



The City of Folsom California

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021



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FOLSOM
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CITY OF
FOLSOM
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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

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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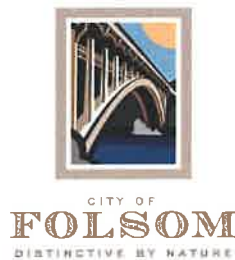
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December 20, 2021

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

The Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 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 Annual Comprehensive Financial Report. 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 Generally Accepted Accounting Principles (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.

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 81,324. 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 is transitioning to a by-district election system effective with the November 2022 municipal election. 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, planning, and building inspections. In addition, the City operates a library and various parks and recreation facilities, including a zoo sanctuary and aquatic center. The City also provides water, wastewater, and solid waste utility services.

The Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report, as a separate Statement of Fiduciary Position, is the activities of the Redevelopment Agency (RDA) Successor Private Purpose Trust Fund and the Folsom Other Post Employment Benefit Obligation Trust Fund.

The Folsom Municipal Code requires that the City 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.

LOCAL ECONOMY -

The City of Folsom has seen a recovery from the impacts of COVID-19 this fiscal year. Fiscal Year 2020-21 General Fund revenues increased by \$8.9 million over fiscal year 2019-20, with property taxes up 8.5%, reflecting higher sales prices, and sales taxes up 14.3%. Also, due to the vigilant control over expenditures during fiscal year 2020-21, \$5.8 million was added back to the General Fund's fund balance. This activity increased our unassigned fund balance to 21.4% of expenditures and exceeds the Council policy of 15% unassigned fund balance.

As of June 30, 2021, California's unemployment forecast is expected to continue to improve in fiscal years 2022 and 2023 according to a UCLA Anderson forecast, based primarily on the assumption the pandemic is brought under control and there is not another total shutdown or a dramatic decrease in consumption. The California Economic Development Department listed the June 2021 unemployment rate for the State and County at 8.0% and 7.5%, respectively. Folsom's unemployment rate was 4.9%. A comparison to one year ago placed the State and County at 15.1% and 13.6% respectively and Folsom at 9.6%. The number of people employed in Folsom changed from 32,700 in June 2020 to 35,800 in June 2021.

With respect to the local housing market, sales activity in Folsom in fiscal year 2021 shows the number of home sales increased by 246 when compared to fiscal year 2020, while the median sales price increased by only 10.55%. It is projected that the number of sales will level off from the fiscal year 2021 level and home prices will also start to level off, all combining to increase property values and subsequent property tax collection.

Building permits issued in 2021 were up 15.62% when compared with the number issued in fiscal year 2020. The number of single-family home permits increased from 425 in fiscal year 2020 to 874 in fiscal year 2021, while total permits increased by 777 over the same period. The average value per permit was \$127,214 in fiscal year 2021.

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 will depend on the severity of continued impacts of the pandemic.

LONG-TERM FINANCIAL PLANNING – The City prepares a five-year financial plan to project revenue and expenditure trends for the next five years and this is part of the

annual budget. A Five-Year Financial Forecast was developed for fiscal year 2021-22 through fiscal year 2026-27 in the fiscal year 2021-22 budget. A financial forecast, even with fluctuating economic variables, can assist with identification of long-term financial trends, causes of fiscal imbalances, future fiscal challenges, opportunities, and potential requirements, all of which may assist in keeping the City on a continuing path of fiscal sustainability. While it is challenging to accurately forecast revenues due to the variable nature of the revenue sources and their connection to regional, State, national, and international economic conditions, it is possible to identify reasonable financial trends and provide a conceptual financial picture that will be useful to the City's decision-making. The Forecast guides the City as it continues to confront the need to balance expenditures and revenues.

In summary, revenue growth is projected to increase 3%-4% each year as the economy recovers from the COVID-19 pandemic. Expenditures are projected to increase roughly 4%-5% per year. Due to the sensitivity of all the revenue and expenditure trends, which is compounded by the COVID-19 pandemic, in any given year, we may be faced with a surplus or a shortage as we prepare the budget for that year. The fiscal environment will have to be closely monitored and managed, as the margins between revenues and expenditures are narrow. If we have 4.5% growth in tax revenues, 2.5% growth in non-tax revenues, and 0% growth in transfers, we will need to limit expenditure growth to 4.0%.

Our goal is to ensure that the financial stability of the City is sustainable beyond the next fiscal year. These efforts will be guided by the desire to explore all opportunities for collaboration, partnerships, consolidations, and restructuring, both internally and externally, as a means of enhancing the cost-effectiveness of services and functions to the community. As we have done in the past, the key to sustainability is managing expenditure growth.

RELEVANT FINANCIAL POLICIES – The City Council has established a financial and budgetary policy framework which is reviewed and updated as necessary by the City Council. A comprehensive and consistent set of financial and budgetary policies provides a basis for sound financial planning, identifies appropriate directions for service-level developments, aids budgetary decision-making, and serves as an overall framework to guide financial management and operations of the City.

The City's adoption of financial policies also promotes public confidence and increases the City's credibility in the eyes of bond rating agencies and potential investors. Such policies also provide the resources to react to potential financial emergencies in a sensible manner.

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, 2021, 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 Annual Comprehensive Financial Report from the Government Finance Officers Association (GFOA) for “excellence in financial reporting” The current certificate appears immediately after the transmittal letter.

The fiscal year 2020-21 Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report reflects the hard work, talent, and commitment of the entire staff of the Office of Management and Budget, and particularly, Terri Hemley, Fawn Ramirez, Adam Devlin, and John Donoghue. Special thanks as well to staff in other City departments who assisted and contributed to the preparation of this report.

Finally, we are very grateful for 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 perform and succeed at the highest levels.

Respectfully submitted,



Elaine Andersen
City Manager



Stacey Tamagni
Finance Director/CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Folsom
California**

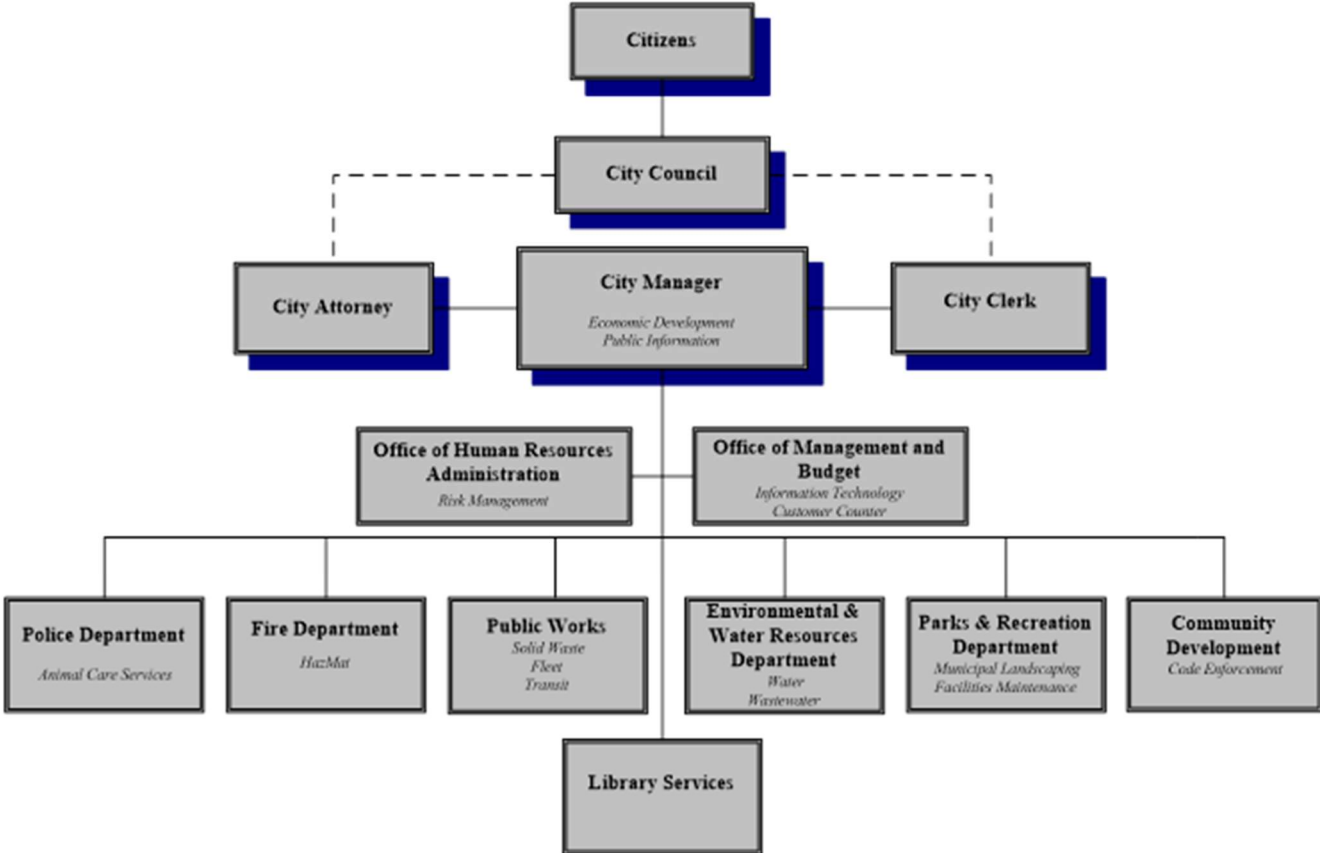
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City Organizational Chart



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



Mike Kozlowski, Mayor



Sarah Aquino, Vice Mayor



YK Chalamcherla



Kerri Howell



Rosario Rodriguez

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

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FINANCIAL SECTION



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

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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, 2021, 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, 2021, 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 90-97 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

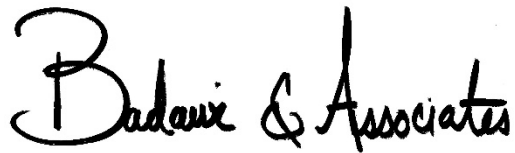
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplementary information, and the statistical information on pages 100-207, 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 100-207 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 100-207 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 20, 2021 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.

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

Badawi and Associates, CPAs
Berkeley, California
December 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City's Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2021. 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) 2020-21 by \$514,780,606 (*net position*). Of this amount, \$(148,589,851) is unrestricted, \$155,125,349 is restricted for specific purposes, and \$508,245,108 is the net investment in capital assets.
- Compared to 2020, the City's total net position increased \$42,156,822 or 8.92%, during 2021. The increase in 2021 was mostly due to \$21.7 million in capital contributions, \$15 million in additions to capital assets, and increase in \$26.5 million of new bond issuance, offset by a \$9.3 decrease due to defeased bonds, \$8.5 decrease in long term liabilities due to scheduled debt payments, and a \$3.3 million net increase in pension/OPEB liability.
- The City's total long-term debt increased by \$8.7 million compared to the prior year, or 5.56%. The increase was made up of \$24.7 million of revenue bonds and \$1.7 million in issuance discounts/premiums, offset by reductions of \$9.3 million in defeased bonds, \$8.5 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

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

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, 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 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.

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.

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 2020-21, an increase of \$42,156,822 in net position in the government-wide financial statements was reported. An increase of \$51,465,301 in fund balance was reported in the fund financial statements for FY 20-21. 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, 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, 2021, the City's combined net position (governmental and business-type activities) totaled \$514,780,606, an increase of 8.92% from June 30, 2020. The City's net position is broken out into three categories: net investment in capital assets totaling \$508,245,108 (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 \$155,125,349 and unrestricted totaling \$(148,589,851). 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, 2021

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other	\$ 334,831,991	\$295,241,599	\$ 55,958,957	\$47,216,494	\$ 390,790,948	\$342,458,093
Capital assets, net	380,006,442	380,070,918	177,030,188	171,064,162	557,036,630	551,135,080
Total assets	714,838,433	\$675,312,517	232,989,145	\$218,280,656	947,827,578	\$893,593,173
Deferred Outflows of Resources						
Deferred outflows related to pensions	24,020,937	25,077,764	4,570,670	4,286,417	28,591,607	29,364,181
Deferred amounts on refunding	-	-	573,903	561,098	573,903	561,098
	24,020,937	25,077,764	5,144,573	4,847,515	29,165,510	29,925,279
Liabilities						
Long-term liabilities	154,985,165	145,163,206	17,906,184	19,030,054	172,891,349	164,193,260
Other liabilities	239,687,434	240,290,848	44,693,026	41,728,003	284,380,460	282,018,851
Total liabilities	394,672,599	385,454,054	62,599,210	60,758,057	457,271,809	446,212,111
Deferred Inflows of Resources						
Deferred inflows related to pensions	306,247	1,937,669	8,134	280,815	314,381	2,218,484
Deferred inflows related to OPEB	3,897,837	1,782,107	432,358	238,062	4,330,195	2,020,169
Special assessments not collected	-	-	-	-	-	-
Deferred amounts on refunding	296,097	443,904	-	-	296,097	443,904
	4,500,181	4,163,680	440,492	518,877	4,940,673	4,682,557
Net position						
Net investment in capital assets	347,842,183	352,736,331	160,402,925	153,282,039	508,245,108	506,018,370
Restricted	154,995,747	109,091,757	129,602	127,565	155,125,349	109,219,322
Unrestricted	(163,151,340)	(151,055,541)	14,561,489	8,441,633	(148,589,851)	(142,613,908)
Total net position	\$ 339,686,590	\$ 310,772,547	\$ 175,094,016	\$ 161,851,237	\$ 514,780,606	\$ 472,623,784

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, 2021**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 52,292,813	\$42,956,304	\$ 41,681,897	\$34,794,850	\$ 93,974,710	\$ 77,751,154
Operating grants and contributions	4,044,265	3,803,337	1,876,254	1,651,781	5,920,519	5,455,118
Capital grants and contributions	26,614,932	32,124,684	8,101,825	10,145,979	34,716,757	42,270,663
General revenues						
Property taxes	31,253,436	28,803,455	-	-	31,253,436	28,803,455
Sales and use tax	25,846,985	22,616,404	-	-	25,846,985	22,616,404
Other taxes	2,867,348	3,116,568	-	-	2,867,348	3,116,568
Investment earnings (loss)	16,572,391	3,583,755	198,962	1,231,207	16,771,353	4,814,962
Miscellaneous	1,962,835	2,887,613	-	-	1,962,835	2,887,613
Total Revenues	161,455,005	139,892,120	51,858,938	47,823,817	213,313,943	187,715,937
Expenses						
General government	20,099,385	25,694,246	-	-	20,099,385	25,694,246
Public safety	53,333,593	48,945,393	-	-	53,333,593	48,945,393
Public ways and facilities	31,375,466	27,609,012	-	-	31,375,466	27,609,012
Community services	6,871,579	6,836,934	-	-	6,871,579	6,836,934
Culture and recreation	18,545,805	17,181,199	-	-	18,545,805	17,181,199
Interest and fiscal charges	5,082,231	5,212,780	-	-	5,082,231	5,212,780
Water	-	-	15,659,239	15,635,355	15,659,239	15,635,355
Wastewater	-	-	7,188,744	6,717,181	7,188,744	6,717,181
Solid waste	-	-	13,001,080	12,057,666	13,001,080	12,057,666
Transit	-	-	-	-	-	-
Facilities augmentation	-	-	-	17,023	-	17,023
Total expenses	135,308,058	131,479,564	35,849,063	34,427,225	171,157,121	165,906,789
Increase/decrease in net position before transfers and extraordinary item	26,146,947	8,412,556	16,009,875	13,396,592	42,156,822	21,809,148
Transfers	2,767,096	2,580,627	(2,767,096)	(2,580,627)	-	-
Extraordinary items	-	-	-	-	-	-
Special items	-	-	-	-	-	-
Change in net position	28,914,043	10,993,183	13,242,779	10,815,965	42,156,822	21,809,148
Net position, beginning of year	310,772,547	299,779,364	161,851,237	151,035,272	472,623,784	450,814,636
Net position, end of year	\$ 339,686,590	\$ 310,772,547	\$ 175,094,016	\$ 161,851,237	\$ 514,780,606	\$ 472,623,784

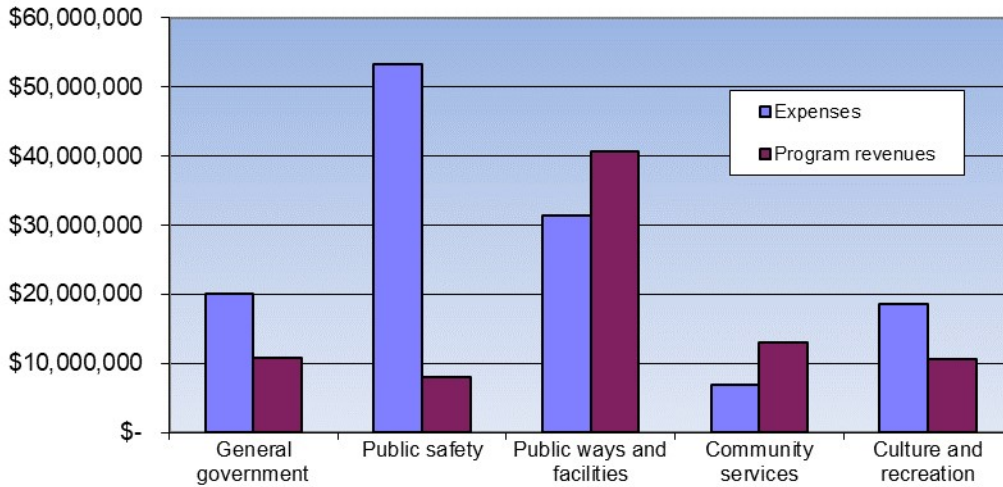
Governmental activities: The City's governmental activities rely on several sources of revenue to finance ongoing operations. Charges for Services and Property and Sales Taxes comprised the largest revenue source for the City followed by Capital Grants and Contributions. Charges for Services are revenues 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 2020-21, total revenues for the governmental activities, excluding transfers from the business-type activities of \$2.8 million, was \$161,455,005, an increase of approximately \$21.6 million from the previous year mostly due to increases in Charges for Services, Property Tax, Sales and Use Tax, and Investment Earnings due to the GASB 72 adjustment. Expenses totaled \$135,308,058 an increase of \$1.4 million or 4.13% from the prior year. After transfers and special items, revenues exceeded expenses and thus governmental activities increased the City's net position by \$28,914,043.

MANAGEMENT’S DISCUSSION AND ANALYSIS – (Continued)

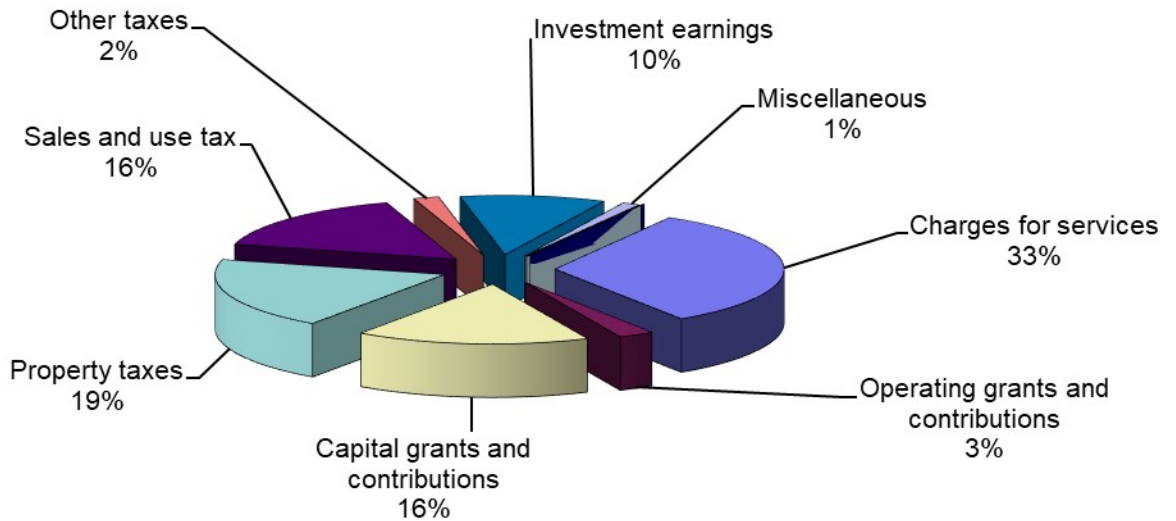
Overall program revenues increased by approximately \$4.1 million. General revenues saw an overall increase of approximately \$17.5 million. The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities:

Expenses and Program Revenues – Governmental Activities



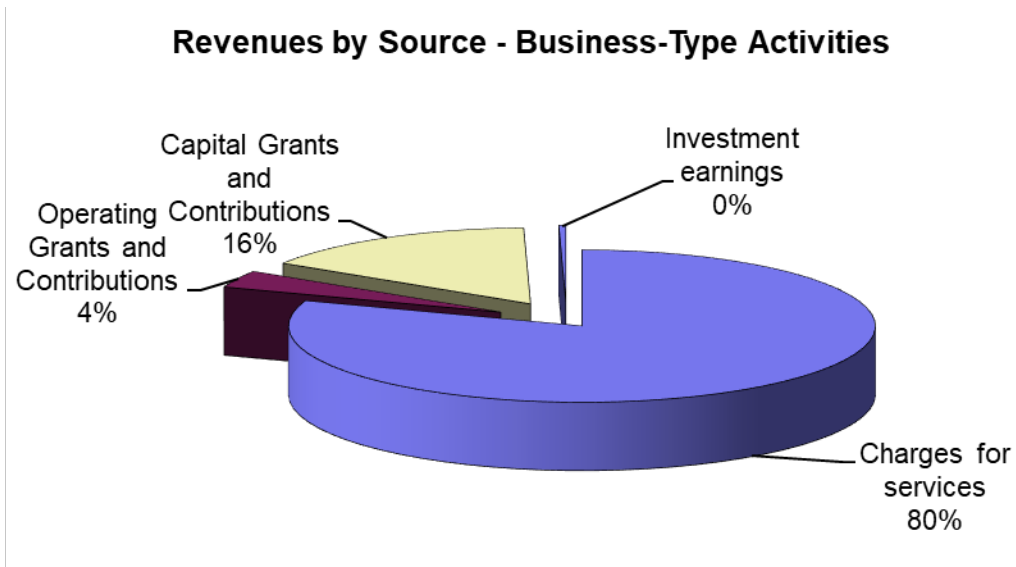
The chart below presents the percentage of total revenues by source for governmental activities.

Revenues by Source - Governmental Activities



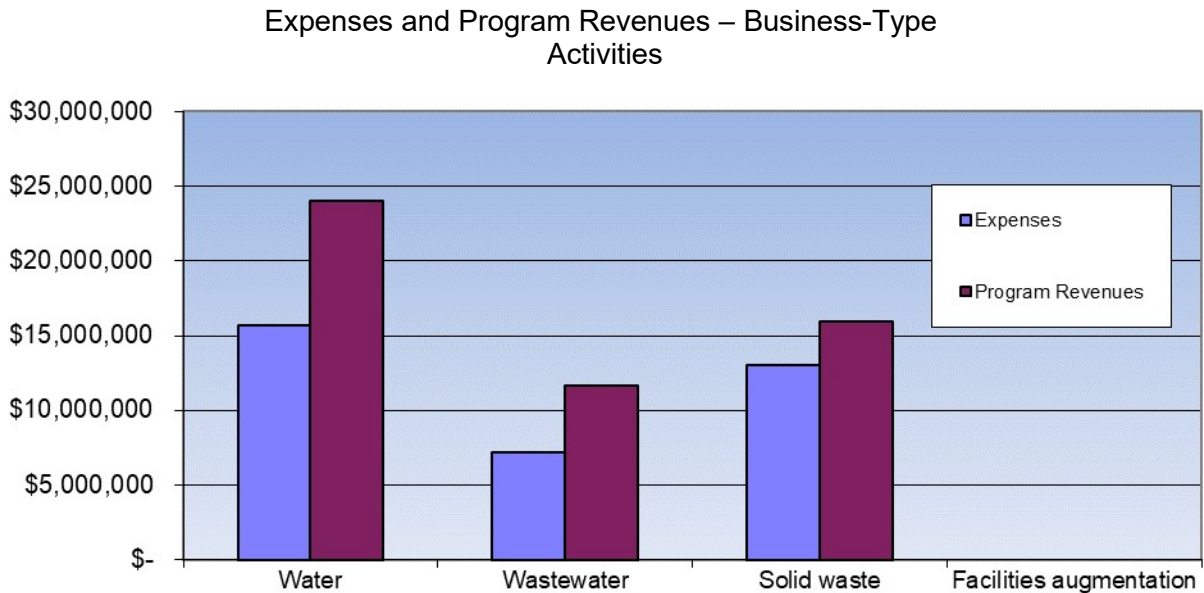
Business-type activities: The City has five business-type activities: Water, Wastewater, Solid Waste, and Facilities Augmentation. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported Charges for Services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



Business-type activities increased the City’s net position by \$13,242,779. At the end of FY 2020-21, business-type activities reported total revenues, excluding transfers in from governmental activities, of \$51,858,638, an increase of \$4.0 million from the prior year. Increase is mostly due a \$3.4 increase in Solid Waste operating revenues due to rate increase that took effect July 2020. Expenses totaled \$35,849,063 an increase of \$1.4 million from the previous year. The program revenues (Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions) financed the majority of expenses recorded for the business-type activities. Other factors concerning the finances of the City’s five enterprise funds are discussed in the Proprietary Funds section of the “Financial Analysis of the City’s Funds.”

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



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 \$300,333,893, an increase of \$51,465,301 during FY 2021. The increase is mostly due to activity in the Folsom Housing Special Revenue Fund, Folsom Ranch Financing Authority related to bond issuances and related GASB 72 adjustments. Of the total fund balance, \$17,630,886 (5.9%) 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 \$185 million for the fiscal year ended June 30, 2021, which represents an increase of 26.5 % from the fiscal year ended June 30, 2020. The increase is mostly due to the bond issuances in the Folsom Ranch Financing Authority which occurred in FY 2021. Expenditures and other financing uses for governmental functions totaled \$134 million, an increase of 2.09 % from the prior year.

Comparative Analysis of Changes in Fund Balances

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

GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2021

	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2021	2020	2021	2020	2021	2020
General Fund	\$ 95,584,355	\$ 87,429,976	\$ 89,815,433	\$ 95,402,366	\$ 5,768,922	\$ (7,972,390)
Folsom Housing - Special Revenue Fund	7,585,329	2,677,081	3,693,350	126,722	3,891,979	2,550,359
Folsom Public Financing Authority	261,951	2,094,528	16,272,168	12,239,553	(16,010,217)	(10,145,025)
Folsom Ranch Financing Authority	47,369,768	27,362,451	4,076,102	3,074,796	43,293,666	24,287,655
Transportation Improvement Fund	12,623,049	8,085,001	10,459,611	9,235,935	2,163,438	(1,150,934)
Other Governmental Funds	21,857,847	18,838,525	9,500,334	10,995,152	12,357,513	7,843,373
Total	\$ 185,282,299	\$ 146,487,562	\$ 133,816,998	\$ 131,074,524	\$ 51,465,301	\$ 15,413,038

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 2020-21 there was an increase in fund balance of \$5.8 million which resulted in a nonspendable fund balance of \$455K, an assigned fund balance of \$1.8 million and unassigned fund balance of \$19.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.4% of total General Fund expenditures and transfers out of \$89,815,433 while total fund balance represents 23.9% of that same amount.

General Fund revenues of \$89.9 million were up \$8.9 million or 11.0% higher than FY 2019-20 revenues of \$80.9 million. The table below provides a revenue comparison between Fiscal Years 2020-21 versus 2019-20.

	2021	2020	\$ Change	% Change
Property taxes	\$ 31,253,436	\$ 28,803,455	\$ 2,449,981	8.5%
Sales & use taxes	25,846,985	22,616,404	3,230,581	14.3%
Transient occupancy	1,357,550	1,677,631	(320,081)	-19.1%
Real Property transfer	799,193	650,410	148,783	22.9%
Other	710,605	788,526	(77,921)	-9.9%
Licenses and permits	4,240,879	3,420,381	820,498	24.0%
Vehicle license fees	7,823,848	7,357,030	466,818	6.3%
Intergovernmental	1,929,340	667,215	1,262,125	189.2%
Charges for current services	13,812,575	12,244,065	1,568,510	12.8%
Fines and forfeitures	153,339	169,015	(15,676)	-9.3%
Interest	69,517	670,231	(600,714)	-89.6%
Miscellaneous	1,861,769	1,881,978	(20,209)	-1.1%
Total	\$ 89,859,036	\$ 80,946,341	\$ 8,912,695	11.0%

Property tax revenues increased 8.5% over the prior fiscal year, due to increasing home values and increased sales activity. Transient occupancy taxes (TOT) decreased by \$320k, or (19.1)% over last year. Licenses and permits increased \$820k or 24.0%. Sales tax revenue increased by \$3.2 million, or 14.3% over last year, and charges for current services increased by \$1.6 million, or 12.8% compared to last year.

General fund expenditures of \$89,812,552, excluding transfers out, decreased by \$5.6 million or (5.9)% over prior year expenditures of \$95,402,366. This decrease is mostly due to the General Government expenses had no transit annexation related expenses in current year as it is closed out.

Expenditures	2021	2020	\$ variance	% variance
General government	\$ 13,965,618	\$19,677,786	\$ (5,712,168)	-29.0%
Public safety	46,067,755	44,633,259	1,434,496	3.2%
Public ways and facilities	7,059,511	6,727,057	332,454	4.9%
Community services	6,825,605	6,968,176	(142,571)	-2.0%
Culture and recreation	14,557,631	14,359,311	198,320	1.4%
Capital Outlay	1,085,145	2,793,577	(1,708,432)	-61.2%
Debt service principal payments	251,287	243,200	8,087	3.3%
Total	\$ 89,812,552	\$95,402,366	\$ (5,589,814)	-5.9%

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

	2021	2020	Net Change
General Fund	\$ 21,469,425	\$ 15,697,622	\$ 5,771,803
Folsom Housing - Special Revenue Fund	31,429,606	27,537,627	3,891,979
Folsom Public Financing Authority	48,280,152	64,290,369	(16,010,217)
Folsom Ranch Financing Authority	133,397,943	90,104,277	43,293,666
Transportation Improvement Fund	13,253,131	11,089,693	2,163,438
Other Governmental Funds	52,503,636	40,149,004	12,354,632
Total	<u>\$ 300,333,893</u>	<u>\$ 248,868,592</u>	<u>\$ 51,465,301</u>

Folsom Housing Special Revenue Fund

The Folsom Housing Special Revenue Fund was created in FY 2011-12 after the City elected to retain the Housing function of the former RDA. This fund accounts for the Housing activities of the City that were previously accounted for in the Redevelopment Special Revenue Fund. For FY 2020-2021, the fund reported revenues of \$7.6 million and expenditures and transfers of \$3.7 million, increasing fund balance by \$3.9 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 \$16.0 million during 2021.

Revenues for FPFA's governmental functions overall totaled \$262K in FY 2020-21, and represent a decrease of \$1.8 million in comparison with the prior fiscal year. This is mostly due to investment earnings related to GASB 72 adjustments. Expenditures for governmental functions, totaling \$6.9 million, a decrease of \$5.3 from the prior fiscal year. The decrease is mostly due to two final bond principal payments which occurred in FY 2020. 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 \$43.3 million during 2021. This increase was mostly due to the new bond issuance of \$23.7 million, \$17.2 investment earning related to GASB 72 adjustments, and bond premium of \$3.3 million.

Revenues for FRFA's governmental functions overall totaled \$20.9 million in FY 2020-21, and represent an increase of \$17.2 million in comparison with the prior fiscal year. This is mostly due to the investment earnings related to GASB 72 adjustments. Expenditures for governmental functions, totaling \$4.1 million, increased by \$1.0 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 \$10.2 million in FY 2020-21, an increase of \$1.2 million from the prior fiscal year.

Proprietary Funds

Water Fund

Net position of the Water Fund increased by \$7.6 million in FY 2020-21. Operating revenue for FY 2020-21 was \$18.0 million, an increase of \$2.4 million was mostly due to a rate increase which was effective February 2020. Operating expenses decreased \$39k to \$14.8 million primarily due to decrease in GASB 68 adjustment. Net transfers were \$839k, an increase of \$52k from prior year levels. As of June 30, 2021, the fund's net position was \$110.0 million, of which \$99.8 million was the net investment in capital assets, while the remaining \$10.2 million was unrestricted.

Wastewater Fund

Operating revenues were at \$8.5 million, an increase of \$1.0 million from the prior year. Expenses were at \$7.2 million, up \$471k from the prior year. The net result was operating income of \$1.3 million. Other items which affected net position were capital contributions of \$3.2 million and other non-operating revenues of \$142k. The total increase to net position in FY 2020-21 was \$4.0 million, leaving a balance of \$69.0 million. As of June 30, 2021, of the Fund's net position, \$58.1 million was the net investment in capital assets, and the remaining \$10.9 million was unrestricted.

