GCG

GOODWIN CONSULTING GROUP

City of Merced
Community Facilities District No. 2003-2
(Services)
Senate Bill 165 Reporting Requirements for Fiscal Year 2009-10

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Community Facilities District No. 2003-2
Senate Bill 165 Reporting Requirements
Fiscal Year 2009-10

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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 32 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 2009-10 special tax levy is set forth in the table on the following page:

Fiscal Year 2009-10 Revenues

Intergovernmental	$ 7,903
Charges for Services	29,683
Other:	
CFD Assessments	1,503,449
Investment Earnings	18,741
Miscellaneous	12,610
Total Revenues Collected	**1,572,386**

Fiscal Year 2009-10 Expenditures

Current Operating:	
General Government	1,115,351
Administrative Shared Expenses	87,379
Total Current Operating	1,202,730
Debt Service:	
Interest	85
Total Expenditures	**1,202,815**
Revenue Over (Under) Expenditures	**369,571**

Other Financing Sources (Uses)

Transfer In	122,172
Transfer Out	(173,929)
Total Other Financing Sources	**(51,757)**
Beginning Fund Balance	**(364,901)**
Ending Fund Balance	**(47,087)**
Net Change in Fund Balance	**$ 317,814**

APPENDIX A

CFD No. 2003-2 Balance Sheet
as of June 30, 2010

City of Merced
Balance Sheet
June 30, 2010

	CFD Services
ASSETS	
Cash, cash equivalents, and investments	$ 1,621,915
Receivables:	
Accounts Receivable	2,089
Interest	3,891
Due from other governments	104,670
Total assets	$ 1,732,565
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	$ 15,452
Other Payables	53,208
Advances from other funds	1,710,992
Total Liabilities	$ 1,779,652
Fund Balance	(47,087)
Total Liabilities and fund balance	$ 1,732,565