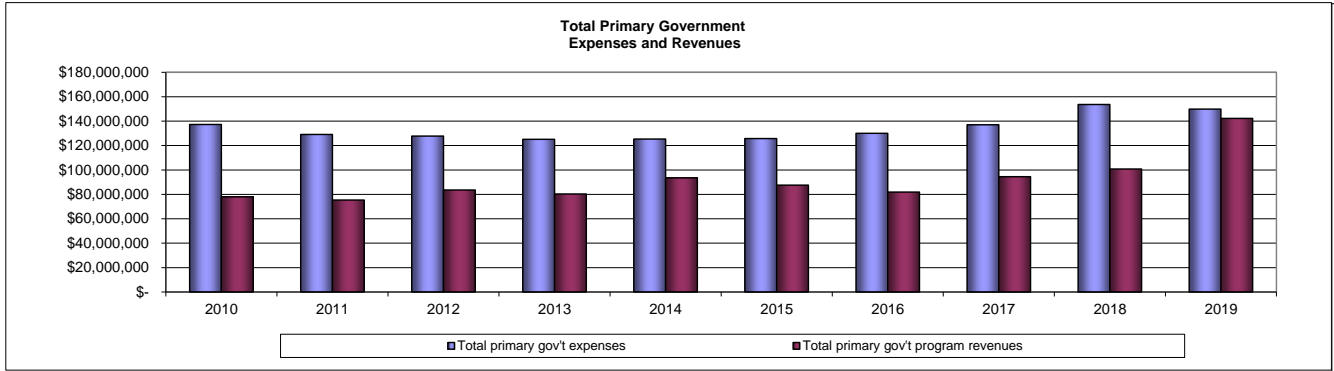


	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 235,070,576	\$ 289,842,203	\$ 373,572,187	\$ 364,036,649	\$ 368,751,791	\$ 352,122,867	\$ 345,540,942	\$ 342,339,996	\$ 341,907,988	\$ 365,447,799
Restricted	14,622,264	27,559,119	23,073,659	38,567,808	36,162,905	43,903,207	37,105,814	37,928,602	54,379,397	74,711,884
Unrestricted (1)	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)	(140,380,319)
Total gov't activities net position	\$ 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	\$ 299,779,364
Business-type activities										
Net investment in capital assets	\$ 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	\$ 143,068,634
Restricted		326,097	326,097	326,097	512,201	520,858	527,202	127,565	127,565	127,565
Unrestricted	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	7,839,073
Total bus-type activities net position	\$ 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	\$ 151,035,272
Primary government										
Net investment in capital assets	\$ 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	\$ 508,516,433
Restricted	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	74,839,449
Unrestricted	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)	(132,541,246)
Total primary gov't net position	\$ 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	\$ 450,814,636

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

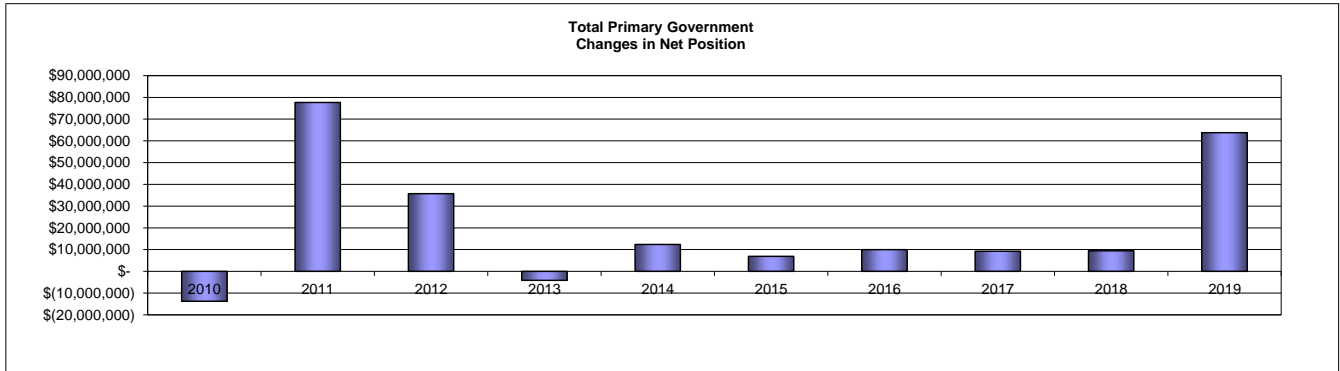
Schedule 2
CITY OF FOLSOM, CALIFORNIA
Changes in Net Position
Fiscal Year 2019, With Ten Year Trend Analysis
(accrual basis of accounting)



	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 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	\$ 19,894,674
Public safety	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	43,071,617
Public ways and facilities	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	24,860,981
Community services	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	6,119,243
Culture and recreation	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	16,783,176
Interest and fiscal changes	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	4,687,431
Total gov't activities expenses	<u>104,196,287</u>	<u>100,037,320</u>	<u>99,013,392</u>	<u>96,677,186</u>	<u>96,227,005</u>	<u>95,847,283</u>	<u>98,437,909</u>	<u>105,261,245</u>	<u>118,734,307</u>	<u>115,417,123</u>
Business-type activities:										
Water	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	15,018,849
Sewer	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	5,989,117
Solid Waste	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	10,823,361
Transit	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	2,297,111
Facilities Augmentation	9,500	-	-	-	23,375	-	407,237	3,040	242,058	326,061
Recreation	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>33,066,224</u>	<u>29,051,859</u>	<u>28,748,396</u>	<u>28,434,161</u>	<u>29,101,354</u>	<u>29,888,700</u>	<u>31,588,339</u>	<u>31,762,966</u>	<u>34,913,410</u>	<u>34,454,499</u>
Total primary gov't expenses	<u>\$137,262,511</u>	<u>\$129,089,179</u>	<u>\$127,761,788</u>	<u>\$125,111,347</u>	<u>\$125,328,359</u>	<u>\$125,735,983</u>	<u>\$130,026,248</u>	<u>\$137,024,211</u>	<u>\$153,647,717</u>	<u>\$149,871,622</u>

Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 8,802,272
Public safety	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	6,851,973
Public ways and facilities	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	11,089,762
Community services	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	8,290,473
Culture and recreation	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	10,278,413
Operating grants and contributions	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	3,673,894
Capital grants and contributions	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	30,603,509
Total gov't activities program revenue	<u>47,553,231</u>	<u>41,564,931</u>	<u>49,581,333</u>	<u>42,793,788</u>	<u>54,174,803</u>	<u>50,751,054</u>	<u>44,365,724</u>	<u>50,011,215</u>	<u>60,094,441</u>	<u>79,590,296</u>
Business-type activities:										
Charges for services:										
Water	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	13,912,610
Sewer	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	6,734,594
Solid Waste	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	10,939,391
Transit	183,005	780,618	702,917	690,404	1,273,371	677,295	623,745	604,935	591,905	285,158
Facilities augmentation	-	-	67,365	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	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	4,958,663
Capital grants and contributions	1,840,128	1,114,608	1,019,849	746,776	2,616,710	554,070	786,090	4,834,197	1,746,682	25,829,934
Total business-type activities	<u>30,407,729</u>	<u>33,784,761</u>	<u>34,001,381</u>	<u>37,501,940</u>	<u>39,318,933</u>	<u>36,811,922</u>	<u>37,512,071</u>	<u>44,480,263</u>	<u>40,681,876</u>	<u>62,660,350</u>
Total primary gov't program revenues	<u>\$ 77,960,960</u>	<u>\$ 75,349,692</u>	<u>\$ 83,582,714</u>	<u>\$ 80,295,728</u>	<u>\$ 93,493,736</u>	<u>\$ 87,562,976</u>	<u>\$ 81,877,795</u>	<u>\$ 94,491,478</u>	<u>\$ 100,776,317</u>	<u>\$ 142,250,646</u>

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



	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	\$(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)	\$(35,826,827)
Business-type activities	(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	28,205,851
Total primary gov't net (exp)/rev	\$(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)	\$(7,620,976)