Solid Waste Fund

Operating revenues were at \$15.2 million, an increase of \$3.4 million from the prior year. This increase is mostly due to a rate increase that occurred in July 2020. Operating expenses were at \$13.0 million, an increase of \$943k. The net result was operating income of \$2.2 million. The total increase to net position in FY 2020-21 was \$1.7 million, leaving a balance of \$(4.0) million. As of June 30, 2021, of the Fund's net position, \$2.5 million was the net investment in capital assets, and the remaining \$(6.5) million was unrestricted.

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

	Operating Revenues, Nonoperating Revenues, Capital Contributions & Transfers		Operating Expenses, Nonoperating Expenses & Transfers		Net Change in Net Position	
	2021	2020	2021	2020	2021	2020
Water	\$ 24,165,928	\$ 22,695,439	\$ 16,552,383	\$ 16,464,481	\$ 7,613,545	\$ 6,230,958
Wastewater	11,780,195	12,615,538	7,859,589	7,301,720	3,920,606	5,313,818
Solid Waste	15,611,563	12,400,910	14,395,641	13,379,639	1,215,922	(978,729)
Other Enterprise Funds	1,302	1,623	5,114	20,122	(3,812)	(18,499)
Total	\$ 51,558,988	\$ 47,713,510	\$ 38,812,727	\$ 37,165,962	\$ 12,746,261	\$ 10,547,548

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 \$277k over budget.

Revenues were \$89.9 million or 113% of budgeted amounts. A shortfall from budgeted amounts did occur in Other revenue, which ended the fiscal year at 63% of budget, Fines and forfeitures, which ended the fiscal year at 78% of budget, and Interest revenue, which ended the fiscal year at 28% of budget. This is offset by Sales and Use Tax which were \$3.1 million above budget, and Property Tax which was \$1.4 million above budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounted to \$557 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 1.1%, as shown in the following table. Capital assets for the governmental and business-type activities are presented below to illustrate the changes from the prior year:

Capital assets (Net of Depreciation) June 30, 2021		Governmental Activities		Business-type Activities		Total	
		2021	2020	2021	2020	2021	2020
Land	\$ 17,604,606	\$17,583,347	\$ 815,270	\$815,270	\$ 18,419,876	\$ 18,398,617	
Construction in progress	7,253,815	7,199,954	3,833,779	5,544,501	11,087,594	12,744,455	
Buildings	33,307,889	36,461,270	446,468	94,127	33,754,357	36,555,397	
Improvements	317,809,858	313,947,146	167,179,287	160,433,261	484,989,145	474,380,407	
Equipment	4,030,274	4,879,201	4,755,384	4,177,003	8,785,658	9,056,204	
Total capital assets	\$ 380,006,442	\$380,070,918	\$ 177,030,188	\$171,064,162	\$ 557,036,630	\$ 551,135,080	

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

- Equipment purchases of \$2.9 million for various vehicles and machinery
- Construction expenditures of \$6.3 million for the Capital South East Connector Segment D3 project
- Construction expenditures of \$1.5 million for the Water Treatment Plan Pre-Treatment System Improvement
- Construction expenditures of \$746,000 for the Green Valley Road Widening project
- Construction expenditures of \$535,000 for the East Bidwell and Sidewalk project
- Construction expenditures of \$423,000 for the East Tank No. 1 project

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

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

Long-term debt

As of June 30, 2021, the City had \$155,416,765 of outstanding long-term debt related to governmental activities and \$17,906,184 of long-term debt related to business-type activities, for a total of \$173,322,949. During the year, \$13.2 million of long-term debt was retired, offset by an addition of \$24.7 million in revenue bonds, \$1.8 million in issuance discounts/premiums, and \$4.7 million in compensated absences, resulting in a net increase of 5.30%. 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 \$155,616,207. 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, 2021:

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2021	2020	2021	2020	2021	2020	
Revenue bonds	\$ 99,785,000	\$ 85,685,000	\$ 7,175,000	\$ 7,925,000	\$ 106,960,000	\$ 93,610,000	14%
Notes from direct borrowings and direct placements	39,570,207	44,059,921	9,116,000	9,394,283	48,686,207	53,454,204	-9%
City Hall & Fire Station Lease Obligation	1,180,846	1,354,632	-	-	1,180,846	1,354,632	-13%
Capital lease obligations	509,714	761,001	-	-	509,714	761,001	-33%
Compensated absences	4,440,306	4,186,582	705,017	686,833	5,145,323	4,873,415	6%
Landfill closure liability	2,400	434,000	-	-	2,400	434,000	-99%
Long-Term loan	563,431	1,235,739	-	-	563,431	1,235,739	0%
Less: Discounts/premiums	8,933,261	7,446,331	910,167	1,023,938	9,843,428	8,470,269	16%
Total	\$ 154,985,165	\$ 145,163,206	\$ 17,906,184	\$ 19,030,054	\$ 172,891,349	\$ 164,193,260	5%

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, 2021 the City's Water Bonds are rated AA/Stable by Standard & Poor's.

The City typically opted to purchase bond insurance from monoline insurers 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. With the financial crisis of 2008, many monoline insurers were downgraded, making the purchase of such insurance less advantageous

A large portion of the City's financings have been through the issuance of special assessment district debt. These district bonds, issued per the Mello-Roos Community Facilities act of 1982 and the Marks-Roos Local Bond Pooling Act of 1985, 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, as these individual developments have matured, many of these financings within the City have been refunded and have subsequently received ratings.

MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Current economic projections continue to project slow economic growth as the economy recovers from the COVID-19 public health emergency, but the City's focus remains on building a healthy fund balance, while facing continued budget constraints. These constraints include:

- Property taxes are continuing to show growth and sales taxes are remaining stable.
- While the City's revenue growth is flat overall, the City must at the same time support rising costs in employee wages and benefits.
- Unassigned General Fund balance for FY 2020-21 was \$19.2 million, or 21.4% of FY 2021 expenditures. This exceeds the Folsom City Council Policy of 15%.

Next Year's Budget

The City closed the fiscal year in a positive position, with a total General Fund balance of \$21,466,544, an increase of \$5.77 million from the prior year. Revenue growth in the near future is expected to be slow and City management will continue to monitor the General Fund's position and report to Council on a quarterly basis.

The General Fund budget for FY 2021-22 appropriates approximately \$92.5 million, an increase of 2.90% over the prior year final expenditures. General Fund revenue for FY 2021-22 is projected to be \$92.5 million, approximately a \$2.6 million increase from FY 2020-21. Management's efforts will focus on closely monitoring expenses and 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, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and investments	\$ 108,054,098	\$ 49,290,964	\$ 157,345,062
Receivables, net of allowances for uncollectibles	28,765,634	6,654,167	35,419,801
Due from other governments	12,368,286	183	12,368,469
Inventory	450,804	-	450,804
Prepays	4,824	-	4,824
Deposits	2,852,642	-	2,852,642
Restricted assets - cash and investments	475,639	13,643	489,282
Investments held in trust	181,459,675	-	181,459,675
Capital assets, net of accumulated depreciation:			
Nondepreciable	24,858,421	4,649,049	29,507,470
Depreciable	355,148,021	172,381,139	527,529,160
Total assets	<u>714,438,044</u>	<u>232,989,145</u>	<u>947,427,189</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	24,020,937	4,570,670	28,591,607
Deferred amounts on refunding	-	573,903	573,903
Total deferred outflows of resources	<u>24,020,937</u>	<u>5,144,573</u>	<u>29,165,510</u>
LIABILITIES:			
Accounts payable	7,660,363	2,160,506	9,820,869
Wages payable	5,057,081	466,890	5,523,971
Interest payable	1,849,953	49,653	1,899,606
Loan payable	70,000	-	70,000
Due to other governments	-	4,005,848	4,005,848
Unearned revenue	4,982,124	3,252,911	8,235,035
Long-term liabilities (due within one year):			
Other long-term liabilities due within one year	7,694,897	1,560,085	9,254,982
Long-term liabilities (due in more one year):			
Net pension liability	134,985,001	26,977,414	161,962,415
Net other postemployment benefits (OPEB) liability	84,682,523	7,779,804	92,462,327
Other long-term liabilities due in more than one year	147,290,268	16,346,099	163,636,367
Total liabilities	<u>394,272,210</u>	<u>62,599,210</u>	<u>456,871,420</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	306,247	8,134	314,381
Deferred inflows related to OPEB	3,897,837	432,358	4,330,195
Deferred amounts on refunding	296,097	-	296,097
Total deferred inflows of resources	<u>4,500,181</u>	<u>440,492</u>	<u>4,940,673</u>
NET POSITION:			
Net investment in capital assets	347,842,183	160,402,925	508,245,108
Restricted for:			
Nonexpendable: Wetlands/Open space	452,584	-	452,584
Capital Projects	31,354,458	-	31,354,458
Debt service	66,926,410	-	66,926,410
Low and moderate income housing	31,429,606	-	31,429,606
Transportation/streets	16,884,436	-	16,884,436
Lighting and landscape assessment districts	6,962,687	-	6,962,687
Other Special Revenue	985,566	-	985,566
Critical facilities	-	129,602	129,602
Unrestricted	<u>(163,151,340)</u>	<u>14,561,489</u>	<u>(148,589,851)</u>
Total net position	<u>\$ 339,686,590</u>	<u>\$ 175,094,016</u>	<u>\$ 514,780,606</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, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 20,099,385	\$ 9,391,344	\$ 299,641	\$ 1,071,418
Public safety	53,333,593	7,481,550	212,408	266,508
Public ways and facilities	31,375,466	12,091,444	3,314,139	25,211,146
Community services	6,871,579	12,773,201	218,077	51,000
Culture and recreation	18,545,805	10,555,274	-	14,860
Interest and fiscal charges	5,082,231	-	-	-
Total governmental activities	135,308,057	52,292,813	4,044,265	26,614,932
Business-type activities:				
Water	15,659,239	17,988,487	1,107,005	4,941,525
Wastewater	7,188,744	8,486,879	39,835	3,160,300
Solid Waste	13,001,080	15,206,531	729,407	-
Facilities Augmentation	-	-	7	-
Total business-type activities	35,849,063	41,681,897	1,876,254	8,101,825
TOTAL	\$ 171,157,120	\$ 93,974,710	\$ 5,920,519	\$ 34,716,757

GENERAL REVENUES:

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

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
			PRIMARY GOVERNMENT:
			Governmental activities:
\$ (9,336,982)	\$ -	\$ (9,336,982)	General government
(45,373,127)	-	(45,373,127)	Public safety
9,241,263	-	9,241,263	Public ways and facilities
6,170,699	-	6,170,699	Community services
(7,975,671)	-	(7,975,671)	Culture and recreation
(5,082,231)	-	(5,082,231)	Interest and fiscal charges
			Total governmental activities
<u>(52,356,048)</u>	<u>-</u>	<u>(52,356,048)</u>	
			Business-type activities:
-	8,377,778	8,377,778	Water
-	4,498,270	4,498,270	Wastewater
-	2,934,858	2,934,858	Solid Waste
-	7	7	Facilities Augmentation
			Total business-type activities
<u>-</u>	<u>15,810,913</u>	<u>15,810,913</u>	
<u>(52,356,048)</u>	<u>15,810,913</u>	<u>(36,545,135)</u>	TOTAL
			GENERAL REVENUES:
			Taxes:
31,253,436	-	31,253,436	Property
25,846,985	-	25,846,985	Sales and use
2,867,348	-	2,867,348	Other
16,572,391	198,962	16,771,353	Investment earnings (loss)
1,962,835	-	1,962,835	Miscellaneous
<u>2,767,096</u>	<u>(2,767,096)</u>	<u>-</u>	Transfers
<u>81,270,091</u>	<u>(2,568,134)</u>	<u>78,701,957</u>	Total general revenues and transfers
28,914,043	13,242,779	42,156,822	Change in net position
<u>310,772,547</u>	<u>161,851,237</u>	<u>472,623,784</u>	Net position, beginning of year
<u>\$ 339,686,590</u>	<u>\$ 175,094,016</u>	<u>\$ 514,780,606</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, 2021

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund	Folsom Ranch Financing Authority Debt Service Fund
ASSETS				
Cash and cash equivalents	\$ 22,451,670	\$ 9,965,487	\$ 128,898	\$ -
Cash with fiscal agent	-	-	-	-
Receivables	1,485,377	21,488,861	1,247	-
Insurance deposits	4,824	-	-	-
Due from other funds	1,543,935	-	-	-
Due from other governments	7,378,534	-	-	-
Inventory	450,804	-	-	-
Investments held in trust	-	-	48,061,732	133,397,943
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Cash with fiscal agent	-	-	88,275	-
Total assets	<u>\$ 33,315,144</u>	<u>\$ 31,454,348</u>	<u>\$ 48,280,152</u>	<u>\$ 133,397,943</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 3,465,698	\$ 24,742	\$ -	\$ -
Wages payable	4,260,720	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Loan Payable	-	-	-	-
Unearned revenue	4,119,301	-	-	-
Total liabilities	<u>11,845,719</u>	<u>24,742</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	455,628	-	-	-
Restricted	-	31,429,606	48,280,152	133,397,943
Committed	-	-	-	-
Assigned	1,813,094	-	-	-
Unassigned	19,200,703	-	-	-
TOTAL FUND BALANCES	<u>21,469,425</u>	<u>31,429,606</u>	<u>48,280,152</u>	<u>133,397,943</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 33,315,144</u>	<u>\$ 31,454,348</u>	<u>\$ 48,280,152</u>	<u>\$ 133,397,943</u>

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

Transportation Improvement Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds	
ASSETS			
\$ 10,823,144	\$ 50,761,727	\$ 94,130,926	Cash and cash equivalents
-	199,138	199,138	Cash with fiscal agent
591,673	4,506,697	28,073,855	Receivables
-	-	4,824	Insurance deposits
-	-	1,543,935	Due from other funds
4,413,774	575,978	12,368,286	Due from other governments
-	-	450,804	Inventory
-	-	181,459,675	Investments held in trust
59,000	328,364	387,364	Restricted assets:
-	-	88,275	Cash and cash equivalents
-	-	-	Cash with fiscal agent
<u>\$ 15,887,591</u>	<u>\$ 56,371,904</u>	<u>\$ 318,707,082</u>	Total assets
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
\$ 2,634,460	\$ 1,391,660	\$ 7,516,560	Accounts payable
-	-	4,260,720	Wages payable
-	1,543,935	1,543,935	Due to other funds
-	-	-	Due to other governments
-	70,000	70,000	Loan Payable
-	862,673	4,981,974	Unearned revenue
<u>2,634,460</u>	<u>3,868,268</u>	<u>18,373,189</u>	Total liabilities
FUND BALANCES:			
-	452,584	908,212	Nonspendable
13,253,131	44,359,233	270,720,065	Restricted
-	5,785,155	5,785,155	Committed
-	3,493,384	5,306,478	Assigned
-	(1,586,720)	17,613,983	Unassigned
<u>13,253,131</u>	<u>52,503,636</u>	<u>300,333,893</u>	TOTAL FUND BALANCES
<u>\$ 15,887,591</u>	<u>\$ 56,371,904</u>	<u>\$ 318,707,082</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, 2021

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

Total fund balances - total governmental funds (Page 25)	\$ 300,333,893
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	24,858,421
Depreciable capital assets, net	355,146,499
Deferred outflows - amount related to pensions	24,020,937
Deferred amounts on refunding not in governmental funds	(296,097)
Deferred inflows - unavailable revenue - grants receivable	-
Net unmatured long-term debt	(150,542,459)
Accrued interest	(1,849,953)
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	(2,400)
Compensated absences	(4,440,306)
Net post-employment benefit liability (OPEB)	(84,682,523)
Net pension liability	(134,985,001)
Deferred inflows - amount related to pensions	(306,247)
Deferred inflows - amount related to OPEB	(3,897,837)
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>16,329,663</u>
Net position of governmental activities (Page 21)	<u><u>\$ 339,686,590</u></u>

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

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Folsom Housing Special Revenue Fund	Folsom Public Financing Authority Debt Service Fund
REVENUES			
Taxes:			
Property	\$ 31,253,436	\$ -	\$ -
Sales and use	25,846,985	-	-
Transient occupancy	1,357,550	-	-
Real property transfer	799,193	-	-
Other	710,605	-	-
Licenses and permits	4,240,879	-	-
Vehicle license fees	7,823,848	-	-
Intergovernmental	1,929,340	2,500,000	1,624,582
Charges for current services	13,812,575	179,658	-
Fines and forfeitures	153,339	4,733,226	-
Assessment collections	-	-	-
Investment income (loss)	69,517	172,445	(1,362,631)
Miscellaneous	1,861,769	-	-
Total revenues	89,859,036	7,585,329	261,951
EXPENDITURES			
Current:			
General government	13,965,618	3,580,990	161
Public safety	46,067,755	-	-
Public ways and facilities	7,059,511	-	-
Community services	6,825,605	-	-
Culture and recreation	14,557,631	-	-
Capital outlay	1,085,145	-	-
Debt service:			
Principal payments	251,287	-	5,543,500
Interest and fiscal charges	-	-	1,403,507
Total expenditures	89,812,552	3,580,990	6,947,168
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	46,484	4,004,339	(6,685,217)
OTHER FINANCING SOURCES (USES)			
Bond issuance	-	-	-
Bonds Defeased	-	-	(9,325,000)
Bond premium	-	-	-
Transfers in	5,725,319	-	-
Transfers out	-	(112,360)	-
Total other financing sources (uses)	5,725,319	(112,360)	(9,325,000)
NET CHANGE IN FUND BALANCES	5,771,803	3,891,979	(16,010,217)
FUND BALANCES, BEGINNING OF YEAR	15,697,622	27,537,627	64,290,369
FUND BALANCES, END OF YEAR	\$ 21,469,425	\$ 31,429,606	\$ 48,280,152

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
\$ -	\$ -	\$ -	\$ 31,253,436
-	-	-	25,846,985
-	-	-	1,357,550
-	-	-	799,193
-	-	-	710,605
-	-	7,676	4,248,555
-	-	-	7,823,848
3,641,102	8,843,550	3,618,205	22,156,779
-	3,674,492	17,615,656	35,282,381
-	-	50,856	4,937,421
-	-	609	609
17,219,317	75,007	434,745	16,608,400
-	30,000	71,066	1,962,835
<u>20,860,419</u>	<u>12,623,049</u>	<u>21,798,813</u>	<u>152,988,597</u>
-	-	561,557	18,108,326
-	-	154,068	46,221,823
-	2,163,945	6,251,864	15,475,320
-	-	-	6,825,605
-	-	51,637	14,609,268
-	7,996,017	585,841	9,667,003
435,000	-	-	6,229,787
3,641,102	-	-	5,044,609
<u>4,076,102</u>	<u>10,159,962</u>	<u>7,604,967</u>	<u>122,181,741</u>
<u>16,784,317</u>	<u>2,463,087</u>	<u>14,193,846</u>	<u>30,806,856</u>
24,740,000	-	-	24,740,000
-	-	-	(9,325,000)
1,769,349	-	-	1,769,349
-	-	59,034	5,784,353
-	(299,649)	(1,898,248)	(2,310,257)
<u>26,509,349</u>	<u>(299,649)</u>	<u>(1,839,214)</u>	<u>20,658,445</u>
43,293,666	2,163,438	12,354,632	51,465,301
90,104,277	11,089,693	40,149,004	248,868,592
<u>\$ 133,397,943</u>	<u>\$ 13,253,131</u>	<u>\$ 52,503,636</u>	<u>\$ 300,333,893</u>

REVENUES

Taxes:

Property
Sales and use
Transient occupancy
Real property transfer
Other

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

Total revenues

EXPENDITURES

Current:

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

Capital outlay

Debt service:

Principal payments
Interest and fiscal charges

Total expenditures

EXCESS (DEFICIENCY) OF REVENUES

OVER (UNDER) EXPENDITURES

OTHER FINANCING SOURCES (USES)

Bond issuance
Bonds Defeased
Bond premium
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, 2021

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

Net change in fund balances - total governmental funds (Page 29)		\$ 51,465,301
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. Capital outlays and depreciation expense are as follows:</p>		
Capitalized capital outlays		9,667,003
Depreciation expense		(23,369,244)
<p>Governmental funds do not report contributed capital, whereas this revenue is reported in the Government-Wide Statement of Activities</p>		
		13,642,366
<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>		
		430,226
<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>		
		(5,664,273)
<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>		
		1,721,776
<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	6,229,787	
Change in compensated absences	(253,724)	
Defeased Bonds	9,325,000	
Issuance of long-term debt	(24,740,000)	
Change in Long-Term loan	672,308	
Change in landfill liability	431,600	
Bond premium	(1,769,349)	
Change in accrued interest	<u>(37,622)</u>	(10,142,000)
<p>Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities. This amount represents the change in deferred inflows of unavailable revenue and loans receivable.</p>		
		(5,139,949)
<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>		
		<u>(3,697,163)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (Page 23)		<u>\$ 28,914,043</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, 2021

	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	\$ 22,217,162	\$ 20,142,221	\$ 6,801,979	\$ 129,602	\$ 49,290,964	\$ 13,724,034
Receivables, net of allowances	4,872,241	1,485,205	296,271	450	6,654,167	691,779
Due from other governments	-	183	-	-	183	-
Insurance deposits	-	-	-	-	-	2,852,642
Total current assets	27,089,403	21,627,609	7,098,250	130,052	55,945,314	17,268,455
Noncurrent assets:						
Restricted assets:						
Cash with fiscal agent	13,643	-	-	-	13,643	-
Capital assets	190,540,770	85,806,171	12,377,484	-	288,724,425	4,701,355
Accumulated depreciation	(74,103,794)	(27,709,335)	(9,881,108)	-	(111,694,237)	(4,699,833)
Total noncurrent assets	116,450,619	58,096,836	2,496,376	-	177,043,831	1,522
Total assets	143,540,022	79,724,445	9,594,626	130,052	232,989,145	17,269,977
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,673,380	1,025,821	1,871,469	-	4,570,670	-
Deferred amounts on refunding	573,903	-	-	-	573,903	-
Total deferred outflows of resources	2,247,283	1,025,821	1,871,469	-	5,144,573	-
LIABILITIES						
Current liabilities:						
Accounts payable	1,447,467	447,603	265,436	-	2,160,506	143,803
Wages payable	186,009	98,474	182,407	-	466,890	796,361
Interest payable	49,653	-	-	-	49,653	-
Due to other governments	-	4,005,848	-	-	4,005,848	-
Deposits	2,889,580	358,896	4,435	-	3,252,911	150
Accrued compensated absences, payable within one year	47,226	20,472	69,387	-	137,085	-
Long term debt, due within one year	1,423,000	-	-	-	1,423,000	-
Total current liabilities	6,042,935	4,931,293	521,665	-	11,495,893	940,314
Noncurrent liabilities:						
Net pension liability	9,638,616	6,133,326	11,205,472	-	26,977,414	-
Accrued compensated absences, payable after one year	265,110	117,690	185,133	-	567,933	-
Net OPEB liability	3,911,712	532,058	3,336,034	-	7,779,804	-
Long term debt, due after one year net of unamortized premiums/discounts	15,778,166	-	-	-	15,778,166	-
Total noncurrent liabilities	29,593,604	6,783,074	14,726,639	-	51,103,317	-
Total liabilities	35,636,539	11,714,367	15,248,304	-	62,599,210	940,314
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows related to pensions	(33,059)	22,103	19,090	-	8,134	-
Deferred inflows related to OPEB	205,721	44,101	182,536	-	432,358	-
NET POSITION						
Net investment in capital assets	99,809,713	58,096,836	2,496,376	-	160,402,925	1,522
Restricted for critical facilities use	-	-	-	129,602	129,602	-
Unrestricted	10,168,391	10,872,859	(6,480,211)	450	14,561,489	16,328,141
Total net position (deficit)	\$ 109,978,104	\$ 68,969,695	\$ (3,983,835)	\$ 130,052	\$ 175,094,016	\$ 16,329,663

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, 2021**

	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	\$ 17,988,487	\$ 8,486,879	\$ 15,206,531	\$ -	\$ 41,681,897	\$ 14,989,806
OPERATING EXPENSES:						
Employee services	5,301,163	2,926,471	5,879,538	-	14,107,172	17,999,460
Utilities	879,769	95,818	38,943	-	1,014,530	-
Supplies	1,118,111	275,744	909,955	-	2,303,810	-
Maintenance and operations	520,036	194,184	1,110,328	-	1,824,548	-
Contractual services	2,089,956	475,823	3,710,536	-	6,276,315	-
Depreciation	4,450,702	2,227,348	802,574	-	7,480,624	2,129
Other	462,604	993,356	549,206	-	2,005,166	-
Total operating expenses	14,822,341	7,188,744	13,001,080	-	35,012,165	18,001,589
OPERATING INCOME (LOSS)	3,166,146	1,298,135	2,205,451	-	6,669,732	(3,011,783)
NONOPERATING REVENUE (EXPENSES):						
Investment income	75,078	102,883	19,706	1,295	198,962	(36,009)
Interest expense	(836,898)	-	-	-	(836,898)	-
Gain/Loss on sale of capital assets	-	-	-	-	-	57,629
Other	382,218	-	242,438	-	624,656	-
Impact Fees	268,879	39,835	456,683	7	765,404	-
Intergovernmental revenues	455,908	-	30,286	-	486,194	-
Total nonoperating revenue (expense)	345,185	142,718	749,113	1,302	1,238,318	21,620
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,511,331	1,440,853	2,954,564	1,302	7,908,050	(2,990,163)
CAPITAL CONTRIBUTIONS AND TRANSFERS:						
Capital contributions	4,941,525	3,160,300	-	-	8,101,825	-
Transfers in	53,833	30,133	112,602	-	196,568	-
Transfers out	(893,144)	(670,845)	(1,394,561)	(5,114)	(2,963,664)	(707,000)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	4,102,214	2,519,588	(1,281,959)	(5,114)	5,334,729	(707,000)
CHANGE IN NET POSITION	7,613,545	3,960,441	1,672,605	(3,812)	13,242,779	(3,697,163)
NET POSITION (DEFICIT), BEGINNING OF YEAR,	102,364,559	65,009,254	(5,656,440)	133,864	161,851,237	20,026,826
NET POSITION (DEFICIT), END OF YEAR	\$ 109,978,104	\$ 68,969,695	\$ (3,983,835)	\$ 130,052	\$ 175,094,016	\$ 16,329,663

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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	Water	Wastewater	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 19,187,368	\$ 10,764,351	\$ 15,053,953
Payments to suppliers	(7,345,040)	(593,966)	(6,206,005)
Payments to employees	(5,111,831)	(2,766,629)	(5,636,852)
Payments to other governments	(86)	171	825
Cash received from (paid to) other sources	(80,386)	(993,356)	(306,768)
Net cash provided by (used for) operating activities	<u>6,650,025</u>	<u>6,410,571</u>	<u>2,905,153</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(893,144)	(670,845)	(1,394,561)
Transfers from other funds	53,833	30,133	112,602
Intergovernmental revenues received	724,787	39,835	486,969
Net cash provided by (used for) noncapital financing activities	<u>(114,524)</u>	<u>(600,877)</u>	<u>(794,990)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments for capital improvement studies	(3,601,906)	(252,659)	(1,490,261)
Principal paid on capital debt and leases	(1,292,224)	-	-
Issuance of Debt	9,116,000	-	-
Debt Issuance Premium	(113,771)	-	-
Defease of Debt	(8,852,059)	-	-
Interest paid on capital debt	(851,127)	-	-
Net cash provided by (used for) capital and related financing activities	<u>(5,595,087)</u>	<u>(252,659)</u>	<u>(1,490,261)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends (paid) on investments	<u>179,638</u>	<u>169,750</u>	<u>53,371</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,120,052	5,726,785	673,273
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,110,753	14,415,436	6,128,706
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,230,805</u>	<u>\$ 20,142,221</u>	<u>\$ 6,801,979</u>
Summary:			
Cash and cash equivalents	\$ 22,217,162	\$ 20,142,221	\$ 6,801,979
Restricted assets	13,643	-	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 22,230,805</u>	<u>\$ 20,142,221</u>	<u>\$ 6,801,979</u>

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			
				CASH FLOWS FROM OPERATING ACTIVITIES:
\$ -	\$ 45,005,672	\$ 14,821,498		Receipts from customers and users
-	(14,145,011)	23,014		Payments to suppliers
-	(13,515,312)	(18,015,305)		Payments to employees
-	910	-		Payments to other governments
-	(1,380,510)	-		Cash received from (paid to) other sources
-	15,965,749	(3,170,793)		Net cash provided by (used for) operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
(5,114)	(2,963,664)	-		Transfers to other funds
-	196,568	418,407		Transfers from other funds
7	1,251,598	-		Intergovernmental revenues
(5,107)	(1,515,498)	418,407		Net cash provided by (used for) noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
-	(5,344,826)	-		Payments for capital improvement studies
-	(1,292,224)	-		Principal paid on capital debt and leases
-	9,116,000	-		Interest paid on capital debt
-	(113,771)	-		Debt Issuance Premium
-	(8,852,059)	-		Issuance of Debt
-	(851,127)	-		Defeasement of Debt
-	(7,338,007)	60,100		Net cash provided by (used for) capital and related financing activities
				CASH FLOWS FROM INVESTING ACTIVITIES:
1,828	404,587	(23,178)		Interest and dividends (paid) on investments
(3,279)	7,516,831	(2,715,464)		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
132,881	41,787,776	16,439,498		CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR
\$ 129,602	\$ 49,304,607	\$ 13,724,034		CASH AND CASH EQUIVALENTS, END OF YEAR
				Summary:
\$ 129,602	\$ 49,290,964	\$ 13,724,034		Cash and cash equivalents
-	13,643	-		Restricted assets
\$ 129,602	\$ 49,304,607	\$ 13,724,034		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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	Water	Wastewater	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 3,166,146	\$ 1,298,135	\$ 2,205,451
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	4,450,702	2,227,348	802,574
Pension Expense	563,100	213,008	265,503
OPEB Expense	(201,122)	(16,740)	(58,546)
Other non-operating income (expense)	382,218	-	242,438
Increase (decrease) in:			
Accounts receivable	(1,446,885)	171,644	(157,013)
Due from other governments	-	171	825
Accounts payable	(2,737,168)	447,603	(436,243)
Wages payable	5,072	7,787	9,948
Due to other governments	(86)	1,746,932	-
Unearned revenue	2,645,766	358,896	4,435
Accrued compensated absences	(177,718)	(44,213)	25,781
	\$ 6,650,025	\$ 6,410,571	\$ 2,905,153
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Receipt of contributed assets	\$ 4,941,525	\$ 3,160,300	\$ -

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
\$ -	\$ 6,669,732	\$ (3,011,784)
-	7,480,624	2,130
-	1,041,611	-
-	(276,408)	-
-	624,656	-
-	(1,432,254)	(168,308)
-	996	-
-	(2,725,808)	23,014
-	22,807	(15,845)
-	1,746,846	-
-	3,009,097	-
-	(196,150)	-
<u>\$ -</u>	<u>\$ 15,965,749</u>	<u>\$ (3,170,793)</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:

\$ - \$ 8,101,825 \$ - 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 FIDUCIARY FUNDS JUNE 30, 2021

	Other Post Employment Benefits Trust Fund	RDA Successor Private Purpose Trust Fund	Custodial Funds
ASSETS:			
Cash and cash equivalents		\$ 6,097,276	\$ 21,523,139
OPEB Plan Investments:			
Mutual Funds:			
Fixed income securities	\$ 4,500,134		
Domestic equity funds	3,181,186		
International equity funds	829,632		
Real estate partnership	594,171		
Cash equivalents	11,598		
Receivables:			
General accounts		429	
Accrued interest		13,872	30,782
Loans		1,186,854	
Due from other governments			126,274
Capital assets			
Non-depreciable		133,967	
Depreciable		59,767	
Less: accumulated depreciation		(59,767)	
Restricted assets:			
Cash and cash equivalents			-
Cash with fiscal agent			19,504,320
Total assets	9,116,721	7,432,398	41,184,515
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding		7,496,406	
LIABILITIES:			
Accounts payable	11,598	80	6,378,963
Rebatable arbitrage			-
Interest payable		649,797	
Long-term liabilities:			
Due within one year		2,250,000	
Due in more than one year		45,893,357	
Total liabilities	11,598	48,793,234	6,378,963
NET POSITION:			
Net position restricted for OPEB benefits	\$ 9,105,123		
Total net position (deficit) held in trust		\$ (33,864,430)	
Restricted for individuals, organizations, and other governments			\$ 34,805,552

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 FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Other Post Employment Benefits Trust Fund	RDA Successor Private Purpose Trust Fund	Custodial Funds
ADDITIONS:			
Tax increment revenues		\$ 3,800,113	
Assessment collections		-	\$ 15,740,466
Mello-Roos Bonds		-	26,519,349
Refunding Proceeds		-	6,394,000
Transportation Fees			5,095,651
Contributions from the City	\$ 5,139,343	-	-
Investment earnings	1,644,096	(12,313)	47,125
	6,783,439	3,787,800	53,796,591
DEDUCTIONS:			
Benefit payments	4,899,343		
Payments of assessment to bond holders			11,630,450
Expenses	-	(89,050)	41,721,690
Interest and fiscal charges	-	1,581,783	-
Transfers out	-	-	333,079
	4,899,343	1,492,733	53,685,219
CHANGE IN NET POSITION	1,884,096	2,295,067	111,372
NET POSITION (DEFICIT), BEGINNING OF YEAR	7,221,027	(36,159,497)	34,694,180
NET POSITION (DEFICIT), END OF YEAR	\$ 9,105,123	\$ (33,864,430)	\$ 34,805,552

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, 2021

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, 2021

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, 2021

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 sales taxes), interest, and charges for services are accrued when the receipt occurs within sixty 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. Sales tax are accrued when their receipt occurs within one-hundred twenty days of the end of the accounting period. Grant revenues are accrued when their receipt occurs within one-hundred eighty 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, 2021

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, 2021

- 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, 2021

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 sales taxes) related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within sixty 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 required to pay cumulative paid and unpaid claims, the City would report an outstanding claim

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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 a result of employee resignations and retirements. Amounts of vested or accumulated

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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 not be recognized as revenue until then. The City has three items that qualify for reporting in

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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.

