

# Comprehensive Annual Financial Report

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Utility Exploration Center at the Martha Riley Library, 1501 Pleasant Grove Blvd.

**CITY OF ROSEVILLE, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2014**

**Prepared by  
FINANCE DEPARTMENT**

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**CITY OF ROSEVILLE, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2014**

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December 22, 2014

Honorable Mayor, Members of the City Council and City Manager:

This document, the Comprehensive Annual Financial Report (CAFR) of the City of Roseville, is for the fiscal year ended June 30, 2014. The report was prepared by the Finance Department in conjunction with the City's independent auditors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The data, as presented, is accurate in all material aspects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The organization of the financial report follows the guidelines set forth by the Government Finance Officers' Association (GFOA) of the United States and Canada.

The report is divided into three sections:

- I. Introductory section, including this letter of transmittal, list of City elected officials, and City's organizational chart.
- II. Financial section, including the auditors' report by Maze & Associates, the City's independent certified public accountants, management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplemental information and the combining financial statements for non-major funds.
- III. Statistical section, including a number of tables and graphs of un-audited data depicting 10 years of financial history about the City and information on its overlapping governmental debt.

A separate single audit report has been prepared in conformity with the provisions of the Federal Single Audit Act as amended and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments."

Finally, it is highly recommended that all readers of this report review the narrative introduction, overview, and analysis found in management's discussion and analysis (MD&A) in this CAFR's financial section.



## THE REPORTING ENTITY AND ITS SERVICES

This report reflects the entity concept prescribed by generally accepted accounting principles (GAAP). It combines the financial statements of the Roseville Finance Authority (the “Authority”), the Roseville Natural Gas Financing Authority (the “RNGFA”), the Roseville Community Development Corporation (the “RCDC”) and the City of Roseville Housing Authority (the “Housing Authority”) with those of the City to constitute a single reporting entity. The report also includes the Successor Agency to the Redevelopment Agency. In accordance with the criteria of the Government Accounting Standards Board (GASB) Statement 14, the basic financial statements include the financial activity of the City, the Authority, the Housing Authority, the RNGFA and the RCDC. The Authority, the Housing Authority and the RNGFA are separate legal entities from the City, but have the same governing board. The RCDC has a separate governing board; however, the board members are appointed by the City Council. The Successor Agency has a governing board determined by State law that does not report to the City Council. The RNGFA and RCDC issue their own component unit financial statements. Separate financial statements are not issued for the Authority, the Housing Authority, or the Successor Agency.

Roseville is a charter law city of the State of California. The City was incorporated in 1909 and operates under a Council-Manager form of government. The City's political and legislative body is the City Council and is empowered by the City's charter to formulate citywide policy, including a fiscal program, City services, and appointment of the City Manager and City Attorney. There are five City Council members who are elected at-large for staggered four-year terms, and the Mayor is determined by which member received the highest number of votes in the previous election.

Roseville is a full-service City providing a full range of municipal utilities and services. These include: police; fire; community development; parks and recreation; public libraries; planning; building and public facility inspection; engineering; streets; electric, water, wastewater and solid waste utilities; housing; and general administrative services.

Residents of the City desiring to assist the City Council in forming government policy may do so by serving on a City commission, committee, or board. The commissions, committees, and boards act in an advisory capacity to the City Council. They are Hearing Examiners/Appeals Board, Design Committee, Library Board, Parks and Recreation Commission, Personnel Board, Placer Mosquito & Vector Control District, Planning Commission, Public Utilities Commission, Roseville Grants Advisory Commission, Roseville Revitalization Committee, Senior Citizen Commission, and Transportation Commission.

## ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2014 continued improving. Overall, general fund revenues increased from the prior year. Commercial development increased again over the previous year and although residential permits were down from the prior year, development activity was high adding new inventory of finished lots.

The City continued efforts to control costs as the economy continued its recovery. General fund expenditures were essentially matched with revenues before special items for the year as a whole. Expenditures increased as the City expanded services and made commitments to start funding previously delayed contributions. The combination of savings from vacant positions and reductions in spending on non-personnel items were the primary savings drivers. We were also able to use carry-over funds from fiscal year 2013 to avoid dipping into economic reserves.

The electric utility's operating revenues and expenses increased from the prior year. Utility sales were higher from the prior year but the utility experienced increased maintenance costs of the power plant. The revenue to expense outlook for the next several years forecasts the buildup of the rate stabilization fund back to policy levels, and should result in higher cash balances for the operating fund. Many of the issues that are likely to drive future rate increases will be state and federal mandates related to renewable energy and environmental concerns.

The environmental utilities (water, wastewater, and solid waste) all ended the year with positive changes in their net position. Although the drought required the water utility to institute a surcharge to recover lost revenue from conservation, the utility was able to mitigate costs. The water and wastewater utilities debt instruments performed well during fiscal year 2014. The water utility's debt is fixed rate; however, the wastewater utility includes a large amount of variable-rate debt. Some of the variable rate debt was converted to fixed rate debt and a portion of the variable rate debt was sold as index notes, which pay variable rate interest but do not require a letter-of-credit backing. The interest rates on this debt remained low through fiscal year 2014.

The Golf Course enterprise fund ended the fiscal year with operating revenues slightly lower than operating expenses. Although operating costs were lower than anticipated, the same went for the golf operations revenue. Improvements to the golf courses are planned in the next few years to keep the appearance and overall utility of the courses up-to-date.

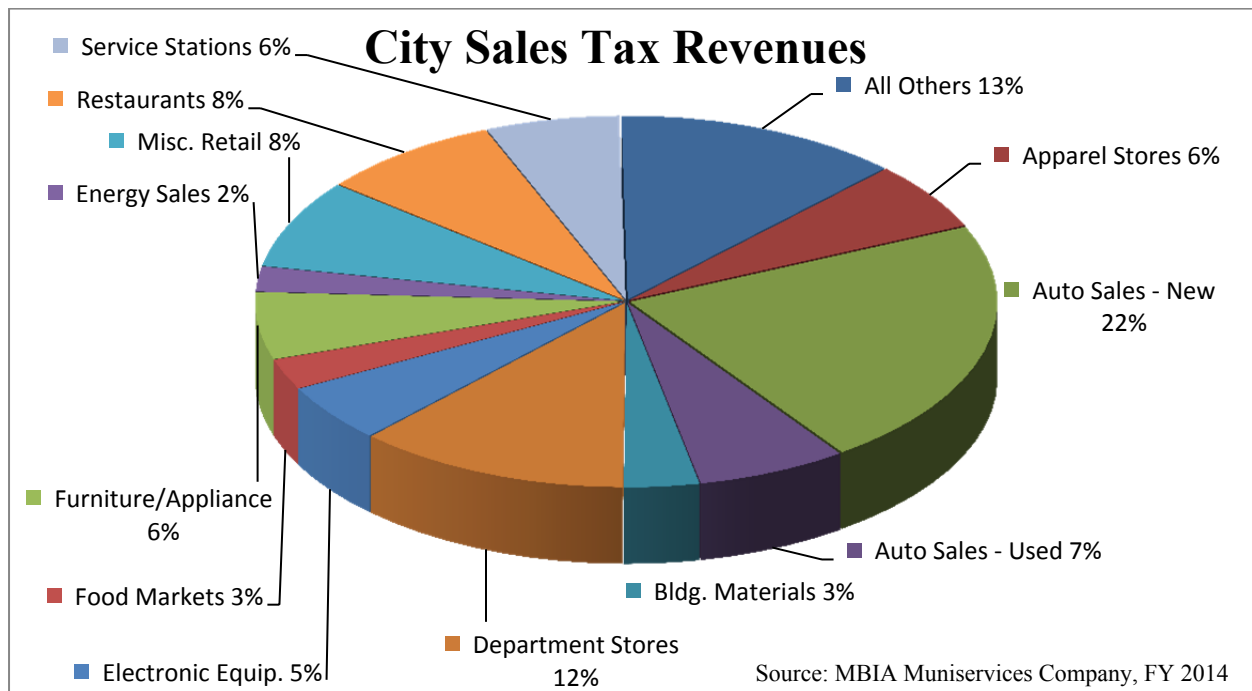
The School-Age Child Care Fund had operating revenues greater than operating expenses and ended the fiscal year in the black. Although, review of the program's financial structure is an on-going process. The programs underwent some strategic reorganization to continue to serve Roseville's youth while maintaining the intent of an enterprise fund. This realignment should continue to aid in the fund's recovery and support its continued growth toward financial stability.

The long-term outlook for the City's economy is good. While housing starts are still down from earlier highs, new homes are still being built and sold and this should turn around in the next few years. Office vacancies are lower than they were in 2007 for the first time. Sales tax continues trending up with new and diverse stores being added to the retail core of the City. New auto sales were up in fiscal year 2014 compared to fiscal year 2013. This trend appears to be continuing into fiscal year 2015.

On a short-term basis, the City will need to continue controlling costs and payroll expansion to ensure operating revenues exceed operating expenses. In fiscal year 2014, the City started a five-year funding plan to address unfunded liabilities associated with OPEB and the CIP Rehab Fund. The City will need to add additional contributions to Workers Compensation and General Liability funds in future years that were the result of funding holidays in prior years. PERS costs are expected to increase in future years as well.

#### TOP SALES TAX GENERATORS BY ECONOMIC SEGMENT

The chart below provides an overview of the City's sales tax revenue by economic segment. New auto sales, electronic equipment and energy sales all increased over fiscal year 2013. Total sales and use taxes increased approximately 8.46% from 2013. New auto sales, the largest sales tax category, were up 15 percent from last year and up 32 percent from two years ago.



The outlook for the next two years is that sales taxes are most likely to increase slightly and then begin to level out while property taxes will continue to recover as home values recover from the recession. The City is taking a conservative approach on sales and property taxes in its budgeting process.

#### MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2014 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- **Public Works:** Started construction on the Oak Street Roundabout, Blue Oaks widening, and Conference Center Drive extension projects. Also requested proposals from consultants to begin the design of the Washington "Andora" widening project.
- **Water:** Two wells will be completed by February 2015 with notice of completion expected by June 2015. The water treatment plant rehabilitation project will be completed by March 2015.
- **Wastewater:** SCADA project is still ongoing. A contractor was selected and they have completed necessary design work and are now working on hardware configuration.
- **Electric:** Ongoing expansion of electric distribution system and rehabilitation of electric assets.
- **Parks and Recreation:** Completion of Central Park Phase 2, Mahan Park, and Duran Park, and renovations of Olympus play area, Maidu softball infield and play area, Maidu preschool play area, Sports Center strength training area, Heritage Oak Adventure Club flooring, and repairs to resilient playground surfacing at four parks.

The City has experienced a significant increase in total permit activity which can be attributed to tenant improvements (remodels/additions). This is evidenced by the increase in permit activity this year where 5,796 permits have been issued, compared to 4,338 issued for last year. Although, single-family and multi-family residential permits decreased compared to last fiscal year with 503 new units (all single-family) in 2014 as compared to 679 single-family and 103 multi-family, respectively, in 2013. Several new development proposals should have single-family and multi-family permits on the rise in the near future.

Commercial development increased over the last year with permits being issued for 14 new commercial projects; most notably Oakmont Senior Living, which is an 80 unit complex with over 74,000 square feet and the Fed Ex building with over 198,000 square feet of commercial space.

The major growth areas of the Sierra Vista, Creekview, and Amoruso Ranch Specific Plan areas are located on the north and south boundaries of the West Roseville Specific Plan. Sierra Vista is annexed and fully entitled, including the Westbrook portion of the plan area adopted in June 2012. The Creekview Specific Plan, approved by the City Council in September 2012, was officially annexed April 17, 2013. A third development project, Amoruso Ranch, is in the entitlement process. Amoruso Ranch anticipates completing the entitlement process in summer of 2015. The City is also processing two additional entitlements, the Placer Ranch Specific Plan and the HP Campus rezone project.

### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurances regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. Finance Department staff remains committed to improving the City's accounting system, maintaining the City's internal accounting controls to adequately safeguard assets, and providing reasonable assurances of proper recording of financial transactions. Budgetary control is directed by the City Council by ordinance when the budget is adopted each year. Expenditures may not legally exceed appropriations at the department level by major summary category. The City utilizes the encumbrance system as a management control technique to assist in controlling expenditures. Periodic reports of revenue, expense, and investment activity are prepared and distributed to the City Council and City departments to monitor spending in relation to the budget. At fiscal year-end, open encumbrances are reported as an assignment of the fund balance. The City's accounting records are organized and operated on a "fund" basis, which is the basic fiscal and accounting entity in governmental accounting. Each fund is classified by category and fund type:

#### Category Fund Type

Governmental Funds: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Permanent Funds

Proprietary Funds: Enterprise Funds and Internal Service Funds

Fiduciary Funds: Agency Funds, OPEB Trust Fund and Private-Purpose Trust Funds

Governmental Funds: The basic financial statements necessary to fairly present the financial position and operating results from major governmental funds are: the balance sheet, and the statement of revenues, expenditures and changes in fund balance. These funds are maintained using the modified accrual basis of accounting, which is more thoroughly explained in the Notes to the Financial Statements.

**Proprietary Funds:** Generally accepted accounting principles applicable to private commercial business are applicable to proprietary funds of a government agency. The basic financial statements required to present the financial position and operating results from major proprietary funds are the statement of net position; statement of revenues, expenses, and changes in net position; and the statement of cash flows. The full-accrual basis of accounting is utilized as explained in the Notes to the Financial Statements.

**Fiduciary Funds:** Fiduciary funds are used to account for assets held by a government agency acting as a trustee or agent for individuals, assessment districts, organizations, other governmental units, or other funds of the same entity. The modified accrual basis of accounting is used for Agency Funds while full-accrual basis of accounting is used for the Trust and Private-Purpose Trust Funds as explained in the Notes to the Financial Statements.

## CASH MANAGEMENT

The City has a formal investment policy, which is subject to annual review and approval by the City Council. Available cash for operations and capital was invested in the State Treasurer's Local Agency Investment Fund (LAIF), corporate notes, money market funds, municipal bonds, commercial paper, and government securities. Restrictions on the maturity and percentage of the investments and categorization of credit risk are discussed in the Notes to the Basic Financial Statements. The City's portfolio is invested mainly in Corporate Notes, Federal Agencies and U.S. Treasuries. The average annual yield was 0.790% on the City's month-end average investment balances. This compared with a return of 0.850% in the prior year. As of June 30, 2014, the yield to market of outstanding investments was 0.559%. This decrease was the result of reinvestments in a low interest-rate environment. Investment income includes changes in the fair market value of investments. Decreases in fair market value during the current year do not necessarily represent trends that will continue. The City's policy is to limit exposure to call risk and minimize callable securities in the portfolio and structure the portfolio that will perform well in an all interest-rate environment.

Although positive economic news and improvements in the housing market helped boost investor confidence about the economic recovery, the City closely monitors all investments. The City has exposure to financial institutions in the form of corporate notes and negotiable CDs. Additionally, the City owns a good deal of Federal agency bonds and U.S. Treasuries. No losses have occurred in these portfolios. The table below provides a list of the City's investments at the end of June 30, 2014.

City of Roseville							
Portfolio Summary							
June 30, 2014							
Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Certificates of Deposit	1,250,000.00	1,251,672.14	1,250,000.00	0.28%	287	110	0.280
C.A.M.P	971,383.14	971,383.14	971,383.14	0.22%	1	1	0.060
Local Agency Investment Funds	43,172,001.81	43,172,001.81	43,172,001.81	9.68%	1	1	0.228
Money Market	4,647,836.60	4,647,836.60	4,647,836.60	1.04%	1	1	0.001
Negotiable CDs	53,450,000.00	53,449,002.65	53,444,052.83	11.98%	665	566	0.506
Corporate Notes	90,815,000.00	91,626,067.40	91,311,262.69	20.46%	1,064	778	0.931
Commercial Paper- Interest Bearing	35,000,000.00	35,004,347.21	35,000,000.00	7.84%	168	122	0.175
Federal Agency Coupon Securities	77,447,000.00	78,091,569.65	78,010,195.76	17.48%	967	692	0.606
Treasury Coupon Securities	129,958,000.00	133,843,219.65	133,891,906.97	30.01%	1,050	803	0.526
Municipal Bonds	4,515,000.00	4,527,612.75	4,515,000.00	1.01%	1,015	546	0.764
<b>Investments</b>	<b>441,226,221.55</b>	<b>446,584,713.00</b>	<b>446,213,639.80</b>	<b>100%</b>	<b>806</b>	<b>604</b>	<b>0.559</b>

## LONG-TERM FINANCIAL PLANNING

The City of Roseville has consistently planned its budgets with an eye to the long-term needs of the City. This is accomplished through the establishment of several funds that serve to direct City revenues to long-term financial needs. This ensures that funding is available for needs as they arise. These funds include:

**Operating Reserves:** The City maintains an operating reserve in its General Fund of 10 percent of operating expenditures. Additionally, the City attempts to maintain a similar operating reserve in all of the City-owned utilities. These reserves guard against impacts from sudden changes in revenues. The Electric Utility's reserve is housed in its Rate Stabilization Fund.

**Rate Stabilization Funds:** The Electric Department maintains a rate stabilization fund targeted at a minimum policy level of 40 percent of operating expenses. This allows the City time to react with major changes to the cost of electricity without having to impose an emergency rate increase. The City also uses this fund as a reserve for the Electric utility. Rate stabilization funds are also used in the Environmental Utilities to help ease the impacts of rate increases over a period of years.

**CIP Rehabilitation Fund:** The City has set aside approximately \$8.4 million in a CIP Rehabilitation Fund for the purpose of maintaining the City's investments in buildings and park facilities. These funds are used to provide necessary maintenance and improvements to City-owned facilities. The Council's goal is to increase this balance of this fund to keep pace with the improvements needed to maintain City facilities.

**Automotive Replacement Fund:** The City funds the cost of replacement vehicles over the useful life of the vehicle. This ensures that monies are available to keep the City's vehicle fleet operating properly and safely.

**Strategic Improvement Fund:** The City developed a fund several years ago that provides Council with funds that can be used for periodic, strategic investments on behalf of the City. This fund has been used to acquire land and fund improvements, primarily in redevelopment areas.

**OPEB Trust:** The City set up the Post-Retirement Fund in 2002 to begin setting aside monies to address the City's long-term liability for post-retirement health benefits. In fiscal year 2011, the City established an irrevocable trust and moved \$34 million of accumulated revenues into the OPEB Trust. This has increased the longer-term investment return on the funds, thus lowering the City's unfunded liability. Since inception, the trust's investments have performed at or better than its long-term return of 6.50%. In fiscal year 2014, the fund's market value was \$50 million. In fiscal year 2014, the City began negotiating with labor groups to cap future liabilities by creating a Tier III benefit for new hires. Tier III employees will be required to set aside a portion of their salary into a Retirement Health Savings account. The OPEB unfunded liability should start decreasing with increased contributions and investment returns.

## INDEPENDENT AUDIT

Each year the City requires an independent annual audit of the City's financial records, the results of its operations, and cash flows. This report includes the opinion of the City's independent auditors, Maze & Associates, for the basic financial statements of the City. In addition, a separately issued document contains the auditors' reports on the internal control structure and compliance with applicable laws and regulations related specifically to the single audit.

## AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

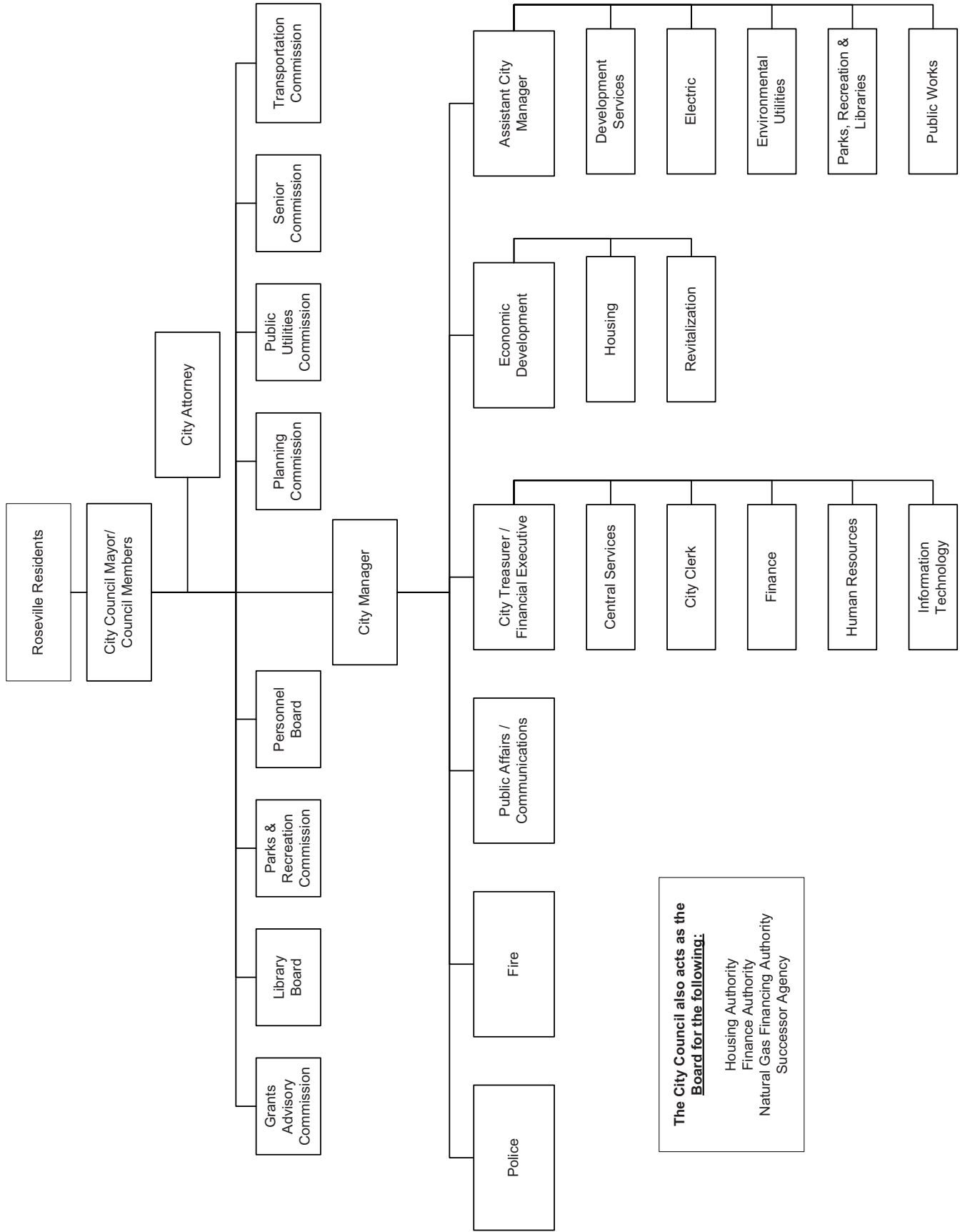
## ACKNOWLEDGMENTS

I extend my appreciation to the entire staff in the Finance Department and other departments who assisted in the process of compiling the information for this report. In addition, I extend a special "thank you" to the City's Accounting Division staff and our external auditors who contributed long hours to make this document possible. Their efforts and continued dedication are greatly appreciated. I sincerely thank the Mayor, members of the City Council and City Manager, for their support, interest, and integrity in directing the financial affairs of the City in a responsible, professional, and progressive manner.

Respectfully submitted,



Monty Hanks  
Finance Director



# Organizational Chart: City Wide



**CITY OF ROSEVILLE**

**ELECTED OFFICIALS**

**JUNE 30, 2014**

Mayor  
Vice Mayor  
Council Member  
Council Member  
Council Member

Susan Rohan  
Carol Garcia  
Bonnie Gore  
Tim Herman  
Pauline Roccucci



Government Finance Officers Association

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

Presented to

**City of Roseville  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council  
City of Roseville, California

### *Report on Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

As discussed in Note 20, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Roseville Redevelopment Agency was dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Roseville Redevelopment Agency prior to the date of dissolution, including the repayment of interfund advances and loans made to the City and the Roseville Community Development Corporation, may be subject to review by the State as discussed in Note 20, but the effect of that review cannot be determined as of June 30, 2014.

The City's position on these matters is not a position of settled law and there is considerable legal uncertainty regarding these matters. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. No provision for liabilities resulting from the outcome of these uncertain matters has been recorded in the accompanying financial statements.

As discussed in Notes 8E, Note 1F, and Note 9D the City restated certain capital asset, unavailable revenue and long term debt balances.

The emphasis of these matters does not constitute a modification to our opinions.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison information for the General Fund, and the Modified Approach to Reporting Street Pavement Costs and Parks and Landscaping Costs be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California  
December 22, 2014

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2014**

The following discussion provides readers of the City of Roseville's financial statements a narrative overview and analysis of the financial activities of the City of Roseville for the fiscal year ended June 30, 2014. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

There have been signs of positive economic growth in this past fiscal year. Both sales and property taxes have increased, as well as development revenues and charges for services. The City's financial highlights are presented below:

**FISCAL YEAR 2014 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2014 include the following:

*Entity-wide:*

- The City's total net position was \$2.4 billion as of June 30, 2014. Of this total, \$1.0 billion were Governmental assets and \$1.4 billion were Business-type assets.
- Governmental revenues include program revenues of \$57.9 million and general revenues and transfers of \$79.4 million for a total of \$137.4 million.
- Governmental expenses were \$168.8 million and transfers out were \$11.5 million (see Governmental Activities – Table 1 discussion).
- Business-type program revenues, interest revenue, miscellaneous revenues, and transfers in were \$342.3 million while Business-type expenses were \$262.6 million.

*Fund Level:*

- Governmental Fund balances decreased to \$187.2 million in fiscal year 2014, down \$12.5 million from the prior year.
- Governmental Fund revenues increased to \$139.5 million in 2014, up \$3.7 million from the prior year. Both sales and property taxes increased as the economy has been in an upward growth mode. Licenses and permits, charges for services, use of money property, and miscellaneous revenue all increased, while subventions and grants, fines, forfeitures, and penalties, and contributions from developers all decreased. Governmental Fund expenditures decreased to \$160.9 million in fiscal year 2014, down \$3.1 million from the prior year. The decreases were primarily due to \$4.7 million in capital outlay and \$1.8 million in general government; which was partially offset by increases of \$1.3 million in the combined development and operation and public works (see Table 2 discussion), and \$1.1 million in police.
- Other Financing Sources provided a net of \$16.9 million in fiscal year 2014, down \$1.7 million from 2013.