General Revenue and Other changes in Net Position

Government activities:										
Taxes										
Property	\$ 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	\$ 26,669,899
Sales and use	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	25,359,293
Other	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	4,070,333
Payments in lieu of services	-	-	-	-	-	-	-	-	-	-
Vehicle License Fees	-	-	-	-	-	-	-	-	-	-
Investments earnings (loss)	712,099	558,383	572,542	424,268	695,856	423,710	7,220,125	(2,344,854)	(3,666,825)	11,463,007
Miscellaneous	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	1,922,130
Gain/(loss) on disp of cap assets	-	430,486	-	3,451	3,500	96,858	168,454	-	-	-
Transfers	-	3,383,398	3,339,454	2,966,059	2,510,879	2,599,139	2,600,454	2,869,992	3,008,033	3,003,762
Special Items:										
Capital Contributions	-	86,597,855	-	-	-	-	-	-	-	-
Gain on dissolution of RDA	-	-	37,840,792	-	-	-	-	-	-	290,936
Xfer Asset from Successor Agency	-	-	-	-	(381,150)	-	381,150	-	9,812,877	-
Xfer Asset from Transit to City	-	-	-	-	-	-	-	-	-	290,936
Total governmental activities	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	72,779,360
Business-type activities:										
Investment earnings	114,892	96,525	123,140	148,151	384,577	220,380	501,674	205,005	187,322	1,367,314
Transfers	-	(3,383,398)	(3,339,454)	(2,966,059)	(2,510,879)	(2,599,139)	(2,600,454)	(2,869,992)	(3,008,033)	(3,003,762)
Special Items:										
Annexation of Transit Services	-	-	-	-	-	-	-	-	-	542,935
Transfer of Assets-Transit to City	-	-	-	-	-	-	-	-	-	(290,936)
Total business-type activities	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)	(1,384,449)
Total primary government	\$ 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	\$ 71,394,911

Change in Net Position

Governmental activities	(6,977,169)	76,216,221	33,697,374	(10,381,429)	4,278,269	2,361,188	6,165,451	(795,976)	6,495,817	36,952,533
Business-type activities	(6,773,528)	1,446,029	2,036,671	6,249,871	8,091,277	4,544,463	3,824,952	10,052,310	2,947,755	26,821,402
Total Primary Government	\$(13,750,697)	\$ 77,662,250	\$ 35,734,045	\$(4,131,558)	\$ 12,369,546	\$ 6,905,651	\$ 9,990,403	\$ 9,256,334	\$ 9,443,572	\$ 63,773,935
Net Position beginning of Year (as restated in prior fiscal years)	437,992,726	422,451,496	500,113,746	535,847,791	527,756,068	436,625,942	456,469,616	466,460,019	377,597,129	387,040,701
Net Position End of Year	\$ 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	\$ 450,814,636

Source: The City's Comprehensive Annual Financial Reports

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Schedule 3
CITY OF FOLSOM, CALIFORNIA
Fund Balances, Governmental Funds,
Fiscal Year 2019, With Ten Year Trend Analysis
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Reserved	\$ 1,747,419				
Unreserved	5,520,065				
Nonspendable		375,393	364,358	305,446	265,707
Restricted					
Committed					
Assigned		538,234	469,059	342,002	373,969
Unassigned		3,993,214	4,108,447	5,020,894	6,630,937
Total Fund Balance	<u>\$ 7,267,484</u>	<u>\$ 4,906,841</u>	<u>\$ 4,941,864</u>	<u>\$ 5,668,342</u>	<u>\$ 7,270,613</u>

All Other Governmental Funds					
Reserved	136,844,273				
Unreserved	40,315,415				
Nonspendable		7,557,236	9,869,809	9,580,393	268,396
Restricted		187,004,914	160,122,141	152,261,985	158,429,877
Committed		6,816,225	6,265,521	2,203,431	3,548,476
Assigned		936,979	500,226	467,898	3,684,362
Unassigned		(1,295,568)	(1,483,486)	2,775,821	(845,061)
Total Fund Balance	<u>\$ 177,159,688</u>	<u>\$ 201,019,786</u>	<u>\$ 175,274,211</u>	<u>\$ 167,289,528</u>	<u>\$ 165,086,050</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	339,494	400,319	448,971	442,084	1,105,568
Restricted					
Committed					
Assigned	740,393	1,234,023	1,201,309	1,869,501	2,214,552
Unassigned	8,157,227	10,950,323	15,536,918	15,699,123	20,349,892
Total Fund Balance	<u>\$ 9,237,114</u>	<u>\$ 12,584,665</u>	<u>\$ 17,187,198</u>	<u>\$ 18,010,708</u>	<u>\$ 23,670,012</u>

All Other Governmental Funds					
Nonspendable	268,396	398,396	428,782	429,294	434,118
Restricted	152,093,714	170,205,119	157,036,583	195,058,817	187,443,271
Committed	3,663,039	3,581,269	3,690,161	5,201,522	5,425,995
Assigned	3,236,609	3,160,859	3,309,690	3,587,539	11,369,695
Unassigned	(516,671)	(968,842)	(1,150,620)	(847,149)	1,790,354
Total Fund Balance	<u>\$ 158,745,087</u>	<u>\$ 176,376,801</u>	<u>\$ 163,314,596</u>	<u>\$ 203,430,023</u>	<u>\$ 206,463,433</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 2019, With Ten Year Trend Analysis
(modified accrual basis of accounting)

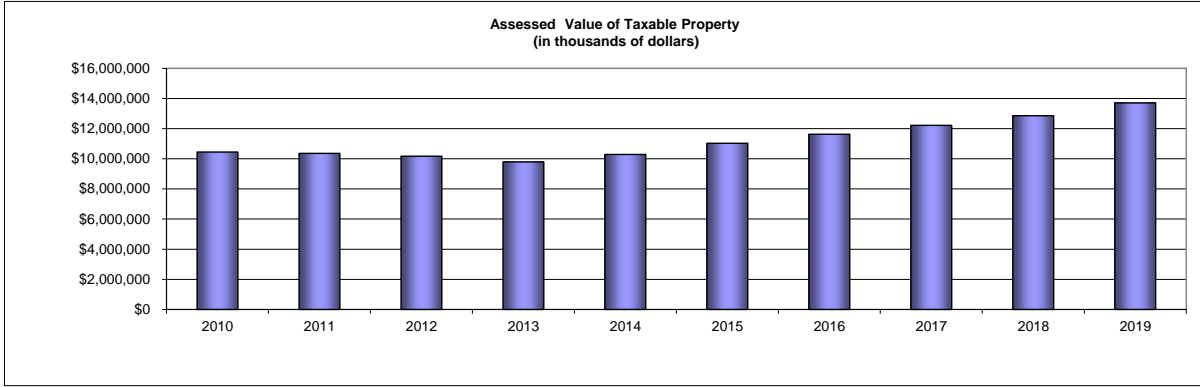
Revenue	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Taxes	\$ 42,598,164	\$ 42,114,274	\$ 39,473,554	\$ 36,946,753	\$ 41,077,779
Licenses, fees and permits	1,359,583	1,398,245	1,392,332	1,740,993	2,109,745
Vehicle License fees	5,434,694	5,534,031	5,086,212	4,976,818	5,198,998
Intergovernmental revenue	17,425,680	15,598,732	20,272,302	14,307,214	18,611,026
Charges for services	17,444,906	15,586,330	15,693,296	17,404,489	23,992,496
Fines and penalties	537,762	424,814	366,429	490,823	798,051
Assessment collections	3,227,235	3,022,779	3,324,303	3,482,141	2,685,714
Investment earnings (loss)	700,096	1,269,936	1,214,313	386,391	633,581
Miscellaneous	2,125,699	1,604,214	1,903,093	3,161,438	2,423,607
Total revenue	<u>\$ 90,853,819</u>	<u>\$ 86,553,355</u>	<u>\$ 88,725,834</u>	<u>\$ 82,897,060</u>	<u>\$ 97,530,997</u>
Expenditures					
General government	\$ 21,139,815	\$ 20,106,486	\$ 14,606,565	\$ 14,069,483	\$ 16,920,618
Public safety	33,795,698	30,860,677	31,237,025	31,831,334	31,861,011
Public ways and facilities	11,578,937	9,500,414	11,089,521	11,091,457	10,633,571
Community services	3,414,705	2,925,077	3,018,894	2,986,024	3,394,648
Culture and recreations	11,431,343	10,374,452	10,413,567	11,026,557	11,667,695
Capital outlay	12,882,877	18,671,363	9,003,180	2,586,067	5,989,082
Debt Service:					
Principal	10,154,002	11,434,546	12,233,666	12,511,714	15,465,193
Interest and fiscal charges	8,925,835	9,179,038	9,277,831	6,383,068	6,398,811
Cost of issuance	344,052	834,778	934,415	117,505	69,524
Total expenditures	<u>\$ 113,667,264</u>	<u>\$ 113,886,831</u>	<u>\$ 101,814,664</u>	<u>\$ 92,603,209</u>	<u>\$ 102,400,153</u>
Excess of revenue over (under) expenditures	\$ (22,813,445)	\$ (27,333,476)	\$ (13,088,830)	\$ (9,706,149)	\$ (4,869,156)
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	28,290,000	-	-	-	-
Bond discount	(56,779)	(824,502)	(62,306)	-	-
Issuance of loan	-	-	-	-	-
Bond premium	771,861	-	-	-	-
Payment to refunded escrow agent	(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	32,104,952	32,318,319	27,491,475	9,111,962	7,523,050
Transfers out	(30,961,583)	(27,651,372)	(24,146,818)	(6,041,865)	(4,863,541)
Total other financing sources (Uses)	<u>\$ 16,956,583</u>	<u>\$ 48,832,931</u>	<u>\$ (12,621,722)</u>	<u>\$ 2,447,944</u>	<u>\$ 2,659,509</u>
Net change in fund balances	<u>\$ (5,856,862)</u>	<u>\$ 21,499,455</u>	<u>\$ (25,710,552)</u>	<u>\$ (7,258,205)</u>	<u>\$ (2,209,647)</u>
Debt services as a percentage of non-capital expenditures	23.8%	21.6%	23.2%	21.0%	22.7%