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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. 84, Fiduciary Activities – The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement 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.

GASB Statement No. 90, Majority Equity Interests – The primary objectives of this Statement are 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 requirements of this statement did not apply to the City for the current fiscal year.

GASB Statement No. 93, Interbank offered rates (except LIBOR removal and lease modifications) – The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement did not apply to the City for the current fiscal year.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans— an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB Statement No. 98, The Annual Comprehensive Financial Report – The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. The City implemented this statement by referring to the report as an Annual Comprehensive Financial Report and using the ACFR acronym.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments totaled \$395,535,475 as of June 30, 2021, 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, 2021 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	\$ 108,054,098	\$ 49,290,964	\$ 157,345,062	\$ 27,620,415	\$ 184,965,477
Investments held in trust	181,459,675	-	181,459,675	-	181,459,675
OPEB Plan Investments	-	-	-	9,116,721	9,116,721
Restricted cash and investments	475,639	13,643	489,282	19,504,320	19,993,602
	<u>\$ 289,989,412</u>	<u>\$ 49,304,607</u>	<u>\$ 339,294,019</u>	<u>\$ 56,241,456</u>	<u>\$ 395,535,475</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

	Fair Value
City treasury deposits:	
Deposits	\$ 3,644,924
Petty cash	7,429
	<hr/>
Total city treasury deposits:	3,652,353
	<hr/>
City treasury investments	
Certificate of Deposit	8,138,000
Corporate Notes (Bank of America)	2,000,000
Corporate Notes (Bank of Montrel)	2,000,000
Corporate Notes (Bank of New York Mellon)	998,830
Corporate Notes (Bank of New York Mellon)	997,000
Corporate Notes (Barclays)	2,000,000
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
Federal Home Loan Bank (FHLB)	2,000,000
Local Agency Investment Fund (LAIF)	114,965,257
Money market mutual funds (WF)	3,345,638
Municipal obligations (City)	38,737,190
Municipal obligations (FRFA)	133,397,944
Municipal obligations (FPFA)	48,061,731
	<hr/>
Total city treasury investments	362,193,350
	<hr/>
Total funds in City Treasury	365,845,703
	<hr/>
Cash and investments with fiscal agents	
JPA (CAMP)	203,279
Money Market Mutual Fund	19,602,104
OPEB Plan Investments - Mutual Funds	9,116,721
	<hr/>
Total cash and investments with fiscal agents	28,922,104
	<hr/>
Total Fair Value of Investments	767,668
	<hr/>
Total cash and investments	\$ 395,535,475
	<hr/>

Cash Deposits – At June 30, 2021, the recorded amount of the City’s deposits was \$3,644,924 and the bank balance was \$4,032,474. As of June 30, 2021, 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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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%	\$75m 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
Supranational Obligations	5 years	30%	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	100%	None
Placement Service Deposits and Certificates of Deposit	5 years	50%	None
Repurchase agreements	1 year	100%	None
Reverse Repurchase agreements	92 days	20%	None
Medium Term Notes	5 years	30%	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	None
Mortgage 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
Public Bank Obligations	5 years	100%	None
Voluntary Investment Program Fund	N/A	100%	None

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

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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												
				BTA												
				2011 FPFA Ser A&B	2012 FPFA ST REF BONDS	2015 FRFA	2017 FPFA ST REF BONDS	2017 FRFA	2018 FRFA	2019 FRFA (CFD 19)	2019 FRFA (CFD 21)	2020 FRFA (CFD 23 IA1)	2021 FRFA (CFD 21)	2019 Water	2021 Water	2016 RDA
U.S. Treasury Obligations	None	None	None	x	x	x	x	x	x	x	x	x	x	x	x	x
U.S. Agency Securities	None	None	None	x	x	x	x	x	x	x	x	x	x	x	x	x
Banker's Acceptances	360 days	None	None	x	x	x	x	x	x	x	x	x	x	x	x	x
Commercial paper	270 days	None	None	x	x	x	x	x	x	x	x	x	x	x	x	x
Money market mutual funds	N/A	None	None	x	x	x	x	x	x	x	x	x	x	x	x	x
Municipal obligations	None	None	None	x	x	x	n/a	n/a	n/a	n/a	n/a	x	x	n/a	n/a	x
Pre-refunded municipal obligations	None	None	None	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	n/a	x	n/a
State obligations	None	None	None	x	x	x	n/a	n/a	n/a	x	x	x	x	x	x	n/a
Investment agreements - *	None	None	None	n/a	x	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	x	x	x
California Asset Management Program (CAMP)	None	None	None	x	n/a	n/a	x	x	x	x	x	x	n/a	x	x	n/a
Local Agency Investment Fund (LAIF)	None	None	None	x	x	x	x	x	x	x	x	x	x	x	x	x
Other *, *1	None	None	None	n/a	n/a	n/a	x	x	x	x	x	x	n/a	x	n/a	x
Cash (insured at all times by FDIC)	None	None	None	x	x	x	x	x	x	x	x	x	x	n/a	n/a	n/a
Deposit Accounts (FDIC Insured) *3	None	None	None	x	x	x	x	x	x	x	x	x	x	n/a	n/a	x
Certificates of deposit	None	None	None	x	n/a	n/a	n/a	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 \$10,000,000.

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 maturing evenly over time as necessary to provide cash flow and liquidity needed for operations. At June 30, 2021, the City Treasury had the following investment maturities:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 8,138,000	\$ 3,946,000	\$ 2,222,000	\$ 1,476,000	\$ 494,000	\$ -	\$ -	\$ -	\$ -
Commercial Paper	-	-	-	-	-	-	-	-	-
Corporate Notes	15,547,590	998,830	5,547,800	3,000,960	-	6,000,000	-	-	-
LAIF	114,965,257	114,965,257	-	-	-	-	-	-	-
Money Market Mutual Funds	3,345,638	3,345,638	-	-	-	-	-	-	-
Municipal Obligations (City)	38,737,190	10,235,782	8,688,233	6,460,615	9,173,380	4,179,180	-	-	-
Municipal Obligations (FRFA)	133,397,944	269,311	980,698	907,000	838,552	955,969	8,348,336	15,853,416	105,244,661
Municipal Obligations (FPFA)	48,061,731	5,399,054	4,365,765	4,381,684	4,570,554	5,853,594	20,887,612	2,603,468	-
Total	\$ 362,193,350	\$ 139,159,872	\$ 21,804,496	\$ 16,226,259	\$ 15,076,486	\$ 16,988,743	\$ 29,235,948	\$ 18,456,884	\$ 105,244,661
Fiscal Agent									
Investment Type									
Federal Home Loan Bank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal National Mortgage Associat	-	-	-	-	-	-	-	-	-
JPA (CAMP)	203,279	203,279	-	-	-	-	-	-	-
Money Market Mutual Fund	19,602,104	19,602,104	-	-	-	-	-	-	-
OPEB Plan Assets - Mutual Funds	9,116,721	9,116,721	-	-	-	-	-	-	-
Total	\$ 28,922,104	\$ 28,922,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2021, 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, 2021

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

Investment Type	Moody's Credit Rating	S & P's Rating	% of Investments
Certificate of Deposit	Not rated	Not rated	2.46%
Corporate Notes (Bank of America)	A2	A-	0.60%
Corporate Notes (Bank of Montreal)	A2	A+	0.60%
Corporate Notes (Bank of New York Mellon)	A1	A	0.30%
Corporate Notes (Bank of New York Mellon)	A1	A	0.30%
Corporate Notes (Barclays)	A1	A	0.60%
Corporate Notes (MUFG Union Bank)	A2	A	0.30%
Corporate Notes (State Street Corp)	A1	A	0.77%
Corporate Notes (Wells Fargo & Co.)	A1	BBB+	0.30%
Corporate Notes (Wells Fargo & Co.)	A1	BBB+	0.30%
Federal Home Loan Bank (FHLB)	Aaa	AA+	0.30%
Local Agency Investment Fund (LAIF)	Not rated	Not rated	28.12%
Money market mutual funds (WF)	Aaa-mf	AAAm	6.58%
Municipal obligations (City)	Aaa to A11	AAA to A-	11.72%
Municipal Obligations (FRFA)	Not rated	Not rated	27.25%
Municipal Obligations (FPFA)	Not rated	Not rated	19.40%
JPA (CAMP)	Not rated	AAAm	0.06%
			100.0%

1) Not all series rated

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, 2021, 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
Mangini - CFD 19	Municipal Obligations	\$ 40,729,747
Empire Ranch - CFD 10	Municipal Obligations	27,978,713
CFD 19 Series 19	Municipal Obligations	19,947,324
Russell Ranch - CFD 20	Municipal Obligations	19,116,741
CFD 23 IA1 - Series 20	Municipal Obligations	16,590,790
CFD 21 Series 21	Municipal Obligations	15,056,835
WRSR - CFD 21	Municipal Obligations	14,032,620
Empire Ranch - CFD 14	Municipal Obligations	13,428,566

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the City had \$114,965,257 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

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;

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2021. 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, 2021, 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, 2021

Investments by Fair Value Level	Balance at June 30, 2021	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	\$ 8,138,000	\$ -	\$ 8,138,000	\$ -
Corporate Notes	13,547,590	-	13,547,590	-
Municipal Obligations (City)	38,737,190	-	38,737,190	-
Municipal Obligations (FRFA)	133,397,944	-	-	133,397,944
Municipal Obligations (FPFA)	48,061,731	-	-	48,061,731
Federal Home Loan Bank	2,000,000	-	2,000,000	-
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy				
Local Agency Investment Funds	114,965,257			
Money Market Mutual Funds	3,345,638			
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	118,310,895			
Total City's Pooled Investments	362,193,350			
Investments Held with Fiscal Agent Not Measured at Fair Value				
JPA (CAMP)	203,279			
Money Market Mutual Funds	19,602,104			
Investments Held with Fiscal Agent by Fair Value Level				
OPEB Plan Investments - Mutual Funds	9,116,721	-	9,116,721	-
Total Investments Held with Fiscal Agents	28,922,104			
Total Investments	\$ 391,115,454	-	\$ 71,539,501	181,459,675

3. RECEIVABLES

Receivables as of June 30, 2021, consist of the following:

Governmental Activities	General	Folsom Housing	Folsom Public	Transportation	Other	Internal	Total
		Special Revenue Fund	Financing Authority Debt Service Fund	Improvement Capital Projects Fund	Governmental Funds		
Receivables, net							
General accounts	\$ 1,433,665	\$ -	\$ -	\$ 482,223	\$ 630,634	\$ 655,829	\$ 3,202,351
Interest	51,712	41,049	1,247	39,450	123,512	35,950	292,920
Long-term loans	-	21,447,812	-	70,000	3,752,551	-	25,270,363
Total	\$ 1,485,377	\$ 21,488,861	\$ 1,247	\$ 591,673	\$ 4,506,697	\$ 691,779	\$ 28,765,634
Business-Type Activities							
Business-Type Activities	Water	Wastewater	Solid Waste	Other Enterprise	Total		
Receivables, net							
General accounts	\$ 1,680,520	\$ 145,548	\$ 56,937	\$ -	\$ 1,883,005		
Utilities	3,128,503	1,292,720	221,129	-	4,642,352		
Interest	63,218	46,937	18,205	450	128,810		
Total	\$ 4,872,241	\$ 1,485,205	\$ 296,271	\$ 450	\$ 6,654,167		

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Humbug Willow Creek Special Revenue*	\$ 1,143,546
General Fund	Fire Capital Improvement*	400,389
		<u>\$ 1,543,935</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, 2021, and will be repaid in early fiscal year 2021.

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, 2021:

	Transfers in					Total
	General	Other Governmental	Water Enterprise Fund	Wastewater Enterprise Fund	Solid Waste Enterprise Fund	
Transfers out						
Folsom Housing	\$ 112,360	\$ -	\$ -	\$ -	\$ -	\$ 112,360
Transportation Improvement Fund	299,649	-	-	-	-	299,649
Other governmental funds	1,839,214	59,034	-	-	-	1,898,248
Water Enterprise	888,744	-	-	-	4,400	893,144
Wastewater Enterprise	636,805	-	-	-	34,040	670,845
Solid Waste Enterprise	1,394,561	-	-	-	-	1,394,561
Other enterprise funds	5,114	-	-	-	-	5,114
Internal Service Fund	548,872	-	53,833	30,133	74,162	707,000
Total	<u>\$ 5,725,319</u>	<u>\$ 59,034</u>	<u>\$ 53,833</u>	<u>\$ 30,133</u>	<u>\$ 112,602</u>	<u>\$ 5,980,921</u>

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 \$3.7 million, (2) Salaries and benefits \$775k, and (3) Project and capital transfers from Other Governmental funds \$1.2 million.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

Governmental activities:	July 1, 2020	Transfers	Additions	Deletions	June 30, 2021
Capital assets, not being depreciated					
Land	\$ 17,583,347	\$ -	\$ 21,259	\$ -	\$ 17,604,606
Construction in progress	7,199,954	(8,527,996)	8,581,857	-	7,253,815
Total capital assets, not being depreciated	24,783,301	(8,527,996)	8,603,115	-	24,858,421
Capital assets, being depreciated:					
Buildings	86,401,454	-	-	(2,819,794)	83,581,660
Improvements	572,258,318	8,527,996	13,642,366	-	594,428,680
Equipment	23,934,295	(8,884)	1,063,887	(1,068,651)	23,920,647
Total capital assets, being depreciated	682,594,067	8,519,112	14,706,253	(3,888,445)	701,930,987
Less accumulated depreciation for:					
Buildings	(49,940,184)	-	(2,272,698)	1,939,111	(50,273,771)
Improvements	(258,311,172)	-	(18,307,650)	-	(276,618,822)
Equipment	(19,055,094)	8,884	(1,891,834)	1,047,671	(19,890,373)
Total accumulated depreciation	(327,306,450)	8,884	(22,472,182)	2,986,782	(346,782,966)
Governmental activities capital assets, net	\$ 380,070,918	\$ -	\$ 837,186	\$ (901,662)	\$ 380,006,442
Business-type activities:	July 1, 2020	Transfers	Additions	Deletions	June 30, 2021
Capital assets, not being depreciated					
Land	\$ 815,270	\$ -	\$ -	\$ -	\$ 815,270
Construction in progress	5,544,501	(4,790,193)	3,079,471	-	3,833,779
Total capital asset, not being depreciated	6,359,771	(4,790,193)	3,079,471	-	4,649,049
Capital assets, being depreciated:					
Buildings	146,510	-	369,946	-	516,456
Improvements	252,131,099	4,790,193	8,101,825	(1,925,496)	263,097,621
Equipment	19,134,676	8,884	1,895,408	(577,670)	20,461,298
Total capital assets, being depreciated	271,412,285	4,799,077	10,367,179	(2,503,166)	284,075,376
Less accumulated depreciation for:					
Buildings	(52,383)	-	(17,605)	-	(69,988)
Improvements	(91,697,838)	-	(6,145,992)	1,925,496	(95,918,334)
Equipment	(14,957,673)	(8,884)	(1,317,027)	577,670	(15,705,914)
Total accumulated depreciation	(106,707,894)	(8,884)	(7,480,625)	2,503,166	(111,694,237)
Business-type activities capital assets, net	\$ 171,064,162	\$ -	\$ 5,966,026	\$ -	\$ 177,030,188

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

Governmental activities:		
General government	\$	319,388
Public safety		1,862,817
Public works		16,066,592
Community Services		-
Culture and recreation		4,221,256
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets		2,129
Total depreciation expense - governmental activities	\$	<u>22,472,182</u>
Business-type activities:		
Water	\$	4,450,702
Wastewater		2,227,348
Solid waste		802,574
Other enterprise funds		-
Total depreciation expense - business-type activities	\$	<u>7,480,625</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 accepted by the City were \$3,160,300, \$4,941,525, \$8,238,146, and \$5,404,220 respectively.

7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2021:

	June 30, 2020	Additions	Reductions	June 30, 2021	Amount due within one year
Governmental activities:					
Revenue bonds	\$ 85,685,000	\$ 24,740,000	\$ (10,640,000)	\$ 99,785,000	\$ 1,475,000
Notes from direct borrowings and direct placements	44,059,921	-	(4,489,714)	39,570,207	4,350,207
City Hall & Fire Station Lease Obligation	1,354,632	-	(173,786)	1,180,846	180,098
Capital lease obligations	761,001	-	(251,287)	509,714	259,649
Compensated absences	4,186,582	3,938,565	(3,684,841)	4,440,306	892,924
Landfill closure liability (Note 16)	434,000	-	(431,600)	2,400	2,400
Long-Term loan	1,235,739	-	(672,308)	563,431	534,619
Add: Discounts/premiums, net	7,446,331	1,769,349	(282,419)	8,933,261	-
Governmental activities long-term liabilities	<u>\$ 145,163,206</u>	<u>\$ 30,447,914</u>	<u>\$ (20,625,955)</u>	<u>\$ 154,985,165</u>	<u>\$ 7,694,897</u>
Business-type activities					
Revenue bonds	\$ 7,925,000	\$ -	\$ (750,000)	\$ 7,175,000	\$ 780,000
Notes from direct borrowings and direct placements	9,394,283	9,116,000	(9,394,283)	9,116,000	643,000
Compensated absences	686,833	807,315	(789,131)	705,017	137,085
Add: Issuance discounts/premiums, net	1,023,938	-	(113,771)	910,167	-
Business-type activities long-term liabilities	<u>\$ 19,030,054</u>	<u>\$ 9,923,315</u>	<u>\$ (11,047,185)</u>	<u>\$ 17,906,184</u>	<u>\$ 1,560,085</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

Revenue Bonds

Governmental Activities:

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.

\$ -

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.

3,940,000

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.

6,015,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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%.

28,225,000

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%.

13,190,000

In August 2019, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2019 in the amount of \$14,040,000 with interest rates of 2.00% to 5.00%. The Special Tax Revenue Term Bond maturing September 1, 2034 has sinking fund requirements that begin September 1, 2030 and go through September 1, 2034 with principal payments ranging from \$270,000 to \$410,000. Future Term Bond sinking fund requirements begin September 1, 2035 through September 1, 2039 with principal payments ranging from \$455,000 to \$590,000; September 1, 2040 through September 1, 2044 with principal payments ranging from \$620,000 to \$755,000; and September 1, 2045 through September 1, 2049 with principal payments ranging from \$790,000 through \$960,000. In addition, there is a \$495,000 term bond maturing 2049 with sinking fund payments ranging from \$5,000 September 1, 2020 through \$30,000 September 1, 2049. 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 2019 Special Tax Bonds are eligible for optional redemption on any date on or after September 1, 2026 through August 31, 2027 at 103%; on or after September 1, 2027 through August 31, 2028 at 102%; on or after September 1, 2028 through August 31, 2029 at 101%; on or after September 1, 2029 at 100%.

13,980,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

In December 2019, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2019 in the amount of \$9,695,000 with interest rates of 3.00% to 5.00%. The Special Tax Revenue Term Bond maturing September 1, 2035 has sinking fund requirements that begin September 1, 2031 and go through September 1, 2035 with principal payments ranging from \$210,000 to \$310,000. Future Term Bond sinking fund requirements begin September 1, 2036 through September 1, 2039 with principal payments ranging from \$340,000 to \$440,000; September 1, 2040 through September 1, 2044 with principal payments ranging from \$460,000 to \$560,000; and September 1, 2045 through September 1, 2049 with principal payments ranging from \$585,000 through \$715,000. The bonds were issued to finance and purchase special tax bonds of Community Facilities District No. 21, deposit to a reserve fund, and pay certain costs of issuance. The 2019 Special Tax Bonds are eligible for optional redemption on any date on or after September 1, 2026 through August 31, 2027 at 103%; on or after September 1, 2027 through August 31, 2028 at 102%; on or after September 1, 2028 through August 31, 2029 at 101%; on or after September 1, 2029 at 100%.

9,695,000

In October 2020, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2020 in the amount of \$12,925,000 with interest rates of 3.00% to 4.00%. The Special Tax Revenue Term Bond maturing September 1, 2035 has sinking fund requirements that begin September 1, 2031 and go through September 1, 2035 with principal payments ranging from \$285,000 to \$395,000. Future Term Bond sinking fund requirements begin September 1, 2036 through September 1, 2040 with principal payments ranging from \$430,000 to \$570,000; September 1, 2041 through September 1, 2045 with principal payments ranging from \$595,000 to \$695,000; and September 1, 2046 through September 1, 2050 with principal payments ranging from \$725,000 through \$845,000. The bonds were issued to finance and purchase special tax bonds of Community Facilities District No. 23, Improvement Area 1, deposit to a reserve fund, fund capitalized interest to September 1, 2021, and pay certain costs of issuance. The 2020 Special Tax Bonds are eligible for optional redemption on any date on or after September 1, 2027 through August 31, 2028 at 103%; on or after September 1, 2028 through August 31, 2029 at 102%; on or after September 1, 2029 through August 31, 2030 at 101%; on or after September 1, 2030 at 100%.

12,925,000

In April 2021, the Folsom Ranch Financing Authority issued the Folsom Ranch Financing Authority Special Tax Revenue Bonds, Series 2021 in the amount of \$11,815,000 with interest rates of 3.00% to 4.00%. The Special Tax Revenue Term Bond maturing September 1, 2046 has sinking fund requirements that begin September 1, 2042 and go through September 1, 2046 with principal payments ranging from \$560,000 to \$655,000. A future Term Bond has sinking fund requirement that begin September 1, 2047 through September 1, 2050 with principal payments ranging from \$680,000 to \$765,000. The bonds were issued to finance and purchase special tax bonds of Community Facilities District No. 21, deposit to a reserve fund, fund capitalized interest to September 1, 2021, and pay certain costs of issuance. The 2021 Special Tax Bonds are eligible for optional redemption on any date on or after September 1, 2027 through August 31, 2028 at 103%; on or after September 1, 2028 through August 31, 2029 at 102%; on or after September 1, 2029 through August 31, 2030 at 101%; on or after September 1, 2030 at 100%.

11,815,000

Total Governmental Revenue Bonds

\$ 99,785,000

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

Business-type activities:

In October 2019, the Folsom Public Financing Authority issued the 2019 Water Revenue Refunding Bonds for \$8,780,000 with an interest rate of 4.00%. The bonds mature beginning December 1, 2019 through 2028. The bonds were issued to provide funds to refund the 2009 Water Bonds on a current basis and to pay certain costs of issuance.

\$ 7,175,000

Total Business-type activities Revenue Bonds

\$ 7,175,000

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

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2022	1,475,000	4,536,256	780,000	271,400
2023	1,805,000	4,536,063	810,000	239,600
2024	1,970,000	4,456,556	840,000	206,600
2025	2,165,000	4,364,763	880,000	172,200
2026	1,255,000	4,291,338	910,000	136,400
2027-2031	8,790,000	20,445,619	2,955,000	180,500
2032-2036	14,130,000	17,826,403	-	-
2037-2041	20,765,000	13,707,666	-	-
2042-2046	26,755,000	8,075,138	-	-
2047-2051	20,675,000	1,839,413	-	-
Total	\$ 99,785,000	\$ 84,079,212	\$ 7,175,000	\$ 1,206,700

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.

\$ 1,295,207

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%.

38,275,000

Total Governmental Notes from Direct Borrowing and Direct Placements

\$ 39,570,207

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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.

\$ -

In June 2021, the Folsom Public Financing Authority privately placed with Key Government Finance, Inc. the Water Revenue Refunding Bonds, Series 2021 for \$9,116,000 with an interest rate of 1.76%. The bonds mature beginning December 1, 2021 through 2033. The bonds were issued to provide funds to refund the 2013 Water Bonds on a current basis and to pay certain costs of issuance.

9,116,000.00

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

\$ 9,116,000

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2022	4,350,207	1,030,756	643,000	141,617
2023	3,145,000	928,376	643,000	143,222
2024	2,985,000	843,949	654,000	131,828
2025	3,000,000	761,313	664,000	120,249
2026	5,205,000	647,636	674,000	108,495
2027-2031	18,590,000	1,230,159	3,557,000	358,665
2032-2034	2,295,000	61,744	2,281,000	60,573
Total	<u>\$ 39,570,207</u>	<u>\$ 5,503,933</u>	<u>\$ 9,116,000</u>	<u>\$ 1,064,648</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

\$ 1,180,846

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

Year Ending June 30	Lease Obligation	
	Governmental Activities	
	Principal	Interest
2022	180,098	39,199
2023	186,113	32,934
2024	191,820	26,465
2025	202,123	19,759
2026	207,095	12,743
2027	213,597	3,685
Total	\$ 1,180,846	\$ 134,784

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%.	\$ 369,978
\$1,022,841 Lease secured by a lease/leaseback agreement of the Folsom Sports Complex building with Capital One Public Finance to finance synthetic turf field replacements payable in annual installments of \$145,000 beginning September, 2014 through September, 2021 with an interest rate of 3.15%	<u>139,736</u>
	<u>\$ 509,714</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery & Equipment	\$ 2,255,565.00
Less: Accumulated Depreciation	<u>(1,528,312.00)</u>
Total	<u>\$ 727,253.00</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

<u>Fiscal year ending</u>	Governmental Activities
2022	\$ 275,346
2023	130,346
2024	130,346
2025	-
2026	-
Total minimum lease payments	<u>536,038</u>
Less: amount representing interest	<u>(26,324)</u>
Present value of minimum lease payments	<u>\$ 509,714</u>

Compensated Absences

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

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. \$ 294,619

In September 2014 the Folsom City Council approved Resolution No. 9431 authorizing the purchase and sale agreement, a secured promissory note, a credit and reimbursement agreement, and other related documents with Aerojet Rocketdyne, Inc for the purchase of property for a Corporation Yard. In December 2018, a secured promissory note was executed in the amount of \$820,000 with an interest rate of 3%. The annual payment will be what revenue was collected the preceding one-year period. The City of Folsom agrees to make annual payments for seven year beginning on December 12, 2019. 268,812

Total Long-Term Loan \$ 563,431

8. PLEDGE OF FUTURE REVENUES

The Folsom Public Financing Authority Water Revenue Bonds Series 2019 and Series 2021 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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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. \$8,780,000 in Series 2019 Bonds were issued primarily to refund the 2009 Water Revenue Bonds, which were issued to refund the 1998 Water Revenue Bonds, which were used to previously upgrade the treatment facilities. \$9,116,000 in Series 2021 Bonds were issued primarily to refund the 2013 Bonds, which 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 \$18,562,348 through fiscal year 2034. Principal and interest paid for the current year and total customer net revenues were \$1,881,604 and \$7,235,663 respectively. \$9,116,000 in Series 2021 Bonds were issued primarily to refund the 2013 Bonds, which 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.

9. DEBT WITH NO CITY COMMITMENT

Special assessment Districts in various parts of the City have issued debt under the 1915 Bond Act and Mello-Roos Special Tax Act to finance infrastructure improvements and facilities within their boundaries. The 1915 Act Bonds are not a general obligation of the City and neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof is pledged to the payment of any debt service for these districts. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2021 is as follows:

Description	Issue Date	Maturity Date	June 30, 2021
Community Facilities District No. 7 Broadstone II, Series 2011	8/2/11	9/1/24	4,190,000
Community Facilities District No. 7 Broadstone II, Series 2012	7/12/12	9/1/21	1,023,310
Community Facilities District No. 8 The Parkway, Series 2012	7/12/12	9/1/21	271,897
Community Facilities District No. 10, Empire Ranch, Series 2017	7/11/17	9/1/28	25,400,000
Community Facilities District No. 10, Empire Ranch, Series 2020	7/23/20	9/1/24	6,394,000
Community Facilities District No. 11 Willow Springs, Series 2017	7/11/17	9/1/23	690,000
Community Facilities District No. 14 Parkway II, Series 2017	7/11/17	9/1/32	12,185,000
Community Facilities District No. 16, The Islands at Parkshore IA1, Series 2018	3/15/18	9/1/48	5,625,000
Community Facilities District No. 16, The Islands at Parkshore IA2, Series 2019	7/18/19	9/1/49	3,095,000
Community Facilities District No. 17 Willow Hill Pipeline Proj., Series 2015	9/3/15	9/1/45	6,015,000
Community Facilities District No. 19, Mangini Ranch, Series 2017	8/23/17	9/1/47	28,225,000
Community Facilities District No. 19, Mangini Ranch, Series 2019	8/7/19	9/1/49	13,980,000
Community Facilities District No. 20, Russell Ranch, Series 2018	6/5/18	9/1/48	13,190,000
Community Facilities District No. 21, WRSR, Series 2019	12/19/19	9/1/49	9,695,000
Community Facilities District No. 21, WRSR, Series 2021	4/21/21	9/1/50	11,815,000
Community Facilities District No. 23 IA1, Folsom Ranch, Series 2020	10/30/20	9/1/50	12,925,000
			<u>\$ 154,719,207</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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, 2021
Successor Agency to the Former Redevelopment Agency, Central Folsom Redevelopment Project TABS, Series 2016A (Tax Exempt)	10/5/16	8/1/36	\$ 29,590,000
Successor Agency to the Former Redevelopment Agency, Central Folsom Redevelopment Project TABS, Series 2016B (Federally Taxable)	10/5/16	8/1/35	15,555,000
Owner Participation Agreement			705,312
Less: Issuance discounts/premiums, net			<u>2,293,045</u>
			<u>\$ 48,143,357</u>

10. CLASSIFICATION OF NET POSITION/FUND BALANCE

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

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

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

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

In the Fund Financial Statements, Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2021 follows:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 450,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,804
Insurance deposits	4,824	-	-	-	-	-	4,824
Endowment principal	-	-	-	-	-	452,584	452,584
Total nonspendable fund balance	455,628	-	-	-	-	452,584	908,212
Restricted for:							
Debt Service	-	-	48,280,152	133,397,943	-	1,241,274	182,919,369
Police training and equipment	-	-	-	-	-	666,741	666,741
Police capital projects	-	-	-	-	-	1,060,588	1,060,588
Fire capital projects	-	-	-	-	-	-	-
General capital improvements	-	-	-	-	-	18,676,031	18,676,031
Light rail transportation improvements	-	-	-	-	-	950,326	950,326
Drainage capital projects	-	-	-	-	-	911,254	911,254
CFD 10 improvements	-	-	-	-	-	2,510,060	2,510,060
Park capital improvements	-	-	-	-	-	4,893,905	4,893,905
Zoo improvements	-	-	-	-	-	125,163	125,163
Lighting and Landscape districts	-	-	-	-	-	6,962,687	6,962,687
Transportation projects	-	-	-	-	13,253,131	3,631,305	16,884,436
Community Development Block Grant	-	-	-	-	-	193,662	193,662
Folsom Specific Plan Area infrastructure	-	-	-	-	-	19,978	19,978
2011 Non-Housing Bond Proceeds	-	-	-	-	-	148,632	148,632
Transit Capital Improvement	-	-	-	-	-	1,837,869	1,837,869
Corp Yard Capital Improvement	-	-	-	-	-	517,083	517,083
Loans receivable	-	21,447,812	-	-	-	-	21,447,812
Low and Moderate Income Housing	-	9,981,794	-	-	-	-	9,981,794
Total restricted fund balance	-	31,429,606	48,280,152	133,397,943	13,253,131	44,346,558	270,707,390
Committed for:							
Transportation projects	-	-	-	-	-	150,146	150,146
Tree mitigation	-	-	-	-	-	1,035,875	1,035,875
Low income housing	-	-	-	-	-	2,148,167	2,148,167
Park improvements	-	-	-	-	-	2,450,967	2,450,967
Total committed fund balance	-	-	-	-	-	5,785,155	5,785,155
Assigned to:							
Purchase orders	1,813,094	-	-	-	-	-	1,813,094
Purpose of fund	-	-	-	-	-	3,489,156	3,489,156
Total assigned fund balance	1,813,094	-	-	-	-	3,489,156	5,302,250
Unassigned fund balance:	19,197,822	-	-	-	-	(1,566,936)	17,630,886
Total fund balances	\$ 21,466,544	\$ 31,429,606	\$ 48,280,152	\$ 133,397,943	\$ 13,253,131	\$ 52,506,517	\$ 300,333,893

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, 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	11.693%	42.766%	42.766%
Unfunded Liability Contribution	\$ 7,026,076	-	-
		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	19.839%	52.179%	52.179%
Unfunded Liability Contribution	\$ 5,058,763	-	-

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

Employees Covered – At June 30, 2021, 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	417	143
Inactive employees entitled to but not yet receiving benefits	284	61
Active employees	293	146
Total	<u>994</u>	<u>350</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 2021, the employer contribution to CalPERS was \$9,775,127 and \$8,506,647 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. 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, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.63%	2.63%
Payroll Growth	2.88%	2.88%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.25% (1)	7.25% (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, 2021

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can found on the CalPERS website.

