



Pete Sakaris, President

Rich Lozano, Vice President

Angela Spease, Director

Reina Tarango, Director

Daniella Zehnder, Director

REGULAR BOARD OF DIRECTORS MEETING

**WEDNESDAY, JANUARY 21, 2026
8820 Elk Grove Blvd., Elk Grove, 95624**

Regular Meeting - Board Chambers – 5:30 P.M.

**Director Angela Spease attending remotely for Just Cause
(Gov. Code Sec. 54953):**

Join Zoom Meeting

<https://yourcsd.zoom.us/j/81075755012?pwd=jvZ2UlwXomF9gevWzATgA0sxTfFot8.1>

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https://yourcsd.zoom.us/meetings/81075755012/invitations?signature=316q3bAPap61GIDq_opz69_89hrMNIUq5pFbAuHe9QY

LAND ACKNOWLEDGMENT: We honor, respect, and acknowledge Elk Grove's first inhabitants, the Plains Miwok, who lived as sovereign caretakers of this land and these waterways since time immemorial. We commemorate and advocate for their descendants, the Wilton Rancheria Tribe – the only federally recognized tribe in Sacramento County – who endure because of the bravery, resiliency, and determination of their ancestors, tribal members, and leaders.

The Cosumnes Community Services District welcomes, appreciates, and encourages participation in the District's Board meetings. The Board requests that you limit your presentation or comments to three (3) minutes per person so all who wish to participate may have the opportunity to do so, at the discretion of the Board President. The Board reserves the right to reasonably limit the total time for public comment on any particular noticed agenda item as it may deem necessary.

If you wish to address the Board during the meeting, please complete a Speaker Form and give it to the District Clerk before consideration of the agenda item.

AGENDA

REGULAR BOARD MEETING – 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL

1. Session Roll Call
2. Pledge of Allegiance
3. Moment of Silence

B. COMMUNICATIONS FROM THE PUBLIC (Non-agendized items)

This is the time and place for the public to address the Board of Directors. State law prohibits the Board from addressing any items not previously included on the Agenda. The Board of Directors may receive testimony and set the matter for a subsequent meeting. Comments are to be limited to three minutes per individual at the discretion of the President. Individuals representing a group or an organization shall be permitted five minutes. Comments relating to similar issues should be brief, concise, and non-repetitious. Speakers should state their home or business address when commenting to the Board.

Note: Under the provisions of the California Government Code, the Board is prohibited from discussing or taking immediate action on any non-agendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

C. PRESENTATIONS

4. CORE Presentation. (T. Farris)

D. CONSENT CALENDAR

The following Consent Calendar items are expected to be routine and non-controversial. They may be acted upon by the Board at one time without discussion. Any item may be removed by a Board Member for discussion or clarification. Members of the public wishing to comment on any Consent Calendar item may do so before Board action.

5. Approve Minutes from December 17, 2025, Regular Board Meeting.
6. Receive and File the December District-wide Report.
7. Approve Multi-Year Agreement for Marketing Services at CORE Recreation Center.
8. Approve Landscape Maintenance of District Streetscape Service Area 4 – Contract Extension and Authority Increase.
9. Approve Multi-Year Agreement with Republic Services Recycling and Waste Services.

E. PUBLIC HEARINGS

None

F. STAFF REPORTS

10. Approve Funding of Mobile Integrated Health (MIH) Program Through Fiscal Year 2025-26. (R. Kasparian)

Recommendations:

1. Approve the continued funding and operation of the Mobile Integrated Health (MIH) Pilot Program through Fiscal Year 2025-26; and
2. Authorizes the General Manager to approve a one-time budget appropriation not to exceed \$120,000 in Measure E funds within Fiscal Year 2025-26.

11. Audited Financial Statement for Fiscal Year Ended June 30, 2025. (N. Vang)

Recommendations:

1. Receives and files the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025, presented in **Attachment A**; and
2. Receives and files the Memorandum of Internal Control and Required Communications presented in **Attachment B**; and
3. Receives and files the GANN Appropriations Limit Report in **Attachment C**.

G. BOARD OF DIRECTORS BUSINESS

- 12. Meeting/Event Approval and Report
- 13. General Manager Report

H. IDENTIFICATION OF ITEMS FOR FUTURE MEETING

This is the time for the Board of Directors to identify the items they wish to discuss at a future meeting. These items will not be discussed at this meeting, only identified for a future meeting.

I. ADJOURNMENT

Note: *Disabled Accommodations.*

The Cosumnes Community Services District will provide reasonable accommodation for persons with special needs due to disabilities. Please contact Elenice Gomez, District Clerk, at 8820 Elk Grove Blvd. Elk Grove, CA 95624, phone (916) 405-7151, at least 48 hours before the meeting, to allow time to provide for special accommodation.

Note: *Review and Copies of the Agenda, Agenda Reports, and Material.*

Before each meeting, copies of the Agenda, Agenda Reports, and other materials, as well as any public record relating to an open session agenda item that is distributed within 72 hours before the meeting, are available for public review at the Cosumnes Community Services District's website at <https://www.cosumnescsd.gov/AgendaCenter/Board-of-Directors-2>

Certificate of Posting of Agenda

I hereby declare that the foregoing Agenda for January 21, 2026, Regular Meeting of the Cosumnes Community Services District Board of Directors was posted on January 14, 2026, at 8820 Elk Grove Blvd., Elk Grove, California, 95624, and was available for public review at that location.



Signed this 14th day of January 2026.

**COSUMNES COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING – 5:30 PM
WEDNESDAY, DECEMBER 17, 2025
MINUTES**

REGULAR BOARD MEETING – 5:30 PM

ATTENDANCE

Directors present were Rich Lozano, Pete Sakaris, Reina Tarango, and Daniella Zehnder. President Angela Spease attended via teleconferencing.

General Manager Tim Ogden, District Counsel Sigrid Asmundson, Fire Chief Felipe Rodriguez, and Parks and Recreation Administrator Traci Farris were also in attendance.

A. CALL TO ORDER/PLEDGE OF ALLEGIANCE

1. Vice-President Sakaris called the meeting to order at 5:33 p.m.

Director Zehnder read the land acknowledgement.

2. Battalion Chief Chris Schamber and Mr. Allan Veto led the Pledge of Allegiance.

Mr. Allan Veto presented the Board with a \$2,500 check for the Cosumnes Recreation Opportunity Fund. These funds were the proceeds from the Beer and Wine Garden at the Giant Pumpkin Festival.

3. A moment of silence was observed in honor of the victims of violence all over the world.

B. COMMUNICATIONS FROM THE PUBLIC

None

C. CONSENT CALENDAR

4. Approve Minutes from December 3, 2025, Regular Board Meeting.
5. Receive and File the November District-wide Report.
6. Approve the list of Proposed District Proclamations for Calendar Year 2026.
7. Approve On-Call Masonry Services Agreement.
8. Reject all Wackford Community Aquatic Complex Locker Room Bids PC-2026-002.
9. Approve Resolution No. 2025-44 Adopting the Part-Time Salary Schedule Effective January 1, 2026.
10. Approve Fiscal Year 2025-2026 Districtwide Cost Allocation Plan.
11. Approve Revised Policy 1105 and Workplace Violence Prevention Plan (WVPP).

Director Zehnder pulled Item 10 for discussion.

Director Lozano moved to approve the Consent Calendar items 4 through 9 and 11; seconded by Director Tarango. The vote was 5 yeses and 0 noes, and the motion carried.

Finance Director Nou Vang presented on item 10. Vice President Sakaris requested the Districtwide Cost Allocation Plan return for a discussion when the annual budget is considered.

After deliberations, President Spease moved to approve the Consent Calendar item 10; seconded by Director Zehnder. The vote was 5 yeases and 0 noes, and the motion carried.

D. PRESENTATIONS

12. Strauss Festival Review.

Parks and Recreation Administrator Traci Farris introduced the staff who facilitated items D-12, D-13, and D-14.

Recreation Coordinator Vincent Pompei facilitated the presentation.

Strauss Festival Board Co-Chair Marjorie Jones presented the Board with a memento from the festival, a photo featuring President Spease and Director Zehnder presenting the sponsorship check.

13. 2025 Giant Pumpkin Festival Recap.

The 2025 GPF Co-Chairs gave an after-action recap of this year's festival.

14. 2025 Giant Pumpkin Festival Beer Garden Check Presentation to the Cosumnes Recreation Opportunity Fund.

This item was presented during the Pledge of Allegiance.

E. PUBLIC HEARINGS

15. SUBJECT – Annexation #59 – Community Facilities District No.1 (Elk Grove Fire Protection). (H. Zalmi)

RECOMMENDATIONS:

1. Open the public hearing and take testimony on the proposed annexation of properties into Community Facilities District (CFD) No. 1 (Elk Grove Fire Protection); and
2. Approve Resolution No. 2025-40 A Resolution of the Board of Directors of the Cosumnes Community Services District (the "District") to Annex Territory to Community Facilities District No. 1 (Elk Grove Fire Protection) and Authorize the Levy of Special Taxes Therein. (Attachment A); and
3. Approve Resolution No. 2025-41, A Resolution of the Board of Directors of the Cosumnes Community Services District Calling a Special Election of the Qualified Electors of the Territory to be Annexed to Community Facilities District No. 1. (Attachment B); and
4. Hold a special election on the CFD annexation during which the Canvassing Board opens the ballot, tallies the vote, announces the election results, and
5. Approve Resolution No. 2025-42, A Resolution of the Board of Directors of the Cosumnes Community Services District Declaring Results of Special Tax Election,

- Determining Validity of Prior Proceedings, and Directing Recording of Notice of Special Tax Lien. (Attachment C); and
6. The District publishes the Notice of Public Hearing in the Elk Grove Citizen and Galt Herald at least 7 days prior to the scheduled public hearing. (Attachment E).

Vice President Sakaris opened the Public Hearing at 6:19 p.m.

There were no public comments.

Vice President Sakaris closed the Public Hearing at 6:19 p.m.

Director Lozano moved to approve Resolution No. 2025-40, a Resolution of the Board of Directors of the Cosumnes Community Services District (the "District") to Annex Territory to Community Facilities District No. 1 (Elk Grove Fire Protection) and Authorize the Levy of Special Taxes Therein (Attachment A). Seconded by Director Zehnder. The vote was 5 yeses and 0 noes, and the motion carried.

Director Lozano moved to approve No. 2025-41, A Resolution of the Board of Directors of the Cosumnes Community Services District Calling a Special Election of the Qualified Electors of the Territory to be Annexed to Community Facilities District No. 1 (Attachment B). Seconded by Director Tarango. The vote was 5 yeses and 0 noes, and the motion carried.

The Clerk canvassed the ballots, and the vote was:

Qualified Landowner Ballots – 02

Ballots Cast – 02

Votes Cast – 07

Yes Votes – 07

No Votes – 0

Director Tarango moved to approve Resolution No. 2024-42, A Resolution of the Board of Directors of the Cosumnes Community Services District Declaring Results of Special Tax Election, Determining Validity of Prior Proceedings, and Directing Recording of Notice of Special Tax Lien (Attachment C). Seconded by Director Lozano. The vote was 5 yeses and 0 noes, and the motion carried.

F. STAFF REPORTS

16. **SUBJECT** – Adoption of Resolution Affirming the General Manager as Purchasing Agent and Updating Contract Approval Limits. (N. Vang)

RECOMMENDATIONS:

1. Adopt Resolution 2025-45, affirming the General Manager as the District's Purchasing Agent and establishing purchasing and contract execution limits of \$100,000 for general procurement and contracting and \$220,000 for public works and maintenance contracts.

Finance Director Nou Vang presented

After deliberating, Director Tarango moved to accept staff's recommendation, seconded by Director Lozano. The vote was 5 yeses and 0 noes, and the motion carried.

17. **SUBJECT** – Approval of Classification Changes, Authorized Position List & Publicly Available Salary Schedule, and Employment Contract Amendments for General Manager and Administrator of Parks and Recreation. (B. Lorda)

RECOMMENDATIONS:

1. Eliminate the Administrator of General Services job classification and delete the position allocation; and
2. Retitle the class of Director of Finance to Chief Financial Officer; adjust to the Department Head salary grade; and
3. Retitle the class of Engineering, Design, and Development Director to Engineering Director; and
4. Retitle the class of Director of Landscape, Architecture, and Planning to Park Development Director; and
5. Approve the updated Authorized Position List (Attachment A) based on the position control amendment as detailed within the staff report; and
6. Approve Resolution 2025-43 – Adopting the Publicly Available Pay Scales (Attachment B) and Full-Time Salary Schedules (Attachment C), effective January 1, 2026; and
7. Approve the salary grade change for District Counsel, reducing the grade from a range to a single step without resulting in any salary changes; and
8. Approve the salary change for General Manager/CEO, reducing the grade from a range to a single step, and increasing the salary by 10% in accordance with the amended employment agreement, effective January 1, 2026 (Attachment D), and
9. Adjust the salary grade for the Administrator of Parks & Recreation by 7.5% and authorize the General Manager to execute an amendment to the employment contract, effective January 1, 2026 (Attachment E).

Human Resources Director Brody Lorda presented.

Director Zehnder moved to accept staff's recommendation; seconded by President Spease. The vote was 5 yeses and 0 noes, and the motion carried.

Vice President Sakaris recessed the meeting at 6:34 pm

Vice President Sakaris reconvened the meeting at 6:40 pm

18. **SUBJECT** – Contract Award for Enterprise Resource Planning Software, Implementation & Project Management Services. (J. Chavez/J. Ebner)

RECOMMENDATIONS:

1. Award the contract (**Attachment A**) for installation, implementation, and licensing of Enterprise Resource Planning (ERP) software to Workday, Inc., in the amount of \$3,666,271 over the course of ten years; and
2. Award the contract (**Attachment B**) for system implementation project management of the Workday ERP software suite to Cognizant Technology Solutions in the amount of \$3,726,112, plus a 10% contingency of \$372,611 for a total cost of \$4,098,723; and

3. Authorize the increase of the contract authority with Berry, Dunn, McNeil & Parker, LLC, by \$165,000 for a total amount not to exceed \$1,024,540; and
4. Approve Resolution No. 2025-46, Loan Agreement and Unsecured Promissory Note up to \$2,500,000 (**Attachment C**) for financing the one-time costs of the project.
5. Approve the budget appropriation of \$1,700,000 of General Fund reserves in Fiscal Year 2025-2026; and
6. Authorize the General Manager, or their designee, to execute all requirements of the contracts, amendments of the contract, and loan agreements, including approval of Change Orders up to the contingency amount.

Budget Manager Jilian Chavez and Community Engagement and Partnerships Program Manager John Ebner presented.

After deliberating, Director Tarango moved to accept staff's recommendations, seconded by Director Zehnder. The vote was 5 yeses and 0 noes, and the motion carried.

G. BOARD OF DIRECTORS BUSINESS

19. Election of Officers – President and Vice President

President Angela Spease nominated Vice President Sakaris for President in 2026 and Director Rich Lozano for Vice President. Director Lozano seconded the recommendation. The vote was 5 yeses and 0 noes, and the motion was carried.

President Angela Spease nominated Director Lozano for Vice President. Director Sakaris seconded the recommendation. The vote was 5 yeses and 0 noes, and the motion carried.

20. Committee Appointments:

- a) City of Elk Grove 2x2 – Sakaris and Spease
- b) City of Galt 2x2 – Sakaris and Lozano
- c) Wilton Rancheria 2x2 – Sakaris and Lozano
- d) Elk Grove USD 2x2 – Sakaris and Tarango
- e) Florin Resource Conservation District (Elk Grove Water District) 2x2 – Lozano and Spease
- f) Herold Fire Protection District 2x2 – Sakaris and Lozano
- g) Wilton Fire Protection District 2x2 – Sakaris and Lozano
- h) Elk Grove Cosumnes Cemetery District 2x2 – Spease and Zehnder
- i) County Supervisor Meetings (2 representatives) – Sakaris and Lozano
- j) State Assembly District 10 (Elk Grove) Meetings (2 representatives) – Sakaris and Spease
- k) State Senate District 8 (Elk Grove) Meetings (2 representatives) – Sakaris and Lozano
- l) State Assembly District 9 (Galt) Meetings (2 representatives) – Sakaris and Lozano
- m) State Senate District 6 (Galt) Meetings (2 representatives) – Sakaris and Lozano
- n) US Congress District 5 Meetings (2 representatives) – Sakaris and Tarango
- o) Parks Advisory Committee – Tarango and Zehnder
- p) LAFCo Special Districts Advisory Committee – Lozano
- q) Park Naming Committee – Spease and Zehnder

21. Meeting/Event Approval and Report

Director Lozano – Attended the Galt Community Dinner and thanked Chief Rodriguez and Battalion Chief Chris Schamber for helping at the event.

Director Spease – Thanked the First Responders/Firefighters, EGPD, and California Police Activities League for their participation in the Shop with the Cop program.

President Sakaris – Attended the Lighting of the Tree in Elk Grove. Attended the Community Dinner in Galt.

22. General Manager Report

Thanked the Board for their support in the items approved tonight, and for the trust the Board places in him and the staff. Shout out to GPF and ERP Teams. Thanked outgoing President Spease for her leadership in the past year, and looks forward to working with the new leadership.

H. IDENTIFICATION OF ITEMS FOR FUTURE MEETING

None

I. ADJOURNMENT

With no further business, the meeting was adjourned at 7:26 p.m.

Approved: _____
Board President

Attest: _____
Secretary to the Board

STAFF REPORT

DATE: January 21, 2026

TO: Board of Directors

FROM: Tim Ogden, General Manager / CEO

BY: District Strategic Management Team

SUBJECT: DISTRICT MONTHLY REPORT – DECEMBER 2025



RECOMMENDATION

The Board of Directors ("Board") receives and files the Cosumnes Community Services District ("District") monthly report for December 2025.

BACKGROUND

The District provides exceptional emergency medical, fire protection, parks, and recreation services to over 215,000 residents across 157 square miles in south Sacramento County. The District is dedicated to protecting the health and safety of its residents, maximizing the enjoyment of the natural environment, and providing inclusive gathering spaces, recreational programs, and events to our diverse and growing community. The driving force behind our efforts is our commitment to the District Values of Safety & Mitigating Risk, Financial Responsibility, High-Quality Workforce, Service to the Community, and Diversity, Equity, & Access.

This monthly report provides an overview of key highlights and updates across the District. Staff have organized updates into three main categories: Service to the Community, Fiscal Stewardship, and Organizational Health. These categories align with the District's overarching priorities that have been at the center of our work over the past two years. Within each category are sub-categories, which align with District strategies to accomplish the priorities. Service to the Community includes focusing on Community Impact, Infrastructure, and Innovation. Fiscal Stewardship is supported through Budget activities and long-term Planning. Finally, Organizational Health focuses on internal operations through Workforce Development, Systems, and Policy & Process. Each department has included updates within each category.



SERVICE TO THE COMMUNITY

Delivering exceptional service with high community impact, investments in infrastructure, and meeting growing needs through innovation.

Community Impact – Regional leader in providing high-quality service.

- The 48-page full-color Winter-Spring Activity Guide was distributed to 62,000 Elk Grove homes and made available online to expand its reach. Created entirely in-house, it highlights events, parks, programs, and safety tips, helping the community stay informed and connected to District services. (Office of the General Manager)
- The Mobile Integrated Health (MIH) unit completed 36 visits in December. (Fire Department/Emergency Medical Services)
- In December, the Fire Department hosted a total of three ride-alongs. All three were MICNs. One was from Sutter Roseville, and Two were from Methodist. (Fire Department)
- The following services were provided to the community in December 2025 (Fire Department/Fire Prevention Division, "Division"):
 - The Division received 164 paid plan review requests, 43 paid lot release requests, and 17 Burn Permit applications. Staff completed 226 plan reviews, conducted 530 new construction/requested inspections, and performed 35 fire and life safety inspections for residential care facilities (Fire Department/Fire Prevention Division, "Division").
 - High priority: Year-to-date, 100% of the inspections have been completed (Fire Department/Fire Prevention Division, "Division").
 - Medium priority: This month, the Division completed ten operational permit inspections and issued 17 operational permits (Fire Department/Fire Prevention Division, "Division").
 - Public education posts on social media generated 31,192 engagements (Fire Department/Fire Prevention Division, "Division").
 - Crews performed three smoke alarm checks and alarm/battery replacements for residents (Fire Department/Fire Prevention Division, "Division").
 - Staff conducted five car seat inspections (Fire Department/Fire Prevention Division, "Division").
 - The Division coordinated two station tours, reaching 40 community members, one (1) school site visit, reaching 60 school-aged children, and one engine showcase, reaching 100 community members (Fire Department/Fire Prevention Division, "Division").
 - On Dec 6, 2025 the District held a Breakfast with Santa and Friends event in partnership with the Pride of Laguna Creek Lions. This annual fundraiser supports many schools, non-profits, and individuals in need throughout the Elk Grove Community. Many families attended and enjoyed breakfast while kids got the opportunity to meet and take photos with Santa. List. (Parks & Recreation/ Community Engagement & Partnerships)

- On December 21, 2025, the District supported the Miracles in Old Elk Grove Toy Drive event. This local, family-run event partners with the Cosumnes Firefighters Community Support Foundation to distribute toys, including over 150 bikes, infant essentials, and meals, to underserved members of the community during the holidays. The Community Engagement & Partnerships team attended, hosting a booth to connect families with District offerings, including scholarship applications and information about RAD, Teen Center, and CORE programs. List. (Parks & Recreation/ Community Engagement & Partnerships)
- CORE hosted a successful Pictures with Santa community event, welcoming over 100 attendees from the public. The event brought families together for a festive experience while supporting a great cause, with donations collected for the Elk Grove Food Bank. (Parks & Recreation/Sports)
- CORE finished December with 2128 Members, 207 new joins for the month, 12,944 check-ins, and 408 tours. (Parks & Recreation/Sports)
- Contributed to supporting underserved and underrepresented families through participation in the RISE Holiday Party donation drive. (Parks & Recreation/Golf)
- Hosted a dedication bench and BBQ honoring the Valencia family, strengthening community connections and recognition. (Parks & Recreation/ Park Operations)
- Prepared all park BBQs for the upcoming picnic season by completely clearing ash and making sure the facilities were safe and ready to use. (Parks & Recreation/ Park Operations)
- Installed an ADA-compliant handicap sign at Amundson Park to enhance accessibility for all visitors. (Parks & Recreation/ Park Operations)

Infrastructure – Investing in physical and strategic infrastructure to support ongoing services.

- Teens participated in a tour of the University of California, Davis campus through the At-Promise Youth program. (Parks & Recreation/Youth Development – Measure E)
- The At-Promise Youth program organized two “Teen Takeover” events on Saturday nights at Wackford. (Parks & Recreation/Youth Development – Measure E)
- Teen Leadership groups wrapped and delivered gifts for the Elk Grove Food Bank’s Santa for a Senior program. (Parks & Recreation/Youth Development)
- On December 12, RAD hosted the Jingle Ball Dance with 113 participants. They danced, enjoyed food, and took photos at the custom CSD-made photobooth! (Parks & Recreation/Youth Development - RAD)
- Kid Central staff organized the “Kids Night Out . . . Parents Night Off” event at The Grove Teen Center before the holidays. (Parks & Recreation/Youth Development)
- The Teen Center held their monthly Friday Late Night Event themed as a Winter Wonderland, featuring holiday activities. (Parks & Recreation/Youth Development – Measure E)
- The ExL team organized a program-wide Candyland-themed decorating contest involving six EGUSD ExL school sites. Each site decorated its spaces,

encouraging ExL program participants to craft decorations inspired by Candyland boards. (Parks & Recreation / Youth Development)

- Repaired and reinforced the irrigation pump box at Rose Garden Park by welding a new locking tab and repainting the enclosure to improve durability. (Parks & Recreation/ Park Operations)
- Cleared several tree stumps from park areas to ready sites for replanting in the upcoming planting season. (Parks & Recreation/ Park Operations)
- Rounded off tripping hazards at the Horseshoe basketball court to enhance player safety. (Parks & Recreation/Park Operations)
- Installed new ball valves on the Green, Blue, and Yellow diamonds to enhance irrigation management for the Elk Grove Girls Softball League. (Parks & Recreation/Park Operations)
- Finished landscape renovations at Camden Park on West Camden Avenue and Camden Lake Way. (Parks & Recreation / Park Operations)
- Replaced a memorial tree at Simpson Park to preserve the park's aesthetics and the memorial's integrity. (Parks & Recreation/Park Operations)
- Aerated the multi-purpose sports fields at Strong Park, Simpson Park, and Underwood Park to enhance turf health and playability. (Parks & Recreation/ Park Operations)
- Planted 31 out of 44 scheduled trees, mainly in parks and specific street areas, supporting urban canopy objectives. (Parks & Recreation/ Park Operations)
- On December 12, an internal stakeholders' meeting about the Elk Grove Master Plan was held, with 13 District staff participating. The team reviewed and discussed two (2) initial plan concepts extensively. Following a productive session and exchange of ideas, a consensus was reached to proceed with one preferred concept. Several suggestions for improvements were made, especially concerning the positioning of key amenities. These changes will be integrated into the next version of the park plan and shared with external stakeholder groups for feedback. (Parks & Recreation/Park Development)
- The IT Division completed Phase 1 of a major network infrastructure upgrade at Fire Headquarters, significantly improving network speed, reliability, and overall connectivity for personnel. (Information Technology)

Innovation – Expanding service areas and delivery methods to meet our growing community's needs.

- RAD established a new partnership with the UC Davis MIND Institute, a nationally recognized research and clinical center focused on neurodevelopmental disorders. This collaboration allows the MIND Institute to promote RAD programs, especially targeting Spanish-speaking communities. As a result, outreach efforts are enhanced, connecting more families to inclusive and adaptive recreation opportunities. This increases access to accessible recreation for individuals with disabilities within the Elk Grove community. (Parks & Recreation / Youth Development – RAD)
- Park Rangers visited three EGUSD ExL Elementary schools—Arlene Hein, Florence Markofer, and Ellen Feickert—delivering an interpretive presentation

about nature, animals, and calls to action. Students had the opportunity to create animal footprints in air clay. (Parks & Recreation / Youth Development & Rangers)

- December marked the beginning of our latest baking class, Sweet Treat Baking Class. It aims to teach young bakers basic baking techniques and kitchen safety. (Parks & Recreation/Youth Development & Classes)
- RAD worked with ALTA regional, a non-profit that supports individuals with developmental disabilities, to provide 44 ALTA clients with recreational services across Cosumnes CSD programs, totaling \$1,622 in December. (Parks & Recreation/Youth Development - RAD)
- Aquatics approved two new options in the Wackford Aquatic Center's Fee Schedule: a Family Recreation Swim Pass and a Wave Pool Party. The Swim Pass provides an affordable summer option for families of up to four, with additional charges for larger families to promote greater family engagement. (Parks & Recreation/Aquatics)
- The Wave Pool Party will span the full four-hour recreation swim session, eliminating mid-session transitions required by shorter party options. This change improves customer experience and is expected to increase party bookings and revenue. (Parks & Recreation/Aquatics)
- Repaired frayed rope swings at Singh & Kaur Park using heat-shrink tubing, removing safety hazards without the need for full replacement. (Parks & Recreation/ Park Operations)
- Created custom tree stakes from existing materials, extending their lifespan and lowering replacement frequency. (Parks & Recreation/ Park Operations)
- The GIS section of the Information Technology Division developed and launched a public-facing interactive app that provides residents with greater visibility into local parks and recreation opportunities. By integrating spatial data with the digital activity catalog, the project improves access to community resources and supports stronger engagement with neighborhood parks.

Link: <https://www.cosumnescsd.gov/376/Visit-A-Park> (Information Technology)

Budget – Allocating resources equitably to achieve District goals through transparent reporting and policy compliance.

- Implemented cost-efficient maintenance strategies, such as swing rehabilitation and in-house fabrication, cutting costs by thousands of dollars without compromising safety or quality. (Parks & Recreation/ Park Operations)
- During the month, Finance staff processed 985 invoices, issued 449 checks, and recorded 252 receipts in support of District operations. (Finance/Accounts Payable)
- Finance updated Tyler New World to comply with the Big Beautiful Bill, which takes effect with the 2025 W-2 that will be released at the end of January 2026. The 2025 W-2 reporting requirements for overtime calculated at time and a half require that the half-time rate be reported as a premium rate and will be reported separately on the W-2. (Finance/Payroll)

- The Finance Division released mid-year budget instructions on December 5, formally initiating the District's FY 2024-25 mid-year budget review process and providing departments with a clear framework to assess financial performance, identify adjustments, and ensure compliance with Board-adopted fiscal policies. (Finance/Budget)
- The Finance Division coordinated internal review and validation of Measure E financial and performance data in preparation for presentation to the Measure E Citizens' Oversight Committee at its January 26 meeting. (Finance)
- Finance completed the District's annual audit process for the fiscal year ended June 30, 2025, in coordination with the District's external auditor, Maze & Associates. Preparation of the Annual Comprehensive Financial Report (ACFR) is a months-long effort that requires extensive reconciliation of financial records, detailed review of internal controls, compilation of districtwide and fund-level statements, and close coordination across departments and with external partners. This process involves significant staff time, technical accounting expertise, and multiple rounds of review to ensure accuracy, consistency, and compliance with applicable accounting and reporting standards. (Finance/Accounting)

Planning – Establishing long-term objectives for sustainability and financial forecasting.

- The December 2025 County Assessor's report indicates property tax growth on par with last year's growth, supporting conservative revenue assumptions included in the District's long-range financial planning. (Finance/Budget)
- With the Board's approval of the Cost Allocation Plan, the District is updating its five-year forecast to evaluate fund capacity and ensure alignment with long-term financial planning objectives. (Finance/Budget)
- Additional refinements are being made through the Impact Fee Nexus Study to validate project costs, service demand assumptions, and growth-related funding needs, ensuring the resulting fee structure remains legally defensible and financially sound. (Finance)



ORGANIZATIONAL HEALTH

Cultivating a strong institution through workforce development, cutting-edge systems, and response policy & process development.

Workforce Development – Enhancing staff recruitment and retention through training, skill development, communication, and collaboration.

- Youth Development conducted four American Red Cross CPR and First Aid training sessions to recertify part-time staff in emergency preparedness while they worked with program participants. A total of 50 part-time staff received practical instruction in adult and child CPR, AED operation, and basic first aid skills. This training enhances staff preparedness to effectively handle medical emergencies within Youth Development programs. (Parks & Recreation/Youth Development)

- During Winter Break, all part-time Youth Development staff attended RAD training focused on inclusive practices, disability awareness, and support strategies for participants with diverse abilities. This program enhances collaboration across departments and ensures staff are prepared to deliver safe, inclusive, and adaptable recreation experiences across various programs. (Parks & Recreation / Youth Development – RAD)
- Staff completed 2,146 training hours in December in various categories, including Administration, Daily Activities, EMS Training, Monthly Training, and Taskbook Sign-Offs. (Fire Department/Training Division)
- The Training Division conducted three acting captain tests to qualify new acting captains. (Fire Department/Training Division)
- US&R Task Force 7 training drills were held in December with a topic on Shoring at the Brickyard training site. (Fire Department/Special Operations Division)
- Aquatics conducted its December all-staff training, focusing on adult and infant multi-rescuer CPR, secondary assessments with SAMPLE, and deep-water spinal rescues and extrication. Off-season training remains vital for skill upkeep and enhancing staff preparedness. Afterward, a short holiday gathering took place to acknowledge staff efforts and celebrate a successful year. (Parks & Recreation/Aquatics)
- List. (Parks & Recreation/Urban Forestry)
- Parks carried out interviews to fill temporary Parks Maintenance Worker positions, ensuring staffing support and smooth operations. (Parks & Recreation/ Park Operations)

Policy & Process – Standardizing internal functions for effective operational implementation of District values and priorities.

- Improved safety compliance across parks through proactive hazard mitigation, accessibility upgrades, and standardized maintenance practices. (Parks & Recreation/ Park Operations)
- At the December Leadership Face-to-Face Meeting, the District's updated Procurement Policy and Procurement Card Policy were introduced, reflecting the new procedure and policy that are in compliance with industry standards and best practices as recommended by the previous year's Procurement Optimization project. The new updated policy takes effect starting January 1, 2026. The policy supports improved service delivery by increasing operational flexibility, expediting procurement timelines, reducing bottlenecks, and ensuring timely access to goods and services needed to support District programs and community services. (Finance)

DISTRICT ADMINISTRATION

DECEMBER 2025 DISTRICT-WIDE REPORT

HUMAN RESOURCES



125
APPLICANTS

13
RECRUITMENTS

3
TRAININGS

107
PERSONNEL
ACTION FORMS

22
STAFF
ON-BOARDING

FINANCE



773
INVOICES
PROCESSED

487
CHECKS
PROCESSED

250
RECEIPTS
PROCESSED

COMMUNICATIONS



SOCIAL MEDIA STATISTICS

4,296,344
IMPRESSIONS

173,602
ENGAGEMENTS

677
LINK CLICKS

WEBSITE STATISTICS

22,587
UNIQUE WEBSITE VIEWS

74,155
WEBSITE PAGE VIEWS

37,305
WEBPAGE SESSIONS

304
WORK
ORDERS



25
DISTRICT-WIDE

73
FIRE DEPT.

198
PARKS & REC.

5
OFFICE OF
THE GM

3
PARK &
GOLF OPS.

0
FINANCE & IT

INFORMATION TECHNOLOGY



**EMAIL
SECURITY 72**

HIGH-SEVERITY
EVENTS
REMEDIED

**END POINT
PROTECTIONS
& RESPONSE 14**

THREATS
IDENTIFIED &
ADDRESSED

224
WORK
ORDERS



42
DISTRICT-WIDE

69
FIRE DEPT.

75
PARKS & REC.

19
OFFICE OF
THE GM

6
PARK &
GOLF OPS.

13
FINANCE & IT

OUR MISSION

The Cosumnes CSD is dedicated to enhancing the quality of life of the residents, businesses, visitors, and employees within our diverse community by protecting lives, property, and the environment through superior fire suppression, emergency medical services, fire prevention, and special operations response; and by providing parks and recreation services through well maintained parks and recreational opportunities for health, wellness, and social interactions.



COSUMNES FIRE DEPARTMENT

DECEMBER 2025 DISTRICT-WIDE REPORT

MONTHLY INCIDENTS



2025 MONTHLY INCIDENTS

2,189

2024 MONTHLY INCIDENTS

2,164

Fire	27
Explosion	0
EMS	1,579
Hazardous Condition	31
Service Call	162
Good Intent	222
False Alarm	90
Severe Weather & Natural Disaster	0
Special Incident Type	0
Other*	78

*Higher than usual due to the NERIS transition

2025 TOTAL RESPONDING UNITS 3,994
2024 TOTAL RESPONDING UNITS 3,778

RESPONSE TIME

ALL	URBAN	RURAL
0:07:03	0:06:48	0:13:08

Alarm to arrival emergent only.
90th percentile standard
0:05:30 for urban and 0:11:30 for rural.

COMMITMENT TIME

1:16:49

Dispatch to clearing scene, 90th Percentile.