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)

	2015	2016	2017	2018	2019	
						Revenue
\$	42,416,420	\$ 47,103,335	\$ 51,739,509	\$ 50,653,070	\$ 56,099,525	Taxes
	2,128,623	2,098,807	2,171,246	2,775,305	3,070,682	Licenses, fees and permits
	5,596,355	5,895,909	6,065,568	6,484,423	6,902,484	Vehicle License fees
	16,049,283	12,819,545	15,233,546	12,347,078	14,273,982	Intergovernmental revenue
	23,823,594	20,388,258	22,787,464	36,304,402	33,058,288	Charges for services
	776,554	729,673	954,261	921,339	2,275,631	Fines and penalties
	1,518,403	1,460,233	908,120	35,728	5,807	Assessment collections
	395,293	7,068,427	(2,356,010)	(3,655,867)	11,010,736	Investment earnings (loss)
	1,921,290	2,764,118	2,189,407	2,618,452	1,922,131	Miscellaneous
\$	94,625,815	\$ 100,328,305	\$ 99,693,111	\$ 108,483,930	\$ 128,619,266	Total revenue
						Expenditures
\$	17,920,405	\$ 17,392,563	\$ 17,718,687	\$ 18,859,432	\$ 14,700,625	General government
	32,467,605	34,351,734	37,299,200	37,216,488	42,122,571	Public safety
	11,803,873	10,763,219	10,546,397	12,921,054	12,167,798	Public ways and facilities
	3,582,489	3,975,512	4,722,516	6,196,867	6,719,373	Community services
	11,971,798	12,850,827	13,387,547	14,349,508	15,139,603	Culture and recreations
	5,597,833	6,833,189	9,921,548	18,189,160	16,002,288	Capital outlay
						Debt Service:
	12,879,056	11,090,135	12,600,203	8,027,092	10,206,479	Principal
	5,826,718	5,119,301	4,835,589	2,540,176	4,642,841	Interest and fiscal charges
	-	-	-	-	-	Cost of issuance
\$	102,049,777	\$ 102,376,480	\$ 111,031,687	\$ 118,299,777	\$ 121,701,578	Total expenditures
\$	(7,423,962)	\$ (2,048,175)	\$ (11,338,576)	\$ (9,815,847)	\$ 6,917,688	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
						Bond discount
				1,790,000	-	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
	6,704,387	6,439,736	6,331,555	8,063,764	7,572,261	Transfers in
	(3,654,887)	(3,025,319)	(3,452,651)	(5,046,857)	(5,797,235)	Transfers out
\$	3,049,500	\$ 10,089,417	\$ 2,878,904	\$ 40,941,907	\$ 1,775,026	Total other financing sources (Uses)
\$	(4,374,462)	\$ 8,041,242	\$ (8,459,672)	\$ 31,126,060	\$ 8,692,714	Net change in fund balances
	19.6%	17.0%	17.3%	10.6%	14.0%	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 2019, With Ten Year Trend Analysis
(in thousands of dollars)



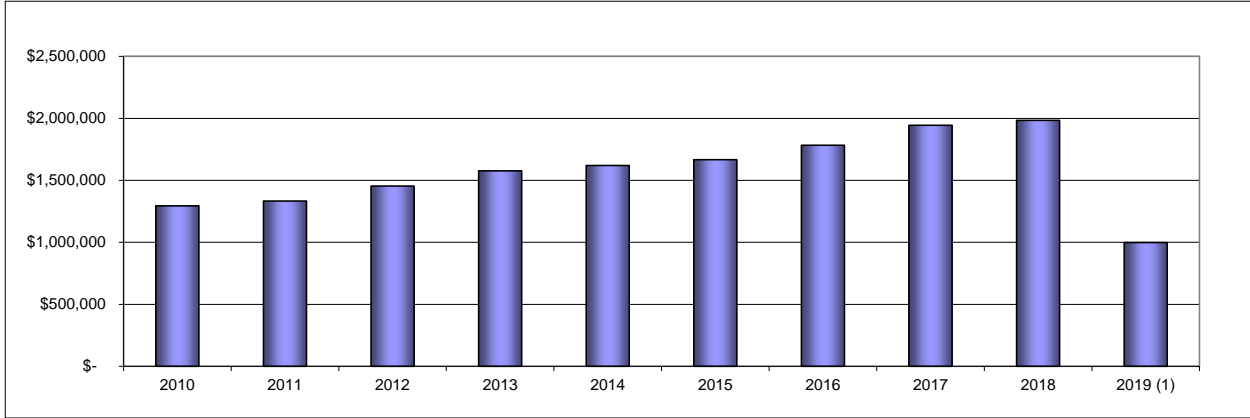
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other (1)	Unsecured Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Factor of Taxable Assessed Value
2010	\$ 7,322,351	\$ 2,568,605	\$ 160,566	\$ 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)
2019	\$ 9,709,630	\$ 2,665,776	\$ 170,999	\$ 1,223,745	\$ 379,698	\$ 443,387	\$ 13,706,461	1.4982	\$ 16,490,101 (3)	1.203090 (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 2019, With Ten Year Trend Analysis
(Taxable transactions in thousands of dollars)**



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (1)
Motor Vehicle and Parts Dealers	\$ 264,616	\$ 287,365	\$ 342,749	\$ 408,649	\$ 425,196	\$ 460,449	\$ 466,504	\$ 485,631	\$ 491,987	\$ 239,873
Home furnishings and appliances	56,485	61,541	65,702	71,634	81,852	82,252	96,706	93,502	92,162	43,800
Bid Matri and Garden Equip	71,521	74,438	84,386	93,213	94,161	102,469	108,524	110,962	115,803	61,451
Food and Beverage Stores	63,585	71,654	74,194	78,944	79,159	79,806	81,880	85,460	89,824	36,593
Gasoline Stations	69,412	80,388	83,171	84,628	83,598	69,997	64,270	73,240	82,738	45,219
Clothing & Clothing Accessories	120,370	124,918	129,738	143,476	148,592	152,903	177,476	179,489	183,062	82,509
General merchandise stores	254,801	270,447	286,652	287,505	285,722	235,840	234,505	304,177	324,505	150,518
Food Services and Drinking Places	124,914	134,184	149,299	156,403	161,652	175,325	188,911	202,655	210,940	110,292
Other retail stores	120,522	124,566	127,862	136,099	133,671	135,499	131,765	128,316	130,431	61,016
Subtotal retail	1,146,226	1,229,501	1,343,753	1,460,551	1,493,603	1,494,540	1,550,541	1,663,432	1,721,452	831,271
All other outlets	147,585	103,528	110,206	115,786	126,130	171,928	232,418	280,610	262,345	166,856
Total	\$ 1,293,811	\$ 1,333,029	\$ 1,453,959	\$ 1,576,337	\$ 1,619,733	\$ 1,666,468	\$ 1,782,959	\$ 1,944,042	\$ 1,983,797	\$ 998,127

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 second quarter of 2019.