Change of Assumption – For the measurement date of June 30, 2020 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, 2021

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability, measured as of June 30, 2020, for each Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 234,854,746	\$ 155,127,743	\$ 79,727,003
Changes in the year:			
Service Cost	\$ 3,940,722	\$ -	\$ 3,940,722
Interest on the total pension liability	16,632,114	-	16,632,114
Differences between actual and expected experience	1,289,507	-	1,289,507
Contribution - employer	-	8,937,259	(8,937,259)
Contribution - employee	-	1,687,940	(1,687,940)
Net investment income	-	7,675,619	(7,675,619)
Benefit payments, including refunds of employee contributions	(10,995,275)	(10,995,275)	-
Administrative expense	-	(218,692)	218,692
Net changes	10,867,068	7,086,851	3,780,217
Balance at June 30, 2021	\$ 245,721,814	\$ 162,214,594	\$ 83,507,220

	Safety		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 206,962,029	\$ 132,231,410	\$ 74,730,619
Changes in the year:			
Service Cost	\$ 4,453,870	\$ -	\$ 4,453,870
Interest on the total pension liability	14,704,486	-	14,704,486
Differences between actual and expected experience	1,091,393	-	1,091,393
Contribution - employer	-	8,486,598	(8,486,598)
Contribution - employee	-	1,690,156	(1,690,156)
Net investment income	-	6,534,833	(6,534,833)
Benefit payments, including refunds of employee contributions	(9,246,421)	(9,246,421)	-
Administrative expense	-	(186,414)	186,414
Net changes	11,003,328	7,278,752	3,724,576
Balance at June 30, 2021	\$ 217,965,357	\$ 139,510,162	\$ 78,455,195
Balance at June 30, 2021 - Both Plans	\$ 463,687,171	\$ 301,724,756	\$ 161,962,415

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 116,208,867	\$ 109,258,690	\$ 225,467,557
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 83,507,220	\$ 78,455,195	\$ 161,962,415
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 56,404,349	\$ 53,188,584	\$ 109,592,933

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, 2021, the City recognized pension expense of \$12,085,678 for the Miscellaneous plan and \$12,548,149 for the Safety plan, for a total pension expense of \$24,633,826. At June 30, 2021, 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	\$ 2,374,984	\$ 278,613	\$ -	\$ -	\$ 2,374,984	\$ 278,613
Differences between actual and expected experience	3,078,339	35,768	2,064,560	-	5,142,899	35,768
Net differences between projected and actual earnings						
on plan investments	1,376,529	-	1,415,421	-	2,791,949	-
Pension contributions subsequent to measurement date	8,506,647	-	9,775,127	-	18,281,774	-
Total	<u>\$ 15,336,499</u>	<u>\$ 314,381</u>	<u>\$ 13,255,107</u>	<u>\$ -</u>	<u>\$ 28,591,607</u>	<u>\$ 314,381</u>

\$9,775,127 (misc) and \$8,506,647 (safety) 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, 2022. 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>
2021	\$ 2,759,778	\$ 1,106,086
2022	1,629,587	870,996
2023	1,230,464	829,598
2024	814,798	673,301
2025	80,844	-
Total	<u>\$ 6,515,471</u>	<u>\$ 3,479,981</u>

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	334
Inactive plan members entitles to but not yet receiving benefit payments	0
Active plan members	159
Total	<u>493</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, 2021, the City contributed \$5,139,343 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, 2021:

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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

Rate of return - For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 22.5 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, 2021, 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	\$ 898,485
Guggenheim Investments Invest. Grade Bond Fd	Mutual Fund - Fixed Income	903,663
Prudential GBL Total Return Fund	Mutual Fund - Fixed Income	446,990
Prudential Funds Total Return Bond CL Q	Mutual Fund - Fixed Income	903,403
Western Asset Core Plus Bond IS	Mutual Fund - Fixed Income	900,052
Guggenheim Investments FDS TR Macro	Mutual Fund - Fixed Income	447,540

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of June 30, 2021.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, 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, 2021

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
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	6.50%

(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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2021

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, 2020	\$ 103,873,278	\$ 7,221,026	\$ 96,652,252
Changes recognized for the measurement period:			
Service Cost	\$ 1,397,788		\$ 1,397,788
Interest	5,656,980	-	5,656,980
Differences between actual and expected experience	(3,624,335)	-	(3,624,335)
Changes in assumptions	(836,918)	-	(836,918)
Changes in benefit terms			-
Contribution - employer	-	5,139,343	(5,139,343)
Contribution - employee	-	-	-
Expected Investment Income		1,644,097	(1,644,097)
Investment Gains/Losses	-	-	-
Expected Benefit payments	(4,899,343)	(4,899,343)	-
Net changes	(2,305,828)	1,884,097	(4,189,925)
Balance at June 30, 2021	\$ 101,567,450	\$ 9,105,123	\$ 92,462,327

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	\$106,107,188	\$92,462,327	\$81,239,906

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 (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current healthcare cost trend rates:

	1% Decrease 5.50%	Healthcare Cost Trend Rate 6.50%	1% Increase 7.5%
Net OPEB liability	\$80,592,876	\$92,462,327	\$106,947,406

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$3,259,444. At June 30, 2021, 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	\$ 627,688
Net difference between expected and actuarial experience	2,718,251
Net differences between projected and actual earnings on OPEB plan investments	984,256
Total	\$ 4,330,195

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
2022	\$ (1,372,513)
2023	(1,353,335)
2024	(1,356,262)
2028	(248,085)

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

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

The City's deposit for its banking layer administered by NCCSIF of \$2,852,642 and \$3,978,049 as of June 30, 2021 and 2020 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, 2021 and 2020 is as follows:

	Balance 6/30/2019	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2020
General Liability	\$ 1,296,833	\$ 688,831	\$ 126,134	\$ (98,417)	\$ (388,081)	\$ 1,625,300
Workers' Compensation	2,428,069	1,064,534	299,888	(1,187,471)	(252,271)	2,352,749
Total	\$ 3,724,902	\$ 1,753,365	\$ 426,022	\$ (1,285,888)	\$ (640,352)	\$ 3,978,049
	Balance 6/30/2020	Deposits & Other income	Investment Income & FMV change	Claims paid Net of refunds	Claims Admin. & other exp.	Balance 6/30/2021
General Liability	\$ 1,625,300	\$ 684,145	\$ 3,301	\$ (29,705)	\$ (643,581)	\$ 1,639,460
Workers' Compensation	2,352,749	1,222,600	6,117	(1,839,987)	(528,297)	1,213,182
Total	\$ 3,978,049	\$ 1,906,745	\$ 9,418	\$ (1,869,692)	\$ (1,171,878)	\$ 2,852,642

The following is summary financial information of the NCCSIF for the liability and workers' compensation program for the fiscal year ended June 30, 2021.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

	Liability	Compensation	Total
Assets	\$ 19,593,105	\$ 58,054,348	\$ 77,647,453
Liabilities	12,322,820	41,345,577	53,668,397
Net assets	<u>\$ 7,270,285</u>	<u>\$ 16,708,771</u>	<u>\$ 23,979,056</u>
Revenues	\$ 9,754,424	\$ 11,767,180	\$ 21,521,604
Expenses	10,208,354	11,958,943	22,167,297
Operating income	<u>(453,930)</u>	<u>(191,763)</u>	<u>(645,693)</u>
Investment income	20,223	58,633	78,856
Net income	<u>(433,707)</u>	<u>(133,130)</u>	<u>(566,837)</u>
Net assets, beginning of year	7,703,992	16,841,901	24,545,893
Net assets, end of year	<u>\$ 7,270,285</u>	<u>\$ 16,708,771</u>	<u>\$ 23,979,056</u>

The NCCSIF audited financial statements for the period ended June 30, 2021 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, 2021

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, 2021 the City received \$0 of critical facilities fees. The City, at June 30, 2021 had \$129,602 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 - Rebutable 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 rebutable arbitrage must be paid to the federal government. The City estimates that rebutable 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, 2021

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 all 12 monitoring events through September 2020 under the new monitoring system. In a letter dated January 26, 2021, the Central Valley Regional Water Quality Control Board staff concluded that the City complied with the requirements of the Waste Discharge Requirements and Title 27 demonstrating clean closure of the landfill. In September 2021, the City and the Central Valley Regional Water Quality Control Board submitted a deed covenant to be recorded with the Sacramento County Recorder's Office. Sometime in the Fall of 2021, after the deed covenant is recorded with Sacramento County, the item will be presented to the Regional Water Quality Control Board for rescission of the Waste Discharge Requirement. As of June 30, 2021, there was about \$2,400 post closure costs remaining associated with the project.

City of Folsom

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2021

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

17. DEFICIT FUND BALANCES

- The Planning Services Special Revenue Fund had a deficit fund balance of \$43,414 at June 30, 2021 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Humbug Willow Creek Special Revenue Fund had a deficit fund balance of \$1,143,546 June 30, 2021 primarily as a result of expenditures incurred in advance of receipt of revenues and will be eliminated with future revenues.
- The Fire Capital Improvement Fund had a deficit fund balance of \$396,879 June 30, 2021 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 \$4.0 million at June 30, 2021 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 General Fund by \$276,959 due to higher than expected employee costs in public safety, and costs associated with the pandemic for disinfecting supplies and changes to implement social distancing in employee and public areas.
- Expenditures exceeded appropriations in the Folsom Housing Special Revenue Fund by \$3,320,990 due to two affordable low-income apartment projects that had not been budgeted. (Bidwell Studio and Talavera Ridge Grant.)
- Expenditures exceeded appropriations in the Folsom Ranch Financing Authority Debt Service Fund by \$171,433 due to interest payments for CFD 23IA1.

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>2015</u>	<u>2016</u>
Total Pension Liability		
Service Cost	\$ 3,733,451	\$ 3,463,856
Interest on the total pension liability	12,026,923	12,827,742
Changes in benefit terms	-	819,877
Changes in assumptions	-	(3,280,830)
Differences between actual and expected experience	-	294,972
Benefit payments, including refunds of employee contributions	<u>(5,784,838)</u>	<u>(6,486,519)</u>
Net change in total pension liability	9,975,536	7,639,098
Total pension liability - beginning	<u>161,384,658</u>	<u>171,360,194</u>
Total pension liability - ending (a)	<u>\$ 171,360,194</u>	<u>\$ 178,999,292</u>
Plan fiduciary net position		
Contributions - employer	\$ 4,376,606	\$ 4,523,081
Contributions - employee	2,232,850	1,593,443
Net investment income	17,933,745	2,668,545
Benefit payments	(5,784,838)	(6,486,519)
Net Plan to Plan Resource Movement	-	-
Administrative expense	-	(138,974)
Other Miscellaneous Income/(Expense)	-	-
Net change in plan fiduciary net position	<u>18,758,363</u>	<u>2,159,576</u>
Plan fiduciary net position - beginning	<u>102,531,433</u>	<u>121,289,796</u>
Plan fiduciary net position - ending (b)	<u>\$ 121,289,796</u>	<u>\$ 123,449,372</u>
Net pension liability - ending (a)-(b)	<u>\$ 50,070,398</u>	<u>\$ 55,549,920</u>
Plan fiduciary net position as a percentage of the total pension liability	70.78%	68.97%
Covered payroll	22,140,150	21,527,190
Net pension liability as percentage of covered payroll	226.15%	258.05%
Measurement Date	June 30, 2014	June 30, 2015
	<u>Safety</u>	<u>Safety</u>
	<u>2015</u>	<u>2016</u>
Total Pension Liability		
Service Cost	\$ 3,769,467	\$ 3,525,048
Interest on the total pension liability	10,582,614	11,200,515
Changes in benefit terms	-	253,356
Changes in assumptions	-	(2,937,784)
Differences between actual and expected experience	-	(106,665)
Benefit payments, including refunds of employee contributions	<u>(5,802,650)</u>	<u>(6,454,000)</u>
Net change in total pension liability	8,549,431	5,480,470
* - Fiscal year 2015 was the 1st year of implementation, therefore only seven	<u>142,118,102</u>	<u>150,667,533</u>
Total pension liability - ending (a)	<u>\$ 150,667,533</u>	<u>\$ 156,148,003</u>
Plan fiduciary net position		
Contributions - employer	\$ 4,616,712	\$ 4,705,025
Contributions - employee	1,285,454	1,313,706
Net investment income	15,398,818	2,317,142
Benefit payments	(5,802,650)	(6,454,000)
Plan to Plan Resource Movement	-	(49,988)
Administrative Expense	-	(118,942)
Other Miscellaneous Income/(Expense)	-	-
Net change in plan fiduciary net position	<u>15,498,334</u>	<u>1,712,943</u>
Plan fiduciary net position - beginning	<u>88,478,338</u>	<u>103,976,672</u>
Plan fiduciary net position - ending (b)	<u>\$ 103,976,672</u>	<u>\$ 105,689,615</u>
Net pension liability - ending (a)-(b)	<u>\$ 46,690,861</u>	<u>\$ 50,458,388</u>
Plan fiduciary net position as a percentage of the total pension liability	69.01%	67.69%
Covered payroll	18,541,342	18,593,681
Net pension liability as percentage of covered payroll	251.82%	271.37%
Measurement Date	June 30, 2014	June 30, 2015

Notes to Schedule:

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous
2017	2018	2019	2020	2021
\$ 3,550,932	\$ 3,904,924	\$ 3,765,497	\$ 3,952,202	\$ 3,940,722
13,405,790	13,879,289	14,940,919	15,875,881	16,632,114
282,187	34,533	2,198,934	-	-
-	11,945,025	(1,842,927)	-	-
(2,420,273)	(2,802,533)	5,429,806	3,930,177	1,289,507
(6,795,160)	(8,072,643)	(9,232,060)	(10,075,046)	(10,995,275)
8,023,476	18,888,595	15,260,169	13,683,214	10,867,068
178,999,292	187,022,768	205,911,363	221,171,532	234,854,746
<u>\$ 187,022,768</u>	<u>\$ 205,911,363</u>	<u>\$ 221,171,532</u>	<u>\$ 234,854,746</u>	<u>\$ 245,721,814</u>
\$ 5,159,464	\$ 5,781,400	\$ 6,511,558	\$ 7,274,779	\$ 8,937,259
1,580,964	1,655,762	1,634,191	1,786,891	1,687,940
593,250	13,918,884	11,477,303	9,627,244	7,675,619
(6,795,160)	(8,072,643)	(9,232,060)	(10,075,046)	(10,995,275)
-	2,162	(338)	-	-
(75,236)	(182,949)	(213,243)	(104,630)	(218,692)
-	-	(404,953)	338	-
463,282	13,102,616	9,772,458	8,509,576	7,086,851
123,449,372	123,743,093	136,845,709	146,618,167	155,127,743
<u>\$ 123,912,654</u>	<u>\$ 136,845,709</u>	<u>\$ 146,618,167</u>	<u>\$ 155,127,743</u>	<u>\$ 162,214,594</u>
<u>\$ 63,110,114</u>	<u>\$ 69,065,654</u>	<u>\$ 74,553,365</u>	<u>\$ 79,727,003</u>	<u>\$ 83,507,220</u>
66.26%	66.46%	66.29%	66.05%	66.02%
22,082,925	21,890,526	22,161,909	23,324,130	22,682,427
285.79%	315.50%	336.40%	341.82%	368.16%
June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Safety	Safety	Safety	Safety	Safety
2017	2018	2019	2020	2021
\$ 3,439,072	\$ 3,853,558	\$ 3,990,444	\$ 4,185,471	\$ 4,453,870
11,862,083	12,440,896	13,235,635	13,965,196	14,704,486
254,592	304,817	321,724	-	-
-	11,011,292	(718,527)	-	-
681,197	(165,828)	3,317,456	1,485,082	1,091,393
(7,486,831)	(7,953,218)	(8,383,432)	(8,826,653)	(9,246,421)
8,750,113	19,491,517	11,763,300	10,809,096	11,003,328
156,148,003	164,898,116	184,389,633	196,152,933	206,962,029
<u>\$ 164,898,116</u>	<u>\$ 184,389,633</u>	<u>\$ 196,152,933</u>	<u>\$ 206,962,029</u>	<u>\$ 217,965,357</u>
\$ 4,910,890	\$ 5,843,744	\$ 6,557,790	\$ 7,225,666	\$ 8,486,598
1,218,093	1,488,989	1,373,843	1,502,266	1,690,156
557,570	11,610,189	9,650,208	8,083,078	6,534,833
(7,486,831)	(7,953,218)	(8,383,432)	(8,826,653)	(9,246,421)
-	-	(287)	-	-
(64,412)	(154,767)	(180,230)	(88,728)	(186,414)
-	-	(342,260)	287	-
(864,690)	10,834,937	8,675,632	7,895,916	7,278,752
105,689,615	104,824,925	115,659,862	124,335,494	132,231,410
<u>\$ 104,824,925</u>	<u>\$ 115,659,862</u>	<u>\$ 124,335,494</u>	<u>\$ 132,231,410</u>	<u>\$ 139,510,162</u>
<u>\$ 60,073,191</u>	<u>\$ 68,729,771</u>	<u>\$ 71,817,439</u>	<u>\$ 74,730,619</u>	<u>\$ 78,455,195</u>
63.57%	62.73%	63.39%	63.89%	64.01%
18,863,681	19,300,575	20,342,212	21,877,386	23,938,536
318.46%	356.10%	353.05%	341.59%	327.74%
June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - LAST 10 YEARS

	<u>Miscellaneous Plan</u> <u>2015</u>	<u>Miscellaneous Plan</u> <u>2016</u>	<u>Miscellaneous Plan</u> <u>2017</u>
Actuarially determined contribution	\$ 4,523,081	\$ 5,159,464	\$ 5,819,059
Contributions in relation to the actuarially determined contributions	(4,523,081)	(5,159,464)	(5,819,059)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,527,190	\$ 22,082,925	\$ 21,890,526
Contributions as a percentage of covered payroll	21.01%	23.36%	26.58%

	<u>Safety Plan</u> <u>2015</u>	<u>Safety Plan</u> <u>2016</u>	<u>Safety Plan</u> <u>2017</u>
Actuarially determined contribution	\$ 4,705,025	4,910,890	\$ 5,861,310
Contributions in relation to the actuarially determined contributions	(4,705,025)	(4,910,890)	(5,861,310)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,593,681	\$ 18,863,681	\$ 19,300,575
Contributions as a percentage of covered payroll	25.30%	26.03%	30.37%

Notes to Schedule

Valuation date: June 30, 2012 June 30, 2013 June 30, 2014

Methods and assumptions used to determine contribution rates:

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

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

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

<u>Miscellaneous Plan</u> <u>2018</u>		<u>Miscellaneous Plan</u> <u>2019</u>		<u>Miscellaneous Plan</u> <u>2020</u>		<u>Miscellaneous Plan</u> <u>2021</u>	
\$	6,531,894	\$	7,191,072	\$	8,943,032	\$	9,775,127
	(6,531,894)		(7,191,072)		(8,943,032)		(9,775,127)
\$	-	\$	-	\$	-	\$	-
\$	22,161,909	\$	23,324,130	\$	23,938,536	\$	23,245,952
	29.47%		30.83%		37.36%		42.05%

<u>Safety Plan</u> <u>2018</u>		<u>Safety Plan</u> <u>2019</u>		<u>Safety Plan</u> <u>2020</u>		<u>Safety Plan</u> <u>2021</u>	
\$	6,574,602	\$	7,128,404	\$	8,502,037	\$	8,506,647
	(6,574,602)		(7,128,404)		(8,502,037)		(8,506,647)
\$	-	\$	-	\$	-	\$	-
\$	20,342,212	\$	21,877,386	\$	22,682,427	\$	24,365,618
	32.32%		32.58%		37.48%		34.91%

June 30, 2015	June 30, 2016	June 30, 2016	June 30, 2017
Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Level percent of payro	Level percent of payro	Level percent of payroll	Level percent of payroll
Market value	Market value	Market value	Market value
2.75%	2.75%	2.75%	2.63%
Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
7.50%	7.50%	7.38%	7.25%
55	55	55	55
Based on CalPERS Experience Study	Based on CalPERS Experience Study	Based on CalPERS Experience Study	Based on CalPERS Experience Study

City of Folsom - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the City's Net OPEB Liability and Related Ratios As of the fiscal year ending June 30, 2019 Last Ten Years*

	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 2,148,999	\$ 2,208,096	\$ 2,305,252	\$ 1,355,366	\$ 1,397,788
Interest	4,259,868	5,040,097	4,806,648	5,530,728	5,656,980
Changes in assumptions	-	(9,590,919)	(6,686,894)	-	(836,918)
Differences between actual and expected experience	-	-	(3,828,632)	-	(3,624,335)
Benefit payments, including refunds of employee contributions	(3,943,224)	(4,100,953)	(4,227,327)	(4,432,280)	(4,899,343)
Net change in total OPEB liability	2,465,643	(6,443,679)	(7,630,953)	2,453,814	(2,305,828)
Total OPEB liability -- beginning	113,028,453	115,494,096	109,050,417	101,419,464	103,873,278
Total OPEB liability -- ending (a)	<u>\$ 115,494,096</u>	<u>\$ 109,050,417</u>	<u>\$ 101,419,464</u>	<u>\$ 103,873,278</u>	<u>\$ 101,567,450</u>
Plan fiduciary net position					
Plan to plan resource movement	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	4,053,403	4,600,953	4,727,327	4,932,280	5,139,343
Contributions - employee	-	-	-	-	-
Net investment income	464,483	311,032	306,283	329,603	1,644,097
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)	(4,432,280)	(4,899,343)
Net change in fiduciary net position	914,483	816,709	806,283	829,603	1,884,097
Plan fiduciary net position -- beginning	3,853,948	4,768,431	5,585,140	6,391,423	7,221,026
Plan fiduciary net position -- ending (b)	<u>\$ 4,768,431</u>	<u>\$ 5,585,140</u>	<u>\$ 6,391,423</u>	<u>\$ 7,221,026</u>	<u>\$ 9,105,123</u>
City's Net OPEB liability -- ending (a) - (b)	<u>\$ 110,725,665</u>	<u>\$ 103,465,277</u>	<u>\$ 95,028,041</u>	<u>\$ 96,652,252</u>	<u>\$ 92,462,327</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.13%	5.12%	6.30%	6.95%	8.96%
Covered-employee payroll	\$ 41,191,102	\$ 42,504,121	\$ 45,201,515	\$ 46,620,962	\$ 47,611,570
City's Net OPEB liability as a percentage of covered-employee payroll	268.81%	243.42%	210.23%	207.32%	194.20%
Measurement Date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021

Notes to Schedule

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

Schedule of Investment Returns As of the fiscal year ending June 30, 2021 Last Ten Years*

	2017	2018	2019	2020	2021
Annual money-weighted rate of return - net of investment expense	10.9%	6.0%	5.1%	4.8%	22.5%

Notes to Schedule

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

CITY OF FOLSOM, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 29,884,989	\$ 29,884,989	\$ 31,253,436	\$ 1,368,447
Sales and use	22,784,063	22,784,063	25,846,985	3,062,922
Transient occupancy	1,255,000	1,255,000	1,357,550	102,550
Real property transfer	575,000	575,000	799,193	224,193
Other	1,120,000	1,120,000	710,605	(409,395)
Licenses and permits	2,415,416	2,415,416	4,240,879	1,825,463
Vehicle license fees	7,276,719	7,276,719	7,823,848	547,129
Intergovernmental revenues	873,286	873,286	1,929,340	1,056,054
Charges for current services	11,481,205	11,481,205	13,812,575	2,331,370
Fines and forfeitures	196,500	196,500	153,339	(43,161)
Interest revenue	245,000	245,000	69,517	(175,483)
Miscellaneous	1,388,144	1,388,144	1,861,769	473,625
Total revenues	<u>79,495,322</u>	<u>79,495,322</u>	<u>89,859,036</u>	<u>10,363,714</u>
EXPENDITURES:				
Current operating:				
General government	17,827,282	17,827,282	13,965,618	3,861,664
Public safety	43,581,245	43,581,245	46,067,755	(2,486,510)
Public ways and facilities	7,246,322	7,246,322	7,059,511	186,811
Community services	5,606,333	5,606,333	6,825,605	(1,219,272)
Culture and recreation	13,940,860	13,940,860	14,557,631	(616,771)
Capital outlay	1,085,145	1,085,145	1,085,145	-
Debt service:				
Principal payments	251,287	251,287	251,287	-
Total expenditures	<u>89,538,474</u>	<u>89,538,474</u>	<u>89,812,552</u>	<u>(274,078)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(10,043,152)</u>	<u>(10,043,152)</u>	<u>46,484</u>	<u>10,089,636</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	10,043,152	10,043,152	5,725,319	(4,317,833)
Total other financing sources (uses)	<u>10,043,152</u>	<u>10,043,152</u>	<u>5,725,319</u>	<u>(4,317,833)</u>
NET CHANGE IN FUND BALANCE				
	<u>-</u>	<u>-</u>	<u>5,771,803</u>	<u>\$ 5,771,803</u>
FUND BALANCE, BEGINNING OF YEAR				
	<u>15,697,622</u>	<u>15,697,622</u>	<u>15,697,622</u>	
FUND BALANCE - ENDING				
	<u>\$ 15,697,622</u>	<u>\$ 15,697,622</u>	<u>\$ 21,469,425</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, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000
Fines and Forfeitures	135,000	135,000	4,733,226	4,598,226
Charges for current services	15,000	15,000	179,658	164,658
Interest	150,000	150,000	172,445	22,445
Miscellaneous	72,360	72,360	-	(72,360)
Total revenues	<u>372,360</u>	<u>372,360</u>	<u>7,585,329</u>	<u>7,212,969</u>
EXPENDITURES:				
Current operating:				
General government	260,000	260,000	3,580,990	(3,320,990)
Total expenditures	<u>260,000</u>	<u>260,000</u>	<u>3,580,990</u>	<u>(3,320,990)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>112,360</u>	<u>112,360</u>	<u>4,004,339</u>	<u>3,891,979</u>
OTHER FINANCING USES:				
Transfers out	(112,360)	(112,360)	(112,360)	-
TOTAL OTHER FINANCING USES	<u>(112,360)</u>	<u>(112,360)</u>	<u>(112,360)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	3,891,979	<u>\$ 3,891,979</u>
FUND BALANCE - BEGINNING OF YEAR	<u>27,537,627</u>	<u>27,537,627</u>	<u>27,537,627</u>	
FUND BALANCE - END OF YEAR	<u>\$ 27,537,627</u>	<u>\$ 27,537,627</u>	<u>\$ 31,429,606</u>	

City of Folsom

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

Budgetary Data

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

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

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

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OTHER SUPPLEMENTARY INFORMATION



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

CITY OF FOLSOM, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOLSOM PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Intergovernmental	\$ 9,166,034	\$ 9,166,034	\$ 1,624,582	\$ (7,541,452)
Investment income (loss)	161	161	(1,362,631)	(1,362,792)
Total revenues	<u>9,166,195</u>	<u>9,166,195</u>	<u>261,951</u>	<u>(8,904,244)</u>
EXPENDITURES				
General Government	-	-	161	(161)
Debt service:				
Principal	7,223,500	7,223,500	5,543,500	1,680,000
Interest and fiscal charges	1,851,327	1,851,327	1,403,507	447,820
Total expenditures	<u>9,074,827</u>	<u>9,074,827</u>	<u>6,947,168</u>	<u>2,127,659</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>91,368</u>	<u>91,368</u>	<u>(6,685,217)</u>	<u>(6,776,585)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>199,519</u>	<u>199,519</u>	<u>-</u>	<u>(199,519)</u>
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>(91,368)</u>	<u>(91,368)</u>	<u>(9,325,000)</u>	<u>(9,233,632)</u>
NET CHANGE IN FUND BALANCE	-	-	(16,010,217)	<u><u>\$ (16,010,217)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>120,642,943</u>	<u>120,642,943</u>	<u>64,290,369</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 120,642,943</u></u>	<u><u>\$ 120,642,943</u></u>	<u><u>\$ 48,280,152</u></u>	

Refer to Note to Other Supplementary Information

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, 2021

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 3,904,669	\$ 3,904,669	\$ 3,641,102	\$ (263,567)
Investment income (loss)	-	-	17,219,317	17,219,317
Total revenues	<u>3,904,669</u>	<u>3,904,669</u>	<u>20,860,419</u>	<u>16,955,750</u>
EXPENDITURES				
Debt service:				
Principal	435,000	435,000	435,000	-
Interest and fiscal charges	3,469,669	3,469,669	3,641,102	(171,433)
Total expenditures	<u>3,904,669</u>	<u>3,904,669</u>	<u>4,076,102</u>	<u>(171,433)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>16,784,317</u>	<u>16,784,317</u>
OTHER FINANCING USES				
Bond issuance	-	-	24,740,000	24,740,000
Bond (discount)/Premium	-	-	1,769,349	
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>26,509,349</u>	<u>26,509,349</u>
NET CHANGE IN FUND BALANCE	-	-	43,293,666	<u>\$ 43,293,666</u>
FUND BALANCE - BEGINNING OF YEAR	<u>90,104,277</u>	<u>90,104,277</u>	<u>90,104,277</u>	
FUND BALANCE - END OF YEAR	<u>\$ 90,104,277</u>	<u>\$ 90,104,277</u>	<u>\$ 133,397,943</u>	

Refer to Note to Other Supplementary Information

City of Folsom

NOTE TO OTHER SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

Fund	Expenditures in excess of appropriations
Folsom Ranch Financing Authority Debt Service Fund	\$ 171,433

**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.

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CITY OF FOLSOM, CALIFORNIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 17,397,951	\$ 1,615,463	\$ 31,298,610	\$ 452,584	\$ 50,764,608
Cash with fiscal agent	-	-	199,138	-	199,138
Receivables					
General accounts	63,453	-	525,852	-	589,305
Accrued interest	48,938	4,723	68,497	1,354	123,512
Loans	3,752,551	-	-	-	3,752,551
Special assessments - delinquent	-	41,329	-	-	41,329
Due from other governments	575,978	-	-	-	575,978
Restricted assets:					
Cash and cash equivalents	328,364	-	-	-	328,364
Total assets	<u>\$ 22,167,235</u>	<u>\$ 1,661,515</u>	<u>\$ 32,092,097</u>	<u>\$ 453,938</u>	<u>\$ 56,374,785</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 834,414	\$ 41,329	\$ 515,917	\$ -	\$ 1,391,660
Due to other funds	1,143,546	-	400,389	-	1,543,935
Loan Payable	-	-	70,000	-	70,000
Unearned revenue	862,673	-	-	-	862,673
Total liabilities	<u>2,840,633</u>	<u>41,329</u>	<u>986,306</u>	<u>-</u>	<u>3,868,268</u>
FUND BALANCES:					
Nonspendable	-	-	-	452,584	452,584
Restricted	11,749,472	1,253,949	31,354,458	1,354	44,359,233
Committed	5,785,155	-	-	-	5,785,155
Assigned	2,978,935	366,237	148,212	-	3,493,384
Unassigned	(1,186,960)	-	(396,879)	-	(1,583,839)
Total fund balances	<u>19,326,602</u>	<u>1,620,186</u>	<u>31,105,791</u>	<u>453,938</u>	<u>52,506,517</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 22,167,235</u>	<u>\$ 1,661,515</u>	<u>\$ 32,092,097</u>	<u>\$ 453,938</u>	<u>\$ 56,374,785</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES:					
Licenses and permits	\$ 7,676	\$ -	\$ -	\$ -	\$ 7,676
Intergovernmental revenues	3,618,205	-	-	-	3,618,205
Charges for current services	4,782,859	-	12,832,797	-	17,615,656
Fines and forfeitures	50,856	-	-	-	50,856
Assessment collections	-	609	-	-	609
Investment income (loss)	205,910	18,294	205,294	5,247	434,745
Miscellaneous	59,579	-	11,487	-	71,066
Total revenues	<u>8,725,085</u>	<u>18,903</u>	<u>13,049,578</u>	<u>5,247</u>	<u>21,798,813</u>
EXPENDITURES:					
Current:					
General government	559,557	2,000	-	-	561,557
Public safety	154,068	-	-	-	154,068
Public ways and facilities	3,143,764	-	3,105,219	-	6,248,983
Culture and recreation	50,229	-	-	1,408	51,637
Capital outlay	526,575	-	59,266	-	585,841
Total expenditures	<u>4,434,193</u>	<u>2,000</u>	<u>3,164,485</u>	<u>1,408</u>	<u>7,602,086</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,290,892</u>	<u>16,903</u>	<u>9,885,093</u>	<u>3,839</u>	<u>14,196,727</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	59,000	-	34	-	59,034
Transfers out	(1,693,031)	-	(204,519)	(698)	(1,898,248)
Total other financing sources (uses)	<u>(1,634,031)</u>	<u>-</u>	<u>(204,485)</u>	<u>(698)</u>	<u>(1,839,214)</u>
NET CHANGE IN FUND BALANCES	2,656,861	16,903	9,680,608	3,141	12,357,513
FUND BALANCES, BEGINNING OF YEAR	<u>16,669,741</u>	<u>1,603,283</u>	<u>21,425,183</u>	<u>450,797</u>	<u>40,149,004</u>
FUND BALANCES, END OF YEAR	<u>\$ 19,326,602</u>	<u>\$ 1,620,186</u>	<u>\$ 31,105,791</u>	<u>\$ 453,938</u>	<u>\$ 52,506,517</u>