*General Fund:*

- General Fund revenues of \$105.1 million increased by \$7.9 million higher than the prior year as most revenue categories increased; with taxes increasing by \$4.6 million and a \$2.1 million increase in charges for services.
- General Fund expenditures of \$117.2 million increased \$2.8 million over the prior year -- \$1.4 million from the combined development and operation and public works and police increasing \$1.0 million, while general government decreased by \$1.6 million.
- Other Financing Sources decreased by \$4.2 million to \$12.8 million, as transfers out increased by \$3.4 million.
- The General Fund balance of \$53.6 million as of June 30, 2014 decreased \$5.3 million from fiscal year 2013's fund balance of \$58.8 million.



## OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is divided into six parts:

- 1) Introductory section, which includes the Transmittal Letter and general information,
- 2) Management's Discussion and Analysis (this section),
- 3) The Basic Financial Statements, which include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
- 4) Required Supplemental Information,
- 5) Combining statements for Non-major Governmental Funds and Fiduciary Funds,
- 6) Statistical information

### **The Basic Financial Statements**

The Basic Financial Statements comprise the Entity-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The Entity-wide Financial Statements provide an overview of the City's activities, and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full-accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the City's revenues and all of its expenses, also on the full-accrual basis, with the emphasis on measuring net revenues or expenses of each the City's major functions. The Statement of Activities explains in detail the change in Net Position for the year.

All of the City's activities are grouped into either Governmental Activities or Business-type Activities, as explained below. The amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities for the City.

The Fund Financial Statements report the City's operations in more detail than the entity-wide statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The Fiduciary Statements provide financial information about the activities of the Community Facilities Districts, the Successor Agency from the dissolution of the Redevelopment Agency, and certain other entities for which the City acts solely as agent. The Fiduciary Statements provide information about the cash balances and activities of these Districts, and other entities. These statements are separate, and their balances are excluded, from the City's basic financial statements.

#### *The Entity-wide Financial Statements*

Entity-wide financial statements, prepared on the accrual basis, measure the flow of all economic resources of the City.

The Statement of Net Position and the Statement of Activities present information about the following:

- **Governmental Activities**—All of the City’s basic services are considered to be governmental activities. These services are supported by general City revenues such as taxes, and by specific program revenues such as user fees and charges.

The City’s governmental activities also include the activities of three separate legal entities, the Roseville Finance Authority, the City of Roseville Housing Authority and the Roseville Community Development Corporation. The City is financially accountable for these entities.

- **Business-type Activities**—The City’s enterprise activities of electric, water, wastewater, solid waste, natural gas, golf course, local transportation, and school-age child care are reported in this area. Unlike governmental activities, these services are supported by charges paid by users based on the amount of the service they use.

The City’s business-type activities also include the activities of a separate legal entity, the Roseville Natural Gas Financing Authority. The City is financially accountable for this entity.

### *Fund Financial Statements*

The Fund Financial Statements provide detailed information about each of the City’s most significant funds, called Major Funds. Each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major Funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City’s activities.

In the City’s case, the Community Facilities District Projects Fund is the only Major Governmental Fund in addition to the General Fund.

All eight of the City’s Enterprise Funds are reported as Major Funds.

Fund Financial Statements include governmental and proprietary funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis. This means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Enterprise and Internal Service Fund Financial Statements are prepared on the full-accrual basis, and include all of their assets and liabilities, current and long-term.

Since the City’s Internal Service Funds provide goods and services only to the City’s governmental and business-type activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds, because their revenues are derived from other City Funds. These revenues are eliminated in the Entity-wide Financial Statements and any related profits or losses are returned to the activities which created them, along with any residual net position of the Internal Service Funds.

Comparisons of budget and actual financial information are presented only for the General Fund, as required by financial reporting standards.

### *Fiduciary Statements*

The City’s fiduciary activities are reported in the separate Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These activities are excluded from the City’s other financial statements because the City cannot use these assets to finance its own operations.

## FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

This analysis focuses on the net position and changes in net position of the City as a whole. Tables 1, 2, and 3 focus on the City's Governmental Statement of Net Position and Statement of Activities, while Tables 4, 5, and 6 focus on the City's Business-type Statement of Net Position and Statement of Activities.

### *Governmental Activities*

**Table 1**  
**Governmental Net Position at June 30**  
**(in Millions)**

	<u>2014</u>	<u>2013 *</u>
Cash and Investments	\$224.5	\$231.4
Other Assets	70.4	79.5
Capital Assets	840.5	853.6
<b>Total Assets</b>	<b>1,135.4</b>	<b>1,164.5</b>
Long-Term Debt Outstanding	14.7	16.2
Other Liabilities	92.4	89.0
<b>Total Liabilities</b>	<b>107.1</b>	<b>105.2</b>
Net Position:		
Net Investment in Capital Assets	828.8	837.3
Restricted	123.6	131.4
Unrestricted	75.9	90.6
<b>Total Net Position</b>	<b>\$1,028.3</b>	<b>\$1,059.3</b>

\*As restated

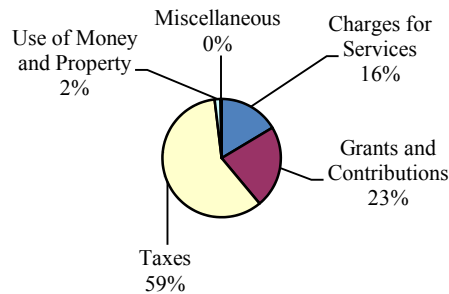
The City's governmental net position amounted to \$1.0 billion as of June 30, 2014, a decrease of \$31.0 million from fiscal year 2013. The main reason for the decrease is the reclassification/transfer of a special revenue fund (Traffic Signals) to the Electric Enterprise fund. All of the funding had been provided by Electric and it was decided to transfer all of Traffic Signals to be part of Electric in fiscal year 2014. The City's net position as of June 30, 2014 comprised the following:

- Cash and investments comprised \$221.5 million in the city treasury and \$3.0 million of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.
- Receivables comprised \$16.3 million of which were current, along with developer permit receivables of \$2.3 million, internal balances of \$3.8 million, notes receivable of \$45.7 million that are due over longer periods of time, as explained in Notes 4, 5, and 6 to the financial statements.
- Capital assets of \$840.5 million, net of depreciation charges, includes all of the City's infrastructure as well as other capital assets used in governmental activities, as discussed in Note 8.
- Current liabilities—including accounts payable, accrued liabilities, and other amounts due currently—totaled \$29.6 million.

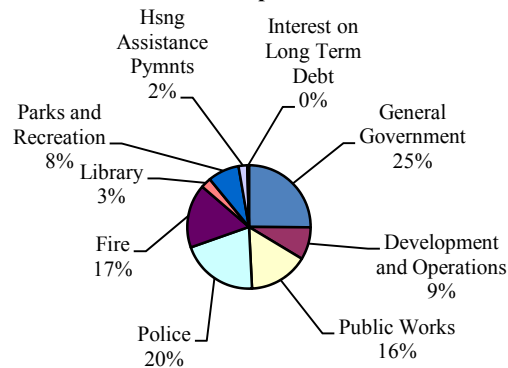
- Accrued compensated absence liabilities payable to employees of \$12.6 million, as explained in Note 1H to the financial statements.
- \$39.4 million of unfunded required contributions to the Other Post-Employment Benefits (OPEB) Trust as required by GASB 45 and detailed in Note 13.
- Long-term debt of \$14.7 million, of which \$13.9 million is due in future years and \$0.8 million is due currently, as detailed in Note 9.
- Net investment in capital assets of \$828.8 million, representing the City's investment in infrastructure and other capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- Restricted net position totaling \$123.6 million may only be used to construct specified capital projects, for debt service, or for community development projects. The restrictions on these funds cannot be changed by the City.
- Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had \$75.9 million of unrestricted net position as of June 30, 2014. While these assets are technically unrestricted, most of these assets are designated for a specific use.

### Fiscal Year 2014 Governmental Activities

Sources of Revenue



Functional Expenses



As the Sources of Revenue Chart above shows, \$88.0 million, or 59% of the City's fiscal year 2014 governmental activities revenue, came from taxes, while \$24.5 million or 16% came from charges for services, \$33.5 million or 23% came from grants and contributions, and the remainder came from use of money and property and miscellaneous, as shown above.

The Functional Expenses Chart above includes only current year expenses; it does not include capital outlays, which are added to the City's capital assets. As the Chart shows, general government was \$42.4 million or 25% of total government expenses, development and operations was \$14.4 million or 9%, public works was \$26.3 million or 16%, police was \$34.4 million or 20%, fire was \$28.2 million or 17%, parks and recreation was \$13.9 million or 8%, and other governmental programs and functions were the remaining 5%.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position are summarized below.

**Table 2**  
**Changes in Governmental Net Position**  
**June 30**  
**(in Millions)**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013 *</u>
<b>Expenses</b>		
General Government	\$42.4	\$36.2
Development and Operations	14.4	6.0
Public Works	26.3	42.7
Police	34.4	33.2
Fire	28.2	26.6
Library	4.6	4.5
Parks and Recreation	13.9	22.0
Housing Assistance Payments	3.9	4.0
Interest on Long-Term Debt	0.7	1.3
<b>Total Expenses</b>	<b>168.8</b>	<b>176.5</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	24.5	22.7
Operating Grants and Contributions	11.0	9.6
Capital Grants and Contributions	22.5	21.8
<b>Total Program Revenues</b>	<b>58.0</b>	<b>54.1</b>
General Revenues:		
Taxes/Intergovernmental	88.0	82.4
Use of Money and Property	2.4	0.5
Miscellaneous	0.5	2.1
<b>Total General Revenues</b>	<b>90.9</b>	<b>85.0</b>
<b>Total Revenues</b>	<b>148.9</b>	<b>139.1</b>
<b>Changes in Net Position before Transfers</b>	<b>(19.9)</b>	<b>(37.4)</b>
Transfers	(11.5)	25.2
Extraordinary item-Successor Agency	0.4	0
<b>Change in Net Position</b>	<b>(31.0)</b>	<b>(12.2)</b>
<b>Net Position-Beginning, as restated</b>	<b>1,059.3</b>	<b>1,071.5</b>
<b>Net Position-Ending</b>	<b>\$1,028.3</b>	<b>\$1,059.3</b>

\*As restated

As the Sources of Revenue Chart and **Table 2** above show, \$58.0 million, or 39.0% of the City’s fiscal year 2014 governmental revenue, came from program revenues and \$90.9 million, or 61.0%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$24.5 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$11.0 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$22.5 million that consist mainly of street project grants, developer impact fees restricted to capital outlay.

General Revenues-Taxes/Intergovernmental showed an increase of \$5.8 million, as sales and property taxes increased, signs of an economy rebounding. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

In addition, there was a reorganization for Public Works and Development and operations (formerly Community development and planning) in fiscal year 2014. Parts of Public Works was split and went with Community development and planning to form the new Development and operations department. Along with that, there was an additional reduction of public works expenses due to the transfer of the Traffic Signals fund/activities from a governmental fund to the Electric enterprise fund.

**Table 3** presents the net (expense) or revenue of each of the City’s governmental activities, including interest on long-term debt. Net expense is defined as total program cost less the revenues generated by those specific activities.

**Table 3**  
**Governmental Activities**  
**June 30**  
**(in Millions)**

	<u>Net (Expense)/Revenues from Services</u>	
	<u>2014</u>	<u>2013</u>
General Government	(\$37.1)	(\$31.2)
Development and Operations	(4.8)	(2.4)
Public Works	(9.7)	(24.6)
Police	(31.8)	(30.4)
Fire	(24.6)	(23.2)
Library	(4.2)	(4.1)
Parks and Recreation	1.6	(5.6)
Housing Assistance Payments	0.5	0.4
Interest on Long Term Debt	(0.7)	(1.3)
	<hr/>	
<b>Totals</b>	<b>(\$110.8)</b>	<b>(\$122.4)</b>
	<hr/> <hr/>	

### *Business-type Activities*

The Statement of Net Position and Statement of Activities present a summary of the City's Business-type Activities that are composed of the City's enterprise funds.

**Table 4**  
**Business-Type Net Position at June 30**  
**(in Millions)**

	<u>2014</u>	<u>(Restated)</u>
Cash and Investments	\$222.0	\$197.8
Other Assets	382.0	381.6
Capital Assets	1,469.4	1,432.0
<b>Total Assets</b>	<b>2,073.4</b>	<b>2,011.4</b>
Deferred Amount on Refunding	4.5	4.8
Accumulated Decrease in Fair Value of Hedging Derivatives	27.1	43.3
<b>Total Deferred Outflows of Resources</b>	<b>31.6</b>	<b>48.1</b>
Long-Term Debt Outstanding	560.3	579.9
Other Liabilities	78.2	97.8
<b>Total Liabilities</b>	<b>638.5</b>	<b>677.7</b>
Accumulated Increase in Fair Value of Hedging Derivatives	79.8	74.8
<b>Total Deferred Inflows of Resources</b>	<b>79.8</b>	<b>74.8</b>
Net Position:		
Net Investment in Capital Assets	1,084.8	1,036.6
Restricted	31.6	27.2
Unrestricted	270.3	243.2
<b>Total Net Position</b>	<b>\$1,386.7</b>	<b>\$1,307.0</b>

The net position of business-type activities increased to \$1.387 billion in fiscal year 2014, an increase of \$79.6 million. Cash and investments increased by \$24.1 million and capital assets increased by \$37.4 million, both partially due to the transfer of Traffic Signals from a governmental fund to the Electric enterprise fund. Long-term debt outstanding decreased by \$19.6 million from refundings and scheduled retirements of outstanding debt. Other assets and other liabilities increased by \$0.5 million and decreased by \$19.6 million, respectively. Deferred outflows of resources decreased by \$16.5 million and deferred inflows of resources increased by \$5 million due to changes in the fair value of hedging derivatives.

**Table 5**  
**Changes in Business-Type Net Position**  
**June 30**  
**(in Millions)**

	Business-Type Activities	
	<u>2014</u>	<u>2013</u>
<b>Expenses</b>		
Electric Fund	\$144.6	\$144.2
Water Fund	25.3	24.6
Wastewater Fund	36.1	33.8
Solid Waste Fund	16.1	16.2
Natural Gas	26.0	26.4
Golf Course Fund	2.5	2.6
Local Transportation Fund	7.5	7.9
School-Age Child Care Fund	4.5	4.7
<b>Total Expenses</b>	<b>262.6</b>	<b>260.4</b>
<b>Revenues</b>		
<b>Program Revenues</b>		
Charges for Services	262.4	255.6
Operating Grants and	13.3	7.2
Capital Grants and Contributions	43.5	17.5
<b>Total Program Revenues</b>	<b>319.2</b>	<b>280.3</b>
<b>General Revenues</b>		
Use of Property and Money	11.5	11.2
Miscellaneous Revenues	0.0	0.2
<b>Total Revenues</b>	<b>330.7</b>	<b>291.7</b>
<b>Change in Net Position before</b>	<b>68.1</b>	<b>31.3</b>
Transfers	11.5	(25.2)
Special Item	0.0	(22.7)
<b>Changes in Net Position</b>	<b>79.6</b>	<b>(16.6)</b>
<b>Net Position-Beginning, as restated</b>	<b>1,307.0</b>	<b>1,323.6</b>
<b>Net Position-Ending</b>	<b>\$1,386.6</b>	<b>\$1,307.0</b>

Business-type program revenues, interest revenue, miscellaneous revenues, and transfers in were \$342.2 million while Business-type expenses were \$262.6 million in 2014. Each program is discussed in the Proprietary Funds section below.

**Table 6** summarizes the financial activity of the business-type programs, the detail of which is discussed under the Proprietary Funds section below.



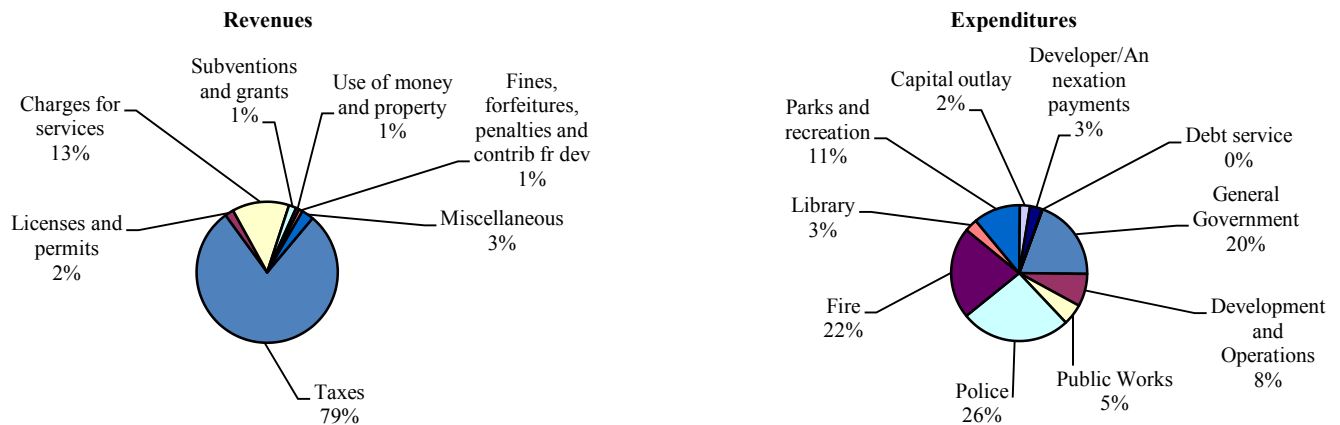
**Table 6**  
**Changes in Business-Type Net Position**  
**(in Millions)**

	<u>Net (Expense)/Revenues From Services</u>	
	<u>2014</u>	<u>2013</u>
Electric Fund	\$26.8	\$19.6
Water Fund	14.8	4.7
Wastewater Fund	12.3	(0.2)
Solid Waste Fund	6.0	5.7
Natural Gas	(9.5)	(9.9)
Golf Course Fund	(0.1)	(0.1)
Local Transportation Fund	5.8	0.0
School-Age Child Care Fund	0.5	0.1
<b>Totals</b>	<b>\$56.6</b>	<b>\$19.9</b>

***Analyses of Major Governmental Funds***

**General Fund**

**Fiscal Year 2014 General Fund Activity**



General Fund revenues increased by \$7.9 million this fiscal year. Total actual revenues were more than the final budget by \$1.7 million, with the following major breakdown:

- Taxes were more than budget by \$1.3 million, due to both sales and property taxes coming in higher as the economy has been rebounding;
- Subventions and grants and fines, forfeitures, and penalties were less than budget by \$0.5 million and \$0.2 million, respectively;
- Licenses and permits, charges for services, use of money and property, and miscellaneous revenues were more than budget by \$0.4 million, \$0.5 million, \$0.1 million, and \$0.2 million, respectively, due to an increase of development activity and reimbursements.

General Fund expenditures were \$117.2 million, an increase of \$2.9 million from the prior year. Expenditures were also \$6.5 million less than budget. The original budget was increased by a net \$6.1 million, from encumbrances and incomplete capital projects carried over from fiscal year 2013. The following is a list of the major differences:

#### Salaries and benefits

- General Government in aggregate was under budget by \$663 thousand due to unfilled positions.
- Police in aggregate was under budget by \$1.0 million due to unfilled positions.
- Fire in aggregate was under budget by \$365 thousand due to unfilled positions.

#### Operating services and supplies

- City Attorney was over budget by \$306 thousand for trial costs.
- Information technology in aggregate was under budget by \$389 thousand due to upgrade projects not completed.
- Specific plan projects in aggregate were delayed and were \$301 thousand under budget.
- Building plan check/inspection services/development cost recovery were under budget by \$332 thousand.
- Police in aggregate was under budget by \$611 thousand as contracts were delayed.
- Fire in aggregate was under budget by \$519 thousand as equipment ordered was not received, and system maintenance and training was not completed by year-end.
- Parks Maintenance was under budget by \$142 thousand due to delays in system maintenance.
- Open space/tree maintenance was under budget by \$189 thousand as planned maintenance was delayed.

Other financing sources and uses reported net inflows of \$12.8 million in fiscal year 2014, a decrease of \$4.3 million.

As of June 30, 2014, the General Fund's fund balance totaled \$53.6 million, including \$12.7 million nonspendable, mostly for notes receivable, \$2.7 million assigned to various contracts, and the balance of \$38.2 million considered unassigned. Only the unassigned portion of fund balance represents available liquid resources, since the nonspendable and assigned portions is represented by non-cash assets or by open purchase orders.

#### **Community Facilities District Projects**

This Fund accounts for capital expenditures on community facilities districts in the City. The purpose of these districts is to finance the construction of capital improvements within the boundaries of each district, through the contribution of Mello-Roos bond proceeds. The improvements are contributed to the City, which in turn acquires and pays for these facilities from the developers who actually construct the improvements. In fiscal year 2014 fund balance decreased by \$4.0 million to \$2.4 million. The largest projects underway in fiscal year 2014 were improvements to the Westpark, North Central, and Fiddymont developments.

## **Other Governmental Funds**

These funds are not presented separately in the Basic Financial statements, but are individually presented as Supplemental Information.

### ***Proprietary Funds***

#### **Electric Fund**

Net Position of the Electric Fund increased \$45.9 million in fiscal year 2014 to a total of \$300.8 million, mostly due to the transfers of Traffic Signals from Governmental Activities to the Electric Fund and increased development. Operating revenues were \$162.2 million, an increase of \$3.2 million from 2013. Operating expenses were \$134.0 million in fiscal year 2014, an increase of \$1.1 million. This resulted in a net operating income of \$28.2 million. Net nonoperating expenses decreased slightly by \$260 thousand in fiscal year 2014 to \$10.8 million from \$11.0 million in fiscal year 2013. During fiscal year 2014, the City refinanced and retired the 2004 Electric System Revenue Refunding Certificates of Participation, Series A, with the 2014 Electric System Revenue Refunding Certificates of Participation. Rates charged to Electric customers are anticipated to be increased in fiscal year 2015.

Of the fund's Net Position of \$300.8 million, \$191.8 million was invested in capital assets, \$16.5 million was restricted for debt service, \$2.1 restricted for the benefit of rate payers, and \$90.4 million was unrestricted.

#### **Water Fund**

Net Position of the Water Fund increased \$14.2 million in fiscal year 2014, mostly due to new development. Operating revenues increased by \$313 thousand in fiscal year 2014 to a total of \$23.2 million, while expenses increased slightly by \$936 thousand to a total of \$23.5 million. The net result was an operating loss of \$244 thousand. Rates are anticipated to be increased in fiscal year 2015. In fiscal year 2014, capital connection fees were \$5.1 million with a nominal increase; and capital contributions from developers increased \$11.3 million from fiscal year 2013 to \$12.7 million, as dedicated development picked up in fiscal 2014 due to the improving economy. In addition, net transfers out were \$2.9 million. As of June 30, 2014, the Fund's Net Position was \$459.7 million, of which \$393.1 million was invested in capital assets, \$4.3 million was restricted for debt service, and \$62.3 million was unrestricted as to use.

#### **Wastewater Fund**

Operating revenues increased in fiscal year 2014 by \$2.7 million to a total of \$30.4 million. Operating expenses increased slightly to \$29.9 million, up \$308 thousand. The net result was an operating income of \$501 thousand. Rates are anticipated to be increased in fiscal year 2015. Other items that affected net position were: connection fees of \$6.6 million; capital contributions by developers of \$13.5 million; net transfers out of \$4.0 million; and a loss on disposal of capital assets of \$2.4 million. The total increase to net position was \$11.0 million for fiscal year 2014 to a total of \$572.6 million. As of June 30, 2014, of the Fund's Net Position, \$465.9 million was invested in capital assets, \$5.1 million restricted for debt service, and \$101.6 million was unrestricted.

#### **Solid Waste Fund**

Operating revenues decreased slightly by \$369 thousand to \$21.8 million while operating expenses decreased even less by \$72 thousand in fiscal year 2014 to \$16.2 million. Net operating income was \$5.6 million. Capital impact fees were \$338 thousand. Net transfers out were \$3.5 million. As of June 30, 2014, total net position was \$23.6 million, an increase of \$2.7 million.

### **Roseville Natural Gas Financing Authority**

This fund was created as the financing mechanism to purchase pre-paid natural gas for the Roseville Energy Park (REP), an electric power plant, through the issuance of revenue bonds. \$175.7 million remains due in bonds payable, while the pre-paid natural gas is \$178.1 million. \$7.8 million in debt service was expensed in 2014 and interest earnings were \$9.7 million. Net position increased by \$266 thousand to \$3.3 million.

### **Golf Course Fund**

Operating revenues decreased slightly by \$68 thousand in fiscal year 2014 to \$2.4 million. Operating expenses increased slightly by \$123 thousand to \$2.4 million, for an operating loss \$7 thousand. The Fund is financed in part by advances from other City funds; as a result, it has a deficit in its unrestricted net position, partially offsetting the \$10.2 million it has invested in capital assets, net of the related debt.

### **Local Transportation Fund**

Net Position of the Fund increased by \$5.1 million in fiscal year 2014. There was a \$6.3 million operating loss in fiscal year 2014, but the loss was offset by subventions and grants of \$12.1 million. As of June 30, 2014, of the Fund's Net Position of \$20.6 million, \$17.2 million was invested in capital assets and \$3.5 million was restricted for use in local transportation.

### **School-Age Child Care Fund**

Net Position of the Fund remained relatively flat with a nominal increase of \$243 thousand in fiscal year 2014 to a total of \$1.5 million. Operating revenues increased \$305 thousand while operating expenses decreased by \$196 thousand. Of the net position, \$2.1 million were invested in capital assets, which leaves a negative \$566 thousand in unrestricted net position.