Schedule 6
CITY OF FOLSOM, CALIFORNIA
Direct and Overlapping Property Tax Rates
Fiscal Year 2019, 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
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	0.0390	0.0516	0.1878	0.0071	0.2115
2019	1.0000	0.0000	0.0000	1.0000	.0000 - .0000	0.0393	0.0562	0.1451	0.0583	0.1993

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.

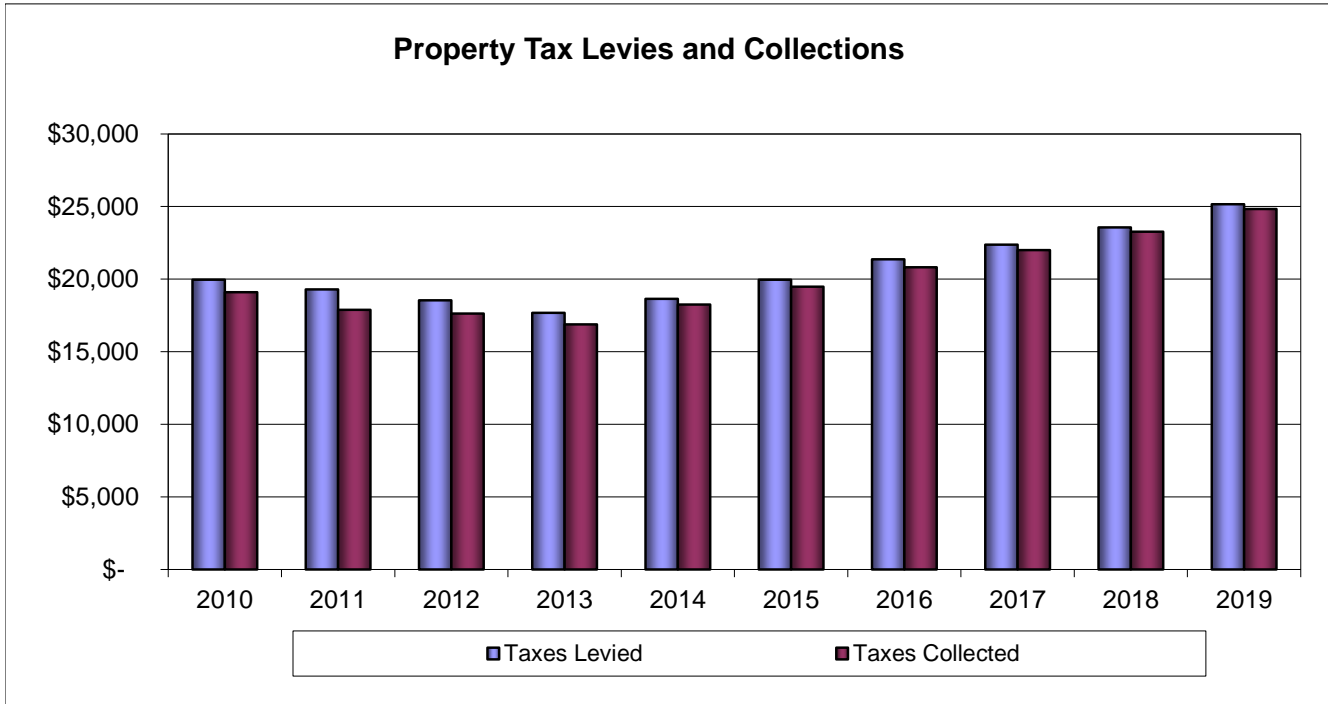
**Schedule 7
CITY OF FOLSOM, CALIFORNIA
Principal Property Tax Payers
Fiscal Year 2019, And Nine Years Ago
(in thousands of dollars)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value
Intel Corp	\$ 760,284	1	5.55%	\$ 500,480	1	4.79%
Broadstone Market Place Llc	194,001	2	1.42%	54,218	7	0.52%
Willow Creek Assoc LP	86,048	3	0.63%			
Kaiser	76,795	4	0.56%	37,135	9	0.36%
Sequoia Equities Iron Point Fo	64,731	5	0.47%			
Chelsea Financing Partnership	61,122	6	0.45%	58,567	5	0.56%
Kikkoman Foods Inc	58,308	7	0.43%	68,111	2	0.65%
Overlook At Blue Ravine LLC	57,937	8	0.42%	56,254	6	0.54%
Sherwood Iron Point Lp	56,851	9	0.41%			
Summit At Fair Oaks Lp Kenneth	54,881	10	0.40%			
Parkshore Plaza Office Propert				66,065	3	0.63%
Spectrum Waples Street LP				63,647	4	0.61%
Cowifi Iron Point LLC				53,060	8	0.51%
Braddock Logan Venture Group L				41,624	10	0.40%
Total	\$ 1,470,958		10.73%	\$ 999,161		9.56%

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 2019, 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)
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%
2019	\$ 25,161	\$ 24,833	98.70%

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 2019, With Ten Year Trend Analysis

	2010	2011	2012	2013	2014
Governmental Activities					
General Obligation Bonds	\$ 17,600,000	\$ 14,900,000	\$12,120,000	\$9,220,000	\$6,195,000
Certificates of Participation	4,540,000	4,170,000	1,190,000	1,170,000	820,000
FPFA Revenue Bonds	117,210,000	133,690,000	130,084,002	122,625,230	112,260,832
RDA Tax Allocation Bonds	45,230,000	66,095,000	-	-	-
City Hall & Fire Station Lease Obligation	-	-	10,314,467	8,947,773	7,544,642
Owner Participation Agreements	1,841,640	2,455,122	-	-	-
Special Assessment Debt	-	-	-	-	-
Notes Payable	1,500,000	1,000,000	500,000	-	-
Long-Term Loan	-	-	-	-	-
Capital Leases	1,099,843	875,382	575,716	486,978	1,302,208
Business-Type Activities					
Revenue Bonds	\$ 28,600,000	\$ 27,630,000	\$ 26,670,000	\$ 25,685,000	\$25,494,830
Capital Leases	972,023	528,387	308,274	131,460	-
Note Payable	-	-	-	-	-
Total Primary Government	\$ 218,593,506	\$ 251,343,891	\$ 181,762,459	\$ 168,266,441	\$ 153,617,512
Percentage of Personal Income	Not available	Not available	Not available	Not available	Not available
Per Capita	3,385	3,845	2,696	2,543	2,246
Population	64,576	65,375	67,429	66,174	68,399