AMBULANCE PATIENT OFFLOAD TIME



SYSTEM APOT

0:27:33

90th Percentile "Wall Time"

YEAR-TO- DATE
NET HOURS

837:45:21

YEAR-TO-DATE
NET COST

\$213,629.39

YEAR-TO-DATE
TRANSPORTS

12,439

UNIT HOUR UTILIZATION

DAY: 7am-7pm. Goal ≤50% • NIGHT: 7pm-7am. Goal ≤30%



	MEDIC 45	MEDIC 46	MEDIC 71	MEDIC 72	MEDIC 73	MEDIC 75	MEDIC 76	MEDIC 77
DAY	26%	22%	43%	42%	39%	34%	43%	46%
NIGHT	14%	14%	17%	21%	17%	18%	20%	19%

FIRE PREVENTION



PLAN REVIEW

Plans Received.....164
Plans Approved174
Plans Disapproved.....46

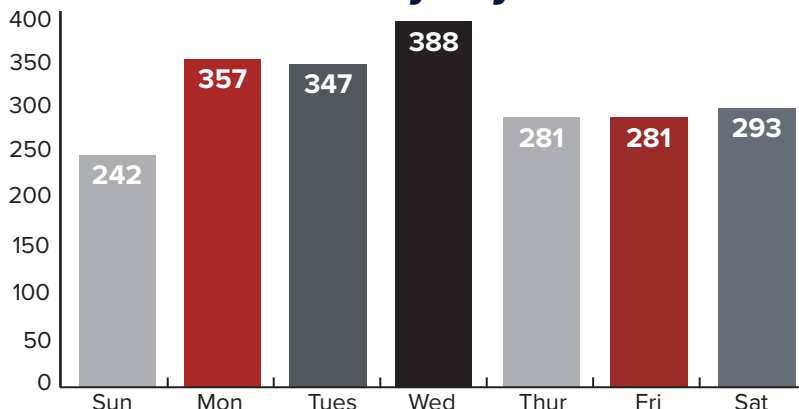
INSPECTIONS

Construction 530
State Mandated 100%
Operational Permit..... 10

PUBLIC EDUCATION

Community Events 4
Reached by Community Events 200
Engagement by Social Media 31,192

Call Volume by Day of Week



OUR MISSION

The Cosumnes Fire Department saves lives and protects the community through prevention, preparedness, and emergency response in a timely, courteous, and effective manner.

PARKS AND RECREATION DEPARTMENT

DECEMBER 2025 DISTRICT-WIDE REPORT

CUSTOMER SERVICE



127

Park Maintenance Hotline
Calls & Emails

Registrations.....2,193

Internet.....	291
Main Office.....	26
Wackford Aquatic Complex.....	94
Elk Grove Aquatics Center.....	66
Albani Recreation Center.....	22
Back Office.....	18

PARTICIPATION



Activities (Pre-paid/registered).....**6,774**

Memberships	1,126
Swim for Fitness Monthly.....	117
Swim for Fitness Monthly-Auto.....	636
Teen Afterschool.....	86
Preschool.....	166
Kid Central.....	121

Drop-In Program Admissions.....15,318

Aquatics.....	753
WCAC.....	460
EGAC.....	293
Kid Central & ExL.....	12,129
Preschool, Buddy Bunch & Toddler Time.....	1,980
RAD.....	162
Sports.....	304
Teen Pathways Event.....	90
Teens.....	524
Special Events - Flannels & Flapjacks.....	129

SPORT LEAGUES



291

**Youth Jr. Kings
Basketball League.....** 291

RENTALS



8,637

**1,877 Church • 690 Field
426 Gym • 5,594 Meeting Room
50 Tennis & Pickleball Rental**

VOLUNTEERS



608

Volunteer Hours

**Golf.....558
Sports.....50**

PARK RANGERS



536

Park Visits

172

Issue Responses

GOLF COURSE



236 Golf Lessons Purchased
3,383 Rounds of Golf Played
384,130 Range Balls Sold

ASSET MAINTENANCE



20

Tree Maint.
Work Orders

71

Other Maint.
Work Orders

PARK DEVELOPMENT



12

Plan Review
Requests

\$2,709

Plan Review/
Inspection Revenue



Park Rangers visit ExL

MISSION

At Cosumnes CSD, we provide exceptional parks and recreation services to our Elk Grove community.

STAFF REPORT

DATE: January 21, 2026

TO: Board of Directors

FROM: Traci Farris, Parks & Recreation Administrator

BY: J Long, Recreation Manager
Drew Golbin, Management Analyst



SUBJECT: MULTI-YEAR AGREEMENT FOR MARKETING SERVICES AT CORE RECREATION CENTER

RECOMMENDATION

The Board of Directors:

- 1) Approves a one (1)-year agreement with contractor Hawke Media for marketing services for CORE Recreation Center with the option to renew for up to two (2) additional one (1)-year terms in an amount not to exceed \$82,500 for year 1 and \$55,000 for years two and three for a total agreement amount of not-to-exceed \$192,500; and
- 2) Authorizes the General Manager to execute all requirements and amendments of the agreement.

BACKGROUND

The CORE Recreation Center (CORE) is a large-scale fitness and recreation facility with a goal of achieving budget-neutral operations. To support this goal, the District must maintain a strong and diverse marketing strategy that drives new membership growth while supporting member retention. CORE marketing tools include website management, digital marketing, advertising, and community engagement. These tools require continuous strategy development, content creation, data analysis, reporting, staff training, and operational support.

The District's Marketing and Communications team has established a solid foundation for CORE's overall marketing strategy and successfully executed both the presale and grand-opening campaigns. The next phase requires engaging an external marketing firm to expand implementation capacity, provide specialized expertise, and build upon CORE's early success.

The CORE team and the District's Marketing and Communications staff collaborated to develop a Request for Qualifications (RFQ) for CORE Marketing Services, seeking a firm with specialized and relevant expertise. The RFQ was published on September 25, 2025, and 11 proposals were received and thoroughly evaluated. The top three firms were invited to participate in interviews.

Following the interview process, Hawke Media was selected as the firm best suited to support the District's needs based on its diverse experience, comprehensive marketing capabilities, and strong alignment with CORE's strategic goals.

FINANCIAL ANALYSIS

Funding for year one of the agreement is included in the approved General Fund biennial budget for FY 2025–2027. Funding for years two and three of the agreement will be included in the future development of the General Fund biennial FY 2027-2029 budget.

Year one funding of \$82,500 will support the discovery and onboarding of the vendor, as well as updated research into our demographics, a website build-out project and maintenance, marketing campaign development and execution, enhancements, data analysis and reporting, and staff training and support. Years two and three of the agreement are budgeted at \$55,000 to continue website maintenance, marketing campaign management, and other marketing services.

	Contract Amount	Funding Source
Year 1	\$82,500	\$55,000 FY26 \$27,500 FY27
Year 2	\$55,000	\$27,500 FY27 \$27,500 FY28
Year 3	\$55,000	\$27,500 FY28 \$27,500 FY29
Aggregate Total	\$192,500	

SUSTAINABILITY ANALYSIS

This agreement is expected to have no environmental impact on the District as a result of the recommended Board action.

STAFF REPORT

DATE: January 21, 2026

TO: Board of Directors

FROM: Traci Farris, Parks & Recreation Administrator

BY: Lisa Gates, Sr. Management Analyst

SUBJECT: LANDSCAPE MAINTENANCE OF DISTRICT STREETSCAPE SERVICE AREA 4 – CONTRACT EXTENSION & AUTHORITY INCREASE



RECOMMENDATION

The Board of Directors:

1. Approves the extension of the contract term with Procida Landscape, Inc. to December 31, 2026, for PM-21-031 for Landscape Maintenance of District Streetscapes Service Area 4, and
2. Approves the increase of the contract authority with Procida Landscape, Inc. by \$360,000 for the remainder of the extended contract term, and
3. Authorizes the General Manager or their designee to execute all requirements and amendments of the contract.

BACKGROUND

The Cosumnes Community Services District's (District) Parks & Recreation Department is currently responsible for maintaining 310 acres of streetscapes and medians. This includes both District-owned streetscapes, which the District funds, and City of Elk Grove-owned streetscapes, for which the City of Elk Grove covers all maintenance costs.

Since 1985, the District has utilized landscape contractors to perform routine maintenance tasks, including care of turf, planters, trees, shrubs, and groundcover, as well as other work as needed. District staff continue to perform routine and specialized maintenance tasks not assigned to contractors.

In March 2021, District staff recommended awarding landscape maintenance contracts to multiple contractors to diversify opportunities for local contractors, provide flexibility to address underperforming contractors, and ensure uninterrupted service. To support this approach, staff divided the streetscape acreage into five smaller Service Areas (SA), ranging in size from 40.08 to 91.09 acres, and invited contractors to submit proposals for one or more of these service areas.

Contracts were initially awarded to Odyssey Landscaping, Inc. (SA 1, 2, and 5), BrightView Landscaping, Inc. (SA 3), and Procida Landscape, Inc. (SA 4). Subsequently, a series of contract terminations and re-awards occurred:

Staff Report: LANDSCAPE MAINTENANCE OF DISTRICT STREETSCAPES SERVICE AREA 4
CONTRACT EXTENSION & AUTHORITY INCREASE

Date: January 21, 2026

- **December 2021:** BrightView Landscape, Inc. exercised a contract termination for SA 3. After a Request for Proposals (RFP) process, SA 3 was awarded to Procida Landscape, Inc.
- **March of 2022:** Odyssey Landscaping exercised a contract termination for SA 1 and 5. After successful contract negotiation and Board Approval, SA 5 was added to the SA 3 contract with Procida Landscape, Inc. After an RFP process, SA 1 was awarded to Procida Landscape, Inc. at an increased rate.
- **July of 2022:** Odyssey Landscaping exercised a contract termination for SA 2. After Board Approval, SA 2 was added to the SA 1 Contract with Procida Landscape, Inc.

The table below summarizes the **current status** of these contracts:

Service Area	Description	Initial Contractor	Current Contractor	Current Contract	Current Expiration
SA 1 (58.65 acres)	District and City streetscapes within L & L Benefit Zone 2, 3, 6, 8, 9 and 11	Odyssey Landscaping, Inc.	Procida Landscape, Inc.	PM-22-023	4/30/27
SA 2 (92.4 acres)	District and City streetscapes within L & L Benefit Zones 1 and 10	Odyssey Landscaping, Inc.			
SA 3 (65.71 acres)	District and City streetscapes within L & L Benefit Zone 4, 5, 8, 12 and 13	BrightView Landscape, Inc.	Procida Landscape, Inc.	PM-22-013	12/31/26
SA 5 (53.07 acres)	City funded streetscapes within Laguna Ridge	Odyssey Landscaping, Inc.			
SA 4 (40.08 acres)	District streetscapes within L & L Benefit Zone 13	Procida Landscape, Inc.	Procida Landscape, Inc.	PM-21-031	3/31/26

Following the initial approach of awarding landscape maintenance contracts to multiple contractors—which ultimately resulted in all contracts being held by a single contractor—staff recommends reconsolidating streetscape landscape maintenance into a single contract as the current agreements expire.

To achieve this, the expiration dates of the existing contracts will be realigned to ensure continuity of maintenance services. The District's current Landscape Maintenance of Streetscapes contracts with Procida Landscape, Inc. and their respective expiration dates are:

Staff Report: LANDSCAPE MAINTENANCE OF DISTRICT STREETSCAPES SERVICE AREA 4
CONTRACT EXTENSION & AUTHORITY INCREASE

Date: January 21, 2026

- SA 4 – March 31, 2026
- SA 3 & 5 – December 31, 2026
- SA 1 & 2 – April 30, 2027

Staff have developed a schedule to align contract expirations with the procurement of the consolidated Streetscape Services contract in accordance with District Procurement Policy 2112. Service Area 4 will be extended by nine months, beginning April 1, 2026, to align with the December 31, 2026 expiration of SA 3 and 5, with CPI applied to the extension. Because SA 4 consists solely of District-owned streetscapes and medians, this extension and associated increase will have no impact on maintenance costs funded by the City of Elk Grove.

The RFP for the consolidated Streetscape Services contract is anticipated to be released in May 2026, with Board review and approval expected in October 2026. The new contract will be executed in October 2026, with services for SA 3, 4, and 5 beginning January 1, 2027, and SA 1 & 2 incorporated on May 1, 2027. This timeline provides sufficient time for procurement and for the review of the anticipated findings by the Collaborative Local Efficiency Alignment Review (CLEAR) Committee.

FINANCIAL ANALYSIS

The current aggregate value of the Landscape Maintenance of District Streetscapes for SA 4 is \$2,122,086. The requested increase of \$360,000 would bring the total contract value to \$2,482,086. This increase is calculated for the nine-month period from April 1, 2026, through December 31, 2026, as follows:

	Monthly Cost	CPI Adjustment	Nine Month Total
SA 4 Maintenance	\$36,829.00	2.286%	\$339,038.00
SA 4 Extra Irrigation Work	\$2,277.33	2.286%	\$20,965.00
Total			\$360,003.00

The costs associated with the current contract are included in the 2025/2026 and 2026/2027 Biennial Landscape & Lighting budgets. The proposed extension reflects an increase tied to the Consumer Price Index (CPI), which was considered during budget development. Extending this contract will have no impact on the General Fund.

SUSTAINABILITY ANALYSIS

With the approval of this extension and authority increase, the District will continue to support the following measures:

- **LM-1 Tree Management** – Contractors are required to monitor and minimize plant and tree stress to maintain a healthy biomass.
- **LM-4 Water Efficiency** – Contractors must make timely repairs to irrigation systems to minimize water use.

Date: January 21, 2026

-
- **LM-5 Landscaping Guidelines** – Contractors are required to prune plant material only under the direction of District staff, which reduces plant stress, lowers water use, and minimizes landfill waste. Contractors are also responsible for removing trash and maintaining clean areas, thereby reducing stormwater pollution. The use of pesticides and fertilizers is limited to directions provided by District staff, reducing the potential for chemicals entering the stormwater system.

Additionally, approval will support the Parks & Recreation Strategic Plan by enabling staff and contractors to deliver high-quality service and long-term value to visitors and residents of Elk Grove.

STAFF REPORT

DATE: January 21, 2026

TO: Board of Directors

FROM: Tim Ogden, General Manager

BY: Eileen Alcanices, Administrative Manager

SUBJECT: REPUBLIC SERVICES RECYCLING AND WASTE SERVICES MULTI-YEAR AGREEMENT



RECOMMENDATION

The Board of Directors:

- 1) Approves a 36-month agreement with Republic Services to provide recycling and waste services; and
- 2) Authorizes the General Manager or their designee to execute all requirements, amendments, and renewals of the agreement.

BACKGROUND

Cosumnes Community Services District (District) has previously entered into multiple agreements with Republic Services for recycling and solid waste collection services at District facilities, including the District's Main Office, Emerald Lakes Golf Course, eight fire facilities, five recreation centers, six parks, and two corporate yards throughout the City of Elk Grove, for a total of 23 locations. To improve operational efficiency, ensure regulatory compliance, streamline service delivery, and obtain the most favorable pricing structure, the District has requested a consolidation of these services under a single agreement with Republic Services.

Republic Services holds a non-exclusive franchise agreement with the City of Elk Grove for the collection of commercial solid waste. This franchise authorizes Republic Services to collect, transport, and dispose of solid waste generated by commercial entities within the City and to use public streets and rights-of-way for these purposes. The proposed agreement is consistent with the terms and authority granted under the City's franchise agreement.

Service frequency, equipment quantity, and container type and size will vary based on the operational needs of each District location. Republic Services has provided recycling and waste services to the District for many years and has consistently delivered satisfactory service, including timely responses to the District's operational needs.

Under Senate Bill 1383 (SB 1383), the District is required to provide organic waste collection services. The District may either utilize a service provider or collect organic waste internally. The District currently holds eight non-local entity waivers issued by the California Environmental Protection Agency, which are granted based on inadequate space or the total amount of organic waste generated. These waivers exempt certain District facilities from some or all organic waste collection requirements. District staff are evaluating compliance options for all remaining locations based on operational needs and cost considerations. If it is determined to be

operationally and financially advantageous, the District may amend the agreement to include organic waste collection services through Republic Services. Alternatively, the District may elect to manage organic waste collection internally. Any future amendments to add organic waste services would be subject to agreed-upon pricing and applicable approval requirements.

The proposed agreement with Republic Services is a multi-year agreement with an initial term of 36 months, followed by automatic 12-month renewals unless terminated by either party. The agreement may be modified during its term to add or remove locations or adjust service levels as the District's needs change. The agreement includes an annual rate increase of six percent, effective January 1, 2027, and another six percent annual rate increase effective January 1, 2028. Fuel recovery fees, environmental recovery fees, or administrative fees have not been factored into this estimated agreement cost.

Pursuant to the District's Procurement Policy #2112, the Board of Directors must approve any purchase transaction for goods or services that, in aggregate, exceed \$100,000.

FINANCIAL ANALYSIS

The agreement with Republic Services guarantees pricing for the initial 36-month term, with automatic annual renewals thereafter unless terminated by either party. Pricing for Years 2 and 3 will reflect an annual increase of six percent.

Estimated annual costs for recycling and waste services are as follows:

Year 1	January 1 – December 31, 2026	\$115,569.84
Year 2 (6% Increase)	January 1 – December 31, 2027	\$122,504.03
Year 3 (6% Increase)	January 1 – December 31, 2028	\$129,854.27
Three-Year Total		\$367,928.14

These costs do not include allowances for additional hauling due to community event use of facilities, increased organic waste resulting from storm-related tree debris, one-time startup charges (e.g. container delivery), fuel recovery fees, environmental recovery fees, administrative fees, or other applicable taxes or local fees. The agreement may be amended as necessary to add, reduce, or modify services and locations, and may be extended at mutually agreed-upon pricing.

Funding for these services is included in the Fiscal Year 2025/26 and 2026/27 Biennial Budget across various funding sources, including the Landscape & Lighting Fund, Golf Enterprise Fund, and General Fund. Funding for subsequent years will be included as part of the District's biennial budget development process. There is no new funding request as a result of staff's recommendations.

SUSTAINABILITY ANALYSIS

The action being taken as a result of this request supports the District's sustainability practices, specifically:

- Measure SW-1: Recycling. Develop and adopt a policy requiring the provision of recycling receptacles and proper handling of recyclable materials at all events requiring a permit or held on Cosumnes CSD-owned or operated property.

By providing standardized waste and recycling bins at District facilities through a consolidated service provider, the District ensures consistent access to recycling receptacles, promotes proper separation and handling of recyclable materials, and supports increased diversion of recyclable waste from landfills. This approach also enhances operational efficiency, improves compliance with applicable state and local regulations, and reinforces the District's commitment to environmentally responsible practices.

STAFF REPORT

DATE: January 21, 2026
TO: Board of Directors
FROM: Felipe Rodríguez, Fire Chief
BY: Robert Kasparian, Assistant Fire Chief of EMS
Timory Moritz, Management Analyst



SUBJECT: FUNDING OF MIH PILOT PROGRAM THROUGH FISCAL YEAR 2025-26

RECOMMENDATION

The Board of Directors:

- 1) Approves the continued funding and operation of the Mobile Integrated Health (MIH) Pilot Program through Fiscal Year 2025-26; and
- 2) Authorizes the General Manager to approve a one-time budget appropriation not to exceed \$120,000 in Measure E funds within Fiscal Year 2025-26.

BACKGROUND

On September 18, 2024, the Board approved an agreement between the Cosumnes Community Services District (District) and the County of Sacramento for the purpose of implementing a Mobile Integrated Health (MIH) pilot program. The funding for this pilot program was allocated by the 5th District of the Sacramento County Board of Supervisors.

Resolution 2024-36 authorized the General Manager, or designee, to negotiate and execute, on behalf of the District, an agreement with Sacramento County for the implementation of the MIH pilot program. Additionally, the resolution authorized the General Manager to take all actions and execute all documents necessary to implement the MIH pilot program including, without limitation, to authorize the submission for reimbursement and other financial reports, as required.

On August 5, 2025, the Cosumnes Community Services District Fire Department launched the MIH pilot program with part-time Advanced Practice Providers and Retired Annuitant Paramedics, staffing the unit three days per week. The goal of the MIH pilot program was to focus on community-based proactive and preventative care, with an aim to increase access, improve patient outcomes, and to reduce hospital admissions, Ambulance Patient Off-load Times (APOT), and emergency department impacts.

On December 3, 2025, the Cosumnes Community Services District Fire Department received an additional \$20,000 in Transient Occupancy Tax (TOT) Grant funding from Sacramento County Supervisor Pat Hume to assist with extending the pilot program through January 31, 2026.

Beginning January 13, 2026, the MIH unit is now included in the initial dispatch for Omega-level EMS responses. Omega-level calls typically represent low-acuity, non-emergent complaints that often do not require ALS intervention or emergency department transports. Adding an MIH unit to Omega-level calls improves patient care and system efficiency by engaging the most appropriate resource at the earliest point in the incident.

FINANCIAL ANALYSIS

The estimated total cost to operate the MIH Pilot Program through the end of Fiscal Year 2025–26 is \$240,000. Of this amount, approximately \$130,000 has been incurred, with \$120,000 supported by previously approved ARPA and TOT grant funding, and \$10,000 funded through the Fire Department EMS Division General Fund budget to support program startup, training, and the initial six months of pilot operations.

Expenditures to date have been primarily associated with staffing and clinical readiness. These costs include part-time Advanced Practice Provider services and Retired Annuitant Paramedics. Additional startup and operational costs included pre-employment screening and credentialing, medical supplies, and medical malpractice insurance coverage. These expenditures enabled the District to launch the MIH unit, establish clinical protocols, and begin providing patient care services.

As of January 31, 2026, the MIH pilot program will have exhausted all grant monies, resulting in a gap between February 1, 2026, and the end of Fiscal Year 2025-26. The remaining cost to continue MIH operations from February 1, 2026, through the end of June 2026 is approximately \$120,000. These remaining costs are primarily related to ongoing staffing and routine operational expenses necessary to sustain the program at its current service level. Staff is recommending that this funding gap be addressed through the one-time Measure E budget appropriation identified in the Recommendation.

Continuing the MIH pilot program represents a cost-effective investment that reduces system strain, decreases unnecessary ambulance transports, and improves patient outcomes. While the program requires ongoing staffing and operational funding, these costs are offset by early operational system-wide efficiencies and revenue stabilization, such as:

- Improved Collections and Reduced Write-Offs – High-utilizer engagement and on-scene care models reduce repeated, non-reimbursable transports. By connecting patients to appropriate care and avoiding recurrent low-acuity emergency department visits, MIH enhances billing efficiency and reduces the accumulation of uncollectible service charges.
- Reduced Low Acuity Transports and APOT Impact – Low-acuity 911 incidents account for a significant share of EMS call volume and contribute disproportionately to Ambulance Patient Off-load Times (APOT).
- Cost Avoidance from System Delivery – By resolving appropriate incidents in the field, MIH significantly reduces strain on frontline resources. This results in lower fuel consumption, reduced wear and tear on apparatus, and decreased staffing costs associated with extended ambulance offload and system backfill. While these savings

may be indirect, they represent meaningful and ongoing cost avoidance that strengthens the overall financial sustainability of the EMS system.

- Scalable, Data-Driven Growth - Continuation allows the District to refine deployment models, staffing, and case selection to maximize cost efficiency. Early data trends indicate that targeted MIH responses, particularly to Omega/Alpha-level calls and high-utilizer cases, yield the strongest financial return.

The MIH program will remain in a pilot phase until cooperative contracts/agreements with Managed Care Plans (MCPs) are finalized or direct billing for services is implemented. The EMS Division is currently working with Kaiser Permanente to establish a Memorandum of Understanding (MOU) for direct reimbursement of MIH patient encounters, in alignment with the provisions established in *California Senate Bill 1180: Health Care Coverage - EMS*. This agreement is intended to create a sustainable revenue stream for MIH services by providing direct payment for eligible in-home evaluations and treatment delivered to Kaiser members. This MOU will provide the foundation for future agreements with managed care plans that must meet the requirements of SB 1180.

If the MIH program continues in a pilot phase during Fiscal Year 2026-27, a budget proposal will be submitted during the budget update process for anticipated costs.

Approval of the FY 2025–26 funding is not expected to materially impact the Measure E fund balance, as reserves will continue to remain well above the District's 25% reserve policy threshold.

SUSTAINABILITY ANALYSIS

Continued funding of the MIH Pilot Program is both fiscally and operationally sustainable. The program has demonstrated measurable benefits through reduced low-acuity transports, improved ambulance availability, decreased APOT impacts, and strengthened patient connection to appropriate care. These efficiencies create meaningful cost avoidance, stabilize system performance, and support long-term workforce resiliency.

Additionally, the program aligns with emerging reimbursement models, grant opportunities, and regional healthcare partnerships, positioning the District for sustained external funding support. Ongoing investment in MIH ensures the continuation of an innovative, cost-effective strategy that enhances service delivery and protects the long-term stability of the EMS system.

STAFF REPORT

DATE: January 21, 2026
TO: Board of Directors
FROM: Nou Vang, Chief Financial Officer
BY: Nou Her, Accounting Manager
SUBJECT: AUDITED FINANCIAL STATEMENT FOR FISCAL YEAR ENDED JUNE 30, 2025



RECOMMENDATION

The Board of Directors:

- 1) Receives and files the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025, presented in **Attachment A**; and
- 2) Receives and files the Memorandum of Internal Control and Required Communications presented in **Attachment B**; and
- 3) Receives and files the GANN Appropriations Limit Report in **Attachment C**.

BACKGROUND/ANALYSIS

The Cosumnes Community Services District's (District) independent auditor, Maze & Associates (Auditor), has completed the audit of the District's financial statements for the Fiscal Year that ended June 30, 2025 (Fiscal Year 2024-2025). The Auditor has issued an unmodified or "clean" opinion on the District's Annual Comprehensive Financial Report (ACFR), which means no exceptions, modifications, or qualifications are identified. Additionally, the Auditor's opinion states that the District's financial statements are presented fairly in all material respects, including the respective financial position of the government activities, business-type activities, each major fund, and the aggregate remaining fund information of the District for Fiscal Year 2024-2025. The 2025 Annual Comprehensive Financial Report (ACFR) (**Attachment A**) summarizes the District's financial activities and fund balances as of June 30, 2025.

Memorandum on Internal Control and Required Communication (MOIC):

The MOIC (**Attachment B**) is required for all audits, and its purpose is to communicate the following:

1. The scope of audit procedures performed.
2. Any significant audit errors or risks identified.
3. Status of the prior year's audit findings, if applicable.
4. Significant accounting estimates.
5. Other information, such as disagreements with management, significant unusual transactions, or other difficulties encountered during the audit.
6. Audit adjustments made during the audit.

The Auditor did not identify any deficiencies in internal controls deemed to be material weaknesses, so no audit findings or recommendations were reported.

Appropriations Limit Report:

Article XIII-B of the California Constitution—commonly referred to as the Gann Limit—restricts the amount of revenue that the State and each local government entity may appropriate for expenditure. The limit restricts the amount of proceeds of taxes, such as property tax, sales tax, and certain state subventions, that the District may appropriate for expenditure in a fiscal year. If appropriations of tax proceeds exceed the limit, the excess must be returned to taxpayers or used in a manner prescribed by law. It is the District's responsibility to calculate and adopt an annual appropriations limit, which is subject to review by the District's independent auditor as part of the annual audit.

For FY 2024–2025, the Board of Directors adopted an appropriations limit of \$230,578,357 by resolution. The District's independent auditor performed agreed-upon procedures related to the appropriations limit and verified that the factors used were consistent with information published by the California State Department of Finance. No exceptions were noted as a result of the auditor's procedures. The Independent Accountant's Report on Agreed-Up On Procedures Applied to Appropriations Limit Testing is included as **Attachment C**.

FINANCIAL ANALYSIS

District-wide Highlights

Overall, the District's governmental funds—including the General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service Fund—showed improved financial performance in FY 2024–2025 compared to the prior year. Total revenues increased by approximately \$6 million (4.1%), driven primarily by growth in tax revenues and charges for services, which represent stable and recurring revenue sources. These increases were partially offset by modest declines in intergovernmental revenues and investment earnings, largely due to timing differences and changing interest rate conditions.

Total expenditures increased by approximately \$1.0 million (0.6%), reflecting strong expenditure control. While operating costs for public protection and recreation services increased, these were largely offset by a significant reduction in capital outlay spending as major projects moved out of peak construction phases. As a result, expenditure growth remained well below revenue growth.

As a combined outcome, the net decrease in governmental fund balance was limited to \$230,521 in FY 2024–2025, a substantial improvement from the \$5.8 million decrease reported in FY 2023–2024. This trend reflects improved disciplined spending and continued progress toward long-term financial sustainability.

As of June 30, 2025, the District's governmental funds reported a combined fund balance of \$142,937,091, as presented on page 25 of the ACFR. This reflects a modest decrease of \$230,521 from the prior year. This reduction was more than offset by changes in the proprietary funds. The Golf Fund reported an increase of \$354,010, while the Internal Services Fund (ISF) experienced a decrease of \$22,482, resulting in ending net positions of \$4,289,739 and

\$10,364,284, respectively, as shown on page 28 of the ACFR. Taken together, the District's total combined fund balance across all funds increased by approximately \$101,007 on a district-wide basis.

The District's long-term obligations decreased by 4.2%, or \$9.9 million, during Fiscal Year 2024–2025, resulting in an ending long-term obligations balance of \$220,788,911, as shown on page 21 of the ACFR. This reduction was primarily attributable to a \$2.2 million decrease in the net pension liability, a \$5.2 million decrease in the net other post-employment benefit (OPEB) liability, and a \$2.8 million reduction in outstanding debt. These improvements reflect the District's continued commitment to meeting its long-term obligations, along with favorable interest rates and actuarial conditions that reduced overall pension and OPEB liabilities. Looking ahead, three debt obligations—the 2016 Energy Bond Series C, the Dillard Ranch financing, and the Emerald Lakes Golf Course financing—are scheduled to be fully retired in Fiscal Year 2025–2026.

General Fund

Revenue

General Fund revenues increased from approximately \$101.6 million in FY 2023–2024 to \$106.5 million in FY 2024–2025, reflecting an increase of about \$5.0 million (4.9%). The most significant contributor to this growth was tax revenue, which continued to benefit from steady property tax growth driven by assessed valuation increases and new development within the District. Property taxes remain the District's most stable and predictable revenue source and continue to provide a strong foundation for General Fund operations.

Charges for current services also increased, reflecting higher service demand, program participation, and cost recovery efforts. These increases demonstrate the District's ability to align service levels with community needs while generating additional operating revenue. Other revenue categories—including intergovernmental revenues, developer fees, and miscellaneous revenues—remained relatively consistent with the prior year, indicating limited reliance on one-time or volatile funding sources.

Expenditures

General Fund expenditures remained essentially flat at approximately \$99.9 million in both fiscal years, reflecting disciplined budget execution despite inflationary pressures. Public protection expenditures increased, largely due to staffing costs, contractual obligations, and operating cost escalation within fire and emergency services. Recreation and community service costs also rose modestly, reflecting expanded programming and service delivery.

These increases were largely offset by reductions in capital outlay expenditures and other non-recurring costs that were incurred in the prior year. In addition, continued attention to cost controls, vacancy management, and operational efficiencies helped limit overall expenditure growth. As a result, expenditure increases were carefully managed and did not outpace revenue growth.

Fund Balance

As of June 30, 2025, the General Fund reported a total fund balance of \$40,529,203 (ACFR, page 23) allocated among non-spendable, committed, assigned, and unassigned categories. The non-spendable fund balance of \$776,531 consists primarily of the value of emergency

medical supplies inventory, which is not available for current spending. The committed fund balance of \$645,798 is restricted to ARPA-related projects and may only be redirected with additional Board approval.

The assigned fund balance totals \$4,177,519 and included funding for the 2025 Fire Academy, Ground Emergency Medical Transport audit, capital replacement, and outstanding encumbrances. These amounts are reserved for specific purposes but provide greater flexibility than committed funds.

The unassigned fund balance of \$34,929,355 serves as the District's primary financial reserve and represents approximately 33% of total General Fund expenditures. This strong reserve position supports financial stability, allows the District to respond to unforeseen events, and provides flexibility for budget stabilization, capital investments, and debt reduction. Staff will bring forward a recommendation at the mid-year budget report to reallocate excess unassigned reserves to align with the District's reserve policy.

Table 1 (ACFR, page 69):

General Fund - Fund Balance Summary	
Non-spendable	
EMS Inventory	776,531
Committed	
ARPA Projects	645,798
Assigned	
Fire Academy	2,171,736
Capital Replacement	990,000
GEMT Audit	100,000
Encumbrances	915,783
Unassigned	
Reserves	34,929,355
Total Fund Balance	\$40,529,203

Landscape & Lighting Special Revenue Fund (ACFR, page 25)

During FY 2024–2025, the Landscape & Lighting (L&L) Special Revenue Fund experienced increased revenues, rising from \$24.9 million in the prior year to \$26.6 million, driven primarily by special tax assessments and improved investment earnings. At the same time, expenditures increased modestly from \$20.7 million to \$21.4 million due to inflationary pressures and ongoing costs associated with landscaping, lighting maintenance, utilities, and contractual services. Revenues continued to exceed expenditures, resulting in a positive operating result for the year.

The L&L Fund reported a net increase in fund balance of \$2.8 million in FY 2024–2025, compared to a \$3.6 million increase in the prior year, reflecting higher operating costs and planned use of resources. After transfers and other financing uses, the ending fund balance decreased from \$52.4 million at June 30, 2024, to \$49.6 million at June 30, 2025.

Measure E Special Revenue Fund (ACFR, page 25)

During FY 2024–2025, the Measure E Special Revenue Fund generated approximately \$10.9 million in total revenues. Revenues increased modestly compared to the prior year, reflecting stable funding levels and continued interest income. Total expenditures for the year were approximately \$6.2 million, an increase from the prior year as Measure E resources were actively deployed to support voter-approved priorities. Spending increased as planned to advance program implementation and project delivery.

As a result, the Measure E ending fund balance increased from \$6.7 million at June 30, 2024, to \$9.5 million at June 30, 2025, strengthening the Fund’s capacity to support future voter-approved initiatives. Measure E resources are intended to support District-provided services, including fire and emergency medical response, 911 services, youth outreach, public cleanliness and safety operations, and the maintenance and improvement of District parks and facilities.

Capital Projects Fund (ACFR, page 25)

During FY 2024–2025, the Capital Projects Fund generated revenues primarily from intergovernmental sources, developer contributions, transfers, and investment earnings, which are used to support District capital initiatives. Revenue levels were lower than the prior year, reflecting the timing of grant reimbursements and the completion or slowdown of certain development-related funding sources. Total expenditures increased as planned, driven largely by capital outlay spending associated with District infrastructure projects.

As expenditures exceeded revenues for the year, the Capital Projects Fund experienced a planned drawdown of fund balance. The ending fund balance declined from \$46.7 million as of June 30, 2024, to \$42.9 million as of June 30, 2025, reflecting the intentional use of accumulated resources to deliver critical capital improvements that support District services and long-term operational needs.

Internal Services Fund (ACFR, page 28)

The Internal Service Fund experienced a decrease in operating revenues in FY 2024–2025, declining from \$11.6 million to \$8.5 million. This reduction was anticipated and reflects the one-time seeding of the ISF in the prior year to initiate the fund, which did not recur in the current year. Operating expenses increased as planned, as the ISF assumed full responsibility for centralized services, professional services, maintenance, and risk-related costs. Despite these changes, the ISF reported only a modest net decrease in net position of \$22,482 and ended the year with a strong net position of \$10.4 million, providing sufficient capacity to support ongoing internal service operations and absorb future cost variability.

Golf Enterprise Fund (ACFR, page 28)

During FY 2024–2025, the Golf Enterprise Fund reported increased operating revenues, rising from approximately \$2.0 million in the prior year to \$2.1 million, driven primarily by higher charges for services. At the same time, operating expenses declined slightly as a result of continued cost control efforts in salaries, maintenance, and operating supplies. As a result, the Golf Fund generated improved operating income and recorded a net increase in net position of \$354,010, bringing the ending net position to \$4.29 million. This improvement strengthens the Fund’s ability to support ongoing operations, course maintenance, and future capital needs.

Non-Major Funds (ACFR, page 92)

On June 30, 2025, the non-major Governmental Funds, consisting of the Debt Service, Foundation, Grant, and CFD Funds, had a total fund balance of \$359,735. The Debt Service Fund does not hold a fund balance. The restricted fund balance reports the Grant Fund at \$681, the CFD Fund at \$140,110, and the Foundation Fund at \$218,944. The total fund balance for non-major funds declined by \$21,873 due to a reduction in expenditures within the Grant and Foundation Fund.