## CAPITAL ASSETS

In fiscal year 2002, the City started recording the cost of its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. Infrastructure includes roads, bridges, signals and similar assets used by the entire population. The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 7 below:

**Table 7**  
**Capital Assets at Year End**  
**(in Millions)**

	Balance at June 30, 2014	Balance at June 30, 2013 (Restated)
<b>Governmental Activities</b>		
Land	\$37.1	\$27.1
Streets (modified)	290.8	282.7
Parks (modified)	95.8	89.3
Landscaping (modified)	45.6	45.1
Construction in Progress	24.2	42.3
Buildings	134.3	126.6
Improvements	7.0	6.6
Equipment	75.3	73.9
Bike Paths	9.0	8.5
Bridges	70.1	65.3
Culverts	20.7	20.7
Curb, Gutter, Sidewalk, & Median Curbs	153.5	151.1
Drain Inlets	21.3	21.2
Flood Control Improvements	20.2	20.2
Soundwall	36.2	36.1
Stormdrains	80.5	77.8
Traffic Signals		46.0
Less: Accumulated Depreciation	<u>(281.1)</u>	<u>(286.9)</u>
<b>Governmental Activity Capital Assets, Net</b>	<b><u>\$840.5</u></b>	<b><u>\$853.6</u></b>
	Balance at June 30, 2014	Balance at June 30, 2013 (Restated)
<b>Business-Type Activities</b>		
Land	\$16.5	\$16.5
Landscaping (modified)	0.6	0.6
Construction in Progress	34.4	21.2
Buildings	26.6	26.7
Improvements	17.3	16.8
Machinery and Equipment	30.8	26.8
Bike Paths	4.1	4.1
Bridges	1.7	1.7
Culverts, drains, curbs	0.3	0.3
Curb, gutter, sidewalk, and median curbs	0.1	0.1
Flood control improvements	8.8	8.8
Traffic Signals	46.9	
Plant and Substations	354.5	354.4
Distribution	1,222.9	1,186.2
Generation	202.1	202.0
Less: Accumulated Depreciation	<u>(498.3)</u>	<u>(434.2)</u>
<b>Business-Type Activity Capital Assets, Net</b>	<b><u>\$1,469.3</u></b>	<b><u>\$1,432.0</u></b>

Detail on capital assets, current year additions and construction in progress can be found in Note 8.

The City depreciates all its capital assets over their estimated useful lives, except for streets, parks and landscaping, which are reported using the Modified Approach. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 8 to the financial statements. The Modified Approach requires the City to employ an asset management system that maintains a current inventory of these assets, estimates annual costs to maintain them, and assesses the condition of the assets in a replicable way.

The City uses a computerized Pavement Management System to track the condition levels of each of the street sections. The City has adopted a policy of maintaining arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.4, which means that, on average, the City's streets must be maintained at no less than 78% of pavement in perfect condition.

At June 30, 2014, the City's streets averaged 8.1 PQI for arterial and collector roadways and 7.0 PQI for residential roadways. The City expended \$6.9 million on preservation of its streets in fiscal year 2014, compared to the budgeted amount of \$4.6 million, and plans to spend \$6.3 million in fiscal year 2015.

The City uses a computerized Grounds Management System to track the condition levels of each of the parks and landscaping. The City has adopted a policy of maintaining parks and landscaping at an average Ground Management Index (GMI) of Level 3, which means that, on average, the City's parks and landscaping must be maintained at no less than 78% of parks and landscaping maintained at a state-of-the-art level.

At June 30, 2014, the City's parks and landscaping averaged 3 GMI. The City expended \$4.9 million on preservation of its parks and landscaping in fiscal year 2014, compared to the budget of \$5.0 million, and plans to spend \$5.5 million in fiscal year 2015.

## **DEBT ADMINISTRATION**

The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note 9 to the financial statements. As of June 30, the City's debt comprised:

**Table 8  
Outstanding Debt  
(in Millions)**

	Balance at June 30, 2014	Balance at June 30, 2013 (Restated)
<b>Governmental Activity Debt:</b>		
<b>Lease:</b>		
2012 Public Facilities Refunding, 2.15%, due 8/1/25	\$10.70	\$11.55
<b>Installment Purchase Obligations:</b>		
Equipment		0.04
Land		1.19
<b>Loans:</b>		
Successor Agency	4.00	3.50
<b>Total Governmental Activity Debt:</b>	<b>\$14.70</b>	<b>\$16.28</b>

	Balance at June 30, 2014	Balance at June 30, 2013
<b>Business-type Activity Debt:</b>		
<b>Certificates of Participation:</b>		
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	\$18.32	\$37.43
Less deferred amount on refunding	(0.24)	(0.51)
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	3.75	40.16
Add deferred bond premium cost	0.11	2.62
2008 Electric System Revenue, Series A, Variable Rate, due 2/1/35		
2009 Electric System Revenue Refunding, 2.0-5.25%, due 2/1/24	19.29	20.84
Add deferred bond premium cost	0.26	0.29
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.00	90.00
2003B Golf Course Refunding, 2.0-5.0%, due 8/1/23		
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	42.64	44.70
Add deferred bond premium cost	1.79	1.93
Total Certificates of Participation	<u>175.92</u>	<u>237.46</u>
<b>Revenue Bonds:</b>		
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	166.17	174.20
Add deferred bond premium cost	9.57	10.30
2010 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/37	54.86	55.21
Add: deferred bond premium cost	2.35	2.46
2013 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/29	48.29	
Add: deferred bond premium cost	5.53	
2011 Refunding Wastewater Revenue Bonds, Series C		
1.00-5.25%, due 11/1/25	35.82	37.80
Add: deferred bond premium cost	2.42	2.63
2011 Refunding Wastewater Revenue Bonds, Series D		
variable rate (SIFMA rate plus 0.83%), due 11/1/14	18.50	18.50
2013 Refunding Wastewater Revenue Bonds		
variable rate, due 11/1/35	36.58	36.58
Total Revenue Bonds	<u>380.09</u>	<u>337.68</u>
<b>Lease:</b>		
2012 Public Facilities Refunding (Golf Course),		
2.15%, due 8/1/25	4.34	4.78
<b>Total Business-type Activity Debt:</b>	<u><u>\$560.35</u></u>	<u><u>\$579.92</u></u>

### **COMMUNITY FACILITIES/ASSESSMENT DISTRICTS DEBT**

Community facilities districts and assessment districts in different parts of the City have also issued debt to finance infrastructure and facilities construction in their respective districts. As of June 30, 2014, a total of \$327.1 million in community facilities district and assessment district debt was outstanding, representing fifteen issues by community facilities districts and one issue by assessment districts. This debt is secured only by special tax liens and assessments on the real property in the district issuing the debt and is not the City's responsibility; however, the City does act as the agent in the collection and remittance of special taxes and assessments for these Districts. Further detail on this debt may be found in Note 9 to the financial statements.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the City of Roseville at 311 Vernon Street, Roseville, California, 95678.



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**CITY OF ROSEVILLE**

**STATEMENT OF NET POSITION  
AND STATEMENT OF ACTIVITIES**

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources and summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business Type Activities include all its Enterprise Fund activities and any portion of the Internal Service Fund balances that service Enterprise Funds. Fiduciary activity is excluded.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

Both these Statements include the financial activities of the City, the Roseville Finance Authority, the Roseville Natural Gas Financing Authority, the Roseville Community Development Corporation and the City of Roseville Housing Authority, which are legally separate, but are component units of the City because they are controlled by the City which is financially accountable for the activities of these entities.

CITY OF ROSEVILLE  
STATEMENT OF NET POSITION  
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments in City Treasury (Note 3)	\$221,452,135	\$191,694,464	\$413,146,599
Restricted cash and investments with fiscal agents (Note 3)	3,007,022	30,344,784	33,351,806
Receivables:			
Taxes	1,506,825		1,506,825
Accounts, net of allowance for doubtful accounts	2,006,908	36,535,014	38,541,922
Accrued interest	3,315,191	505,081	3,820,272
Due from other government agencies	9,451,830	5,224,443	14,676,273
Internal balances (Note 4D)	3,841,787	(3,841,787)	
Prepays	252,380	2,389,888	2,642,268
Developer permit fees receivable (Note 6)	2,259,912	53,010	2,312,922
Notes receivable (Note 5)	45,699,379		45,699,379
Notes receivable from NCPA (Note 15B)		31,546	31,546
Inventories (Note 11)	1,218,758	9,887,427	11,106,185
Land held for resale (Note 7B)	861,245		861,245
Prepaid purchased gas (Note 19)		178,070,523	178,070,523
Investment in NCPA reserves (Note 15)		2,804,039	2,804,039
Investment in SPWA reserves (Note 16)		70,480,576	70,480,576
Derivative at fair value-asset (Note 10A)		79,847,101	79,847,101
Capital assets (Note 8):			
Capital assets not being depreciated	493,455,177	51,473,760	544,928,937
Capital assets being depreciated, net	347,067,496	1,417,922,727	1,764,990,223
<b>Total assets</b>	<b>1,135,396,045</b>	<b>2,073,422,596</b>	<b>3,208,818,641</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding (Note 9)		4,551,825	4,551,825
Accumulated decrease in fair value of hedging derivatives (Notes 9O and 10A)		27,088,896	27,088,896
<b>Total deferred outflows of resources</b>		<b>31,640,721</b>	<b>31,640,721</b>
<b>LIABILITIES</b>			
Accounts payable	6,396,121	11,358,485	17,754,606
Accrued liabilities	4,099,305	11,779,658	15,878,963
Due to other governments	13,967,274	510,173	14,477,447
Deposits	4,156,309	6,537,786	10,694,095
Unearned revenues	1,002,491	11,261,394	12,263,885
Derivative at fair value-liability (Notes 9O and 10A)		27,088,896	27,088,896
Landfill closure and post closure liability (Note 17):			
Due in more than one year		2,361,710	2,361,710
Net OPEB obligation (Note 13):			
Due in more than one year	39,363,312		39,363,312
Compensated absences (Note 1H):			
Due within one year	4,223,104	2,465,770	6,688,874
Due in more than one year	8,408,474	4,813,358	13,221,832
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	1,600,260		1,600,260
Due in more than one year	9,149,076		9,149,076
Long-term liabilities (Note 9):			
Due within one year	795,562	19,222,565	20,018,127
Due in more than one year	13,933,860	541,128,405	555,062,265
<b>Total liabilities</b>	<b>107,095,148</b>	<b>638,528,200</b>	<b>745,623,348</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated increase in fair value of hedging derivatives (Note 10A)		79,847,101	79,847,101
<b>NET POSITION (Note 11):</b>			
Net investment in capital assets	828,800,273	1,084,782,351	1,913,582,624
Restricted for:			
Capital projects:			
Expendable	100,343,820		100,343,820
Nonexpendable	17,512,492		17,512,492
Debt service	124,635	25,921,611	26,046,246
Community development projects	5,611,426		5,611,426
Local transportation		3,490,144	3,490,144
The benefit of rate payers (AB 32)		2,145,363	2,145,363
<b>Total restricted</b>	<b>123,592,373</b>	<b>31,557,118</b>	<b>155,149,491</b>
Unrestricted	75,908,251	270,348,547	346,256,798
<b>Total net position</b>	<b>\$1,028,300,897</b>	<b>\$1,386,688,016</b>	<b>\$2,414,988,913</b>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities:</b>						
General government	\$42,363,927	\$2,519,443	\$353,403	\$2,425,167	(\$37,065,914)	(\$37,065,914)
Development & operations	14,406,022	7,131,093	2,280,522	158,902	(4,835,505)	(4,835,505)
Public works	26,325,147	224,389	1,260,656	15,132,340	(9,707,762)	(9,707,762)
Police	34,443,258	1,541,641	1,119,283		(31,782,334)	(31,782,334)
Fire	28,183,501	1,326,015	1,380,978	846,294	(24,630,214)	(24,630,214)
Library	4,634,502	332,387	99,847		(4,202,268)	(4,202,268)
Parks and recreation	13,879,861	11,391,414	176,341	3,926,767	1,614,661	1,614,661
Housing assistance payments	3,858,070		4,325,019		466,949	466,949
Interest on long-term debt	740,975				(740,975)	(740,975)
<b>Total Governmental Activities</b>	<b>168,835,263</b>	<b>24,466,382</b>	<b>10,996,049</b>	<b>22,489,470</b>	<b>(110,883,362)</b>	<b>(110,883,362)</b>
<b>Business-type Activities:</b>						
Electric	144,616,552	162,182,048	7,190	9,235,825		\$26,808,511
Water	25,300,949	23,212,495	908,298	15,947,047		14,766,891
Wastewater	36,129,357	30,398,896	15,396	17,992,998		12,277,933
Solid Waste	16,113,470	21,806,830	32,859	337,849		6,064,068
Natural Gas	25,984,715	16,529,666				(9,455,049)
Golf Course	2,501,897	2,392,702				(109,195)
Local Transportation	7,482,689	1,141,354	12,086,251	25,524		5,770,440
School-Age Child Care	4,496,871	4,780,848	236,515			520,492
<b>Total Business-type Activities</b>	<b>262,626,500</b>	<b>262,444,839</b>	<b>13,286,509</b>	<b>43,539,243</b>		<b>56,644,091</b>
<b>Total</b>	<b>\$431,461,763</b>	<b>\$286,911,221</b>	<b>\$24,282,558</b>	<b>\$66,028,713</b>	<b>(110,883,362)</b>	<b>56,644,091</b>
<b>General revenues:</b>						
<b>Taxes:</b>						
Property taxes					31,930,656	31,930,656
Sales taxes					46,591,961	46,591,961
Franchise taxes					2,037,189	2,037,189
Other taxes					7,465,472	7,465,472
Use of money and property					2,414,976	11,499,354
Miscellaneous revenues					420,959	420,959
Gain from sale of capital assets					43,992	50,252
Transfers					(11,480,648)	11,480,648
<b>Special Items:</b>						
Cancellation of loans receivable from the Successor Agency (Note 5F)					(5,847,668)	(5,847,668)
Transfer of capital assets from the Successor Agency (Note 5F)					7,107,581	7,107,581
Restructuring of interest on loans receivable from the Successor Agency (Note 5F)					(814,422)	(814,422)
<b>Total general revenues, special items and transfers</b>					<b>79,870,048</b>	<b>23,030,254</b>
<b>Change in net position</b>					<b>(31,013,314)</b>	<b>79,674,345</b>
<b>Net position-Beginning, as restated (Notes 8E and 9D)</b>					<b>1,059,314,211</b>	<b>1,307,013,671</b>
<b>Net position-Ending</b>					<b>\$1,028,300,897</b>	<b>\$1,386,688,016</b>

See accompanying notes to basic financial statements

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<b>FUND FINANCIAL STATEMENTS</b>
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Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City in fiscal 2014. Individual non-major funds may be found in the Supplemental Section.

**GENERAL FUND**

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

**COMMUNITY FACILITIES DISTRICT PROJECTS CAPITAL PROJECTS FUND**

This fund is used to account for specific public improvements such as streets, sewers, storm drains, sidewalks or other amenities funded by special assessments against benefited properties.

CITY OF ROSEVILLE  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2014

	General	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments in City Treasury (Note 3)	\$40,672,983	\$5,329,770	\$123,517,154	\$169,519,907
Restricted cash and investments with fiscal agents (Note 3)		1,777,377	1,229,645	3,007,022
Receivables:				
Taxes	1,506,825			1,506,825
Accounts	1,557,194		446,439	2,003,633
Accrued interest	437,148	15,219	1,097,235	1,549,602
Due from other government agencies	7,321,298		1,960,899	9,282,197
Due from other funds (Note 4B)	59,365		100,000	159,365
Advances to other funds (Note 4C)	1,530,951		3,895,054	5,426,005
Prepays	82,580			82,580
Developer permit fees receivable (Note 6)	262,910		1,997,002	2,259,912
Notes receivable (Note 5)	17,979,293		26,890,885	44,870,178
Inventories (Note 11)	412,477			412,477
Land held for resale (Note 7B)			861,245	861,245
<b>Total Assets</b>	<b>\$71,823,024</b>	<b>\$7,122,366</b>	<b>\$161,995,558</b>	<b>\$240,940,948</b>
<b>LIABILITIES</b>				
Accounts payable	\$2,888,686	\$31,174	\$2,587,204	\$5,507,064
Accrued liabilities	3,651,089		131,951	3,783,040
Due to other funds (Note 4B)			394,773	394,773
Due to other government agencies	27,995		13,939,279	13,967,274
Advances from other funds (Note 4C)		4,661,182	2,682,614	7,343,796
Unearned revenue	511,091		491,400	1,002,491
Deposits	3,497,861		658,448	4,156,309
<b>Total Liabilities</b>	<b>10,576,722</b>	<b>4,692,356</b>	<b>20,885,669</b>	<b>36,154,747</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue (Note 1F)	7,672,294		9,867,177	17,539,471
<b>FUND BALANCES (Note 11)</b>				
Nonspendable	12,700,881		16,940,290	29,641,171
Restricted		2,430,010	102,007,922	104,437,932
Committed			2,280,996	2,280,996
Assigned	2,685,359		11,304,133	13,989,492
Unassigned	38,187,768		(1,290,629)	36,897,139
<b>TOTAL FUND BALANCES</b>	<b>53,574,008</b>	<b>2,430,010</b>	<b>131,242,712</b>	<b>187,246,730</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$71,823,024</b>	<b>\$7,122,366</b>	<b>\$161,995,558</b>	<b>\$240,940,948</b>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
 Reconciliation of  
 GOVERNMENTAL FUNDS -- FUND BALANCE  
 with the Governmental Activities  
 NET POSITION  
 JUNE 30, 2014

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$187,246,730

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 828,863,361

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	51,932,228
Accounts receivable	3,275
Accrued interest	2,275,423
Due from other government agencies	169,633
Prepaid expenses	169,800
Notes receivable	829,201
Inventories	806,281
Capital assets	11,659,312
Accounts payable	(889,057)
Accrued liabilities	(75,260)
Self-insurance claims payable	(10,749,336)
Compensated absences	(362,870)
Net OPEB obligation	(39,363,312)
Internal balances	5,994,986

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities. 17,029,637

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(14,729,422)
Interest payable and other accrued liabilities, included in accrued liabilities	(241,005)
Non-current portion of compensated absences	(12,268,708)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$1,028,300,897

See accompanying notes to basic financial statements



CITY OF ROSEVILLE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	General	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$82,908,186		\$7,784,108	\$90,692,294
Licenses and permits	2,066,744			2,066,744
Charges for services	13,683,955		9,461,103	23,145,058
Subventions and grants	1,774,570		12,307,197	14,081,767
Use of money and property	837,876	\$67,751	1,332,151	2,237,778
Fines, forfeitures and penalties	901,875		363,151	1,265,026
Contributions from developers and others	619,244	943,255	158,910	1,721,409
Miscellaneous revenues	2,258,297		1,989,532	4,247,829
<b>Total Revenues</b>	<b>105,050,747</b>	<b>1,011,006</b>	<b>33,396,152</b>	<b>139,457,905</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	22,974,915		468,411	23,443,326
Development & operations	9,138,995		2,373,857	11,512,852
Public works	5,905,337		635,557	6,540,894
Public safety:				
Police	30,686,667		8,488	30,695,155
Fire	25,488,280		42,223	25,530,503
Library	3,648,574		41,340	3,689,914
Parks and recreation	13,078,587		6,138,900	19,217,487
Housing assistance payments			3,858,070	3,858,070
Capital outlay	2,763,055	4,742,411	22,664,683	30,170,149
Payments under development agreements (Note 7A)	567,619			567,619
Annexation payments	2,932,924			2,932,924
Debt service (Note 9):				
Principal retirement	42,965		2,082,313	2,125,278
Interest and fiscal charges	8,446	166,236	433,190	607,872
<b>Total Expenditures</b>	<b>117,236,364</b>	<b>4,908,647</b>	<b>38,747,032</b>	<b>160,892,043</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(12,185,617)</b>	<b>(3,897,641)</b>	<b>(5,350,880)</b>	<b>(21,434,138)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	40,044		3,948	43,992
Transfers in (Note 4A)	25,208,960		16,334,009	41,542,969
Transfers (out) (Note 4A)	(12,483,393)	(64,595)	(12,140,909)	(24,688,897)
<b>Total Other Financing Sources (Uses)</b>	<b>12,765,611</b>	<b>(64,595)</b>	<b>4,197,048</b>	<b>16,898,064</b>
<b>NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEMS</b>	<b>579,994</b>	<b>(3,962,236)</b>	<b>(1,153,832)</b>	<b>(4,536,074)</b>
<b>SPECIAL ITEMS:</b>				
Change in classification of assets (Notes 5E and 7B)			(2,141,561)	(2,141,561)
Cancellation of loans receivable from the Successor Agency (Note 5F)	(5,847,668)			(5,847,668)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,267,674)</b>	<b>(3,962,236)</b>	<b>(3,295,393)</b>	<b>(12,525,303)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED (Notes 1F and 9D)</b>	<b>58,841,682</b>	<b>6,392,246</b>	<b>134,538,105</b>	<b>199,772,033</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$53,574,008</b>	<b>\$2,430,010</b>	<b>\$131,242,712</b>	<b>\$187,246,730</b>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2014

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$12,525,303)

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

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay and other capitalized expenditures are therefore added back to fund balance	30,170,149
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(7,695,214)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,066,724 which has already been allocated to serviced funds.)	(14,334,400)
Transfers of capital assets to business-type funds are deducted from fund balance	(35,057,535)
Transfer of capital assets to internal service funds are deducted from fund balance	(476,041)
Contributions of infrastructure and improvements by developers are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands.	8,740,693
Loss on retirement of capital assets is deducted from fund balance	(4,020,039)
Transfer of land held and capital assets from the Successor Agency is added to fund balance	7,107,581
Reclassification of loans receivable to capital assets is added to fund balance	2,743,895

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	2,125,278
Assumption of debt is deducted from fund balance	(602,334)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Long-term compensated absences	(1,048,736)
Interest payable and accrued liabilities, included in accrued liabilities	(133,103)
Unavailable revenues	206,661

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance 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.

Change in Net Position - All Internal Service Funds	<u>(6,214,866)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (\$31,013,314)

See accompanying notes to basic financial statements

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## **MAJOR PROPRIETARY FUNDS**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal 2014.

Financial reporting standards do not provide for the disclosure of budget vs. actual comparisons regarding proprietary funds that are major funds.

### **ELECTRIC FUND**

This fund accounts for all financial transactions relating to the City's Electric service. Services are on a user charge basis to residents and business owners located in Roseville.

### **WATER FUND**

This fund accounts for all financial transactions relating to the City's Water service. Services are on a user charge basis to residents and business owners located in Roseville.

### **WASTEWATER FUND**

This fund accounts for all financial transactions relating to the City's Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Roseville.

### **SOLID WASTE FUND**

This fund accounts for all financial transactions relating to the City's Solid Waste service. Services are on a user charge basis to residents and business owners located in Roseville.

### **ROSEVILLE NATURAL GAS FINANCING AUTHORITY**

This fund accounts for financing and purchasing pre-paid natural gas for the generation of power for the Roseville Energy Park.

### **GOLF COURSE FUND**

This fund accounts for all financial transactions associated relating to the development, operation and maintenance of the City's public golf courses.

### **LOCAL TRANSPORTATION FUND**

This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and the handicapped.

### **SCHOOL-AGE CHILD CARE FUND**

This fund accounts for the receipt of parent fees and State grants used to finance child development programs.

