



GOODWIN CONSULTING GROUP

**City of Merced
Community Facilities District No. 2003-2
(Services)
Senate Bill 165 Reporting Requirements for
Fiscal Year 2016-17**

January 19, 2018

***Community Facilities District No. 2003-2
Senate Bill 165 Reporting Requirements
Fiscal Year 2016-17***

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. Introduction	1
II. Senate Bill 165 Reporting Requirements	2

Appendix A: CFD No. 2003-2 Balance Sheet as of June 30, 2017

I. INTRODUCTION

City of Merced Community Facilities District No. 2003-2 (Services)

The City of Merced Community Facilities District No. 2003-2 (the “CFD” or “CFD No. 2003-2”) is located in the City of Merced (the “City”), in Merced County, in the State of California, approximately 132 miles south of Sacramento. On January 5, 2004, the City passed Resolution No. 2004-3, forming CFD No. 2003-2. A successful landowner election was then held, authorizing the levy of the special tax. The special tax funds general services authorized under the Mello-Roos Act which include, but are not limited to:

- 1) Public safety services, including police and fire protection.
- 2) Landscaping, sidewalk, park, and parkway maintenance (including lighting).
- 3) Flood control services.
- 4) Miscellaneous administrative fees and expenses.

CFD No. 2003-2 currently is made up of 34 distinct improvement areas throughout the City. As additional new areas within the City apply for development approval, those development areas will annex to CFD No. 2003-2.

The Mello-Roos Community Facilities Act of 1982

The California State Legislature approved the Mello-Roos Community Facilities Act of 1982 that provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities and eligible services. These services include police protection services, fire protection and suppression services, library services, recreation program services, maintenance of roads, parks, parkways and open space, and flood and storm protection services. Special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

II. SENATE BILL 165 REPORTING REQUIREMENTS

On September 18, 2000, former Governor Gray Davis approved Senate Bill 165 which enacted the “Local Agency Special Tax and Bond Accountability Act”. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Section 50075.3 to the California Government Code setting forth annual reporting requirements relative to special taxes collected by a local public agency. The amount of special taxes collected and expended for the fiscal year 2016-17 special tax levy is set forth in the table on the following page:

Fiscal Year 2016-17 Revenues

Charges for Services	\$1,895,620
Investment Earnings	\$20,890
Miscellaneous	\$50,000
Total Revenues Collected	\$1,966,510

Fiscal Year 2016-17 Expenditures

General Government	\$10,731
Public Safety	\$35,260
Public Works	\$556,980
Total Expenditures	\$602,971

Revenue Over (Under) Expenditures	\$1,363,539
--	--------------------

Other Financing Sources (Uses)

Transfer In	\$159,223
Transfer Out	(\$1,289,167)
Total Other Financing Sources (Uses)	(\$1,129,944)

Beginning Fund Balance	\$937,753
Ending Fund Balance	\$1,171,348

Net Change in Fund Balance	\$233,595
-----------------------------------	------------------

APPENDIX A

***CFD No. 2003-2 Balance Sheet
as of June 30, 2017***

City of Merced
Balance Sheet
June 30, 2017

CFD Services

ASSETS

Cash, cash equivalents and investments \$ 2,871,788

Receivables:

Interest Recievable 515

Accounts Receivable 99

Due from other governments 48,071

Total assets \$ 2,920,473

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable \$ 36,193

Other payables 1,940

Due to other funds -

Advances from other funds 1,710,992

Total liabilities \$ 1,749,125

Fund Balance 1,171,348

Total liabilities and fund balance \$ 2,920,473