Fund/Reserve Balance Summary

Table 2 (ACFR, pages 25 and 28):

	Beginning Balance	Change in Fund Balance	Ending Balance
General Fund	37,044,676	3,484,527	40,529,203
L&L Fund	52,388,457	(2,793,940)	49,594,517
Measure E Fund	6,690,275	2,854,403	9,544,678
Capital Projects Fund	46,662,596	(3,753,638)	42,908,958
Internal Services Fund	10,386,766	(22,482)	10,364,284
Golf Fund	3,935,729	354,010	4,289,739
Other Funds	381,608	(21,873)	359,735
Totals	\$157,490,107	\$101,007	\$157,591,114

NEXT STEPS

Staff will file the audited financial statement with the State Controller's Office and the County of Sacramento's Auditor-Controller Division, a crucial step in maintaining accountability and transparency in the District's financial operations.

Attachment A – 2025 Annual Comprehensive Financial Report

Attachment B – Memorandum Of Internal Control Letter

Attachment C – Appropriations Limit Letter

Attachment A

2025 Annual Comprehensive Financial Report



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year ended June 30, 2025

2025



Inclusive.
Innovative.
A Regional Leader.

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COSUMNES COMMUNITY SERVICES DISTRICT

State of California

Cosumnes Community Services District is the Local Government Provider of
Emergency Medical, Fire Protection, and Parks & Recreation Services

Annual Comprehensive Financial Report

For the year ended

June 30, 2025

Prepared by:

Finance Division Staff

Nou Vang, Finance Director

Nou Her, Accounting Manager

Jillian Chavez, Budget Manager

Marilyn Leoncio, Senior Accountant

Hogai Zalmai, Accountant

Ashika Kumar, Accounting Specialist

Cynthia Marquez, Payroll Specialist

Yvette Castaneda, Payroll Assistant

Jessica Reyes, Accounting Assistant

Ana Cruz, Accounting Assistant

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**COSUMNES COMMUNITY SERVICES DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

	Page
 INTRODUCTORY SECTION	
Table of Contents	i
Letter of Transmittal	iii
List of Principal Officials.....	ix
Organizational Chart.....	x
GFOA Certificate of Achievement	xi
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	21
Statement of Activities	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	23
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances.....	25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities	26
Proprietary Fund:	
Statement of Net Position.....	27
Statement of Revenues, Expenses, and Changes in Net Position	28
Statement of Cash Flows.....	29
Notes to Basic Financial Statements.....	31
 Required Supplementary Information:	
Pension Plans (Unaudited):	
Schedule of Changes in the Net Pension Liability and Related Ratios -Miscellaneous Plan	75
Schedule of Changes in the Net Pension Liability and Related Ratios -Safety Plan.....	76
Schedule of Contributions to the Pension Plans-Miscellaneous Plan	77
Schedule of Contributions to the Pension Plans-Safety Plan	77
OPEB Plan (Unaudited):	
Schedule of Changes in the Net OPEB Liability and Related Ratios	78
Schedule of Contributions to the OPEB Plan.....	79
Budgetary Basis of Accounting	80
 Schedule of Revenues, Expenditures and Changes in Fund Balances-	
Budget and Actual-Non-GAAP Budgetary Basis:	
General Fund	81
Landscape and Lighting Special Revenue Fund.....	82
Measure E Special Revenue Fund	83

**COSUMNES COMMUNITY SERVICES DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

	Page
Supplementary Information:	
Combining and Individual Fund Statements:	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Non-GAAP Budgetary Basis-Major Capital Projects Fund.....	87
Non-Major Governmental Funds:	
Combining Balance Sheets	91
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	92
Landscape and Lighting Special Revenue Fund Schedules:	
Balance Sheet Schedules by Benefit Zone.....	94
Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone	98
Combining Statement of Net Position – Internal Service Funds.....	103
Combining Statement of Revenues, Expenditures and Changes in Net Position – Internal Service Funds	104
Combining Statement of Cash Flows – Internal Service Funds	105
 STATISTICAL SECTION (Unaudited)	
Statistical Section Table of Contents	107
Net Position by Component.....	108
Changes in Net Position.....	110
Fund Balances of Governmental Funds	112
Changes in Fund Balances of Governmental Funds	114
Direct and Overlapping Property of Tax Rates.....	116
Principal Property Taxpayers.....	117
Property Tax Levies and Collection.....	118
Assessed Value and Estimated Actual Value of Taxable Property.....	119
Ratios of Outstanding Debt by Type.....	120
Direct and Overlapping Debt	121
Legal Debt Margin	122
Pledged-Revenue Coverage	123
Demographic and Economic Statistics	124
Principal Employers.....	125
Full-Time District Employees by Function	126
Operating Indicators by Function/Program.....	127
Capital Asset Statistics by Function Program.....	128
 Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	
	129

December 22, 2025

Honorable Board of Directors,
Citizens of Cosumnes Community Services District:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Cosumnes Community Services District (District) for the fiscal year ending June 30, 2025. This report is submitted for the Board's review and is published as a public record for the benefit of interested citizens, government entities, and investors. The ACFR adheres to the accounting and financial reporting principles and standards established by the Governmental Accounting Standards Board (GASB). It provides all the necessary information to enable readers to develop a clear understanding of the District's financial activities.

The District's financial statements have been audited by Maze and Associates, Certified Public Accountants. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are fairly presented in conformity with generally accepted accounting principles (GAAP). The District's auditors have issued an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2025. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A), immediately following the independent auditors' report, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Management takes sole responsibility for the completeness and reliability of the information in this report based on a comprehensive framework of internal control that it has established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Profile of the District

The District is a political subdivision of the State of California guided by a five-member elected Board of Directors. It dates back 127 years to the establishment of three districts: the Elk Grove Fire Protection District (1893), the Galt Fire Protection District (1921), and the Elk Grove Recreation and Park District (1936), which are combined in two phases. In 1985, the Elk Grove Fire Protection District and Recreation and Park District merged to form the Elk Grove Community Services District. The Galt Fire Protection District merged with the Elk Grove Community Services District in 2006 to form today's District, under Government Code Sections 56261.1 and 56439(c). This reorganization expanded fire protection and emergency medical services coverage from the Elk Grove region to include the City of Galt and additional unincorporated areas in southern Sacramento County.

The District is a growing community that spans 157 square miles south of Sacramento County, with a population of approximately 214,000; it operates nine fire stations, one fire training facility, one golf course, two community centers, five recreation centers, two aquatic complexes, and over 104 parks and employs 358 full-time and over 850 part-time staff. The District provides fire protection services, including fire suppression, fire prevention inspection, plan checking, public education programs, emergency medical services, ambulance transport, advanced life support and rescue services, and, in addition, provides parks, recreation facilities, and programs.

Blended Component Units

The Elk Grove Community Services District Foundation (the Foundation) was established on March 21, 1996 for the purpose of protecting lives through fire prevention educational programs, financially assisting residents who cannot afford to participate in recreational activities, and beautifying the community of Elk Grove. On April 4, 1997, the Foundation was recognized as exempt under Section 501(c) (3) of the Internal Revenue Code. In June 2008, the Foundation was reorganized into an active community foundation. The name of the Foundation was changed to Cosumnes Legacy Foundation; the existing elected and appointed directors resigned their positions, and seven (7) community members were appointed as Foundation Directors with two and three-year staggered terms. The Foundation is a legally separate component unit that is reported as a non-major governmental fund within the basic financial statements.

The Elk Grove Community Services District Public Facilities Acquisition Corporation (the Corporation) was established in March 2006 to facilitate the financing of the acquisition of capital assets of the District. The Corporation's Board is comprised of the members of the District's Board of Directors. The Corporation does not have any assets or liabilities. Its activities have been blended with the appropriate District funds. No separate financial statements are issued for the Corporation.

The District administers three Community Facilities Districts (CFD), including CFD No. 1 (Elk Grove Fire Protection), CFD No. 2021-1 (Sheldon Farms North) and CFD No 2022-1 (Elliott Springs) formed under California Code Section 53311, the Mello-Roos Act of 1982, that are authorized to levy special taxes on properties within the CFDs and for which the District's Board of Directors serves as the governing body of the CFD. The District can impose its will on and has administrative responsibility for each of the CFDs. As a result, the CFDs are component units of the District. CFD No. 2021-1 was established to fund the costs of fire protection, park maintenance, and landscaping services for the Sheldon Farms North area. CFD 2022-1 was formed to fund the maintenance of public facilities, including street lighting, landscaping, drainage, and other essential public infrastructure, as well as to fund fire protection and paramedic services for the Elliott Springs Area. The District can access the resources of each Community Facilities District and, as a result, reports the Community Facilities Districts on a blended basis with the District in the CFD Special Revenue Fund.

Budgeting Controls

As required by the State of California Government Code 61110 (f), the District prepares and legally adopts a final operating budget on or before September 1 of each biennial year. This budget reflects, as nearly as possible, the estimated revenues and expenditures for the upcoming year.

The budget is made available for public inspection through public notice. On the dates stated in the notice, the Board of Directors conducts public hearings on the budget and after the hearings, makes a final determination thereon. Biennial budgets are adopted for the General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds, and Enterprise Funds. Until the adoption of the final budget, operations are governed by the adopted preliminary budget, which was approved by the Board before June 30. The final budget serves as an approved plan for operational control and performance evaluation.

The budgetary control level (the level at which expenditure cannot legally exceed the appropriated amount) is established at the fund level. The expenditure portion of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes maximum spending authorization for the fiscal year. It cannot be exceeded except by amendment of the budget by the Board of Directors. During Fiscal Year 2024-25, amendments were made to the final adopted budget. Monthly comparison of actual-to-budgeted revenues and expenditures identifies significant variances that may require the District to take corrective action.

Local Economy

The District serves the diverse communities of Elk Grove and Galt in Sacramento County, California, offering critical services that enhance public safety and quality of life. The District provides fire protection and emergency medical services to both Elk Grove and Galt, ensuring the safety and well-being of residents across its entire service area. Additionally, the District manages parks and recreation services exclusively for Elk Grove, supporting its growing population with vibrant recreational programs and well-maintained parks.

Elk Grove, with a population exceeding 178,000, is experiencing rapid growth fueled by its robust economy, driven by sectors such as healthcare, retail, and advanced manufacturing. The city's steady residential and commercial development increases demand for both public safety and recreation services, requiring the District to strategically plan for sustainable service delivery. Galt, on the other hand, retains its strong agricultural roots and community-focused economy, with a population of over 36,000. While Galt's growth is more moderate, its residents depend heavily on the District's fire and emergency medical services for safety and security.

As the population continues to grow, political leaders are focusing on attracting business and commerce to the region, thereby increasing the demand for housing. As of June 2025, home sales experienced a significant month-over-month and year-over-year decline, with June 2025 sales dropping 31% from May and 38% from June 2024. The market showed signs of cooling down compared to the peak of the spring market, with properties selling below the original asking price. The median home price was \$661,000, representing a 1.6% increase from \$650,000 as of June 30, 2024. There is still a high demand for construction to add to the housing inventory, as the City of Elk Grove continues to grow, driven by a need for more quality housing. The District is estimating that property tax revenues will increase by 5% in Fiscal Year 2025-26, driven by a projected rise in wage and salary jobs, as well as a steady unemployment rate of 5.4%.

The City of Galt's housing market, however, is experiencing declining prices, inventory, and longer selling times, reflecting a cooling market. The median housing prices were around \$530,000, down 3.6% from the previous year, while the median days on the market increased to 140 days, compared to 51 days in the same period last year. Despite the increased availability of housing, buyer demand has softened, indicating a decline in pending home sales, even as mortgage rates stabilize.

Long-Term Financial Planning

The District's long-term financial planning framework emphasizes proactive strategies to ensure fiscal stability and meet community needs. Key initiatives include implementing a life-cycle asset replacement program to maintain infrastructure, reducing other post-employment benefits (OPEB) and pension liabilities through disciplined funding and strategic investments, diversifying revenue sources by updating developer impact fees, and establishing Community Facility Districts (CFDs). Additionally, the plan includes creating Landscaping and Lighting (L&L) overlays for underfunded zones to ensure equitable service delivery and address funding gaps for essential services through CFDs.

Relevant Financial Policies

Reserve Policy

In September 2025, the District updated and adopted its reserve policy to align with the Government Finance Officers Association (GFOA) recommendations. These revisions ensure prudent financial management and adequate reserves to support District operations and infrastructure.

The updated policy establishes reserve requirements for the General Fund at 25% of its annual operating costs. Debt Service Reserve Funds are maintained at a level sufficient to cover one year of debt service payments, safeguarding the District's financial obligations. Capital Reserves are allocated for essential capital improvements, including the development and maintenance of parks, facilities, and apparatus replacement, ensuring the sustainability of District assets. The Landscape and Lighting (L&L) Reserve balance is determined based on the Park Maintenance Management Plan and Asset Lifecycle Plan. Funds are designated exclusively for planned repairs, maintenance, and the lifecycle replacement of assets within each specified Benefit Zone, as mandated by the Landscape and Lighting Act of 1972. These reserves are classified as restricted fund balances, providing clarity and assurance that funds will be used solely for their intended purposes. The Measure E Reserves shall be maintained at 25% of its annual operating cost to ensure program continuity and is classified as restricted fund balance.

Major Initiatives

CORE Recreation Center

The CORE Recreation Center was open on July 26, 2025. The CORE became a premier destination for fitness, recreation, and community engagement. This two-story, 59,000-square-foot facility is situated within Morse Community Park, located at the corner of Bellaterra Drive and Fire Poppy Drive. The CORE Recreation Center offers a diverse range of programs and activities, including individual and group fitness classes, drop-in activities, registered programs, sports classes, leagues, and tournaments. Designed to expand recreation programming and enhance service levels, the facility plays a pivotal role in promoting the physical and mental well-being of residents of all ages.

Enterprise Resource Planning (ERP) Project

In December 2024, the District initiated its effort to replace its current enterprise resource planning (ERP) system, Tyler New World Systems. To support this initiative, the District contracted with Berry, Dunn, McNeil & Parker, LLC to provide project management services and assist with the search and evaluation of a state-of-the-art ERP solution that will enhance system integration, modernize business processes, and improve operational efficiency across the organization.

Other Information

Independent Audit

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. The District selected the firm Maze & Associates, Certified Public Accountants, to meet this requirement. The independent auditor's report on the basic financial statements is included at the front of the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the District a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) for Fiscal Year 2023-24. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports. To obtain this Certificate of Achievement award, the District must publish an easily readable and efficiently organized set of comprehensive financial reports that meet generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement award is valid for one year only. Our reports conform to the Certificate of Achievement program requirements, and we are submitting them to the GFOA to determine our eligibility for another Certificate of Achievement.

Acknowledgments

The timely preparation of this Annual Comprehensive Financial Report would not have been accomplished without the efficient and dedicated service of the entire Administrative Services Department staff and the cooperation and assistance received from the Parks and Recreation and Fire Department staff.

In closing, we commend the Board of Directors for its interest, support, and leadership in planning and conducting the District's financial operations in a responsive and progressive manner.

Respectfully submitted,

A handwritten signature in black ink that reads 'Nou Vang'.

Nou Vang
Finance Director



Directory of District Officials *(As of Issuance Date)*

Board of Directors (Elected)

Peter Sakaris, President

Rich Lozano, Vice-President

Angela Spease, Director

Daniella Zehnder, Director

Reina Tarango, Director

Officials (Appointed)

Tim Ogden
General Manager

Sigrid Asmundson
District Counsel

Executive Management Team

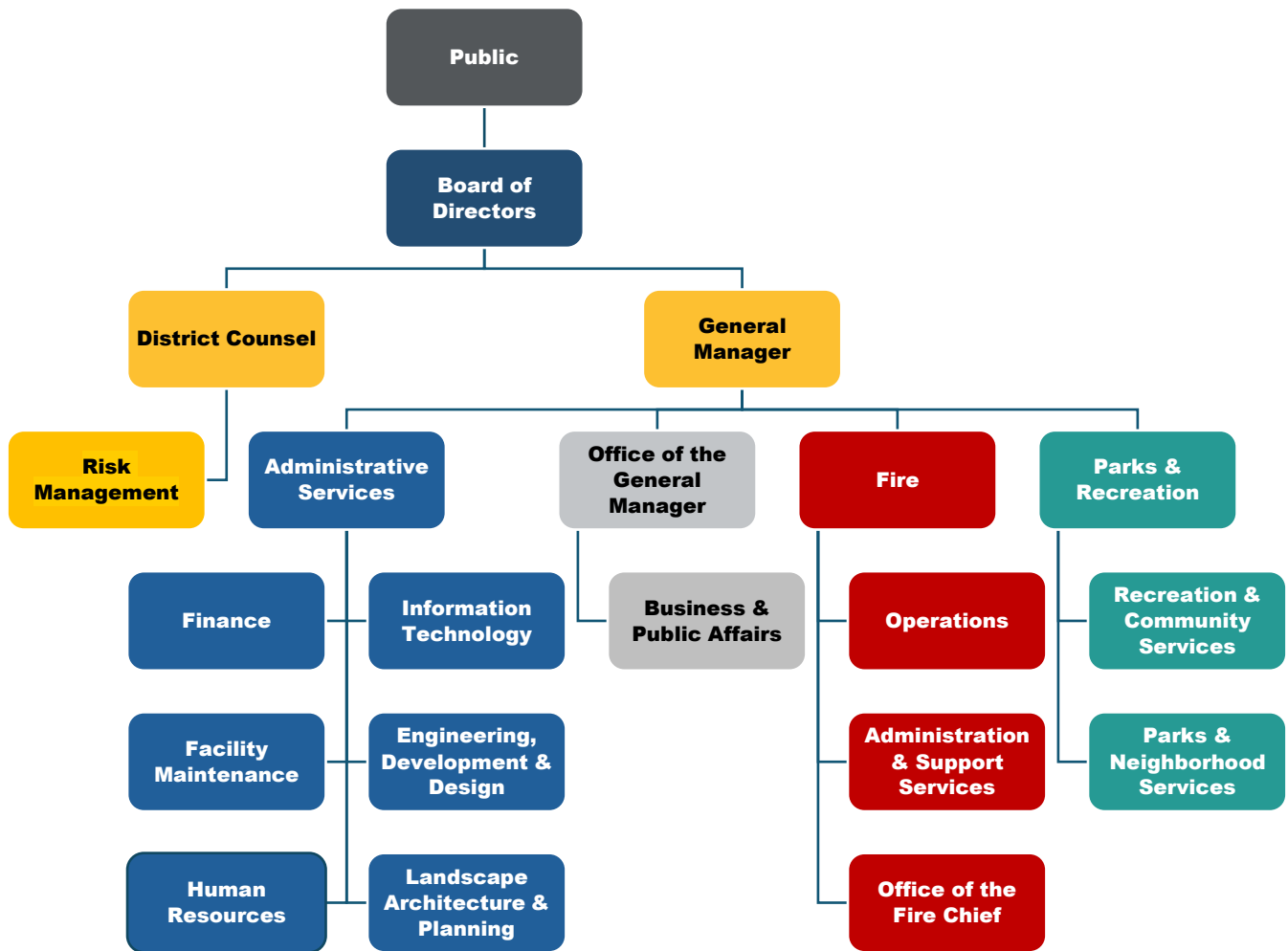
(Vacant)
Administrator of General Services

Traci Farris
Administrator of Parks and Recreation

Felipe Rodriguez
Fire Chief



Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cosumnes Community Services District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cosumnes Community Services District
Elk Grove, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Cosumnes Community Services District (District), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Cosumnes Community Services District, as of June 30, 2025, 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 as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The 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 Supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Pleasant Hill, California
December 22, 2025

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COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

This section of the Cosumnes Community Services District (District) comprehensive financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report on pages iii-viii and the District's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- At the close of the 2024-25 and 2023-24 fiscal years, the Cosumnes Community Services District's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$289,929,729 and \$272,933,637, respectively, representing the District's net position. Of this amount, \$102,267,097 is restricted for specific purposes (*restricted net position*), and net investment in capital assets was \$248,096,030 for Governmental Activities, and \$5,618,017 for Business-Type Activities. The District's net position increased by \$16,996,092 due to the increase in cash and investments, accounts receivable, deferred outflows for the OPEB plan, fixed assets and net investment in capital assets. This increase is discussed further on pages 8 through 10 of this report.
- For fiscal year 2024-25, the District's Government-Wide Statement of Activities, the total governmental activity revenues reached \$155.2 million, reflecting an increase of \$6.8 million or 4.62%, compared to the prior year. This increase was primarily driven by a \$2.3 million increase in Capital Grants and Contributions (27%) and a \$3.9 million increase in Charges for Services (7.55%). These revenue gains were partially offset by a significant decline in Operating Grants and Contributions, which decreased by \$3.19 million or 47.96% due to the close-out of the 2019 SAFER Grant. Total governmental fund expenditure increased by \$7.2 million from the prior year. The increase was primarily driven by higher Public Protection expenditures, which rose by \$8.2 million (10.9%), largely due to increased personnel-related costs and demands for service delivery. General Government expenditures increased by \$1.0 million (7.96%), reflecting inflationary pressures and operational support costs. Additional details on revenues and expenditures are provided on page 12.
- At the end of the fiscal year, the District's governmental funds reported a combined fund balance of \$142,937,091, reflecting a modest decrease of \$230,521 compared to the previous year. Of this total, approximately 24% or \$35,122,494 is classified as unassigned fund balance and is available for discretionary spending in accordance with District policies and applicable legal constraints.
- At the close of the fiscal year, the total fund balance restricted for park and fire programs, capital projects, landscape and lighting district operations, and foundation activities was 71.5% or \$102,267,097, and \$645,798 was committed for projects approved in the District's ARPA funding plan from unrestricted state COVID-19 funds.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

- The District's total long-term obligations decreased by 4.1% or \$9.0 million during the fiscal year 2024-25. The decrease was primarily attributable to the retirement and debt obligation principal payment totaling \$1.5 million, which consist of Caltronics Copier leases, Toro Mower leases, Loan payable for two Pierce Pumpers Fire Trucks, and total Certificate of Participation (COPS) principal payments during the fiscal year, a \$2.2 million decrease in net pension liability, and a decrease of \$5 million in net OPEB liability. These decreases were partially offset by a modest increase in compensated absences of \$223,887, or 18.53%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statement. The District's basic financial statements comprise of three components 1) **Government-wide** financial statements; 2) **Fund** financial statements; and 3) **Notes** to basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements provide a broad overview of the District's finances and consist of the Statement of Net Position and the Statement of Activities.

The *Statement of Net Position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in the net position serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed due 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*) The governmental activities of the District include general government, public protection, and recreation and culture. The business-type activities of the District include a golf course operation.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

The government-wide financial statements include not only the District itself (known as the *primary government*), but also a legally separate non-profit organization, Cosumnes Legacy Foundation, which the District is financially accountable. Financial information for this blended component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements are groupings of related accounts used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The district's funds are divided into two categories: governmental funds and proprietary funds.

Governmental Funds 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 Fund Financial Statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the governmental fund perspective is more narrowly focused, a comparison with the Government-wide Financial Statements provides additional insight into the long-term implications of current financial decisions. To facilitate this understanding, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances include reconciliations to the governmental activities reported in the Government-wide Financial Statements.

The District maintains eight individual governmental funds. Separate information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Landscape and Lighting Special Revenue Fund, Measure E Special Revenue Fund, and the Capital Projects Fund, which are reported as major funds. Information for the remaining four governmental funds is presented in the non-major funds section of the ACFR.

The District adopts a biennial appropriated budget for its General Fund. To demonstrate compliance with this budget, a budgetary comparison is provided for the general fund.

The basic governmental fund financial statements can be found on pages 23-26 of this report.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Proprietary Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses a proprietary fund, an enterprise fund, to account for the operations of the Emerald Lakes Golf Course as well as its Internal Service Fund.

Proprietary funds offer detailed information similar to what is presented in the government-wide financial statements. These statements include data on the Emerald Lakes Golf Course, which is classified as a major fund of the District, as well as details about the District's Internal Service Fund.

The basic proprietary fund financial statements can be found on pages 27 to 29 of this report.

Notes to the Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements can be found on pages 31-71 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 75-83 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pension and OPEB. The combined and individual fund statements and schedules can be found on pages 87-101 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$289,929,729 at the close of the most recent fiscal year.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Condensed Statements of Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 167,291,912	\$ 158,976,851	\$ (101,459)	\$ 85,557	\$ 167,190,453	\$ 159,062,408
Restricted cash and investment	1,757,682	13,478,971	-	-	1,757,682	13,478,971
Capital assets	303,012,033	284,999,942	6,504,716	6,147,127	309,516,749	291,147,069
Total Assets	472,061,627	457,455,764	6,403,257	6,232,684	478,464,884	463,688,448
Deferred Outflows of Resources	54,705,412	64,318,096	518,255	578,114	55,223,667	64,896,210
Total Deferred Outflows	54,705,412	64,318,096	518,255	578,114	55,223,667	64,896,210
Current and other liabilities	15,705,238	16,477,083	628,905	472,113	16,334,143	16,949,196
Long-term liabilities outstanding	218,866,897	228,376,293	1,922,014	2,277,471	220,788,911	230,653,764
Total liabilities	234,572,135	244,853,376	2,550,919	2,749,584	237,123,054	247,602,960
Deferred Inflows of Resources	9,825,484	11,716,187	80,854	125,485	9,906,338	11,841,672
Total Deferred Inflows	9,825,484	11,716,187	80,854	125,485	9,906,338	11,841,672
Net Position:						
Net Investment in capital assets	248,096,030	239,749,801	5,618,017	5,277,219	253,714,047	245,027,020
Restricted	102,267,097	105,969,929	-	-	102,267,097	105,969,929
Unrestricted	(64,723,137)	(76,721,822)	(1,328,278)	(1,341,490)	(66,051,415)	(78,063,312)
Total Net Position	\$ 285,639,990	\$ 268,997,908	\$ 4,289,739	\$ 3,935,729	\$ 289,929,729	\$ 272,933,637

Governmental Activities

The largest portion of the District's governmental activities' net position of \$285,639,990 (98.5%) reflects its net investment in capital assets (e.g., land, structures and improvements, equipment and construction in progress), less any related debt and other payables used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District'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 be used to liquidate these liabilities.

Another significant portion of the District's net position of \$102,267,097 (35.2%) represents resources subject to external restrictions on their use. The remaining negative balance of *unrestricted net position* of \$64,723,137 is mainly due to the District recording of debt issuance and pension and other post-employee benefits (OPEB) liabilities amongst Safety and Miscellaneous employees.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

At the end of the current fiscal year, the District reports positive balances in all of the categories of net position except for unrestricted fund balance. The District is able to replenish reserve fund balance because of the increase in property taxes, comparable balance in deferred outflows of resources from pensions and OPEB liabilities, and a decrease in deferred inflows of resources by 16% from the previous year, or by \$1,890,703.

The District's net position increased by \$16.6 million during the 2024–25 fiscal year. This increase was largely attributable to the growth in Measure E reserves, which supported continued capital investment and strengthened restricted resources for public safety and recreation programs. Contributing factors included a 3% increase in net investment in capital assets (\$8.3 million), a \$5.0 million (21%) increase related to Recreation and Culture activities, and a \$4.1 million (18%) increase in restricted net position for Public Protection.

Business-Type Activities

The District's total business-type activities net position was \$4,289,739 at the end of fiscal year 2024–25. Net position increased by \$354,010, driven primarily by a \$340,798 (6.5%) increase in net investment in capital assets, partially offset by a modest decrease of \$13,212 (1%) in unrestricted net position.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

The table below indicates the changes in net position for Governmental Activities and Business-type Activities:

Condensed Statements of Activities For the Fiscal Years Ended June 30, 2025 and 2024							
	Governmental Activities		Business-type Activities		Total		
	2025	2024	2025	2024	2025	2024	
REVENUES:							
Program revenues:							
Charges for services	\$ 56,242,333	\$ 52,292,144	\$ 2,079,226	\$ 1,945,966	\$ 58,321,559	\$ 54,238,110	
Operating grants and contribution:	3,467,017	6,662,116	-	-	3,467,017	6,662,116	
Capital grants and contributions	10,949,399	8,621,772	-	-	10,949,399	8,621,772	
General revenues:					-	-	
Property taxes	66,838,673	63,544,978	-	-	66,838,673	63,544,978	
Other taxes	10,527,839	10,288,329	-	-	10,527,839	10,288,329	
Investment earnings	6,171,677	6,420,795	1,851	24,338	6,173,528	6,445,133	
Miscellaneous	1,025,704	1,091,060	8,685	8,878	1,034,389	1,099,938	
Total Revenue	155,222,642	148,921,194	2,089,762	1,979,182	157,312,404	150,900,376	
	34,685,922						
EXPENSES:							
Governmental activities:							
Public protection	83,485,473	75,220,522	-	-	83,485,473	75,220,522	
Recreation and culture	38,760,883	43,240,744	1,736,585	1,784,043	40,497,468	45,024,787	
General government	13,951,633	12,923,216	15,607	-	13,967,240	12,923,216	
Interest on Long-Term Debt	2,366,131				2,366,131		
Total Expenses	138,564,120	131,384,482	1,752,192	1,784,043	140,316,312	133,168,525	
Excess (deficiency) before transfers:	16,658,522	17,536,712	337,570	195,139	16,996,092	17,731,851	
Transfers in/ (out)	(16,440)	(566,259)	16,440	566,259	-	-	
Change in Net Position	16,642,082	16,970,453	354,010	761,398	16,996,092	17,731,851	
Net position - beginning of year	268,997,908	252,027,455	3,935,729	3,174,331	272,933,637	255,201,786	
Restatement					-		
Net Position - end of year	\$ 285,639,990	\$ 268,997,908	\$4,289,739	\$3,935,729	\$ 289,929,729	\$272,933,637	

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Governmental Activities

Revenues

The District's total governmental activities revenues per the Statement of Activities for the fiscal year ended June 30, 2025, increased by \$6.3 million or 4.2% from the prior year. The District's total governmental revenues comprised mainly from Property Taxes (43% or \$66.8 million). The increase in property tax revenues reflects the rise in Proposition 13 adjustments on existing homes, combined with the increase in sales of both existing and new home properties, as well as local development. Charges for services increased by \$3.9 million (7.6%) and are revenue comprised for plan review fees, citations, service permits, and ambulance transportation fees. Contribution revenues are comprised primarily of parkland dedications and fees from developers that is restricted for the construction of parks and fire stations, provided 7.5% and 26% respectively, of the total governmental revenue of the District for the fiscal year ended June 30, 2025. Total operating grants and contributions decreased by \$3.2 million or 48% compared to prior year, and this is mainly due to reduction in \$383,000 in state construction aid, \$1.1 million federal aid for Station 77, \$890,948 Public Safety federal aid, and \$965,000 aid from other city and county. Total capital grants and contributions however increased \$2.3 million or 27% compared to prior year, due to additional receipts of Fire Development Fees from Galt and Elk Grove of approximately \$2.7 million and \$66,000 of land dedication.

Expenses

The District's expenses totaled \$138,564,120 for the fiscal year ended June 30, 2025, representing an increase of \$7.1 million, or 5%, from the prior year. Public protection costs represent the largest expenditure in governmental activities, at 60% due to increases in salaries and benefits, followed by recreation and culture at 27.9%, and general government at 10% of total governmental activities expenses.

Business-Type Activities

Revenues

Revenue from business-type activities is generated from green fees, retail sales, the driving range, and golf programs at the Emerald Lakes Golf Course. For the fiscal year ended June 30, 2025, total business-type revenues increased by \$110,580, or 5.6%, compared to the prior year. This increase reflects continued community participation and sustained demand for the golf course and its programs.

Expenses

Business-type expenses for the fiscal year ending June 30, 2025 had a modest decrease of \$31,851, or 2% from the prior year. The decrease was primarily driven by a \$151,600 reduction in salaries and benefits, partially offset by a \$15,000 increase in short-term rental costs and a \$18,907 decrease in other miscellaneous expenses, including taxes and licenses, insurance, and memberships and subscriptions.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

The following table shows the cost of each of the District's major programs and the net cost of the programs for the fiscal year ending June 30, 2025. Net cost represents total program expenses less fees, charges for services, and other direct revenues generated by each activity. The net cost of public protection, recreation and culture, and general government services reflects the portion of program costs that must be financed by the District's general revenues, including taxes.

PROGRAM COSTS AND NET REVENUE (COST)

	<u>Total Cost of Services</u>	<u>Net Revenue (Cost) of services</u>
Governmental Activities:		
Public protection	\$ 84,169,472	\$ (45,700,374)
Recreation and culture	39,850,742	(8,127,485)
General government	14,543,906	(14,077,512)
Total Governmental Activities	<u>138,564,120</u>	<u>(67,905,371)</u>
Business-Type Activities:		
Golf Operations	<u>1,752,192</u>	<u>327,034</u>
Total Business-Type Activities	<u>1,752,192</u>	<u>327,034</u>
TOTAL	<u><u>\$ 140,316,312</u></u>	<u><u>\$ (67,578,337)</u></u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of a government's net resources available for discretionary use as they present the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has delegated authority to assign resources for use for particular purposes by the District's Board of Directors.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

As of June 30, 2025, the District's governmental funds reported a combined fund balance of \$142,937,091, a decrease of \$230,521 from the previous year. Although the General Fund, Landscape & Lighting, and Measure E special revenue funds experienced an increase in revenue, the corresponding increase in expenditures for each governmental fund also occurred in the current year, resulting in a modest decrease in the fund balance compared to the prior year. Approximately 24.6% of the combined fund balance for the current fiscal year, or \$34,929,355, is unassigned and available to address the District's current and future needs. The remaining fund balance is restricted and must be used for specific purposes aligned with the intended uses of the funding sources. For instance, Impact Fees are reserved for new construction projects that support the District's growth and development.

Analysis of Individual Funds

The General Fund is the chief operating fund of the District, with an unassigned fund balance of \$34,982,384, and a total fund balance of \$40,529,203. The increase in total fund balance in the general fund was \$3.5 million. To measure the general fund's liquidity, it may be useful to compare unassigned and total fund balances to total fund expenditures. The unassigned fund balance represents 35%, while the total fund balance represents 40% of total fund expenditures on June 30, 2025.

The Landscape & Lighting Special Revenue Fund had a total fund balance of \$49,594,517 as of June 30, 2025. These amounts are restricted for the specific purpose of the fund, governed by L&L laws, is designated for maintaining and enhancing landscaping, lighting, and related amenities within assessed benefit areas. The total fund balance decreased by \$2,793,940 from the prior year due to L&L shifting funding from the zones to the CORE Recreation Center project

The Measure E Special Revenue Fund reported a total fund balance of \$9,544,678 as of June 30, 2025, reflecting a significant increase of \$2.9 million compared to the prior year. This growth marks the second full year of receiving revenue from this relatively new funding source for the District. Measure E, approved by voters in November 2022, established an additional 1% transaction tax designed to generate locally controlled revenue. Measure E Special Revenue Funds are allocated to community-identified priorities based on public input, including crime reduction, rapid 911 response, fire, police, and medical emergency response, disaster preparedness, maintaining public safety, addressing homelessness, and repairing and maintaining parks, roads, and other public infrastructure.

The Capital Projects Fund accounts for revenues and expenses related to capital projects. As of June 30, 2025, the total fund balance of the Capital Projects Fund was \$42,908,958. This represents a modest decrease from the prior year, \$3,753,638 or 8%, attributable to the construction of the CORE Recreation Center.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

At June 30, 2025, the Non-Major Governmental Funds consisted of the Debt Service, Foundation, Grant, and CFD Funds. The fund balances for these funds were as follows: Grant Fund at \$681, CFD Fund at \$140,110, and Foundation Fund at \$218,944. Each fund is restricted for specific purposes—Foundation Fund for foundation activities, CFD Fund for fire protection, emergency services, and park maintenance, and Grant Fund for grant-related projects. The overall fund balance decreased by \$21,873, primarily due to a reduction in intergovernmental and charges for services revenues.