CITY OF ROSEVILLE  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2014

	Business-type Activities-Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
<b>ASSETS</b>					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$67,472,970	\$56,600,438	\$35,621,264	\$20,119,167	\$18,378
Restricted cash and investments with fiscal agents (Note 3)	16,575,625	5,083,382			8,685,777
Receivables:					
Accounts, net of allowance for doubtful accounts	24,486,958	4,529,274	4,118,792	2,713,735	
Accrued interest	177,959	181,483	71,446	37,353	10
Due from other government agencies	119,076	880,022	1,279,148		
Prepays	2,317,831	72,057			
Notes receivable					
Due from other funds (Note 4B)			110,107		
Inventories (Note 11)	9,320,847	328,893	55,700	181,987	
Total Current Assets	<u>120,471,266</u>	<u>67,675,549</u>	<u>41,256,457</u>	<u>23,052,242</u>	<u>8,704,165</u>
Noncurrent Assets:					
Developer permit fees receivable (Note 6)	26,908		26,102		
Notes receivable from NCPA (Note 15B)	31,546				
Prepaid purchased gas (Note 19)					178,070,523
Investment in NCPA reserves (Note 15)	2,804,039				
Investment in SPWA reserves (Note 16)			70,480,576		
Advances to other funds (Note 4C)		1,661,182	114,512		
Derivative at fair value-asset (Notes 9 and 10)	123,855				79,723,246
Capital assets (Note 8):					
Land and construction in progress	23,467,392	6,704,933	12,046,019	386,678	
Capital assets being depreciated, net	410,834,650	430,774,218	547,169,351	4,262,936	
Total Noncurrent Assets	<u>437,288,390</u>	<u>439,140,333</u>	<u>629,836,560</u>	<u>4,649,614</u>	<u>257,793,769</u>
Total Assets	<u>557,759,656</u>	<u>506,815,882</u>	<u>671,093,017</u>	<u>27,701,856</u>	<u>266,497,934</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding (Note 9)	4,069,833	481,992			
Accumulated decrease in fair value of hedging derivatives (Notes 9 and 10)	20,527,949		6,560,947		
Total Deferred Outflows of Resources	<u>24,597,782</u>	<u>481,992</u>	<u>6,560,947</u>		
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	8,144,544	764,273	1,456,412	560,378	1,418
Accrued liabilities	3,521,765	784,528	1,761,640	267,926	3,115,688
Due to other government agencies	4,007		506,166		
Due to other funds (Note 4B)				110,107	
Current portion of compensated absences (Note 1H)	1,160,092	507,072	455,074	195,587	
Current portion of long-term debt (Note 9)	6,085,000	2,170,000	2,133,436		8,435,000
Deposits	1,846,833	44,500			4,639,115
Unearned revenue	1,672,694			34,889	
Self-insurance claims payable (Note 14)					
Total Current Liabilities	<u>22,434,935</u>	<u>4,270,373</u>	<u>6,312,728</u>	<u>1,168,887</u>	<u>16,191,221</u>
Long-Term Liabilities:					
Advances from other funds (Note 4C)				114,512	
Long-term debt, non-current portion (Note 9)	236,435,953	42,258,461	91,186,326		167,301,834
Landfill closure and post closure liability (Note 17)				2,361,710	
Compensated absences (Note 1H)	2,040,257	1,076,295	945,594	455,134	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14):					
Derivative at fair value-liability (Notes 9 and 10)	20,527,949		6,560,947		
Total Long-Term Liabilities	<u>259,004,159</u>	<u>43,334,756</u>	<u>98,692,867</u>	<u>2,931,356</u>	<u>167,301,834</u>
Total Liabilities	<u>281,439,094</u>	<u>47,605,129</u>	<u>105,005,595</u>	<u>4,100,243</u>	<u>183,493,055</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Accumulated increase in fair value of hedging derivatives (Notes 9 and 10)	123,855				79,723,246
<b>NET POSITION (Note 11)</b>					
Net investment in capital assets	191,781,089	393,050,690	465,895,608	4,649,614	
Restricted for debt service	16,493,250	4,315,500	5,112,861		
Restricted for local transportation					
Restricted for the benefit of rate payers (AB 32)	2,145,363				
Unrestricted	90,374,787	62,326,555	101,639,900	18,951,999	3,281,633
Total Net Position	<u>\$300,794,489</u>	<u>\$459,692,745</u>	<u>\$572,648,369</u>	<u>\$23,601,613</u>	<u>\$3,281,633</u>

Some amounts reported for *business-type activities* in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$1,079,245	\$10,687,664	\$95,338	\$191,694,464	\$51,932,228
			30,344,784	
245,749	32,277	408,229	36,535,014	3,275
13,599	23,231		505,081	2,275,423
	2,894,830	51,367	5,224,443	169,633
			2,389,888	169,800
			110,107	829,201
			9,887,427	1,464,894
				806,281
<u>1,338,593</u>	<u>13,638,002</u>	<u>554,934</u>	<u>276,691,208</u>	<u>57,650,735</u>
			53,010	
			31,546	
			178,070,523	
			2,804,039	
			70,480,576	
			1,775,694	3,681,962
			79,847,101	
6,007,666	2,861,072		51,473,760	476,041
8,516,417	14,297,583	2,067,572	1,417,922,727	11,183,271
<u>14,524,083</u>	<u>17,158,655</u>	<u>2,067,572</u>	<u>1,802,458,976</u>	<u>15,341,274</u>
<u>15,862,676</u>	<u>30,796,657</u>	<u>2,622,506</u>	<u>2,079,150,184</u>	<u>72,992,009</u>
			4,551,825	
			27,088,896	
			31,640,721	
14,017	359,403	58,040	11,358,485	889,057
2,127,340	44,221	156,550	11,779,658	75,260
			510,173	
127,000		60,000	297,107	1,042,486
	64,791	83,154	2,465,770	
399,129			19,222,565	
	90	7,248	6,537,786	
	9,553,811		11,261,394	
				1,600,260
<u>2,667,486</u>	<u>10,022,316</u>	<u>364,992</u>	<u>63,432,938</u>	<u>3,607,063</u>
2,750,000		585,000	3,449,512	90,353
3,945,831			541,128,405	
			2,361,710	
	125,542	170,536	4,813,358	362,870
				39,363,312
				9,149,076
			27,088,896	
<u>6,695,831</u>	<u>125,542</u>	<u>755,536</u>	<u>578,841,881</u>	<u>48,965,611</u>
<u>9,363,317</u>	<u>10,147,858</u>	<u>1,120,528</u>	<u>642,274,819</u>	<u>52,572,674</u>
			79,847,101	
10,179,123	17,158,655	2,067,572	1,084,782,351	11,659,312
	3,490,144		25,921,611	
			3,490,144	
			2,145,363	
<u>(3,679,764)</u>		<u>(565,594)</u>	<u>272,329,516</u>	<u>8,760,023</u>
<u>\$6,499,359</u>	<u>\$20,648,799</u>	<u>\$1,501,978</u>	<u>1,388,668,985</u>	<u>\$20,419,335</u>
			(1,980,969)	
			<u>\$1,386,688,016</u>	
			Net position business-type activities	

CITY OF ROSEVILLE  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>OPERATING REVENUES</b>					
Charges for services	\$159,356,541	\$22,913,383	\$30,369,242	\$20,985,537	\$16,529,666
Other	2,825,507	299,112	29,654	821,293	
<b>Total Operating Revenues</b>	<b>162,182,048</b>	<b>23,212,495</b>	<b>30,398,896</b>	<b>21,806,830</b>	<b>16,529,666</b>
<b>OPERATING EXPENSES</b>					
Power supply	91,879,301				
Operations	17,780,429	11,799,880	17,882,730	15,175,491	18,133,391
Administration	3,366,163	2,936,483	526,209	665,934	8,596
Depreciation and amortization	20,988,418	8,719,841	11,489,164	332,439	
Claims expense					
<b>Total Operating Expenses</b>	<b>134,014,311</b>	<b>23,456,204</b>	<b>29,898,103</b>	<b>16,173,864</b>	<b>18,141,987</b>
<b>Operating Income (Loss)</b>	<b>28,167,737</b>	<b>(243,709)</b>	<b>500,793</b>	<b>5,632,966</b>	<b>(1,612,321)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and rents revenue	603,420	624,110	285,865	139,824	9,742,821
Interest and fiscal charges (expense)	(9,051,043)	(1,947,590)	(3,911,720)	(11,508)	(7,842,728)
Subventions and grants	7,190	908,298	15,396	32,859	
Cost of issuance	(1,425,825)		(1,850)		
Gain (loss) from sale of property	(322,855)		(2,438,108)	50,252	
Increase (decrease) in NCPA reserves	(581,878)				
Increase (decrease) in SPWA reserves			314,869		
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(10,770,991)</b>	<b>(415,182)</b>	<b>(5,735,548)</b>	<b>211,427</b>	<b>1,900,093</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>17,396,746</b>	<b>(658,891)</b>	<b>(5,234,755)</b>	<b>5,844,393</b>	<b>287,772</b>
<b>Contributions</b>					
Capital contributions - connection/impact fees	1,344,711	5,093,431	6,609,788	337,849	
Contributions in aid of construction	3,208,753				
Capital contributions from developers and governmental activities	36,005,877	12,652,505	13,535,913		
Transfers in (Note 4A)	1,287,874	1,873,001	583,531	10,000	
Transfers (out) (Note 4A)	(13,312,265)	(4,766,014)	(4,557,338)	(3,540,287)	(22,172)
<b>Change in net position before special item</b>	<b>45,931,696</b>	<b>14,194,032</b>	<b>10,937,139</b>	<b>2,651,955</b>	<b>265,600</b>
<b>Special Item</b>					
Restructuring of interest on loans receivable from the Successor Agency (Note 5F)					
<b>Change in net position</b>	<b>45,931,696</b>	<b>14,194,032</b>	<b>10,937,139</b>	<b>2,651,955</b>	<b>265,600</b>
<b>Total net position-beginning, as restated (Note 8E)</b>	<b>254,862,793</b>	<b>445,498,713</b>	<b>561,711,230</b>	<b>20,949,658</b>	<b>3,016,033</b>
<b>Total net position-ending</b>	<b>\$300,794,489</b>	<b>\$459,692,745</b>	<b>\$572,648,369</b>	<b>\$23,601,613</b>	<b>\$3,281,633</b>

Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds service

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,377,594	\$1,003,328	\$4,557,132	\$258,092,423	\$12,422,179
15,108	138,026	223,716	4,352,416	8,465,606
<u>2,392,702</u>	<u>1,141,354</u>	<u>4,780,848</u>	<u>262,444,839</u>	<u>20,887,785</u>
			91,879,301	
2,010,893	5,482,726	4,456,859	92,722,399	27,079,481
	560,698		8,064,083	
388,601	1,445,665	65,207	43,429,335	3,066,724
				<u>3,316,103</u>
<u>2,399,494</u>	<u>7,489,089</u>	<u>4,522,066</u>	<u>236,095,118</u>	<u>33,462,308</u>
<u>(6,792)</u>	<u>(6,347,735)</u>	<u>258,782</u>	<u>26,349,721</u>	<u>(12,574,523)</u>
21,076	79,724	2,514	11,499,354	517,456
(105,445)		(10,187)	(22,880,221)	
	12,086,251	236,515	13,286,509	
	(4,756)		(1,427,675)	
			(2,715,467)	
			(581,878)	
			<u>314,869</u>	
<u>(84,369)</u>	<u>12,161,219</u>	<u>228,842</u>	<u>(2,504,509)</u>	<u>517,456</u>
(91,161)	5,813,484	487,624	23,845,212	(12,057,067)
	74,960		74,960	476,041
			13,385,779	
			3,208,753	
			62,194,295	
	52,279	3,000	3,809,685	7,917,022
<u>(97,852)</u>	<u>(843,507)</u>	<u>(247,137)</u>	<u>(27,386,572)</u>	<u>(1,194,207)</u>
(189,013)	5,097,216	243,487	79,132,112	(4,858,211)
				<u>(814,422)</u>
(189,013)	5,097,216	243,487	79,132,112	(5,672,633)
<u>6,688,372</u>	<u>15,551,583</u>	<u>1,258,491</u>		<u>26,091,968</u>
<u>\$6,499,359</u>	<u>\$20,648,799</u>	<u>\$1,501,978</u>		<u>\$20,419,335</u>
			<u>542,233</u>	
Change in net position of business-type activities			<u>\$79,674,345</u>	



CITY OF ROSEVILLE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$158,915,550	\$23,037,271	\$31,232,271	\$21,046,506	\$16,528,781
Payments to suppliers	(94,775,522)	(6,693,710)	(12,911,083)	(11,093,555)	(9,642,381)
Payments to employees	(20,765,778)	(8,204,387)	(6,296,663)	(5,279,056)	
Payments to OPEB trust					
Claims paid					
Other receipts	<u>2,825,507</u>	<u>299,112</u>	<u>29,654</u>	<u>821,293</u>	
Net Cash Flows from Operating Activities	<u>46,199,757</u>	<u>8,438,286</u>	<u>12,054,179</u>	<u>5,495,188</u>	<u>6,886,400</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Subventions and grants	(102,733)	84,407	15,396	32,859	
(Increase) decrease in due from other funds			60,108		
Increase (decrease) in due to other funds				4,220	
(Increase) decrease in advance to other funds		338,818	110,109		
Increase (decrease) in advances from other funds				(110,109)	
Transfers in	1,287,874	1,859,522	583,531	10,000	
Transfers (out)	<u>(13,312,265)</u>	<u>(4,766,014)</u>	<u>(4,543,859)</u>	<u>(3,540,287)</u>	<u>(22,172)</u>
Cash Flows from Noncapital Financing Activities	<u>(12,127,124)</u>	<u>(2,483,267)</u>	<u>(3,774,715)</u>	<u>(3,603,317)</u>	<u>(22,172)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	3,208,753				
Acquisition and construction of capital assets	(8,557,290)	(2,672,096)	(6,727,992)	(316,902)	
Proceeds from sale of capital assets	39,279		6,699	50,252	
Transfer of connection fees to SPWA			(6,603,208)		
Change in restricted assets	23,858		5,902,108		
Issuance of debt	48,780,000				
Debt issuance premium	5,899,513				
Issuance costs	(1,425,825)		(1,850)		
Principal payments on capital debt	(57,920,000)	(2,065,000)	(1,988,535)		(8,030,000)
Interest paid on capital debt	(10,942,577)	(1,947,590)	(3,911,720)	(11,508)	(8,578,639)
Connection/impact fees	<u>1,344,711</u>	<u>4,717,034</u>	<u>6,609,788</u>	<u>320,087</u>	
Cash Flows from Capital and Related Financing Activities	<u>(19,549,578)</u>	<u>(1,967,652)</u>	<u>(6,714,710)</u>	<u>41,929</u>	<u>(16,608,639)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and rents received	634,537	664,521	321,511	157,593	9,742,831
Receipts from sale of (payment to acquire) equity instruments, net	<u>45,992</u>	<u>(107,723)</u>			<u>(2,269)</u>
Cash Flows from Investing Activities	<u>680,529</u>	<u>556,798</u>	<u>321,511</u>	<u>157,593</u>	<u>9,740,562</u>
Net increase (decrease) in cash and cash equivalents	15,203,584	4,544,165	1,886,265	2,091,393	(3,849)
Cash and investments at beginning of period	52,269,386	52,056,273	33,734,999	18,027,774	22,227
Cash and investments at end of period	<u>\$67,472,970</u>	<u>\$56,600,438</u>	<u>\$35,621,264</u>	<u>\$20,119,167</u>	<u>\$18,378</u>
<b>NONCASH TRANSACTIONS:</b>					
Contribution of capital assets from developers	<u>\$5,264,238</u>	<u>\$10,853,616</u>	<u>\$10,892,525</u>		
Contribution of SPWA capital assets to City			<u>\$175,817</u>		
Capital assets transferred from the City	<u>\$30,741,639</u>	<u>\$1,798,889</u>	<u>\$2,467,571</u>		
Retirement of capital assets	<u>(\$362,134)</u>		<u>(\$2,444,807)</u>		
Transfer of capital assets from other funds		<u>\$13,479</u>			
Transfer of capital assets to other funds			<u>(\$13,479)</u>		
Amortization of bond premium	<u>\$854,897</u>	<u>\$137,956</u>	<u>\$201,972</u>		<u>\$735,911</u>
Amortization of bond discount	<u>(\$12,139)</u>				
Amortization of deferred amount on refunding	<u>(\$255,262)</u>	<u>(\$37,076)</u>			
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$28,167,737	(\$243,709)	\$500,793	\$5,632,966	(\$1,612,321)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	20,988,418	8,719,841	11,489,164	332,439	
Retirement of capital assets					
Change in assets and liabilities:					
Receivables, net	(1,482,648)	93,888	863,029	26,080	
Inventories	(1,288,023)	3,318	1,054	(45,007)	
Prepays	154,522	85,921			
Prepays purchased gas					8,649,950
Net OPEB obligations					
Accounts and other payables	(1,143,806)	(220,973)	(799,861)	(486,179)	(151,229)
Unearned revenue	<u>803,557</u>			<u>34,889</u>	
Cash Flows from Noncapital Financing Activities	<u>\$46,199,757</u>	<u>\$8,438,286</u>	<u>\$12,054,179</u>	<u>\$5,495,188</u>	<u>\$6,886,400</u>

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,375,854 (2,078,717)	\$149,847 (5,312,223) (1,038,416)	\$4,579,866 (4,436,539) (59,257)	\$257,865,946 (146,943,730) (41,643,557)	\$12,269,632 (9,651,662) (6,042,854) (5,421,876) (2,163,076) 8,462,359
<u>15,108</u>	<u>138,026</u>	<u>223,716</u>	<u>4,352,416</u>	<u>8,462,359</u>
<u>312,245</u>	<u>(6,062,766)</u>	<u>307,786</u>	<u>73,631,075</u>	<u>(2,547,477)</u>
	11,637,223	248,999	11,916,151	
		(354,935)	60,108 (350,715)	566,877
(127,000)		145,000	448,927 (92,109)	217,408
(97,852)	52,279 (843,507)	3,000 (247,137)	3,796,206 (27,373,093)	7,917,022 (1,194,207)
<u>(224,852)</u>	<u>10,845,995</u>	<u>(205,073)</u>	<u>(11,594,525)</u>	<u>7,507,100</u>
	25,524 (4,185,312) 5,100		3,234,277 (22,459,592) 101,330	(2,140,741)
(430,618) (59,210)		(10,187)	(6,603,208) 5,925,966 48,780,000 5,899,513 (1,427,675) (70,434,153) (25,461,431) 12,991,620	
<u>(489,828)</u>	<u>(4,154,688)</u>	<u>(10,187)</u>	<u>(49,453,353)</u>	<u>(2,140,741)</u>
28,494 96	89,559	2,554	11,641,600 (63,904)	540,062
<u>28,590</u>	<u>89,559</u>	<u>2,554</u>	<u>11,577,696</u>	<u>540,062</u>
(373,845)	718,100	95,080	24,160,893	3,358,944
1,453,090	9,969,564	258	167,533,571	48,573,284
<u>\$1,079,245</u>	<u>\$10,687,664</u>	<u>\$95,338</u>	<u>\$191,694,464</u>	<u>\$51,932,228</u>
			\$27,010,379	
			\$175,817	
	\$49,436		\$35,057,535	\$476,041
	<u>(9,856)</u>		<u>(2,816,797)</u>	<u>(7,245)</u>
			\$13,479	
			<u>(13,479)</u>	
			\$1,930,736	
			<u>(12,139)</u>	
			<u>(292,338)</u>	
(6,792)	(\$6,347,735)	\$258,782	\$26,349,721	(\$12,574,523)
388,601	1,445,665	65,207	43,429,335	3,066,724 7,245
(1,740)	(10,745)	29,303	(482,833) (1,328,658) 240,443 8,649,950	(190,560) (169,800)
(67,824)	(307,275) (842,676)	(45,506)	(3,222,653) (4,230)	6,116,526 1,196,911
<u>\$312,245</u>	<u>(\$6,062,766)</u>	<u>\$307,786</u>	<u>\$73,631,075</u>	<u>(\$2,547,477)</u>

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<b>FIDUCIARY FUNDS</b>
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**FIDUCIARY FUNDS**

Fiduciary funds are presented separately from the Government-wide and Fund financial statements. The City had the following types of fiduciary funds in fiscal 2014:

*Other Employee Benefit Trust Funds* are used to account for assets held by the City as a trustee agent for the members and beneficiaries of other post-employment benefit plans.

*Private-Purpose Trust Funds* are used to account for trust arrangements under which principal and income benefit private organizations or other governments.

*Agency Funds* are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF ROSEVILLE  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2014

	Retiree Health Plan Trust Fund	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments in Treasury (Note 3)		\$10,074,725	\$127,639,574
Restricted cash and investments with fiscal agents (Note 3)		5,959,376	38,866,913
OPEB Plan Assets (Note 13F):			
Domestic equity funds	\$32,162,524		
Fixed income securities	17,465,479		
Miscellaneous (EQUUS)	448,440		
Cash equivalents	164,314		
Accounts receivable			219,971
Taxes receivable			937,120
Accrued interest receivable		196,551	976,731
Permit fees receivable			1,250,771
Due from other government agencies			1,444,296
Notes receivable (Note 20B)		5,097,430	
Capital Assets (Note 20D):			
Land		74,369	
Total Assets	50,240,757	21,402,451	\$171,335,376
LIABILITIES			
Accounts payable	24,609	1,594	\$2,502,577
Accrued liabilities		565,806	516,527
Unearned revenue		36,294	
Due to other government agencies			13,122
Due to member agencies			110,485,448
Due to bondholders			57,506,829
Due to others			310,873
Long-term liabilities (Note 20E):			
Due within one year		825,703	
Due in more than one year		55,675,474	
Total Liabilities	24,609	57,104,871	\$171,335,376
NET POSITION			
Held in trust for retiree health plan benefits	\$50,216,148		
Held in trust for private purposes or for other governments		(\$35,702,420)	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	Retiree Health Plan Trust Fund	Private-Purpose Trust Funds
<b>ADDITIONS</b>		
Property taxes		\$1,900,108
Contributions from the City	\$7,469,613	
Investment income	6,624,670	164,074
Fines, forfeitures and other penalties		1,707
	14,094,283	2,065,889
<b>DEDUCTIONS</b>		
General government		27,831
Community services		427,464
Retiree health plan benefits	5,506,794	
Debt service:		
Interest and fiscal charges		1,773,381
	5,506,794	2,228,676
Change in Net Position Before Special Item	8,587,489	(162,787)
<b>SPECIAL ITEM</b>		
Transfer of land held and capital assets to the City (Note 20C and 20D)		(7,107,581)
Cancellation of loans and interest payable to the City (Note 20E)		3,030,067
Restructuring of interest on loans payable to the City (Note 20E)		5,902,331
	8,587,489	1,662,030
Change in Net Position	8,587,489	1,662,030
Net Position - Beginning of Year	41,628,659	(37,364,450)
Net Position - End of Year	\$50,216,148	(\$35,702,420)

See accompanying notes to basic financial statements

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**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Roseville was incorporated on April 10, 1909 under provisions of Act 279, P.A. 1909, as amended (Home Rule City). The City operates under the Council Manager form of government and provides the following services: public safety (police and fire), streets, sanitation, water, solid waste, electric, local transportation, school-age child care, golf course, parks recreation, public improvements, planning and zoning, library, general administration services, redevelopment and housing.

The financial statements and accounting policies of the City conform with generally accepted accounting principles in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

**A. *Reporting Entity***

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. This City's component units which are described below are all blended.

The **Roseville Finance Authority** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Roseville Finance Authority Debt Service Fund and Capital Projects Fund.

The **City of Roseville Housing Authority** is a separate government entity whose purpose is to assist with the housing for the City's low and moderate income residents. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Housing Authority Section 8 Special Revenue Fund.

The **Roseville Natural Gas Financing Authority** is a Joint Exercise Powers Agency created on December 6, 2006, for the purpose of acquiring, financing and supplying natural gas to the City of Roseville. The members of the Authority are the City of Roseville and the City of Roseville Redevelopment Agency. The City of Roseville is governed by a five member Board. City Council serves as the governing body of the Authority and officers of the Authority are employees of the City. The financial activities of the Authority have been included in these financial statements in the Roseville Natural Gas Financing Authority Enterprise Fund.



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The **Roseville Community Development Corporation** is a California 501(c)3 nonprofit public benefit corporation formed in November 2010 by the City and the former Redevelopment Agency under the California Nonprofit Corporation Laws of the State of California. The Corporation was formed for the purpose of implementing the revitalization and economic goals of the City by securing private and public capital through development of both residential and commercial properties as well as developing affordable housing, redeveloping properties to create mixed-use, commercial and office projects, business recruitment and retention, commercial loans, and ongoing property management. As a separate legal entity and non-profit corporation, the corporation can secure funding that is not legally available to the former Redevelopment Agency and its activities can extend outside of the Redevelopment Plan areas.

The Corporation is governed by a volunteer five member board appointed by the City Council. The members, all from the community, have development, financing and business operations related experience. The board has operations, management, budget approval and strategy implementation authority that is separate from the City Council.

The Corporation has established a service agreement with the City to utilize existing City staff to accomplish its initial goals. The financial activities of the Corporation are included in the Roseville Community Development Corporation Special Revenue Fund.

The **City of Roseville Retiree Health Plan Trust** is governed by the City's Resolution 10-275 and is used to account for contributions and investment income restricted to pay medical benefits. Benefit and contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Council established by the above Resolution. The financial activities of the Plan have been included in these financial statements in the Retiree Health Plan Trust Fund.

Financial statements for the Roseville Natural Gas Financing Authority and Roseville Community Development Corporation may be obtained from the City of Roseville at 311 Vernon Street, Roseville, California, 95678. Separate financial statements for the Redevelopment Agency, Roseville Finance Authority, Roseville Housing Authority and City of Roseville Retiree Health Plan Trust are not issued.

The California Joint Powers Risk Management Authority, the Local Agency Workers' Compensation Excess Joint Powers Authority, the Highway 65 Joint Powers Authority, and the South Placer Wastewater Authority are not included in the accompanying basic financial statements because they do not meet the above financial accountability criteria as these entities are administered by governing boards separate from and wholly independent of the City.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation**

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United State of America.

These Standards require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the primary government, the City and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Major Funds**

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

**General Fund** - This is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

**Community Facilities District Projects Fund** - This fund is used to account for specific public improvements such as streets, sewers, storm drains, sidewalks or other amenities funded by special assessments against benefited properties.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

**Electric Fund** - This fund accounts for all financial transactions relating to the City's Electric service. Services are on a user charge basis to residents and business owners located in Roseville.

**Water Fund** - This fund accounts for all financial transactions relating to the City's Water service. Services are on a user charge basis to residents and business owners located in Roseville.

**Wastewater Fund** - This fund accounts for all financial transactions relating to the City's Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Roseville.

**Solid Waste Fund** - This fund accounts for all financial transactions relating to the City's Solid Waste service. Services are on a user charge basis to residents and business owners located in Roseville.

**Roseville Natural Gas Financing Authority** - This fund accounts for financing and purchasing pre-paid natural gas for the generation of power for the Roseville Energy Park.

**Golf Course Fund** - This fund accounts for all financial transactions associated relating to the development, operation and maintenance of the City's public golf courses.

**Local Transportation Fund** - This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and the handicapped.

**School-Age Child Care Fund** - This fund accounts for the receipt of parent fees and State grants used to finance child development programs.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City also reports the following fund types:

**Internal Service Funds.** The funds account for automotive services, automotive replacement, workers' compensation, general liability, unemployment reserve, vision, dental, section 125, post retirement, and central stores; all of which are provided to other departments on a cost-reimbursement basis.

**Fiduciary Funds.** These funds account for assets held by the City as an agent for various functions. The Endowment Private-Purpose Trust Fund is used to account for assets held by the City as an agent for various endowment funds for the benefits of certain private-purpose trust funds. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The Retiree Health Plan Trust Fund accounts for the accumulation of resources to be used for retiree medical benefit payments at appropriate amounts and times in the future. The Agency Funds are used to account for assets held by the City as an agency for certain special assessment districts in the City, the City's payroll revolving fund, various joint power authorities, Dry Creek Drainage Basin, Placer County, South Placer County Tourism Business Improvement District (SPCTBID), Placer County Transportation Authority, and various other programs for the benefits of parties outside of the City. The financial activities of these funds are excluded from the government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

**D. Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales and franchise taxes, certain other intergovernmental revenues, certain charges for services and interest revenue. Fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

**E. Revenue Recognition for Electric, Water, Wastewater, and Solid Waste Funds**

Revenues are recognized based on cycle billings rendered to customers. All residential and commercial utility customers are billed once per month. There are twenty-three billing cycles per month which include all types of customers, based on their location within the City. Revenues for services provided but not billed at the end of a fiscal year are accrued.

Contributions of cash or assets to proprietary funds from state and federal agencies, developers and others are recorded as revenue.

**F. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred charge on refunding and accumulated decrease in fair value of hedging derivatives reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The accumulated decrease in fair value of hedging derivatives represents the change in fair value for the City's derivative liabilities that have been determined to be effective.

In addition to liabilities, the statement of financial position and 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of these items, the accumulated increase in fair value of hedging derivatives reported in the government-wide and proprietary fund statements of net position, and unavailable revenues reported in the governmental funds. The accumulated increase in fair value of hedging derivatives represents the change in fair value for the City's derivative assets that have been determined to be effective. Unavailable revenue arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: due from other government agencies, interest receivable and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unavailable revenue was comprised of the following at June 30, 2014:

	Due from Other Government Agencies	Interest Receivable	Loans Receivable	Total
General Fund		\$367,874	\$7,304,420	\$7,672,294
Nonmajor Governmental Funds	\$25,399	839,581	9,002,197	9,867,177
	<u>\$25,399</u>	<u>\$1,207,455</u>	<u>\$16,306,617</u>	<u>\$17,539,471</u>

During fiscal year 2014, the City determined that unavailable revenue in the General Fund had been overstated in the amount of \$1,530,951, therefore the balance of unavailable revenue, and beginning net position have been reduced and restated in that amount, and beginning fund balance has been increased and restated in that amount.