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

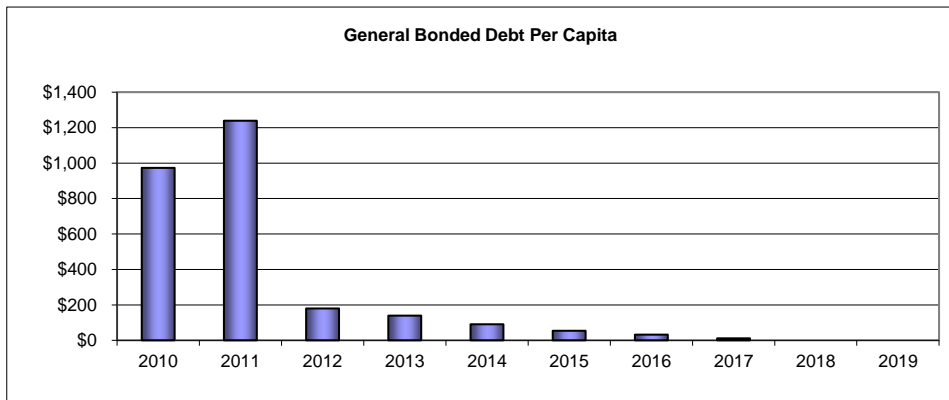
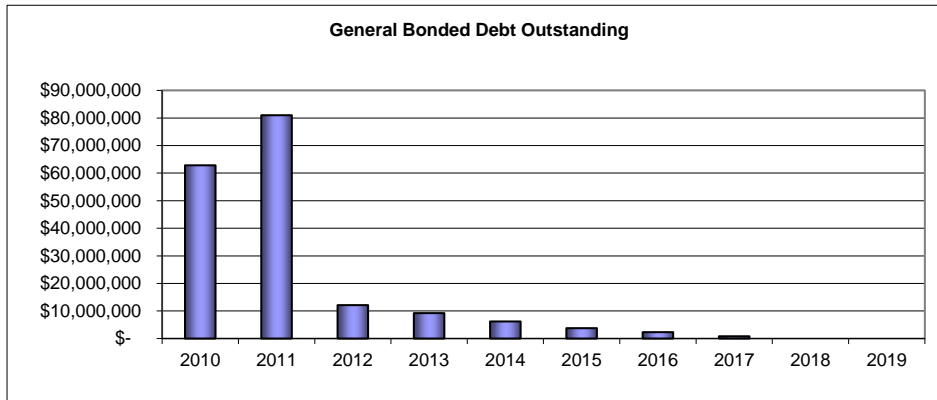
(1) The RDA was dissolved by the State during FY12. RDA Tax Allocation Bonds were transferred to a Private Purpose Trust Fund and are not legal obligations of the City.

(2) Long-Term Loan amount in 2018 was corrected to \$1,628,000

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

2015	2016	2017	2018	2019	
					Governmental Activities
\$ 3,760,000	\$ 2,315,000	\$ 825,000	\$ -	\$ -	General Obligation Bonds
-	-	-	-	-	Certificates of Participation
104,491,230	103,207,933	93,841,368	124,427,251	114,621,540	FPFA Revenue Bonds
-	-	-	-	-	RDA Tax Allocation Bonds
6,113,936	4,640,514	3,117,370	1,692,207	1,526,817	City Hall & Fire Station Lease Obligation
-	-	-	-	-	Owner Participation
-	-	-	-	-	Agreements
-	-	-	-	-	Special Assessment Debt
-	-	-	-	-	Notes Payable
1,901,301	1,687,885	1,467,391	1,628,000 (2)	1,221,000	Long-Term Loan
			1,239,579	1,004,201	Capital Leases
					Business-Type Activities
\$ 24,352,781	\$ 23,181,993	\$ 21,973,818	\$ 20,725,423	\$ 19,438,757	Revenue Bonds
-	-	-	-	-	Capital Leases
-	-	-	-	-	Note Payable
\$ 140,619,248	\$ 135,033,325	\$ 121,224,947	\$ 149,712,460	\$ 137,812,315	Total Primary Government
Not available	Not available	Not available	Not available	Not available	Percentage of Personal Income
2,016	1,872	1,652	2,036	1,850	Per Capita
69,737	72,131	73,389	73,521	74,479	Population

**Schedule 10
CITY OF FOLSOM, CALIFORNIA
Ratios of General Bonded Debt Outstanding
Fiscal Year 2019, 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			
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
2019	\$ -	\$ -	\$ -	0.00%	-	74,479

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 2019, With Ten Year Trend Analysis

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	2010	2011	2012	2013	2014
Sacramento Regional County Sanitation District	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	13,659,353	22,435,787	21,554,132	26,372,363	26,100,332
Folsom Cordova Unified School District School Facility Improvement District No. 2	40,802,565	38,998,345	36,964,845	34,838,817	31,403,928
Folsom Cordova Unified School District School Facility Improvement District No. 3	1,633,953	1,656,714	1,591,946	1,313,398	2,681,686
Folsom Cordova Unified School District School Facility Improvement District No. 5	-	-	-	-	-
San Juan Unified School District	1,906,917	2,344,499	2,213,590	2,586,340	2,440,033
El Dorado Irrigation District	-	-	-	-	520
City of Folsom, Public Financing Authority	17,600,000	14,900,000	12,120,000	9,220,000	6,195,000
City of Folsom 1915 Act Bonds	22,221,970	20,690,699	19,024,306	17,151,884	13,745,561
Special District 1915 Act Bonds (Estimate)	86,206	1,060,903	1,070,634	1,212,719	1,050,213
Folsom Community Facilities District #1	-	-	-	-	-
Folsom Community Facilities District #2	10,540,000	9,625,000	8,710,000	7,770,000	6,800,000
Folsom Community Facilities District #3	1,495,000	1,275,000	845,000	605,000	350,000
Folsom Community Facilities District #4	2,440,000	2,220,000	1,985,000	1,740,000	1,485,000
Folsom Community Facilities District #7	26,030,000	24,595,000	22,710,000	21,090,000	19,010,282
Folsom Community Facilities District #8	3,740,000	3,495,000	3,245,000	2,985,000	2,597,190
Folsom Community Facilities District #9	1,420,000	1,270,000	1,110,000	945,000	775,000
Folsom Community Facilities District #10	62,750,000	62,120,000	59,945,000	57,660,000	55,200,000
Folsom Community Facilities District #11	8,130,000	7,690,000	7,215,000	6,720,000	6,200,000
Folsom Community Facilities District #14	18,060,000	17,765,000	17,435,000	17,050,000	16,620,000
Folsom Community Facilities District #17	-	-	-	-	-
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 232,515,964	\$ 232,141,947	\$ 217,739,453	\$ 209,260,521	\$ 192,654,745
DIRECT & OVERLAPPING GENERAL OBLIGATION DEBT:					
Sacramento County General Fund Obligation	\$ 30,692,468	\$ 29,526,970	\$ 28,275,537	\$ 27,124,496	\$ 25,537,949
Sacramento County Pension Obligations	76,621,294	76,197,664	82,058,088	82,019,808	84,998,096
Sacramento County Board of Education Cert. of Participation	868,666	827,542	782,367	747,008	687,498
Los Rios Community College District Cert. of Participation	444,682	438,419	426,251	411,593	399,678
Folsom Cordova Unified School District Cert. of Participation	19,329,969	18,146,947	16,684,291	15,101,192	13,723,642
Sacramento Metropolitan Fire District Cert. of Participation	-	-	-	9,060	7,264
San Juan Unified School District Cert. of Participation	14,538	12,910	11,017	-	-
Sacramento Metropolitan Fire District Pension Obligations	129,260	126,202	122,160	106,108	90,995
City of Folsom General Obligation Bonds	13,910,000	12,730,000	11,495,000	10,117,773	8,694,642
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT	142,010,777	138,006,654	139,854,711	135,637,038	134,139,764
Less: Sacramento County self-supporting obligations	597,002	588,012	577,221	569,871	554,033
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT	141,413,775	137,418,642	139,277,490	135,067,167	133,585,731
DIRECT COMBINED TOTAL DEBT	\$ 31,510,000	\$ 27,630,000	\$ 23,615,000	\$ 19,337,773	\$ 14,889,642
GROSS OVERLAPPING COMBINED TOTAL DEBT	\$ 343,016,741	\$ 342,518,601	\$ 333,979,164	\$ 325,599,786	\$ 311,904,867
GROSS COMBINED TOTAL DEBT (2)	\$ 374,526,741	\$ 370,148,601	\$ 357,594,164	\$ 344,897,559	\$ 326,794,509
NET COMBINED TOTAL DEBT	\$ 373,929,739	\$ 369,560,589	\$ 357,016,943	\$ 344,327,688	\$ 326,240,476