Proprietary Fund. The District's proprietary fund provides the same type of information found in the business-type activities portion of the government-wide financial statement but in more detail. The Golf Enterprise Fund was established in FY 2021-22 to account for the activities at the District's Emerald Lakes Golf Course. Charges for services of \$2,079,226, an increase of \$133,260, or 6.8% from the prior year represent green fees, golf-related equipment rentals, and sales of golf-related equipment, supplies, and other items. The Golf Enterprise Fund had a net gain of \$354,010.

General Fund Budgetary Highlights

Original Budget compared to final budget: During the Fiscal Year 2023-24 and 2024-25 biennium, the District amended the General Fund's Fiscal Year 2024-25 adopted budget through a series of Board-approved actions to reflect updated revenue projections, operational needs, and policy priorities. As a result, the General Fund's final budget reflects a net increase of \$3,420,257 in revenues and \$4,419,864 in expenditures compared to the originally adopted budget. These changes were authorized through the mid-biennial budget amendment approved on June 19, 2024, the Fiscal Year 2023-24 Quarter 4 budget performance report approved on October 2, 2024, and the Fiscal Year 2024-25 mid-year budget report approved on March 19, 2025. The revenue increases primarily reflect refined estimates based on actual collections and updated economic conditions, while expenditure increases were driven by Board-approved adjustments for service level requirements, staffing and operational cost changes, and one-time or timing-related expenditures. These budget amendments demonstrate the District's commitment to active financial monitoring, transparency, and alignment of resources with operational needs throughout the biennium.

Final budget compared to actual results. For the fiscal year ended June 30, 2025, there were no significant variances between the General Fund's final budget and actual results. Actual revenues exceeded the final budget by approximately 3 percent, while actual expenditures were slightly below budget at approximately 99 percent of appropriations. Favorable revenue performance was primarily attributable to continued growth in emergency medical services (EMS) revenues, along with stronger-than-anticipated interest earnings and investment gains. Expenditure savings were largely the result of timing-related factors, including incomplete or deferred purchases that are expected to carry forward into the Fiscal Year 2025-26 budget. Overall, these results reflect effective budget management and fiscal discipline throughout the fiscal year.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2025, the District's investment in capital assets for its governmental activities is \$396,028,738, and business-type activities amount to \$7,269,675 (net of accumulative depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, land improvements, structures, and improvements, as well as construction-in-progress costs for various parkland improvements and the construction of a fire station. The total increase in capital assets for governmental activities was 5.9%, and business-type activities were 6.9% for the current fiscal year.

CAPITAL ASSETS (net of depreciation) AS OF JUNE 30, 2025 AND 2024

	2025			2024		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
Land	\$103,719,466	\$ 5,221,989	\$108,941,455	\$103,591,475	\$ 5,221,989	\$108,813,464
Land improvements	82,842,625		82,842,625	82,842,625		82,842,625
Construction in progress	37,691,896		37,691,896	32,240,973		32,240,973
Structures and improvements	69,431,919	593,742	70,025,661	57,682,745	583,401	58,266,145
Equipment	8,183,373	304,653	8,488,026	7,609,181	320,613	7,929,795
Lease asset	372,398	129,585	501,983	48,327	-	48,328
SBITA	770,356	254,747	1,025,103	984,616	21,124	1,005,740
	<u>\$303,012,033</u>	<u>\$ 6,504,716</u>	<u>\$309,516,749</u>	<u>\$284,999,943</u>	<u>\$ 6,147,127</u>	<u>\$291,147,070</u>

The following provides an explanation of significant changes in capital assets for the fiscal year ended June 30, 2025:

- ◆ Construction in progress – increase is due to construction, renovation, and upgrade related to the Core Recreation Center, Sun Gtove Park, Unity Park, and various other smaller projects.
- ◆ Structures and improvements – increase is due to the transfer of completed construction in progress projects, Fire Station 77, Oasis Recreation Building, Fire Station Smart Alarm Alerting system, and Zone 11 Well Destruction, Oasis Preschool and Playground, McConnell Park Revitalization, and various other smaller park repair projects and fire facility roof repairs.
- ◆ Equipment – increase is due to the purchase of vehicles, computers, and other equipment.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

- ◆ Lease asset – increase is due to implementing GASB Statement No. 87 and separately reporting leased assets as required by the Statement. The increase reflects net of two terminated cell tower leases, and new amended lease contracts beginning in the fiscal year. A new 5-year lease for a Golf Toromaster mower was implemented in fiscal year 2024-25 to replace a prior Golf Mower lease that ended in fiscal year 2023/24. In addition, a new 5-year copier leases for Canon Copier, printer, and fax machine was implemented as of June 30, 2025.
- ◆ SBITA – increase includes implementing GASB Statement No. 96 and recording subscription leases as required by the statement for new subscriptions, including the new Trackman range system at Emerald Lakes Golf Course.

Additional information on the District's capital assets can be found in Note 4 on pages 46-47.

The District has construction contracts with SJ Amoroso Construction for the CORE Recreation Center, and contracts with Imagecon for Park Revitalization at Unity Park and Beeman Park. The total remaining District's commitments as of June 30, 2025 is estimated at \$15,245,600. Additional information on the District's commitments can be found in Note 12 on page 70.

Long-term debt. As of June 30, 2025, the District's long-term debt obligations totaled \$227,729,726. The District's debt portfolio includes the following:

- ◆ 2015 Certificates of Participation (COP): \$8,135,000 issued to refinance a portion of the unfunded actuarial accrued liability related to the District's CalPERS retirement obligations.
- ◆ 2016 COP (Fleet Maintenance Facility): \$3,235,000 issued to refinance a portion of the fleet maintenance facility.
- ◆ 2016 COP (Opterra Energy Services Project): \$5,755,000 issued for the Opterra Energy Services Project.
- ◆ 2021 COP: \$9,310,000 to finance the construction of Fire Station 77 and a solar project at the administration building.
- ◆ 2022 COP: \$31,740,000 to finance the construction of the CORE Recreation Center project.
- ◆ Various Notes and Capital Leases: \$5,040,499 issued for the construction and equipping of a fire station, as well as the purchase of equipment and vehicles.

During the current fiscal year, the District's total debt decreased by \$9,864,853. This decrease was due to \$2.8 million decrease in Long-Term liabilities, decrease of \$2.2 million in pension liabilities, and a decrease of \$5 million in retiree healthcare (OPEB) liabilities.

Additional information on the District's long-term debt can be found in Note 6 on pages 49-55.

COSUMNES COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

ECONOMIC OUTLOOK

The economic outlook for Galt and Elk Grove, both within the District's service area, shows signs of growth and development. While inflation has increased the cost of living, Elk Grove experiences higher home values and a healthy rental market, making it attractive for long-term investors. Galt's more rural character and affordability continues to position itself for revitalize market and community growth. The housing market remains active, with average home prices exceeding \$600,000 in Elk Grove and around \$500,000 in Galt, though high mortgage rates have slowed demand and reduced affordability. Higher interest rates, now around approximately 6.25%, still have a huge impact on high financing costs. Looking ahead, stabilizing inflation and modest decrease on mortgage interest rates could reignite demand, with Elk Grove benefiting from its strong economic. Both cities remain well positioned for long-term growth within the District's service area.

REQUESTS FOR INFORMATION

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Cosumnes Community Services District Administrative Services Department, 8820 Elk Grove Boulevard, Elk Grove, CA 95624, or visit the District's web page at www.CosumnesCSD.gov.

BASIC FINANCIAL STATEMENTS

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Cosumnes Community Services District
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 147,281,373	\$ 50,989	\$ 147,332,362
Receivables:			
Accounts	4,554,880	974	4,555,854
Interest	497,851	-	497,851
Intergovernmental	9,925,456	-	9,925,456
Ambulance (net)	3,024,376	-	3,024,376
Leases	964,811	-	964,811
Internal balances	153,422	(153,422)	-
Prepays	113,212	-	113,212
Inventory	776,531	-	776,531
Total current assets	167,291,912	(101,459)	167,190,453
Noncurrent assets:			
Restricted cash and investments	1,757,682	-	1,757,682
Leases	3,270,570	-	3,270,570
Capital assets:			
Not being depreciated	224,253,987	5,221,989	229,475,976
Being depreciated and amortized, net	78,758,046	1,282,727	80,040,773
Total capital assets	303,012,033	6,504,716	309,516,749
Total noncurrent assets	308,040,285	6,504,716	314,545,001
Total assets	475,332,197	6,403,257	481,735,454
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	633,954	-	633,954
Pension plans	41,137,529	339,929	41,477,458
OPEB plan	12,933,929	178,326	13,112,255
Total Deferred outflows of resources	54,705,412	518,255	55,223,667
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	4,172,807	53,035	4,225,842
Accrued payroll and benefits	3,545,634	56,015	3,601,649
Accrued interest payable	449,443	-	449,443
Unearned revenue	1,116,394	-	1,116,394
Retention payable	-	-	-
Long-term liabilities - current portion	2,717,318	399,444	3,116,762
Compensated absences - current portion	3,703,642	63,518	3,767,160
Subscription-based information technology arrangements	-	56,893	56,893
Total current liabilities	15,705,238	628,905	16,334,143
Noncurrent liabilities:			
Long-term liabilities - noncurrent portion	61,136,128	231,081	61,367,209
Compensated absences - noncurrent portion	1,432,142	27,346	1,459,488
Subscription-based information technology arrangements	-	199,281	199,281
Net pension liability	122,309,402	995,679	123,305,081
Net OPEB liability	33,989,225	468,627	34,457,852
Total noncurrent liabilities	218,866,897	1,922,014	220,788,911
Total liabilities	234,572,135	2,550,919	237,123,054
DEFERRED INFLOWS OF RESOURCES			
Pension plans	-	-	-
OPEB plan	5,864,314	80,854	5,945,168
Leases	3,961,170	-	3,961,170
Total Deferred inflows of resources	9,825,484	80,854	9,906,338
NET POSITION			
Net investment in capital assets	248,096,030	5,618,017	253,714,047
Restricted for:			
Recreation and culture	24,726,837	-	24,726,837
Public protection	25,796,550	-	25,796,550
Solar project	1,930,249	-	1,930,249
Landscape and lighting improvements	49,594,517	-	49,594,517
Foundation activities	218,944	-	218,944
Unrestricted	(64,723,137)	(1,328,278)	(66,051,415)
Total net position	\$ 285,639,990	\$ 4,289,739	\$ 289,929,729

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Activities
For the year ended June 30, 2025

Functions / Programs	Expenses	Program Revenues				Net (Expense) Revenue		
		Interest Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Governmental activities:								
Public protection	\$ 83,485,473	\$ 683,999	\$ 26,449,466	\$ 2,730,685	\$ 9,288,947	\$ (45,700,374)	\$ -	\$ (45,700,374)
Recreation and culture	38,760,883	1,089,859	29,792,867	269,938	1,660,452	(8,127,485)	-	(8,127,485)
General government	13,951,633	592,273	-	466,394	-	(14,077,512)	-	(14,077,512)
Interest on long-term debt	2,366,131	(2,366,131)	-	-	-	-	-	-
Total governmental activities	138,564,120	-	56,242,333	3,467,017	10,949,399	(67,905,371)	-	(67,905,371)
Business-Type activities:								
Golf operations	1,752,192	-	2,079,226	-	-	-	327,034	327,034
Total business-type activities	1,752,192	-	2,079,226	-	-	-	327,034	327,034
Total primary government	\$ 140,316,312	\$ -	\$ 58,321,559	\$ 3,467,017	\$ 10,949,399	\$ (67,905,371)	\$ 327,034	\$ (67,578,337)
General revenues and transfers:								
General revenues:								
Taxes:								
Property taxes						66,838,673	-	66,838,673
Other taxes						10,527,839	-	10,527,839
Investment earnings (loss)						6,171,677	1,851	6,173,528
Miscellaneous						1,025,704	8,685	1,034,389
Transfers in/(out)						(16,440)	16,440	-
Total general revenues and transfers						84,547,453	26,976	84,574,429
Change in net position						16,642,082	354,010	16,996,092
Net position - beginning of year						268,997,908	3,935,729	272,933,637
Net position - end of year						\$ 285,639,990	\$ 4,289,739	\$ 289,929,729

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District

Balance Sheets - Governmental Funds

June 30, 2025

	Major Funds					Total Governmental Funds
	General Fund	Landscape and Lighting Special Revenue Fund	Measure E Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	
ASSETS						
Cash and investments	\$ 38,081,060	\$ 50,135,920	\$ 7,889,579	\$ 40,203,173	\$ 473,595	\$ 136,783,327
Receivables:						
Accounts	4,529,799	17,074	-	8,007	-	4,554,880
Interest	61,955	248,893	29,312	124,123	133	464,416
Intergovernmental	3,167,338	920,036	1,751,603	4,064,943	21,536	9,925,456
Ambulance (net)	3,024,376	-	-	-	-	3,024,376
Leases - current	588,625	376,186	-	-	-	964,811
Leases - noncurrent	1,735,284	1,535,286	-	-	-	3,270,570
Due from other funds	153,422	-	-	-	-	153,422
Prepays	36,739	-	76,473	-	-	113,212
Inventory	776,531	-	-	-	-	776,531
Advances to other funds	-	947,919	-	-	-	947,919
Restricted cash and investments	172,479	-	-	1,585,203	-	1,757,682
Total assets	<u>\$ 52,327,608</u>	<u>\$ 54,181,314</u>	<u>\$ 9,746,967</u>	<u>\$ 45,985,449</u>	<u>\$ 495,264</u>	<u>\$ 162,736,602</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,156,866	\$ 1,688,620	\$ 44,212	\$ 1,037,353	\$ 78,559	\$ 4,005,610
Accrued payroll and benefits	3,014,511	252,647	158,077	63,429	56,970	3,545,634
Due to other funds	-	-	-	-	-	-
Unearned revenue	1,107,154	9,240	-	-	-	1,116,394
Retention payable	-	-	-	-	-	-
Advances from other funds	-	947,919	-	-	-	947,919
Total liabilities	<u>5,278,531</u>	<u>2,898,426</u>	<u>202,289</u>	<u>1,100,782</u>	<u>135,529</u>	<u>9,615,557</u>
Deferred Inflows of Resources:						
Unavailable revenues	4,247,075	-	-	1,975,709	-	6,222,784
Leases	2,272,799	1,688,371	-	-	-	3,961,170
Total Deferred inflows of resources	<u>6,519,874</u>	<u>1,688,371</u>	<u>-</u>	<u>1,975,709</u>	<u>-</u>	<u>10,183,954</u>
Fund Balances:						
Nonspendable	776,531	-	-	-	-	776,531
Restricted for:						
Recreation and culture	-	-	4,391,009	20,335,828	-	24,726,837
Public protection	-	-	5,153,669	20,642,881	-	25,796,550
Solar project	-	-	-	1,930,249	-	1,930,249
Landscaping and lighting	-	49,594,517	-	-	-	49,594,517
Foundation activities	-	-	-	-	218,944	218,944
Grants	-	-	-	-	681	681
Committed for ARPA projects	645,798	-	-	-	-	645,798
Assigned	4,177,519	-	-	-	-	4,177,519
Unassigned	34,929,355	-	-	-	140,110	35,069,465
Total fund balances	<u>40,529,203</u>	<u>49,594,517</u>	<u>9,544,678</u>	<u>42,908,958</u>	<u>359,735</u>	<u>142,937,091</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,327,608</u>	<u>\$ 54,181,314</u>	<u>\$ 9,746,967</u>	<u>\$ 45,985,449</u>	<u>\$ 495,264</u>	<u>\$ 162,736,602</u>

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Reconciliation of the Governmental Funds Balance Sheets
to the Government-wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	\$ 142,937,091
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and are therefore not reported in the funds:

Governmental capital assets	303,012,033
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Deferred amounts related to the refunding of long-term debt are not considered to be current financial resources. Therefore, they were not reported on the Governmental Funds Balance Sheet. This amount represents the unamortized balance as of the end of the year.	633,954
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Certain revenues in the governmental funds are deferred because they are not collected within the availability period. Those revenues are recognized on the accrual basis used in the government-wide statements.	6,222,784
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Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	(449,443)
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In the Government-Wide Financial Statements, employer contributions made subsequent to the measurement date of the pension and OPEB plans and certain other differences between actuarial assumptions and actual results for pension are deferred and applied to the net pension/OPEB liabilities or amortized over a period of time in future periods, however these items do not impact the Governmental Funds Balance Sheet:

Deferred outflows of resources - pension plans	41,137,529
Deferred outflows of resources - OPEB plan	12,933,929
Deferred inflows of resources - pension plans	-
Deferred inflows of resources - OPEB plan	(5,864,314)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Those liabilities consist of:

Long-term debt	\$ (63,853,446)
Compensated absences	(5,135,784)
Net pension liability	(122,309,402)
Net OPEB liability	(33,989,225)
Total long-term liabilities	<u>\$ (225,287,857)</u>

Internal service funds are used by management to charge the costs of fleet management, building maintenance, information technology and risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statements of net position.

	10,364,284
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Net Position of Governmental Activities	<u>\$ 285,639,990</u>
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See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the year ended June 30, 2025

	Major Funds					
	General Fund	Landscape and Lighting Special Revenue Fund	Measure E Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 66,838,673	\$ -	\$ -	\$ -	\$ -	\$ 66,838,673
Charges for current services	31,534,681	23,266,812	-	17,562	1,509,780	56,328,835
Developer fees and contributions	1,294,201	-	-	6,556,041	-	7,850,242
Intergovernmental	3,272,007	-	10,527,839	-	77,517	13,877,363
Donations and contributions	76,266	-	-	-	49,543	125,809
Use of money and property	2,995,385	3,277,845	406,116	1,842,993	7,351	8,529,690
Miscellaneous	509,019	11,568	-	603,271	1,352	1,125,210
Total revenues	<u>106,520,232</u>	<u>26,556,225</u>	<u>10,933,955</u>	<u>9,019,867</u>	<u>1,645,543</u>	<u>154,675,822</u>
EXPENDITURES:						
Current:						
Public protection	72,200,284	82,409	5,221,693	-	1,733,452	79,237,838
Recreation and culture	15,317,773	21,217,306	959,629	-	117,703	37,612,411
General government	11,699,836	-	-	848,557	-	12,548,393
Capital outlay	452,832	-	58,095	20,575,394	-	21,086,321
Debt service:						
Principal	173,409	38,793	-	-	1,832,611	2,044,813
Interest	24,255	23,803	-	-	2,532,827	2,580,885
Total expenditures	<u>99,868,389</u>	<u>21,362,311</u>	<u>6,239,417</u>	<u>21,423,951</u>	<u>6,216,593</u>	<u>155,110,661</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,651,843</u>	<u>5,193,914</u>	<u>4,694,538</u>	<u>(12,404,084)</u>	<u>(4,571,050)</u>	<u>(434,839)</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	97,793	-	-	-	-	97,793
Insurance recovery	-	75,892	-	47,073	-	122,965
Transfers in	1,569,922	809,165	-	9,007,060	4,747,112	16,133,259
Transfers out	(4,835,031)	(8,872,911)	(1,840,135)	(403,687)	(197,935)	(16,149,699)
Total other financing sources (uses)	<u>(3,167,316)</u>	<u>(7,987,854)</u>	<u>(1,840,135)</u>	<u>8,650,446</u>	<u>4,549,177</u>	<u>204,318</u>
Net change in fund balances	<u>3,484,527</u>	<u>(2,793,940)</u>	<u>2,854,403</u>	<u>(3,753,638)</u>	<u>(21,873)</u>	<u>(230,521)</u>
FUND BALANCES:						
Beginning of year, as previously presented	<u>37,044,676</u>	<u>52,388,457</u>	<u>6,690,275</u>	<u>46,662,596</u>	<u>381,608</u>	<u>143,167,612</u>
End of year	<u>\$ 40,529,203</u>	<u>\$ 49,594,517</u>	<u>\$ 9,544,678</u>	<u>\$ 42,908,958</u>	<u>\$ 359,735</u>	<u>\$ 142,937,091</u>

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District

Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (230,521)

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

CAPITAL ASSET TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets addition is allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are added back to fund balance	21,086,321
Capital related departmental expenditures are added back to fund balance	1,895,300

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is deducted from the fund balance.

(4,969,530)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest calculated on bonds payable	28,111
Amortization of deferred loss on refunding	(28,816)
Amortization of original issue premiums and discounts	148,599

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position:

Principal payments	1,688,012
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ACCRUAL OF NON-CURRENT ITEMS

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This change reflects a increase in compensated absences that occurred during the year	(1,571,259)
Pension Expense	(5,822,884)
Net other post-employment benefits obligation expense	4,886,451
Unavailable revenues recognized as revenue in prior year	(445,220)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal service funds are used by management to charge the costs of fleet management, building maintenance, information technology and risk management to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

(22,482)

Change in Net Position of Governmental Activities

\$ 16,642,082

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Net Position - Proprietary Fund
June 30, 2025

	Golf Enterprise Fund	Governmental Activities- Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 50,989	\$ 10,498,046
Receivables:		
Accounts	974	-
Interest	-	33,435
Intergovernmental	-	-
Total current assets	<u>51,963</u>	<u>10,531,481</u>
Noncurrent assets:		
Capital assets		
Not being depreciated	5,221,989	-
Being depreciated and amortized, net	1,282,727	-
Total capital assets	<u>6,504,716</u>	<u>-</u>
Total noncurrent assets	<u>6,504,716</u>	<u>-</u>
Total assets	<u>6,556,679</u>	<u>10,531,481</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	339,929	-
OPEB plan	178,326	-
Total Deferred outflows of resources	<u>518,255</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	53,035	167,197
Accrued payroll and benefits	56,015	-
Due to other funds	153,422	-
Long-term liabilities - current portion	399,444	-
Compensated absences - current portion	63,518	-
Subscription-based information technology arrangements	56,893	-
Total current liabilities	<u>782,327</u>	<u>167,197</u>
Noncurrent liabilities:		
Long-term liabilities - noncurrent portion	231,081	-
Compensated absences - noncurrent portion	27,346	-
Subscription-based information technology arrangements	199,281	-
Net pension liability	995,679	-
Net OPEB liability	468,627	-
Total noncurrent liabilities	<u>1,922,014</u>	<u>-</u>
Total liabilities	<u>2,704,341</u>	<u>167,197</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	-	-
OPEB plan	80,854	-
Total Deferred inflows of resources	<u>80,854</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	5,618,017	
Unrestricted	(1,328,278)	10,364,284
Total net position	<u>\$ 4,289,739</u>	<u>\$ 10,364,284</u>

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund****For the year ended June 30, 2025**

	Golf Enterprise Fund	Governmental Activities- Internal Service Fund
OPERATING REVENUES:		
Charges for current services	\$ 2,079,226	\$ 8,291,339
Use of money and property	1,851	-
Miscellaneous	8,685	236,989
Total operating revenues	<u>2,089,762</u>	<u>8,528,328</u>
OPERATING EXPENSES:		
Salaries and benefits	1,013,948	-
Professional services and supplies	242,586	7,628,944
Maintenance	100,496	1,385,508
Utilities	31,802	-
Short-term equipment rentals/leases	28,373	20,276
Miscellaneous	92,257	-
Depreciation	222,987	-
Total operating expenses	<u>1,732,449</u>	<u>9,034,728</u>
Operating income (loss)	<u>357,313</u>	<u>(506,400)</u>
NON-OPERATING REVENUE (EXPENSES):		
Interest and investment revenue	-	483,918
Interest expense	(19,743)	-
Total non-operating revenues (expenses)	<u>(19,743)</u>	<u>483,918</u>
Net income (loss) before transfers	<u>337,570</u>	<u>(22,482)</u>
TRANSFERS:		
Transfers in	16,440	-
Transfers out	-	-
Total transfers	<u>16,440</u>	<u>-</u>
Change in net position	<u>354,010</u>	<u>(22,482)</u>
NET POSITION:		
Beginning of year	<u>3,935,729</u>	<u>10,386,766</u>
End of year	<u><u>\$ 4,289,739</u></u>	<u><u>\$ 10,364,284</u></u>

See accompanying Notes to Basic Financial Statements.

Cosumnes Community Services District
Statement of Cash Flows - Proprietary Fund
For the year ended June 30, 2025

	Golf Enterprise Fund	Governmental Activities- Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 2,090,384	\$ 8,528,328
Cash paid to suppliers	(474,026)	(8,912,166)
Cash paid to other funds	(996,352)	-
Cash paid to employees	(1,257,604)	-
CASH PROVIDED BY OPERATING ACTIVITIES	<u>(637,598)</u>	<u>(383,838)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in/out	16,440	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>16,440</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment for acquisition of capital assets	(416,686)	-
Principal paid on debt	(355,192)	-
Interest paid on debt	(7,375)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(779,253)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net investment earnings (loss)	(19,743)	478,799
NET CASH USED BY INVESTING ACTIVITIES	<u>(19,743)</u>	<u>478,799</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(1,420,154)	94,961
Cash and cash equivalents, beginning of year	1,471,143	10,403,085
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 50,989</u>	<u>\$ 10,498,046</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 357,313	\$ (506,400)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation	222,987	-
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	622	-
(Increase) decrease in deferred outflows pension plans	(10,908)	-
(Increase) decrease in deferred outflows OPEB	70,767	-
Increase (decrease) in accounts payable and accrued liabilities	21,488	122,562
Increase (decrease) in accrued payroll and benefits	5,519	-
Increase (decrease) due to other funds	(1,233,760)	-
Increase (decrease) in compensated absences	(7,345)	-
Increase (decrease) in net pension liability	(30,083)	-
Increase (decrease) in net OPEB liability	(205,036)	-
Increase (decrease) in SBITAs	237,408	-
Increase (decrease) in deferred inflows pension plans	(110,293)	-
Increase(decrease) in deferred inflows OPEB	43,723	-
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (637,598)</u>	<u>\$ (383,838)</u>

See accompanying Notes to Basic Financial Statements.

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COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

A. Reporting Entity

The Elk Grove Community Services District (the District) was established under Government Code Sections 56261.1 and 56439(c) on July 1, 1985 by a reorganization resulting in the dissolution of the Elk Grove Fire Protection District and the Elk Grove Recreation and Park District. In November 2006, the District and the Galt Fire Protection District merged to become the Cosumnes Community Services District. It is governed by a five-member Board of Directors elected to four-year staggered terms. The District consists of approximately 157 square miles within the Cities of Elk Grove and Galt and unincorporated areas of South Sacramento County with a population of approximately 205,000 residents. The District develops, owns and maintains all park, recreation and fire facilities within its service area. The District and the City of Elk Grove entered into an agreement specifying the District and City will jointly develop park and recreation facilities within Laguna Ridge and Southeast Policy Area of the City, and the District will own and maintain the facilities. The fire protection services provided by the District include fire suppression, fire prevention, inspection, plan checking, and public education programs and the District provides emergency medical services, ambulance transport, advanced life support and rescue services and recreation facilities and programs. The District operates nine fire stations, one fire training facility, one golf course, nine community centers, two aquatic complexes, and over 103 parks and employs 392 full-time and over 400+ part-time employees.

The District's reporting entity includes the following blended component units:

The Cosumnes Legacy Foundation: The Cosumnes Legacy Foundation (the Foundation) is a non- profit organization which primarily solicits contributions to provide funding for the District to provide the District's constituents charitable services through its programs. The Foundation is a legally separate component unit reported on a blended basis as part of the primary government because its activities mainly benefit the District's constituents. No separate financial statements are issued for the Foundation.

Elk Grove Community Services District Public Facilities Acquisition Corporation: The Elk Grove Community Services District Public Facilities Acquisition Corporation (the Corporation) was established in March 2006 to facilitate financing of the acquisition of capital assets by the District. The Corporation's Board is comprised of the members of the District's Board of Directors. The Corporation does not have any assets or liabilities. Its activities have been blended with the appropriate District funds. No separate financial statements are issued for the Corporation.

The District has also entered into a lease financing arrangement with the California Special Districts Association Financing Corporation for the purpose of facilitating the financing of capital projects within the District. For financial reporting purposes, the District's proportionate share of debt service payments of the underlying Certificate of Participation debt is reflected in the Debt Service Fund.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Through the exercise of Joint Powers, the District is a member of the Golden State Risk Management Authority, Sacramento Regional Fire/EMS Communications Center and the Northern California Special District Insurance Authority. The District is not responsible for the liabilities of these joint powers authorities if it terminates membership. However, California Assembly Bill (AB) 1912 required member agencies of an agency established pursuant to a joint power agreement that participates in, or contracts with, a public retirement system to mutually agree as to the apportionment of the agency's retirement obligation among themselves prior to filing a notice of termination and both agencies participate in CalPERS pension plans.

The District administers three Community Facilities Districts (CFD), including CFD No. 1 (Elk Grove Fire Protection), CFD No. 2021-1 (Sheldon Farms North) and CFD No 2022-1 (Elliott Springs) formed under California Code Section 53311, the Mello-Roos Act of 1982, that are authorized to levy special taxes on properties within the CFDs and for which the District's Board of Directors serves as the governing body of the CFD. The District can impose its will on and has administrative responsibility for each of the CFDs. As a result, the CFDs are component units of the District. CFD No. 2021-1 was formed to fund the costs of fire protection, park maintenance and landscaping services for the Sheldon Farms North area. CFD 2022-1 was formed to fund the maintenance of public facilities, including street lighting, landscaping, drainage, and other basic public infrastructure, as well as to fund fire protection, paramedic services and recreational program services. The District can access the resources of each of the Community Facilities District and as a result, reports the Community Facilities District on blended basis with the District in the CFD Special Revenue Fund.

B. Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the District accompanied by a total column. The government-wide financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position.

The Statement of Activities and Changes in Net Position presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the District in three categories, charges for services, operating grants and contributions and capital grants and contributions.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain eliminations have been made for interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated. However, interfund services provided and used are not eliminated in the process of consolidation. The district eliminates due to and from other funds, advances to and from other funds, transfers in and out and interfund charges within governmental and business-type activities for reporting in the government-wide statements.

The District applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balances as presented in these statements to the net position presented in the government-wide financial statements. The District has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred inflows for unavailable revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, such as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue or unearned revenue is removed from the Governmental Funds Balance Sheet and recognized as revenue.

The District reports the following major governmental fund types:

The General Fund is the District's primary operating fund. It is used to account for all activities of the general government, except those required to be accounted for in another fund.

The Landscape and Lighting Special Revenue Fund is used to account for the proceeds of special property taxes assessed and other revenues that are legally restricted to expenditures for landscape and lighting expenditures. The transactions of the District Wide Landscape and Lighting Assessment District are recorded by the respective zones of benefit within the Special Revenue Fund. However, the zones of benefit do not represent separate special revenue funds.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Measure E Special Revenue Fund is used to account for the proceeds of Measure E sales taxes shared with the District by the City of Elk Grove under a tax sharing agreement. Two thirds of the taxes received by the District are intended to be used for fire protection services within the City of Elk Grove and one-third is intended to be used for parks and recreation services within the City of Elk Grove.

The Capital Projects Fund is used to account for development fees and other revenues collected for major capital improvements and equipment replacement.

Additionally, the District reports the following governmental funds:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt.

The Foundation Special Revenue Fund is used to account for revenues of the Cosumnes Legacy Foundation (the Foundation), which are legally restricted to expenditures approved by the Foundation board.

The Grant Special Revenue Fund is used to account for grants and related expenditures.

The CFD Special Revenue Fund is used to account for the activities of three Community Facilities Districts (CFDs) administered by the District for which the District's Board of Directors acts as the governing body of the CFD. The CFDs are used to account for special taxes on properties within the CFDs for fire protection, ambulance services, paramedic services, park maintenance, landscaping, and maintenance of public facilities, including street lighting, landscaping, drainage, and other basic public infrastructure as defined in the CFDs' organizational documents.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenditures and Changes in Fund Balances, and a Statement of Cash flows. A column representing internal service funds is also presented in these statements. However, internal service fund balances and activities are combined with the Governmental Activities in the Government-Wide Financial Statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations, which include green fees, golf cart and other golf related equipment rentals, driving range fees, food and beverage charges, and golf equipment/apparel sales. Operating expenses are costs incurred to provide these goods and services. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Internal Service Funds are used to account for the servicing of District's facilities maintenance, fleet replacement, information technology maintenance and risk management for District departments on a cost-reimbursement basis.

The District reports the following major proprietary fund:

Golf Enterprise Fund is used to account for all activities of the Emerald Lakes Golf Course that is operated by the District.

C. Cash, Cash Equivalents and Investments

The District pools its available cash for investment purposes. The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition.

Highly liquid investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The District 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. The District does not have any investments that are measured using Level 3 inputs.

D. Restricted Cash and Investments

Certain resources set aside for the repayment of certificates of participation are classified as restricted cash and investments on the balance sheet because their use is limited by applicable debt covenants. In addition, developer fees have been restricted by the City of Elk Grove or County of Sacramento ordinances, or the Quimby Act for park development expenditures and the construction of fire stations. CFD special taxes are restricted for the purposes the special taxes were levied as discussed in the Reporting Entity paragraph above. Contributions to the Foundation are restricted for Foundation activities.

E. Receivables

Accounts receivable consist of registrations receivable, fire service charges receivable, ambulance receivables and other miscellaneous receivables. Ambulance receivables are offset with an allowance for uncollectible accounts of \$4,240,000 at June 30, 2025. The allowance is estimated using subsequent receipts.

F. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements, are classified as nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.



COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

G. Inventory

The District's medical supplies and pharmaceutical drugs inventory is held-for-use in the District's fire protection services programs in the General Fund. The inventory is valued using the average cost method. Obsolete inventory is written down to its net realizable value. The inventory is recorded as expenditures when consumed rather than when purchased.

H. Prepaid items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items using the consumption method in the governmental funds and the government-wide statement of net position. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets

Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as capital outlay expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets owned by the District are stated at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at their acquisition value at the time received. Park improvements completed prior to the year ended June 30, 1995 were recorded at estimated historical cost developed by estimating replacement costs, which were discounted through the use of indices to acquisition dates. Land obtained from developers as donations in substitute of fees are estimated using average assessed values for similar parcels during the year these parcels are acquired. It is the District's policy to not depreciate the base of parks, which includes grading, irrigation systems and landscaping. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Structures and improvements	3 to 40 years
Equipment	5 to 15 years

It is the District's policy to capitalize all land, structures, improvements and equipment with a useful life of five years or more, except assets costing less than \$5,000. The cost of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement. The proceeds from the sale of capital assets are included in the statement of revenues, expenditures and changes in fund balances of the related fund. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position (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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

Compensated absences are accrued in the government-wide financial statements when earned. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and is currently payable. Each year's budget includes a provision for the estimated expenditure for the current year.

L. Property Taxes

The County of Sacramento is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Sacramento up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The District recognizes property taxes when the individual installments are due if they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the "Teeter Plan." Under this method of property tax apportionment, the County purchases the delinquent secured taxes at June 30 of each fiscal year. These taxes are accrued as intergovernmental receivables only if they are received from the County within 60 days after year-end for the governmental funds and are accrued when earned for the government-wide presentation regardless of the timing of the related cash flows.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-term Liabilities

In the government-wide financial statements long-term debt and other long-term liabilities are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, incurred during the current period as expenditures. 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.

N. 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 and other payables that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This category represents the net position of the District, which are not restricted for any project or other purpose or reported as the net investment in capital assets.

The District evaluated each of its funds at June 30, 2025 and classified fund balances into the following five categories:

Non-spendable - includes fund balance amounts that cannot be spent because they are either (a) not expected to be converted or (b) legally or contractually required to be maintained intact.