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.
CFD #23 A1 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, 2021

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Traffic Congestion Relief
ASSETS				
Cash and cash equivalents	\$ 730,602	\$ 126,525	\$ 2,450,981	\$ 98,580
Receivables				
General accounts	-	-	-	-
Accrued interest	1,401	545	7,471	361
Loans	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	36,000	-	-
Total assets	\$ 732,003	\$ 163,070	\$ 2,458,452	\$ 98,941
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 103,072	\$ -	\$ 7,485	\$ -
Due to other funds	-	-	-	-
Unearned revenue	672,345	-	-	-
Total liabilities	775,417	-	7,485	-
 FUND BALANCES				
Restricted		163,070	-	98,941
Committed	-	-	2,450,967	-
Assigned		-	-	-
Unassigned	(43,414)	-	-	-
Total fund balances (deficit)	(43,414)	163,070	2,450,967	98,941
Total liabilities and fund balances (deficit)	\$ 732,003	\$ 163,070	\$ 2,458,452	\$ 98,941

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
\$ 3,259,828	\$ 6,916,333	\$ 123,883	\$ 57,459	ASSETS
				Cash and cash equivalents
				Receivables
-	-	-	62,317	General accounts
8,356	19,420	398	129	Accrued interest
-	-	-	82,227	Loans
196,171	379,807	-	-	Due from other governments
				Restricted assets:
251,498	-	25,865	-	Cash and cash equivalents
<u>\$ 3,715,853</u>	<u>\$ 7,315,560</u>	<u>\$ 150,146</u>	<u>\$ 202,132</u>	Total assets

LIABILITIES AND FUND BALANCE

LIABILITIES

\$ 346,559	\$ 352,873	\$ -	\$ 8,470	Accounts payable
-	-	-	-	Due to other funds
-	-	-	-	Unearned revenue
<u>346,559</u>	<u>352,873</u>	<u>-</u>	<u>8,470</u>	Total liabilities

FUND BALANCES

3,369,294	6,962,687	-	193,662	Restricted
-	-	150,146	-	Committed
-	-	-	-	Assigned
-	-	-	-	Unassigned
<u>3,369,294</u>	<u>6,962,687</u>	<u>150,146</u>	<u>193,662</u>	Total fund balances (deficit)
<u>\$ 3,715,853</u>	<u>\$ 7,315,560</u>	<u>\$ 150,146</u>	<u>\$ 202,132</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, 2021

	Humbug Willow Creek	General Plan Amendment	Tree Planting
ASSETS			
Cash and cash equivalents	\$ -	\$ 169,675	\$ 1,048,423
Receivables			
General accounts	-	-	-
Accrued interest	-	239	3,268
Loans	-	-	-
Due from other governments	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ -	\$ 169,914	\$ 1,051,691
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 15,816
Due to other funds	1,143,546	-	-
Unearned revenue	-	-	-
Total liabilities	1,143,546	-	15,816
 FUND BALANCES			
Restricted	-	169,914	-
Committed	-	-	1,035,875
Assigned	-	-	-
Unassigned	(1,143,546)	-	-
Total fund balances (deficit)	(1,143,546)	169,914	1,035,875
Total liabilities and fund balances (deficit)	\$ -	\$ 169,914	\$ 1,051,691

Zoo	Other	Total Nonmajor Special Revenue Funds
\$ 124,763	\$ 2,290,899	\$ 17,397,951
-	1,136	63,453
400	6,950	48,938
-	3,670,324	3,752,551
-	-	575,978
-	15,001	328,364
<u>\$ 125,163</u>	<u>\$ 5,984,310</u>	<u>\$ 22,167,235</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

\$ -	\$ 139	\$ 834,414
-	-	1,143,546
-	190,328	862,673
-	190,467	2,840,633

Accounts payable
Due to other funds
Unearned revenue
Total liabilities

FUND BALANCES

125,163	666,741	11,749,472
-	2,148,167	5,785,155
-	2,978,935	2,978,935
-	-	(1,186,960)
<u>125,163</u>	<u>5,793,843</u>	<u>19,326,602</u>
<u>\$ 125,163</u>	<u>\$ 5,984,310</u>	<u>\$ 22,167,235</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, 2021

	Planning Services	Transportation Tax	Park Dedication (Quimby)	Traffic Congestion Relief
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	59,494	-	-
Charges for current services	462,330	-	730	-
Fines and forfeitures	-	-	-	-
Interest	5,503	2,459	28,409	1,354
Miscellaneous	-	-	-	-
Total revenues	<u>467,833</u>	<u>61,953</u>	<u>29,139</u>	<u>1,354</u>
EXPENDITURES:				
Current:				
General government	512,681	-	39,275	-
Public safety	-	-	-	-
Public ways and facilities	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>512,681</u>	<u>-</u>	<u>39,275</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(44,848)</u>	<u>61,953</u>	<u>(10,136)</u>	<u>1,354</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(9,503)	(133,990)	(3,783)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,503)</u>	<u>(133,990)</u>	<u>(3,783)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(54,351)	(72,037)	(13,919)	1,354
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>10,937</u>	<u>235,107</u>	<u>2,464,886</u>	<u>97,587</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (43,414)</u>	<u>\$ 163,070</u>	<u>\$ 2,450,967</u>	<u>\$ 98,941</u>

<u>Gas Tax</u>	<u>Light and Landscape Districts</u>	<u>Transportation System Management</u>	<u>Community Development Block Grant</u>	
\$ -	\$ -	\$ -	\$ -	REVENUES:
3,314,140	-	-	189,711	Licenses and permits
-	3,973,348	29,926	129	Intergovernmental
-	-	-	-	Charges for current services
29,018	81,940	1,479	140	Fines and forfeitures
-	1,350	-	-	Interest
-	-	-	-	Miscellaneous
<u>3,343,158</u>	<u>4,056,638</u>	<u>31,405</u>	<u>189,980</u>	Total revenues
-	-	-	-	EXPENDITURES:
-	-	-	-	Current:
-	-	-	-	General government
13,160	2,940,690	-	157,482	Public safety
-	-	-	-	Public ways and facilities
526,575	-	-	-	Culture and recreation
-	-	-	-	Capital Outlay
<u>539,735</u>	<u>2,940,690</u>	<u>-</u>	<u>157,482</u>	Total expenditures
<u>2,803,423</u>	<u>1,115,948</u>	<u>31,405</u>	<u>32,498</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	-	OTHER FINANCING SOURCES (USES):
(834,798)	(457,035)	(457)	(3,457)	Transfers in
-	-	-	-	Transfers out
<u>(834,798)</u>	<u>(457,035)</u>	<u>(457)</u>	<u>(3,457)</u>	TOTAL OTHER FINANCING SOURCES (USES)
1,968,625	658,913	30,948	29,041	NET CHANGE IN FUND BALANCES
<u>1,400,669</u>	<u>6,303,774</u>	<u>119,198</u>	<u>164,621</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 3,369,294</u>	<u>\$ 6,962,687</u>	<u>\$ 150,146</u>	<u>\$ 193,662</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, 2021

	Humbug Willow Creek	General Plan Amendment	Tree Planting
REVENUES:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	54,860	-	-
Charges for current services	17,264	114,678	178,077
Fines and forfeitures	-	-	-
Interest	-	1,483	13,245
Miscellaneous	300	-	-
Total revenues	72,424	116,161	191,322
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	31,122
Culture and recreation	30,308	-	-
Capital Outlay	-	-	-
Total expenditures	30,308	-	31,122
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	42,116	116,161	160,200
OTHER FINANCING SOURCES (USES):			
Transfers in	59,000	-	-
Transfers out	(79,472)	(3,034)	(161,983)
TOTAL OTHER FINANCING SOURCES (USES)	(20,472)	(3,034)	(161,983)
NET CHANGE IN FUND BALANCES	21,644	113,127	(1,783)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(1,165,190)	56,787	1,037,658
FUND BALANCES (DEFICIT), END OF YEAR	\$ (1,143,546)	\$ 169,914	\$ 1,035,875

<u>Zoo</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>	
			REVENUES:
\$ -	\$ 7,676	\$ 7,676	Licenses and permits
-	-	3,618,205	Intergovernmental
-	6,377	4,782,859	Charges for current services
-	50,856	50,856	Fines and forfeitures
1,414	39,466	205,910	Interest
<u>13,200</u>	<u>44,729</u>	<u>59,579</u>	Miscellaneous
<u>14,614</u>	<u>149,104</u>	<u>8,725,085</u>	Total revenues
			EXPENDITURES:
			Current:
-	7,601	559,557	General government
-	154,068	154,068	Public safety
-	1,310	3,143,764	Public ways and facilities
14,128	5,793	50,229	Culture and recreation
<u>-</u>	<u>-</u>	<u>526,575</u>	Capital Outlay
<u>14,128</u>	<u>168,772</u>	<u>4,434,193</u>	Total expenditures
<u>486</u>	<u>(19,668)</u>	<u>4,290,892</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
			OTHER FINANCING SOURCES (USES):
-	-	59,000	Transfers in
<u>(246)</u>	<u>(5,273)</u>	<u>(1,693,031)</u>	Transfers out
<u>(246)</u>	<u>(5,273)</u>	<u>(1,634,031)</u>	TOTAL OTHER FINANCING SOURCES (USES)
240	(24,941)	2,656,861	NET CHANGE IN FUND BALANCES
<u>124,923</u>	<u>5,818,784</u>	<u>16,669,741</u>	FUND BALANCES (DEFICIT), BEGINNING OF YEAR
<u>\$ 125,163</u>	<u>\$ 5,793,843</u>	<u>\$ 19,326,602</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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Charges for current services	\$ 181,503	\$ 523,646	\$ 462,330	\$ (61,316)
Interest	<u>8,000</u>	<u>8,000</u>	<u>5,503</u>	<u>(2,497)</u>
Total revenues	<u>189,503</u>	<u>531,646</u>	<u>467,833</u>	<u>(63,813)</u>
EXPENDITURES				
Current operating:				
General government	<u>180,000</u>	<u>522,143</u>	<u>512,681</u>	<u>9,462</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,503</u>	<u>9,503</u>	<u>(44,848)</u>	<u>(54,351)</u>
OTHER FINANCING USES				
Transfers out	<u>(9,503)</u>	<u>(9,503)</u>	<u>(9,503)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(54,351)	<u>\$ (54,351)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>10,937</u>	<u>10,937</u>	<u>10,937</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ 10,937</u>	<u>\$ 10,937</u>	<u>\$ (43,414)</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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 59,494	\$ (55,506)
Other	53,000	53,000	-	(53,000)
Interest	<u>2,000</u>	<u>2,000</u>	<u>2,459</u>	<u>459</u>
Total revenues	<u>170,000</u>	<u>170,000</u>	<u>61,953</u>	<u>(108,047)</u>
EXPENDITURES:				
Current operating:				
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>160,000</u>	<u>160,000</u>	<u>61,953</u>	<u>(98,047)</u>
OTHER FINANCING USES				
Transfers out	<u>(160,000)</u>	<u>(160,000)</u>	<u>(133,990)</u>	<u>26,010</u>
NET CHANGE IN FUND BALANCE	-	-	(72,037)	<u><u>\$ (72,037)</u></u>
FUND BALANCE - BEGINNING OF YEAR	<u>235,107</u>	<u>235,107</u>	<u>235,107</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 235,107</u></u>	<u><u>\$ 235,107</u></u>	<u><u>\$ 163,070</u></u>	

**CITY OF FOLSOM, CALIFORNIA
PARK DEDICATION (QUIMBY) SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for current services	\$ 50,000	\$ 50,000	\$ 730	\$ (49,270)
Interest	20,000	20,000	28,409	8,409
Miscellaneous	<u>128,783</u>	<u>128,783</u>	<u>-</u>	<u>(128,783)</u>
Total revenues	<u>198,783</u>	<u>198,783</u>	<u>29,139</u>	<u>(169,644)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	<u>50,000</u>	<u>50,000</u>	<u>39,275</u>	<u>10,725</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>148,783</u>	<u>148,783</u>	<u>(10,136)</u>	<u>(158,919)</u>
OTHER FINANCING USES				
Transfers out	<u>(148,783)</u>	<u>(148,783)</u>	<u>(3,783)</u>	<u>145,000</u>
NET CHANGE IN FUND BALANCE	-	-	(13,919)	<u>\$ (13,919)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,464,886</u>	<u>2,464,886</u>	<u>2,464,886</u>	
FUND BALANCE - END OF YEAR	<u>\$ 2,464,886</u>	<u>\$ 2,464,886</u>	<u>\$ 2,450,967</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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	<u>-</u>	<u>-</u>	<u>1,354</u>	<u>1,354</u>
Total revenues	<u>-</u>	<u>-</u>	<u>1,354</u>	<u>1,354</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,354</u>	<u>1,354</u>
NET CHANGE IN FUND BALANCE	-	-	1,354	<u>\$ 1,354</u>
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>97,587</u>	
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,941</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$3,530,686	\$ 3,530,686	\$3,314,140	\$ (216,546)
Interest	45,500	45,500	29,018	(16,482)
Miscellaneous	325,518	559,950	-	(559,950)
Total revenues	<u>3,901,704</u>	<u>4,136,136</u>	<u>3,343,158</u>	<u>(792,978)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	-	-	13,160	(13,160)
Capital Outlay	2,105,000	2,339,432	526,575	1,812,857
Total expenditures	2,105,000	2,339,432	539,735	1,799,697
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,796,704</u>	<u>1,796,704</u>	<u>2,803,423</u>	<u>1,006,719</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,796,704)</u>	<u>(1,796,704)</u>	<u>(834,798)</u>	<u>961,906</u>
NET CHANGE IN FUND BALANCE	-	-	1,968,625	<u>\$ 1,968,625</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,400,669</u>	<u>1,400,669</u>	<u>1,400,669</u>	
FUND BALANCE - END OF YEAR	<u>\$1,400,669</u>	<u>\$ 1,400,669</u>	<u>\$3,369,294</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 3,575,100	\$ 3,575,100	\$ 3,973,348	\$ 398,248
Interest	105,400	105,400	81,940	(23,460)
Miscellaneous	326,826	326,826	1,350	(325,476)
Total revenues	<u>4,007,326</u>	<u>4,007,326</u>	<u>4,056,638</u>	<u>49,312</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>3,551,910</u>	<u>3,551,910</u>	<u>2,940,690</u>	<u>611,220</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>455,416</u>	<u>455,416</u>	<u>1,115,948</u>	<u>660,532</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(455,416)</u>	<u>(455,416)</u>	<u>(457,035)</u>	<u>(1,619)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(455,416)</u>	<u>(455,416)</u>	<u>(457,035)</u>	<u>(1,619)</u>
NET CHANGE IN FUND BALANCE	-	-	658,913	<u>\$ 658,913</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,303,774</u>	<u>6,303,774</u>	<u>6,303,774</u>	
FUND BALANCE - END OF YEAR	<u>\$ 6,303,774</u>	<u>\$ 6,303,774</u>	<u>\$ 6,962,687</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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Charges for current services	\$ 25,000	\$ 25,000	\$ 29,926	\$ 4,926
Interest	1,500	1,500	1,479	(21)
Other	<u>3,957</u>	<u>3,957</u>	<u>-</u>	<u>(3,957)</u>
Total revenues	<u>30,457</u>	<u>30,457</u>	<u>31,405</u>	<u>948</u>
EXPENDITURES:				
Capital Outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>457</u>	<u>457</u>	<u>31,405</u>	<u>30,948</u>
OTHER FINANCING USES:				
Transfers out	<u>(457)</u>	<u>(457)</u>	<u>(457)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	30,948	<u>\$ 30,948</u>
FUND BALANCE - BEGINNING OF YEAR	<u>119,198</u>	<u>119,198</u>	<u>119,198</u>	
FUND BALANCE - END OF YEAR	<u>\$ 119,198</u>	<u>\$ 119,198</u>	<u>\$ 150,146</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 165,000	\$ 165,000	\$ 189,711	\$ 24,711
Charges for current services	-	-	129	129
Interest	1,200	1,200	140	(1,060)
Miscellaneous	2,257	2,257	-	(2,257)
Total revenues	<u>168,457</u>	<u>168,457</u>	<u>189,980</u>	<u>21,523</u>
EXPENDITURES:				
Current Operating:				
Public ways and facilities	<u>165,000</u>	<u>165,000</u>	<u>157,482</u>	<u>7,518</u>
Total expenditures	<u>165,000</u>	<u>165,000</u>	<u>157,482</u>	<u>7,518</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,457</u>	<u>3,457</u>	<u>32,498</u>	<u>29,041</u>
OTHER FINANCING USES:				
Transfers out	<u>(3,457)</u>	<u>(3,457)</u>	<u>(3,457)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	29,041	<u>\$ 29,041</u>
FUND BALANCE - BEGINNING OF YEAR	<u>164,621</u>	<u>164,621</u>	<u>164,621</u>	
FUND BALANCE - END OF YEAR	<u>\$ 164,621</u>	<u>\$ 164,621</u>	<u>\$ 193,662</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 54,860	\$ 54,860
Charges for current services	87,790	87,790	17,264	(70,526)
Miscellaneous	<u>(8,318)</u>	<u>1,027,611</u>	<u>300</u>	<u>(1,027,311)</u>
Total revenues	<u>79,472</u>	<u>1,115,401</u>	<u>72,424</u>	<u>(1,042,977)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	-	-	30,308	(30,308)
Capital outlay	<u>-</u>	<u>1,035,929</u>	<u>-</u>	<u>1,035,929</u>
Total expenditures	<u>-</u>	<u>1,035,929</u>	<u>30,308</u>	<u>1,005,621</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>79,472</u>	<u>79,472</u>	<u>42,116</u>	<u>(37,356)</u>
OTHER FINANCING USES:				
Transfers in	-	-	59,000	59,000
Transfers out	<u>(79,472)</u>	<u>(79,472)</u>	<u>(79,472)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	21,644	21,644
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(1,165,190)</u>	<u>(1,165,190)</u>	<u>(1,165,190)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$(1,165,190)</u></u>	<u><u>\$(1,165,190)</u></u>	<u><u>\$(1,143,546)</u></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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 80,000	\$ 80,000	\$ 114,678	\$ 34,678
Interest	500	500	1,483	983
Miscellaneous	<u>(27,466)</u>	<u>(27,466)</u>	<u>-</u>	<u>27,466</u>
Total revenues	<u>53,034</u>	<u>53,034</u>	<u>116,161</u>	<u>63,127</u>
EXPENDITURES:				
Current operating:				
General government	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>3,034</u>	<u>3,034</u>	<u>116,161</u>	<u>113,127</u>
OTHER FINANCING USES:				
Transfers out	<u>(3,034)</u>	<u>(3,034)</u>	<u>(3,034)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	113,127	<u>\$ 113,127</u>
FUND BALANCE - BEGINNING OF YEAR	<u>56,787</u>	<u>56,787</u>	<u>56,787</u>	
FUND BALANCE - END OF YEAR	<u>\$ 56,787</u>	<u>\$ 56,787</u>	<u>\$ 169,914</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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Charges for current services	\$ 125,000	\$ 125,000	\$ 178,077	53,077
Interest	18,000	18,000	13,245	(4,755)
Miscellaneous	<u>287,972</u>	<u>287,972</u>	<u>-</u>	<u>(287,972)</u>
Total revenues	<u>430,972</u>	<u>430,972</u>	<u>191,322</u>	<u>(239,650)</u>
EXPENDITURES:				
Current operating:				
Public ways and facilities	<u>260,000</u>	<u>260,000</u>	<u>31,122</u>	<u>228,878</u>
Total expenditures	<u>260,000</u>	<u>260,000</u>	<u>31,122</u>	<u>228,878</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>170,972</u>	<u>170,972</u>	<u>160,200</u>	<u>(10,772)</u>
OTHER FINANCING USES:				
Transfers out	<u>(170,972)</u>	<u>(170,972)</u>	<u>(161,983)</u>	<u>8,989</u>
NET CHANGE IN FUND BALANCE	-	-	(1,783)	<u>\$ (1,783)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,037,658</u>	<u>1,037,658</u>	<u>1,037,658</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,037,658</u>	<u>\$ 1,037,658</u>	<u>\$ 1,035,875</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for current services	\$ 22,000	\$ 22,000	\$ -	\$ (22,000)
Interest	2,000	2,000	1,414	(586)
Miscellaneous	136,246	136,246	13,200	(123,046)
Total revenues	<u>160,246</u>	<u>160,246</u>	<u>14,614</u>	<u>(145,632)</u>
EXPENDITURES:				
Current operating:				
Culture and recreation	160,000	160,000	14,128	145,872
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>14,128</u>	<u>145,872</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>246</u>	<u>246</u>	<u>486</u>	<u>240</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(246)</u>	<u>(246)</u>	<u>(246)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(246)</u>	<u>(246)</u>	<u>(246)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	240	<u>\$ 240</u>
FUND BALANCE - BEGINNING OF YEAR	<u>124,923</u>	<u>124,923</u>	<u>124,923</u>	
FUND BALANCE - END OF YEAR	<u>\$ 124,923</u>	<u>\$ 124,923</u>	<u>\$ 125,163</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Licenses and permits	\$ 5,500	\$ 5,500	\$ 7,676	\$ 2,176
Charges for current services	50,000	50,000	6,377	(43,623)
Fines and forfeitures	50,000	50,000	50,856	856
Interest	26,800	26,800	39,466	12,666
Miscellaneous	47,973	47,973	44,729	(3,244)
Total revenues	180,273	180,273	149,104	(31,169)
EXPENDITURES:				
Current operating:				
General government	5,000	5,000	7,601	(2,601)
Public safety	50,000	50,000	154,068	(104,068)
Public ways and facilities	100,000	100,000	1,310	98,690
Culture and recreation	20,000	20,000	5,793	14,207
Total expenditures	175,000	175,000	168,772	6,228
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,273	5,273	(19,668)	(24,941)
OTHER FINANCING USES:				
Transfers out	(5,273)	(5,273)	(5,273)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,273)	(5,273)	(5,273)	-
NET CHANGE IN FUND BALANCE	-	-	(24,941)	\$ (24,941)
FUND BALANCE - BEGINNING OF YEAR	5,818,784	5,818,784	5,818,784	
FUND BALANCE - END OF YEAR	\$ 5,818,784	\$ 5,818,784	\$ 5,793,843	

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, 2021

	1915 Assessment Districts	Community Correctional Facility	City Parks and Signals
ASSETS			
Cash and cash equivalents	\$ 1,113,751	\$ 313,434	\$ 51,715
Receivables:			
Accrued interest	3,322	934	154
Special assessments - delinquent	41,329	-	-
Due from other governments	-	-	-
Total assets	\$ 1,158,402	\$ 314,368	\$ 51,869
LIABILITIES:			
Accounts payable	\$ 41,329	\$ -	\$ -
Total deferred inflows of resources	41,329	-	-
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	1,117,073	-	-
Committed	-	-	-
Assigned	-	314,368	51,869
Unassigned	-	-	-
Total fund balances	1,117,073	314,368	51,869
Total deferred inflows and fund balances	\$ 1,158,402	\$ 314,368	\$ 51,869

<u>General Obligation School Facilities</u>	<u>Recreation Facility</u>	<u>Total Nonmajor Debt Service Funds</u>	
ASSETS			
\$ 49,551	\$ 87,012	\$ 1,615,463	Cash and cash equivalents
			Receivables:
150	163	4,723	Accrued interest
-	-	41,329	Special assessments - delinquent
-	-	-	Due from other governments
<u>\$ 49,701</u>	<u>\$ 87,175</u>	<u>\$ 1,661,515</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:			
-	-	-	Nonspendable
49,701	87,175	1,253,949	Restricted
-	-	-	Committed
-	-	366,237	Assigned
<u>-</u>	<u>-</u>	<u>-</u>	Unassigned
<u>49,701</u>	<u>87,175</u>	<u>1,620,186</u>	Total fund balances
<u>\$ 49,701</u>	<u>\$ 87,175</u>	<u>\$ 1,661,515</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, 2021

	<u>1915 Assessment Districts</u>	<u>Community Correctional Facility</u>	<u>City Parks and Signals</u>
REVENUES:			
Assessment collections	\$ -	\$ -	\$ -
Investment income (loss)	<u>12,889</u>	<u>3,629</u>	<u>599</u>
Total revenues	<u>12,889</u>	<u>3,629</u>	<u>599</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>12,889</u>	<u>3,629</u>	<u>599</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	12,889	3,629	599
FUND BALANCES, BEGINNING OF YEAR	<u>1,104,184</u>	<u>310,739</u>	<u>51,270</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,117,073</u>	<u>\$ 314,368</u>	<u>\$ 51,869</u>

General Obligation School Facilities	Recreation Facility	Total Nonmajor Debt Service Funds	
			REVENUES:
\$ 609	\$ -	\$ 609	Assessment collections
<u>555</u>	<u>622</u>	<u>18,294</u>	Investment income (loss)
<u>1,164</u>	<u>622</u>	<u>18,903</u>	Total revenues
			EXPENDITURES:
<u>-</u>	<u>-</u>	<u>-</u>	Debt service:
			Interest and fiscal charges
<u>-</u>	<u>2,000</u>	<u>2,000</u>	Total expenditures
<u>1,164</u>	<u>(1,378)</u>	<u>16,903</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			OTHER FINANCING SOURCES (USES):
<u>-</u>	<u>-</u>	<u>-</u>	Transfers Out
<u>-</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
1,164	(1,378)	16,903	NET CHANGE IN FUND BALANCES
<u>48,537</u>	<u>88,553</u>	<u>1,603,283</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 49,701</u>	<u>\$ 87,175</u>	<u>\$ 1,620,186</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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Miscellaneous	\$ 12,500	\$ 12,500	\$ -	\$ (12,500)
Interest	12,500	12,500	12,889	389
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>12,889</u>	<u>(12,111)</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>25,000</u>	<u>25,000</u>	<u>12,889</u>	<u>(12,111)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	25,000	25,000	12,889	<u>\$ (12,111)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,104,184</u>	<u>1,104,184</u>	<u>1,104,184</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,129,184</u>	<u>\$ 1,129,184</u>	<u>\$ 1,117,073</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	3,629	3,629
Total revenues	-	-	3,629	3,629
EXPENDITURES				
General Government	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	3,629	3,629
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	3,629	<u>\$ 3,629</u>
FUND BALANCE - BEGINNING OF YEAR	310,739	310,739	310,739	
FUND BALANCE - END OF YEAR	<u>\$ 310,739</u>	<u>\$ 310,739</u>	<u>\$ 314,368</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 599	\$ 599
Miscellaneous	-	-	-	-
Total revenues	-	-	599	599
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	599	599
OTHER FINANCING USES				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	599	<u>\$ 599</u>
FUND BALANCE - BEGINNING OF YEAR	51,270	51,270	51,270	
FUND BALANCE - END OF YEAR	<u>\$ 51,270</u>	<u>\$ 51,270</u>	<u>\$ 51,869</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Assessment collections	\$ -	\$ -	\$ 609	\$ 609
Interest	300	300	555	255
Miscellaneous	(300)	(300)	-	300
Total revenues	-	-	1,164	1,164
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,164	1,164
OTHER FINANCING USES				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	1,164	<u>\$ 1,164</u>
FUND BALANCE - BEGINNING OF YEAR	48,537	48,537	48,537	
FUND BALANCE - END OF YEAR	<u>\$ 48,537</u>	<u>\$ 48,537</u>	<u>\$ 49,701</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, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 622	\$ 622
Total revenues	-	-	622	622
EXPENDITURES				
General Government	-	-	2,000	(2,000)
Total expenditures	-	-	2,000	(2,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,378)	(1,378)
OTHER FINANCING USES				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	(1,378)	<u>\$ (1,378)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>88,553</u>	<u>88,553</u>	<u>88,553</u>	
FUND BALANCE - END OF YEAR	<u>\$ 88,553</u>	<u>\$ 88,553</u>	<u>\$ 87,175</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.