**G. *Property Tax***

Placer County assesses properties and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the county, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

**H. *Compensated Absences***

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which are accrued as earned. The City’s liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net Position. Proprietary funds’ liability for compensated absences is recorded in each proprietary fund.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$11,766,930	\$7,290,599	\$19,057,529
Additions	5,075,452	1,271,387	6,346,839
Payments	(4,210,804)	(1,282,858)	(5,493,662)
Ending Balance	<u>\$12,631,578</u>	<u>\$7,279,128</u>	<u>\$19,910,706</u>
Current Portion	<u>\$4,223,104</u>	<u>\$2,465,770</u>	<u>\$6,688,874</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

**I. Inventories**

Inventories are valued at cost, using the weighted-average method. Inventories of the Governmental Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the Governmental Funds at the time individual inventory items are consumed. Reported Governmental Funds inventories are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets. Inventories of the Enterprise Funds consist primarily of merchandise held for internal consumption.

**J. Recategorized and Renamed Funds**

The activities of the Roadway Special Revenue Fund were previously reported as part of the State Gasoline Tax Special Revenue Fund.

The Traffic Signal Special Revenue Fund was renamed to the Traffic Signal Coordination Special Revenue Fund.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

**A. *Budgeting Procedures***

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a minute order and ordinance.
4. The City Manager or designee is authorized to apply prudent monitoring procedures to assure that actual expenditures/expenses of the City do not exceed the appropriations at the major summary categories (salaries and benefits, operating services and supplies, and capital outlay) by organization key within each department in conformance with the adopted policies set by the City Council. Capital Improvement Projects, including annual projects, may not exceed budget at the total project level. Additional appropriations or interfund transfers not included in the original budget ordinance require approval by the City Council.
5. Expenditures may not legally exceed budgeted appropriations at the organization key level by major summary category within each fund.
6. Formal budgetary integration is employed as a management control device during the year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. Budgets are adopted for all governmental funds, except the FEMA Special Revenue Fund and the Roseville Aquatics Complex Maintenance Permanent Fund. In addition, the Community Facilities District Projects, Building, South Placer Animal Control Shelter, Public Facilities, Park Development, Pleasant Grove Drain Basin, Traffic Mitigation and General Capital Improvement Projects Rehabilitation Capital Projects Funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

**B. *Adjustments to GAAP Basis from Budgetary Basis***

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that capital projects expenditures are budgeted on a project length basis rather than a fiscal year. The effects of these differences are shown as capital outlay in the budget and actual statements.



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

**C. Encumbrances**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year end are reported as restricted, committed or assigned fund balances, as applicable, since they do not constitute expenditures or liabilities and are reappropriated in the following year. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

**NOTE 3 - CASH AND INVESTMENTS**

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are carried at fair value instead of cost, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**A. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements.

Cash and investments in City Treasury	\$413,146,599
Restricted cash and investments with fiscal agents	<u>33,351,806</u>
Total City cash and investments with primary government	446,498,405
Cash and investments in Fiduciary Funds (Separate statement)	<u>182,540,588</u>
Total Cash and Investments	<u><u>\$629,038,993</u></u>

Cash and investments as of June 30, 2014, consist of the following:

Cash in bank and on hand	\$24,633,020
Investments	<u>604,405,973</u>
Total Cash and Investments	<u><u>\$629,038,993</u></u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Cash and investments with original maturities of three months or less are treated as cash and equivalents for purpose of preparing Proprietary Fund statements of cash flows. Also, each Proprietary Funds' portion of the City's overall cash and investment pool is treated as cash and equivalents since these amounts are in substance demand deposits.

**B. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality at Time of Purchase	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations (A)	5 Years	None	None	None
U.S. Agency Securities (A)	5 Years	None	None	None
Mortgage Pass-Through Securities	5 Years	None	20%	None
Forward Delivery Agreements	N/A	A	None	None
Local Agency Bonds	5 Years	None	None	None
Repurchase Agreements	30 days	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	10% (B)
Medium-Term Notes	5 Years	A	30%	None
Collateralized Time Deposits	5 Years	None	30%	None
Negotiable Certificates of Deposit	5 Years	A	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None	\$50 million/account
Insured Saving Accounts	N/A	None	None	None
Money Market Mutual Funds	N/A	None	20%	10%
Shares in a California Common Law Trust	N/A	None	None	None
Interest Rate Swaps (C)	N/A	None	None	None

(A) In specified fund accounts where liquidity is not the primary investment objective, the maximum maturity can be up to ten years with granted express authority by the City Council. Such investments cannot be made less than three months following the approval of extended investment terms. All longer-term investments must be Federal Treasury or Agency securities. The specified fund accounts are:

- Citizens Benefit Permanent Fund
- Roseville Aquatics Complex Maintenance Permanent Fund
- Endowment Private-purpose Trust Fund
- All future trust and/or endowment funds established by the City with no anticipated use of principal

(B) Eligible Commercial Paper may not represent more than 10% of the outstanding paper of an issuing corporation.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

(C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Currently, the City does not participate in any Forward Delivery Agreements. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority, the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority.

**C. Investments Authorized by Debt Agreements**

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	None
U.S. Agency Securities	N/A	None
Certificates of Deposit	N/A - 30 days	None to A-1
Time Deposits	N/A - 30 days	None to A-1
Repurchase Agreements	N/A - 30 days	None to A
Bankers' Acceptances	N/A - 270 days	None to A-1
Money Market Funds	N/A	None to Aam-G
Taxable Governmental Money Market Portfolio	N/A	None
Commercial Paper	180-270 days	A-1 to AA
Special Revenue Bonds	N/A	AA
Pre-refunded Municipal Obligations	N/A	AAA
Municipal Obligations	N/A	AAA
Common Law Trust	N/A	None
California Asset Management Pool (CAMP)	N/A	None
Lawful Investments	N/A	None
Investment Agreements	N/A	A+ to AA
Local Agency Investment Fund (LAIF)	N/A	None
Placer County Investment Pool	N/A	None

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City also manages its interest rate risk by holding most investments to maturity, thus reversing unrealized market gains and losses.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

	Remaining Maturity (in Months)				Total
	12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months	
U.S. Government Securities	\$4,875,218	\$20,806,591	\$130,378,018		\$156,059,827
Federal Agency Securities	23,217,756	59,379,223	19,098,806		101,695,785
Corporate Notes	1,422,671	37,477,608	72,566,013		111,466,292
Forward Delivery Agreement	4,606,033				4,606,033
Forward Purchase Agreement	4,042,456				4,042,456
Commercial Paper	35,004,347				35,004,347
Guaranteed Investment Contracts				\$6,368,599	6,368,599
Municipal Bonds	2,218,035	1,723,388	1,001,758		4,943,181
Money Market Mutual Funds (U.S. Securities)	3,934,074				3,934,074
Local Agency Investment Fund	53,252,208				53,252,208
California Asset Management Pool	58,356,630				58,356,630
Certificates of Deposit	12,771,141	51,905,400			64,676,541
<b>Total Investments</b>	<b>\$203,700,569</b>	<b>\$171,292,210</b>	<b>\$223,044,595</b>	<b>\$6,368,599</b>	<b>\$604,405,973</b>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2014 the fair value was \$15,908 more than the City's cost. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2014, these investments matured in an average of 232 days.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2014, the fair value approximated is the City's cost, and these investments had an average maturity of 41 days.

Money market mutual funds were available for withdrawal on demand and at June 30, 2014 and had an average maturity of 46 days for the Dreyfus U.S. Treasury Money Market Fund and 40 days for the First American Money Market Fund.

**E. Credit Risk**

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 actual rating as of June 30, 2014, for each investment type as provided by Standard and Poor's investment rating system:

	AAA/AAAm	AA+/AA/AA-	A+/A/A-	A-1+/A-1	Total
<b>Investments:</b>					
Federal Agency Securities		\$101,695,785			\$101,695,785
Corporate Notes		60,962,748	\$50,503,544		111,466,292
Forward Delivery Agreement		4,606,033			4,606,033
Forward Purchase Agreement		4,042,456			4,042,456
Municipal Bonds	\$2,236,132	2,707,049			4,943,181
California Asset Management Pool	58,356,630				58,356,630
Money Market Mutual Funds					
(U.S. Securities)	3,934,074				3,934,074
Commercial Paper				\$35,004,347	35,004,347
Certificates of Deposit		11,896,730			11,896,730
Totals	<u>\$64,526,836</u>	<u>\$185,910,801</u>	<u>\$50,503,544</u>	<u>\$35,004,347</u>	335,945,528
<b>Exempt from Credit Rate Disclosure:</b>					
U.S. Government Securities					156,059,827
<b>Not Rated:</b>					
Local Agency Investment Fund					53,252,208
Certificates of Deposit					52,779,811
Guaranteed Investment Contracts					6,368,599
Total Investments					<u>\$604,405,973</u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**F. Concentration of Credit Risk**

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, California Local Agency Investment Fund and California Asset Management Pool, that represent 5% or more of total Entity-wide investments are as follows at June 30, 2014:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$30,698,818

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2014:

Fund	Issuer	Investment Type	Amount
<b>Major Enterprise Funds:</b>			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$4,042,456
Water	FSA Security Assurance	Investment Agreement	4,217,863

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Transfers Among Funds**

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2014, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
<b>General Fund</b>	Non-Major Governmental Funds	\$5,008,414	(A),(B),(C),(D)
	Electric Enterprise Fund	11,969,902	(A),(B),(C),(D)
	Water Enterprise Fund	3,003,428	(A),(B),(D)
	Wastewater Enterprise Fund	2,026,874	(A),(B),(D)
	Solid Waste Enterprise Fund	1,594,582	(A),(B),(D)
	Roseville Natural Gas Financing Authority Enterprise Fund	22,172	(D)
	Golf Course Enterprise Fund	93,671	(D)
	Local Transportation Enterprise Fund	248,892	(A),(B),(D)
	School-Age Child Care Enterprise Fund	222,391	(D)
	Internal Service Funds	1,018,634	(B),(D)
<b>Non-Major Governmental Funds</b>	General Fund	7,396,606	(A),(B)
	Community Facilities District Capital Projects Fund	54,595	(B)
	Non-Major Governmental Funds	5,705,757	(A),(B),(E)
	Electric Enterprise Fund	334,232	(A),(B)
	Water Enterprise Fund	875,679	(A),(B),(C)
	Wastewater Enterprise Fund	810,740	(A),(B),(C)
	Solid Waste Enterprise Fund	580,111	(A),(B),(C)
	Golf Course Enterprise Fund	381	(B)
	Local Transportation Enterprise Fund	575,908	(B)
<b>Electric Enterprise Fund</b>	Non-Major Governmental Funds	1,287,874	(E)
<b>Water Enterprise Fund</b>	Solid Waste Enterprise Fund	645,657	(A),(D)
	Wastewater Enterprise Fund	1,227,344	(A),(C),(D)
<b>Wastewater Enterprise Fund</b>	Water Enterprise Fund	512,572	(B)
	Solid Waste Enterprise Fund	70,959	(B)
<b>Solid Waste Enterprise Fund</b>	Non-Major Governmental Funds	10,000	(A)
<b>Local Transportation Enterprise Fund</b>	General Fund	42,279	(A)
	Community Facilities District Capital Projects Fund	10,000	(A)
<b>School-Age Child Care Enterprise Fund</b>	Non-Major Governmental Funds	3,000	(B)
<b>Internal Service Funds</b>	General Fund	5,044,508	(A)
	Non-Major Governmental Funds	125,864	(A)
	Electric Enterprise Fund	1,008,131	(A)
	Water Enterprise Fund	374,335	(A)
	Wastewater Enterprise Fund	492,380	(A)
	Solid Waste Enterprise Fund	648,978	(A)
	Golf Course Enterprise Fund	3,800	(A)
	Local Transportation Enterprise Fund	18,707	(A)
	School-Age Child Care Enterprise Fund	24,746	(A)
	Internal Service Funds	175,573	(A)
	<b>Total Interfund Transfers</b>	<u><u>\$53,269,676</u></u>	

- (A) To fund operations or indirect costs
- (B) To fund various projects and/or pay debt service
- (C) To transfer in lieu franchise fees or fund indirect costs or capital projects
- (D) To pay for indirect costs
- (E) To transfer fund balance related to change in fund activities

In addition to the above, Governmental Activities transferred capital assets with a net book value of \$35,057,535 to Business-Type Activities.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**B. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2014, interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount	
<b>General Fund</b>	Traffic Safety Special Revenue Fund	\$59,365	(A)
<b>Capital Projects Fund:</b>			
Public Facilities	Technology Fee Replacement Special Revenue Fund	100,000	(B)
<b>Enterprise Funds:</b>			
Wastewater	Solid Waste Enterprise Fund	110,107	(B)
<b>Internal Service Funds:</b>			
Automotive Replacement	Fire Facilities Special Revenue Fund	235,408	(B)
Automotive Replacement	Golf Course Enterprise Fund	127,000	(B)
Automotive Replacement	School-Age Child Care Enterprise Fund	60,000	(B)
Automotive Replacement	Automotive Services Internal Service Fund	942,486	(A) (B)
Workers Compensation	Unemployment Insurance Internal Service Fund	100,000	(B)
		<u>\$1,734,366</u>	

(A) To temporarily fund short-term cash flow needs.

(B) Current portion of the advances mentioned in 4C below.

**C. Long-Term Interfund Advances**

At June 30, 2014, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount
<b>Special Revenue Funds:</b>		
Fire Facilities	Automotive Replacement Internal Service Fund	\$256,609
Roseville Community Development Corporation	General Fund	1,530,951
Roseville Community Development Corporation	Affordable Housing Special Revenue Fund	500,000
Technology Fee Replacement	Public Facilities Capital Projects Fund	395,054
<b>Capital Projects Funds:</b>		
Community Facilities District	Pleasant Grove Drainage Basin Capital Projects Fund	3,000,000
	Water Enterprise Fund	1,661,182
<b>Enterprise Funds:</b>		
Solid Waste	Wastewater Enterprise Fund	114,512
Golf Course	Automotive Replacement Internal Service Fund	2,750,000
School-Age Child Care	Automotive Replacement Internal Service Fund	585,000
<b>Internal Service Fund:</b>		
Unemployment Reserve	Workers' Compensation Internal Service Fund	90,353
		<u>\$10,883,661</u>



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**Fire Facilities** advance bears interest at the average interest rate of the City's pooled investments. It will be repaid over a period of 5 years beginning in fiscal year 2013.

**Roseville Community Development Corporation** advances bear interest at the average interest rate of the City's pooled investments plus 1%, adjusted every 5 years. Principal and interest are deferred for the first ten years from the date of disbursement, and are then payable in annual installments over ten years, with one beginning in fiscal year 2021 and the second beginning in 2023.

**Technology Fee Replacement** advance bears interest at the average interest rate of the City's pooled investments. It will be repaid over a period of 7 years beginning in fiscal year 2014.

**Community Facilities Districts** advance bears interest at the City's pooled interest rate plus 2.5%. It will be repaid over a period of 10 years and will be repaid in 2016.

**Solid Waste** advance bears interest at 3.94%. It will be repaid over a period of 10 years and will be repaid in 2016.

**Golf Course** advance bears interest at the average interest rate of the City's pooled investments. It will be repaid over a period of 27 years and will be repaid in 2029.

**School-Age Child Care** advances are being repaid over five years with one beginning in fiscal year 2007 and the other in 2010. A third advance began in 2013 and will be repaid over a 6 year period beginning in 2019. A fourth advance began in 2014 and will be repaid over a 12 year period beginning in 2023. These advances bear interest at the average interest rate of the City's pooled investments and interest is to be paid at the end of the loans.

**D. Internal Balances**

Internal balances are presented in the City-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 5 - NOTES RECEIVABLE**

The City and former Redevelopment Agency engage in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms. With the dissolution of the Redevelopment Agency as discussed in Note 20, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the housing loans of the Redevelopment Agency and a Successor Agency assumed the non-housing loans as of February 1, 2012. Although these notes are expected to be repaid in full, their balances have been offset in the fund financial statements by unavailable revenue, due to other government agencies or fund balance as they are not expected to be repaid during fiscal year 2014. These notes receivable comprised the following at June 30, 2014:

Flood Loan Notes	\$6,633
Housing Rehabilitation and Affordable Housing Notes	16,559,209
First Time Home-Buyer Notes	5,926,574
Housing Elevation Notes	15,000
Successor Agency	<u>23,191,963</u>
Total	<u><u>\$45,699,379</u></u>

**A. Notes Receivable**

The City has provided loans to various homeowners and businesses for rehabilitation due to flood damage. The maximum loan amount is \$5,000 carrying various interest rates and payment dates. Although these notes are expected to be repaid in full, their balance has been offset by nonspendable fund balance. The balance of these notes receivable at June 30, 2014 was \$6,633.

**B. Housing Rehabilitation and Affordable Housing Notes Receivable**

The City and Agency engage in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to home-owners or developers who agree to spend these funds in accordance with the City's or Agency's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset with the liability, Due to Other Government Agencies, as they are not expected to be repaid during fiscal year 2014 and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including affordable housing notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund as discussed in Note 20. The balance of the notes receivable arising from these programs at June 30, 2014, was \$16,559,209.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 5 - NOTES RECEIVABLE (Continued)**

**C. *First Time Home-Buyer Notes Receivable***

The City and the Agency engage in a first time home-buyer program designed to encourage home ownership among low-income persons. Under this program, grants or loans are provided at no interest and are due upon sale or transfer of the property. These loans have been offset by Due to Other Government Agencies and unavailable revenue as they are not expected to be repaid during fiscal year 2014, and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including \$1,657,453 in First Time Home Buyer notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund as discussed in Note 20. The balance of the notes receivable arising from this program at June 30, 2014, was \$5,926,574.

**D. *Housing Elevation Notes Receivable***

In fiscal 1997, the Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Grant Program funds to be used for residential home elevation projects in the City at a maximum of \$5,000 per household, with the total federal share not to exceed \$1,493,096. The City provides matching funds to each eligible household at a maximum of \$5,000 in the form of a zero percent, deferred loan payable upon sale, change of title or change of use (See Note 5A above). As of June 30, 2014, three loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$15,000.

**E. *Roseville Community Development Corporation Notes***

As of June 30, 2012, the Corporation purchased properties located at 240 Vernon Street and 242-246 Vernon Street on behalf of 240 Vernon Street LLC and 242-246 Vernon Street LLC in the amount of \$602,435 and \$541,047, respectively. Both of these purchases were recorded as a Note Receivable from each of the LLCs. The cost of the properties was expected to be paid back to the Corporation when the properties were sold or through a monthly rental agreement. During fiscal year 2014, the Corporation determined that the properties should be held as capital assets, rather than as loans receivable from its subsidiaries and the change is included in additions to capital assets in Note 8B.

On February 22, 2012, the Corporation entered into a loan agreement with Innova Vernon LP for costs associated with fees, improvements, modifications, upgrades and equipment for the purpose of operating a restaurant called "Sammy's Rockin' Island Bar and Grill" at the property referred to as 238 Vernon Street. The total loan is for \$1,512,500 and was to be disbursed per a Funding Release Schedule. The Loan was to be repaid over sixty-six months beginning with the nineteenth month after the date of the Note. Interest at 4% was to accrue and be capitalized to the principal. A balloon payment comprised of accrued interest and principal was to be paid on or before the Maturity Date (7 years after the Date of the Note).

Due to unforeseen circumstances, the third party defaulted on April 17, 2014. As a result, the Corporation foreclosed on the loan and retained title to the building, and entered into an operating agreement with an unrelated entity to reopen the restaurant. The land and building are included in additions to capital assets included in Note 8B.

The transfer of the above loans receivable to capital assets has been recorded as a Special Item in the amount of \$2,743,895.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 5 - NOTES RECEIVABLE (Continued)**

**F. Successor Agency Loans**

Prior to July 1, 2011, the Redevelopment Agency had received six advances from various City funds: (1) Advances in the amount of \$5,422,789 were to be repaid in fiscal year 2029. This advance bore interest at the average interest rate of the City's pooled investments. (2) Advance in the amount of \$915,049 bore interest at 3.15% and was to be repaid in fiscal year 2023. (3) Advance in the amount of \$3,900,000 bears no interest and was to be repaid in fiscal year 2029. (4) Advance in the amount of \$3,000,000 bears no interest and was to be repaid in fiscal year 2034. (5) Advance in the amount of \$4,966,402 will be repaid in fiscal year 2031. This advance bore interest at the average rate of the City's pooled investments, plus 1%. (6) Advances in the amount of \$9,774,347 were to be repaid in fiscal year 2040. These advances bear interest at the average interest rate of the City's pooled investments.

Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

The balance of the advances, including principal and accrued interest, was \$25,603,129 as of January 31, 2012. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is based upon whether the Successor Agency to the Redevelopment Agency receives a Finding of Completion from the State as discussed in Note 20. In addition, the interest rate on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception of each loan. Therefore the loan balances were adjusted to reflect the revised interest rate during fiscal year 2012. During fiscal year 2013, the State Department of Finance denied this repayment and required the return of \$7,304,420 to the Successor Agency. The General Fund returned the cash to the Successor Agency during fiscal year 2013 and recorded the payment as an extraordinary item and increased the balance of the loans receivable.

During fiscal year 2014, the Successor Agency completed its Long-Range Property Management Plan which was approved by the Department of Finance in May 2014 and as a result, the Successor Agency transferred land that was designated for governmental use to the City in the amount of \$7,107,581. As a result of the transfer, the City cancelled the loans that had been made to the former Redevelopment Agency for the purchase of those properties, including accrued interest, in the amount of \$5,847,668, which has been reported as a Special Item. Also during fiscal year 2014, the Department of Finance clarified the how the interest is to be calculated on each loan to the Successor Agency. The City recalculated the interest due on the loans using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. Interest receivable in governmental funds had been offset with unavailable revenue in the amount of \$2,215,615, therefore there was no net effect on fund balance. Interest receivable in the Automotive Replacement Internal Service Fund in the amount of \$814,422 was reduced and has also been reported as a Special Item. The principal balance of the loans as of June 30, 2014 is \$22,701,861. Accrued interest on the loans as of June 30, 2014 is \$572,386 and has been included in accrued interest receivable.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 5 - NOTES RECEIVABLE (Continued)**

In addition, during the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Roseville Redevelopment Project Area Fund and the Roseville Flood Control Project Area to borrow \$558,381 and \$258,455, respectively, from the Low and Moderate Income Housing Fund to assist in making the Agency's fiscal year 2009-10 SERAF payment. These loans do not bear interest and were repayable in five equal annual installments, and were required to be repaid prior to June 30, 2015. The balance of the loans as of June 30, 2014 totaled \$490,102.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the above advances and has recorded a loan payable to the Low and Moderate Income Housing Asset Fund as discussed in Note 20 below. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is also based upon whether the Successor Agency to the Redevelopment Agency receives a Finding of Completion from the State, as discussed in Note 20. The Successor Agency received its Finding of Completion in August 2013 and the loans are now enforceable obligations.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the advances and has recorded loans payable to the City as discussed in Note 20E below.

**NOTE 6 – DEVELOPER PERMIT FEES RECEIVABLE**

The City has entered into a number of agreements with developers to defer permit fees for various projects within the City. The terms of these agreements call for various interest rates and payment dates. Although these fees are expected to be repaid in full, their balance has been offset by unavailable revenue in governmental funds, as they are not expected to be repaid early enough to be treated as a current asset. The long-term portion of these receivables at June 30, 2014, was \$103,808 which has been classified as developer permit fees receivable, and the short-term portion of these receivables, which totaled \$26,102 at June 30, 2014, is included in accounts receivable.

In response to the state wide slowdown of the housing market, the City has also established a Single Family Residential Fee Deferral Program which offers deferred payment of permit fees for new single-family residences. The deferred fees will be paid to the City (1) prior to the final building inspection on the home; or (2) at close of escrow or within a year of the deed of trust being recorded whichever occurs first. The long-term portion of these receivables at June 30, 2014, was \$2,209,114 which has been classified as developer permit fees receivable, and the short-term portion of these receivables, which totaled \$2,925,087 at June 30, 2014, is included in accounts receivable.

**NOTE 7 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR RESALE**

The City may enter into development agreements in an effort to provide incentives to develop new businesses and new tax revenues. The substance of these agreements is that developers or other public agencies will be paid a portion of future sales tax or traffic mitigation fee revenues produced by their developments. These payments are conditioned on the generation of sales tax revenues or traffic mitigation fee revenues by these developments and the City is not required to use any other resources to pay these amounts.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 7 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR RESALE (Continued)**

**A. *Galleria at Roseville***

In fiscal 2001, the City entered into a lease agreement with the Galleria at Roseville regional mall. The purpose of this agreement was to share revenue with the mall developers based on the generation of certain levels of sales tax. The Developer agreed to construct the mall, along with water and storm sewer mains, a bike trail, pedestrian walks, landscaping, parking areas and infrastructure improvements to surrounding streets. The mall opened for business in August 2000 and the term of the revenue sharing agreement commenced on that date. The remaining portion of sales tax revenues to be returned approximated to \$2,246,796 at June 30, 2014. The agreement terminates in 2017, regardless of whether this amount has been returned; after that date all future sales tax revenues remain with the City. During fiscal year 2014, payments made to the developer under the agreement totaled \$567,619.

**B. *Land held for Resale***

The former Redevelopment Agency purchased 304 Washington Boulevard in June 2011. The 304 Washington Boulevard parcel will be developed by a private developer into 71 Mixed Use residential units with commercial and parking on the first floor. With the dissolution of the Redevelopment Agency as discussed in Note 20, the City, as housing successor, assumed the low and moderate income housing set-aside-funded assets of the Redevelopment Agency as of February 1, 2012, including 304 Washington Boulevard. As of June 30, 2014, the total carrying value of the housing property held by the City amounted to \$861,245. The property is held for resale in the future.

In fiscal year 2013, the Roseville Community Development Corporation purchased a vacant lot for \$25,426 for future development along the Vernon Street corridor, however during fiscal year 2014, the Corporation determined that the lot should be held as a capital asset. The change in use has been reported as an addition to capital assets and as a Special Item.

These properties are accounted for at the lower of cost, market or net realizable value.