Restricted - includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed - includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions (i.e., a Resolution) of the District's Board of Directors. The District's Board of Directors must take the same action to allow for removal or change the constraint.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The Board of Directors approved Board Resolution 2011-72 authorizing the General Manager to assign fund balance.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned - includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available. The District reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amount in any of those unrestricted fund balance classifications could be used. Additional information concerning the nature of The District's fund balances pursuant to GASB Statement No. 54 is provided in NOTE 11 - Fund Balance.

O. Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plans, and pension expense, information about the fiduciary net position of the District'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. The General Fund and Golf Enterprise Fund are used to liquidate the pension liability.

P. Other Postemployment Benefits (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 Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. The General Fund and Golf Enterprise Fund are used to liquidate the OPEB liability.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. Leases

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction (i.e., buildings, land, vehicles, and equipment). Any contract that meets this definition should be accounted for under the lease guidance as identified in GASB Statement No. 87.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District policy is to evaluate leases annually. The District will set a lease capitalization threshold of \$50,000 for lease contracts to be recorded under GASB Statement No. 87 (GASB 87). As of June 30, 2025, the District did have leases meeting the threshold, see Note 3, Note 4 and Note 6 for further details.

S. Subscription Based Information Technology Arrangements

GASB issued Statement No. 96, Subscription-Based information Technology Arrangements, defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The District policy is to evaluate SBITAs annually. The District will set a SBITA capitalization of threshold \$50,000 for SBITA contracts to be recorded under GASB Statement No. 96 (GASB 96). As of June 30, 2025, the District did have SBITAs meeting the threshold, see Note 4 and Note 6 for further details.

NOTE 2-CASH AND INVESTMENTS

At June 30, 2025, the District's pooled cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	\$ 147,332,362
Restricted cash and investments	1,757,682
Total cash and investments	\$ 149,090,044

At June 30, 2025, cash and investments consisted of the following:

Deposits with financial institutions	\$ 14,516,895
Total Cash	14,516,895
U.S. Treasury obligations	16,389,212
U.S. Agency securities	4,514,165
Municipal bonds	321,867
Negotiable certificates of deposit	11,485,544
Corporate notes	13,210,152
Money market mutual funds	1,504,526
Asset-backed securities, mortgage-backed securities and collateralized mortgage obligations	8,428,840
Investments in Local Agency Investment Fund (LAIF)	1,038,461
CA CLASS	77,680,382
Total investments	134,573,149
Total cash and investments	\$ 149,090,044

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2-CASH AND INVESTMENTS (Continued)

Investment policy: Investments are stated at fair value. California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table on the next page identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) 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	Minimum Rating
Local agency bonds	5 Years	None	None	N/A
U.S. Treasury obligations	5 Years	None	None	N/A
U.S. Agency securities	5 Years	None	None	N/A
California local agency debt	5 Years	30%	None	A
Bankers acceptances	180 Days	40%	30%	N/A
High grade commercial paper	270 Days	25%	10%	A-1
Negotiable certificates of deposits	5 Years	30%	None	A
Medium term corporate notes	5 Years	30%	None	A
Mutual funds	N/A	20%	10%	AAA
Money market mutual funds	N/A	20%	None	AAA
Mortgage pass-through and asset-backed securities	5 Years	20%	None	AA
Collateralized negotiable investments	5 Years	None	None	N/A
Repurchase agreements	92 Days	20%	None	N/A
Municipal Debt	5 Years	30%	None	A
LAIF	N/A	None	None	N/A
Local government investment pools	N/A	None	None	N/A
Supranational obligations	5 Years	30%	None	AA

*Excluding amounts held by bond trustees that are not subject to California Government code restrictions.

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The investments authorized by debt agreements are consistent with the District's investment policy with the exception of U.S. Agency securities being required to have a rating of A or higher and banker's acceptances being required to have a rating of A-1/P-1 by a nationally recognize investment rating agency.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District 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 of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District's investment policy does not contain any provisions limiting interest rate risk other than what is specified in the California Government Code.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2-CASH AND INVESTMENTS (Continued)

Foreign Currency Risk: There were no investments held that were exposed to foreign currency risk. The supranational obligation was issued in U.S. dollars.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Total	Investment Maturities in Months		
		12 Months or less	13 to 24 Months	25 to 60 Months
U.S. Treasury obligations	\$ 16,389,212	\$ -	\$ 7,391,443	\$ 8,997,769
U.S. Agency securities	4,514,165	494,428	1,537,109	2,482,628
Municipal bonds	321,867	140,261	-	181,606
Negotiable certificates of deposit	11,485,544	10,878,976	606,568	-
Corporate notes	13,210,152	560,699	6,630,039	6,019,414
Money market mutual funds	1,504,526	1,504,526	-	-
Asset-backed and mortgage-backed securities and collateralized mortgage obligations	8,428,840	7,020	700,689	7,721,131
LAIF	1,038,461	1,038,461	-	-
CA CLASS	77,680,382	77,680,382	-	-
Total Investments	<u>\$ 134,573,149</u>	<u>\$ 92,304,753</u>	<u>\$ 16,865,848</u>	<u>\$ 25,402,548</u>

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year-end for each investment type.

	Total	Ratings as of Year End					
		AAA	A-1+ to AA-	A+ to A-1	BBB+	A-	Not Rated
U.S. Treasury obligations	\$ 16,389,212	\$ -	\$ 16,389,212	\$ -	\$ -	\$ -	\$ -
U.S. Agency securities	4,514,165	461,524	199,984	-	-	-	3,852,657
Municipal bonds	321,867	-	140,261	181,606	-	-	-
Negotiable certificates of deposit	11,485,544	-	-	606,568	-	-	10,878,976
Corporate notes	13,210,152	360,205	2,357,968	7,461,677	757,119	2,247,860	25,323
Money market mutual funds	1,504,526	1,504,526	-	-	-	-	-
Asset-backed securities, mortgage-backed securities and collateralized mortgage obligations	8,428,840	5,498,294	-	-	-	-	2,930,546
LAIF	1,038,461	-	-	-	-	-	1,038,461
CA CLASS	77,680,382	-	-	-	-	-	77,680,382
Total Investments	<u>\$ 134,573,149</u>	<u>\$ 7,824,549</u>	<u>\$ 19,087,425</u>	<u>\$ 8,249,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,406,345</u>

Concentration of Credit Risk: The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2-CASH AND INVESTMENTS (Continued)

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2025, the carrying amount of the District's deposits was \$14,516,895, not including negotiable certificates of deposit, and the balance in financial institutions was \$26,032,742. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance the remaining amount was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District. As of June 30, 2025, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Types of Investment	Total
U.S. Treasury obligations	\$ 16,389,212
U.S. Agency securities	4,514,165
Municipal bonds	321,867
Negotiable certificates of deposit	11,485,544
Corporate notes	13,210,152
Money market mutual funds	1,504,526
Asset-backed and mortgage-backed securities and collateralized mortgage obligations	8,428,840
Total	\$ 55,854,306

Investment in LAIF: The District invests in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. There are no limitations or restrictions on participant withdrawals. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where fair value is not readily available. Withdrawals from LAIF are on an amortized cost basis, which is different than the fair value of the investments. At June 30, 2025, these investments matured in an average of 248 days.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2-CASH AND INVESTMENTS (Continued)

Investment in CA CLASS: The District is a participant in the Prime Fund of the California Cooperative Liquid Assets Securities System (California CLASS), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies and certain nonprofit corporations whose membership is confined to public agencies or public officials. California CLASS is governed by a Board of Trustees of eligible participants of the program. The District reports its investment in California CLASS at the fair value amount provided by California CLASS, which is the same as the value of the pool shares. The balance in the Prime Fund is available for withdrawal on demand, and is based on the accounting records maintained by California CLASS. Included in California CLASS' investment portfolio are: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage passthrough securities, collateralized mortgage obligations, and other asset – backed securities. At June 30, 2025, these investments matured in an average of 40 days.

Investment Valuation: Investments (except for money market accounts and certificates of deposit) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized 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. Investment fair value measurements at June 30, 2025 are described below.

Types of Investment	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
U.S. Treasury obligations	\$ 16,389,212	\$ -	\$ 16,389,212	\$ -
U.S. Agency securities	4,514,165	-	4,514,165	-
Municipal bonds	321,867	-	321,867	-
Negotiable certificates of deposit	11,485,544	-	11,485,544	-
Corporate notes	13,210,152	-	13,210,152	-
Asset-backed and mortgage-backed securities and collateralized mortgage obligations	8,428,840	-	8,428,840	-
Total investments subject to levelling	54,349,780	\$ -	\$ 54,349,780	\$ -
<u>Investment not subject to levelling</u>				
Money market mutual funds	1,504,526			
Local Agency Investment Fund	1,038,461			
CA CLASS	77,680,382			
Total Investments	\$ 134,573,149			

Investments categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3-LEASES RECEIVABLE

The District entered into land lease agreements with various wireless service providers to provide space for cell towers located on district property. The leases are discounted using the interest rate implicit in the lease as of the implementation date of GASB Statement No. 87 of July 1, 2021. The lease terms were as follows at June 30, 2025:

Description	Interest Rate	Lease Term Ending	Range of Payments
Clean Wireless LLC - Foulks Park	4.20%	7/26/2031	2,645 - 3,498
T-Mobile - Laguna Community Park	4.20%	3/24/2028	2,150 - 3,498
Clearwire - Laguna Community Park	4.20%	11/24/2027	2,645 - 2,645
T-Mobile - Zimbelman Park	4.20%	4/28/2030	2,645 - 2,645
Sprint - Wackman Park	4.20%	3/10/2025	1,744 - 1,744
T-Mobile - Jones Park	4.20%	7/10/2027	2,645 - 3,042
CC TM PA LLC - Mix Park	4.20%	7/31/2028	2,565 - 3,498
CC TM LLC - Nottoli Park	4.20%	9/30/2031	2,645 - 3,498
New Cingular - Luttig Park	4.20%	4/26/2031	2,645 - 3,498
Clear Wireless - Luttig Park	4.20%	1/26/2030	2,645 - 2,645
Verizon - Bartholomew Sports Park	4.20%	3/31/2030	2,645 - 3,042
T-Mobile - Elk Grove Park	4.20%	10/1/2029	2,720 - 3,042
Clearwire - Station 71	4.20%	6/18/2027	2,646 - 2,646
T-Mobile - Station 71	4.20%	8/3/2026	2,645 - 3,042
Dish Wireless - Station 72	4.20%	6/14/2027	2,645 - 3,042
New Cingular - Station 72	4.20%	7/4/2031	3,042 - 3,498
New Cingular - Station 73	4.20%	7/18/2030	3,000 - 3,300
T-Mobile - Station 73	4.20%	7/18/2025	1,901 - 1,901
Clearwire - Station 74	4.20%	6/24/2026	2,645 - 3,041
T-Mobile - Station 74	4.20%	7/20/2030	2,645 - 2,645
Verizon - Station 75	4.20%	7/23/2030	2,281 - 2,281
T-Mobile - Station 75	4.20%	9/2/2030	1,901 - 1,901
Clearwire - Station 76	4.20%	11/30/2027	2,646 - 2,646
Verizon - Station 76	4.20%	3/12/2027	1,901 - 1,901

Future principal and interest payments on leases receivable were as follows at June 30, 2025:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 964,811	\$ 161,540	\$ 1,126,351
2027	989,215	130,716	1,119,931
2028	838,213	103,432	941,645
2029	476,674	78,858	555,532
2030	441,535	63,179	504,714
2031 - 2035	499,610	208,858	708,468
2036 - 2040	254,670	140,566	395,236
2041 - 2045	344,385	92,463	436,848
2046 - 2049	243,817	28,736	272,553
Total Principal Payments	5,052,930	\$1,008,348	\$6,061,278
Cumulative Variance as of Fiscal Year End	817,549		
Total Remaining Receivable	<u>\$4,235,381</u>		

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 4-CAPITAL ASSETS

Capital asset activity of Governmental and Business-type activities for the year ended June 30, 2025 was follows:

	Balance June 30, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Governmental Activities:					
Capital assets not being depreciated/ amortized:					
Land	\$ 103,591,475	\$ 66,400	\$ -	\$ 61,591	\$ 103,719,466
Land improvements	82,842,625	-	-	-	82,842,625
Construction in progress	32,240,973	20,658,758	-	(15,207,835)	37,691,896
Total capital assets not being depreciated/amortized	218,675,073	20,725,158	-	(15,146,244)	224,253,987
Capital assets being depreciated/ amortized					
Structures and improvements	111,957,612	-	-	15,104,529	127,062,141
Equipment	41,553,112	1,903,333	(598,768)	-	42,857,677
Lease Asset	185,825	394,845	(17,658)	-	563,012
SBITA	1,291,921	-	-	-	1,291,921
Total capital assets being depreciated/amortized	154,988,470	2,298,178	(616,426)	15,104,529	171,774,751
Less accumulated depreciation/ amortization for:					
Structures and improvements	(54,274,867)	(3,355,355)	-	-	(57,630,222)
Equipment	(33,943,931)	(1,329,141)	598,768	-	(34,674,304)
Lease Asset	(137,498)	(70,774)	17,658	-	(190,614)
SBITA	(307,305)	(214,260)	-	-	(521,565)
Total accumulated depreciation/amortization	(88,663,601)	(4,969,530)	616,426	-	(93,016,705)
Total capital assets being depreciated/amortized, net	66,324,869	(2,671,352)	-	15,104,529	78,758,046
Capital assets, net	\$ 284,999,942	\$ 18,053,806	\$ -	\$ (41,715)	\$ 303,012,033

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 4-CAPITAL ASSETS (Continued)

	Balance June 30, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Business-type Activities:					
Capital assets not being depreciated/ amortized:					
Land	\$ 5,221,989	\$ -	\$ -	\$ -	\$ 5,221,989
Total capital assets not being depreciated/amortized	5,221,989	-	-	-	5,221,989
Capital assets being depreciated/ amortized					
Structures and improvements	884,605	33,339	-	41,715	959,659
Equipment	553,232	60,704	-	-	613,936
Lease asset	107,226	172,780	(107,226)	-	172,780
SBITA	29,273	272,038	-	-	301,311
Total capital assets being depreciated/amortized	1,574,336	538,861	(107,226)	41,715	2,047,686
Less accumulated depreciation/ amortization for:					
Structures and improvements	(301,204)	(64,713)	-	-	(365,917)
Equipment	(232,619)	(76,664)	-	-	(309,283)
Lease asset	(107,226)	(43,195)	107,226	-	(43,195)
SBITA	(8,149)	(38,415)	-	-	(46,564)
Total accumulated depreciation/amortization	(649,198)	(222,987)	107,226	-	(764,959)
Total capital assets being depreciated/amortized, net	925,138	315,874	-	41,715	1,282,727
Capital assets, net	\$ 6,147,127	\$ 315,874	\$ -	\$ 41,715	\$ 6,504,716

Depreciation was charged to activities as follows:

Governmental Activities:

Public protection	\$ 1,923,335
Recreation and culture	2,246,093
General government	800,102
	<u>4,969,530</u>

Business-type Activities:

Golf Enterprise	<u>222,987</u>
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Total depreciation/

amortization expense	<u><u>\$ 5,192,517</u></u>
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COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5-INTERFUND TRANSACTIONS

Amounts reported as due to and from other funds represent short-term lending/borrowing arrangements between funds that are outstanding at the end of the fiscal year. The \$153,422 due from other funds in the General Fund and due to other funds at year-end represents various reimbursements in the Foundation Special Revenue Fund and the Golf Enterprise Fund.

Receivable Fund	Payable Fund	Amount
Landscape and Lighting Special Revenue Fund Zone 11 East Elk Grove	Landscape and Lighting Special Revenue Fund Zone 18 - Hampton Village	\$ 685,289 (a)
Landscape and Lighting Special Revenue Fund Zone 13 East Franklin	Landscape and Lighting Special Revenue Fund Zone 16 - Fallbrook Park Lan	262,630 (b)
		<u>\$ 947,919</u>

- (a) The Landscape and Lighting Special Revenue Fund East Elk Grove benefit zone advanced funds to the Landscape and Lighting Special Revenue Fund Hampton Village benefit zone to fund landscape improvements and the revitalization of McConnell Park. The total amount advanced was \$999,000 on August 1, 2018, and the outstanding balance is scheduled to be repaid by July 30, 2037. Principal payments ranging from \$42,518 to \$58,101 are due annually starting fiscal year 2018/2019. Interest accrues annually on June 30 on the outstanding loan balance at a rate of 1.75%. Interest of \$12,818 was paid during the year ended June 30, 2025.
- (b) The Landscape and Lighting Special Revenue Fund East Franklin benefit zone advanced funds to the Landscape and Lighting Special Revenue Fund Fallbrook Park Lane benefit zone to fund landscape improvements and the revitalization of Jack Hill Park. The total amount advanced was \$300,000 on June 21, 2023, and the outstanding balance is scheduled to be repaid by June 24, 2038. Principal payments ranging from \$4,482 to \$23,932 are due annually starting fiscal year 2023/24. Interest accrues annually on June 30 on the outstanding loan balance at a rate of 2%. Interest of \$5,630 was paid during the year ended June 30, 2025.

	Transfers In					
	Governmental Fund				Enterprise	Total
	General Fund	Landscape and Lighting Special Revenue Fund	Capital Projects Fund	Non-Major	Golf Fund	
Transfers Out						
General Fund	\$ 787,624	\$ 517,419	\$ 141,049	\$ 3,382,943	\$ 5,996	\$ 4,835,031
Measure E	155,620	231,384	1,453,131	-	-	1,840,135
Landscape and Lighting Special Revenue Fund	487,436	19,601	7,392,880	972,994	-	8,872,911
Capital Projects Fund	-	12,512	-	391,175	-	403,687
Non-Major Governmental Funds	139,242	28,249	20,000	-	10,444	197,935
Golf Enterprise Fund	-	-	-	-	-	-
	<u>\$ 1,569,922</u>	<u>\$ 809,165</u>	<u>\$ 9,007,060</u>	<u>\$ 4,747,112</u>	<u>\$ 16,440</u>	<u>\$ 16,149,699</u>

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5-INTERFUND TRANSACTIONS (Continued)

Transfers are used to (1) pay for overhead expenditures incurred and to assist in paying for capital improvement projects, and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. Transfers out of the Grants Special Revenue Fund represented transfers to other funds to fund project expenses. Transfers to the Non-Major Governmental Funds consisted of transfers to the Debt Service Fund to make debt service payments.

NOTE 6-LONG-TERM DEBT

As of June 30, 2025, the activity in the District's long-term liabilities during the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
Loans Payable	\$ 4,185,451	\$ -	\$ (567,611)	\$ 3,617,840	\$ 508,574
Certificates of Participation (COP)					
-2015 Refinancing Project	8,135,000	-	(210,000)	7,925,000	240,000
-2016 Refinancing Project	3,235,000	-	(675,000)	2,560,000	700,000
-2016 Energy Projects:					
Series A	5,450,000	-	-	5,450,000	75,000
Series C	305,000	-	(180,000)	125,000	125,000
2021 Lease Revenue COP	9,310,000	-	(200,000)	9,110,000	205,000
2022 Lease Revenue COP	31,740,000	-	-	31,740,000	590,000
Lease liability	45,854	394,845	(54,058)	386,641	91,676
SBITA	809,194	-	(176,846)	632,348	182,068
	<u>63,215,499</u>	<u>394,845</u>	<u>(2,063,515)</u>	<u>61,546,829</u>	<u>2,717,318</u>
Original Issue Discounts					
COP 2015 Refinancing Project	(182,359)	-	12,094	(170,265)	-
COP 2016 Energy Project, Series A	(166,286)	-	7,655	(158,631)	-
Original Issue Premiums					
COP 2016 Refinancing Project	253,401	-	(55,539)	197,862	-
COP 2016 Energy Project, Series C	48,193	-	(45,650)	2,543	-
2021 Lease Revenue COP	503,416	-	(18,282)	485,134	-
2022 Lease Revenue COP	<u>2,018,193</u>	<u>-</u>	<u>(68,219)</u>	<u>1,949,974</u>	<u>-</u>
Total Government Activities	<u>65,690,057</u>	<u>\$ 394,845</u>	<u>\$ (2,231,456)</u>	<u>63,853,446</u>	<u>\$ 2,717,318</u>
Less: amount due within one year	<u>(2,028,158)</u>			<u>(2,717,318)</u>	
Amounts due in more than one year	<u>\$ 63,661,899</u>			<u>\$ 61,136,128</u>	
Business-type Activities:					
Loans payable	\$ 851,142	\$ -	\$ (355,192)	\$ 495,950	\$ 358,090
Lease Liability	-	172,780	(38,205)	134,575	41,354
SBITA	<u>18,766</u>	<u>272,038</u>	<u>(34,630)</u>	<u>256,174</u>	<u>56,893</u>
Total Business-type Activities	<u>869,908</u>	<u>\$ 444,818</u>	<u>\$ (428,027)</u>	<u>886,699</u>	<u>\$ 456,337</u>
Less: amount due within one year	<u>(359,454)</u>			<u>(456,337)</u>	
Amount due in more than on year	<u>\$ 510,454</u>			<u>\$ 430,362</u>	

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6-LONG-TERM DEBT (Continued)

Loans and leases payable were as follows at June 30, 2025:

Description	Interest Rate	Finance Term	Original Principal	Balance 06/30/25		
Loans Payable - Governmental Activities						
AIG Comm Equip Dillard Rance	1.67%	6/30/06 - 3/30/2026	\$ 4,300,000	\$ 204,982		
Capital One Public Finance Fire Station 72	3.09%	3/1/20 - 09/01/2039	1,560,000	1,224,000		
US Bank - (2) 2021 Fire Engines	2.29%	5/14/2022 - 5/14/2033	1,407,306	979,992		
US Bank - Ladder Truck	2.27%	2/11/2022 - 2/11/2034	1,560,516	1,208,865		
Total Governmental Activities			\$ 8,827,822	\$ 3,617,839		
Loans Payable - Business-type Activities						
Aig Comm Equip Emerald Lakes Golf Course	2.35%	10/21/06 - 07/21/2026	\$ 5,200,000	\$ 423,326		
Workman Mower GC	5.99%	11/15/19 - 10/05/2029	13,469	72,624		
Total Business-type Activities			\$ 5,213,469	\$ 495,950		

Description	Interest Rate	Finance Term	Original Principal	Balance 06/30/25	Asset Cost	Accumulated Amortization
Leases - Governmental Activities						
Ray Morgan Co. Cannon 7565/5560 Copiers	8.30%	10/20/2019 - 9/20/2024	\$ 41,445	\$ -	\$ 41,445	\$ 41,445
Ray Morgan Co. Canon 5550 WCAC AQ	8.30%	10/20/2019 - 9/20/2024	14,210	-	14,210	14,210
Ray Morgan Co. Canon 5550 WCAC	8.30%	10/20/2019 - 9/20/2024	15,394	-	15,394	15,394
Ray Morgan Co. Canon 5560/5560 REC	8.30%	10/20/2019 - 9/20/2024	39,076	-	39,076	39,076
Ray Morgan Co. Canon 5535	8.30%	10/20/2019 - 9/20/2024	8,289	-	8,289	8,289
Ubeo Cannon 3835/5860	2.00%	3/20/2023 - 2/20/2028	49,754	27,154	49,754	23,219
Core Recreation Center - Property Sch. No. 1	8.56%	5/1/2025 - 4/30/2028	69,993	66,085	69,993	3,888
Core Recreation Center - Property Sch. No. 2	7.59%	5/1/2025 - 4/30/2030	96,456	93,202	96,456	3,216
Ubeo Cannon Copier/Printer/Scanner	3.50%	10/07/2024 - 10/13/2029	228,396	189,454	228,396	41,877
Total Governmental Activities			\$ 563,013	\$ 375,895	\$ 563,013	\$ 190,614
Leases - Business-type Activities						
VGM Financial Services - Golf Cart Lease	7.95%	7/14/2024 - 6/14/2028	\$ 172,780	\$ 134,575	\$ 172,780	\$ 43,195
Total Business-type Activities			\$ 172,780	\$ 134,575	\$ 172,780	\$ 43,195

A. Loans Payable

Leases reported as financed purchases due to a transfer of ownership at the end of the lease were as follow as of June 30, 2025:

In March 2006, the District entered into a lease agreement in the amount of \$4,300,000 to acquire and improve 97 acres of land for Dillard Ranch Park site. The lease agreement provides for 80 quarterly payments of \$68,620 through March 30, 2026. Payments include interest at 1.67%.

On September 1, 2019, the District entered into a lease agreement in the amount of \$1,560,000 for Fire Station 72. The lease agreement provides for 40 semi-annual payments. The interest is computed at the rate of 3.09% per annum. The default rate is 5%.

On May 14, 2021, the District entered into a lease agreement in the amount of \$1,407,306 for the purchase of two new Fire Engines. The lease agreement provides for 12 annual payments of \$135,456, from May 14, 2022.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6-LONG-TERM DEBT (Continued)

On February 11, 2022, the District entered into a lease agreement in the amount of \$1,560,516 for the purchase of a new Ladder Truck. The lease agreement provides for 12 annual payments of \$150,019, from February 11, 2023.

In July 2006, the District entered into a lease agreement in the amount of \$5,200,000 to fund the purchase of Emerald Lakes Golf Course, which is recorded as land in the amount of \$5,009,532. The lease agreement provides for 28 quarterly payments of \$85,062 through July 2013, with the payments being reset on that date and paid through July 21, 2026. Payments include interest at 2.35%.

On December 8, 2024, The District entered into a lease agreement in the amount of \$111,596 for a Toro Reelmaster Mower. The lease agreement provides for 60 monthly payments of \$1,860 from January 14, 2024 through December 14, 2028.

B. Certificates of Participation

Certificates of Participation consisted of the following at June 30, 2025:

Certificates of Participation – 2015 Refinancing Project (Direct Placement) - Issued July 2015 for the refinancing of a portion of the unfunded actuarial accrued liability with respect to the obligation of the District to make certain payments to the California Public Employees' Retirement System for both active and retired Safety employees and Miscellaneous employees of the District. The Certificates are payable from lease payments on certain District real property and improvements made to the Public Property Financing Corporation of California (Corporation). Upon default, the lease may be terminated by the Corporation and the property re-leased to other parties. Interest on the certificates is payable on December 15 and June 15 of each year, with interest rates ranging from 3.0% to 5.5%. Principal payments ranging from \$45,000 to \$895,000 are due each June 15 to June 15, 2040.

Certificates of Participation - 2016 Refinancing Project (Direct Placement) - In July 2016, the District issued certificates of participation in a par amount of \$8,115,000 for the purpose of refunding at lower interest rates the outstanding balances of obligations under (i) a Master Land, Building and Equipment Lease Purchase Agreement, dated as of July 1, 2000, with Municipal Services Group, Inc. ("MSG"), pursuant to which MSG financed and leased a new Fire Station 76 and the site thereof, (ii) a Municipal Project Lease and Option Agreement, dated September 4, 2008, with Community Services District Building Corporation ("CSDBC"), pursuant to which CSDBC financed and leased a new fleet maintenance building and the site thereof, and (iii) a Lease Agreement, dated October 20, 2010, with Municipal Finance Corporation ("MFC"), pursuant to which MFC refinanced and leased new Fire Stations 73 and 75 and the sites thereof, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash funding a reserve fund for the Certificates, and (c) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates. The Certificates are payable from lease payments on certain District real property and improvements made to the MSG, CSDBC and MFC. Upon default, the lease may be terminated by these entities and the property re-leased to other parties. Interest on the Certificates is payable at 2.00% to 4.00% on March 1 and September 1. Principal payments of \$380,000 to \$885,000 are due each September 1 through September 1, 2028.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6-LONG-TERM DEBT (Continued)

Certificates of Participation - 2016 Energy Projects, Series A,B,C (Direct Placement) - In September 2016, the District issued \$5,450,000 Certificates of Participation, Series A (2016 Energy Projects-Direct Pay Subsidy New Clean Renewable Energy Bonds (CREBS)-Taxable) (the "Series A Certificates") to provide funds to (a) finance the costs of a clean renewable energy project consisting of solar photovoltaic energy systems, (b) purchase a municipal bond insurance policy for the Series A Certificates and pay a portion of the cost of purchasing a reserve fund insurance policy in lieu of cash funding a reserve fund for the Certificates (hereinafter defined), and (c) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Series A Certificates. Interest on the certificates is payable on March 1 and September 1 of each year, with interest rates ranging from 2.625% to 4.0%. Principal payments ranging from \$75,000 to \$355,000 are due each September 1 from September 1, 2025 to September 1, 2046.

The \$135,000 Certificates of Participation, Series B (2016 Energy Projects-Taxable) (the "Series B Certificates"), are issued to provide funds to (a) purchase a municipal bond insurance policy for the Series B Certificates and pay a portion of the cost of purchasing a reserve fund insurance policy in lieu of cash funding a reserve fund for the Certificates, and (b) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates. The Certificates were paid off September 1, 2017.

The \$1,260,000 Certificates of Participation, Series C (2016 Energy Projects-Tax-Exempt) (the "Series C Certificates" and, with the Series A Certificates and the Series B Certificates, the "Certificates"), are issued to provide funds to (a) finance the costs of energy efficiency projects, (b) purchase a municipal bond insurance policy for the Series C Certificates and pay a portion of the cost of purchasing a reserve fund insurance policy in lieu of cash funding a reserve fund for the Certificates, and (c) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates. Interest on the certificates is payable on March 1 and September 1 of each year, with interest rates ranging from 2.0% to 4.0%. Principal payments ranging from \$125,000 to \$180,000 are due each September 1 from September 1, 2018 to September 1, 2025.

The Certificates are payable from lease payments on certain District real property and improvements made to the Public Property Financing Corporation of California (Corporation). Upon default, the lease may be terminated by the Corporation and the property re-leased to other parties.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6-LONG-TERM DEBT (Continued)

2021 Lease Revenue Certificates of Participation (Direct Placement) - On September 29, 2021, the District issued the \$9,680,00 2021 Lease Revenue Certificates of Participation to (i) finance a portion of the cost of construction of a new fire station (Fire Station 77) (ii) finance energy efficiency improvements to be located at the District's Administration Building, and (iii) pay the costs of issuing the Certificates. Fire Station 77 is designed to provide increased emergency response services to the southern portion of the City of Elk Grove, particularly the Poppy Ridge area. The aggregate cost of the Fire Station 77 project is estimated at approximately \$12.4 million, of which approximately \$8.0 million is anticipated to be financed with the proceeds of the Certificates, and the remaining amount has been or will be funded by the District from amounts on hand (including from fire impact fees). In addition, capital equipment will be purchased by the District for Fire Station 77, including furniture and fixtures, a new structural firefighting engine, wildland firefighting engine and a medic unit (ALS ambulance). The energy efficiency improvements consist of solar photovoltaic (PV) and related parking lot improvements. The total cost of the improvements is estimated at approximately \$2.0 million, all of which is anticipated to be financed with the proceeds of the Certificates. The Certificates are payable from lease payments on certain District real property and improvements made to the Corporation. Upon default, the lease may be terminated by these entities and the property released to other parties. Interest on the Certificates is payable at 2.375% to 4.00% on May 1 and November 1 from May 1, 2022 through November 1, 2051 and principal payments of \$180,000 to \$480,000 are due on November 1 from November 1, 2022 through November 1, 2051.

2022 Lease Revenue Certificates of Participation (Direct Placement) - On April 13, 2022, the District issued the \$31,740,000 2022 Lease Revenue Certificates of Participation for the purpose of the acquisition of certain real property for a future park and recreation site and a portion of the cost of construction of improvements to District facilities, including the construction of a new recreation center at Morse Community Park (the Core Recreation Center). Approximately \$5,000,000 of proceeds of the Certificates were used for the land acquisition. The remaining amount will be spent of the improvement to District facilities. The Core Recreation Center is planned to be two-stories consisting of approximately 54,000 square feet located on approximately 3 acres of undeveloped land within Morse Community Park. The Certificates are payable from lease payments on certain District real property and improvements made to the Corporation. Upon default, the lease may be terminated by these entities and the property released to other parties. Interest on the Certificates is payable at 4.00% to 5.00% on June 30 and December 30 from December 30, 2022 through December 30, 2022 through December 30, 2052. Principal payments of \$590,000 to \$1,955,000 are due through December 30 from December 30, 2025 through December 30, 2052.

C. Leases

The District's leases, all of which were direct borrowings, were as follows as of June 30, 2025:

On September 15, 2019, the District entered into five lease agreements in the amount of \$118,414 for seven copiers. The lease agreement provides for 60 monthly payments of \$4,733. The interest is computed at a rate of 8.3%. The agreement has a late charge of 10% on past due amounts and a default rate of 12%.

On March 20, 2023, the District entered into a lease agreement in the amount of \$49,754, for the purchase of two copiers/scanners. The lease agreement provides for 60 monthly payments of \$872 from March 2023. The agreement has a late charge of 10% on past due amounts and a default interest rate of 18% or the maximum allowed by law.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6-LONG-TERM DEBT (Continued)

On May 1, 2025, the District entered into a lease agreement in the amount of \$69,993, for the use of property Schedule No. 1 at 5542 Bellaterra Drive, Elk Grove CA 95657. The lease agreement provides for 36 monthly payments of \$2,196 from May 2025.

On May 1, 2025, the District entered into a lease agreement in the amount of \$96,456, for the use of property Schedule No. 2 at 5542 Bellaterra Drive, Elk Grove CA 95657. The lease agreement provides for 60 monthly payments of \$1,925 from May 2025.

On August 14, 2024, the District entered into a lease agreement in the amount of \$228,396, for the purchase of four copiers/scanners. The lease agreement provides for 60 monthly payments of \$4,155 from November 2024. The agreement has a late charge of 10% on past due amounts and a default interest rate of 18% or the maximum allowed by law.

On February 28, 2024, the District entered into a lease agreement in the amount of \$172,780, for the purchase of 35 new golf carts. The lease agreement provides for 48 monthly payments of \$4,214 from July 2024. The agreement has a late charge of 10% on past due amounts and a default interest rate of 18% or the maximum allowed by law.

The leases above are secured by the related assets. Upon default, the lessors may generally repossess the related assets. Any late fees or default interest rates are disclosed with the related lease below.

D. Subscription Based Information Technology Arrangements (SBITA)

The District entered into six SBITA contracts for productivity and registration software. The District is required to make yearly payments ranging from \$2,400 to \$72,500 through April 30, 2029.

The subscription agreements were discounted using rates between 2.33% and 3.33%. Each subscription has five one-year options to renew the subscription. The discount rates were based on the estimated incremental borrowing rate of the District at the SBITA commencement dates. Subscription asset cost was \$1,291,921 and \$301,311 and accumulated amortization was \$521,565 and \$46,564 for the governmental activities and business-type activities, respectively, as of June 30, 2025.