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021**

	<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	\$ 339	\$ 2,303,934	\$ 148,172	\$ 4,948,946	\$ 1,057,580	\$ -
Cash with fiscal agent	-	199,138	-	-	-	-
Receivables:						
General accounts	-	-	-	415,417	-	-
Accrued interest	<u>1</u>	<u>6,988</u>	<u>460</u>	<u>14,307</u>	<u>3,008</u>	<u>3,510</u>
Total assets	<u>\$ 340</u>	<u>\$ 2,510,060</u>	<u>\$ 148,632</u>	<u>\$ 5,378,670</u>	<u>\$ 1,060,588</u>	<u>\$ 3,510</u>
 LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ 419,000	\$ -	\$ -
Due to other funds	-	-	-	-	-	400,389
Loan Payable	-	-	-	<u>70,000</u>	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,000</u>	<u>-</u>	<u>400,389</u>
 FUND BALANCE						
Restricted	-	2,510,060	148,632	4,892,551	1,060,588	-
Assigned	340	-	-	-	-	-
Unassigned	-	-	-	<u>(2,881)</u>	-	<u>(396,879)</u>
Total fund balances	<u>340</u>	<u>2,510,060</u>	<u>148,632</u>	<u>4,889,670</u>	<u>1,060,588</u>	<u>(396,879)</u>
Total liabilities and fund balance	<u>\$ 340</u>	<u>\$ 2,510,060</u>	<u>\$ 148,632</u>	<u>\$ 5,378,670</u>	<u>\$ 1,060,588</u>	<u>\$ 3,510</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
\$ 18,496,421	\$ 830,780	\$ -	\$ 1,835,035	\$ 516,419	\$ 990,764	\$ 76,421	Cash and cash equivalents
-	-	-	-	-	-	-	Cash with fiscal agent
-	110,435	-	-	-	-	-	Receivables:
30,146	2,931	-	2,834	664	3,137	228	General accounts
							Accrued interest
<u>\$ 18,526,567</u>	<u>\$ 944,146</u>	<u>\$ -</u>	<u>\$ 1,837,869</u>	<u>\$ 517,083</u>	<u>\$ 993,901</u>	<u>\$ 76,649</u>	Total assets
							LIABILITIES AND FUND BALANCES
							LIABILITIES:
\$ 20,450	\$ 32,892	\$ -	\$ -	\$ -	\$ 43,575	\$ -	Accounts payable
-	-	-	-	-	-	-	Due to other funds
-	-	-	-	-	-	-	Loan Payable
<u>20,450</u>	<u>32,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,575</u>	<u>-</u>	Total liabilities
							FUND BALANCE
18,506,117	911,254	-	1,837,869	517,083	950,326	-	Restricted
-	-	-	-	-	-	76,649	Assigned
-	-	-	-	-	-	-	Unassigned
<u>18,506,117</u>	<u>911,254</u>	<u>-</u>	<u>1,837,869</u>	<u>517,083</u>	<u>950,326</u>	<u>76,649</u>	Total fund balances
<u>\$ 18,526,567</u>	<u>\$ 944,146</u>	<u>\$ -</u>	<u>\$ 1,837,869</u>	<u>\$ 517,083</u>	<u>\$ 993,901</u>	<u>\$ 76,649</u>	Total liabilities and fund balances

CITY OF FOLSOM, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021**

	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS			
Cash and cash equivalents	\$ 71,011	\$ 19,907	\$ 31,295,729
Cash with fiscal agent	-	-	199,138
Receivables:			
General accounts	-	-	525,852
Accrued interest	<u>212</u>	<u>71</u>	<u>68,497</u>
Total assets	<u>\$ 71,223</u>	<u>\$ 19,978</u>	<u>\$ 32,089,216</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 515,917
Due to other funds	-	-	400,389
Loan Payable	<u>-</u>	<u>-</u>	<u>70,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>986,306</u>
 FUND BALANCE			
Restricted	-	19,978	31,354,458
Assigned	71,223	-	148,212
Unassigned	<u>-</u>	<u>-</u>	<u>(399,760)</u>
Total fund balances	<u>71,223</u>	<u>19,978</u>	<u>31,102,910</u>
Total liabilities and fund balances	<u>\$ 71,223</u>	<u>\$ 19,978</u>	<u>\$ 32,089,216</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, 2021**

	<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>
REVENUES:						
Charges for current services	\$ -	\$ -	\$ -	\$ 530,043	\$ 48,085	\$ 77,107
Interest	3	(7,502)	1,635	27,055	13,505	(12,922)
Miscellaneous	-	-	-	11,487	-	-
Total revenues	<u>3</u>	<u>(7,502)</u>	<u>1,635</u>	<u>568,585</u>	<u>61,590</u>	<u>64,185</u>
EXPENDITURES:						
Public ways and facilities	-	-	-	187,262	43,185	2,008,060
Capital outlay	-	-	-	20,459	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,721</u>	<u>43,185</u>	<u>2,008,060</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3</u>	<u>(7,502)</u>	<u>1,635</u>	<u>360,864</u>	<u>18,405</u>	<u>(1,943,875)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(1,301)	(265)	(21,665)	-	(52,861)
Total other financing sources (uses)	<u>-</u>	<u>(1,301)</u>	<u>(265)</u>	<u>(21,665)</u>	<u>-</u>	<u>(52,861)</u>
NET CHANGE IN FUND BALANCE	3	(8,803)	1,370	339,199	18,405	(1,996,736)
FUND BALANCE, BEGINNING OF YEAR	<u>337</u>	<u>2,518,863</u>	<u>147,262</u>	<u>4,550,471</u>	<u>1,042,183</u>	<u>1,599,857</u>
FUND BALANCE, END OF YEAR	<u>\$ 340</u>	<u>\$ 2,510,060</u>	<u>\$ 148,632</u>	<u>\$ 4,889,670</u>	<u>\$ 1,060,588</u>	<u>\$ (396,879)</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>	
\$ 10,333,235	\$ 71,862	\$ -	\$ 1,064,446	\$ 661,297	\$ 46,722	\$ -	REVENUES:
140,132	10,544	(2)	15,331	2,760	12,872	885	Charges for current services
-	-	-	-	-	-	-	Interest
-	-	-	-	-	-	-	Miscellaneous
<u>10,473,367</u>	<u>82,406</u>	<u>(2)</u>	<u>1,079,777</u>	<u>664,057</u>	<u>59,594</u>	<u>885</u>	Total revenues
280,572	175,029	-	-	281,332	132,660	-	EXPENDITURES:
31,500	7,307	-	-	-	-	-	Public ways and facilities
-	-	-	-	-	-	-	Capital outlay
<u>312,072</u>	<u>182,336</u>	<u>-</u>	<u>-</u>	<u>281,332</u>	<u>132,660</u>	<u>-</u>	Total expenditures
<u>10,161,295</u>	<u>(99,930)</u>	<u>(2)</u>	<u>1,079,777</u>	<u>382,725</u>	<u>(73,066)</u>	<u>885</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
-	-	34	-	-	-	-	OTHER FINANCING SOURCES (USES):
(1,582)	(53,392)	(34)	-	(588)	(72,831)	-	Transfers in
-	-	-	-	-	-	-	Transfers out
<u>(1,582)</u>	<u>(53,392)</u>	<u>-</u>	<u>-</u>	<u>(588)</u>	<u>(72,831)</u>	<u>-</u>	Total other financing sources (uses)
10,159,713	(153,322)	(2)	1,079,777	382,137	(145,897)	885	NET CHANGE IN FUND BALANCE
<u>8,346,404</u>	<u>1,064,576</u>	<u>2</u>	<u>758,092</u>	<u>134,946</u>	<u>1,096,223</u>	<u>75,764</u>	FUND BALANCE, BEGINNING OF YEAR
<u>\$ 18,506,117</u>	<u>\$ 911,254</u>	<u>\$ -</u>	<u>\$ 1,837,869</u>	<u>\$ 517,083</u>	<u>\$ 950,326</u>	<u>\$ 76,649</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, 2021**

	<u>Library Construction</u>	<u>FSPA Infrastructure</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES:			
Charges for current services	\$ -	\$ -	\$ 12,832,797
Interest	822	176	205,294
Miscellaneous	<u>-</u>	<u>-</u>	<u>11,487</u>
Total revenues	<u>822</u>	<u>176</u>	<u>\$13,049,578</u>
EXPENDITURES:			
Public ways and facilities	-	-	3,108,100
Capital outlay	<u>-</u>	<u>-</u>	<u>59,266</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>3,167,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>822</u>	<u>176</u>	<u>\$9,882,212</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	34
Transfers out	<u>-</u>	<u>-</u>	<u>(204,519)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(204,485)</u>
NET CHANGE IN FUND BALANCE	822	176	9,677,727
FUND BALANCE, BEGINNING OF YEAR	<u>70,401</u>	<u>19,802</u>	<u>21,425,183</u>
FUND BALANCE, END OF YEAR	<u>\$ 71,223</u>	<u>\$ 19,978</u>	<u>\$ 31,102,910</u>

PERMANENT FUND

Wetland/Open Space Maintenance:

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

CITY OF FOLSOM, CALIFORNIA

BALANCE SHEET PERMANENT FUND JUNE 30, 2021

	<u>Wetland/ Open space Maintenance</u>
ASSETS	
Cash and cash equivalents	\$ 452,584
Receivables:	
Accrued interest	<u>1,354</u>
Total assets	<u>\$ 453,938</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
 FUND BALANCES	
Nonspendable	452,584
Restricted	<u>1,354</u>
Total fund balances	<u>453,938</u>
Total liabilities and fund balances	<u>\$ 453,938</u>

CITY OF FOLSOM, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - PERMANENT FUND FOR THE YEAR ENDED JUNE 30, 2021

	Wetland/ Open space Maintenance
REVENUES:	
Interest	\$ 5,247
Total revenues	5,247
EXPENDITURES:	
Current:	
Culture and recreation	1,408
Total expenditures	1,408
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,839
OTHER FINANCING SOURCES (USES):	
Transfers out	(698)
TOTAL OTHER FINANCING SOURCES (USES)	(698)
NET CHANGE IN FUND BALANCES	3,141
FUND BALANCES, BEGINNING OF YEAR	450,797
FUND BALANCES, END OF YEAR	\$ 453,938

**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, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Interest	\$ 9,000	\$ 9,000	\$ 5,247	\$ (3,753)
Miscellaneous	<u>1,698</u>	<u>1,698</u>	<u>-</u>	<u>(1,698)</u>
Total revenues	<u>10,698</u>	<u>10,698</u>	<u>5,247</u>	<u>(5,451)</u>
EXPENDITURES				
Current operating:				
General government	<u>10,000</u>	<u>10,000</u>	<u>1,408</u>	<u>8,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>698</u>	<u>698</u>	<u>3,839</u>	<u>3,141</u>
OTHER FINANCING USES				
Transfers out	<u>(698)</u>	<u>(698)</u>	<u>(698)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	3,141	<u>\$ 3,141</u>
FUND BALANCE - BEGINNING OF YEAR	<u>450,797</u>	<u>450,797</u>	<u>450,797</u>	
FUND BALANCE (DEFICIT)- END OF YEAR	<u>\$ 450,797</u>	<u>\$ 450,797</u>	<u>\$ 453,938</u>	

NONMAJOR ENTERPRISE FUNDS

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, 2021

	<u>Facilities Augmentation</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 129,602
Receivables, net of allowances for uncollectibles	450
Due from other governments	-
Total current assets	<u>130,052</u>
Total assets	<u>130,052</u>
LIABILITIES	
Current liabilities	
Accounts payable	-
Total current liabilities	-
Total liabilities	-
NET POSITION	
Restricted for critical facilities use	129,602
Unrestricted	450
Total net position (deficit)	<u>\$ 130,052</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED JUNE 30, 2021

	<u>Facilities Augmentation</u>
OPERATING EXPENSES:	
Other	\$ -
TOTAL OPERATING EXPENSES	<u>-</u>
OPERATING INCOME (LOSS)	<u>-</u>
NONOPERATING REVENUE (EXPENSES):	
Investment income (loss)	1,295
Impact Fees	<u>7</u>
Total nonoperating revenue (expense)	<u>1,302</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,302</u>
TRANSFERS:	
Transfers out	<u>(5,114)</u>
TOTAL TRANSFERS	<u>(5,114)</u>
CHANGE IN NET POSITION	(3,812)
NET POSITION (DEFICIT), BEGINNING OF YEAR,	<u>133,864</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ 130,052</u>

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Facilities Augmentation</u>	<u>Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers	\$ -	\$ -
Net cash provided (used) for operating activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(5,114)	(5,114)
Impact Fees	<u>7</u>	<u>7</u>
Net cash provided (used) for noncapital financing activities	<u>(5,107)</u>	<u>(5,107)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends on investments	<u>1,828</u>	<u>1,828</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,279)	(3,279)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>132,881</u>	<u>132,881</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 129,602</u>	<u>\$ 129,602</u>
Summary:		
Cash and cash equivalents	\$ 129,602	\$ 129,602
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 129,602</u>	<u>\$ 129,602</u>

Continued on Next Page

CITY OF FOLSOM, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Facilities Augmentation	Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ -	\$ -
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	-	-
Pension Expense		-
OPEB Expense		-
Other non-operating income (expense)	-	-
Increase (decrease) in:		
Accounts receivable	-	-
Due from other governments	-	-
Accounts payable	-	-
Wages payable	-	-
Compensated absences	-	-
	-	-
 Net cash provided (used) by operating activities	 \$ -	 \$ -

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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, 2021

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
ASSETS:				
Current assets				
Cash and cash equivalents	\$ 6,520,084	\$ 7,129,855	\$ 74,095	\$ 13,724,034
Receivables:				
General accounts	-	613,424	-	613,424
Accrued interest	17,959	16,466	1,525	35,950
Retiree health benefits	-	42,405	-	42,405
Insurance deposits	-	2,852,642	-	2,852,642
Total current assets	6,538,043	10,654,792	75,620	17,268,455
Noncurrent assets				
Capital assets	4,701,355	-	-	4,701,355
Less: accumulated depreciation	(4,699,833)	-	-	(4,699,833)
Total noncurrent assets	1,522	-	-	1,522
Total assets	6,539,565	10,654,792	75,620	17,269,977
LIABILITIES:				
Current liabilities				
Accounts payable	-	143,803	-	143,803
Wages payable	-	778,266	18,095	796,361
Unearned revenue	-	150	-	150
Total liabilities	-	922,219	18,095	940,314
NET POSITION:				
Net investment in capital assets	1,522	-	-	1,522
Unrestricted	6,538,043	9,732,573	57,525	16,328,141
Total net position	\$ 6,539,565	\$ 9,732,573	\$ 57,525	\$ 16,329,663

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 143,724	\$ 14,846,082	\$ -	\$ 14,989,806
Total operating revenues	<u>143,724</u>	<u>14,846,082</u>	<u>-</u>	<u>14,989,806</u>
OPERATING EXPENSES:				
Employee services	-	17,429,970	569,490	17,999,460
Depreciation	2,129	-	-	2,129
Total operating expenses	<u>2,129</u>	<u>17,429,970</u>	<u>569,490</u>	<u>18,001,589</u>
OPERATING INCOME (LOSS)	<u>141,595</u>	<u>(2,583,888)</u>	<u>(569,490)</u>	<u>(3,011,783)</u>
NONOPERATING REVENUE (EXPENSES):				
Investment income	21,560	(59,575)	2,006	(36,009)
Gain/Loss on sale of capital assets	57,629	-	-	57,629
Total nonoperating revenue (expenses)	<u>79,189</u>	<u>(59,575)</u>	<u>2,006</u>	<u>21,620</u>
Income (Loss) before transfers	220,784	(2,643,463)	(567,484)	(2,990,163)
TRANSFERS:				
Transfers in	-	-	-	-
Transfers out	-	(707,000)	-	(707,000)
CHANGE IN NET POSITION	220,784	(3,350,463)	(567,484)	(3,697,163)
NET POSITION, BEGINNING OF YEAR	<u>6,318,781</u>	<u>13,083,036</u>	<u>625,009</u>	<u>20,026,826</u>
NET POSITION, END OF YEAR	<u>\$ 6,539,565</u>	<u>\$ 9,732,573</u>	<u>\$ 57,525</u>	<u>\$ 16,329,663</u>

CITY OF FOLSOM, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS NON MAJOR INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Equipment Replacement	Risk Management	Compensated Leaves	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 143,724	\$ 14,677,774	\$ -	\$ 14,821,498
Payments to suppliers	-	23,014	-	23,014
Payments to employees	-	(17,433,538)	(581,767)	(18,015,305)
Cash received (used) from other sources	-	-	-	-
Net cash provided (used) by operating activities	<u>143,724</u>	<u>(2,732,750)</u>	<u>(581,767)</u>	<u>(3,170,793)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	418,407	-	418,407
Transfers to other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>418,407</u>	<u>-</u>	<u>418,407</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	<u>31,306</u>	<u>(59,575)</u>	<u>5,091</u>	<u>(23,178)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	235,130	(2,373,918)	(576,676)	(2,715,464)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,284,954</u>	<u>9,503,773</u>	<u>650,771</u>	<u>16,439,498</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,520,084</u>	<u>\$ 7,129,855</u>	<u>\$ 74,095</u>	<u>\$ 13,724,034</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 141,594	\$ (2,583,888)	\$ (569,490)	\$ (3,011,784)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	2,130	-	-	2,130
Other Non-Operating income (expense)	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Increase (decrease) in:				
Accounts receivable	-	(168,308)	-	(168,308)
Accounts payable	-	23,014	-	23,014
Wages payable	-	(3,568)	(12,277)	(15,845)
Increase in deferred revenue	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 143,724</u>	<u>\$ (2,732,750)</u>	<u>\$ (581,767)</u>	<u>\$ (3,170,793)</u>

CUSTODIAL 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
White Rock Springs Ranch Community District No. 21
Folsom Heights Community District No. 22
Folsom Ranch IA1 Community District No. 23

Business and Improvement District

Folsom Historic District

Sacramento County Transportation Development Fee

Sacramento Transportation Mitigation Fee

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021**

	<u>Blue Ravine Oaks East</u>	<u>Legends Refunding</u>	<u>Natoma Station</u>	<u>Folsom Auto Plaza</u>	<u>Lake Natoma Shores</u>	<u>Prairie Oaks</u>	<u>Cobble Hills Ridge</u>	<u>Ridgeview</u>	<u>Cresleigh Natoma</u>
ASSETS									
Cash and cash equivalents	\$ 8,052	\$ 8,364	\$ 20,355	\$ 59,160	\$ 1,081	\$ 79,444	\$ 30,173	\$ 12,840	\$ 21,754
Receivables:									
Accrued interest	24	24	312	(36)	295	304	32	82	136
Due from other governments	-	-	-	1	-	(19,876)	-	-	-
Restricted assets:									
Cash with fiscal agent	-	-	-	-	-	-	-	-	-
Total assets	<u>8,076</u>	<u>8,388</u>	<u>20,667</u>	<u>59,125</u>	<u>1,376</u>	<u>59,872</u>	<u>30,205</u>	<u>12,922</u>	<u>21,890</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
Accounts payable	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION									
Restricted for:									
Individuals, organizations, and other governments	-	-	-	-	-	-	-	-	-
NET POSITION	<u>\$ 8,076</u>	<u>\$ 8,388</u>	<u>\$ 20,667</u>	<u>\$ 59,125</u>	<u>\$ 1,376</u>	<u>\$ 59,872</u>	<u>\$ 30,205</u>	<u>\$ 12,922</u>	<u>\$ 21,890</u>

Hannaford Crossing	IA2 F Ranch CFD #23	IA3 F Ranch CFD #23	IA4 F Ranch CFD #23	CFD 2013-01 Water Fac & Sup	Willow Creek CFD #1	Natoma Station CFD #2	Folsom Heights CFD #3	Broadstone CFD #4	
ASSETS									
\$ 39,006	\$ -	\$ -	\$ -	\$ 863,711	\$ 1,363	\$ 109,137	\$ 1,385	\$ 45,627	Cash and cash equivalents
3,269	-	-	-	1,064	413	43	168	6,616	Receivables:
-	-	-	-	2,156	5,538	-	(1,225)	-	Accrued interest
-	-	-	-	-	-	-	-	-	- Due from other governments
-	-	-	-	-	-	-	-	-	Restricted assets:
-	-	-	-	-	-	-	-	-	- Cash with fiscal agent
<u>42,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>866,931</u>	<u>7,314</u>	<u>109,180</u>	<u>328</u>	<u>52,243</u>	Total assets
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
-	2,813	2,813	2,813	893,808	-	-	-	-	Accounts payable
-	2,813	2,813	2,813	893,808	-	-	-	-	Total liabilities
NET POSITION									
Restricted for:									
-	-	-	-	-	-	-	-	-	Individuals, organizations, and other governments
<u>\$ 42,275</u>	<u>\$ (2,813)</u>	<u>\$ (2,813)</u>	<u>\$ (2,813)</u>	<u>\$ (26,877)</u>	<u>\$ 7,314</u>	<u>\$ 109,180</u>	<u>\$ 328</u>	<u>\$ 52,243</u>	NET POSITION

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2021**

	IA5 F Ranch CFD #23	IA6 F Ranch CFD #23	Broadstone 2 CFD #7	Parkway CFD #8	Willow Creek Estates South CFD #8	Empire Ranch CFD #10	Willow Springs CFD #11	CFD #16 Islands IA2
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 3,147,201	\$ 2,168	\$ 35,048	\$ 6,518,094	\$ 3,076	\$ 444,926
Receivables:								
Accrued interest	-	-	(979)	(78)	10,325	(9)	26	890
Due from other governments	-	-	16,850	-	-	60,160	6,017	2,678
Restricted assets:								
Cash with fiscal agent	-	-	2,449,287	322,727	-	3,155,617	4,143	430,814
Total assets	-	-	5,612,359	324,817	45,373	9,733,862	13,262	879,308
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	2,813	2,813	30,600	-	-	-	342,254	-
Total liabilities	2,813	2,813	30,600	-	-	-	342,254	-
NET POSITION								
Restricted for:								
Individuals, organizations, and other governments	-	-	-	-	-	-	-	-
NET POSITION	\$ (2,813)	\$ (2,813)	\$ 5,581,759	\$ 324,817	\$ 45,373	\$ 9,733,862	\$ (328,992)	\$ 879,308

Parkway CFD #14	Folsom Historic District	CFD #16 Islands at Parkshore 1	CFD #17 Willow Hill Pipeline	Area Wide CFD #18	Mangini CFD #19	Russell Ranch CFD #20	WRSR CFD #21	
ASSETS								
\$ 1,112,904	\$ 5,699	\$ 236,362	\$ 1,074,691	\$ 292,686	\$ 1,546,503	\$ 422,245	\$ 280,155	Cash and cash equivalents
1,383	24	536	1,599	1,744	1,908	552	112	Receivables: Accrued interest
13,417	3,840	2,439	918	8,674	20,485	1,871	2,331	Due from other governments
3,349	-	413,456	408,484	-	3,244,697	1,022,588	4,730,277	Restricted assets: Cash with fiscal agent
<u>1,131,053</u>	<u>9,563</u>	<u>652,793</u>	<u>1,485,692</u>	<u>303,104</u>	<u>4,813,593</u>	<u>1,447,256</u>	<u>5,012,875</u>	Total assets
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
-	-	-	-	(228)	-	-	-	Accounts payable
-	-	-	-	(228)	-	-	-	Total liabilities
NET POSITION								
Restricted for:								
-	-	-	-	-	-	-	-	Individuals, organizations, and other governments
<u>\$ 1,131,053</u>	<u>\$ 9,563</u>	<u>\$ 652,793</u>	<u>\$ 1,485,692</u>	<u>\$ 303,332</u>	<u>\$ 4,813,593</u>	<u>\$ 1,447,256</u>	<u>\$ 5,012,875</u>	NET POSITION

CITY OF FOLSOM, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2021**

	Folsom Heights CFD #22	IA1 Folsom Ranch CFD #23	Sacramento County Transportation Development Fee	Sacramento Tranportation Mitigation Fee	Total Custodial Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 4,278	\$ 4,333,076	\$ 762,575	\$21,523,139
Receivables:					
Accrued interest	-	3	-	-	30,782
Due from other governments	-	-	-	-	126,274
Restricted assets:					
Cash with fiscal agent	-	3,318,881	-	-	19,504,320
Total assets	<u>-</u>	<u>3,323,162</u>	<u>4,333,076</u>	<u>762,575</u>	<u>41,184,515</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	<u>2,813</u>	<u>-</u>	<u>4,333,076</u>	<u>762,575</u>	<u>6,378,963</u>
Total liabilities	<u>2,813</u>	<u>-</u>	<u>4,333,076</u>	<u>762,575</u>	<u>6,378,963</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION	<u>\$ (2,813)</u>	<u>\$3,323,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$34,805,552</u>

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CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021**

	<u>Blue Ravine Oaks East</u>	<u>Legends Refunding</u>	<u>Natoma Station</u>	<u>Folsom Auto Plaza</u>	<u>Lake Natoma Shores</u>	<u>Prairie Oaks</u>	<u>Cobble Hills Ridge</u>	<u>Ridgeview</u>
ADDITIONS:								
Assessment collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,447	\$ -	\$ -
Mello-Roos Bonds Refunding Proceeds	-	-						
Transportation Fees								
Investment earnings	93	100	380	440	297	(412)	262	130
Total additions	93	100	380	440	297	1,035	262	130
DEDUCTIONS:								
Payments of assessment to bond holders	-	-	2,500	2,403	-	-	-	-
Expenses								
Transfers Out								
Total deductions	-	-	2,500	2,403	-	-	-	-
CHANGE IN NET POSITION	93	100	(2,120)	(1,963)	297	1,035	262	130
NET POSITION, BEGINNING OF YEAR	7,983	8,288	22,787	61,088	1,079	58,837	29,943	12,792
NET POSITION, END OF YEAR	<u>\$ 8,076</u>	<u>\$ 8,388</u>	<u>\$ 20,667</u>	<u>\$ 59,125</u>	<u>\$ 1,376</u>	<u>\$ 59,872</u>	<u>\$ 30,205</u>	<u>\$ 12,922</u>

<u>Cresleigh Natoma</u>	<u>Hannaford Crossing</u>	<u>IA2 F Ranch CFD #23</u>	<u>IA3 F Ranch CFD #23</u>	<u>IA4 F Ranch CFD #23</u>	<u>CFD 2013-01 Water Fac & Sup</u>	<u>Willow Creek CFD #1</u>	<u>Natoma Station CFD #2</u>	
								ADDITIONS:
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,976,157	\$ -	\$ -	Assessment collections
								Mello-Roos Bonds
								Refunding Proceeds
								Transportation Fees
								Investment earnings
<u>333</u>	<u>3,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,573</u>	<u>427</u>	<u>329</u>	
<u>333</u>	<u>3,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,987,730</u>	<u>427</u>	<u>329</u>	Total additions
								DEDUCTIONS:
-	2,000	2,813	2,813	2,813	18,296	-	2,403	Payments of assessment to bond holders
					2,839,695			Expenses
					39,779			Transfers Out
<u>-</u>	<u>2,000</u>	<u>2,813</u>	<u>2,813</u>	<u>2,813</u>	<u>2,897,770</u>	<u>-</u>	<u>2,403</u>	Total deductions
333	1,588	(2,813)	(2,813)	(2,813)	(910,040)	427	(2,074)	CHANGE IN NET POSITION
<u>21,557</u>	<u>40,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>883,163</u>	<u>6,887</u>	<u>111,254</u>	NET POSITION, BEGINNING OF YEAR
<u>\$ 21,890</u>	<u>\$ 42,275</u>	<u>\$ (2,813)</u>	<u>\$ (2,813)</u>	<u>\$ (2,813)</u>	<u>\$ (26,877)</u>	<u>\$ 7,314</u>	<u>\$ 109,180</u>	NET POSITION, END OF YEAR

CITY OF FOLSOM, CALIFORNIA
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2021

	Folsom Heights CFD #3	Broadstone CFD #4	IA5 F Ranch CFD #23	IA6 F Ranch CFD #23	Broadstone 2 CFD #7	Parkway CFD #8	Willow Creek Estates South CFD #8	Empire Ranch CFD #10
ADDITIONS:								
Assessment collections	\$ -	\$ -	\$ -	\$ -	\$ 2,318,635	\$ 1,330	\$ -	\$ 4,903,257
Mello-Roos Bonds								
Refunding Proceeds								6,394,000
Transportation Fees								
Investment earnings	<u>182</u>	<u>7,004</u>	<u>-</u>	<u>-</u>	<u>(14,206)</u>	<u>12</u>	<u>10,620</u>	<u>(25,466)</u>
Total additions	<u>182</u>	<u>7,004</u>	<u>-</u>	<u>-</u>	<u>2,304,429</u>	<u>1,342</u>	<u>10,620</u>	<u>11,271,791</u>
DEDUCTIONS:								
Payments of assessment to bond holders	-	-	2,813	2,813	2,455,188	334,637	-	2,659,004
Expenses								9,695,972
Transfers Out					<u>51,825</u>	<u>6,683</u>		<u>84,525</u>
Total deductions	<u>-</u>	<u>-</u>	<u>2,813</u>	<u>2,813</u>	<u>2,507,013</u>	<u>341,320</u>	<u>-</u>	<u>12,439,501</u>
CHANGE IN NET POSITION	182	7,004	(2,813)	(2,813)	(202,584)	(339,978)	10,620	(1,167,710)
NET POSITION, BEGINNING OF	<u>146</u>	<u>45,239</u>	<u>-</u>	<u>-</u>	<u>5,784,343</u>	<u>664,795</u>	<u>34,753</u>	<u>10,901,572</u>
NET POSITION, END OF YEAR	<u>\$ 328</u>	<u>\$ 52,243</u>	<u>\$ (2,813)</u>	<u>\$ (2,813)</u>	<u>\$ 5,581,759</u>	<u>\$ 324,817</u>	<u>\$ 45,373</u>	<u>\$ 9,733,862</u>

<u>Willow Springs CFD #11</u>	<u>CFD #16 Islands IA2</u>	<u>Parkway CFD #14</u>	<u>Folsom Historic District</u>	<u>CFD #16 Islands at Parkshore 1</u>	<u>CFD #17 Willow Hill Pipeline</u>	<u>Area Wide CFD #18</u>	<u>Mangini CFD #19</u>	
								ADDITIONS:
\$ 336,623	\$ 277,448	\$ 1,252,808	\$ 154,824	\$ 157,908	\$ 425,289	\$306,639	\$2,403,432	Assessment collections
								Mello-Roos Bonds
								Refunding Proceeds
								Transportation Fees
								Investment earnings
<u>295</u>	<u>6,147</u>	<u>6,167</u>	<u>122</u>	<u>3,414</u>	<u>12,440</u>	<u>6,250</u>	<u>10,706</u>	
<u>336,918</u>	<u>283,595</u>	<u>1,258,975</u>	<u>154,946</u>	<u>161,322</u>	<u>437,729</u>	<u>312,889</u>	<u>2,414,138</u>	Total additions
								DEDUCTIONS:
334,514	265,042	1,206,962	4,140	149,361	421,709	13,146	2,334,359	Payments of assessment to bond holders
342,254	1,698,311		147,696	2,631,285		109,603		Expenses
<u>6,579</u>	<u>8,173</u>	<u>35,875</u>		<u>8,449</u>	<u>18,018</u>	<u>16,950</u>	<u>31,178</u>	Transfers Out
<u>683,347</u>	<u>1,971,526</u>	<u>\$ 1,242,837</u>	<u>151,836</u>	<u>2,789,095</u>	<u>439,727</u>	<u>139,699</u>	<u>2,365,537</u>	Total deductions
(346,429)	(1,687,931)	16,138	3,110	(2,627,773)	(1,998)	173,190	48,601	CHANGE IN NET POSITION
<u>17,437</u>	<u>2,567,239</u>	<u>1,114,915</u>	<u>6,453</u>	<u>3,280,566</u>	<u>1,487,690</u>	<u>130,142</u>	<u>4,764,992</u>	NET POSITION, BEGINNING OF YEAR
<u>\$ (328,992)</u>	<u>\$ 879,308</u>	<u>\$ 1,131,053</u>	<u>\$ 9,563</u>	<u>\$ 652,793</u>	<u>\$ 1,485,692</u>	<u>\$303,332</u>	<u>\$4,813,593</u>	NET POSITION, END OF YEAR

CITY OF FOLSOM, CALIFORNIA

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
JUNE 30, 2021**

	<u>Russell Ranch CFD #20</u>	<u>WRSR CFD #21</u>	<u>Folsom Heights CFD #22</u>	<u>IA1 Folsom Ranch CFD #23</u>	<u>Sacramento County Transportation Development Fee</u>	<u>Sacramento Transportation Mitigation Fee</u>	<u>Total Custodial Funds</u>
ADDITIONS:							
Assessment collections	\$ 672,196	\$ 552,473	\$ -	\$ -	\$ -	\$ -	\$ 15,740,466
Mello-Roos Bonds		12,915,949		13,603,400	-	-	26,519,349
Refunding Proceeds					-	-	6,394,000
Transportation Fees					4,333,076	762,575	5,095,651
Investment earnings	3,620	1,353	-	925	-	-	47,125
Total additions	<u>675,816</u>	<u>13,469,775</u>	<u>-</u>	<u>13,604,325</u>	<u>4,333,076</u>	<u>762,575</u>	<u>53,796,591</u>
DEDUCTIONS:							
Payments of assessment to bond holders	732,957	497,780	2,813	177,171	-	-	\$ 11,630,450
Expenses		9,057,231		10,103,992	4,333,076	762,575	41,721,690
Transfers Out	14,545	10,500					333,079
Total deductions	<u>747,502</u>	<u>9,565,511</u>	<u>2,813</u>	<u>10,281,163</u>	<u>4,333,076</u>	<u>762,575</u>	<u>53,685,219</u>
CHANGE IN NET POSITION	<u>(71,686)</u>	<u>3,904,264</u>	<u>(2,813)</u>	<u>3,323,162</u>	<u>-</u>	<u>-</u>	<u>111,372</u>
NET POSITION, BEGINNING OF YEAR	<u>1,518,942</u>	<u>1,108,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,694,180</u>
NET POSITION, END OF YEAR	<u>\$ 1,447,256</u>	<u>\$ 5,012,875</u>	<u>\$ (2,813)</u>	<u>\$ 3,323,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,805,552</u>

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.