**NOTE 8 – CAPITAL ASSETS**

**A. *Policies***

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives are depreciated over their estimated useful lives. Alternatively, the “modified approach” is used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 8 - CAPITAL ASSETS (Continued)**

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives and capitalization thresholds listed below to capital assets:

	<u>Useful Lives</u>	<u>Capitalization Thresholds</u>
Buildings	20-40 years	\$10,000
Improvements	40 years	10,000
Machinery and Equipment	3-20 years	5,000
Bike Paths	20 years	10,000
Bridges	90 years	10,000
Culverts	75 years	10,000
Curb, Gutter, Sidewalks and Median Curbs	20 years	10,000
Drain Inlets	50 years	10,000
Flood Control Improvements	75 years	10,000
Soundwalls	35 years	10,000
Stormdrains	75 years	10,000
Traffic Signals	20 years	10,000
Plants and Substations:		
Electric	10-120 years	10,000
Sewer	15-60 years	10,000
Water	15-75 years	10,000
Distribution Systems:		
Electric	7-100 years	10,000
Sewer	75 years	10,000
Water	75 years	10,000
Electric Generation	10-40 years	10,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 8 - CAPITAL ASSETS (Continued)**

**B. Capital Asset Additions and Retirements**

Capital assets at June 30 comprise:

	Balance at June 30, 2013 (As restated)	Additions	Retirements	Transfers	Transfers from Successor Agency (Note 5F)	Balance at June 30, 2014
<b>Governmental activities</b>						
Capital assets not being depreciated:						
Land	\$27,049,961	\$2,787,842		\$188,848	\$7,107,581	\$37,134,232
Streets (modified)	282,669,258	4,183,471		3,956,858		290,809,587
Parks (modified)	89,332,046	50,786		6,394,992		95,777,824
Landscaping (modified)	45,088,843			472,434		45,561,277
Construction in progress	42,336,221	18,051,033	(\$3,987,644)	(32,227,353)		24,172,257
<b>Total capital assets not being depreciated</b>	<b>486,476,329</b>	<b>25,073,132</b>	<b>(3,987,644)</b>	<b>(21,214,221)</b>	<b>7,107,581</b>	<b>493,455,177</b>
Capital assets being depreciated:						
Buildings	126,636,381	3,023,459		4,623,354		134,283,194
Improvements	6,637,436			397,754		7,035,190
Equipment	73,900,244	3,671,165	(2,916,957)	654,020		75,308,472
Bike paths	8,484,971	67,475		471,297		9,023,743
Bridges	65,301,728			4,752,065		70,053,793
Culverts	20,723,814					20,723,814
Curb, gutter, sidewalk, and median curbs	151,126,956	1,843,301		542,194		153,512,451
Drain inlets	21,166,231			97,683		21,263,914
Flood control improvements	20,224,585					20,224,585
Soundwall	36,062,492	172,399				36,234,891
Stormdrains	77,757,010	2,474,046		288,822		80,519,878
Traffic signals	46,037,625			(46,037,625)		
<b>Total capital assets being depreciated</b>	<b>654,059,473</b>	<b>11,251,845</b>	<b>(2,916,957)</b>	<b>(34,210,436)</b>		<b>628,183,925</b>
Less accumulated depreciation for:						
Buildings	(48,835,150)	(3,268,022)				(52,103,172)
Improvements	(1,848,642)	(206,724)		115,350		(1,940,016)
Equipment	(54,725,714)	(5,074,789)	2,877,317	229,466		(56,693,720)
Bike paths	(6,184,090)	(327,349)				(6,511,439)
Bridges	(9,626,392)	(751,974)				(10,378,366)
Culverts	(5,275,767)	(276,317)				(5,552,084)
Curb, gutter, sidewalk, and median curbs	(105,479,522)	(4,713,988)				(110,193,510)
Drain inlets	(8,186,261)	(424,301)				(8,610,562)
Flood control improvements	(2,967,227)	(269,661)				(3,236,888)
Soundwall	(9,400,191)	(1,032,820)				(10,433,011)
Stormdrains	(14,408,482)	(1,055,179)				(15,463,661)
Traffic signals	(20,022,306)			20,022,306		
<b>Total accumulated depreciation</b>	<b>(286,959,744)</b>	<b>(17,401,124)</b>	<b>2,877,317</b>	<b>20,367,122</b>		<b>(281,116,429)</b>
<b>Net capital assets being depreciated</b>	<b>367,099,729</b>	<b>(6,149,279)</b>	<b>(39,640)</b>	<b>(13,843,314)</b>		<b>347,067,496</b>
<b>Governmental activity capital assets, net</b>	<b>\$853,576,058</b>	<b>\$18,923,853</b>	<b>(\$4,027,284)</b>	<b>(\$35,057,535)</b>	<b>\$7,107,581</b>	<b>\$840,522,673</b>



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 8 - CAPITAL ASSETS (Continued)**

	Balance at June 30, 2013 (As restated)	Additions	Retirements	Transfers	Balance at June 30, 2014
<b><i>Business-type activities</i></b>					
Capital assets, not being depreciated:					
Land	\$16,514,858				\$16,514,858
Landscaping (modified)	576,843				576,843
Streets (modified)	24,914				24,914
Construction in progress	21,209,329	\$17,985,495	(\$906,199)	(\$3,931,480)	34,357,145
Total capital assets not being depreciated	38,325,944	17,985,495	(906,199)	(3,931,480)	51,473,760
Capital assets, being depreciated:					
Buildings	26,658,763			(47,585)	26,611,178
Improvements	16,751,272			503,656	17,254,928
Machinery and equipment	26,768,894	3,610,650	(39,257)	408,950	30,749,237
Bike paths	4,078,094				4,078,094
Bridges	1,702,403				1,702,403
Culverts	305,328				305,328
Curb, gutter, sidewalk, and median curbs	110,989				110,989
Drain inlets	24,663				24,663
Flood control improvements	8,830,439				8,830,439
Storm drains	38,069				38,069
Traffic signals				46,933,631	46,933,631
Plants and substations	354,434,655		(14,713)	82,368	354,502,310
Distribution	1,186,221,054	27,699,322	(2,471,312)	11,475,117	1,222,924,181
Generation	202,009,888	129,635			202,139,523
Total capital assets being depreciated	1,827,934,511	31,439,607	(2,525,282)	59,356,137	1,916,204,973
Less accumulated depreciation for:					
Buildings	(7,629,028)	(656,819)		16,060	(8,269,787)
Improvements	(6,004,163)	(466,437)		(131,410)	(6,602,010)
Machinery and equipment	(16,414,822)	(1,789,355)	29,400	(229,466)	(18,404,243)
Bike paths	(1,218,396)	(201,571)			(1,419,967)
Bridges	(85,121)	(18,915)			(104,036)
Culverts	(21,926)	(4,071)			(25,997)
Curb, gutter, sidewalk, and median curbs	(12,036)	(5,550)			(17,586)
Drain inlets	(3,849)	(494)			(4,343)
Flood control improvements	(176,609)	(117,739)			(294,348)
Storm drains	(4,163)	(507)			(4,670)
Traffic signals		(3,231,436)		(20,022,306)	(23,253,742)
Plants and substations	(101,274,082)	(8,073,692)	14,714		(109,333,060)
Distribution	(244,229,354)	(19,077,043)	588,376		(262,718,021)
Generation	(57,154,378)	(10,676,058)			(67,830,436)
Total accumulated depreciation	(434,227,927)	(44,319,687)	632,490	(20,367,122)	(498,282,246)
Net capital assets being depreciated	1,393,706,584	(12,880,080)	(1,892,792)	38,989,015	1,417,922,727
Business-type activity capital assets, net	\$1,432,032,528	\$5,105,415	(\$2,798,991)	\$35,057,535	\$1,469,396,487

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 8 - CAPITAL ASSETS (Continued)**

**C. Depreciation Allocation**

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program is as follows:

<i><b>Governmental Activities</b></i>	
General government	\$1,717,025
Development & Operations	730,357
Public works	9,386,351
Police	808,818
Fire	678,704
Library	514,101
Parks and recreation	499,044
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	3,066,724
<b>Total Governmental Activities</b>	<b>\$17,401,124</b>
<i><b>Business-Type Activities</b></i>	
Electric	\$21,575,915
Water	8,820,723
Wastewater	11,691,137
Solid Waste	332,439
Golf Course	388,601
Local Transportation	1,445,665
School-age Child Care	65,207
<b>Total Business-Type Activities</b>	<b>\$44,319,687</b>

**D. Streets, Parks and Landscaping Covered By the Modified Approach**

The City has elected to use the modified approach discussed above with respect to its roads. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.8, instead of providing depreciation. During fiscal 2014 the City expended \$6,918,584 to preserve its roads. The City estimates that it will be required to expend approximately \$6,295,490 in fiscal 2015 to maintain its roads at this condition level.

The City has also elected to use the modified approach with respect to its parks and landscaping. The City's policy based on current funding is to maintain the parks and landscape at an average Ground Management Index (GMI) of Level 3, instead of providing depreciation. During fiscal 2014 the City expended \$4,879,463 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$5,538,641 in fiscal 2015 to maintain its parks at this condition level.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 8 - CAPITAL ASSETS (Continued)**

*E. Restatement and Transfer of Capital Assets*

During the fiscal year ended June 30, 2014, the City completed a detailed review of the Water and Wastewater distribution systems, traffic signal system and construction in progress. As a result, capital assets, accumulated depreciation and beginning net position have been reduced and restated in the Water Enterprise Fund and the Wastewater Enterprise Fund in the amounts of \$2,080,946 and \$8,091,113, respectively. In addition, capital assets were increased and restated in the amount of \$1,944,475 in governmental activities and in the amount of \$104,384 in the Local Transportation Enterprise Fund.

The Traffic Signal Program which was previously reported as part of the Traffic Signal Special Revenue Fund, has been recategorized and is now reported with the Electric Enterprise Fund. As a result of the recategorization, capital assets with a net book value of \$26,911,325 previously reported in the Governmental Activities in the Statement of Net Position were transferred to the Electric Fund and are now included as Business-Type Activities in the Statement of Net Position.

**NOTE 9 - LONG-TERM DEBT**

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source gross of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, 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. Any differences between proprietary refunded debt and the debt issued to refund it is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter.

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65 in fiscal year 2013, the balance of deferred charge on refunding is to be reported as an asset or liability, as applicable. Another provision of GASB Statement No. 65 requires that bond issuance costs, other than prepaid insurance, be expensed in the year incurred.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**A. Current Year Transactions and Balances**

	Balance		Additions	Retirements	Balance June 30, 2014	Current Portion
	Original Issue Amount	June 30, 2013 (As restated)				
<b>Governmental Activity Debt:</b>						
<b>Lease:</b>						
2012 Public Facilities Refunding, 2.15%, due 8/1/25	\$11,549,031	\$11,549,031		\$878,784	\$10,670,247	\$795,562
<b>Installment Purchase Obligations:</b>						
Equipment	2,239,765	42,964		42,964		
Land (Fulcrum Property)	1,191,322	1,191,322		1,191,322		
<b>Loans:</b>						
Successor Agency	4,071,383	3,469,049	\$602,334	12,208	4,059,175	
<b>Total Governmental Activity Debt:</b>	<b>\$19,051,501</b>	<b>\$16,252,366</b>	<b>\$602,334</b>	<b>\$2,125,278</b>	<b>\$14,729,422</b>	<b>\$795,562</b>
<b>Business-type Activity Debt:</b>						
<b>Certificates of Participation:</b>						
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	\$39,940,000	\$37,430,000		\$19,110,000	\$18,320,000	
Less: deferred bond discount	(728,254)	(509,778)		(267,028)	(242,750)	
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	40,165,000		36,415,000	3,750,000	\$3,750,000
Add: deferred bond premium cost	3,528,055	2,617,590		2,503,781	113,809	
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24	27,010,000	20,835,000		1,545,000	19,290,000	1,600,000
Add: deferred bond premium cost	396,611	290,847		26,441	264,406	
2012 Electric System Revenue Refunding variable rate, due 2/1/35	90,000,000	90,000,000			90,000,000	
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53,695,000	44,700,000		2,065,000	42,635,000	2,170,000
Add: deferred bond premium cost	2,759,170	1,931,417		137,956	1,793,461	
<b>Total Certificates of Participation</b>	<b>269,500,582</b>	<b>237,460,076</b>		<b>61,536,150</b>	<b>175,923,926</b>	<b>7,520,000</b>
<b>Revenue Bonds:</b>						
2007 Gas Revenue Bonds 4.00-5.00%, due 2/15/28	209,350,000	174,200,000		8,030,000	166,170,000	8,435,000
Add: deferred bond premium cost	15,454,116	10,302,745		735,911	9,566,834	
2010 Electric System Revenue Refunding 2.00%-5.00%, due 2/1/37	55,845,000	55,210,000		355,000	54,855,000	375,000
Add: deferred bond premium cost	2,764,207	2,457,073		102,378	2,354,695	
2013 Electric System Revenue Refunding 2.0%-5.0%, due 2/1/29	48,780,000		\$48,780,000	495,000	48,285,000	360,000
Add: deferred bond premium cost	5,899,513		5,899,513	368,720	5,530,793	
2011 Refunding Wastewater Revenue Bonds, Series C 1.00-5.25%, due 11/1/25	36,315,568	37,803,746		1,988,535	35,815,211	2,133,436
Add: deferred bond premium cost	2,839,017	2,625,645		201,972	2,423,673	
2011 Refunding Wastewater Revenue Bonds, Series D variable rate (SIFMA rate plus 0.83%), due 11/1/14	16,251,000	18,498,000			18,498,000	
2013 Refunding Wastewater Revenue Bonds variable rate, due 11/1/35	36,582,878	36,582,878			36,582,878	
<b>Total Revenue Bonds</b>	<b>430,081,299</b>	<b>337,680,087</b>	<b>54,679,513</b>	<b>12,277,516</b>	<b>380,082,084</b>	<b>11,303,436</b>
<b>Lease:</b>						
2012 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	4,775,578	4,775,578		430,618	4,344,960	399,129
<b>Total Business-type Activity Debt:</b>	<b>\$704,357,459</b>	<b>\$579,915,741</b>	<b>\$54,679,513</b>	<b>\$74,244,284</b>	<b>\$560,350,970</b>	<b>\$19,222,565</b>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**B. 2012 Public Facilities Refunding Lease**

On June 1, 2013, the City entered into a Lease and Sublease Agreement in the amount of \$16,324,609 to refund the outstanding 2003A Public Facilities Refunding Certificates of Participation (2003A COPs) and the 2003B Golf Course Refunding Certificates of Participation (2003B COPs). The 2003A and 2003B COPs were called on August 1, 2013. The Lease is repayable from any source of available funds of the City which includes the General Fund, however the Golf Course Enterprise Fund is expected to repay the portion of the lease related to the refunding of the 2003B Certificates of Participation. Principal and interest payments are payable semi-annually on February 1 and August 1 through 2025.

**C. Installment Purchase Obligations**

The City has purchased various pieces of computer equipment on the installment basis. The City has also entered into long-term contracts for the lease/purchase of various public safety equipment.

Fulcrum Property Corporation purchased commercial property for the development of a conference center and subsequently assigned the commercial property to the City, and the City assumed all of Fulcrum's rights and obligations to the property, including the associated installment purchase obligation. The installment purchase obligation was due in a lump sum of \$1,191,322, plus simple interest of 5% per year from December 21, 2012 to December 31, 2016, and the outstanding principal and interest was due on December 31, 2016. During fiscal year 2014 the City purchased the property and the installment purchase obligation was fully repaid.

**D. Loans from the Successor Agency**

The former Redevelopment Agency made a loan in the amount of \$3,469,049 in May 2011 to the Roseville Community Development Corporation, a component unit of the City. The Agency had entered into the agreement with the Corporation under which the Agency agreed to provide funding to the Corporation in the form of a start-up loan not to exceed five million dollars (\$5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021. A State Supreme Court decision on August 11, 2011 suspended all redevelopment activity effective June 28, 2011. However, the Successor Agency to the Redevelopment Agency continued to make disbursements related to the loan agreement after that date, because it had been approved by the Agency Board prior to the Court decision.

Under the provisions of Health and Safety Code Section 34171(d)(2), agreements between the City or any of its component units and the former Redevelopment Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City or component unit is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency.

The State Controller's Office, but not the State Department of Finance, has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to fiscal year 2014 were not reversed in the current fiscal year and remain in the Corporation as of June 30, 2014. Therefore, the loan remains outstanding as of June 30, 2014.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

The City determined that the loan made by the Successor Agency to the Corporation in the amount of \$3,469,049 and accrued interest payable on the loan of \$88,360 reported as accrued liabilities as of June 30, 2013 should instead be reported as long-term debt and an entity-wide liability, respectively. Therefore, beginning fund balance of the Roseville Community Development Corporation Special Revenue Fund has been increased and restated in those amounts.

During fiscal year 2014, the Corporation assumed a loan made by the former Redevelopment Agency to a developer in connection with the acquisition of 238 Vernon Street. The developer had been current on payments on the loan through June 2013, but defaulted on the loan when it had an outstanding balance of \$602,334. The loan bears interest of 4.00% and is repayable in monthly payments of \$3,103 from July 1, 2014 through August 1, 2024, with a final balloon payment of \$421,227 due on September 1, 2024.

**E. 2004 Electric System Revenue Certificates of Participation**

On July 1, 2004, the City issued \$39,940,000 of Certificates of Participation to finance capital improvements to the City's Electric System. The COPs are repayable from net revenue of the Electric Utility System. The COPs bear interest at 3.00% - 5.25% and are due semi-annually on February 1 and August 1 of each year beginning February 1, 2005. Principal payments are due annually on February 1 through February 2034. The COPs were partially refunded by the 2013 Electric System Revenue Refunding Bonds as discussed in Note 9J below.

**F. 2005 Electric System Revenue Certificates of Participation, Series A**

On May 26, 2005, the City issued Certificates of Participation, Series A, in the original principal amount of \$52,900,000 to finance certain Electric System improvements, primarily including construction of the Roseville Energy Park.

The Series A COPs bear interest at 3.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2008 through 2023. The COPs were partially refunded by the 2013 Electric System Revenue Refunding Bonds as discussed in Note 9J below.

**G. 2009 Electric System Revenue Refunding Certificates of Participation**

On November 24, 2009, the City issued Certificates of Participation (COPs) in the original principal amount of \$27,010,000.

The COPs were issued to refinance the remaining outstanding balance of the 2002 Electric System Revenue Certificates of Participation.

The COPs bear interest at 2.00%-5.25% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2010 through 2024.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**H. 2010 Electric System Revenue Refunding Bonds**

On October 21, 2010, the City issued Revenue Bonds in the original principal amount of \$55,845,000.

The Bonds were issued to refinance the remaining outstanding balance of the 2008 Electric System Revenue Refunding Certificates of Participation Series B.

The Revenue Bonds bear interest at 2.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2012 through 2037.

**I. 2012 Electric System Revenue Refunding Certificates of Participation**

On November 7, 2012 the City issued Certificates of Participation (COPs) in the original principal amount of \$90,000,000. The COPs were issued to refund and retire the outstanding balance of the 2008A Electric System Revenue COPs. The refunding did not change the total debt service payments and there was no economic gain or loss (difference between the present values of the debt service payments on the old and new debt). The 2008A COPs were called on November 7, 2012 with the termination of the letter of credit.

The COPs were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Trust Agreement to mean a per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of (a) the Applicable Spread (initially 0.625%, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus (b) the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5%). The LIBOR Index is defined as the London interbank offered rate for U.S. dollar deposits for a one-month period, as reported on Reuters Screen LIBOR01 Page or any successor thereto, which will be that one-month LIBOR rate in effect two London Business Days prior to the LIBOR Index Reset Date, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. The interest rate of the COPs cannot exceed 12% per year and may be converted by the City into a daily rate, weekly rate, commercial paper rate or index rate, subject to certain conditions defined in the Trust agreement. The interest rate at June 30, 2014 was 0.731%.

The City originally entered into a 27-year interest rate swap agreement for the entire amount of the 2008A COPs, and the interest rate swap agreement remains outstanding after the refunding, but the notional amount of the swap is based on the notional amount of the 2008A COPs. The combination of the variable rate COPs and a floating rate swap creates synthetic fixed-rate debt for the City. The synthetic fixed rate for the COPs was 3.966% at June 30, 2014. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**J. 2013 Electric System Revenue Refunding Bonds**

On November 14, 2013, the Roseville Finance Authority issued the Electric System Revenue Refunding Bonds, Series 2013, in the principal amount of \$48,780,000 to refund a portion of each of the 2004 Electric System Revenue and 2005 Electric System Revenue, Series A, Certificates of Participation. The Bonds bear interest at 2.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. The Bonds are repayable by a pledge of net revenue from the Electric System. Principal payments are due annually beginning February 1, 2014 through 2029. The refunding resulted in an overall debt service savings of \$5,176,832. The net present value of the debt service savings is called an economic gain and amounted to \$4,301,054. The refunded portion of the 2004 COPs were called in February 2014. The balance of the defeased portion of the 2005 COPs was \$32,790,000 at June 30, 2014.

As of June 30, 2014, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COPs, 2012 Electric System Revenue Refunding COPs, 2005 Electric System Revenue COPs, 2009 Electric System Revenue Refunding COPs, 2010 Electric System Revenue Refunding Revenue Bonds and the 2013 Electric System Revenue Refunding Bonds was \$380,409,689. As disclosed in the official statements, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the lives of the Bonds. For fiscal year 2014, net revenues amount to \$36,509,391 which represents coverage of 237% over the \$15,414,845 in debt service.

**K. 2007 Water Utility Revenue Certificates of Participation**

The City issued Certificates of Participation in the original principal amount of \$53,695,000 on October 16, 2007, to refund the remaining balance of 1997 Water Utility Revenue Certificates of Participation, and to finance the acquisition and the construction of certain capital improvements and additions to the City's Water Utility System. The COP's are repayable from net revenue from the Water Utility System. Principal payments are payable annually on December 1 and interest payments are due semi-annually on December 1 and June 1, through December 1, 2027.

As of June 30, 2014, the total principal and interest remaining to be paid on the bonds was \$59,010,645. As disclosed in the official statement, all net revenues of the Water Utility System are expected to provide coverage over debt service of 120% over the life of the Bonds. For fiscal year 2014 net revenues amounted to \$9,100,242 which represented coverage of 216% over the \$4,106,781 in debt service.

**L. 2007 Roseville Natural Gas Financing Authority Gas Revenue Bonds**

On January 24, 2007, the Authority issued \$209,350,000 of Gas Revenue Bonds, Series 2007, to finance a lump sum prepayment to a Gas Supplier (See Note 19A) in order to acquire a supply of natural gas to be delivered over a period of twenty-years. The gas purchased by the Authority will be sold to the City pursuant to a Natural Gas Supply Agreement (See Note 19B) to produce revenues to be used for debt service on the Bonds.

Principal payments are due annually commencing on February 15, 2009 through 2028 and interest is payable semiannually on February 15 and August 15, commencing August 15, 2007. As of June 30, 2014, the total principal and interest to be paid on the bonds was \$235,098,995. For fiscal year 2014, net revenues amounted to \$26,263,891 which represented coverage of 1.58% over the \$16,589,438 in debt service.



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**M. 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A, B, C, and D**

On April 7, 2011, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2011A and 2011B in the original principal amounts of \$30,165,000 and \$30,160,000, respectively, and Revenue Refunding Bonds Series 2011C and 2011D (SIFMA Index Bonds) in the original principal amount of \$67,040,000 and \$30,000,000, respectively. The City's share of this obligation was determined to be 54.17% when the Bonds were issued. The Authority amended the Funding Agreement and the members entered into a Reallocation and Repayment Agreement during fiscal year 2012 which changed the proportionate share of the member obligations prospectively effective October 1, 2012. As a result, the City's share of the obligation increased to 61.66% and the liabilities for the 2011C and 2011D Bonds were increased \$4,819,815 and \$2,247,000, respectively, during fiscal year 2013.

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B. During fiscal year 2013, the 2011 A and 2011B Bonds were refunded by the 2013 South Placer Wastewater Authority Refunding Wastewater Bonds.

Interest rates on the Series 2011D Bonds will be a per annum rate equal to the Adjusted SIFMA Rate (the sum of the SIFMA Index Rate and an additional interest rate of 0.832%), applied on the basis of the actual number of days in the applicable Interest Period divided by 365 or 366, as applicable. "SIFMA Index" is defined under the Indenture to mean the SIFMA Municipal Swap Index (formerly The Bond Market Association Municipal Swap Index), a seven-day high-grade market index composed of selected tax-exempt variable-rate demand obligations meeting specific criteria. The SIFMA Index is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Index is not available, there will be used in its place such index as the Trustee, following consultation with the Authority and the Calculation Agent, as applicable for the applicable Interest Rate Period, from time to time determines most closely approximates the SIFMA Index. The interest rate at June 30, 2014 was 0.892%

**N. 2013 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds**

On April 1, 2013, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2013, in the original principal amount of \$59,330,000. The City's share of this obligation was determined to be 61.66%. The 2013 Bonds were issued to refund the remaining outstanding balance of the 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A and B.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

The 2013 Bonds were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Indenture to mean the per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of the Applicable Spread (initially 0.625%, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5%). The interest rate of the Bonds cannot exceed 12% per year and may be converted by the Authority into a Daily Rate, a Weekly Rate, a Long-Term Rate, a Commercial Paper Rate, or a subsequent Index Rate, subject to certain conditions defined in the Indenture. The interest rate at June 30, 2014 was 0.732%. The Bonds are subject to mandatory redemption annually beginning November 1, 2029 through 2035.

The Authority originally entered into a 19 year interest rate swap agreement for the entire amount of the 2008B Bonds, and as part of the issuance of the 2011 ABCD Bonds, the swap agreement was amended and remains in effect, but the notional amount of the swap is based on the notional amount of the 2008 B Bonds. The interest rate swap agreement remains outstanding after the refunding and issuance of the 2013 Bonds, and the notional amount of the swap continues to be based on the notional amount of the 2008B Bonds. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the 2011 C and 2013 Bonds at June 30, 2014 was 4.13%.

As of June 30, 2014, the total principal and interest remaining to be paid on the 2011 Series C, 2011 Series D Bonds and the 2013 Bonds was \$123,021,222. As disclosed in the Indenture, net revenues of the respective systems of the members are expected to provide coverage over debt service of 110% over the lives of the Bonds, however the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. As discussed in Note 16, the members' monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and the Authority pays the debt service and other costs from the Account, based on each member's proportionate share. For fiscal year 2014, \$5,892,122 in debt service was paid from the Rate Stabilization Account.