E. Future Debt Service Payments

The annual debt service requirements to maturity for governmental-activities long-term liabilities at June 30, 2025, were as follows:

Fiscal Year	Loans Payable			Certificates of Participation			Lease Liability	
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest
2026	\$ 508,574	\$ 88,058	\$ 596,632	\$ 1,935,000	\$ 2,388,944	\$ 4,323,944	\$ 91,676	\$ 18,096
2027	310,963	79,692	390,655	2,020,000	2,310,775	4,330,775	96,647	13,126
2028	318,456	72,021	390,477	2,120,000	2,230,270	4,350,270	94,045	7,846
2029	327,074	64,162	391,236	1,820,000	2,158,257	3,978,257	69,180	3,778
2030	334,820	56,083	390,903	1,520,000	2,090,106	3,610,106	35,093	773
2031-2035	1,377,953	155,135	1,533,088	8,955,000	9,409,357	18,364,357	-	-
2036-2040	440,000	34,669	474,669	11,525,000	7,161,211	18,686,211	-	-
2041-2045	-	-	-	9,635,000	4,612,376	14,247,376	-	-
2046-2050	-	-	-	10,795,000	2,331,514	13,126,514	-	-
2051-2053	-	-	-	6,585,000	369,398	6,954,398	-	-
Total	\$ 3,617,840	\$ 549,820	\$ 4,167,660	\$ 56,910,000	\$ 35,062,208	\$ 91,972,208	\$ 386,641	\$ 43,619

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6-LONG-TERM DEBT (Continued)

Fiscal Year	SBITA			Total		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 182,068	\$ 18,263	\$ 200,331	\$ 2,717,318	\$ 2,513,361	\$ 5,230,679
2027	187,449	12,882	200,331	2,615,059	2,416,475	5,031,534
2028	192,994	7,337	200,331	2,725,495	2,317,474	5,042,969
2029	69,837	1,624	71,461	2,286,091	2,227,821	4,513,912
2030	-	-	-	1,889,913	2,146,962	4,036,875
2031-2035	-	-	-	10,332,953	9,564,492	19,897,445
2036-2040	-	-	-	11,965,000	7,195,880	19,160,880
2041-2045	-	-	-	9,635,000	4,612,376	14,247,376
2046-2050	-	-	-	10,795,000	2,331,514	13,126,514
2051-2053	-	-	-	6,585,000	369,398	6,954,398
Total	\$ 632,348	\$ 40,106	\$ 672,454	\$ 61,546,829	\$ 35,695,753	\$ 97,242,582

The annual debt service requirements to maturity for Business-type long term liabilities at June 30, 2025, were as follows:

Fiscal Year	Loans Payable			SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 358,090	\$ 4,477	\$ 362,567	\$ 56,894	\$ 5,572	\$ 62,466
2027	105,450	1,931	107,381	58,276	4,189	62,465
2028	21,384	936	22,320	59,692	2,773	62,465
2029	11,026	132	11,158	57,414	1,323	58,737
2030	-	-	-	23,898	142	24,040
Total	\$ 495,950	\$ 7,476	\$ 503,426	\$ 256,174	\$ 13,999	\$ 270,173

Fiscal Year	Lease Liability			Total		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 41,354	\$ 9,213	\$ 50,567	\$ 456,338	\$ 19,262	475,600
2027	44,765	5,803	50,568	208,491	11,923	220,414
2028	48,456	2,112	50,568	129,532	5,821	135,353
2029	-	-	-	68,440	1,455	69,895
2030	-	-	-	23,898	142	24,040
Total	\$ 134,575	\$ 17,128	\$ 151,703	\$ 886,699	\$ 38,603	\$ 925,302

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7-COMPENSATED ABSENCES

District employees are granted annual leave in varying amounts based on classification and length of service. Maximum annual leave hours eligible for carry forward to future years is limited to two times the employee's prior year accrual rate of annual leave, which ranges from 160 hours to 444 hours.

Sick leave is earned by regular, full-time employees. Any sick leave hours not used during the period are carried forward to future years, with no limit as to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee's retirement are added to the actual period of service when computing retirement benefits. It is the policy of the District not to buy back any accumulated sick leave and it is not payable at separation. Accordingly, no liability for sick leave has been included in the financial statements.

	Governmental	Business	Total
Balance on June 30, 2024	\$ 3,564,525	\$ 98,209	\$ 3,662,734
Net change	1,571,259	(7,345)	1,563,914
Balance on June 30, 2025	<u>\$ 5,135,784</u>	<u>\$ 90,864</u>	<u>\$ 5,226,648</u>
Due Within One Year	<u>\$ 3,703,642</u>	<u>\$ 63,518</u>	<u>\$ 3,767,160</u>
Noncurrent Portion	<u>\$ 1,432,142</u>	<u>\$ 27,346</u>	<u>\$ 1,459,488</u>

NOTE 8-PENSION PLANS

DEFINED BENEFIT PLANS

A. General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's separate Safety (fire) and Miscellaneous (all other employees) 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 Local Government 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.

Benefits Provided - CalPERS provides service 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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor 7 Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8-PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Rate Plan	Miscellaneous Second Tier Rate Plan	Miscellaneous Third Tier Rate Plan	PEPRA Miscellaneous Rate Plan	Safety Rate Plan	PEPRA Safety Rate Plan
	Prior to October 1, 1998	October 1, 1998 to December 1, 2021	December 1, 2011 to December 31, 2012	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date						
Benefit formula (at full retirement)	2.5% at 55	2.5% at 55	2.0% at 55	2.0% at 62	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Final average compensation period	one year	one year	three year	three year	one year	three year
Retirement age	50-55	50-55	50-67	52-67	50-55	50-57
Monthly benefits, as a % of compensation	1.426% to 2.418%	1.426% to 2.418%	2.0% to 2.5%	1.0% to 2.5%	3.00%	2.00% to 2.70%
Requires employee contribution rates	8.00%	8.00%	7.00%	7.75%	9.00%	11.50%
Requires employer contribution rates	9.79%	9.79%	9.79%	9.79%	18.56%	18.56%
Required unfunded actuarial liability contribution			\$1,893,595		\$8,201,796	

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) closed all rate plans except the PEPRA rate plans to new participants that were not CalPERS members as of this date.

Employees Covered - As of the measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	115	146
Inactive employees entitled to but not yet receiving benefits	593	63
Active employees	239	176
Total	947	385

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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the District to satisfy contribution requirements that are identified by the Plan terms as Plan member contribution requirements are classified as Plan member contributions.

B. Net Pension Liability

The District'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, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8-PENSION PLANS (Continued)

Actuarial Assumptions - The total pension liabilities at June 30, 2025 were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll growth	3.00%	3.00%
Projected salary increases	Varies by entry age and service	
Investment rate of return (1)	6.90% (1)	6.90% (1)
Mortality	(2)	
Post retirement benefit increase	Protection allowance floor on purchasing power applies, 2.30% thereafter	

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

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted for assumed administration expenses of 10 basis points.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8-PENSION PLANS (Continued)

The expected real rates of return by asset class are as follows:

Asset Class (a)	Strategic Allocation	Real Return (a,b)
Global equity - cap weighted	30.00%	4.54%
Global equity non-cap weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management Study

The changes in the Net Pension Liability for each Plan follow:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at June 30, 2024	\$ 80,526,781	\$ 56,727,199	\$ 23,799,582
Changes in the year:			
Service cost	2,610,083	-	2,610,083
Interest on the total pension liability	5,653,245	-	5,653,245
Differences between actual and expected experience	1,612,520	-	1,612,520
Contribution - employer	-	3,100,891	(3,100,891)
Contribution - employees	-	1,222,157	(1,222,157)
Net investment income	-	5,521,356	(5,521,356)
Administrative expenses	-	(46,159)	46,159
Benefit payments, including refunds of employee contributions	(3,026,516)	(3,026,516)	-
Net change	<u>6,849,332</u>	<u>6,771,729</u>	<u>77,603</u>
Balance at June 30, 2025	\$ 87,376,113	\$ 63,498,928	\$ 23,877,185

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8-PENSION PLANS (Continued)

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balance at June 30, 2024	<u>\$ 289,601,803</u>	<u>\$ 187,823,066</u>	<u>\$ 101,778,737</u>
Changes in the year:			
Service cost	6,966,678	-	6,966,678
Interest on the total pension liability	19,996,730	-	19,996,730
Differences between actual and expected experience	2,322,171	-	2,322,171
Contribution - employer	-	10,514,821	(10,514,821)
Contribution - employee	-	3,045,536	(3,045,536)
Net investment income	-	18,228,895	(18,228,895)
Administrative expenses	-	(152,832)	152,832
Benefit payments, including refunds of employee contributions	(11,199,252)	(11,199,252)	-
Net change	<u>18,086,327</u>	<u>20,437,168</u>	<u>(2,350,841)</u>
Balance at June 30, 2025	<u>\$ 307,688,130</u>	<u>\$ 208,260,234</u>	<u>\$ 99,427,896</u>
Total all plans	<u>\$ 395,064,243</u>	<u>\$ 271,759,162</u>	<u>\$ 123,305,081</u>

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

	Miscellaneous	Safety	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 37,651,478	\$ 145,361,953	\$ 183,013,431
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 23,877,185	\$ 99,427,896	\$ 123,305,081
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 12,756,958	\$ 61,932,414	\$ 74,689,372

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

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8-PENSION PLANS (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$22,354,847 for the Miscellaneous Plan and \$16,921,239 for the Safety Plan). As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,618,770	\$ -	\$ 12,954,184	\$ -	\$ 16,572,954	\$ -
Differences between actual and expected experience	1,444,418	-	13,123,632	-	14,568,050	-
Changes in assumptions	-	-	6,769,573	-	6,769,573	-
Net differences between projected and actual earning on plan investments	833,464	-	2,733,417	-	3,566,881	-
Total	<u>\$ 5,896,652</u>	<u>\$ -</u>	<u>\$ 35,580,806</u>	<u>\$ -</u>	<u>\$ 41,477,458</u>	<u>\$ -</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date above will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2026	\$ 849,103	\$ 5,223,998	\$ 6,073,101
2027	1,926,055	9,387,912	11,313,967
2028	(184,303)	3,483,292	3,298,989
2029	(312,973)	2,805,671	2,492,698
2030	-	1,580,612	1,580,612
Thereafter	-	145,137	145,137
	<u>\$ 2,277,882</u>	<u>\$ 22,626,622</u>	<u>\$ 24,904,504</u>

F. Payables to Pension Plans

As of June 30, 2025, the District had no money owed to the Pension plan.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8-PENSION PLANS (Continued)

DEFINED CONTRIBUTION PLAN AND DEFERRED COMPENSATION PLAN

G. *Defined Contribution Retirement Plan* - Beginning April 2021, the District began to offer the Cosumnes Community Services District Governmental 401(a) Plan (Plan), a single employer defined contribution pension plan, to strategic management team employees. Employees are eligible to participate in the Plan on their date of hire. The District is required to make contributions to the Plan equal to 5% of certain strategic management team employees' monthly base salaries and is allowed to make discretionary contributions to the Plan for other strategic management team employees as defined in their employment agreements. Contributions may be deposited in the District's Cosumnes Community Services District 457(b) Governmental Plan (457 Plan) at the employee's direction. Employees are fully vested in the District's contributions immediately. Employees do not contribute to the Plan. During the year ended June 30, 2025, the District's contributions to the Plan were \$42,612.

H. *Deferred Compensation Plan* - The District offers a deferred compensation plan under Internal Revenue Code Section 457 (457 Plan) to all employees, with the exception of part-time seasonal/extra help employees as defined in the District's policies. The District is required to make matching contributions to the 457 Plan for certain participants up to the contribution limit in the Internal Revenue Code under the participants' employment agreements. All eligible participants may make voluntary pre-tax or Roth payroll deferrals to the 457 Plan up to the maximum contribution allowed under the Internal Revenue Code or 100% of W-2 wages, whichever is less. The District is required to contribute a flat monthly amount of \$50 and a match of up to \$25 per month to the 457 Plan for CalPERS PEPRA employees and miscellaneous (non-safety) employees hired after January 1, 2013. Employees individually direct the investment of their accounts from an assortment of available investment options. Employees are fully vested in their contributions as well as the District's discretionary or required matching contributions immediately after the contributions are made. For the year ended June 30, 2025, the District made total contributions of \$212,388 to the 457 Plan.

NOTE 9-OTHER POSTEMPLOYMENT BENEFITS

A. *Plan Description*

The District provides an agent defined benefit agent multiple-employer OPEB plan (Plan) to all eligible safety and miscellaneous employees. The District agent participates in the CalPERS healthcare programs Public Employees Medical and Hospital Care Act (PEHMCA), providing lifetime medical benefits to District full-time employees who retire at age 50 or older with 5 or more years of service, spouses and surviving spouses of eligible retirees as described below. Retirees may enroll in any available CalPERS medical plan. The California Government Code grants the Board of Directors the authority to provide OPEB benefits, subject to Memorandums of Understanding with employee groups. Plan assets are maintained in the CalPERS California Employers' Retiree Benefits Trust Fund (CERBT), which is a Section 115 trust fund administered by CalPERS. CERBT is included in the CalPERS publicly available financial statements that may be obtained at www.calpers.ca.gov under Forms and Publications.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9-OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided: The District contributes to the Plan for all full-time employees meeting eligibility requirements. The District contributions for all employee groups is based on premiums for the lesser of either Kaiser (KN) or Blue Shield Access + HMO premiums in the Sacramento Region less the retiree contribution rates below and subject to the vesting percentages described below, if applicable:

Employee Group	Eligibility	Tier 1	Eligibility	Tier 2	Eligibility	Tier 3	Eligibility	Tier 4	EE Required Contributions
Safety - Local 522	Retired Before 1/1/15	\$0 EE Only/\$1 5+1 or more	Retired After 12/31/14	\$85 EE only, \$175 for +1, \$225 for family. \$525 at Medicare age	N/A	N/A	N/A	N/A	3% of salary
Safety - Management Employee Organization (MEO)	Retired Before 7/1/17	\$0 EE Only/\$1 5+1 or more	Retired After 6/30/17	Full Family Same as actives. \$525 at Medicare age	N/A	N/A	N/A	N/A	3% of salary
Miscellaneous Teamsters	Hired Before 1/1/17	\$0 EE Only/\$1 5+1 or more	Hire Before 1/1/17	District pays 90% EE and +1. Same as actives	Hire Before 1/1/17	District pays 90% EE and +1. Same as actives. \$500 at Medicare age	Hired on or after 1/1/17	Minimum CalPERS Employer Contribution	4% of salary
	Age 50+ or 20+ yrs. w/Dist. As of 1/1/15		Age 40-49 as of 1/1/15		Under 40 as of 1/1/15				
Miscellaneous Unrepresented	Hired Before 3/1/17	\$0 EE Only/\$1 5+1 or more			Hired Before 3/1/17	EE or EE+1. Same as actives. \$500 at Medicare age	Hired Before 3/1/17	Minimum CalPERS Employer Contribution	2% of salary
	Age 50+ or 20+ yrs. w/Dist. As of 1/1/15		Age 40-49 or 10 yrs. w/Dist. As of 1/1/15		Under 40 as of 1/1/15				

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9-OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees hired on or after July 1, 2010 receive the applicable percentage of benefits based on the retiree's years of CalPERS credited service, provided that at least 5 of those years represent service with the District. The applicable percentage is 50% after ten years of service, which increases an additional 5% for each additional year of service until the applicable percentage is 100% at 20+ years of service.

The contribution rates for active employees referenced above are 100% of the applicable monthly rate less \$85 to \$225 for the Safety - Local 522 and MEO groups, 90% of the applicable monthly rate for the teamsters group and 100% of the applicable monthly rate less \$61.84 to \$158.00 for unrepresented employees, based on the number of participants covered.

B. Employees Covered

Inactive employees or beneficiaries currently receiving benefit payments	159
Active employees	418
Total	577

C. Contributions

The Board of Directors has the authority to establish and amend the contribution requirements of the District and employees, subject to the District's memorandums of understanding with employee bargaining units. The District pre-funds the Plan through CERBT by contributing the District's actuarially determined contribution every year. For the year ended June 30, 2025, the District contributions equaled \$9,215,663, including \$3,210,983 in benefit payments, a \$5,189,269 deposit to CERBT, and implied subsidy payments of \$815,411.

D. Net OPEB Liability

The District's net OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Contribution Policy	Contributes full ADC
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.25%
Mortality	Pub-2010 General and Safety
Post Retirement Benefit Incre	CalPERS 2021 Experience Study
Healthcare Trend	7.6% for 2024
	decreasing to 3.9% in 2076 and later years

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9-OTHER POSTEMPLOYMENT BENEFITS (Continued)

Mortality was from Pub-2010 Employee and Retiree mortality tables projected with generational mortality improvement using 80% of scale MP-2020. Disability was from the December 2021 CalPERS Experience Study.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

Asset Class	Target Allocation	Expected Real Rate of Return
Public Equity	48.90%	10.70%
Fixed Income	22.80%	-1.30%
TIPS	5.00%	2.10%
REITs	20.20%	0.10%
Commodities	3.00%	8.20%
Cash Equivalents	0.10%	0.00%
Total	<u>100.00%</u>	

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9-OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Net OPEB Liability

The changes in the net OPEB liability for the OPEB Plan were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at June 30, 2024	\$ 68,382,425	\$ 28,755,180	\$ 39,627,245
Changes Recognized for the Measurement Period:			
Service cost	2,132,470	-	2,132,470
Interest on the total OPEB liability	4,299,308	-	4,299,308
Differences between actual and expected experience	(107,265)	-	(107,265)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contribution- employer	-	6,907,338	(6,907,338)
Contribution - employee	-	1,160,829	(1,160,829)
Net investment income	-	3,436,025	(3,436,025)
Administrative expense	-	(10,286)	10,286
Benefit payments, including refunds of employee	(3,451,926)	(3,451,926)	-
Net changes	2,872,587	8,041,980	(5,169,393)
Balance at June 30, 2025 (Measurement Date June 30, 2025)	\$ 71,255,012	\$ 36,797,160	\$ 34,457,852

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease (5.25%)	Current Discount (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 42,270,078	\$ 34,457,852	\$ 27,788,949

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Liability	\$ 26,848,145	\$ 34,457,852	\$ 43,808,931

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9-OTHER POSTEMPLOYMENT BENEFITS (Continued)

I. Recognition of Deferred Outflow and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. Deferred outflows and inflows related to the net difference between projected and actual earnings on plan investments is amortized over 5 years. All other amounts are amortized over the average remaining service lives of participants.

J. OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$2,989,529. For the fiscal year ended June 30, 2025, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 2,077,843	\$ (4,642,807)
OPEB contributions subsequent to measurement date	9,215,663	-
Changes in Assumptions	1,715,236	(1,302,361)
Net differences between projected and actual earnings on plan investments	103,513	-
Total	<u>\$ 13,112,255</u>	<u>\$ (5,945,168)</u>

The \$9,215,663 reported as deferred outflows of resources related to contributions subsequent to the measurement data will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	Annual Amortization
2026	\$ (406,022)
2027	373,659
2028	(678,524)
2029	(735,462)
2030	(570,841)
Thereafter	(31,386)
Total	<u>\$ (2,048,576)</u>

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10-RISK MANAGEMENT

The District participates in the Northern California Special Districts Insurance Authority (NCS DIA), a public entity risk pool of special districts within Northern California, for workers compensation insurance. Loss contingency reserves established by NCS DIA are funded by contributions from member agencies. The District pays an annual premium to NCS DIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the NCS DIA. NCS DIA retains the ability to assess its members' amounts in addition to annual premiums. NCS DIA has never made an additional assessment and is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

The District also participates in the Golden State Risk Management Authority (GSRMA), a joint powers agency comprised of California special districts, for general, property, automobile, and public officials' errors and omissions. Loss contingency reserves established by the GSRMA are funded by contributions from member agencies. The District pays an annual contribution to the GSRMA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the GSRMA. GSRMA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The District's self-insured retention level and maximum coverage under the NCS DIA and GSRMA are as follows:

	Pool Coverage	Commercial Coverage	Self-Insured Retention
NCS DIA			
Workers compensation and employers liability	\$ 400,000	\$ 50,000,000	\$ 0-400,000
GSRMA			
General liability	500,000	1,000,000	0-500,000
Automobile liability	500,000	1,000,000	0-500,000
Crime (includes employee theft, forgery, theft, computer and funds transfer fraud)	25,000	10,000,000	2,500-25,000
Property (includes boiler and machinery and terrorism)	5,000	25,000,000	1,000-5,000
Property - auto physical damage	15,000	25,000,000	250-15,000
Property - flood	-	25,000,000	25,000

The coverage above includes a reduction in coverage on property, personal injury and automobile and high dollar vehicles from \$1 billion and a reduction of boiler and machinery from \$100 million to the amounts in the table above. Claims have not exceeded insurance limits in the past three fiscal years.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11-FUND BALANCE

As of June 30, 2025, classifications of fund balance are as follows:

Fund Balance by Classification	Major Funds					Total
	General Fund	Landscape and Lighting Special Revenue Fund	Measure E Special Revenue Fund	Capital Project Fund	Non-Major Governmental Funds	
Nonspendable:						
Items not in spendable form:						
Inventory	\$ 776,531	\$ -	\$ -	\$ -	\$ -	\$ 776,531
Total Nonspendable Fund Balance	776,531	-	-	-	-	776,531
Restricted for:						
Recreation and culture	-	-	4,391,013	20,335,828	-	24,726,841
Public protection	-	-	5,153,665	20,642,881	-	25,796,546
Solar Project	-	-	-	1,930,249	-	1,930,249
Landscaping and Lighting	-	49,594,517	-	-	-	49,594,517
Foundation activities	-	-	-	-	218,944	218,944
Grants	-	-	-	-	681	681
Total Restricted Fund Balance	-	49,594,517	9,544,678	42,908,958	219,625	102,267,778
Committed to:						
ARPA Projects	645,798	-	-	-	-	645,798
Total Committed Fund Balance	645,798	-	-	-	-	645,798
Fire Academy	2,171,736	-	-	-	-	2,171,736
Capital Replacement	990,000	-	-	-	-	990,000
Ground emergency medical transport audit	100,000	-	-	-	-	100,000
Encumbrances	915,783	-	-	-	-	915,783
Total Assigned Fund Balance	4,177,519	-	-	-	-	4,177,519
Unassigned:	34,929,355	-	-	-	140,110	35,069,465
Total Fund Balances	\$ 40,529,203	\$ 49,594,517	\$ 9,544,678	\$ 42,908,958	\$ 359,735	\$ 142,937,091

Unassigned fund balance of \$35,069,465 was designated as a cash flow reserve at June 30, 2025.

**COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 12-COMMITMENTS AND CONTINGENCIES

The District had the following contract commitments as of June 30, 2025:

<u>Project</u>	<u>Project Appropriation</u>	<u>Expenditures to June 30, 2025</u>	<u>Remaining Commitment</u>
CORE Recreation Center Construction	\$ 31,500,000	\$ 24,466,834	\$ 7,033,166
BerryDunn ERP Consulting Services	849,090	63,662	785,428
Elk Grove Park Master Plan PSA	249,949	700	249,249
Unity Park Construction	2,495,360	-	2,495,360
Type 1 Engines (4) Pierce Manufacturing	4,301,694	-	4,301,694
Ambulance Remount	230,709	-	230,709
Assessment Engineering & Special Tax Administration	150,000	-	150,000

Construction contracts may increase by 7% to 10% for contingencies as approved by the Board. The District is a party to claims and lawsuits arising in the ordinary course of business. The District's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have a material adverse impact on the financial position of the District.

On October 11, 2017, the District signed a Management and Operational Agreement with the City of Elk Grove to operate the City's Aquatic Center for five years with a five-year mutual option to extend the agreement, including operating and maintaining the facilities, running all programs, taking all registrations, maintaining all indoor and outdoor spaces, purchasing all furniture, fixtures and equipment, providing staff to run the Aquatic Center and identifying and making all necessary repairs. The City reimburses the District for any expenses that exceed the net revenues earned by the Aquatic Center, including a 15% District management fee. The City retains ownership of all facilities, furniture, fixtures and equipment. The District recognized revenue of approximately \$751,953 under the agreement during the year ended June 30, 2025.

In October of 2019, the District and City of Elk Grove entered into a Memorandum Understanding (MOU) concerning Landscape, Trails, and Parks Maintenance. The MOU will remain in effect until terminated by either party. Under the MOU, the District is responsible for management, inspection, maintenance and repairs of City owned trails, parks, sidewalk, curbs, gutters, irrigations systems, streetscapes and medians, planters, shrubs, vines and trees, structures, signs and other amenities. Reimbursements of District incurred materials, equipment, independent contractor costs, staff costs, administrative and overhead costs for the services provided under the MOU are according to City approved budgets prepared by the District. The City reimbursed the District approximately \$3,604,000 under the MOU during the year ended June 30, 2025.

The District has an agreement with the Wilton Rancheria (Rancheria) that owns the Sky River Casino in Elk Grove that requires the Rancheria to pay a community benefit contribution beginning at \$887,500 per year, paid on a quarterly basis, plus a 2% increase each year for the District's equipment, facility and equipment costs. The agreement will be reevaluated by the parties if the Rancheria expands its facility.

NOTE 13-SUBSEQUENT EVENTS

California Uniform Public Construction Cost Accounting Act (CUPCCAA)

On September 17, 2025, the District Board approves authorization for the District to join the State's California Uniform Public Construction Cost Accounting Act (CUPCCAA), which helps streamline small public works projects by allowing informal bidding and raising thresholds for formal bids. Additionally, on December 3, 2025, the District adopted Ordinance No. 24 for the CUPCCAA Informal Bidding Procedures.

COSUMNES COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 14-UPCOMING PRONOUNCEMENTS

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The District has not yet determined the effect of this Statement on its financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

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REQUIRED SUPPLEMENTARY INFORMATION

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**COSUMNES COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

1. DEFINED BENEFIT PENSION PLANS

A. Schedule of Changes in the Net Pension Liability and Related Ratios

Miscellaneous Plan										
Reporting Date	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,610,083	\$ 2,298,452	\$ 2,055,552	\$ 1,748,598	\$ 1,737,919	\$ 1,719,148	\$ 1,670,803	\$ 1,439,061	\$ 1,287,305	\$ 1,229,813
Interest	5,653,245	5,216,413	4,829,869	4,443,873	4,096,900	3,849,015	3,488,653	3,091,267	2,854,296	2,592,505
Changes in benefits terms	-	82,824	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,612,520	1,232,232	688,354	1,304,986	(64,925)	1,692,289	2,686,259	84,419	739,804	(157,288)
Changes of assumptions	-	-	3,291,707	-	-	-	(202,718)	2,925,798	-	(730,271)
Benefit payments, including refunds of employee contributions	(3,026,516)	(2,878,080)	(2,561,598)	(2,398,401)	(2,186,304)	(1,905,075)	(1,766,716)	(1,377,109)	(1,231,393)	(1,106,151)
Net change in total pension liability	6,849,332	5,951,841	8,303,884	5,099,056	3,583,590	5,355,377	5,876,281	6,163,436	3,650,012	1,828,608
Total pension liability - beginning	80,526,781	74,574,940	66,271,056	61,172,000	57,588,410	52,233,033	46,356,752	40,193,316	36,543,304	34,714,696
Total pension liability - ending (a)	\$ 87,376,113	\$ 80,526,781	\$ 74,574,940	\$ 66,271,056	\$ 61,172,000	\$ 57,588,410	\$ 52,233,033	\$ 46,356,752	\$ 40,193,316	\$ 36,543,304
Plan fiduciary net position										
Contributions - employer	\$ 3,100,891	\$ 2,598,331	\$ 2,115,238	\$ 1,840,659	\$ 1,597,659	\$ 1,347,954	\$ 1,200,358	\$ 1,070,149	\$ 5,411,034	\$ 1,073,403
Contributions - employee	1,222,157	1,017,644	881,579	812,236	811,106	767,245	736,007	672,073	587,412	591,236
Net plan to plan resource movement	-	-	-	-	-	-	(94)	-	-	-
Net investment income	5,521,356	3,279,552	(4,325,506)	10,393,707	2,130,967	2,638,046	3,105,264	3,772,672	182,432	613,270
Benefit payments, including refunds of employee contributions	(3,026,516)	(2,878,080)	(2,561,598)	(2,398,401)	(2,186,304)	(1,905,075)	(1,766,716)	(1,377,109)	(1,231,393)	(1,106,151)
Administrative expenses	(46,159)	(38,789)	-	-	-	94	(111,341)	(49,515)	(17,433)	(32,194)
Net change in plan fiduciary net position	6,771,729	3,978,658	(3,890,287)	10,648,201	2,353,428	2,848,264	3,163,478	4,088,270	4,932,052	1,139,564
Plan fiduciary net position - beginning	56,727,199	52,748,541	56,638,828	45,990,627	43,637,199	40,788,935	37,625,457	33,537,187	28,605,135	27,465,571
Plan fiduciary net position - ending (b)	\$ 63,498,928	\$ 56,727,199	\$ 52,748,541	\$ 56,638,828	\$ 45,990,627	\$ 43,637,199	\$ 40,788,935	\$ 37,625,457	\$ 33,537,187	\$ 28,605,135
Net pension liability - ending (a)-(b)	\$ 23,877,185	\$ 23,799,582	\$ 21,826,399	\$ 9,632,228	\$ 15,181,373	\$ 13,951,211	\$ 11,444,098	\$ 8,731,295	\$ 6,656,129	\$ 7,938,169
Plan fiduciary net position as a percentage of the total pension liability	72.67%	70.45%	70.73%	85.47%	75.18%	75.77%	78.09%	81.16%	83.44%	78.28%
Covered payroll	\$ 13,394,242	\$ 11,746,011	\$ 11,180,295	\$ 11,076,601	\$ 10,701,865	\$ 10,080,261	\$ 8,358,860	\$ 8,015,598	\$ 7,626,746	\$ 7,612,768
Net pension liability as percentage of covered payroll	178.26%	202.62%	195.22%	86.96%	141.86%	138.40%	136.91%	108.93%	87.27%	104.27%

COSUMNES COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

1. DEFINED BENEFIT PENSION PLANS

A. Schedule of Changes in the Net Pension Liability and Related Ratios, Continued

Safety Plan										
Reporting Date	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 6,966,678	\$ 6,899,264	\$ 6,455,994	\$ 5,499,862	\$ 5,327,204	\$ 5,419,538	\$ 4,914,143	\$ 4,711,360	\$ 4,032,745	\$ 4,099,996
Interest	19,996,730	18,817,367	17,100,060	15,882,976	14,792,010	13,810,178	12,557,712	11,723,976	11,018,755	10,288,360
Changes in benefits terms	-	84,845	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,322,171	11,039,176	1,305,643	3,097,292	1,532,115	5,908,466	1,263,722	(1,190,653)	142,294	(2,211,211)
Changes of assumptions	-	-	11,492,533	-	-	-	(627,414)	10,984,800	-	(2,871,202)
Benefit payments, including refunds of employee contributions	(11,199,252)	(10,761,313)	(9,325,105)	(8,618,191)	(7,470,937)	(6,496,592)	(5,735,383)	(5,289,412)	(5,209,163)	(4,689,570)
Net change in total pension liability	18,086,327	26,079,339	27,029,125	15,861,939	14,180,392	18,641,590	12,372,780	20,940,071	9,984,631	4,616,373
Total pension liability - beginning	289,601,803	263,492,464	236,463,339	220,601,400	206,421,008	187,779,418	175,406,638	154,466,567	144,481,936	139,865,563
Total pension liability - ending (a)	\$ 307,688,130	\$ 289,571,803	\$ 263,492,464	\$ 236,463,339	\$ 220,601,400	\$ 206,421,008	\$ 187,779,418	\$ 175,406,638	\$ 154,466,567	\$ 144,481,936
Plan fiduciary net position										
Contributions - employer	\$ 10,514,821	\$ 9,558,440	\$ 8,784,072	\$ 7,626,513	\$ 6,840,349	\$ 5,882,931	\$ 5,224,782	\$ 4,856,621	\$ 8,090,599	\$ 3,992,396
Contributions - employee	3,045,536	2,969,683	2,893,168	2,588,035	2,543,997	2,350,496	2,315,906	2,121,437	2,056,274	2,051,469
Net plan to plan resource movement	-	-	-	-	-	-	(305)	-	-	-
Net investment income	18,228,895	10,966,428	(14,402,180)	34,588,520	6,998,436	8,749,697	10,069,181	11,921,091	538,773	2,223,654
Benefit payments, including refunds of employee contributions	(11,199,252)	(10,761,313)	(9,325,105)	(8,618,191)	(7,470,937)	(6,496,592)	(5,735,383)	(5,289,412)	(5,209,163)	(4,689,570)
Administrative expenses	(152,832)	(128,848)	(116,730)	-	-	305	(355,942)	(157,730)	(61,808)	(114,196)
Net change in plan fiduciary net position	20,437,168	12,604,390	(12,166,775)	36,184,877	8,911,845	10,486,837	11,518,239	13,452,007	5,414,675	3,463,753
Plan fiduciary net position - beginning	187,823,066	175,218,676	187,385,451	151,200,574	142,288,729	131,801,892	120,283,653	106,831,646	101,416,971	97,953,218
Plan fiduciary net position - ending (b)	\$ 208,260,234	\$ 187,823,066	\$ 175,218,676	\$ 187,385,451	\$ 151,200,574	\$ 142,288,729	\$ 131,801,892	\$ 120,283,653	\$ 106,831,646	\$ 101,416,971
Net pension liability - ending (a)-(b)	\$ 99,427,896	\$ 101,748,737	\$ 88,273,788	\$ 49,077,888	\$ 69,400,826	\$ 64,132,279	\$ 55,977,526	\$ 55,122,985	\$ 47,634,921	\$ 43,064,965
Plan fiduciary net position as a percentage of the total pension liability	67.69%	64.86%	66.50%	79.25%	68.54%	68.93%	70.19%	68.57%	69.16%	70.19%
Covered payroll	\$ 24,880,146	\$ 23,290,022	\$ 21,467,066	\$ 20,224,767	\$ 20,439,517	\$ 18,247,837	\$ 17,411,433	\$ 16,784,918	\$ 16,977,207	\$ 18,120,791
Net pension liability as percentage of covered payroll	399.63%	436.88%	411.21%	242.66%	339.54%	351.45%	321.50%	316.59%	283.80%	237.65%

**COSUMNES COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

1. DEFINED BENEFIT PENSION PLANS

B. Schedule of Contributions to the Pension Plans

Miscellaneous Plan										
Fiscal Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,618,770	\$ 3,100,891	\$ 2,598,331	\$ 2,112,784	\$ 1,836,441	\$ 1,597,211	\$ 1,347,954	\$ 1,200,358	\$ 1,070,149	\$ 899,714
Contributions in relation to the actuarially determined contributions	(3,618,770)	(3,100,891)	(2,598,331)	(2,112,784)	(1,836,441)	(1,597,211)	(1,347,954)	(1,200,358)	(1,070,149)	(5,411,034)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,511,320)
Covered payroll	\$ 17,607,214	\$ 13,394,242	\$ 11,746,011	\$ 11,180,295	\$ 11,076,601	\$ 10,701,865	\$ 10,080,261	\$ 8,358,860	\$ 8,015,598	\$ 7,626,746
Contributions as a percentage of covered payroll	20.55%	23.15%	22.12%	18.90%	16.58%	14.92%	13.37%	14.36%	13.35%	70.95%
Safety Plan										
Fiscal Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 12,954,184	\$ 10,514,821	\$ 9,558,440	\$ 8,784,072	\$ 7,625,018	\$ 6,840,349	\$ 588,931	\$ 5,224,781	\$ 4,856,621	\$ 4,053,231
Contributions in relation to the actuarially determined contributions	(12,954,184)	(10,514,821)	(9,558,440)	(8,784,072)	(7,625,018)	(6,840,349)	(588,931)	(5,224,781)	(4,856,621)	(8,090,599)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,037,368)
Covered payroll	\$ 27,912,828	\$ 24,880,146	\$ 23,290,022	\$ 21,467,066	\$ 20,224,767	\$ 20,439,517	\$ 18,247,837	\$ 17,411,433	\$ 16,784,918	\$ 16,977,207
Contributions as a percentage of covered payroll	-46.41%	-42.26%	41.04%	40.92%	37.70%	33.47%	3.23%	30.01%	28.93%	47.66%

Notes to Schedule

Contribution valuation date - June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Reporting valuation date - June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting measurement date - June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal									
Amortization method	Level percentage of payroll, closed									
Remaining amortization period	Varies by rate plan, but not more than 30 years									
Inflation	2.30%	2.50%	2.50%	2.50%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service									
Investment rate of return	6.90%	7.00%	7.00%	7.00%	7.00%	7.25%	7.38%	7.50%	7.50%	7.50%
Retirement age	The probabilities of retirement are based on the CalPERS Experience Study									
Retirement age and mortality	The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.									