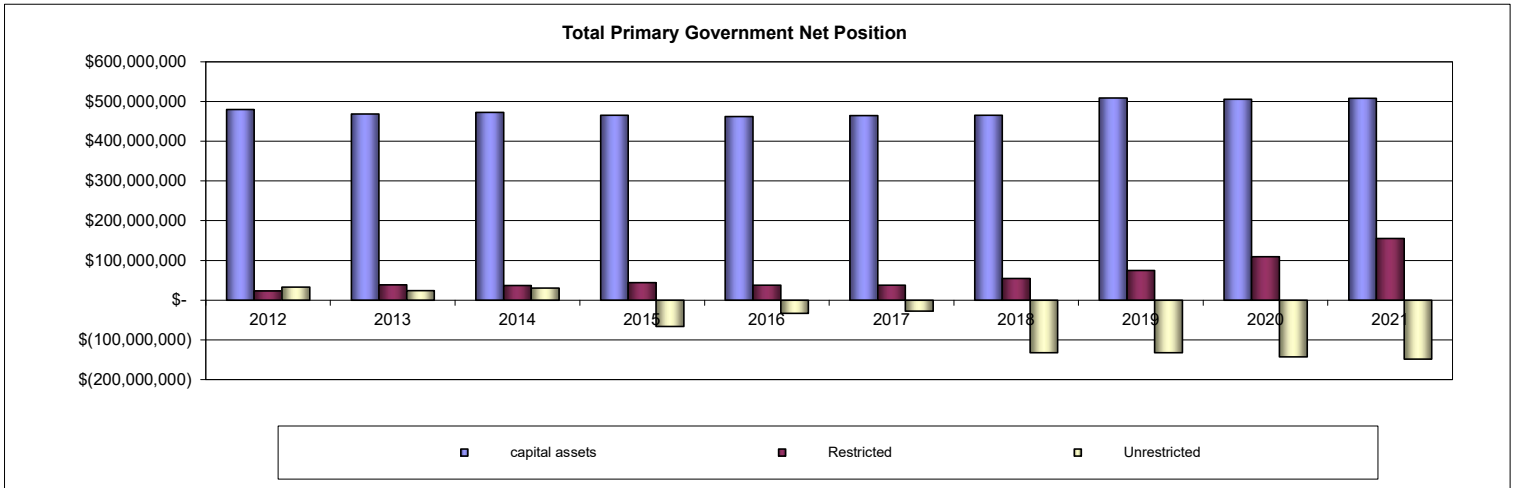
Demographic and Economic Information

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 2021, With Ten Year Trend Analysis
(accrual basis of accounting)

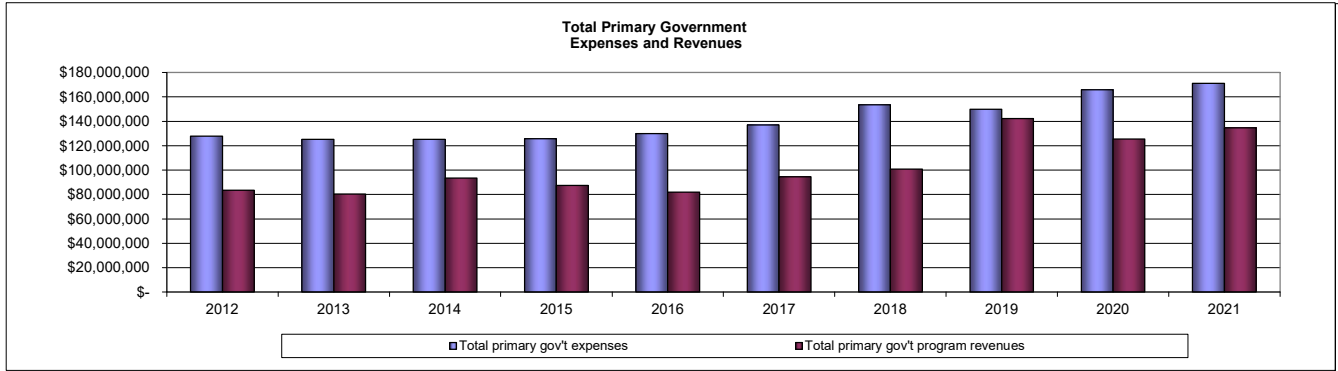


	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 373,572,187	\$ 364,036,649	\$ 368,751,791	\$ 352,122,867	\$ 345,540,942	\$ 342,339,996	\$ 341,907,988	\$ 365,447,799	\$ 352,736,331	\$ 347,842,183
Restricted	23,073,659	38,567,808	36,162,905	43,903,207	37,105,814	37,928,602	54,379,397	74,711,884	109,091,757	154,995,747
Unrestricted (1)	19,524,175	3,184,135	1,634,857	(71,702,596)	(39,219,804)	(37,637,622)	(133,460,554)	(140,380,319)	(151,055,541)	(163,151,340)
Total gov't activities net position	\$ 416,170,021	\$ 405,788,592	\$ 406,549,553	\$ 324,323,478	\$ 343,426,952	\$ 342,630,976	\$ 262,826,831	\$ 299,779,364	\$ 310,772,547	\$ 339,686,590
Business-type activities										
Net investment in capital assets	\$ 106,342,185	\$ 104,389,312	\$ 103,935,042	\$ 113,263,233	\$ 116,725,962	\$ 122,445,820	\$ 123,233,937	\$ 143,068,634	\$ 153,282,039	\$ 160,402,925
Restricted	326,097	326,097	512,201	520,858	527,202	127,565	127,565	127,565	127,565	129,602
Unrestricted	13,009,488	21,212,232	29,128,818	5,424,024	5,779,903	10,511,992	852,368	7,839,073	8,441,633	14,561,489
Total bus-type activities net position	\$ 119,677,770	\$ 125,927,641	\$ 133,576,061	\$ 119,208,115	\$ 123,033,067	\$ 133,085,377	\$ 124,213,870	\$ 151,035,272	\$ 161,851,237	\$ 175,094,016
Primary government										
Net investment in capital assets	\$ 479,914,372	\$ 468,425,961	\$ 472,686,833	\$ 465,386,100	\$ 462,266,904	\$ 464,785,816	\$ 465,141,925	\$ 508,516,433	\$ 506,018,370	\$ 508,245,108
Restricted	23,399,756	38,893,905	36,675,106	44,424,065	37,633,016	38,056,167	54,506,962	74,839,449	109,219,322	155,125,349
Unrestricted	32,533,663	24,396,367	30,763,675	(66,278,572)	(33,439,901)	(27,125,630)	(132,608,186)	(132,541,246)	(142,613,908)	(148,589,851)
Total primary gov't net position	\$ 535,847,791	\$ 531,716,233	\$ 540,125,614	\$ 443,531,593	\$ 466,460,019	\$ 475,716,353	\$ 387,040,701	\$ 450,814,636	\$ 472,623,784	\$ 514,780,606

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

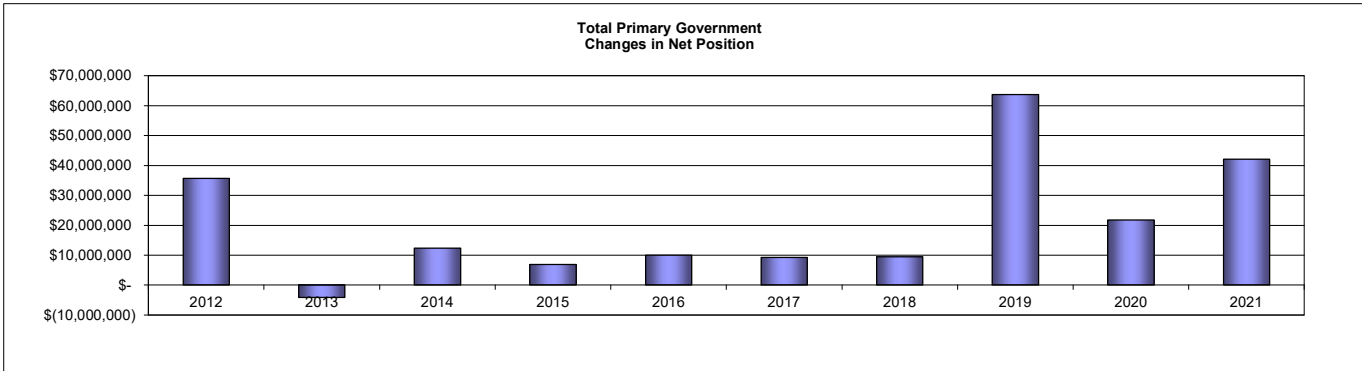
**Schedule 2
CITY OF FOLSOM, CALIFORNIA
Changes in Net Position
Fiscal Year 2021, With Ten Year Trend Analysis
(accrual basis of accounting)**



	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 15,526,948	\$ 14,992,033	\$ 16,949,780	\$ 16,789,611	\$ 16,842,039	\$ 17,619,148	\$ 21,571,309	\$ 19,894,674	\$ 25,694,246	\$ 20,099,385
Public safety	32,952,091	33,603,561	31,853,391	31,457,224	33,732,869	38,519,301	42,267,172	43,071,617	48,945,393	53,333,593
Public ways and facilities	24,285,037	24,461,319	23,900,284	24,655,423	23,760,187	23,789,377	26,740,758	24,860,981	27,609,012	31,378,367
Community services	3,100,464	3,068,322	3,293,971	3,358,210	3,795,881	4,611,256	6,328,357	6,119,243	6,836,934	6,871,579
Culture and recreation	13,256,421	13,928,174	13,949,169	13,917,727	15,226,602	16,043,161	19,316,157	16,783,176	17,181,199	18,542,904
Interest and fiscal changes	9,892,431	6,623,777	6,280,411	5,669,088	5,080,330	4,679,003	2,510,553	4,687,431	5,212,780	5,082,231
Total gov't activities expenses	99,013,392	96,677,186	96,227,005	95,847,283	98,437,909	105,261,245	118,734,307	115,417,123	131,479,564	135,308,058
Business-type activities:										
Water	13,289,143	11,920,409	12,088,326	12,666,550	12,704,599	13,169,040	14,416,465	15,018,849	15,635,355	15,659,239
Sewer	4,260,464	4,450,646	5,154,810	5,175,177	5,419,982	5,254,071	5,777,106	5,989,117	6,717,181	7,188,744
Solid Waste	7,804,698	8,358,745	8,518,137	8,702,357	9,347,062	9,488,964	10,383,837	10,823,361	12,057,666	13,001,080
Transit	(1) 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	-	-	23,375	-	407,237	3,040	242,058	328,061	17,023	-
Recreation	-	-	-	-	-	-	-	-	-	-
Total bus-type activities expense	28,748,396	28,434,161	29,101,354	29,888,700	31,588,339	31,762,966	34,913,410	34,454,499	34,427,225	35,849,063
Total primary gov't expenses	\$127,761,788	\$125,111,347	\$125,328,359	\$125,735,983	\$130,026,248	\$137,024,211	\$153,647,717	\$149,871,622	\$165,906,789	\$171,157,121

Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 8,179,094	\$ 6,702,220	\$ 7,709,627	\$ 7,552,485	\$ 7,496,678	\$ 7,950,354	\$ 9,259,206	\$ 8,802,272	\$ 9,178,697	\$ 9,391,344
Public safety	2,933,392	3,716,287	4,576,667	4,913,124	5,125,847	5,618,969	6,784,548	6,851,973	6,361,867	7,481,550
Public ways and facilities	8,090,723	9,820,449	12,599,223	11,013,797	7,997,349	8,565,624	12,763,442	11,089,762	10,196,763	12,091,444
Community services	1,745,987	2,368,217	3,498,093	4,119,947	4,986,243	4,552,806	6,861,396	8,290,473	7,536,644	12,773,201
Culture and recreation	4,913,376	5,449,076	6,364,798	6,244,176	4,966,763	6,198,906	10,852,607	10,278,413	9,682,333	10,555,274
Operating grants and contributions	2,667,867	2,090,718	2,883,514	2,631,565	2,354,928	2,233,379	2,774,627	3,673,894	3,803,337	4,044,265
Capital grants and contributions	21,050,894	12,646,821	16,542,881	14,275,960	11,437,916	14,891,177	10,798,615	30,603,509	32,124,684	26,614,932
Total gov't activities program revenue	49,581,333	42,793,788	54,174,803	50,751,054	44,365,724	50,011,215	60,094,441	79,590,296	78,884,325	82,952,010
Business-type activities:										
Charges for services:										
Water	12,684,028	14,730,130	14,201,854	13,105,941	12,205,895	13,605,851	14,119,233	13,912,610	15,561,068	17,988,487
Sewer	5,971,558	5,990,811	6,102,878	6,163,970	6,278,631	6,531,021	6,780,004	6,734,594	7,459,060	8,486,879
Solid Waste	10,071,219	10,140,081	10,240,575	10,362,825	10,620,422	10,957,586	10,840,441	10,939,391	11,774,722	15,206,531
Transit	(1) 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	3,484,445	5,203,738	4,883,545	5,947,821	6,997,288	7,946,673	6,603,611	4,958,663	1,651,781	1,876,254
Capital grants and contributions	1,019,849	746,776	2,616,710	554,070	786,090	4,834,197	1,746,682	25,829,934	10,145,979	8,101,825
Total bus-type activities	34,001,381	37,501,940	39,318,933	36,811,922	37,512,071	44,480,263	40,681,876	62,660,350	46,592,610	51,659,976
Total primary gov't program revenues	\$ 83,582,714	\$ 80,295,728	\$ 93,493,736	\$ 87,562,976	\$ 81,877,795	\$ 94,491,478	\$ 100,776,317	\$ 142,250,646	\$ 125,476,935	\$ 134,611,986

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



	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (49,432,059)	\$ (53,883,398)	\$ (42,052,202)	\$ (45,096,229)	\$ (54,072,185)	\$ (55,250,030)	\$ (58,639,866)	\$ (35,826,827)	\$ (52,595,239)	\$ (52,356,048)
Business-type activities	5,252,985	9,067,779	10,217,579	6,923,222	5,923,732	12,717,297	5,768,466	28,205,851	12,165,385	15,810,913
Total primary gov't net (exp)/rev	\$ (44,179,074)	\$ (44,815,619)	\$ (31,834,623)	\$ (38,173,007)	\$ (48,148,453)	\$ (42,532,733)	\$ (52,871,400)	\$ (7,620,976)	\$ (40,429,854)	\$ (36,545,135)

General Revenue and Other changes in Net Position

Government activities:										
Taxes										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property	\$ 21,562,389	\$ 17,138,883	\$ 19,042,480	\$ 20,169,495	\$ 21,732,471	\$ 23,301,973	\$ 24,537,819	\$ 26,669,899	\$ 28,803,455	\$ 31,253,436
Sales and use	16,104,163	17,230,775	19,442,008	19,386,661	22,168,300	24,721,293	22,294,827	25,359,293	22,616,404	25,846,985
Other	1,807,002	2,577,095	2,593,291	2,860,264	3,202,564	3,716,243	3,820,424	4,070,333	3,116,568	2,867,348
Payments in lieu of services	-	-	-	-	-	-	-	-	-	-
Vehicle License Fees	-	-	-	-	-	-	-	-	-	-
Investments earnings (loss)	572,542	424,268	695,856	423,710	7,220,125	(2,344,854)	(3,666,825)	11,463,007	3,583,755	16,572,391
Miscellaneous	1,903,091	3,161,438	2,423,607	1,921,290	2,764,118	2,189,407	4,408,453	1,922,130	2,887,613	1,962,835
Gain/(loss) on disp of cap assets	-	3,451	3,500	96,858	168,454	-	-	-	-	-
Transfers	3,339,454	2,966,059	2,510,879	2,599,139	2,600,454	2,869,992	3,008,033	3,003,762	2,580,627	2,767,096
Special Items:										
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Gain on dissolution of RDA	37,840,792	-	-	-	381,150	-	9,812,877	-	-	-
Xfer Asset from Successor Agency (1)	-	-	(381,150)	-	381,150	-	-	-	-	-
Xfer Asset from Transit to City (1)	-	-	-	-	-	-	-	290,936	-	-
Total governmental activities	83,129,433	43,501,969	46,330,471	47,457,417	60,237,636	54,454,054	64,215,608	72,779,360	63,588,422	81,270,091
Business-type activities:										
Investment earnings	123,140	148,151	384,577	220,380	501,674	205,005	187,322	1,367,314	1,231,207	198,962
Transfers	(3,339,454)	(2,966,059)	(2,510,879)	(2,599,139)	(2,600,454)	(2,869,992)	(3,008,033)	(3,003,762)	(2,580,627)	(2,767,096)
Special Items:										
Annexation of Transit Services (1)	-	-	-	-	-	-	-	542,935	-	-
Transfer of Assets-Transit to City (1)	-	-	-	-	-	-	-	(290,936)	-	-
Total business-type activities	(3,216,314)	(2,817,908)	(2,126,302)	(2,378,759)	(2,098,780)	(2,664,987)	(2,820,711)	(1,384,449)	(1,349,420)	(2,568,134)
Total primary government	\$ 79,913,119	\$ 40,684,061	\$ 44,204,169	\$ 45,078,658	\$ 58,138,856	\$ 51,789,067	\$ 61,394,897	\$ 71,394,911	\$ 62,239,002	\$ 78,701,957

Change in Net Position

Governmental activities	33,697,374	(10,381,429)	4,278,269	2,361,188	6,165,451	(795,976)	6,495,817	36,952,533	10,993,183	28,914,043
Business-type activities	2,036,671	6,249,871	8,091,277	4,544,463	3,824,952	10,052,310	2,947,755	26,821,402	10,815,965	13,242,779
Total Primary Government	\$ 35,734,045	\$ (4,131,558)	\$ 12,369,546	\$ 6,905,651	\$ 9,990,403	\$ 9,256,334	\$ 9,443,572	\$ 63,773,935	\$ 21,809,148	\$ 42,156,822
Net Position beginning of Year (as restated in prior fiscal years)	500,113,746	535,847,791	527,756,068	436,625,942	456,469,616	466,460,019	377,597,129	387,040,701	450,814,636	472,623,784
Net Position End of Year	\$ 535,847,791	\$ 531,716,233	\$ 540,125,614	\$ 443,531,593	\$ 466,460,019	\$ 475,716,353	\$ 387,040,701	\$ 450,814,636	\$ 472,623,784	\$ 514,780,606

Source: The City's Comprehensive Annual Financial Reports

(1) Transit operations were annexed by the Sacramento Regional Transit District effective 2-4-19

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Schedule 3
CITY OF FOLSOM, CALIFORNIA
Fund Balances, Governmental Funds,
Fiscal Year 2021, With Ten Year Trend Analysis
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Reserved					
Unreserved					
Nonspendable	364,358	305,446	265,707	339,494	400,319
Restricted					
Committed					
Assigned	469,059	342,002	373,969	740,393	1,234,023
Unassigned	4,108,447	5,020,894	6,630,937	8,157,227	10,950,323
Total Fund Balance	<u>\$ 4,941,864</u>	<u>\$ 5,668,342</u>	<u>\$ 7,270,613</u>	<u>\$ 9,237,114</u>	<u>\$ 12,584,665</u>

All Other Governmental Funds					
Reserved					
Unreserved					
Nonspendable	9,869,809	9,580,393	268,396	268,396	398,396
Restricted	160,122,141	152,261,985	158,429,877	152,093,714	170,205,119
Committed	6,265,521	2,203,431	3,548,476	3,663,039	3,581,269
Assigned	500,226	467,898	3,684,362	3,236,609	3,160,859
Unassigned	(1,483,486)	2,775,821	(845,061)	(516,671)	(968,842)
Total Fund Balance	<u>\$ 175,274,211</u>	<u>\$ 167,289,528</u>	<u>\$ 165,086,050</u>	<u>\$ 158,745,087</u>	<u>\$ 176,376,801</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund					
Nonspendable	448,971	442,084	1,105,568	903,432	455,628
Restricted					
Committed					
Assigned	1,201,309	1,869,501	2,214,552	1,018,076	1,813,094
Unassigned	15,536,918	15,699,123	20,349,892	13,776,114	19,200,703
Total Fund Balance	<u>\$ 17,187,198</u>	<u>\$ 18,010,708</u>	<u>\$ 23,670,012</u>	<u>\$ 15,697,622</u>	<u>\$ 21,469,425</u>

All Other Governmental Funds					
Nonspendable	428,782	429,294	434,118	442,345	452,584
Restricted	157,036,583	195,058,817	187,443,271	224,721,017	270,720,065
Committed	3,690,161	5,201,522	5,425,995	5,728,164	5,785,155
Assigned	3,309,690	3,587,539	11,369,695	3,444,634	3,493,384
Unassigned	(1,150,620)	(847,149)	1,790,354	(1,165,190)	(1,586,720)
Total Fund Balance	<u>\$ 163,314,596</u>	<u>\$ 203,430,023</u>	<u>\$ 206,463,433</u>	<u>\$ 233,170,970</u>	<u>\$ 278,864,468</u>

Source: The City's Comprehensive Annual Financial Reports

Schedule 4
CITY OF FOLSOM, CALIFORNIA
Changes in Fund Balances, Governmental Funds
Fiscal Year 2021, With Ten Year Trend Analysis
(modified accrual basis of accounting)

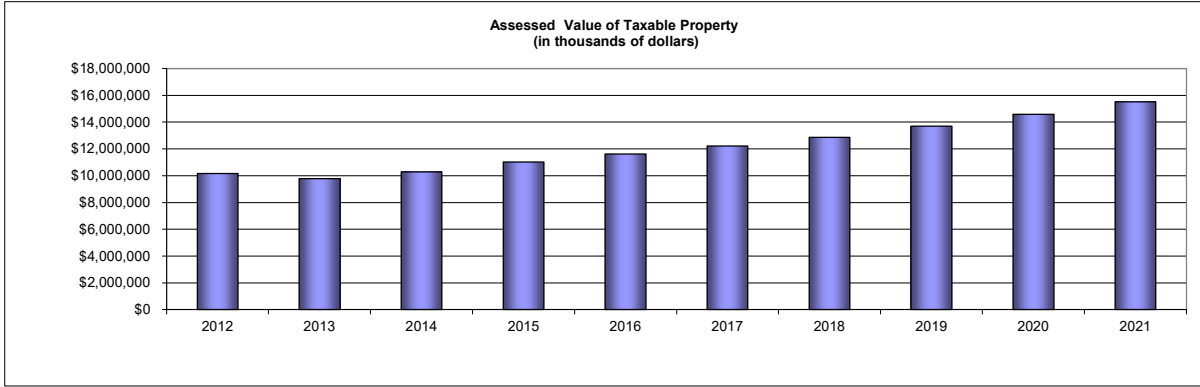
Revenue	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Taxes	\$ 39,473,554	\$ 36,946,753	\$ 41,077,779	\$ 42,416,420	\$ 47,103,335
Licenses, fees and permits	1,392,332	1,740,993	2,109,745	2,128,623	2,098,807
Vehicle License fees	5,086,212	4,976,818	5,198,998	5,596,355	5,895,909
Intergovernmental revenue	20,272,302	14,307,214	18,611,026	16,049,283	12,819,545
Charges for services	15,693,296	17,404,489	23,992,496	23,823,594	20,388,258
Fines and penalties	366,429	490,823	798,051	776,554	729,673
Assessment collections	3,324,303	3,482,141	2,685,714	1,518,403	1,460,233
Investment earnings (loss)	1,214,313	386,391	633,581	395,293	7,068,427
Miscellaneous	1,903,093	3,161,438	2,423,607	1,921,290	2,764,118
Total revenue	<u>\$ 88,725,834</u>	<u>\$ 82,897,060</u>	<u>\$ 97,530,997</u>	<u>\$ 94,625,815</u>	<u>\$ 100,328,305</u>
Expenditures					
General government	\$ 14,606,565	\$ 14,069,483	\$ 16,920,618	\$ 17,920,405	\$ 17,392,563
Public safety	31,237,025	31,831,334	31,861,011	32,467,605	34,351,734
Public ways and facilities	11,089,521	11,091,457	10,633,571	11,803,873	10,763,219
Community services	3,018,894	2,986,024	3,394,648	3,582,489	3,975,512
Culture and recreations	10,413,567	11,026,557	11,667,695	11,971,798	12,850,827
Capital outlay	9,003,180	2,586,067	5,989,082	5,597,833	6,833,189
Debt Service:					
Principal	12,233,666	12,511,714	15,465,193	12,879,056	11,090,135
Interest and fiscal charges	9,277,831	6,383,068	6,398,811	5,826,718	5,119,301
Cost of issuance	934,415	117,505	69,524	-	-
Total expenditures	<u>\$ 101,814,664</u>	<u>\$ 92,603,209</u>	<u>\$ 102,400,153</u>	<u>\$ 102,049,777</u>	<u>\$ 102,376,480</u>
Excess of revenue over (under) expenditures	\$ (13,088,830)	\$ (9,706,149)	\$ (4,869,156)	\$ (7,423,962)	\$ (2,048,175)
Other Financing Sources (Uses)					
Sale of property	-	-	-	-	-
Issuance of debt	25,557,469	15,034,361	-	-	6,675,000
Bonds defeased	-	-	-	-	-
Bond refunding	-	-	-	-	-
Bond discount	(62,306)	-	-	-	-
Issuance of loan	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refunded escrow agent	(15,041,388)	(15,656,514)	-	-	-
Amortized loss on PY bond refinance	-	-	-	-	-
Extraordinary loss on dissolution of RDA	(26,420,154)	-	-	-	-
Transfers in	27,491,475	9,111,962	7,523,050	6,704,387	6,439,736
Transfers out	(24,146,818)	(6,041,865)	(4,863,541)	(3,654,887)	(3,025,319)
Total other financing sources (Uses)	<u>\$ (12,621,722)</u>	<u>\$ 2,447,944</u>	<u>\$ 2,659,509</u>	<u>\$ 3,049,500</u>	<u>\$ 10,089,417</u>
Net change in fund balances	<u>\$ (25,710,552)</u>	<u>\$ (7,258,205)</u>	<u>\$ (2,209,647)</u>	<u>\$ (4,374,462)</u>	<u>\$ 8,041,242</u>
Debt services as a percentage of non-capital expenditures	23.2%	21.0%	22.7%	19.6%	17.0%

Source: The City's Comprehensive Annual Financial Reports

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

	2017	2018	2019	2020	2021	
						Revenue
\$	51,739,509	\$ 50,653,070	\$ 56,099,525	\$ 54,536,426	\$ 59,967,769	Taxes
	2,171,246	2,775,305	3,070,682	3,425,992	4,248,555	Licenses, fees and permits
	6,065,568	6,484,423	6,902,484	7,357,030	7,823,848	Vehicle License fees
	15,233,546	12,347,078	14,273,982	12,617,895	22,156,779	Intergovernmental revenue
	22,787,464	36,304,402	33,058,288	29,788,664	35,282,381	Charges for services
	954,261	921,339	2,275,631	2,384,362	4,937,421	Fines and penalties
	908,120	35,728	5,807	254	609	Assessment collections
	(2,356,010)	(3,655,867)	11,010,736	3,150,904	16,608,400	Investment earnings (loss)
	2,189,407	2,618,452	1,922,131	2,887,614	1,962,835	Miscellaneous
\$	<u>99,693,111</u>	<u>\$ 108,483,930</u>	<u>\$ 128,619,266</u>	<u>\$ 116,149,141</u>	<u>\$ 152,988,597</u>	Total revenue
						Expenditures
\$	17,718,687	\$ 18,859,432	\$ 14,700,625	\$ 21,910,491	\$ 18,108,326	General government
	37,299,200	37,216,488	42,122,571	44,678,765	46,221,823	Public safety
	10,546,397	12,921,054	12,167,798	12,642,949	15,475,320	Public ways and facilities
	4,722,516	6,196,867	6,719,373	6,968,176	6,825,605	Community services
	13,387,547	14,349,508	15,139,603	14,182,818	14,609,268	Culture and recreations
	9,921,548	18,189,160	16,002,288	13,282,395	9,667,003	Capital outlay
						Debt Service:
	12,600,203	8,027,092	10,206,479	9,027,004	6,229,787	Principal
	4,835,589	2,540,176	4,642,841	4,935,225	5,044,609	Interest and fiscal charges
	-	-	-	-	-	Cost of issuance
\$	<u>111,031,687</u>	<u>\$ 118,299,777</u>	<u>\$ 121,701,578</u>	<u>\$ 127,627,823</u>	<u>\$ 122,181,741</u>	Total expenditures
\$	(11,338,576)	\$ (9,815,847)	\$ 6,917,688	\$ (11,478,682)	\$ 30,806,856	Excess of revenue over (under) expenditures
						Other Financing Sources (Uses)
	-	-	-	-	-	Sale of property
	-	88,670,000	-	23,735,000	24,740,000	Issuance of debt
	-	-	-	-	(9,325,000)	Bonds defeased
	-	-	-	-	-	Bond refunding
	-	-	-	-	-	Bond discount
	-	1,790,000	-	-	-	Issuance of loan
	-	-	-	3,322,109	1,769,349	Bond premium
	-	(52,535,000)	-	-	-	Payment to refunded escrow agent
	-	-	-	-	-	Amortized loss on PY bond refinance
	-	-	-	-	-	Extraordinary loss on dissolution of RDA
	6,331,555	8,063,764	7,572,261	6,603,421	5,784,353	Transfers in
	(3,452,651)	(5,046,857)	(5,797,235)	(3,446,701)	(2,310,257)	Transfers out
\$	<u>2,878,904</u>	<u>\$ 40,941,907</u>	<u>\$ 1,775,026</u>	<u>\$ 30,213,829</u>	<u>\$ 20,658,445</u>	Total other financing sources (Uses)
\$	<u>(8,459,672)</u>	<u>\$ 31,126,060</u>	<u>\$ 8,692,714</u>	<u>\$ 18,735,147</u>	<u>\$ 51,465,301</u>	Net change in fund balances
	17.3%	10.6%	14.0%	12.2%	10.0%	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 2021, With Ten Year Trend Analysis
(in thousands of dollars)



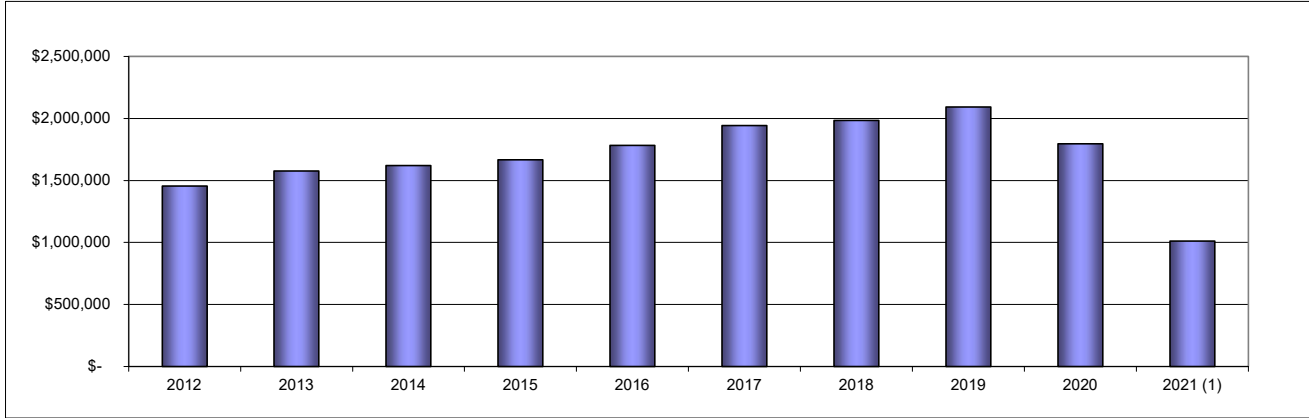
Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other (1)	Unsecured Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Factor of Taxable Assessed Value
2012	\$ 7,145,644	\$ 2,558,036	\$ 158,600	\$ 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
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
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
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
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
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
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
2020	\$ 10,495,984	\$ 2,889,095	\$ 195,961	\$ 1,075,127	\$ 381,060	\$ 456,789	\$ 14,580,438	1.4956	\$ 17,358,468	(3) 1.190531
2021	\$ 10,765,538	\$ 2,916,956	\$ 182,606	\$ 1,742,550	\$ 390,843	\$ 485,246	\$ 15,515,246	1.4894	\$ 17,852,872	(3) 1.150666

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 2021, With Ten Year Trend Analysis
(Taxable transactions in thousands of dollars)**



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (1)
Motor Vehicle and Parts Dealers	\$ 342,749	\$ 408,649	\$ 425,196	\$ 460,449	\$ 466,504	\$ 485,631	\$ 491,987	\$ 494,930	\$ 489,842	\$ 291,144
Home furnishings and appliances	65,702	71,634	81,852	82,252	96,706	93,502	92,162	95,168	86,538	45,822
Bld Matri and Garden Equip	84,386	93,213	94,161	102,469	108,524	110,962	115,803	116,980	143,114	80,887
Food and Beverage Stores	74,194	78,944	79,159	79,806	81,880	85,460	89,824	78,242	86,569	41,786
Gasoline Stations	83,171	84,628	83,598	69,997	64,270	73,240	82,738	93,517	59,380	35,891
Clothing & Clothing Accessories	129,738	143,476	148,592	152,903	177,476	179,489	183,062	182,119	123,108	80,383
General merchandise stores	286,652	287,505	285,722	235,840	234,505	304,177	324,505	334,005	310,201	160,304
Food Services and Drinking Places	149,299	156,403	161,652	175,325	188,911	202,655	210,940	222,864	170,535	108,868
Other retail stores	127,862	136,099	133,671	135,499	131,765	128,316	130,431	123,931	110,499	63,598
Subtotal retail	1,343,753	1,460,551	1,493,603	1,494,540	1,550,541	1,663,432	1,721,452	1,741,756	1,579,786	908,683
All other outlets	110,206	115,786	126,130	171,928	232,418	280,610	262,345	351,655	215,604	102,735
Total	\$ 1,453,959	\$ 1,576,337	\$ 1,619,733	\$ 1,666,468	\$ 1,782,959	\$ 1,944,042	\$ 1,983,797	\$ 2,093,411	\$ 1,795,390	\$ 1,011,418

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 2021.

Schedule 6
CITY OF FOLSOM, CALIFORNIA
Direct and Overlapping Property Tax Rates
Fiscal Year 2021, 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
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
2020	1.0000	0.0000	0.0000	1.0000	.0000 - .0000	0.0696	0.058	0.1366	0.0543	0.1793
2021	1.0000	0.0000	0.0000	1.0000	.0000 - .0000	0.0223	0.0254	0.2065	0.0543	0.1809

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.