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	2015	2016	2017	2018	2019
Sacramento Regional County Sanitation District	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -
Los Rios Community College District	7.064%	25,697,846	25,091,940	24,238,927	29,175,733	27,951,205
Folsom Cordova Unified School District School Facility Improvement District No. 2	99.717%	28,320,810	25,790,703	23,083,820	20,258,927	18,508,090
Folsom Cordova Unified School District School Facility Improvement District No. 3	15.084%	3,881,454	4,952,688	7,090,114	6,882,043	7,358,813
Folsom Cordova Unified School District School Facility Improvement District No. 5	99.991%	-	39,997,200	93,738,438	183,353,497	183,011,205
San Juan Unified School District	0.704%	2,914,760	2,698,717	3,399,459	3,109,284	4,242,098
El Dorado Irrigation District	0.036%	385	935	367	175	83
City of Folsom, Public Financing Authority	100.000%	3,760,000	2,315,000	825,000	-	-
City of Folsom 1915 Act Bonds	100.000%	11,765,942	9,663,940	6,340,471	4,491,108	1,706,154
Special District 1915 Act Bonds (Estimate)	382-100%	1,483,894	1,661,199	2,079,247	1,966,043	889,708
Folsom Community Facilities District #1	100.000%	-	-	-	-	-
Folsom Community Facilities District #2	100.000%	5,795,000	4,745,000	3,645,000	2,490,000	1,275,000
Folsom Community Facilities District #3	100.000%	85,000	-	-	-	-
Folsom Community Facilities District #4	100.000%	1,095,000	810,000	515,000	205,000	-
Folsom Community Facilities District #7	100.000%	16,850,693	15,083,791	13,256,420	11,353,503	9,385,504
Folsom Community Facilities District #8	100.000%	2,068,197	1,786,772	1,499,948	1,203,748	900,932
Folsom Community Facilities District #9	100.000%	575,000	390,000	195,000	-	-
Folsom Community Facilities District #10	100.000%	52,265,000	49,625,000	46,900,000	43,145,000	39,985,000
Folsom Community Facilities District #11	100.000%	5,655,000	5,080,000	4,485,000	1,560,000	1,280,000
Folsom Community Facilities District #14	100.000%	15,980,000	15,615,000	14,885,000	14,640,000	13,870,000
Folsom Community Facilities District #16, Improvement Area #1	100.000%	-	-	-	5,770,000	5,700,000
Folsom Community Facilities District #17	100.000%	-	5,579,499	5,475,014	6,420,000	6,290,000
Folsom Community Facilities District #19	100.000%	-	-	-	28,530,000	28,530,000
Folsom Community Facilities District #20	100.000%	-	-	-	13,255,000	13,255,000
Folsom Community Facilities District #2014-1	100.000%	-	-	-	41,579	41,579
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 178,193,981	\$ 210,887,384	\$ 251,652,225	\$ 377,850,640	\$ 364,180,371
DIRECT & OVERLAPPING GENERAL OBLIGATION DEBT:						
Sacramento County General Fund Obligation	8.590%	\$ 23,919,031	\$ 22,095,102	\$ 20,462,977	\$ 18,355,189	\$ 14,905,457
Sacramento County Pension Obligations	8.590%	84,138,157	83,630,628	81,959,486	79,517,634	75,857,640
Sacramento County Board of Education Cert. of Participation	8.590%	627,191	564,473	492,704	415,756	340,459
Los Rios Community College District Cert. of Participation	7.064%	386,947	67,963	49,889	31,082	-
Folsom Cordova Unified School District Cert. of Participation	64.492%	12,170,071	9,785,084	7,967,980	6,094,484	4,155,277
San Juan Unified School District Cert. of Participation	0.704%	5,398	3,589	3,554	1,770	883
Sacramento Metropolitan Fire District Cert. of Participation	0.147%	-	13,702	13,958	13,362	13,209
Sacramento Metropolitan Fire District Pension Obligations	0.147%	98,863	79,206	78,546	72,653	69,969
City of Folsom General Obligation Bonds	100.000%	6,991,777	5,406,423	3,767,131	2,221,445	1,930,991
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		128,337,435	121,646,170	114,796,225	106,723,385	97,273,885
Less: Sacramento County self-supporting obligations		554,033	538,642	-	-	1,460,120
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT		127,783,402	121,107,528	114,796,225	106,723,385	95,813,765
OVERLAPPING TAX INCREMENT DEBT (Successor Agency): (3)	100.000%	\$ 60,560,000	\$ 59,055,000	\$ 53,755,000	\$51,430,000	\$49,375,000
DIRECT COMBINED TOTAL DEBT		\$ 10,751,777	\$ 7,721,423	\$ 4,592,131	\$ 2,221,445	\$ 1,930,991
GROSS OVERLAPPING COMBINED TOTAL DEBT		\$ 295,779,639	\$ 383,867,131	\$ 415,611,319	\$ 533,782,580	\$ 508,898,265
GROSS COMBINED TOTAL DEBT (2)		\$ 306,531,416	\$ 391,588,554	\$ 420,203,450	\$ 536,004,025	\$ 510,829,256
NET COMBINED TOTAL DEBT		\$ 305,977,383	\$ 391,049,912	\$ 420,203,450	\$ 536,004,025	\$ 509,369,136

- (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 2018-19 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt	2.64%
Total Direct Debt (\$1,930,991)	0.01%
Gross Combined Total Debt	3.71%
Net Combined Total Debt	3.70%

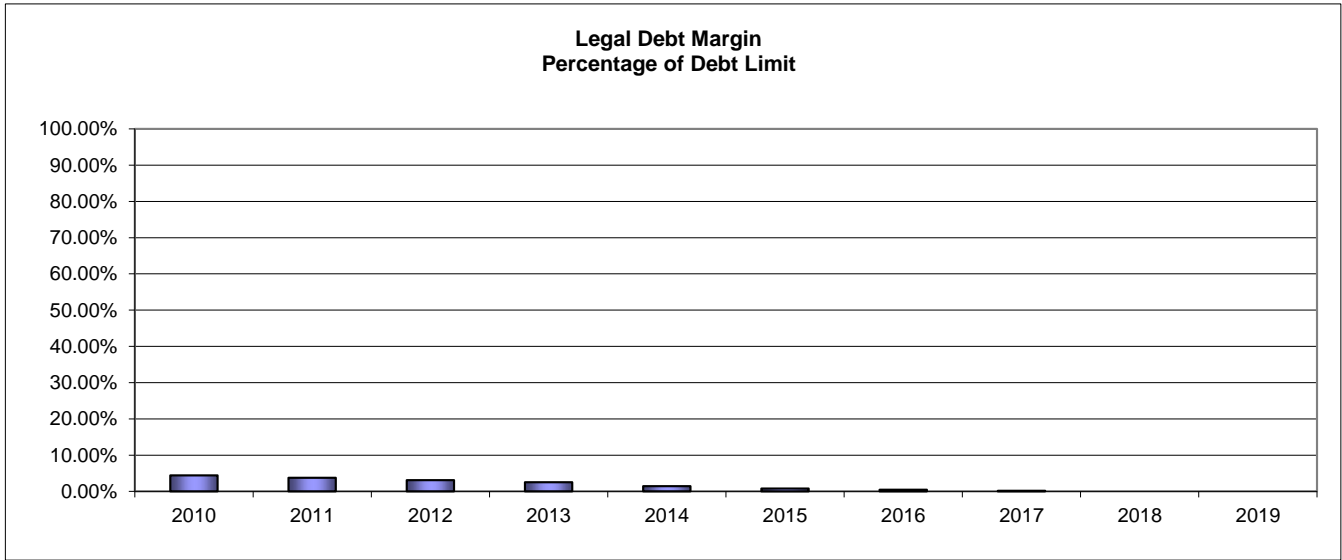
Ratios to Redevelopment Incremental Valuation (\$945,282,642):

Total Overlapping Tax Increment Debt	5.22%
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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 2019, 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
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%
2019	\$ 16,490,101	3.75%	\$ 618,379	\$ -	\$ 618,379	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 2019, With Ten Year Trend Analysis