***O. Interest Rate Swap Agreements***

The City entered into interest swap agreements in connection with the 2008 Electric Revenue Certificates of Participation, Series A. In addition, the City has a 61.66% interest in the Authority which entered into an interest swap agreement in connection with the 2008 Refunding Wastewater Revenue Bonds, Series B. The Authority amended the swap with the issuance of the 2013 Bonds, but the swap continues to be based on the notional amount of the 2008 B Bonds.

These transactions allow the City to create synthetic fixed rates on the COPs and Revenue Bonds, protecting it against increases in short-term interest rates. The terms, fair value and credit risk of the swap agreements are disclosed below.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

*Terms.* The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2014, are included below. The swap agreements contain scheduled reductions to the outstanding notional amount that are expected to follow scheduled reductions in the associated bond issues.

Related Bond Issue	Notional Amount	Effective Date	Counterparty	Credit Rating	Fixed Rate Paid	Variable Rate Received	Termination Date
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)	\$36,000,000	5/13/2008	Bank of America, N.A.	A	3.364%	70.5% of 1m LIBOR	2/1/2035
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)	54,000,000	5/13/2008	Morgan Stanley Capital Services Inc.	A-	3.321%	70.5% of 1m LIBOR	2/1/2035
2011 Refunding Wastewater Revenue Bonds, series C and D and 2013 Refunding Wastewater Revenue Bonds (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B)	48,356,855 (A)	9/17/2003, amended 4/10/2008	Morgan Stanley Capital Services Inc.	A-	3.665%	62% of 1m LIBOR plus 26 bps	11/1/2027
	<u>\$138,356,855</u>						

(A) The Authority's swap agreement is based on the notional amount of \$78,425,000 related to the 2008B Bonds. The City's share of these underlying Bonds is 61.66%, or \$48,356,855. Only the City's portion of the swap agreement is shown above, since the City was only obligated for that portion of the Authority's bonds.

Based on the swap agreements, the City owes interest calculated at a fixed rate to the counterparty of the swap. In return, the counterparty owes the City interest based on the variable rate that approximates the rate required by the associated COPs and Bonds. Debt principal is not exchanged; it is only the basis on which the swap receipts and payments are calculated.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

*Fair value.* Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. Fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by each swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. As of June 30, 2014, the fair value of the swaps were not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2014	2013
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)		
Bank of America N.A.	(\$5,892,566)	(\$5,503,837)
Morgan Stanley Capital Services Inc.	(8,548,074)	(7,952,467)
2011 Refunding Wastewater Revenue Bonds, series C and D and 2013 Refunding Wastewater Revenue Bonds (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B) (A)	<u>(6,560,947)</u>	<u>(7,044,596)</u>
	<u><u>(\$21,001,587)</u></u>	<u><u>(\$20,500,900)</u></u>

(A) The Authority's swap agreement is based on the notional amount of \$78,425,000 equivalent to the notional balance on the 2008B Bonds. The City's share of these underlying Bonds was 61.66%, or \$48,356,855. Only the City's portion of the fair value of the swap agreement is shown above, since the City is only obligated for that portion of the Authority's 2011 and 2013 bonds.

*Credit risk.* Since the fair values of the swaps are negative, the City is not currently exposed to credit risk. The fair values may increase if interest rates increase in the future. Should interest rates increase to the point where the fair values become positive, the City would be exposed to credit risk on the outstanding swaps. The City will be exposed to interest rate risk only if a counterparty to a swap defaults or if the swap is terminated.

*Basis risk.* Basis risk is the risk that the interest rate paid by the City on the underlying variable rate bonds to the bondholders temporarily differs from the variable swap rates received from the applicable counterparty. The City bears basis risk on the swaps. The swaps have basis risk since the City receives a percentage of the LIBOR Index to offset the actual variable bond rates the City pays on the underlying COPs and Bonds. The City is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

A portion of this basis risk is tax risk. The City is exposed to tax risk when the relationship between the taxable LIBOR based swaps and tax-exempt variable rate bonds changes as a result of a reduction in federal and state income tax rates. Should the relationship between LIBOR and the underlying tax-exempt variable rate bonds converge the City is exposed to this basis risk.

*Termination risk.* The City may terminate if the other party fails to perform under the terms of the contract. The City will be exposed to variable rates if the counterparty to the swap contract defaults or if the swap contract is terminated. A termination of the swap contract may also result in the City's making or receiving a termination payment based on market interest rates at the time of the termination. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

*Rollover Risk.* Rollover risk is the risk that the swap associated with a debt issue matures or may be terminated prior to the maturity of the associated debt. When the swap terminates or a termination option is exercised by the counterparty, the City will be re-exposed to the risks being hedged by the swap. The swap based on the 2008 Refunding Wastewater Revenue Bonds, Series B, associated with the 2011 C and D Refunding Wastewater Revenue Bonds and 2013 Refunding Wastewater Revenue Bonds, exposes the City to rollover risk because the swap terminates on November 1, 2027 while the 2011 C Bonds mature on November 1, 2025 and the 2011 D Bonds mature on November 1, 2014, and the 2013 Bonds mature on November 1, 2035.

*Swap payments and associated debt.* Using rates as of June 30, 2014, debt service requirements of the City's outstanding swap-related variable-rate and fixed rate debt and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary. These payments below are included in the Debt Service Requirements at June 30, 2014:

For the Year Ending June 30	Variable-Rate and Fixed Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2015	\$2,133,436	\$2,686,950	\$4,448,665	\$9,269,051
2016	2,287,586	2,581,696	4,356,808	9,226,090
2017	2,457,151	2,468,351	4,261,889	9,187,391
2018	2,635,965	2,341,022	4,163,228	9,140,215
2019	2,830,194	2,204,368	4,060,825	9,095,387
2020 - 2024	28,104,938	8,511,106	18,334,347	54,950,391
2025 - 2029	56,438,941	7,217,840	11,427,439	75,084,220
2030 - 2034	63,589,731	2,112,062	4,730,772	70,432,565
2035 - 2036	20,418,147	109,493	163,490	20,691,130
<b>Totals</b>	<b>\$180,896,089</b>	<b>\$30,232,888</b>	<b>\$55,947,463</b>	<b>\$267,076,440</b>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**P. Debt Service Requirements**

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$795,562	\$225,134	\$19,222,565	\$21,836,433
2016	828,304	231,532	20,055,257	21,111,502
2017	845,661	213,381	21,077,141	20,184,778
2018	860,781	194,859	22,082,190	19,199,770
2019	875,071	176,005	23,169,771	18,173,614
2020 - 2024	5,715,391	579,103	135,737,306	72,419,140
2025 - 2029	4,114,843	64,439	150,458,784	40,827,820
2030 - 2034	693,809		89,869,888	17,043,334
2035 - 2037			56,873,147	4,414,233
<b>Total</b>	<b>\$14,729,422</b>	<b>\$1,684,453</b>	<b>538,546,049</b>	<b>\$235,210,624</b>
<b>Reconciliation of long-term debt</b>				
			(242,750)	
			22,047,671	
			<b>\$560,350,970</b>	

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - LONG-TERM DEBT (Continued)**

***Q. Special Assessment Districts***

Special Assessment Districts, including Mello Roos Districts, in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not recorded as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2014, is as follows:

North Roseville Community Facilities District #1	\$13,940,000
North Central Roseville Community Facilities District #1, Series 2010	13,590,000
Woodcreek West Community Facilities District #1, Series 2005	15,955,000
Stone Point Community Facilities District # 1	8,615,000
Fiddymont Ranch Community Facilities District # 1	75,230,000
Westpark Community Facilities District # 1	74,010,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	28,855,000
Stone Point Community Facilities District #5, Series 2006	5,120,000
Diamond Creek Community Facilities District #1, Series 2007	6,880,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	36,355,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	8,520,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,155,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	1,885,000
Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012	18,740,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	8,210,000
Total	<u>\$327,060,000</u>

**NOTE 10 – DERIVATIVE INSTRUMENTS**

***A. Summary of Notional Amounts and Fair Values***

The City enters into contracts to hedge its price exposures to power and natural gas, and to procure energy supplies. These contracts are evaluated pursuant to GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, to determine whether they meet the definition of derivative instruments, and, if so, whether they effectively hedge the expected cash flows associated with interest rate and energy exposures.

The City applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow hedge on the consolidated statement of net position. For the reporting period, all of the City's derivatives meet the effectiveness tests.

For energy derivatives, fair values are estimated by comparing contract prices to forward market prices quoted by third party market participants or provided in relevant industry publications.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)**

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2014.

	2014 Change in Fair Value		Fair Value, End of Fiscal Year 2014		Notional
	Classification	Amount	Classification	Amount	
<b>Effective Cash Flow Hedges</b>					
<b>Electric Fund</b>					
Pay Fixed SWAP, Natural Gas	Deferred Outflow	\$16,760,440	Derivative	<u>(\$6,087,309)</u>	8,687,000 mmBtu
Pay Fixed SWAP, Natural Gas	Deferred Inflow	\$123,855	Derivative	<u>\$123,855</u>	552,000 mmBtu
Receive Fixed SWAP, Electric	Deferred Inflow	(\$92,171)	Derivative	<u>\$0</u>	36,600 MWh
<b>Roseville Natural Gas Financing Authority</b>					
Pay Fixed SWAP, Natural Gas	Deferred Inflow	(\$1,185,338)	Derivative	\$18,913,671	34,513,500 mmBtu
Receive Fixed SWAP, Natural Gas	Deferred Inflow	6,154,442	Derivative	<u>60,809,575</u>	76,000-372,000 monthly mmBtu
				<u>\$79,723,246</u>	

**B. Objective and Terms of Hedging Derivative Instruments**

The objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2014, are summarized in the next table. The table is aggregated by the credit ratings of the City's counterparties. For counterparties having multiple ratings, the rating indicating the greatest degree of risk is used.

Objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2014 are summarized in the table below:

Type and Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty	Counterparty Rating
<b>Forward Contracts, Gas:</b>						
Hedge Cash Flows on PG&E citygate Gas	552,000 mmBtu	7/1/2014	12/31/2014	Pay \$4.76; Receive NGI PG&E citygate price	J Aron & Company	BBB+
Hedge Cash Flows on PG&E citygate Gas	644,000 mmBtu	7/1/2014	12/31/2014	Pay \$5.20; Receive NGI PG&E citygate price	J.P. Morgan Ventures Energy Corp.	A-
Hedge Cash Flows on PG&E citygate Gas	4,287,500 mmBtu	1/1/2015	12/31/2014	Pay \$4.92; Receive NGI PG&E citygate price	Macquarie Energy	A
Hedge Cash Flows on PG&E citygate Gas	3,755,500 mmBtu	7/1/2014	12/31/2014	Pay \$6.12; Receive NGI PG&E citygate price	Shell Energy North America	A-
<b>Commodity Swaps, Gas:</b>						
Prepayment 20-year supply of Natural Gas	\$34,513,500	1/1/2008	12/31/2027	Pay index minus 0.68; Receive NGI	Merrill Lynch	A+
Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas	From 76,000 to 372,000 mmBtu per month	1/24/2007	1/25/2028	Pay NGI PG&E citygate price; Receive \$7.7224 per MMBtu	JPMorgan Chase Bank, NA	A



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)**

**C. *Risks of Derivative Instruments***

**Credit risk** – Credit risk is the risk of loss due to a counterparty defaulting on its obligations. The City seeks to minimize credit risk by transacting with creditworthy counterparties. Interest rate swap counterparties are evaluated at the time of transaction execution. The procedure prohibits the City from executing energy hedge transactions with counterparties rated lower than BBB by Standard & Poor’s or Fitch rating services, or Baa2 by Moody’s. Subsequent to entering into transactions, the credit ratings of one or more counterparties may deteriorate. If so, the City’s credit risk management policies increase the amount of collateral that the counterparty must post with the City when the counterparty owes the City, thereby reducing credit risk associated with the decline in the counterparty’s credit worthiness.

**Termination risk** – Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include bankruptcy, illegality, default, and mergers in which the successor entity does not meet credit criteria. One aspect of termination risk is that the City would lose the hedging benefit of a derivative that becomes subject to a termination event. Another aspect of termination risk is that, if at the time of termination the mark-to-market value of the derivative was a liability to the City, the City could be required to pay that amount to the counterparty. Termination risk is associated with all of the City’s derivatives up to the fair value amounts.

**NOTE 11 – NET POSITION AND FUND BALANCES**

**A. *Net Position***

Net Position is the excess of all the City’s assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position are divided into three captions. These captions apply only to Net Position, which is determined only for proprietary funds and at the Government-wide level, and are described below:

*Net investment in capital assets* describes the portion of Net Position which is represented by the current net book value of the capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects (expended) or contributions received in permanent funds (unexpended), debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 11 – NET POSITION AND FUND BALANCES (Continued)**

**B. *Fund Balances, Reserves and Designations***

In the Fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendable* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council, such as an Ordinance, which may be altered only by the same formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Director, and may be changed at the discretion of the City Council or the Finance Director.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 11 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City's Fund Balances, as of June 30, 2014, are below:

Fund Balance Classifications	General Fund	Capital Projects		Total
		Community Facilities District Projects	Other Governmental Funds	
<b>Nonspendable:</b>				
Items not in spendable form:				
Prepaid expenses	\$82,580			\$82,580
Notes receivable	12,205,824			12,205,824
Inventories	412,477			412,477
Subtotal	12,700,881			12,700,881
Amounts required to be maintained intact:				
Permanent funds			\$16,940,290	16,940,290
<b>Total Nonspendable Fund Balances</b>	<b>12,700,881</b>		<b>16,940,290</b>	<b>29,641,171</b>
<b>Restricted for:</b>				
Community facilities districts		\$2,430,010		2,430,010
Debt service			124,635	124,635
Lighting and landscaping			9,523,665	9,523,665
Street projects			10,887,556	10,887,556
Affordable housing			5,472,905	5,472,905
Library services and projects			385,695	385,695
Public safety services and projects			4,258,885	4,258,885
Bike trail/open space maintenance			936,876	936,876
Animal control shelter			702,177	702,177
Traffic projects			20,458,576	20,458,576
Public facilities			10,244,907	10,244,907
Park development			26,165,266	26,165,266
Pleasant Grove drain basin			8,728,243	8,728,243
Tree propagation			2,064,907	2,064,907
Community development block grant and HOME programs			138,521	138,521
Aquatics Complex Maintenance			24,296	24,296
Citizens' Benefits			547,906	547,906
Other capital projects			1,342,906	1,342,906
<b>Total Restricted Fund Balances</b>		<b>2,430,010</b>	<b>102,007,922</b>	<b>104,437,932</b>
<b>Committed to:</b>				
Utility exploration center			66,845	66,845
Park services and projects			389,450	389,450
Building projects			1,824,701	1,824,701
<b>Total Committed Fund Balances</b>			<b>2,280,996</b>	<b>2,280,996</b>
<b>Assigned to:</b>				
Information systems upgrades and improvements	374,031			374,031
Annual park and maintenance repairs	442,427			442,427
Building maintenance	19,132			19,132
Police patrol supplies	178,790			178,790
Fire operations and supplies	99,468			99,468
Economic development	311,130			311,130
Plan check and inspection	38,594			38,594
Street paving and maintenance	123,011			123,011
Utility billing	137,587			137,587
Various contracts	961,189			961,189
Building and general rehabilitation projects			11,304,133	11,304,133
<b>Total Assigned Fund Balances</b>	<b>2,685,359</b>		<b>11,304,133</b>	<b>13,989,492</b>
<b>Unassigned:</b>				
General fund	38,187,768			38,187,768
Other governmental fund deficit residuals			(1,290,629)	(1,290,629)
<b>Total Unassigned Fund Balances</b>	<b>38,187,768</b>		<b>(1,290,629)</b>	<b>36,897,139</b>
<b>Total Fund Balances</b>	<b>\$53,574,008</b>	<b>\$2,430,010</b>	<b>\$131,242,712</b>	<b>\$187,246,730</b>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 11 – NET POSITION AND FUND BALANCES (Continued)**

**C. *Economic Reserves***

The Ordinance adopting the City's annual budget requires the City to implement and maintain reserves or rate stabilization funds of approximately 10% of General Fund net, and Utility Fund total, operating expenditures as an appropriated reserve for economic uncertainties. As of June 30, 2014, the General Fund Reserve for Economic Uncertainties, which is reported within the unassigned fund balance of the General Fund, had a balance of \$11,836,486. As of June 30, 2014, the Electric Operations Economic Uncertainty balance, which is reported within the Electric Rate Stabilization Fund, had a balance of \$47,029,880. As of June 30, 2014, the Environmental Utility Funds Economic Uncertainties balances, which are reported within the unrestricted net position of the Water, Wastewater and Solid Waste Enterprise Funds, had balances of \$2,703,300, \$2,879,300 and \$1,980,400 respectively.

**D. *Fund Balance and Net Position Deficits***

The Roseville Community Development Corporation Special Revenue Fund had a deficit fund balance at June 30, 2013 of \$948,535. Future contributions and revenues are expected to eliminate this deficit.

The Technology Replacement Special Revenue Fund had a deficit fund balance at June 30, 2014 of \$342,094. Future permit fees are expected to offset this deficit.

The Automotive Services Internal Service Fund had deficit net position at June 30, 2014 of \$369,627. Rental Rates will be increased in future years to eliminate the deficit.

The Workers' Compensation Self Insurance Internal Service Fund had deficit net position at June 30, 2014 of \$1,405,559. Increasing future premium amounts is expected to eliminate this deficit.

The Post Retirement Internal Service Fund had deficit net position at June 30, 2014 of \$36,554,550. Future increases in contribution rates will eliminate this deficit.

The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund had deficit net position at June 30, 2014 of \$38,155,617. Future tax revenues are expected to eliminate this deficit.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 12 - PENSION PLAN**

**CALPERS Safety and Miscellaneous Employees Plans**

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service; one year of credited service is equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2014, are summarized as follows:

	<u>Safety</u>	
	Prior to January 1, 2013	After January 1, 2013
Hire Date		
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3%	2.0% - 2.7%
Required employee contribution rates	9%	12.25%
Required employer contribution rates	34.311%	31.298%
	<u>Safety</u>	
Actuarially required contributions	\$10,707,954	
	<u>Miscellaneous</u>	
Hire Date	Prior to January 1, 2013	After January 1, 2013
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of annual salary	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	21.752%	20.230%
	<u>Miscellaneous</u>	
Actuarially required contributions	\$19,855,778	

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 12 - PENSION PLAN (Continued)**

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The City uses actuarially determined percentages of payroll to calculate and pay contributions to CalPERS. The City paid 100% of the contributions required by CALPERS, for the years ended June 30, 2014, 2013 and 2012. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CalPERS, for the last three fiscal years were as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<i><b>Safety Plan</b></i>			
June 30, 2012	\$10,027,631	100%	\$0
June 30, 2013	10,101,015	100%	0
June 30, 2014	10,707,954	100%	0
<i><b>Miscellaneous Plan</b></i>			
June 30, 2012	\$18,065,353	100%	0
June 30, 2013	18,063,140	100%	0
June 30, 2014	19,855,778	100%	0

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 12 - PENSION PLAN (Continued)**

The Plans' actuarial value (which differs from market value) and funding progress over the past three years are set forth below at their actuarial valuation date of June 30:

*Safety Plan (3% @ 50):*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2011	\$196,208,635	\$145,495,984	\$50,712,651	74.2%	\$22,222,636	228.203%
2012	213,420,106	157,246,641	56,173,465	73.7%	23,542,236	238.607%
2013	229,488,161	153,012,683	76,475,478	66.7%	24,567,399	311.288%

*Miscellaneous Plan (2.7% @ 55):*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2011	\$403,899,989	\$281,366,830	\$122,533,159	69.7%	\$62,355,851	196.506%
2012	429,218,174	302,337,115	126,881,059	70.4%	63,780,598	198.934%
2013	459,668,557	292,797,486	166,871,071	63.7%	65,672,293	254.097%

The schedule of funding progress is not yet available for the 2.7% @ 57 Safety Plans or 2% @ 62 Miscellaneous Plans.

Audited annual financial statements and ten-year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 13 – POST-EMPLOYMENT BENEFITS**

**A. Plan Provisions**

The City provides medical benefits to substantially all retirees under the City of Roseville Other Post Employment Benefit Plan, a sole employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. The Plan does not issue separate financial statements. As of June 30, 2014, there were 525 participants receiving these health care benefits.

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees under third-party insurance plans. A summary of eligibility and benefits offered are shown below:

■ Eligibility	<ul style="list-style-type: none"> <li>Retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability retirement)</li> </ul>																																												
	<b>Tier 1</b> Hired prior to January 1, 2004 (a)		<b>Tier 2</b> Hired prior on or after January 1, 2004 (a)																																										
■ Benefit	<ul style="list-style-type: none"> <li>City paid premium, subject to the following caps:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Group</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Management/Confidential</td> <td style="text-align: right;">\$1,200.00</td> <td style="text-align: right;">\$1,248.00</td> </tr> <tr> <td>Stationary Engineers Local 39</td> <td style="text-align: right;">1,284.00</td> <td style="text-align: right;">1,284.00</td> </tr> <tr> <td>Roseville Police Association</td> <td style="text-align: right;">1,088.50</td> <td style="text-align: right;">1,248.00</td> </tr> <tr> <td>Roseville Police Officers Association</td> <td style="text-align: right;">1,200.00</td> <td style="text-align: right;">1,248.00</td> </tr> <tr> <td>Roseville Firefighters Association</td> <td style="text-align: right;">1,116.75</td> <td style="text-align: right;">1,248.00</td> </tr> <tr> <td>International Brotherhood of Electrical Workers</td> <td style="text-align: right;">1,200.00</td> <td style="text-align: right;">1,248.00</td> </tr> </tbody> </table>		Group	2013	2014	Management/Confidential	\$1,200.00	\$1,248.00	Stationary Engineers Local 39	1,284.00	1,284.00	Roseville Police Association	1,088.50	1,248.00	Roseville Police Officers Association	1,200.00	1,248.00	Roseville Firefighters Association	1,116.75	1,248.00	International Brotherhood of Electrical Workers	1,200.00	1,248.00	<ul style="list-style-type: none"> <li>City paid premium, subject to the following caps:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: right;">\$622</td> <td style="text-align: right;">\$642</td> </tr> <tr> <td>Two-Party</td> <td style="text-align: right;">1,183</td> <td style="text-align: right;">1,218</td> </tr> <tr> <td>Family</td> <td style="text-align: right;">1,515</td> <td style="text-align: right;">1,559</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Subject to vesting schedule: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">CalPERS service</th> <th style="text-align: center;">Percent of Cap</th> </tr> </thead> <tbody> <tr> <td>Less than 10 years</td> <td style="text-align: center;">0% (b)</td> </tr> <tr> <td>10 - 20 years</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>20 years or more</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> </li> <li>Five years City service required</li> <li>100% vested if disabled</li> <li>If 20 years with the City, do not need to retire directly from the City</li> </ul>			2013	2014	Single	\$622	\$642	Two-Party	1,183	1,218	Family	1,515	1,559	CalPERS service	Percent of Cap	Less than 10 years	0% (b)	10 - 20 years	50%	20 years or more	100%
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■ Benefit (continued)	<ul style="list-style-type: none"> <li>\$720/month - subject to Tier 2 vesting schedule based on City service</li> <li>Employees contribute percent of payroll to PFM trust starting 2012:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Years of City Service</th> <th style="text-align: center;">Payroll %</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">1%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">2%</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">4%</td> </tr> <tr> <td style="text-align: center;">5+</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table>		Years of City Service	Payroll %	1	1%	2	2%	3	3%	4	4%	5+	5%	<ul style="list-style-type: none"> <li>PEMHCA minimum</li> <li>Roseville Health Savings Account: <ul style="list-style-type: none"> <li>Employees contribute percent of payroll to health savings account</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Years of City Service</th> <th style="text-align: center;">Payroll %</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">1%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">2%</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">4%</td> </tr> <tr> <td style="text-align: center;">5+</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table> </li> <li>City contribution of \$100/month after 5 years City service</li> <li>Must retire from City to receive City health savings account contributions</li> </ul>		Years of City Service	Payroll %	1	1%	2	2%	3	3%	4	4%	5+	5%																	
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■ Surviving Spouse Continuation	<ul style="list-style-type: none"> <li>Retiree medical benefit continues to surviving spouse if retiree elects CalPERS survivor annuity.</li> </ul>																																												
	<p>(a) January 1, 2005 for Police Officers Association (sworn) and Local 39  (b) City must pay at least the PEMHCA minimum  (c) RFF is the Roseville Firefighters Association  (d) October 1, 2013 for Police Association (non-sworn), March 1, 2014 for Police Officers Association (sworn)</p>																																												



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

**B. Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a June 30, 2013, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.50% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 8.50% to 8.90% in 2014 to 5.00% for years starting 2021. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll, on a closed basis, using a 28 year amortization period with 28 years remaining.

**C. Trend Information**

The following table provides three years of historical information of the Annual OPEB Cost:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2012	\$15,104,848	\$4,972,333	33%	\$25,541,730
6/30/2013	15,317,140	7,612,084	50%	33,246,786
6/30/2014	13,586,139	7,469,613	55%	39,363,312

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2009	\$0	\$180,097,000	(\$180,097,000)	0.00%	\$82,912,000	-217.21%
6/30/2011	34,626,000	176,733,000	(142,107,000)	19.59%	74,535,000	-190.66%
6/30/2013	41,493,000	184,532,000	(143,039,000)	22.49%	86,402,000	-165.55%

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

**D. Funding Progress and Funded Status**

During the fiscal year ended June 30, 2014, the City has recorded a Net OPEB Obligation in the Post Retirement Internal Service Fund, representing the difference between the ARC and actual contributions, as presented below:

Annual required contribution	\$14,522,000
Interest on net OPEB obligation	2,161,041
Adjustment to annual required contribution	<u>(3,096,902)</u>
Annual OPEB cost	13,586,139
Contributions:	
Pay-as-you-go premiums	(5,369,613)
Contribution to the Trust	<u>(2,100,000)</u>
Change in net OPEB obligation	6,116,526
Net OPEB obligation at June 30, 2013	<u>33,246,786</u>
<b>Net OPEB Obligation at June 30, 2014</b>	<b><u><u>\$39,363,312</u></u></b>
Percentage of annual OPEB cost contributed	<u><u>55%</u></u>

The Net OPEB Obligation is liquidated by the fund that has recorded the liability. The long-term portion of governmental activities Net OPEB Obligation is liquidated primarily by the General Fund.