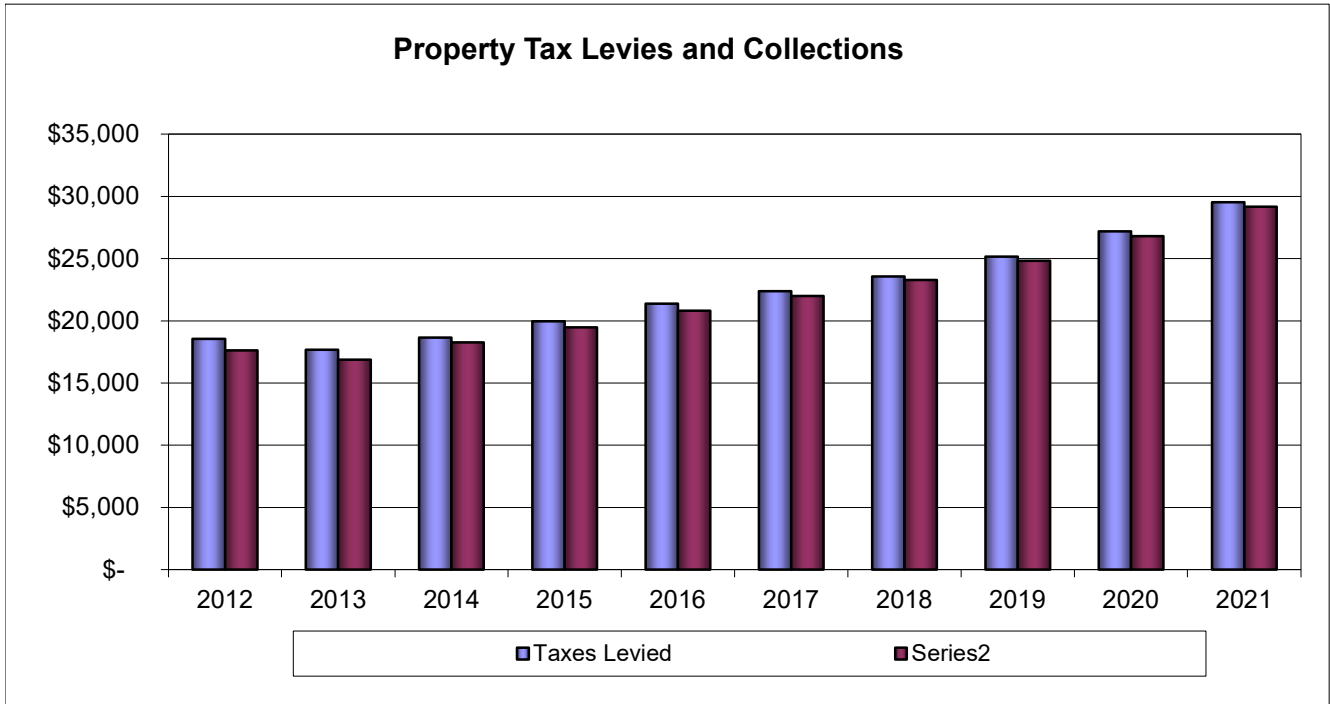
Schedule 7
CITY OF FOLSOM, CALIFORNIA
Principal Property Tax Payers
Fiscal Year 2021, And Nine Years Ago
(in thousands of dollars)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value
Intel Corp	\$ 822,593	1	5.30%	\$ 618,571	1	5.97%
Broadstone L and LLC	\$ 153,808	2	0.99%			0.00%
Willow Creek Assoc LP	\$ 89,569	3	0.58%			
Kaiser Foundation Hospitals	\$ 74,342	4	0.48%	\$ 87,408	3	0.84%
Sequoia Equities Iron Point Fo	\$ 67,408	5	0.43%			
Chelsea Financing Partnership	\$ 61,152	6	0.39%	\$ 58,918	5	0.56%
Overlook at Blue Ravine LLC	\$ 60,278	7	0.39%	\$ 51,262	6	
Kikkoman Foods Inc.	\$ 59,124	8	0.38%	\$ 64,547	4	0.62%
Sherwood Iron Point LP	\$ 59,042	9	0.38%	\$ 50,400	8	0.48%
Summit at Fair Oaks LP Kenneth	\$ 57,098	10	0.37%			
Broadstone Market Place LLC				\$ 114,143	2	1.09%
Spectrum Waples Street L P				\$ 50,585	7	0.48%
Glacier Preserve at Blue Ravin				\$ 40,718	9	0.39%
Folsom Broadstone Inc.				\$ 39,897	10	0.38%
Total	\$ 1,504,414		9.70%	\$ 1,176,449		10.82%

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 2021, 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)
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%
2020	\$ 27,189	\$ 26,813	98.62%
2021	\$ 29,518	\$ 29,170	98.82%

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 2021, With Ten Year Trend Analysis

	2012	2013	2014	2015	2016
Governmental Activities					
General Obligation Bonds	\$12,120,000	\$9,220,000	\$6,195,000	\$ 3,760,000	\$ 2,315,000
Certificates of Participation	1,190,000	1,170,000	820,000	-	-
FPFA Revenue Bonds	130,084,002	122,625,230	112,260,832	104,491,230	103,207,933
RDA Tax Allocation Bonds	-	-	-	-	-
City Hall & Fire Station Lease Obligation	10,314,467	8,947,773	7,544,642	6,113,936	4,640,514
Owner Participation Agreements	-	-	-	-	-
Special Assessment Debt	-	-	-	-	-
Notes Payable	500,000	-	-	-	-
Long-Term Loan	-	-	-	-	-
Add: Discounts/premiums, net	-	-	-	-	-
Capital Leases	575,716	486,978	1,302,208	1,901,301	1,687,885
Business-Type Activities					
Revenue Bonds	\$ 26,670,000	\$ 25,685,000	\$25,494,830	\$ 24,352,781	\$ 23,181,993
Add: Issue Discount/prem, net	-	-	-	-	-
Capital Leases	308,274	131,460	-	-	-
Note Payable	-	-	-	-	-
Total Primary Government	\$ 181,762,459	\$ 168,266,441	\$ 153,617,512	\$ 140,619,248	\$ 135,033,325
Percentage of Personal Income	Not available	Not available	Not available	Not available	Not available
Per Capita	2,696	2,543	2,246	2,016	1,872
Population	67,429	66,174	68,399	69,737	72,131

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

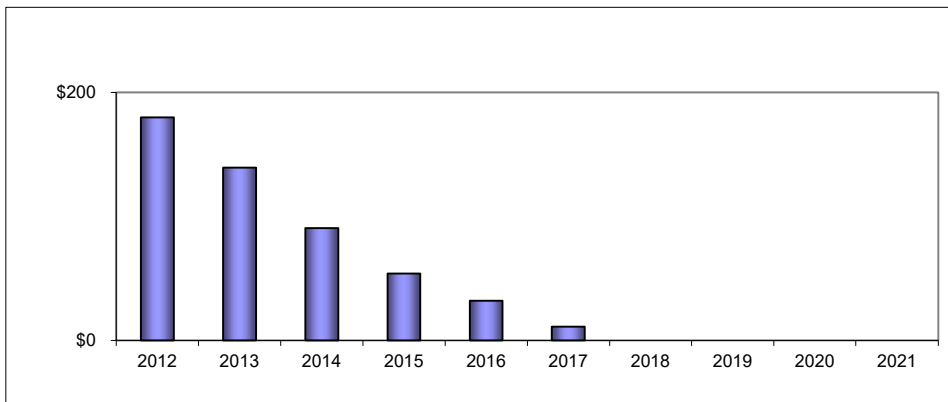
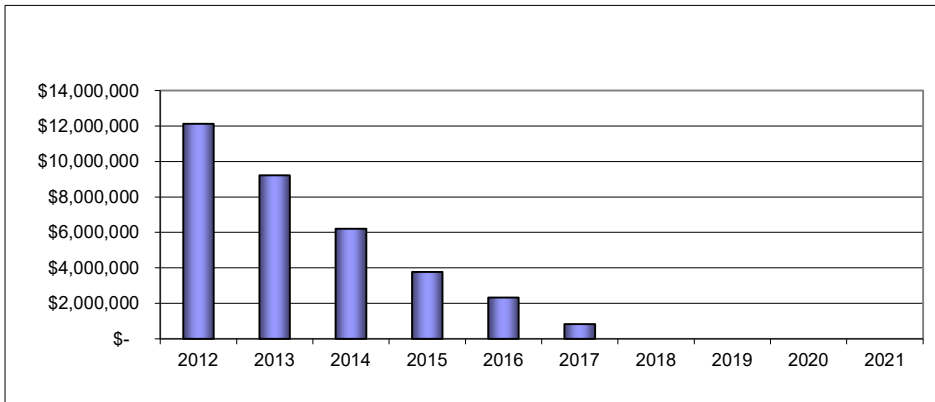
(1) The RDA was dissolved by the State during FY12. RDA Tax Allocation Bonds were transferred to a Private Purpose Trust Fund and are not legal obligations of the City.

(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

2017	2018	2019	2020	2021	
					Governmental Activities
\$ 825,000	\$ -	\$ -	\$ -	\$ -	General Obligation Bonds
-	-	-	-	-	Certificates of Participation
93,841,368	124,427,251	114,621,540	129,744,921	122,260,207	FPFA Revenue Bonds
-	-	-	-	-	RDA Tax Allocation Bonds
3,117,370	1,692,207	1,526,817	1,354,632	1,180,846	City Hall & Fire Station Lease Obligation
-	-	-	-	-	Owner Participation Agreements
-	-	-	-	-	Special Assessment Debt
-	-	-	-	-	Notes Payable
-	1,628,000 (2)	1,221,000	1,235,739	1,250,478	Long-Term Loan
-	-	4,295,904	7,446,331	10,596,758	Add: Discounts/premiums, net
1,467,391	1,239,579	1,004,201	761,001	509,714	Capital Leases
					Business-Type Activities
\$ 21,973,818	\$ 20,725,423	\$ 19,438,757	\$ 17,319,283	\$ 16,027,059	Revenue Bonds
-	-	37,116	1,023,938	2,010,760	Add: Issue Discount/prem, net
-	-	-	-	-	Capital Leases
-	-	-	-	-	Note Payable
\$ 121,224,947	\$ 149,712,460	\$ 142,145,335	\$ 158,885,845	\$ 153,835,822	Total Primary Government
Not available	Not available	Not available	Not available	Not available	Percentage of Personal Income
1,652	2,036	1,909	2,089	1,974	Per Capita
73,389	73,521	74,479	76,065	77,942	Population

**Schedule 10
CITY OF FOLSOM, CALIFORNIA
Ratios of General Bonded Debt Outstanding
Fiscal Year 2021, 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			
2012	\$ 12,120,000	\$ -	\$ 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
2020	\$ -	\$ -	\$ -	0.00%	-	76,065
2021	\$ -	\$ -	\$ -	0.00%	-	77,942

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.

Schedule 11
CITY OF FOLSOM, CALIFORNIA
Computation of Direct and Overlapping
Fiscal Year 2021

2020-21 Assessed Valuation: \$15,607,678,901

<u>DIRECT & OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/2021</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/21</u>
Los Rios Community College District	\$415,205,000	7.11%	\$29,512,771
Folsom Cordova Unified School District School Facilities Improvement District No. 2	15,873,514	99.731	15,830,814
Folsom Cordova Unified School District School Facilities Improvement District No. 3	190,610,798	26.914	51,300,990
Folsom Cordova Unified School District School Facilities Improvement District No. 5	179,345,000	99.987	179,321,685
San Juan Unified School District	666,805,642	0.684	4,560,951
Special District 1915 Act Bonds (Estimate)	328,866,188	0.816 - 100.	12,940,352
City of Folsom PFA Revenue Bonds & Direct Borrowing and Placement Notes	154,719,207	100	154,719,207
TOTAL DIRECT & OVERLAPPING TAX AND ASSESSMENT DEBT			\$448,186,770
 <u>DIRECT & OVERLAPPING GENERAL FUND DEBT:</u>			
Sacramento County General Fund Obligations	\$139,167,413	8.58%	\$11,944,739
Sacramento County Pension Obligation Bonds	712,785,052	8.583	61,178,341
Sacramento County Board of Education General Fund Obligations	3,100,000	8.583	266,073
Sacramento Metropolitan Fire District General Fund Obligations	8,375,000	0.138	11,558
Sacramento Metropolitan Fire District Pension Obligation Bonds	30,410,000	0.138	41,966
City of Folsom City Hall & Fire Station Lease Obligation	1,180,846	100	1,180,846
City of Folsom Capital Lease Obligations	509,714	100	509,714
City of Folsom Landfill Closure Liability	217,000	100	217,000
City of Folsom Long-term Loans	588,739	100	588,739
City of Folsom Net Discounts/Premiums	7,446,331	100	7,446,331 (2)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$83,385,307
Less: Sacramento County supported obligations			<u>1,281,220</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$82,104,087
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$45,145,000	 100.00%	 \$45,145,000
 TOTAL DIRECT DEBT			 \$164,661,837
TOTAL GROSS OVERLAPPING DEBT			\$412,055,240
TOTAL NET OVERLAPPING DEBT			\$410,774,020
 GROSS COMBINED TOTAL DEBT			 \$576,717,077 (3)
NET COMBINED TOTAL DEBT			\$575,435,857

(1) The 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) As of 6/30/20.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue obligations.

Ratios to 2020-21 Assessed Valuation

Direct Debt (\$154,719,207)	0.99%
Total Direct and Overlapping Tax and Assessment Debt	2.87%
Total Direct Debt (\$164,661,837)	1.06%
Gross Combined Total Debt	3.70%
Net Combined Total Debt	3.69%

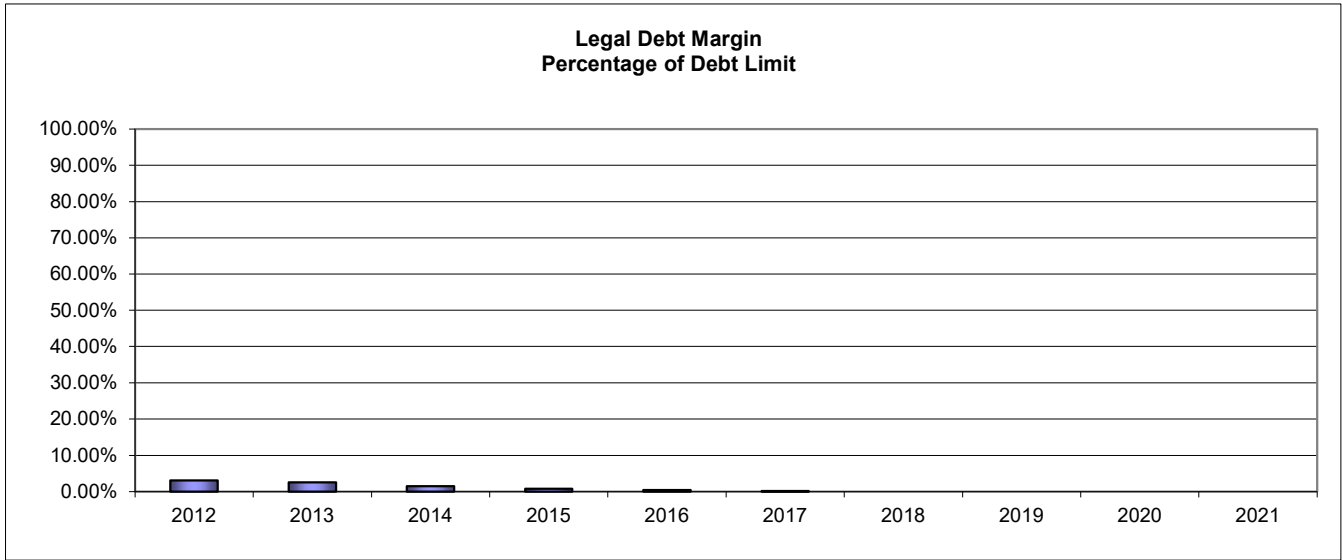
Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,088,561,055):

Total Overlapping Tax Increment Debt	4.15%
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Source: California Municipal Statistics, Inc.

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**Schedule 12
CITY OF FOLSOM, CALIFORNIA
Legal Debt Margin
Fiscal Year 2021, 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
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%
2020	\$ 17,358,468	3.75%	\$ 650,943	\$ -	\$ 650,943	0.00%
2021	\$ 17,852,872	3.75%	\$ 669,483	\$ -	\$ 669,483	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 2020, With Ten Year Trend Analysis

	2012	2013	2014	2015	2016
Water Revenue Bonds					
Utility Services Charges	\$ 12,708,434	\$ 14,755,852	\$ 14,349,277	\$ 13,218,966	\$ 12,400,653
Inv. Income & Other					
Less Operating Expense	9,769,702	8,238,934	8,452,397	8,945,873	8,230,547
Net Available Revenue	2,938,732	6,516,918	5,896,880	4,273,093	4,170,106
Debt Service-Principal	960,000	985,000	1,124,752	1,142,049	1,170,788
Debt Service-Interest	1,068,780	1,064,579	828,672	864,822	832,891
	\$ 2,028,780	\$ 2,049,579	\$ 1,953,424	\$ 2,006,871	\$ 2,003,679
Coverage	1.45	3.18	3.02	2.13	2.08
Special Assessment & Community Facility Bonds					
Special Assessment Collections	16,139,062	15,705,171	15,378,021	15,706,798	16,152,972
Debt Service-Principal	7,366,393	8,794,705	11,895,928	9,463,202	9,480,329
Debt Service-Interest	7,252,534	6,635,434	6,349,684	5,790,222	5,507,126
	14,618,927	15,430,139	18,245,612	15,253,424	14,987,455
Coverage	1.10	1.02	0.84	1.03	1.08
RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage					
Gross Tax Revenue	3,385,072 (2)	2,909,463	2,812,863	2,997,413	2,999,563
Debt Service-Principal	880,000	940,000	875,000	1,100,000	1,145,000
Debt Service-Interest	1,996,763	1,969,463	1,937,863	1,897,413	1,854,563
Coverage of Senior Debt	1.18	1.00	1.00	1.00	1.00
RDA/Successor Agency Tax Allocation Subordinated Lien Bond Coverage					
Net Tax Revenue Available for Subordinated Debt ⁽¹⁾	1,096,510 (2)	1,060,988	1,160,319	974,850	976,688
Debt Service - Principal	250,000	215,000	325,000	150,000	160,000
Debt Service - Interest	846,510	845,988	835,319	824,850	816,688
Coverage of Subordinated Debt	1.00	1.00	1.00	1.00	1.00
RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage					
Gross Tax Revenue	1,124,940 (2)	1,126,088	1,124,425		1,126,313
Debt Service-Principal	255,000	175,000	180,000		190,000
Debt Service-Interest	869,940	951,088	944,425		936,313
Coverage	1.00	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 & investment income ; FY18 and prior investment income included with Service Charges

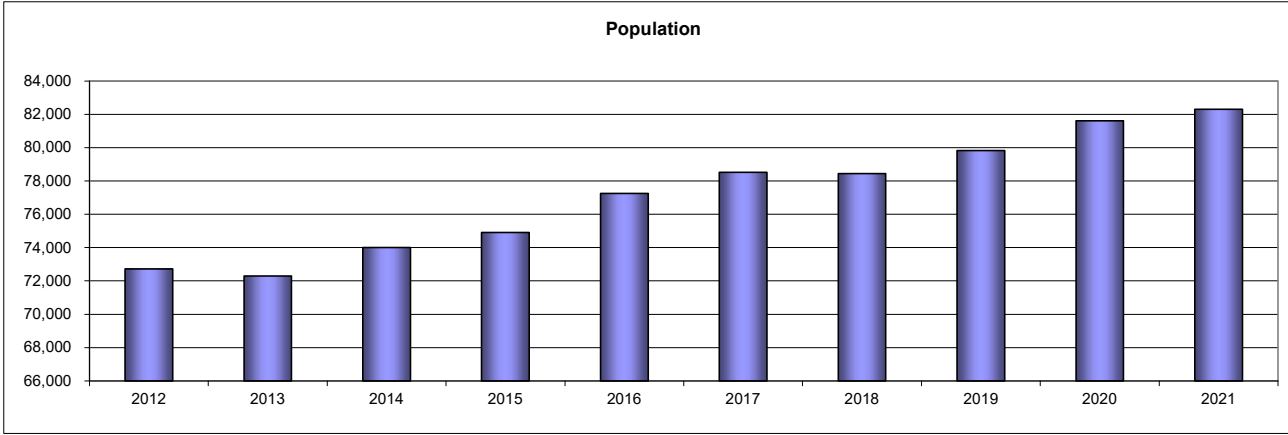
(6) Does not include unrealized gain/loss; FY18 and prior unrealized gain/loss was included

(7) Less depreciation includes administrative costs

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

2017	2018	2019	2020	2021	
\$ 13,737,197	\$ 14,209,217	\$ 13,912,610	\$ 15,561,068	\$ 17,988,487	Water Revenue Bonds
		1,664,700	1,466,236	901,700	Utility Services Charges
8,571,343	9,611,666	10,016,691	11,393,485	11,714,922	Inv. Income & Other ^(5,6)
5,165,854	4,597,551	5,560,619	5,633,819	7,175,265	Less Operating Expense ⁽⁷⁾
1,208,175	1,248,395	1,286,666	1,384,474	1,292,224	Net Available Revenue
796,495	758,911	718,190	505,683	589,380	Debt Service-Principal
\$ 2,004,670	\$ 2,007,306	\$ 2,004,856	\$ 1,890,157	\$ 1,881,604	Debt Service-Interest
2.58	2.29	2.77	2.98	3.81	Coverage
					Special Assessment & Community Facility Bonds
15,611,680	15,115,858 (4)	15,415,808	16,013,670	15,568,855	Special Assessment
10,932,664	7,113,480	10,965,665	10,137,773	5,899,714	Collections
4,868,399	3,623,570	5,032,461	5,289,549	5,439,214	Debt Service-Principal
15,801,063	10,737,050	15,998,126	15,427,322	11,338,928	Debt Service-Interest
0.99	1.41	0.96	1.04	1.37	Coverage
					RDA/Successor Agency Tax Allocation Senior Lien Bond Coverage
3,350,525 (3)	4,049,688	3,736,900	3,742,238	3,723,000	Gross Tax Revenue
1,570,000	2,325,000	2,055,000	2,100,000	2,130,000	Debt Service-Principal
1,780,525	1,724,688	1,681,900	1,642,238	1,593,000	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
-	-	-	-	-	Net Tax Revenue Available for Subordinated Debt ⁽¹⁾
-	-	-	-	-	Debt Service - Principal
-	-	-	-	-	Debt Service - Interest
N/A (3)	N/A	N/A	N/A	N/A	Coverage of Subordinated Debt
					RDA/Successor Agency Tax Allocation Housing Set-Aside Bond Coverage
1,126,050	-	-	-	-	Gross Tax Revenue
200,000	-	-	-	-	Debt Service-Principal
926,050	-	-	-	-	Debt Service-Interest
1.00 (3)	N/A	N/A	N/A	N/A	Coverage

**Schedule 14
CITY OF FOLSOM, CALIFORNIA
Demographic and Economic Information
Fiscal Year 2021, 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)
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	1,546,174	\$ 3,677,233,631	\$ 46,060	41.30	Note 1	20,605	2.80%
2020	81,610	1,555,365	\$ 3,909,527,050	\$ 47,905	41.20	Note 1	20,602	10.40%
2021	82,303	1,561,014	\$ 4,255,747,392	\$ 51,708	40.70	Note 1	20,096	6.18%

Note 1	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Less than 9th grade	Not available	1.80%	1.60%	3.40%	2.00%	2.40%	3.40%	2.40%	1.60%	1.20%
Some High School, no diploma	Not available	7.70%	4.20%	6.80%	6.00%	5.20%	3.70%	4.90%	3.80%	3.00%
High School Graduate (or GED)	89.60%	17.60%	20.80%	16.90%	17.20%	15.80%	14.40%	12.10%	11.60%	13.30%
Some College, no degree	Not available	21.80%	20.20%	17.90%	19.90%	19.70%	21.80%	20.00%	20.70%	18.20%
Associate Degree	Not available	9.20%	8.50%	9.00%	9.20%	9.10%	9.10%	11.40%	10.50%	11.20%
Bachelor's Degree	40.10%	26.90%	26.90%	26.90%	28.50%	29.40%	28.70%	29.50%	31.80%	32.10%
Master's Degree	Not available	Not available	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%	19.90%	21.00%
Doctorate Degree	Not available	Not available	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 2021 and Nine Years Ago

<u>Employer</u>	2021			2012		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Intel Corporation	5,992	1	16.11%	6,515	1	25.45%
California State Prison	1,547	2	4.16%	1,450	2	5.66%
Folsom Cordova Unified School District*	1,198	3	3.22%	875	5	3.42%
Folsom State Prison	1,002	4	2.69%	975	4	3.81%
Mercy Hospital of Folsom	732	5	1.97%			
California ISO	639	6	1.72%	600	8	2.34%
City of Folsom	452	7	1.22%	448	10	1.75%
SAFE Credit Union**	378	9	1.02%			
Micron Technology Inc	372	8	1.00%			
Costco Wholesale	350	10	0.94%			
Verizon				1,100	3	4.30%
Worthington Imports				680	6	2.66%
Peterson's Folsom Lake Enterprises				654	7	2.55%
Maximus				550	9	2.15%
Total Top Employers	12,662		34.04%	13,847		54.09%
Total City Labor Force	37,200		100.00%			

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

Schedule 16
CITY OF FOLSOM, CALIFORNIA
Government Employment Information
Fiscal Year 2021, With Ten Year Trend Analysis

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	6	5.25	5.5	5.5	5.75	5.5	5.5	5	4.5	4.5
City Attorney	4	4	3.75	3.75	3.75	4	4	4	4	4
City Clerk	3	3	3	3	3	3	3	3	3	3
Community Development	26.5	22	20.4	20.4	21.4	22.4	24	26	26	26
Fire	64	63	65	65	69	69	71	77	77	77
Human Resources	6	5	5	5	5	5	5.5	5.5	5.25	5.5
Intergov't Affairs & Econ, Dev.	0	0	0	0	0	0	0	0	0	0
Library	12	11	11	10.5	10.5	10.5	10.5	12.75	12.75	12.75
Office of Management & Budget	24	20	19	20	20	21	21.5	23.5	24.25	24
Parks & Recreation	52.8	43	43.4	42.4	44.8	46	46	48	48	48
Police Department	103.5	98.5	97.5	97.5	98.5	101.5	103.5	107.5	107.5	107.5
Public Works	55.5	51	46.9	45.9	45.9	47.7	48.4	49.25	34.4	34.4
Utilities	89	90.25	89.95	91.95	94.2	97.2	98.1	100.4	100.85	100.85
	<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>	<u>452.50</u>	<u>452.50</u>

Source: City Budget

Schedule 17
CITY OF FOLSOM, CALIFORNIA
Operating Indicators by Function/Program
Fiscal Year 2021, With Ten Year Trend Analysis

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police (1)										
Misdemeanor and felony arrests	1,270	1,324	1,410	1,414	1,257	1,251	1,023	1,226	1,126	1,412
Traffic citations	7,262	6,180	6,144	3,882	2,997	2,575	2,130	2,512	4,574	5,058
Traffic collisions	1,464	1,410	1,328	1,166	1,528	1,673	1,639	1,583	861	1,088
Fire										
Ambulance transports	3,099	3,099	3,186	3,367	3,819	4,045	4,446	5,275	4,933	4,842
Medical responses	3,526	3,526	3,485	3,671	4,369	4,748	5,105	6,025	5,973	5,945
Inspections completed	1,326	1,850	1,066	1,035	1,460	506	1,017	1,439	684	937
Other public works										
Lane miles of street overlay	9	7.2	-	4	8	2	-	8	-	1
Curb miles of streets swept	445	568	1,807	2,511	4,275	2,930	3,900	4,300	4,000	4,200
Hot pour crack seal applied (4)	120,000	104,480	103,020	80,200	150,000	390,000	350,000	400,000	320,000	70,000
Square feet of street patch	83,000	84,560	408,000	187,650	200,000	75,000	450,000	415,000	106,500	120,000
Number of miles of road added	-	-	-	1	1	-	-	2	7	13
Number of traffic signals added	18	-	-	-	1	-	1	6	1	3
Number of streetlights added	28	4	-	19	15	35	14	131	4	147
Miles of storm drains added	0.2	0.1	0.3	0.5	0.6	0.2	-	8	6	5
Area of Slurry Seal applied (sq ft)	862,000	1,895,800	1,034,100	1,500,000	2,250,000	-	-	4,350,000	1,000,000	2,440,000
Parks and Recreation										
Aquatic center paid admissions	59,571	63,840	68,257	62,668	58,694	61,731	56,586	48,978	33,895	30,117
Community facilities reservations	2,374	2,801	2,949	3,449	3,269	3,115	3,315	2,859	2,188	1,318
Community facilities paid rentals	889	1,007	1,113	1,107	1,111	1,059	1,127	1,086	678	448
Total park acreage	439	439	439	439	439	439	451	456	456	479
Open space acreage	420	420	420	499	631	631	631	631	631	824
Trails maintenance	36	36	36	36	45	48	48	50	48.5	50.1
Recreation program participation	595,934	540,688	559,776	524,545	560,973	523,268	542,249	515,120	366,198	119,367
Zoo attendance	125,564	121,387	123,440	121,360	116,057	121,953	143,367	134,741	87,019	55,750
Library										
Volumes in collection	102,767	103,253	96,833	92,979	91,519	89,133	92,033	94,960	97,777	100,710
Total volumes borrowed	552,161	564,434	608,536	609,441	613,597	603,421	618,458	644,158	501,160	408,312
Water										
New connections	103	187	356	348	268	180	253	501	406	782
Water main breaks	1	5	3	8	5	1	4	1	1	1
Average consumption (gal/day)	19.3 MGD	20.3 MGD	16.6 MGD	14.9 MGD	14.2 MGD	16.65 MGD	17.35 MGD	15.44 MGD	16.81 MGD	17 MGD
Plant capacity (gal/day)	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD	50MGD
Wastewater										
Average daily sewage treatment (thousands of gallons)										
Daily average flow in gallons	7.82 MGD	6.22 MGD	5.75 MGD	5.75 MGD	5.98 MGD	8.03 MGD	7.1 MGD	7.1 MGD	7.1 MGD	7.1 MGD
Pump station capacity (gal/day) (2)	12 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14.2 MGD	14 MGD	14 MGD	41 MGD	43.9 MGD	43.9 MGD
Refuse collection										
Solid Waste (tons per day)	131	136	136	140	144	150	151	152	151	155
Recycling (tons per day)	35	39	38	41	44	44	40	39	39	43
Green Waste (tons per day)	33	35	33	34	36	40	38	44	41	37
Transit (3)										
Total route miles	194,900	184,727	175,402	195,390	200,897	195,989	197,147	113,043	N/A	N/A
Passengers-Folsom Stage Line	73,485	79,787	92,489	91,930	83,180	92,282	89,794	50,183	N/A	N/A
Passengers-Light Rail	778,856	745,108	734,500	702,935	689,935	619,684	627,850	722,364	N/A	N/A

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
- (4) Beginning in FY 2021 item measured in pounds instead of lineal ft.

Schedule 18
CITY OF FOLSOM, CALIFORNIA
Capital Asset and Infrastructure Statistics by Function/Program
Fiscal Year 2021, With Ten Year Trend Analysis

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Works					
Miles of streets	259	259	300	301	302
Number of street lights	6,699	6,703	6,699	6,699	6,714
Number of traffic signals (1)	118	118	118	118	119
Culture and recreation					
Zoo	1	1	1	1	1
Community centers	4	4	4	4	4
Community clubhouse	2	2	2	2	2
Parks	46	46	46	46	46
Park acreage	439	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	60	52	56	54	53
Sewage System					
Miles of sanitary sewers (2)	267	267	267	267	267
Number of pump stations	9	15	15	15	15
Number of service connections	21,787	21,974	22,295	22,743	22,927
Water					
Miles of water mains	343	343	343	343	343
Number of service connections	19,376	19,563	19,919	20,267	20,535
Number of fire hydrants (3)	2,919	2,921	2,977	2,989	2,996
Daily average consumption in gallons	20	20.3	16.6 MGD	14.9 MGD	14.2 MGD
Maximum daily capacity of plant in gallons	50 MGD	50 MGD	50 MGD	50 MGD	50 MGD
Drainage System					
Miles of storm drains	250	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

2017	2018	2019	2020	2021	Function/Program
					Public Works
303	303	305	312	325	Miles of streets
6,749	6,749	6,806	6,810	6,957	Number of street lights
119	122	107	108	111	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	47	48	48	48	Parks
439	451	456	456	456	Park acreage
3	3	3	3	3	Swimming pools
23	25	25	25	25	Tennis courts
4	5	5	5	5	Fire Stations
					Police
1	1	1	1	1	Stations
53	59	60	64	64	Patrol Units
					Sewage System
268	285	261	272	279	Miles of sanitary sewers
14	14	17	17	17	Number of pump stations
22,974	23,506	23,525	23,962	24,483	Number of service connections
					Water
346	365	367	367	376	Miles of water mains
20,755	21,177	21,602	21,851	22,633	Number of service connections
2,994	3,434	3,174	3,234	3,456	Number of fire hydrants
16.65 MGD	17.35 MGD	15 MGD	16.81 MGD	17 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	258	264	269	Miles of storm drains

Schedule 19
CITY OF FOLSOM, CALIFORNIA
Miscellaneous Statistics
Fiscal Year 2021, With Ten Year Trend Analysis

	Education				Hospitals	
	Elementary schools	Secondary schools	Number of school instructors - FTE	Community colleges	Number of hospitals	Patient beds
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
2020	10	5	511	1	1	131
2021	10	5	507	1	1	131

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