**COSUMNES COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

2. OPEB PLAN

A. Schedule of Changes in the Net OPEB Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability (1)								
Service Cost	\$ 2,132,470	\$ 2,032,692	\$ 1,978,289	\$ 2,340,875	\$ 2,194,502	\$ 1,604,236	\$ 1,527,844	\$ 1,371,080
Interest	4,299,308	3,894,364	3,729,531	4,272,889	4,041,298	4,143,967	3,886,746	3,656,175
Changes of benefit terms	-	(326,840)	-	-	-	(478,519)	-	-
Differences between expected and actual experience	(107,265)	1,863,908	25,530	(6,063,148)	36,964	(2,696,103)	117,992	4,559,751
Changes of assumptions	-	(361,983)	-	(832,314)	-	4,519,438	-	(4,480,476)
Benefit payments	(3,451,926)	(3,186,190)	(2,894,876)	(2,972,359)	(2,740,048)	(2,124,129)	(1,992,314)	(2,196,311)
Net change in total OPEB liability	2,872,587	3,915,951	2,838,474	(3,254,057)	3,532,716	4,968,890	3,540,268	2,910,219
Total OPEB liability - beginning (a)	68,382,425	64,466,474	61,628,000	64,882,057	61,349,341	56,380,451	52,840,183	49,929,964
Total OPEB liability - ending (b)	\$ 71,255,012	\$ 68,382,425	\$ 64,466,474	\$ 61,628,000	\$ 64,882,057	\$ 61,349,341	\$ 56,380,451	\$ 52,840,183
Plan fiduciary net position								
Contributions - employer	\$ 6,907,338	\$ 5,583,795	\$ 2,894,876	\$ 6,869,284	\$ 2,740,048	\$ 4,400,538	\$ 4,925,800	\$ 4,939,329
Contributions - employee	1,160,829	1,125,645	1,110,702	777,395	747,266	700,766	-	-
Net investment income	3,436,025	1,595,232	(3,606,149)	5,162,221	548,058	735,777	608,844	472,513
Difference between expected and actual investment income	(10,286)	(7,543)	(6,717)	(7,078)	(7,466)	(2,479)	(4,254)	(2,536)
Administrative expense	(3,451,926)	(3,186,190)	(2,894,876)	(2,972,359)	(2,740,048)	(2,124,129)	(1,992,314)	(2,196,311)
Net change in plan fiduciary net position	8,041,980	5,110,939	(2,502,164)	9,829,463	1,287,858	3,710,473	3,538,076	3,212,995
Plan fiduciary net position - beginning (c)	28,755,180	23,644,241	26,146,405	16,316,942	15,029,084	11,318,611	7,780,535	4,567,540
Plan fiduciary net position - ending (d)	\$ 36,797,160	\$ 28,755,180	\$ 23,644,241	\$ 26,146,405	\$ 16,316,942	\$ 15,029,084	\$ 11,318,611	\$ 7,780,535
Net OPEB liability - beginning (a)-(c)	\$ 39,627,245	\$ 40,822,233	\$ 35,481,595	\$ 48,565,115	\$ 46,320,257	\$ 45,061,840	\$ 45,059,648	\$ 45,362,424
Net OPEB liability - ending (b)-(d)	\$ 34,457,852	\$ 39,627,245	\$ 40,822,233	\$ 35,481,595	\$ 48,565,115	\$ 46,320,257	\$ 45,061,840	\$ 45,059,648
Plan fiduciary net position as a percentage of the total OPEB liability	51.64%	42.05%	36.68%	42.43%	25.15%	24.50%	20.08%	14.72%
Covered payroll	\$ 41,328,137	\$ 35,460,998	\$ 34,673,687	\$ 34,673,687	\$ 30,621,346	\$ 27,633,257	\$ 21,221,138	\$ 25,770,293
Net OPEB liability as a percentage of covered payroll	83.38%	111.75%	117.73%	102.33%	158.60%	167.63%	212.34%	174.85%

Notes to Schedule:

(1) "Contributions - employer" and "Contributions - employee" amounts were incorrectly grouped in the FY2023 ACFR, amounts are correctly reported in the report.

Omitted Years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information is available prior to this date. Ten years of information will be reported prospectively as it becomes available.

**COSUMNES COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

2. OPEB PLAN, Continued

B. Schedule of Contributions to the OPEB Plan

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined required contribution	\$ 4,628,864	\$ 3,671,420	\$ 3,573,158	\$ 5,205,664	\$ 6,231,808	\$ 5,282,991	\$ 5,101,304	\$ 2,276,409
Contributions in relation to the actuarially required contributions	9,215,663	8,068,121	(5,583,795)	(2,894,876)	(6,869,284)	(3,487,314)	(5,101,304)	(2,276,409)
Contribution deficiency (excess)	\$ 13,844,527	\$ 11,739,541	\$ (2,010,637)	\$ 2,310,788	\$ (637,476)	\$ 1,795,677	\$ -	\$ -
Covered payroll	\$ 39,347,046	\$ 41,328,137	\$ 35,460,998	\$ 34,673,687	\$ 34,673,687	\$ 33,471,219	\$ 27,633,257	\$ 21,221,138
Contributions as a percentage of covered payroll	23.42%	19.52%	15.75%	8.35%	19.81%	10.42%	18.46%	10.73%

Notes to Schedule:

Valuation Date - June 30:	2023	2023	2021	2021	2019	2019	2017	2017
Measurement Date - June 30:	2024	2023	2022	2021	2020	2019	2018	2017
Actuarial Cost Method	Entry Age Normal Cost Method							
Amortization method	Level Percentage of payroll, closed							
Amortization period	30 years							
Asset valuation method	Market value of assets							
Actuarial Assumptions:								
Inflation	2.50%	2.50%	2.25%	2.50%	2.50%	2.50%	2.26%	2.26%
Payroll Growth	Varies by entry age and service							
Discount Rate	6.25%	6.25%	6.00%	6.00%	6.50%	6.50%	7.28%	7.28%
Investment rate of return	6.25%	6.25%	6.00%	6.00%	6.50%	6.50%	7.28%	7.28%
Healthcare cost-trend rate, initial	7.60%	7.60%	6.70%	6.70%	6.40%	6.40%	7.85%	7.85%
Healthcare trending down to	3.90%	3.90%	3.70%	3.70%	4.00%	4.00%	5.00%	5.00%
Retirement age	Most recent CalPERS Experience Study							
Mortality Rate	Most recent CalPERS Experience Study							

Omitted Years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information is available prior to this date. Ten years of information will be reported prospectively as it becomes available.

**COSUMNES COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

3. BUDGETARY BASIS OF ACCOUNTING

As required by the laws of the State of California, the District prepares and legally adopts a final operating budget on or before September 1 of each fiscal year. Until the adoption of this final budget, operations are governed by the adopted preliminary budget approved by the Board.

Biennial budgets were adopted for the General Fund, Landscape and Lighting District Special Revenue Fund and Capital Projects Fund during the year ended June 30, 2025. Accordingly, comparison of actual results of operations to budgetary data for the remaining funds is not presented. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. In addition, legal level of budgetary control for the Landscape and Lighting District Special Revenue Fund is at the benefit zone level, which is presented in the Supplementary Information section of this report. Significant amendments, appropriation transfers between objects and transfers from contingencies must be approved by the District's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No significant supplemental appropriations were required during the year ended June 30, 2025.

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Non-GAAP Budgetary Basis - General Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 66,533,612	\$ 66,977,029	\$ 66,838,673	\$ (138,356)
Charges for current services	26,752,870	32,080,557	31,534,681	(545,876)
Developer fees and contributions	2,125,022	993,822	1,294,201	300,379
Intergovernmental	2,907,583	2,581,209	3,272,007	690,798
Donations and contributions	85,200	119,200	76,266	(42,934)
Use of money and property	1,609,842	1,746,598	2,995,385	1,248,787
Miscellaneous	2,079,307	742,159	509,019	(233,140)
Total revenues	102,093,436	105,240,574	106,520,232	1,279,658
EXPENDITURES:				
Current:				
Public protection	70,242,353	70,413,881	72,200,284	(1,786,403)
Recreation and culture	14,893,058	16,493,044	15,317,773	1,175,271
General government	12,468,085	13,691,410	11,699,836	1,991,574
Capital outlay	169,300	553,575	452,832	100,743
Debt service:				
Principal	-	-	173,409	(173,409)
Interest	-	-	24,255	(24,255)
Total expenditures	97,772,796	101,151,910	99,868,389	1,283,521
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,320,640	4,088,664	6,651,843	2,563,179
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	97,793	97,793
Transfers in	472,370	690,871	1,569,922	879,051
Transfers out	(4,293,010)	(5,279,151)	(4,835,031)	444,120
Total other financing sources (uses)	(3,820,640)	(4,588,280)	(3,167,316)	1,420,964
Net change in fund balance	500,000	(499,616)	3,484,527	3,984,143
FUND BALANCE:				
Beginning of year	36,205,837	29,014,342	37,044,676	8,030,334
End of year	\$ 36,705,837	\$ 28,514,726	\$ 40,529,203	\$ 12,014,477

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Non-GAAP Budgetary Basis - Landscape and Lighting District Special Revenue Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 24,205,948	\$ 23,759,424	\$ 23,266,812	\$ (492,612)
Use of money and property	579,822	1,532,513	3,277,845	1,745,332
Miscellaneous	-	1,382	11,568	10,186
Total revenues	<u>24,785,770</u>	<u>25,293,319</u>	<u>26,556,225</u>	<u>1,262,906</u>
EXPENDITURES:				
Current:				
Recreation and culture	24,020,088	24,567,482	21,217,306	3,350,176
Capital outlay	59,138	108,377	82,409	25,968
Debt service:				
Principal	-	-	38,793	(38,793)
Interest	-	18,818	23,803	(4,985)
Total expenditures	<u>24,079,226</u>	<u>24,694,677</u>	<u>21,362,311</u>	<u>3,332,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>706,544</u>	<u>598,642</u>	<u>5,193,914</u>	<u>4,595,272</u>
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	26,541	75,892	49,351
Transfers in	7,052,517	11,371,792	809,165	(10,562,627)
Transfers out	(16,775,097)	(19,106,073)	(8,872,911)	10,233,162
Total other financing sources (uses)	<u>(9,722,580)</u>	<u>(7,707,740)</u>	<u>(7,987,854)</u>	<u>(280,114)</u>
Net change in fund balances	<u>(9,016,036)</u>	<u>(7,109,098)</u>	<u>(2,793,940)</u>	<u>4,315,158</u>
FUND BALANCE:				
Beginning of year	<u>52,388,457</u>	<u>52,388,457</u>	<u>52,388,457</u>	<u>-</u>
End of year	<u>\$ 43,372,421</u>	<u>\$ 45,279,359</u>	<u>\$ 49,594,517</u>	<u>\$ 4,315,158</u>

Cosumnes Community Services District**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Non-GAAP Budgetary Basis - Measure E Special Revenue Fund****For the year ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,952,500	\$ 9,000,000	\$ 10,527,839	\$ 1,527,839
Use of money and property	-	85,721	406,116	320,395
Total revenues	<u>6,952,500</u>	<u>9,085,721</u>	<u>10,933,955</u>	<u>1,848,234</u>
EXPENDITURES:				
Current:				
Public protection	2,504,199	4,518,426	5,221,693	(703,267)
Recreation and culture	1,362,555	1,360,605	959,629	400,976
Capital outlay	639,500	1,500,744	58,095	1,442,649
Total expenditures	<u>4,506,254</u>	<u>7,379,775</u>	<u>6,239,417</u>	<u>1,140,358</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,446,246</u>	<u>1,705,946</u>	<u>4,694,538</u>	<u>2,988,592</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(766,572)	(3,379,842)	(1,840,135)	1,539,707
Total other financing sources (uses)	<u>(766,572)</u>	<u>(3,379,842)</u>	<u>(1,840,135)</u>	<u>1,539,707</u>
Net change in fund balances	<u>1,679,674</u>	<u>(1,673,896)</u>	<u>2,854,403</u>	<u>4,528,299</u>
FUND BALANCE:				
Beginning of year	<u>6,690,275</u>	<u>6,690,275</u>	<u>6,690,275</u>	<u>-</u>
End of year	<u>\$ 8,369,949</u>	<u>\$ 5,016,379</u>	<u>\$ 9,544,678</u>	<u>\$ 4,528,299</u>

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SUPPLEMENTARY INFORMATION

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Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Non-GAAP Budgetary Basis - Major Capital Projects Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 10,000	\$ 10,000	\$ 17,562	\$ 7,562
Developer fees and contributions	4,600,000	2,000,000	6,556,041	4,556,041
Intergovernmental	4,621,080	2,000,000	-	(2,000,000)
Use of money and property	-	-	1,842,993	1,842,993
Miscellaneous	-	-	603,271	603,271
Total revenues	<u>9,231,080</u>	<u>4,010,000</u>	<u>9,019,867</u>	<u>5,009,867</u>
EXPENDITURES:				
Current:				
General government	1,548,392	1,256,754	848,557	408,197
Capital outlay	<u>20,831,000</u>	<u>27,765,499</u>	<u>20,575,394</u>	<u>7,190,105</u>
Total expenditures	<u>22,379,392</u>	<u>29,022,253</u>	<u>21,423,951</u>	<u>7,598,302</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,148,312)</u>	<u>(25,012,253)</u>	<u>(12,404,084)</u>	<u>12,608,169</u>
OTHER FINANCING SOURCES (USES):				
Insurance recovery	-	-	47,073	47,073
Transfers in	9,835,051	11,276,082	9,007,060	(2,269,022)
Transfers out	<u>(391,175)</u>	<u>(391,175)</u>	<u>(403,687)</u>	<u>(12,512)</u>
Total other financing sources (uses)	<u>9,443,876</u>	<u>10,884,907</u>	<u>8,650,446</u>	<u>(2,234,461)</u>
Net change in fund balance	<u>(3,704,436)</u>	<u>(14,127,346)</u>	<u>(3,753,638)</u>	<u>10,373,708</u>
FUND BALANCE:				
Beginning of year	<u>46,662,596</u>	<u>46,662,596</u>	<u>46,662,596</u>	<u>-</u>
End of year	<u>\$ 42,958,160</u>	<u>\$ 32,535,250</u>	<u>\$ 42,908,958</u>	<u>\$ 10,373,708</u>

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NON-MAJOR GOVERNMENTAL FUNDS

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Cosumnes Community Services District
Combining Balance Sheets - Nonmajor Governmental Funds
June 30, 2025

	Debt Service Fund	Foundation Special Revenue Fund	Grant Special Revenue Fund	CFD Special Revenue Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 68,620	\$219,031	\$ 681	\$ 185,263	\$ 473,595
Receivables:					
Interest	-	133	-	-	133
Intergovernmental	-	-	-	21,536	21,536
Total assets	<u>\$ 68,620</u>	<u>\$219,164</u>	<u>\$ 681</u>	<u>\$ 206,799</u>	<u>\$ 495,264</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 68,620	\$ 220	\$ -	\$ 9,719	\$ 78,559
Accrued payroll and benefits	-	-	-	56,970	56,970
Total Liabilities	<u>68,620</u>	<u>220</u>	<u>-</u>	<u>66,689</u>	<u>135,529</u>
Fund Balances:					
Restricted for:					
Foundation activities	-	218,944	-	-	218,944
Grants	-	-	681	-	681
Unassigned	-	-	-	140,110	140,110
Total fund balances (deficit)	<u>-</u>	<u>218,944</u>	<u>681</u>	<u>140,110</u>	<u>359,735</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,620</u>	<u>\$219,164</u>	<u>\$ 681</u>	<u>\$ 206,799</u>	<u>\$ 495,264</u>

Cosumnes Community Services District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Governmental Funds
For the year ended June 30, 2025

	Debt Service Fund	Foundation Special Revenue Fund	Grant Special Revenue Fund	CFD Special Revenue Fund	Total Nonmajor Governmental Funds
REVENUES:					
Charges for Services	\$ -	\$ -	\$ -	\$ 1,509,780	\$ 1,509,780
Intergovernmental	-	-	77,517	-	77,517
Donations and contributions	-	49,543	-	-	49,543
Use of money and property	-	1,501	-	5,850	7,351
Miscellaneous	-	1,352	-	-	1,352
Total revenues	-	52,396	77,517	1,515,630	1,645,543
EXPENDITURES:					
Current:					
Public protection	-	-	14,149	1,719,303	1,733,452
Recreation and culture	-	45,053	-	72,650	117,703
Total current expenditures	-	45,053	14,149	1,791,953	1,851,155
Debt service:					
Principal	1,832,611	-	-	-	1,832,611
Interest	2,532,827	-	-	-	2,532,827
Total debt service	4,365,438	-	-	-	4,365,438
Total expenditures	4,365,438	45,053	28,298	3,511,256	7,950,045
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,365,438)	7,343	49,219	(1,995,626)	(6,304,502)
OTHER FINANCING SOURCES (USES):					
Transfers in	4,365,438	3,000	-	378,674	4,747,112
Transfers out	-	(20,000)	(177,935)	-	(197,935)
Total other financing sources (uses)	4,365,438	(17,000)	(177,935)	378,674	4,549,177
Net change in fund balances	-	(9,657)	(128,716)	(1,616,952)	(1,755,325)
FUND BALANCES (DEFICIT):					
Beginning of year as, as previously presented	-	228,601	115,248	37,759	381,608
End of year	\$ -	\$ 218,944	\$ (13,468)	\$ (1,579,193)	\$ (1,373,717)

LANDSCAPE AND LIGHTING SPECIAL REVENUE FUND

To account for specific revenue sources related to the District Wide Landscape and Lighting Assessment District pursuant to the Landscape and Lighting Act of 1972. The activities of the Assessment Districts are accounted for under the following zones of benefit, which do not represent separate special revenue funds:

- Zone 1 - Laguna
- Zone 2 - Camden
- Zone 3 - Elk Grove/West Vineyard
- Zone 4 - West Laguna
- Zone 5 - Lakeside
- Zone 6 - Central Elk Grove
- Zone 8 - Other Rural Areas
- Zone 9 - Waterman/Park Village
- Zone 10 - Auto Mall
- Zone 11 - East Elk Grove
- Zone 12 - Laguna Stonelake
- Zone 13 - East Franklin
- Zone 14 - Camden Park
- Zone 15 - Vista Creek
- Zone 16 - Fallbrook Park Lane
- Zone 17 - City Landscape
- Zone 18 - Hampton Village
- Zone 19 - Camden Estates/Pointe
- Zone 20 - Perry Ranch
- District Wide

Cosumnes Community Services District

Balance Sheet Schedules by Benefit Zone - Landscape and Lighting Special Revenue Fund

June 30, 2025

	Landscape and Lighting Assessment District - Zones of Benefit				
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
	Laguna	Camden	Elk Grove/ West Vineyard	West Laguna	Lakeside
ASSETS					
Cash and investments	\$3,724,772	\$ 203,338	\$ 185,459	\$1,088,650	\$1,480,765
Receivables:					
Accounts	3,042	-	-	7,935	-
Interest	23,076	696	3,296	5,047	5,814
Intergovernmental	78,837	3,189	17,564	17,131	12,202
Leases - current	96,517	-	42,287	-	-
Leases - noncurrent	248,345	-	49,410	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$4,174,589</u>	<u>\$ 207,223</u>	<u>\$ 298,016</u>	<u>\$1,118,763</u>	<u>\$1,498,781</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 348,108	\$ 17,808	\$ 121,429	\$ 74,480	\$ 56,358
Accrued payroll and benefits	1,952	-	-	-	-
Unearned revenue	-	-	9,240	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>350,060</u>	<u>17,808</u>	<u>130,669</u>	<u>74,480</u>	<u>56,358</u>
Deferred Inflows of Resources:					
Leases	<u>297,760</u>	<u>-</u>	<u>74,078</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted for:					
Landscaping and lighting	<u>3,526,769</u>	<u>189,415</u>	<u>93,269</u>	<u>1,044,283</u>	<u>1,442,423</u>
Total fund balances	<u>3,526,769</u>	<u>189,415</u>	<u>93,269</u>	<u>1,044,283</u>	<u>1,442,423</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$4,174,589</u>	<u>\$ 207,223</u>	<u>\$ 298,016</u>	<u>\$1,118,763</u>	<u>\$1,498,781</u>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 6 Central Elk Grove	Zone 8 Other Rural Areas	Zone 9 Waterman/ Park Village	Zone 10 Auto Mall	Zone 11 East Elk Grove	Zone 12 Laguna Stonelake	Zone 13 East Franklin	Zone 14 Camden Park
\$2,114,884	\$4,899,434	\$ 232,742	\$ 530,802	\$ 12,509,216	\$ 1,346,907	\$ 17,805,098	\$ 605,090
-	-	-	-	-	-	5,290	-
7,446	16,672	2,165	1,763	42,800	8,124	78,974	2,411
11,895	19,806	6,186	799	35,545	9,532	66,833	2,632
-	-	31,048	-	-	31,369	91,171	-
-	-	69,453	-	-	219,081	437,255	-
-	-	-	-	685,289	-	262,630	-
<u>\$2,134,225</u>	<u>\$4,935,912</u>	<u>\$ 341,594</u>	<u>\$ 533,364</u>	<u>\$13,272,850</u>	<u>\$1,615,013</u>	<u>\$18,747,251</u>	<u>\$ 610,133</u>
\$ 35,296	\$ 9,501	\$ 44,526	\$ 1,998	\$ 124,087	\$ 45,138	\$ 306,893	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>35,296</u>	<u>9,501</u>	<u>44,526</u>	<u>1,998</u>	<u>124,087</u>	<u>45,138</u>	<u>306,893</u>	<u>-</u>
-	-	89,022	-	-	213,696	485,461	-
<u>2,098,929</u>	<u>4,926,411</u>	<u>208,046</u>	<u>531,366</u>	<u>13,148,763</u>	<u>1,356,179</u>	<u>17,954,897</u>	<u>610,133</u>
<u>2,098,929</u>	<u>4,926,411</u>	<u>208,046</u>	<u>531,366</u>	<u>13,148,763</u>	<u>1,356,179</u>	<u>17,954,897</u>	<u>610,133</u>
<u>\$2,134,225</u>	<u>\$4,935,912</u>	<u>\$ 341,594</u>	<u>\$ 533,364</u>	<u>\$13,272,850</u>	<u>\$1,615,013</u>	<u>\$18,747,251</u>	<u>\$ 610,133</u>

(Continued)

Cosumnes Community Services District

Balance Sheet Schedules by Benefit Zone - Landscape and Lighting Special Revenue Fund

June 30, 2025

	Landscape and Lighting Assessment District - Zones of Benefit				
	Zone 15 Vista Creek	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	Zone 18 Hampton Village	Zone 19 Camden Estates/Pointe
ASSETS					
Cash and investments	\$ 244,307	\$ 584,839	\$ (30,898)	\$ 958,740	\$ 421,562
Receivables:					
Accounts	-	-	-	-	-
Interest	835	2,282	-	3,331	1,385
Intergovernmental	652	2,265	630,806	1,565	1,230
Leases - current	-	-	-	-	-
Leases - noncurrent	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 245,794</u>	<u>\$ 589,386</u>	<u>\$ 599,908</u>	<u>\$ 963,636</u>	<u>\$ 424,177</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 236,895	\$ -	\$ -
Accrued payroll and benefits	-	-	32,857	-	-
Unearned revenue	-	-	-	-	-
Advances from other funds	-	262,630	-	685,289	-
Total liabilities	<u>-</u>	<u>262,630</u>	<u>269,752</u>	<u>685,289</u>	<u>-</u>
Deferred Inflows of Resources:					
Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted for:					
Landscaping and lighting	<u>245,794</u>	<u>326,756</u>	<u>330,156</u>	<u>278,347</u>	<u>424,177</u>
Total fund balances	<u>245,794</u>	<u>326,756</u>	<u>330,156</u>	<u>278,347</u>	<u>424,177</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 245,794</u>	<u>\$ 589,386</u>	<u>\$ 599,908</u>	<u>\$ 963,636</u>	<u>\$ 424,177</u>

Landscape and Lighting Assessment
District - Zones of Benefit

Zone 20 Perry Ranch	District Wide	Total
\$ 273,256	\$ 956,957	\$ 50,135,920
-	807	17,074
904	41,872	248,893
1,367	-	920,036
-	83,794	376,186
-	511,742	1,535,286
-	-	947,919
<u>\$ 275,527</u>	<u>\$1,595,172</u>	<u>\$ 54,181,314</u>

\$ -	\$ 266,103	\$ 1,688,620
-	217,838	252,647
-	-	9,240
-	-	947,919
<u>-</u>	<u>483,941</u>	<u>2,898,426</u>

<u>-</u>	<u>528,354</u>	<u>1,688,371</u>
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<u>275,527</u>	<u>582,877</u>	<u>49,594,517</u>
<u>275,527</u>	<u>582,877</u>	<u>49,594,517</u>

<u>\$ 275,527</u>	<u>\$1,595,172</u>	<u>\$ 54,181,314</u>
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Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone -

Landscape and Lighting Special Revenue Fund

For the year ended June 30, 2025

	Landscape and Lighting Assessment District - Zones of Benefit				
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
	Laguna	Camden	Elk Grove/ West Vineyard	West Laguna	Lakeside
REVENUES:					
Charges for current services	\$ 5,383,354	\$ 217,746	\$ 1,199,376	\$ 1,169,804	\$ 833,219
Use of money and property	304,661	7,464	63,574	56,005	74,257
Miscellaneous	1,000	-	-	-	303
Total revenues	<u>5,689,015</u>	<u>225,210</u>	<u>1,262,950</u>	<u>1,225,809</u>	<u>907,779</u>
EXPENDITURES:					
Current:					
Recreation and culture	3,403,016	203,804	841,939	716,795	521,549
Public protection	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>3,403,016</u>	<u>203,804</u>	<u>841,939</u>	<u>716,795</u>	<u>521,549</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,285,999</u>	<u>21,406</u>	<u>421,011</u>	<u>509,014</u>	<u>386,230</u>
OTHER FINANCING SOURCES (USES):					
Insurance recovery	-	-	-	7,935	24,540
Transfers in	162,783	136,922	196,679	79,762	19,143
Transfers out	(2,450,577)	(158,327)	(730,569)	(596,713)	(391,864)
Total other financing sources (uses)	<u>(2,287,794)</u>	<u>(21,405)</u>	<u>(533,890)</u>	<u>(509,016)</u>	<u>(348,181)</u>
Net change in fund balances	<u>(1,795)</u>	<u>1</u>	<u>(112,879)</u>	<u>(2)</u>	<u>38,049</u>
FUND BALANCES:					
Beginning of year, as previously reported	<u>3,528,564</u>	<u>189,414</u>	<u>206,148</u>	<u>1,044,285</u>	<u>1,404,374</u>
End of year	<u>\$ 3,526,769</u>	<u>\$ 189,415</u>	<u>\$ 93,269</u>	<u>\$ 1,044,283</u>	<u>\$ 1,442,423</u>

Landscape and Lighting Assessment District - Zones of Benefit

Zone 6 Central Elk Grove	Zone 8 Other Rural Areas	Zone 9 Waterman/ Park Village	Zone 10 Auto Mall	Zone 11 East Elk Grove	Zone 12 Laguna Stonelake	Zone 13 East Franklin	Zone 14 Camden Park
\$ 812,237 97,318 -	\$ 1,352,418 227,287 -	\$ 422,397 40,344 -	\$ 54,564 24,718 -	\$ 2,427,190 606,374 1,227	\$ 650,900 220,742 -	\$ 4,563,682 1,254,322 -	\$ 201,872 31,610 -
909,555	1,579,705	462,741	79,282	3,034,791	871,642	5,818,004	233,482
341,323 -	86,777 -	389,053 -	5,032 -	1,194,128 17,673	373,094 -	2,000,541 8,295	1,385 -
- -	- -	- -	- -	- -	- -	- -	- -
341,323	86,777	389,053	5,032	1,211,801	373,094	2,008,836	1,385
568,232	1,492,928	73,688	74,250	1,822,990	498,548	3,809,168	232,097
- 7,028 (276,772) (269,744)	6,439 91,563 (776,263) (678,261)	- 242,971 (317,005) (74,034)	- - (8,622) (8,622)	1,457 31,243 (837,267) (804,567)	- 5,091 (336,178) (331,087)	- 43,645 (9,372,303) (9,328,658)	- - (159,884) (159,884)
298,488	814,667	(346)	65,628	1,018,423	167,461	(5,519,490)	72,213
1,800,441	4,111,744	208,392	465,738	12,130,340	1,188,718	23,474,387	537,920
<u>\$ 2,098,929</u>	<u>\$ 4,926,411</u>	<u>\$ 208,046</u>	<u>\$ 531,366</u>	<u>\$ 13,148,763</u>	<u>\$ 1,356,179</u>	<u>\$ 17,954,897</u>	<u>\$ 610,133</u>

(Continued)

Cosumnes Community Services District

Schedule of Revenues, Expenditures and Changes in Fund Balances by Benefit Zone

Landscape and Lighting Special Revenue Fund, Continued

For the year ended June 30, 2025

	Landscape and Lighting Assessment District - Zones of Benefit				
	Zone 15 Vista Creek	Zone 16 Fallbrook Park Lane	Zone 17 City Landscape	Zone 18 Hampton Village	Zone 19 Camden Estates/Pointe
REVENUES:					
Charges for current services	\$ 29,628	\$ 181,046	\$ 3,506,877	\$ 92,758	\$ 92,495
Use of money and property	11,670	31,278	-	46,951	18,277
Miscellaneous	-	-	-	-	-
Total revenues	<u>41,298</u>	<u>212,324</u>	<u>3,506,877</u>	<u>139,709</u>	<u>110,772</u>
EXPENDITURES:					
Current:					
Recreation and culture	625	1,740	3,407,313	2,079	1,740
Public protection	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	5,630	-	12,818	-
Total expenditures	<u>625</u>	<u>7,370</u>	<u>3,407,313</u>	<u>14,897</u>	<u>1,740</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>40,673</u>	<u>204,954</u>	<u>99,564</u>	<u>124,812</u>	<u>109,032</u>
OTHER FINANCING SOURCES (USES):					
Insurance recovery	-	-	-	-	-
Transfers in	-	-	97,134	-	-
Transfers out	(12,074)	(125,378)	(204,297)	(58,438)	(12,437)
Total other financing sources (uses)	<u>(12,074)</u>	<u>(125,378)</u>	<u>(107,163)</u>	<u>(58,438)</u>	<u>(12,437)</u>
Net change in fund balances	<u>28,599</u>	<u>79,576</u>	<u>(7,599)</u>	<u>66,374</u>	<u>96,595</u>
FUND BALANCES:					
Beginning of year	<u>217,195</u>	<u>247,180</u>	<u>337,755</u>	<u>211,973</u>	<u>327,582</u>
End of year	<u>\$ 245,794</u>	<u>\$ 326,756</u>	<u>\$ 330,156</u>	<u>\$ 278,347</u>	<u>\$ 424,177</u>

Landscape and Lighting Assessment
District - Zones of Benefit

Zone 20 Perry Ranch	District Wide	Total
\$ 75,249	\$ -	\$ 23,266,812
11,693	149,300	3,277,845
-	9,038	11,568
86,942	158,338	26,556,225
1,740	7,723,633	21,217,306
-	56,441	82,409
-	38,793	38,793
-	5,355	23,803
1,740	7,824,222	21,362,311
85,202	(7,665,884)	5,193,914
-	35,521	75,892
-	7,912,717	9,026,681
(12,511)	(252,948)	(17,090,427)
(12,511)	7,695,290	(7,987,854)
72,691	29,406	(2,793,940)
202,836	553,471	52,388,457
<u>\$ 275,527</u>	<u>\$ 582,877</u>	<u>\$ 49,594,517</u>

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Cosumnes Community Services District
Internal Service Funds - Combining Statement of Net Position
June 30, 2025

	Facilities	Fleet	IT	Risk Management	Total
ASSETS					
Cash and investments	\$ 2,097,643	\$ 6,503,315	\$ 1,294,726	\$ 602,362	\$ 10,498,046
Receivables:					
Interest	7,144	21,858	4,433	-	33,435
Total assets	<u>\$ 2,104,787</u>	<u>\$ 6,525,173</u>	<u>\$ 1,299,159</u>	<u>\$ 602,362</u>	<u>\$ 10,531,481</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 150,107	\$ 1,461	\$ 15,629	\$ -	\$ 167,197
Total liabilities	<u>150,107</u>	<u>1,461</u>	<u>15,629</u>	<u>-</u>	<u>167,197</u>
NET POSITION					
Unrestricted	1,954,680	6,523,712	1,283,530	602,362	10,364,284
Total net position	<u>\$ 1,954,680</u>	<u>\$ 6,523,712</u>	<u>\$ 1,283,530</u>	<u>\$ 602,362</u>	<u>\$ 10,364,284</u>

Cosumnes Community Services District

Internal Service Funds - Combining Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2025

	Facilities	Fleet	IT	Risk Management	Total
OPERATING REVENUES:					
Charges for current services	\$ 596,756	\$ 135,427	\$ 1,010,685	\$ 6,548,471	\$ 8,291,339
Miscellaneous	-	-	-	236,989	236,989
Total operating revenues	<u>596,756</u>	<u>135,427</u>	<u>1,010,685</u>	<u>6,785,460</u>	<u>8,528,328</u>
OPERATING EXPENSES:					
Professional services and supplies	215,082	-	1,079,006	6,334,856	7,628,944
Maintenance	748,675	568,696	204	67,933	1,385,508
Short-term equipment rental/leases	-	2,998	17,278	-	20,276
Total operating expenses	<u>963,757</u>	<u>571,694</u>	<u>1,096,488</u>	<u>6,402,789</u>	<u>9,034,728</u>
Operating income (loss)	<u>(367,001)</u>	<u>(436,267)</u>	<u>(85,803)</u>	<u>382,671</u>	<u>(506,400)</u>
NON-OPERATING REVENUE (EXPENSES):					
Interest and investment revenue	103,410	317,804	62,704	-	483,918
Total nonoperating revenue (expenses)	<u>103,410</u>	<u>317,804</u>	<u>62,704</u>	<u>-</u>	<u>483,918</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(263,591)</u>	<u>(118,463)</u>	<u>(23,099)</u>	<u>382,671</u>	<u>(22,482)</u>
Change in net position	<u>(263,591)</u>	<u>(118,463)</u>	<u>(23,099)</u>	<u>382,671</u>	<u>(22,482)</u>
NET POSITION:					
Beginning of year	<u>2,218,271</u>	<u>6,642,175</u>	<u>1,306,629</u>	<u>219,691</u>	<u>10,386,766</u>
End of year	<u>\$ 1,954,680</u>	<u>\$ 6,523,712</u>	<u>\$ 1,283,530</u>	<u>\$ 602,362</u>	<u>\$ 10,364,284</u>

Cosumnes Community Services District
Internal Service Funds - Combining Statement of Cash Flows
For the year ended June 30, 2025

	Facilities	Fleet	IT	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 596,756	\$ 135,427	\$ 1,010,685	\$ 6,785,460	\$ 8,528,328
Cash paid to suppliers	(848,052)	(570,233)	(1,091,092)	(6,402,789)	(8,912,166)
CASH PROVIDED BY OPERATING ACTIVITIES	(251,296)	(434,806)	(80,407)	382,671	(383,838)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Net investment earnings	100,451	315,821	61,625	902	478,799
NET CASH USED BY INVESTING ACTIVITIES	100,451	315,821	61,625	902	478,799
Net increase (decrease) in cash and cash equivalents	(150,845)	(118,985)	(18,782)	383,573	94,961
CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents, beginning of year	2,248,488	6,622,300	1,313,508	218,789	10,403,085
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,097,643</u>	<u>\$ 6,503,315</u>	<u>\$ 1,294,726</u>	<u>\$ 602,362</u>	<u>\$ 10,498,046</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income	\$ (367,001)	\$ (436,267)	\$ (85,803)	\$ 382,671	\$ (506,400)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Changes in operating assets and liabilities:					
Increase (decrease) in accounts payable and accrued liabilities	115,705	1,461	5,396	-	122,562
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (251,296)</u>	<u>\$ (434,806)</u>	<u>\$ (80,407)</u>	<u>\$ 382,671</u>	<u>\$ (383,838)</u>

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STATISTICAL SECTION

This section of the Cosumnes Community Services District's annual comprehensive financial report provides detailed information to help readers understand the context behind the information presented in the financial statements, note disclosures, and required supplementary information regarding the District's overall financial health.