	2010	2011	2012	2013	2014
Water Revenue Bonds					
Utility Services Charges	\$ 11,866,189	\$ 12,309,896	\$ 12,708,434	\$ 14,755,852	\$ 14,349,277
Inv. Income & Other					
Less Operating Expense	7,054,416	7,728,237	9,769,702	8,238,934	8,452,397
Net Available Revenue	4,811,773	4,581,659	2,938,732	6,516,918	5,896,880
Debt Service-Principal	780,000	970,000	960,000	985,000	1,124,752
Debt Service-Interest	1,272,486	1,113,029	1,068,780	1,064,579	828,672
	\$ 2,052,486	\$ 2,083,029	\$ 2,028,780	\$ 2,049,579	\$ 1,953,424
Coverage	2.34	2.20	1.45	3.18	3.02
Special Assessment & Community Facility Bonds					
Special Assessment Collections	16,241,785	16,022,940	16,139,062	15,705,171	15,378,021
Debt Service-Principal	6,578,030	7,951,271	7,366,393	8,794,705	11,895,928
Debt Service-Interest	8,955,158	7,627,998	7,252,534	6,635,434	6,349,684
Coverage	1.05	1.03	1.10	1.02	0.84
RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage					
Gross Tax Revenue	5,924,306	5,502,072	3,385,072 (2)	2,909,463	2,812,863
Debt Service-Principal	580,000	515,000	880,000	940,000	875,000
Debt Service-Interest	1,516,386	2,017,688	1,996,763	1,969,463	1,937,863
Coverage of Senior Debt	2.83	2.17	1.18	1.00	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	1,160,319
Debt Service - Principal		-	250,000	215,000	325,000
Debt Service - Interest		-	846,510	845,988	835,319
Coverage of Subordinated Debt		N/A	1.00	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	1,124,425
Debt Service-Principal		-	255,000	175,000	180,000
Debt Service-Interest		-	869,940	951,088	944,425
Coverage		N/A	1.00	1.00	1.00

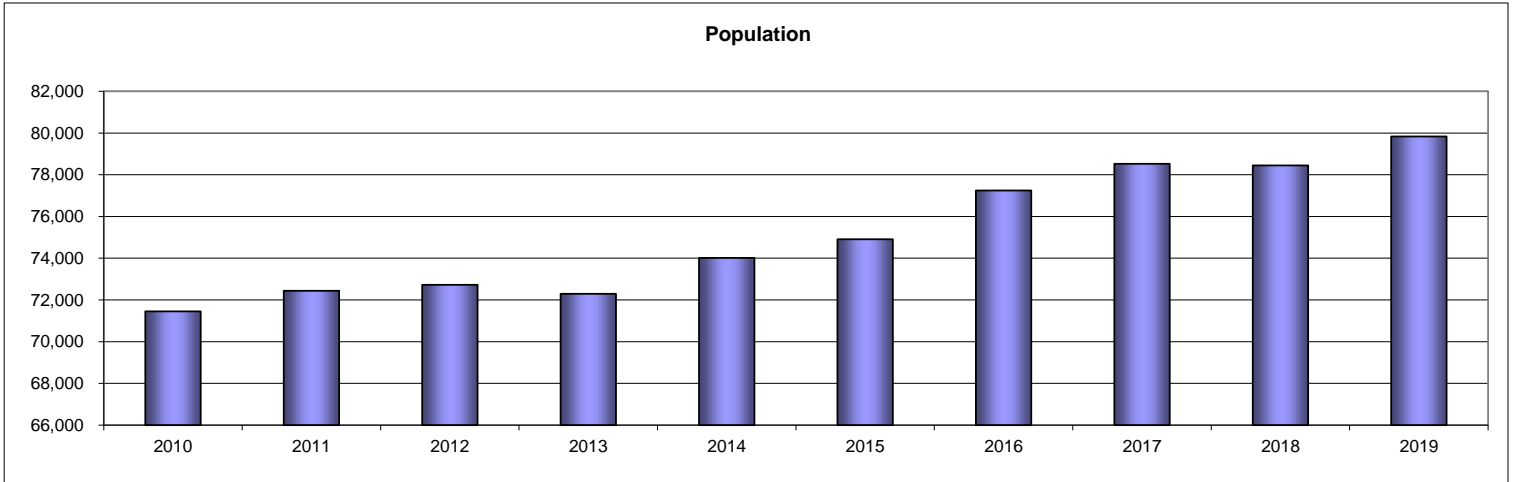
Source: City of Folsom

- (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.
- (5) Includes connection and impact fees
- (6) Does not include unrealized gain/loss
- (7) Less depreciation

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

2015	2016	2017	2018	2019	
\$ 13,218,966	\$ 12,400,653	\$ 13,737,197	\$ 14,209,217	\$ 13,912,610	Water Revenue Bonds
				1,664,700	Utility Services Charges
8,945,873	8,230,547	8,571,343	9,533,863	10,016,691	(6) Inv. Income & Other ⁽⁵⁾
4,273,093	4,170,106	5,165,854	4,675,354	5,560,619	Less Operating Expense ⁽⁷⁾
1,142,049	1,170,788	1,208,175	1,248,395	1,286,666	Net Available Revenue
864,822	832,891	796,495	758,911	718,190	Debt Service-Principal
\$ 2,006,871	\$ 2,003,679	\$ 2,004,670	\$ 2,007,306	\$ 2,004,856	Debt Service-Interest
2.13	2.08	2.58	2.33	2.77	Coverage
					Special Assessment & Community Facility Bonds
15,706,798	16,152,972	15,611,680	15,115,858	15,415,808	Special Assessment
9,463,202	9,480,329	10,932,664	7,113,480	10,965,665	Collections
5,790,222	5,507,126	4,868,399	3,623,570	5,032,461	Debt Service-Principal
1.03	1.08	0.99	1.41	0.96	Debt Service-Interest
					Coverage
					RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage
2,997,413	2,999,563	3,350,525	4,049,688	3,736,900	Gross Tax Revenue
1,100,000	1,145,000	1,570,000	2,325,000	2,055,000	Debt Service-Principal
1,897,413	1,854,563	1,780,525	1,724,688	1,681,900	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
974,850	976,688	-	-	-	Net Tax Revenue Available for Subordinated Debt ⁽¹⁾
150,000	160,000	-	-	-	Debt Service - Principal
824,850	816,688	-	-	-	Debt Service - Interest
1.00	1.00	N/A	N/A	N/A	Coverage of Subordinated Debt
					RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage
	1,126,313	1,126,050	-	-	Gross Tax Revenue
	190,000	200,000	-	-	Debt Service-Principal
	936,313	926,050	-	-	Debt Service-Interest
	1.00	1.00	N/A	N/A	Coverage

**Schedule 14
CITY OF FOLSOM, CALIFORNIA
Demographic and Economic Information
Fiscal Year 2019, 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)
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%
2019	79,835	1,529,501	\$ 3,677,233,631	\$ 46,060	41.30	Note 1	20,605	2.80%

Note 1	2012	2013	2014	2015	2016	2017	2018	2019
Less than 9th grade	Not available	1.80%	1.60%	3.40%	2.00%	2.40%	3.40%	2.40%
Some High School, no diploma	Not available	7.70%	4.20%	6.80%	6.00%	5.20%	3.70%	4.90%
High School Graduate (or GED)	89.60%	17.60%	20.80%	16.90%	17.20%	15.80%	14.40%	12.10%
Some College, no degree	Not available	21.80%	20.20%	17.90%	19.90%	19.70%	21.80%	20.00%
Associate Degree	Not available	9.20%	8.50%	9.00%	9.20%	9.10%	9.10%	11.40%
Bachelor's Degree	40.10%	26.90%	26.90%	26.90%	28.50%	29.40%	28.70%	29.50%
Master's Degree	Not available	Not available	Not available	Not available	Not available	not available	not available	not available
Professional School Degree	Not available	15.10%	17.80%	19.20%	17.30%	18.40%	18.90%	19.79%
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 2019 and Nine Years Ago**

<u>Employer</u>	2019			2010
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>
Intel Corporation	6,200	1	16.85%	6,500
Folsom Prison	1,145	2	3.11%	975
California State Prison	1,118	3	3.04%	1,450
Folsom Cordova Unified School District	1,041	4	2.83%	875
Mercy Hospital of Folsom	773	5	2.10%	450
California ISO	635	6	1.73%	550
City of Folsom	451	7	1.23%	480
Micron Technology Inc	350	8	0.95%	
Safe Credit Union	341	9	0.93%	
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 2019, With Ten Year Trend Analysis**