Financial Trends

These schedules contain financial trend information for assessing the District's financial performance and well-being over time.

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules present revenue capacity information to assess the District's ability to generate revenues. Property taxes, charges for services, and developer fees and contributions are the District's most significant revenue sources.

1. Direct and Overlapping Property Tax Rates
2. Principal Property Taxpayers
3. Property Tax Levies and Collections
4. Assessed Value and Estimated Actual of Taxable Property

Debt Capacity

These schedules provide information to assess the affordability of the District's current levels of outstanding debt and its ability to issue additional debt.

1. Ratio of Outstanding Debt by Type
2. Direct and Overlapping Debt
3. Legal Debt Margin Information
4. Pledged Revenue Coverage

Demographic and Economic Information

These schedules provide information on the demographic and economic environment in which the District conducts business.

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules provide information on the District's service infrastructure to help readers understand how the information in the District's financial report relates to the services the District offers and the activities it performs.

1. Full-Time District Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

Cosumnes Community Services District
Net Position by Component
(accrual basis of accounting)

		Fiscal Year			
		2025 (1)	2024 (1)	2023 (1)	2022 (1)
Governmental activities:					
Net investment in capital assets	\$	248,096,030	239,749,801	233,681,783	228,446,268
Restricted		102,267,097	105,969,929	105,513,072	115,492,401
Unrestricted		(64,723,137)	(76,721,822)	(87,167,400)	(112,373,756)
Total governmental activities net position	\$	<u>285,639,990</u>	<u>268,997,908</u>	<u>252,027,455</u>	<u>231,564,913</u>
Business-type activities:					
Net investment in capital assets	\$	5,618,017	5,277,219	4,258,690	3,921,191
Restricted		-	-	-	-
Unrestricted		(1,328,278)	(1,341,490)	(1,084,359)	(136,618)
Total business-type activities net position	\$	<u>4,289,739</u>	<u>3,935,729</u>	<u>3,174,331</u>	<u>3,784,573</u>
Primary government (District-wide totals)					
Net investment in capital assets	\$	253,714,047	245,027,020	237,940,473	232,367,459
Restricted		102,267,097	105,969,929	105,513,072	115,492,401
Unrestricted		(66,051,415)	(78,063,312)	(88,251,759)	(112,510,374)
Total primary government net position	\$	<u>289,929,729</u>	<u>272,933,637</u>	<u>255,201,786</u>	<u>235,349,486</u>

(1) District recognized and reported golf activities as separate business-type/proprietary fund effective FY 2021-2022.

Source: Cosumnes CSD Administrative Services Department

Fiscal Year					
2021	2020	2019	2018	2017	2016
216,064,889	209,717,941	200,173,933	191,275,989	179,250,894	185,351,179
75,492,802	70,724,935	63,838,846	57,280,447	52,954,081	48,762,603
(73,154,914)	(75,394,287)	(72,493,773)	(65,389,716)	(51,766,076)	(50,108,183)
218,402,777	205,048,589	191,519,006	183,166,720	180,438,899	184,005,599
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
216,064,889	209,717,941	200,173,933	191,275,989	179,250,894	185,351,179
75,492,802	70,724,935	63,838,846	57,280,447	52,954,081	48,762,603
(73,154,914)	(75,394,287)	(72,493,773)	(65,389,716)	(51,766,076)	(50,108,183)
218,402,777	205,048,589	191,519,006	183,166,720	180,438,899	184,005,599

Cosumnes Community Services District
Changes in Net Position
(accrual basis of accounting)

	Fiscal Year			
	2025 (1)	2024 (1)	2023 (1)	2022 (1)
Expenses				
Governmental activities:				
Public protection	\$ 83,485,473	74,371,260	69,059,844	57,607,182
Recreation and culture	38,760,883	41,910,089	35,770,661	29,980,854
General government	13,951,633	12,702,804	11,299,664	10,479,013
Interest on long-term debt	2,366,131	2,400,329	2,870,850	1,097,878
Total governmental expenses	<u>138,564,120</u>	<u>131,384,482</u>	<u>119,001,019</u>	<u>99,164,927</u>
Business-type activities:				
Golf operations	1,736,585	1,768,436	2,376,192	1,392,884
Interest on long-term debt	15,607	15,607	10,111	9,652
Total governmental expenses	<u>1,752,192</u>	<u>1,784,043</u>	<u>2,386,303</u>	<u>1,402,536</u>
Total District government expenses	<u>140,316,312</u>	<u>133,168,525</u>	<u>121,387,322</u>	<u>100,567,463</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public protection	26,449,466	21,752,826	21,850,108	16,184,420
Recreation and culture	29,792,867	30,528,464	28,909,641	25,908,825
General government		10,854	14,525	7,200
Operating grants and contributions	3,467,017	6,662,116	5,919,904	12,024,199
Capital grants and contributions	10,949,399	8,621,772	14,773,990	6,339,630
Total governmental program revenues	<u>70,658,749</u>	<u>67,576,032</u>	<u>71,468,168</u>	<u>60,464,274</u>
Business-type activities:				
Charges for services:				
Golf operations	2,079,226	1,945,966	1,716,018	1,659,702
Total business-type program revenues	<u>2,079,226</u>	<u>1,945,966</u>	<u>1,716,018</u>	<u>1,659,702</u>
Total District program revenues	<u>72,737,975</u>	<u>69,521,998</u>	<u>73,184,186</u>	<u>62,123,976</u>
Net revenues (expenses):				
Governmental activities	(67,905,371)	(63,808,450)	(47,532,851)	(38,700,653)
Business-type activities	327,034	161,923	(670,285)	257,166
Total net revenues (expenses)	<u>(67,578,337)</u>	<u>(63,646,527)</u>	<u>(48,203,136)</u>	<u>(38,443,487)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property Taxes	66,838,673	63,544,978	60,360,675	55,823,760
Other Taxes	10,527,839	10,288,329	2,340,796	-
Investment earnings	6,171,677	6,420,795	3,243,903	(1,261,001)
Miscellaneous	1,025,704	1,091,060	973,974	817,609
Transfers	(16,440)	(566,259)	(42,943)	(3,517,579)
Total governmental activities	<u>84,547,453</u>	<u>80,778,903</u>	<u>66,876,405</u>	<u>51,862,789</u>
Business-type activities:				
Investment earnings	1,851	24,338	3,918	183
Miscellaneous	8,685	8,878	13,182	9,645
Transfers	16,440	566,259	42,943	3,517,579
Total business-type activities	<u>26,976</u>	<u>599,475</u>	<u>60,043</u>	<u>3,527,407</u>
Total primary government	<u>84,574,429</u>	<u>81,378,378</u>	<u>66,936,448</u>	<u>55,390,196</u>
Changes in net position				
Governmental activities	16,642,082	16,970,453	19,343,554	13,162,136
Business-type activities	354,010	761,398	(610,242)	3,784,573
Total primary government and business-type activities	<u>\$ 16,996,092</u>	<u>17,731,851</u>	<u>18,733,312</u>	<u>16,946,709</u>

(1) District recognized and reported golf activities as separate business-type/proprietary fund effective FY 2021-2022.

Source: Cosumnes CSD Administrative Services Department

Fiscal Year					
2021	2020	2019	2018	2017	2016
59,749,158	56,326,241	56,182,068	53,558,990	44,947,335	39,709,149
24,829,567	29,742,626	29,591,083	28,010,357	26,110,030	23,461,242
9,778,422	7,267,429	6,437,201	6,850,160	6,057,493	7,844,015
792,592	872,528	1,112,061	1,049,287	1,456,115	1,436,266
95,149,739	94,208,824	93,322,413	89,468,794	78,570,973	72,450,672
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
95,149,739	94,208,824	93,322,413	89,468,794	78,570,973	72,450,672
18,057,124	13,583,739	11,150,645	12,577,480	9,929,689	6,916,448
21,756,834	22,498,466	22,776,846	21,604,713	20,878,015	20,585,430
3,839	2,526,344	5,519,156	2,853,733	3,301,028	7,799,770
3,818,987	127,851	134,483	94,093	89,340	160,132
10,592,882	6,892,130	9,029,697	9,232,552	11,640,159	5,075,796
54,229,666	45,628,530	48,610,827	46,362,571	45,838,231	40,537,576
-	-	-	-	-	-
-	-	-	-	-	-
54,229,666	45,628,530	48,610,827	46,362,571	45,838,231	40,537,576
(40,920,073)	(48,580,294)	(44,711,586)	(43,106,223)	(32,732,742)	(31,913,096)
-	-	-	-	-	-
(40,920,073)	(48,580,294)	(44,711,586)	(43,106,223)	(32,732,742)	(31,913,096)
52,467,996	48,761,970	46,477,721	43,868,694	41,024,168	36,173,988
-	-	-	-	-	-
1,003,892	2,752,241	2,258,766	1,094,388	938,460	431,763
802,373	5,860,861	4,327,385	870,962	1,019,777	334,787
-	-	-	-	-	-
54,274,261	57,375,072	53,063,872	45,834,044	42,982,405	36,940,538
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,274,261	57,375,072	53,063,872	45,834,044	42,982,405	36,940,538
13,354,188	8,794,778	8,352,286	2,727,821	10,249,663	5,027,442
-	-	-	-	-	-
13,354,188	8,794,778	8,352,286	2,727,821	10,249,663	5,027,442

Cosumnes Community Services District
Fund Balances of Governmental Funds
(modified accrual basis of accounting)

		Fiscal Year			
		2025	2024	2023	2022
General fund:					
Nonspendable	\$	776,531	978,664	1,656,150	26,786
Restricted		-	-	-	22
Committed		645,798	2,001,950	2,001,950	-
Assigned		4,177,519	1,981,149	1,566,923	1,567,388
Unassigned		34,929,355	32,082,913	37,959,108	34,270,115
Total general fund	\$	<u>40,529,203</u>	<u>37,044,676</u>	<u>43,184,131</u>	<u>35,864,311</u>
All other governmental funds:					
Restricted	\$	102,267,097	105,969,929	105,513,072	115,492,379
Committed		681	115,248	300,000	3,723,026
Unassigned		140,110	37,759	-	(147,571)
Total all other governmental funds	\$	<u>102,407,888</u>	<u>106,122,936</u>	<u>105,813,072</u>	<u>119,067,834</u>
Total governmental funds fund balance	\$	<u>142,937,091</u>	<u>143,167,612</u>	<u>148,997,203</u>	<u>154,932,145</u>

Source: Cosumnes CSD Administrative Services Department

Fiscal Year					
2021	2020	2019	2018	2017	2016
443,449	1,494,483	778,662	963,525	1,967,160	984,526
-	28,128,307	24,939,657	19,957,662	17,856,548	16,792,913
-	-	-	-	-	-
2,342,843	23,278,561	25,747,350	25,639,993	32,218,113	29,194,656
30,810,845	-	-	-	-	-
33,597,137	52,901,351	51,465,669	46,561,180	52,041,821	46,972,095
75,492,802	42,596,628	38,899,189	37,322,785	35,097,533	31,969,690
-	-	-	-	-	-
-	-	-	-	-	-
75,492,802	42,596,628	38,899,189	37,322,785	35,097,533	31,969,690
109,089,939	95,497,979	90,364,858	83,883,965	87,139,354	78,941,785

Cosumnes Community Services District
Changes in Fund Balances of Governmental Funds
(modified accrual and accrual basis of accounting)

	Fiscal Year			
	2025	2024	2023	2022
Revenues:				
Taxes	\$ 66,838,673	63,544,978	60,360,675	55,823,760
Charges for services	56,328,835	52,117,586	49,234,562	40,549,234
Developer fees and contributions	7,850,242	6,593,499	8,193,753	3,800,188
Intergovernmental	13,877,363	16,805,527	6,038,833	13,770,274
Donations and contributions	125,809	146,716	134,567	116,867
Use of money and property	8,529,690	8,497,950	4,934,173	110,717
Miscellaneous	1,125,210	941,547	818,406	774,708
Total revenues	<u>154,675,822</u>	<u>148,647,803</u>	<u>129,714,969</u>	<u>114,945,748</u>
Expenditures:				
Current:				
Public protection	79,237,838	68,606,941	64,994,328	59,826,123
Recreation and culture	37,612,411	35,076,931	33,392,027	27,440,437
General government	12,548,393	14,435,461	10,298,898	8,980,264
Capital outlay	21,086,321	31,467,574	24,586,327	14,687,146
Debt service:				
Principal	2,044,813	1,884,227	2,188,541	1,982,288
Interest	2,580,885	2,639,514	2,650,014	1,097,133
Cost of issuance	-	-	-	594,432
Total expenditures	<u>155,110,661</u>	<u>154,110,648</u>	<u>138,110,135</u>	<u>114,607,823</u>
Excess of revenues over expenditures	<u>(434,839)</u>	<u>(5,462,845)</u>	<u>(8,395,166)</u>	<u>337,925</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	97,793	130,079	126,750	-
Issuance of long-term liabilities	-	-	1,228,761	45,716,566
Payment to escrow for refunding	-	-	-	-
Original issue premium	-	-	-	-
Original issue discount	-	-	-	-
Insurance recoveries	122,965	68,734	28,668	42,901
Transfers in	16,133,259	23,874,006	17,668,790	11,632,742
Transfers out	<u>(16,149,699)</u>	<u>(24,440,265)</u>	<u>(17,711,733)</u>	<u>(11,887,928)</u>
Total other financing sources (uses)	<u>204,318</u>	<u>(367,446)</u>	<u>1,341,236</u>	<u>45,504,281</u>
Net change in fund balances	<u>\$ (230,521)</u>	<u>(5,830,291)</u>	<u>(7,053,930)</u>	<u>45,842,206</u>
Debt service as a percentage of noncapital expenditures	3.5%	3.7%	4.3%	3.7%

Source: Cosumnes CSD Administrative Services Department

Fiscal Year					
2021	2020	2019	2018	2017	2016
52,467,996	48,761,970	46,477,721	43,868,694	41,024,168	38,678,041
39,643,412	37,063,260	34,831,824	35,055,970	32,494,151	28,526,257
5,061,144	4,525,151	4,752,534	5,141,896	2,004,448	1,669,000
9,125,379	2,366,979	4,277,163	4,090,656	2,644,117	3,406,796
294,347	127,851	134,483	94,093	89,340	160,132
1,003,892	3,701,629	3,456,645	2,211,653	2,067,792	2,048,806
754,115	5,860,861	4,327,385	870,962	1,019,777	1,458,664
108,350,285	102,407,701	98,257,755	91,333,924	81,343,793	75,947,696
53,926,608	50,707,523	48,456,075	47,452,087	43,262,133	38,600,228
21,978,164	25,672,120	25,942,538	24,675,929	22,462,027	20,606,032
8,269,981	5,662,393	5,651,139	5,987,865	6,006,798	7,881,271
8,441,842	13,627,355	11,668,702	14,997,275	6,294,857	3,491,208
2,751,254	2,765,078	2,769,048	2,586,599	1,883,696	2,409,130
944,938	918,187	1,156,192	1,093,374	970,887	1,158,549
-	-	-	-	529,832	272,852
96,312,787	99,352,656	95,643,694	96,793,129	81,410,230	74,419,270
12,037,498	3,055,045	2,614,061	(5,459,205)	(66,437)	1,528,426
-	21,685	22,700	22,909	210	6,150
1,514,532	1,691,883	447,658	1,310,000	15,720,282	10,420,172
-	-	-	-	(9,230,447)	-
-	-	-	-	896,282	-
-	-	-	-	(224,451)	(283,460)
39,930	364,508	3,396,474	870,907	1,102,130	4,937,030
36,772,981	7,120,451	8,549,653	9,353,101	5,441,174	5,506,912
(36,772,981)	(7,120,451)	(8,549,653)	(9,353,101)	(5,441,174)	(5,506,912)
1,554,462	2,078,076	3,866,832	2,203,816	8,264,006	15,079,892
13,591,960	5,133,121	6,480,893	(3,255,389)	8,197,569	16,608,318
4.2%	4.3%	4.7%	4.5%	3.8%	5.0%

Cosumnes Community Services District
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Rate	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137	0.22137
Overlapping Rates:										
County of Sacramento	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606	0.38606
County Library	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037	0.02037
Elk Grove Unified School District	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487	0.25487
Elk Grove-Cosumnes Cemetery District	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275
City of Elk Grove	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738	0.05738
Los Rios Community College	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641
Sacramento-Yolo Mosquito Abatement District	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866
Other	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213	0.01213
Regional Sanitation District Bonds	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550	0.00550
Los Rios Community College GO Bonds	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720	0.00720
Total Direct Rate	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270	1.01270

Notes:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Regional Sanitation District bonds and Los Rios Community College General Obligation bonds.

Rates are within the City of Elk Grove boundaries. No data is available for areas outside City boundaries.

Source: HdL Coren & Cone

Cosumnes Community Services District
Principal Property Taxpayers
Current Year and Nine Years Ago

	2025		2016	
	Taxable Assessed Value (1)	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Percentage of Total District Taxable Assessed Value
PF Portfolio 1 LP	\$ 243,092,895	0.74%	\$ -	-
Apple Computer, Inc	115,205,779	0.35%	180,535,865	0.94%
Wilton Rancheria	103,184,310	0.31%	-	-
DS Properties 18 LP	100,117,684	0.30%	-	-
Apple, Inc	96,271,302	0.29%	-	-
Taylor Morrison of California LLC	90,142,717	0.27%	-	-
Oakmont Properties II LP	83,553,202	0.25%	55,725,122	0.29%
CD Lake Point LLC/ JD Lake Point LLC	76,725,338	0.23%	-	-
Kubota Tractor Corporation	72,687,301	0.22%	-	-
MG Somerfield at Lakeside Apartments	71,391,985	0.22%	-	-
Donahue Schriber Realty Group	-	-	115,896,613	0.60%
Pappas Laguna 2 Limited Partnership	-	-	92,035,034	0.48%
Laguna Springs Corporation Center	-	-	74,340,729	0.39%
Kaiser Foundation Health Plan	-	-	56,888,372	0.30%
WSI Poppy Ridge LLC	-	-	48,589,432	0.25%
9130 Nolan State LLC	-	-	43,187,707	0.22%
Norwalk Fallon LLC	-	-	38,135,056	0.20%
Jackson II LLC	-	-	36,349,367	0.19%
Total	\$ <u>1,052,372,513</u>	<u>3.21%</u>	\$ <u>741,683,297</u>	<u>3.86%</u>

Notes:

(1) Amounts represent assessed values within the City of Elk Grove boundaries.

Source: County of Sacramento Assessor's Office

**Cosumnes Community Services District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 39,476,493	\$ 38,678,041	97.98%	\$ 399,226	\$ 39,077,267	98.98%
2017	41,924,688	41,024,168	97.85%	450,260	41,474,428	98.91%
2018	44,766,582	43,868,694	97.99%	448,944	44,317,638	98.99%
2019	47,407,275	46,477,721	98.04%	533,871	47,011,592	98.86%
2020	49,532,085	48,377,548	97.67%	384,422	48,761,970	99.21%
2021	52,430,949	52,002,432	99.18%	465,565	52,467,997	99.11%
2022	54,535,645	55,397,242	101.58%	426,517	54,970,725	100.78%
2023	60,774,449	59,856,059	98.49%	504,615	59,351,444	100.85%
2024	63,366,987	62,944,819	99.33%	603,114	62,341,705	100.97%
2025	66,977,029	68,018,558	101.56%	652,638	67,365,920	100.97%

Sources: Sacramento County Auditor-Controller and Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate
2016	\$ 18,888,266	\$ 310,101	\$ 19,198,367	0.22137
2017	20,141,942	301,965	20,443,907	0.22137
2018	21,347,233	306,951	21,654,184	0.22137
2019	22,625,913	322,966	22,948,879	0.22137
2020	23,825,609	375,378	24,200,987	0.22137
2021	25,270,907	412,573	25,683,480	0.22137
2022	26,600,510	405,056	27,005,567	0.22137
2023	28,699,337	475,923	29,175,260	0.22137
2024	30,555,270	517,909	31,073,179	0.22137
2025	32,262,345	571,954	32,834,299	0.22137

Notes:

In 1978 the voters of the State of California 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.

Source: Sacramento County Auditor-Controller and Cosumnes CSD Administrative Services Department

Cosumnes Community Services District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities		Total Governmental and Business-type Activities	Percentage of Assessed Valuation	Debt Per Capita
	Certificates of Participation (1)	Loans	Leases	Loans	Leases			
2016	\$ 9,221,378	\$ 73,913	\$ 17,705,066	\$ -	\$ -	\$ 27,000,357	0.14%	142
2017	23,935,000	66,111	8,801,650	-	-	32,802,761	0.16%	171
2018	23,156,804	54,242	8,616,918	-	-	31,827,964	0.15%	163
2019	21,870,000	41,728	7,293,041	-	-	29,204,769	0.13%	148
2020	21,103,140	28,545	7,203,032	-	-	28,334,717	0.12%	142
2021	20,080,754	14,649	6,910,206	-	-	27,005,609	0.11%	132
2022 (2)	63,258,719	7,009,241	114,670	-	-	70,382,630	0.26%	348
2023 (2)	61,986,639	5,838,679	104,756	-	-	67,930,074	0.23%	332
2024 (2,3)	60,649,557	4,185,451	855,048	851,142	18,766	66,559,964	0.21%	325
2025 (2,3)	59,216,616	3,617,838	928,879	495,950	390,750	64,650,033	0.20%	316

Notes:

(1) The Certificates of participation are netted with the original issue discounts and premiums.

(2) The District are recognizing golf activities as separate business-type/proprietary fund. Amounts for governmental and business-type activities are combined for comparative purposes.

(3) Beginning FY2/2 ACFR, Governmental and Business-Type outstanding debt by type will be reported separately

Source: Cosumnes CSD Administrative Services Department

**Cosumnes Community Services District
Direct and Overlapping Debt
June 30, 2025**

2024/25 District Assessed Valuation (in thousands) \$ 33,051,946 (1)

	Percentage Applicable ⁽²⁾	Total Debt 6/30/2025	District's Share of Debt 6/30/2025
Overlapping Debt Repaid with Property Taxes and Assessments:			
Los Rios Community College District	10.42%	\$ 356,335,000	\$ 37,130,107
San Joaquin Delta Community College District	3.119	148,565,000	4,633,742
Elk Grove Unified School District	55	419,300,000	230,615,000
River Delta Joint Unified School District			
School Facilities Improvement District No. 2	0.253	17,934,996	45,376
Sacramento Unified School District	0.178	864,020,440	1,537,956
Galt Joint Union High School District	63.363	49,220,000	31,187,269
Galt Joint Union School District	88.868	31,738,684	28,205,534
City of Elk Grove Community Facilities Districts	100	223,905,000	223,905,000
Elk Grove Unified School District Community Facilities District No. 1	55	181,266,133	99,696,373
City of Galt Community Facilities District No. 2020-2, I.A. No. 1	100	11,005,000	11,005,000
Sacramento County Community Facilities Districts	100	841,392	841,392
California Municipal Finance Authority Community Facilities Districts	100	75,096,000	75,096,000
California Statewide Community Development Authority			
Community Facilities Districts	100	38,500,000	38,500,000
California Statewide Community Development Authority 1915 Act Bonds	100	44,018,212	44,018,212
Total Overlapping Tax and Assessment Debt		2,461,745,857	\$ 826,416,961
Overlapping Other Debt:			
Sacramento County General Fund Obligations	14.171%	91,907,145	13,024,161
Sacramento County Pension Obligation Bonds	14.171	308,630,000	43,735,957
Sacramento County Board of Education General Fund Obligations	14.171	1,120,000	158,715
Elk Grove Unified School District General Fund Obligations	55	9,912,000	5,451,600
Sacramento Unified School District General Fund Obligations	0.178	45,680,000	81,310
Galt Joint Union High School District General Fund Obligations	63.363	1,690,000	1,070,835
City of Elk Grove General Fund Obligations	100	33,852,023	33,852,023
Cosumnes Community Services District General Fund Obligations	100	58,134,000	58,134,000
Total Gross Direct and Overlapping General Fund Debt		550,925,168	\$ 155,508,601
Less: Sacramento County supported obligations			1,354,343
Total Net Direct and Overlapping General Fund Debt			\$ 154,154,258
Overlapping Tax Increment Debt (Successor Agency):			
	100.00%	\$2,859,000	\$ 2,859,000
Total Direct Debt			\$ 58,134,000
Total Gross Overlapping Debt			\$ 926,650,562
Total Net Overlapping Debt			\$ 925,296,219
Gross Combined Total Debt			\$ 984,784,562 (3)
Total Net Overlapping Debt			\$ 983,430,219

Notes:

- (1) Includes Galt area.
- (2) The percentage of overlapping debt applicable to the district 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 district divided by the overlapping district's total taxable assessed value.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.50%
Total Direct Debt (\$58,134,000)	0.18%
Gross Combined Total Debt	2.98%
Net Combined Total Debt	2.98%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$753,644,625):

Total Overlapping Tax Increment Debt	0.38%
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Source: California Municipal Statistics, Inc.

**Cosumnes Community Services District
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed valuation	\$ 19,198,367	20,443,907	21,654,184	22,948,879	24,200,987	25,683,480	27,005,567	29,175,260	31,073,179	32,834,300
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 4,799,592	5,110,977	5,413,546	5,737,220	6,050,247	6,420,870	6,751,392	7,293,815	7,768,295	8,208,575
Debt limit percentage	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
Debt limit	239,980	255,549	270,677	286,861	302,512	321,044	337,570	364,691	388,415	410,429
Total net debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 239,980</u>	<u>255,549</u>	<u>270,677</u>	<u>286,861</u>	<u>302,512</u>	<u>321,044</u>	<u>337,570</u>	<u>364,691</u>	<u>388,415</u>	<u>410,429</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The Government Code of the State of California provides for a legal debt limit of 5% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Cosumnes CSD Administrative Services Department and Sacramento County Assessor's Office

**Cosumnes Community Services District
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Special Assessment Debt					
	Special Assessment Collections	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	14,942,112	10,644,956	4,297,156	21,304	1,401	189.26
2017	15,362,009	11,823,913	3,538,096	22,747	2,813	138.42
2018	15,752,692	13,168,453	2,584,239	15,064	2,077	150.76
2019	16,567,632	14,923,362	1,644,270	15,029	1,518	99.37
2020	17,567,409	14,356,818	3,210,591	16,292	1,430	181.16
2021	17,873,421	14,219,771	3,653,650	14,272	463	247.96
2022	18,817,959	16,180,272	2,637,687	15,230	586	166.77
2023	(1)	-	-	-	-	-
2024	(2)	-	-	-	-	-
2025	(2)	-	-	-	-	-

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements. Special assessments pledged for the loan payable are reported in the Landscape and Lighting Special Revenue Fund and related debt service expenditures are reported in the Debt Service Fund. Operating expenses do not include debt service or capital outlay expenditures.

The special assessment debt consists of a lease that was moved to the Debt Service Fund during the year ended June 30, 2021.

(1) - Revenues were pledged for the Underwood Park Well loan that was paid-off in fiscal year 2022.

(2) - no pledged revenue in fiscal year 2024, 2025

Source: Cosumnes CSD Administrative Services Department and Sacramento County Assessor's Office

**Cosumnes Community Services District
Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	District Population (1)	Per Capita Personal Income (2)	Sacramento County Unemployment Rate (3)
2016	190,680	N/A	5.8%
2017	192,216	N/A	5.0%
2018	195,376	N/A	4.2%
2019	197,042	N/A	3.9%
2020	199,326	N/A	12.8%
2021	204,240	N/A	6.4%
2022	202,211	N/A	3.7%
2023	204,492	N/A	4.50%
2024	204,874	N/A	4.70%
2025	211,172	N/A	5.30%

N/A Information is not available.

Sources: 1 Cosumnes Community Services District
2 US Department of Commerce, Bureau of Economic Analysis (data shown is for Sacramento County)
3 State of California Employment Development Department (data shown is for Sacramento County)

**Cosumnes Community Services District
Principal Employers
Last Ten Calendar Years**

Employer	2025		2016	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Elk Grove Unified School District	6,653	7.50%	5,942	7.58%
Apple	5,000	5.64%	2,500	3.19%
CA Correctional Health Care Services	3,400	3.83%	-	-
Skyriver Casino	1,600	1.80%	-	-
Cosumnes Community Services District	990	1.12%	580	0.74%
Kaiser Permanente - Elk Grove Medical Offices	584	0.66%	438	0.56%
City of Elk Grove	486	0.55%	301	0.38%
Costco Warehouse	402	0.45%		-
Bel Air/Raleys Supermarkets	333	0.38%	400	0.51%
Alldata	289	0.33%	320	0.41%
Walmart (3 Locations)	-	-	606	0.77%
Sutter Health Medical Foundation	-	-	275	0.35%
Nissan of Elk Grove	-	-	265	0.34%

Source: Cosumnes Community Services District and City of Elk Grove
CCSD ACFR FY2015/16

**Cosumnes Community Services District
Full-time District Employees by Function
Last Ten Fiscal Years**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Function</u>										
General government	21	24	24	27	49	40	36	71	64	76
Public safety	165	184	189	189	204	203	192	180	196	185
Recreation and culture	69	74	79	89	80	78	93	93	96	97
Total	255	282	292	305	333	321	321	344	356	358

Source: Cosumnes CSD Administrative Services Department

**Cosumnes Community Services District
Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024	2025
Fire										
Emergency responses	17,189	18,592	19,775	19,790	20,492	21,311	24,309	24,309	24,129	24,774
Field Inspections	2,852	2,187	2,300	2,299	2,725	2,745	2,712	2,909	5,154	6,670
Plan checks	1,106	973	1,100	446	574	664	1,776	2,215	1,741	2,581
Resubmitted Plan Checks	190	241	200	219	296	317	609	839	544	308
Weed Abatement	114	145	194	188	156	127	432	575	463	458
Fire Investigations	21	17	40	41	43	52	29	36	26	12
Code Enforcement	29	79	90	107	57	99	92	168	114	58
Parks and recreation										
Number of recreation programs	524	629	3,311	4,560	3,570	3,777	3,911	4,124	4,638	4,864

Source: Various District departments

(1) New registration software (Active Net) calculates recreation programs differently.

Cosumnes Community Services District
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire										
Fire stations	8	8	8	8	8	8	8	8	9	9
Headquarters & Training Center	1	1	1	1	1	1	1	1	1	1
EMS & Logistics Facility	-	-	-	-	1	1	1	1	1	1
Structure Engines (Type I)	8	8	8	8	8	9	9	9	9	9
Wildland Engines (Type III & V)	8	8	8	8	8	8	8	8	8	8
Ladder Truck	1	1	1	1	1	1	1	1	1	1
Heavy Rescue	1	1	1	1	1	1	1	1	1	1
Ambulance	7	7	7	7	7	8	8	8	8	8
Squads	-	-	-	-	-	-	-	-	2	2
Command Unit	1	1	1	1	1	1	1	1	2	2
Water tenders	2	2	2	2	2	2	2	2	2	2
Air unit	1	1	1	1	1	1	1	1	1	1
Foam unit	1	1	1	1	1	1	1	1	1	1
Rescue boats	2	2	2	2	2	2	2	2	2	2
Rescue tender	1	1	1	1	1	1	1	1	1	1
Rescue trailer	1	1	1	1	1	1	1	1	1	1
Boat tender	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Parks	95	96	97	98	98	100	102	102	103	106
Acreage	994	996	1,007	1,001	1,001	1,040	* 1090	* 1090	1,090	1,093
Playgrounds	127	128	130	132	134	139	143	143	147	148
Baseball/softball diamonds	50	51	49	49	49	49	50	50	50	50
Soccer/football fields	42	43	42	42	43	47	47	47	47	47
Community centers	2	2	7	7	7	8	8	8	9	10
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	35	35	33	33	35	37	37	37	37	37
Skate board park	1	2	2	2	2	2	2	2	2	2
Bike Park	1	1	1	1	1	1	1	1	1	1

Sources: Various District departments

* revised acreage of built and unbuilt parks, one unbuilt park acreage was overstated

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Cosumnes Community Services District
Elk Grove, California

We have audited, in accordance with the 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, the basic financial statements of the Cosumnes Community Services District (the District), California, as of and for fiscal year ended June 30, 2025 and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated December 22, 2025, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, CA
December 22, 2025

Attachment B

Memorandum of Internal Control Letter

COSUMNES COMMUNITY SERVICES DISTRICT

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED
JUNE 30, 2025**

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**COSUMNES COMMUNITY SERVICES DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
<i>Memorandum on Internal Control</i>.....	1
<i>Required Communications</i>	3
Significant Audit Matters:	
Qualitative Aspects of Accounting Practices.....	3
Difficulties Encountered in Performing the Audit.....	6
Corrected and Uncorrected Misstatements	6
Disagreements with Management	6
Management Representations	6
Management Consultations with Other Independent Accountants	6
Other Audit Findings or Issues	7
Other Matters.....	7

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MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors
Cosumnes Community Services District
Elk Grove, California

In planning and performing our audit of the basic financial statements of Cosumnes Community Services District (District) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties

A handwritten signature in black ink that reads 'Maze + Associates'.

Pleasant Hill, California
December 22, 2025

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REQUIRED COMMUNICATIONS

To the Board of Directors
Cosumnes Community Services District
Elk Grove, California

We have audited the basic financial statements of Cosumnes Community Services District (District) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 24, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as follows:

GASB 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

GASB 101 – Compensated Absences (Continued)

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The pronouncement became effective, but did not have a material effect on the financial statements.

GASB 102 – Certain Risk Disclosures

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making Commission. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

GASB 102 – Certain Risk Disclosures (Continued)

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The pronouncement became effective, but did not have a material effect on the financial statements.

Unusual Transactions, Controversial or Emerging Areas – We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Estimated Fair Value of Investments: As of June 30, 2025, the District held approximately \$149 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2025. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2025.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 11 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 7 to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liabilities and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liabilities and OPEB related deferred outflows/inflows are disclosed in Note 9 to the financial statements and is based on an actuarial study determined by a consultant, which is based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures – The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the District's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated December 22, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has 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.

This communication is intended solely for the information and use of Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
December 22, 2025

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Attachment C

Appropriations Limit Letter

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2024-2025 APPROPRIATIONS LIMIT INCREMENT**

To the Board of Directors
Cosumnes Community Services District
Elk Grove, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the Cosumnes Community Services District (District) for the year ended June 30, 2025. The District's management is responsible for the Worksheet.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- A. We obtained the Worksheet and determined that the 2024-2025 Appropriations Limit of \$230,578,357 and annual adjustment factors were adopted by Resolution of the District's Governing Board. We also determined that the population and inflation options were selected by a recorded vote of the Governing Board.
- B. We recomputed the 2024-2025 Appropriations Limit by multiplying the 2023-2024 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.
- C. For the Worksheet, we agreed the Per Capita Income Factor, District Population Factor and County Population Factor to California State Department of Finance Worksheets.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the District's Governing Board and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze + Associates

Pleasant Hill, California
March 27, 2025