Function/Program	Full-time Equivalent Employees									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	5	6.25	6	5.25	5.5	5.5	5.75	5.5	5.5	5
City Attorney	5	4	4	4	3.75	3.75	3.75	4	4	4
Administrative Services (2)	12	0	0	0	0	0	0	0	0	0
City Clerk	3.5	3	3	3	3	3	3	3	3	3
Community Development (1)	38.5	26.5	26.5	22	20.4	20.4	21.4	22.4	24	26
Fire	79	69	64	63	65	65	69	69	71	77
Human Resources	6	6	6	5	5	5	5	5	5.5	5.5
Intergov't Affairs & Econ, Dev.	1.5	0	0	0	0	0	0	0	0	0
Library	15	13.5	12	11	11	10.5	10.5	10.5	10.5	12.75
Neighborhood Services (1)	0	0	0							
Office of Management & Budget	19	24	24	20	19	20	20	21	21.5	23.5
Parks & Recreation	50.8	53.8	52.8	43	43.4	42.4	44.8	46	46	48
Police Department	112.25	103.5	103.5	98.5	97.5	97.5	98.5	101.5	103.5	107.5
Public Works	59	54.75	55.5	51	46.9	45.9	45.9	47.7	48.4	49.25
Utilities	95	91.5	89	90.25	89.95	91.95	94.2	97.2	98.1	100.4
	<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>	<u>466.90</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 2019, With Ten Year Trend Analysis

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police (1)										
Misdemeanor and felony arrests	1,855	1,463	1,270	1,324	1,410	1,414	1,257	1,251	1,023	1,226
Traffic citations	13,186	8,106	7,262	6,180	6,144	3,882	2,997	2,575	2,130	2,512
Traffic collisions	1,367	1,377	1,464	1,410	1,328	1,166	1,528	1,673	1,639	1,583
Fire										
Ambulance transports	2,608	2,692	3,099	3,099	3,186	3,367	3,819	4,045	4,446	5,275
Medical responses	3,409	3,618	3,526	3,526	3,485	3,671	4,369	4,748	5,105	6,025
Inspections completed	1,457	1,485	1,326	1,850	1,066	1,035	1,460	506	1,017	1,439
Other public works										
Lane miles of street overlay	9.5	2.3	9	7.2	-	4	8	2	-	8
Curb miles of streets swept	1,530	1,308	445	568	1,807	2,511	4,275	2,930	3,900	4,300
Hot pour crack seal applied (lineal ft.)	550,000	-	120,000	104,480	103,020	80,200	150,000	390,000	350,000	400,000
Square feet of street patch	243,750	12,000	83,000	84,560	408,000	187,650	200,000	75,000	450,000	415,000
Number of miles of road added	-	-	-	-	-	1	1	1	-	2
Number of traffic signals added	-	4	18	-	-	-	1	-	1	6
Number of streetlights added	-	-	28	4	-	19	15	35	14	131
Miles of storm drains added	0.58	-	0.2	0.1	0.3	0.5	0.6	0.2	-	8
Area of Slurry Seal applied (sq ft)	3,690,000	3,559,000	862,000	1,895,800	1,034,100	1,500,000	2,250,000	-	-	4,350,000
Parks and Recreation										
Aquatic center paid admissions	56,466	56,245	59,571	63,840	68,257	62,668	58,694	61,731	56,586	48,978
Community facilities reservations	3,046	2,224	2,374	2,801	2,949	3,449	3,269	3,115	3,315	2,859
Community facilities paid rentals	978	667	889	1,007	1,113	1,107	1,111	1,059	1,127	1,086
Total park acreage	435	439	439	439	439	439	439	439	451	456
Open space acreage	409	420	420	420	420	499	631	631	631	631
Trails maintenance	34	36	36	36	36	36	45	48	48	50
Recreation program participation	522,803	498,879	595,934	540,688	559,776	524,545	560,973	523,268	542,249	515,120
Zoo attendance	100,423	104,032	125,564	121,387	123,440	121,360	116,057	121,953	143,367	134,741
Library										
Volumes in collection	111,726	112,170	102,767	103,253	96,833	92,979	91,519	89,133	92,033	94,960
Total volumes borrowed	666,612	543,053	552,161	564,434	608,536	609,441	613,597	603,421	618,458	644,158
Water										
New connections	181	149	103	187	356	348	268	180	253	501
Water main breaks	3	2	1	5	3	8	5	1	4	1
Average consumption (gal/day)	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	15.44 MGD
Plant capacity (gal/day)	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
Wastewater										
Average daily sewage treatment (thousands of gallons)										
Daily average flow in gallons	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	7.1 MGD
Pump station capacity (gal/day) (2)	12MGD	12 MGD	12 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14 MGD	14 MGD	41 MGD
Refuse collection										
Solid Waste (tons per day)	138	134	131	136	136	140	144	150	151	152
Recycling (tons per day)	38	34	35	39	38	41	44	44	40	39
Green Waste (tons per day)	34	33	33	35	33	34	36	40	38	44
Transit (3)										
Total route miles	181,153	187,036	194,900	184,727	175,402	195,390	200,897	195,989	197,147	113,043
Passengers-Folsom Stage Line	64,880	61,650	73,485	79,787	92,489	91,930	83,180	92,282	89,794	50,183
Passengers-Light Rail	764,660	739,024	778,856	745,108	734,500	702,935	689,935	619,684	627,850	722,364

Source: City of Folsom

- (1) Prior to FY 2013, Police statistics were for calendar, not fiscal year
- (2) Beginning in FY19, pump station capacity includes capacity for each lift station
- (3) Transit route miles and Folsom Stage Line passengers are through 2/1/2019 as Transit operations were annexed by the Sacramento Regional Transit District effective 2-4-19

Schedule 18
CITY OF FOLSOM, CALIFORNIA
Capital Asset and Infrastructure Statistics by Function/Program
Fiscal Year 2019, With Ten Year Trend Analysis

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Works					
Miles of streets	259	259	259	259	300
Number of street lights	6,667	6,667	6,699	6,703	6,699
Number of traffic signals (1)	96	100	118	118	118
Culture and recreation					
Zoo	1	1	1	1	1
Community centers	4	4	4	4	4
Community clubhouse	3	2	2	2	2
Parks	45	46	46	46	46
Park acreage	435	439	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	49	49	60	52	56
Sewage System					
Miles of sanitary sewers (2)	267	267	267	267	267
Number of pump stations	9	9	9	15	15
Number of service connections	21,552	21,684	21,787	21,974	22,295
Water					
Miles of water mains	343	343	343	343	343
Number of service connections	19,350	19,275	19,376	19,563	19,919
Number of fire hydrants (3)	2,874	2,895	2,919	2,921	2,977
Daily average consumption in gallons	20.9	19.8	20	20.3	16.6 MGD
Maximum daily capacity of plant in gallons	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
Drainage System					
Miles of storm drains	200	250	250	250	250

Source: City of Folsom

- (1) Beginning in FY 2019, excludes signals located within City boundaries but not owned or maintained by the City
- (2) Beginning in FY 2019, excludes private or abandoned sewer lines
- (3) Beginning in FY19, excludes San Juan, private, and blow-off hydrants

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

2015	2016	2017	2018	2019	<u>Function/Program</u>
					Public Works
301	302	303	303	305	Miles of streets
6,699	6,714	6,749	6,749	6,806	Number of street lights
118	119	119	122	107	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	47	48	Parks
439	439	439	451	456	Park acreage
3	3	3	3	3	Swimming pools
23	23	23	25	25	Tennis courts
4	4	4	5	5	Fire Stations
					Police
1	1	1	1	1	Stations
54	53	53	59	60	Patrol Units
					Sewage System
267	267	268	285	261	Miles of sanitary sewers
15	15	14	14	17	Number of pump stations
22,743	22,927	22,974	23,506	23,525	Number of service connections
					Water
343	343	346	365	367	Miles of water mains
20,267	20,535	20,755	21,177	21,602	Number of service connections
2,989	2,996	2,994	3,434	3,174	Number of fire hydrants
14.9 MGD	14.2 MGD	16.65 MGD	17.35 MGD	15 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	258	Miles of storm drains

**Schedule 19
CITY OF FOLSOM, CALIFORNIA
Miscellaneous Statistics
Fiscal Year 2019, 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
2019	10	5	556	1	1	131

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