**E. Investments Authorized for the Retiree Health Plan Trust**

The authorized investments for the Retiree Health Plan Trust were established pursuant to the Trust Agreement. The City, as trustee, has elected to invest the Trust assets in up to six months of cash, cash equivalent and/or money market funds for near term Trust benefits and expenses. All remaining assets will be invested in longer-term securities and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries. To achieve the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to attempt to achieve a long-term average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate as described above.

	Asset Weightings	
	Range	Target
Domestic Equity	18% - 38%	28%
International Equity	7%-27%	17%
REITs	0%-10%	2.50%
Inflation Hedge	0% -10%	2.50%
Fixed Income	35%-75%	50%
Cash Equivalent	0%-20%	0%

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

**F. Retiree Health Plan Assets**

At June 30, 2014, the Plan reported assets available for benefits of \$50,240,747. The composition of these assets at June 30, 2014, is shown below. For actuarial purposes, the value of the Plan’s assets was determined to be fair value.

Domestic Equity	\$32,162,524
Fixed Income Securities	17,465,479
Miscellaneous (EQUUS)	448,440
Cash Equivalent	164,314
Assets available for benefits at June 30, 2014	\$50,240,757

**NOTE 14 - RISK MANAGEMENT**

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member agencies. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on that board. Obligations and liabilities of these risk pools are not the City’s responsibility.

The contributions made to the risk pools below equal the ratio of the respective member payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

**A. Risk Coverage**

**General Liability, Property and Boiler and Machinery**

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims, property, and boiler and machinery losses. Once the City’s SIR is met, CJPRMA becomes responsible for payment of all claims up to the limit. Financial statements for the risk pool and more information may be obtained from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

**General Liability Coverage**

The City has a self-insured retention (SIR) of \$500,000 per claim up to a \$40,000,000 limit. The City’s premium was \$429,658.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 14 - RISK MANAGEMENT (Continued)**

**Property Coverage**

CJPRMA has purchased commercial insurance against property damage. The City has a self-insured retention (SIR) of \$25,000 per claim up to a \$300,000,000 limit. The City's premium for coverage is \$249,319.

**Boiler and Machinery Coverage**

CJPRMA has purchased commercial insurance against boiler and machinery claims. The City has a self-insured retention (SIR) of \$5,000 per claim up to a \$21,250,000 limit. The annual premium paid was \$31,170.

**Roseville Energy Park Property Coverage**

The City purchased commercial property insurance specifically to cover the Roseville Energy Park. The City has a self-insured retention of \$250,000 per claim up to a \$200,000,000 limit. The City's premium for coverage is \$407,008.

**Fiduciary Coverage**

The City purchased fiduciary insurance specifically to cover the OPEB Trust. The self-insured retention is \$25,000 per claim up to a \$3,000,000 limit. The City's premium for coverage is \$27,864.

**Workers' Compensation**

The City is also a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to \$5,000,000 and has excess coverage through CSAC-EIA up to the statutory limit. The City has a self-insured retention (SIR) of \$350,000 per claim. The City's premium of \$555,181 was for current year coverage plus \$3,874 towards a 97/98 assessment and \$26,837 towards a 98/99 assessment. The total premium charged to the City was \$585,892.

Financial statements for the risk pool and more information may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

***B. Insurance Internal Service Funds***

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 14 - RISK MANAGEMENT (Continued)**

The change in the Workers' Compensation Internal Service Fund's claims liability, including claims incurred but not reported is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2014	2013
Claims liability, beginning of year	\$7,703,704	\$6,309,143
Current year claims	3,024,000	2,363,000
Change in prior year claims	(163,705)	127,859
Claims paid, current year claims	(495,516)	(331,860)
Claims paid, prior year claims	(1,144,676)	(764,438)
Claims liability, end of year	\$8,923,807	\$7,703,704
Current claims liabilities	\$1,070,857	\$924,444

The City's liability for uninsured general liability claims, including claims incurred but not reported is reported in the General Liability Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2014	2013
Claims liability, beginning of year	\$1,892,605	\$1,555,904
Current year claims	802,000	1,119,000
Change in prior year claims	192,129	2,549,950
Claims paid, current year claims	(33,104)	(105,869)
Claims paid, prior year claims	(1,028,101)	(3,226,380)
Claims liability, end of year	\$1,825,529	\$1,892,605
Current claims liabilities	\$529,403	\$548,855

**NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA)**

**A. General**

The City participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of the City.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the Board.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)**

The City is a member of NCPA, a joint powers agency which operates under a joint powers agreement among fifteen public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

The City receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine the City's equity in NCPA as a whole. NCPA reports only the City's share of its General Operating Reserve, comprised of cash and investments, and the City's share of those Projects in which the City is a participant. These amounts are reflected in the financial statements as Investment in NCPA Reserve.

During the year ended June 30, 2014, the City incurred expenses totaling \$7,095,703 for purchased power and assessments and prepaid assets paid to NCPA.

The City's interest in certain NCPA Projects and Reserve, as computed by NCPA using unaudited information, is set forth below.

	June 30, 2014
General Operating Reserve (including advances)	\$1,504,523
Associated Member Services (including advances)	86,155
Purchased Power and Transmission	13,916
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	416,729
Calaveras Hydroelectric Project	730,338
Combustion Turbine Project No. 2	52,378
	\$2,804,039

The General Operating Reserve (GOR) is an additional operating reserve for non-budgeted items that are contingent or non-specific. Deposits to the GOR include items such as the City's portion of funds which resulted from the settlement with third parties of issues with financial consequences and reconciliations of prior years' budgets for programs. It is recognized that all the funds credited to the City are linked to the collection of revenue from the City's ratepayers, or to the settlement of disputes relating to electric power supply and that the money was collected from the City's ratepayers to pay power bills. Additionally, the NCPA Commission identified and approved the funding of specific reserves for working capital, accumulated employees post-retirement medical benefits, and billed property taxes for the geothermal project. The Commission also identified a number of contingent liabilities that may or may not be realized, the cost of which in most cases is difficult to estimate at this time. One such contingent liability is the steam field depletion which will require funding to cover debt service and operational costs in excess of the expected value of the electric power. The General Operating Reserve is intended to minimize the number and amount of individual reserves needed for each project, protect NCPA's financial condition and maintain its credit worthiness. These funds are available on demand, but the City maintains funds with NCPA as a reserve against these contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)**

**B. Projects**

***Geothermal Projects***

NCPA's Geothermal Project has experienced a greater than originally anticipated decline in steam production from geothermal wells on its leasehold property. NCPA will continue to monitor the wells while pursuing alternatives for improving and extending reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA, along with other steam field operators, has observed a substantial increase in steam production in the vicinity of reinjection wells and is attempting to increase water reinjection at strategic locations. NCPA, together with other steam developers and the Lake County Sanitation District, has completed the construction of a wastewater pipeline project that greatly increased the amount of water available for reinjection.

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, when compared to local investor-owned utility rates, while meeting all electric system obligations including those to NCPA. In March 2009, NCPA issued \$35,610,000 Geothermal Project Number 3 Revenue Bonds (2009 Series A). The proceeds were used to finance and operate the two NCPA 110 MW geothermal steam powered generating plants, Plant Number 1 and Plant Number 2. In 2012, NCPA issued \$12,910,000 in bonds for Plant Number 1 turbine upgrades. The City is obligated to pay its contractual share of 7.883% of the operating costs and debt service until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2014, the book value of this Project's plant, equipment and other assets was \$90,622,396 while its long-term debt totaled \$41,480,868 and other liabilities totaled \$43,854,698. The City's share of the Project's long-term debt amounted to \$3,269,937 at that date.

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of the NCPA main office building located in Roseville. The expansion is included as part of the Geothermal Projects funded by the bonds mentioned above. The City will recover its 7.883% share of the cost of the expansion which was \$204,958, with a 5% return on the investment over a ten year period. As of June 30, 2014, the City was owed \$31,546.

***Calaveras Hydroelectric Project***

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project and to finance its construction. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. Under its power purchase agreement with NCPA, the City is obligated to pay 12% of this Project's debt service and operating costs. In January 2012, NCPA refunded the outstanding Revenue Bonds with the \$83,785,000 2012 Hydroelectric Project Number One Revenue Bonds. At June 30, 2014, the book value of this Project's plant, equipment and other assets was \$398,311,438, deferred outflows of resources totaled \$66,942,706, while its long-term debt totaled \$416,877,291, and other liabilities totaled \$42,290,706. The City's share of the Project's long-term debt amounted to \$50,025,275 at that date.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)**

***Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)***

The City is a participant in a 49.8 megawatt Steam Injected Gas Turbine project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued \$152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project. In January 2010, NCPA refinanced the outstanding Capital Facilities Revenue Bonds by the issuance of the \$55,120,000 Capital Facilities Revenue Bonds Series A (2010 Refunding Series A). Under the NCPA power purchase agreement, the City is obligated to pay 36.50% of the debt service and operating costs for the Lodi unit.

The City's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, the City and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. The City is obligated to pay 17.9218% of the natural gas purchase contract.

At June 30, 2014, the book value of this Project's plant, equipment and other assets was \$49,259,010, deferred outflows totaled \$2,642,954, while its long-term debt totaled \$49,470,778 and other liabilities totaled \$2,287,684. The City's share of the Project's long-term debt amounted to \$18,056,834 at that date.

**C. *NCPA Financial Information***

NCPA's financial statements can be obtained from NCPA, 651 Commerce Drive, Roseville, CA 95678.

**NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY**

The City is a member of the South Placer Wastewater Authority (SPWA), a joint powers agency which operates under a joint powers agreement among three public agencies, the City of Roseville, South Placer Municipal Utility District and Placer County. The purpose of SPWA is to provide for the planning, financing, acquisition, ownership, construction and operation of the Regional Wastewater Facilities.



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY (Continued)**

Under the terms of a funding agreement, the City will own and operate the Regional Wastewater Facilities. Under the terms of this agreement the member agencies will share the operating costs of the Facilities after construction is complete. The Regional Wastewater Facilities include the Dry Creek Plant and the Pleasant Grove Plant. In November 2000, the SPWA issued Revenue Bonds Series A and Series B in the original principal amounts of \$109,775,000 and \$70,000,000 respectively. The purpose of these bonds is to partially finance the costs of acquisition and construction of the Pleasant Grove Wastewater Treatment Plant. On September 2003, the SPWA issued Refunding Revenue Bonds in the original principal amounts of \$97,000,000. The purpose of the 2003 bonds is to advance refund the 2000 Revenue Bonds Series A. On April 3, 2008, the SPWA issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2008A and 2008B in the original principal amounts of \$72,504,000 and \$92,850,000 respectively. The purpose of the 2008A bonds is to refund the remaining outstanding balance of the 2000 Revenue Bonds Series B. The 2008B bonds were issued to refund the remaining outstanding balance of the 2003 Refunding Revenue Bonds and to advance refund the remaining outstanding balance of the 2000 Revenue Bonds Series A. On April 7, 2011 the SPWA issued Refunding Wastewater Revenue Bonds Series A, B, C and D in the original principal amounts of \$30,165,000, \$30,160,000, \$67,040,000 and \$30,000,000, respectively. The purpose of the 2011 Bonds was to refund the remaining outstanding balance of the 2008A and 2008B Bonds. On April 1, 2013, the SPWA issued Refunding Wastewater Bonds, Series 2013, in the original principal amount of \$59,330,000 to refund the outstanding balance of the 2011 Series A and B Bonds. The three agencies are responsible for the repayment of all of these Revenue Bonds. The City's share of this obligation was originally 54.17%, but with the amendment to the funding agreement discussed below, the City's obligation is now 61.66%. As a result, this portion of the debt was recorded on the City's financial statements, as discussed in Note 9.

During the year ended June 30, 2014, the City paid \$6,318,020 to SPWA based on connection fees collected during the fiscal year.

The City records its share of income and expenses from SPWA in the Wastewater Enterprise Fund and these changes are reflected in the Statement of Revenues, Expenses and Changes in Net Position. The members of the SPWA entered into an Amended and Restated Funding Agreement and a Reallocation and Repayment Agreement effective October 1, 2012. The Amended and Restated Funding Agreement changed the proportionate shares of each member for the cost allocations and the City's share was increased to 61.66%. As a result, the City's investment in SPWA reserves and obligations increased by \$30,125,316 and \$7,410,294, respectively, during fiscal year 2013. The City's investment in SPWA Reserves at June 30, 2014, was \$70,480,576.

SPWA's financial statements can be obtained from the City of Roseville, 311 Vernon Street, Roseville, California, 95678.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 17 - MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the Roseville sanitary landfill site, which is closed, through the year 2024. Accordingly, the City has recorded a liability and expense in the Enterprise Solid Waste Fund for the estimated postclosure care cost. The recorded amount is based on applicable state and local laws and regulations concerning closure and postclosure care. If additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may result in increased charges to future landfill users or the usage of future tax revenues. During fiscal year 2014, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$2,615,565
Deductions	<u>(253,855)</u>
Ending Balance	<u><u>\$2,361,710</u></u>

**NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES**

**A. *NCPA and Western Area Power Administration***

Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 15. The City’s estimated share of such debt outstanding at June 30, 2014, was \$71,352,046. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

In addition, the City has a long-term obligation to the United States Department of Energy, Western Area Power Administration, for 4.5817% of the output of the Central Valley Project, California. This contract, also known as the Western Base Resource, obligates the City to make payments on a “take-or-pay” basis through December 31, 2024. The City expects to pay approximately \$3.5 million annually for the term of this contract. The City receives approximately 153,000 MWh of energy per year under average hydro and storage conditions.

**B. *Federal and State Grant Programs***

The City participates in Federal and State grant programs. These programs have been audited by the City’s independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**C. *Litigation***

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, other than disclosed above, which is likely to have a material adverse effect on the financial position of the City.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**D. State Gas Tax – Disallowed Costs**

During fiscal year 2014, the City underwent a monitoring visit by the State of California of the State Gasoline Tax Special Revenue Fund. The State of California found that the City did not comply with the three-year average the Maintenance of Effort (MOE) statute concerning expenditures of Traffic Congestion Relief Funds (TCRF). In fiscal year 2009/10, the City did not expend up to the MOE level of \$4.8 million by a short fall of \$1.8 million. The State of California has requested the City return approximately \$1 million in funds to the State Controller’s Office. Staff is in disagreement with the finding and negotiations are still in process as of December 2014, and the final amount of disallowed costs cannot be determined at this time. Therefore, a liability for the requested return of funds is not recorded in the accompanying financial statements.

**E. Encumbrances**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end may be reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2014, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:	
General Fund	\$2,685,359
Community Facilities Districts Projects	4,926
Non-Major Governmental Funds	5,410,549
Total Encumbrances	\$8,100,834

**F. Other Commitments**

The City had the following outstanding significant commitments at June 30, 2014:

Projects	(in millions)
REP long-term service agreement	\$34.5
Net power purchase contracts	30.9
Natural Gas Forward Obligations	120.4

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 19 – GAS SUPPLY ACQUISITION AND RESALE**

The City operates certain electrical generating plants which provide power for sale to the public and needs reliable, economic supplies of natural gas to generate the needed electricity. In pursuit of that objective the City and its component unit, the City of Roseville Redevelopment Agency formed the Authority for the purpose of acquiring, financing and supplying natural gas to the City. Summarized below are various agreements entered into by the Authority to achieve its purpose.

**A. *Prepaid Gas Agreement***

Pursuant to an Agreement for the Purchase and Sale of Natural Gas dated January 24, 2007, the Authority used a portion of the proceeds of its \$209,350,000 of Gas Revenue Bonds, Series 2007 (the Bonds) to prepay Merrill Lynch Commodities, Inc. (Gas Supplier) for a twenty year supply of natural gas. Commencing January 1, 2008, and continuing through December 31, 2027, the Gas Supplier is obligated to deliver daily contract quantities of natural gas on a firm basis to the designated delivery point. Daily contract quantities vary from month to month but not from year to year. This commitment totals 2,352,000 MMBtus (millions of British thermal units) per year or 47,040,000 MMBtus for the twenty year contract period. The Authority has recorded a Prepaid Natural Gas asset which is to be amortized as daily contract quantities are delivered.

The agreement provides for payments to be made by the Gas Supplier if it fails to deliver the daily contract quantities and may be terminated by the Authority in the event of non-performance by the Supplier. The Agreement will automatically terminate if there is a termination of the Commodity Swap (See Note 19 D below) which is not due to default by the Authority or if there is an event of default under the swap agreement entered into by the Gas Supplier and a third party. Upon early termination, whether due to the above or due to any other optional termination event as defined in the agreement, the Gas Supplier is required to make a termination payment to the Authority that is expected to be sufficient, together with other available funds, to redeem the Bonds. The Gas Supplier's commitments under this agreement are guaranteed by its parent company, Merrill Lynch & Co. Inc. under a guarantee agreement with the Authority.

As of June 30, 2014, prepaid gas under this agreement amounted to \$178,070,523.

**B. *Funding Agreement***

Under certain conditions specified in a Funding and Assignment Agreement dated January 24, 2007 between the Authority and Gas Supplier, the Gas Supplier has agreed to advance funds to the Trustee to pay debt service when due or to redeem bonds in the event of early termination. Advances are required under covered swap deficiencies and covered termination deficiencies and optional advances may also be made. Advances are repayable from by the responsible party causing the deficiency requiring an advance under this agreement. This agreement is coterminous with the Bonds. The Gas Supplier's commitment under this agreement is guaranteed by its parent company, Merrill Lynch & Co. Inc. under a guarantee agreement with the Authority.

There were no advances outstanding as of June 30, 2014.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 19 – GAS SUPPLY ACQUISITION AND RESALE (Continued)**

**C. *Supply Agreement***

Pursuant to a Natural Gas Supply Agreement dated February 1, 2007, the Authority has agreed to sell to the City a twenty year supply of natural gas. This Supply Agreement is coterminous with and provides for the delivery of natural gas in quantities which are matched to the Prepaid Gas Agreement, discussed above. For each MMBtu delivered (sold) to the City, the Authority will receive a variable revenue stream based on a first of the month index for the delivery location.

The Agreement terminates upon termination of the Prepaid Gas Agreement or upon the City's failure to make any required payment within two business days of the due date.

**D. *Commodity Swap Agreement***

In order to have its gas price exposure consistent with prevailing market rates, the Authority entered into a natural gas Commodity Swap Agreement with JPMorgan Chase Bank (Counterparty). For the term of deliveries under the Prepaid Gas Agreement and the Supply Agreement, the Authority will pay an index price per MMBtu to the Counterparty, and the Counterparty will pay a fixed price to the Authority. The index price paid by the Authority is expected to approximate the price paid by the City under the Supply Agreement.

The monthly quantity and term of the Commodity Swap Agreement are matched to those of the Supply Agreement.

Detail of the commodity swap agreement is discussed in Note 10.

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

**A. *REDEVELOPMENT DISSOLUTION***

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain housing assets of the Redevelopment Agency were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, the housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in March 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency. With the dissolution of the Redevelopment Agency, pass-through payments to affected taxing entities become the responsibility of the County.

AB1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-housing DDR). The due diligence reviews were to calculate the balance of unencumbered balances as of June 30, 2012 available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance approved the Housing DDR, after making an adjustment, and the Successor Agency remitted the unencumbered balance of \$1,953,159 to the County in January 2013. The Department of Finance approved the Non-housing DDR in July 2013, after making adjustments, which indicated that the City had to return the prior year advance payments of \$7,304,420, and the Successor Agency had unencumbered balances of \$1,831,499, which was remitted to the County in August 2013. The Successor Agency received a Finding of Completion on August 30, 2013.

Cash and investments of the Successor Agency as of June 30, 2014 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2014.

**B. NOTES RECEIVABLE**

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners, developers or others who agreed to expend these funds in accordance with the Agency's terms. The balances of the notes receivable were \$5,097,430 at June 30, 2014.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

Included in the notes receivable above is a loan to the Roseville Community Development Corporation in the amount of \$3,469,049. The Agency had entered into an agreement with the Corporation, a component unit of the City, under which the Agency agreed to provide funding to the Corporation in the form of a start-up loan not to exceed five million dollars (\$5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021. The Agency Board approved the execution of the loan agreement in May 2011. A State Supreme Court decision on August 11, 2011 suspended all redevelopment activity effective June 28, 2011. However, the Successor Agency continued to make disbursements related to the loan agreement after that date, because it had been approved by the Agency Board prior to the Court decision.

Under the provisions of Health and Safety Code Section 34171(d)(2), agreements between the City or any of its component units and the Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City or component unit is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency.

The State Controller's Office, but not the State Department of Finance, has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to fiscal year 2014 were not reversed in the current fiscal year and remain as payable from the Corporation as of June 30, 2014.

Also included in the notes receivable above is a loan to the Corporation in the amount of \$590,125. During fiscal year 2014, the Corporation assumed a loan made by the former Redevelopment Agency to a developer in connection with the acquisition of 238 Vernon Street. The developer had been current on payments on the loan through June 2013, but defaulted on the loan when it had an outstanding balance of \$602,334. The loan bears interest of 4.00% and is repayable in monthly payments of \$3,103 from July 1, 2014 through August 1, 2024, with a final balloon payment of \$421,227 due on September 1, 2024.

**C. LAND HELD FOR REDEVELOPMENT**

The Successor Agency assumed the land held for redevelopment of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency had purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

During the fiscal year ended June 30, 2014 with the adoption of a Long Range Property Management Plan, it was determined that the use for the land was for governmental purposes, therefore land held for redevelopment in the amount of \$5,419,762 was transferred to the City and reported as a Special Item.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

**D. CAPITAL ASSETS**

The Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

During the fiscal year ended June 30, 2014 with the adoption of a Long Range Property Management Plan, it was determined that the use of the land held by the Successor Agency was for governmental purposes, therefore land in the amount of \$1,687,819 was transferred to the City and reported as a Special Item.

Capital assets as of June 30, 2014 were comprised of land in the amount of \$74,369.

**E. LONG-TERM OBLIGATIONS**

The Successor Agency assumed the long-term debt and loans of the Redevelopment Agency as of February 1, 2012.

**1. Tax Allocation Bonds and Loans**

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds and loans issued by the Redevelopment Agency. The Bonds and Loans are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond and loan transactions were as follows:

	Balance June 30, 2013	Additions	Retirements and Adjustments	Balance June 30, 2014	Current Portion
<b>Tax Allocation Bonds:</b>					
2002 Redevelopment Project Tax Allocation Bonds, 3%-5.14%, due 9/1/33	\$11,615,000		\$355,000	\$11,260,000	\$370,000
2006 Redevelopment Project Tax Allocation Bonds, Series A 4.5%-5.00%, due 9/1/40	13,155,000			13,155,000	
2006 Redevelopment Project Taxable Tax Allocation Bonds, Series A-T 5.31%-5.90%, due 9/1/28	2,575,000		110,000	2,465,000	115,000
2006 Redevelopment Project Taxable Tax Allocation Housing Bonds, Series H-T 5.31%-6.07%, due 9/1/40	5,985,000		90,000	5,895,000	95,000
Total Tax Allocation Bonds	33,330,000		555,000	32,775,000	580,000
<b>Advances from the City of Roseville</b>					
Loans from the City	32,105,253	\$63,220	8,932,398	23,236,075	
SERAF Loans from the Housing Successor	490,102			490,102	245,703
<b>Total</b>	<b>\$65,925,355</b>	<b>\$63,220</b>	<b>\$9,487,398</b>	<b>\$56,501,177</b>	<b>\$825,703</b>



**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

**2. Debt Service Requirements**

Debt service requirements are shown below for all long-term debt except the Successor Agency loans, because the ultimate repayment terms cannot be determined at this time as discussed in the Loans from the City section below.

For the Year Ending June 30	Principal	Interest
2015	\$580,000	\$1,682,920
2016	610,000	1,652,969
2017	635,000	1,621,289
2018	670,000	1,587,184
2019	705,000	1,550,983
2020 - 2024	4,125,000	7,134,862
2025 - 2029	5,360,000	5,876,572
2030 - 2034	6,925,000	4,275,276
2035 - 2039	8,920,000	2,227,192
2040 - 2041	4,245,000	206,194
Total	\$32,775,000	\$27,815,441

**3. 2002 Roseville Redevelopment Project Tax Allocation Bonds**

On October 23, 2002, the Redevelopment Agency issued Tax Allocation Bonds in the original principal amount of \$14,500,000 to fund certain redevelopment activities of benefit to properties within the Agency’s Roseville Redevelopment Project Area. The Bonds are special obligations of the Agency and are secured by the Agency’s tax increment revenue. As disclosed in the official statement, pledged future tax increment revenues are expected to provide coverage over debt service over the life of the Bonds. Principal payments are payable annually on September 1 and interest payments are due semi-annually on March 1 and September 1, through September 1, 2033.

**4. 2006 Roseville Redevelopment Project Tax Allocation Bonds**

On October 26, 2006, the Redevelopment Agency issued Tax Allocation Bonds Series 2006 A, Taxable Tax Allocation Bonds Series 2006 A-T, and Taxable Tax Allocation Bonds, Series 2006 H-T in the amounts of \$13,155,000, \$3,285,000, and \$6,505,000, respectively, for a total principal amount of \$22,945,000. The Series A bonds bear interest at 4.50%-5.00%, the Series A-T at 5.31%-5.90%, and the Series H-T at 5.31%-6.07%. The proceeds for the Series A and Series A-T bonds were used to fund redevelopment activities of benefit to properties within the Agency’s Redevelopment Project Area. The proceeds for the Series H-T bonds were used to pay the costs of low-and-moderate-income housing projects of the Agency’s Redevelopment Project Area. The Series A and Series A-T bonds are secured by tax revenues, which are allocated to the Agency from the Project Area. The Series H-T bonds are secured by the tax increment revenue deposited in the Agency’s Low and Moderate Income Housing Fund. As disclosed in the official statement, pledged future tax increment revenues are expected to provide coverage over debt service over the life of the Bonds. Interest on the bonds is payable semiannually on March 1 and September 1. Principal for the Series A is payable annually on September 1 beginning 2028 through 2040. Principal for the Series H-T bonds is payable annually on September 1 through 2040. Principal for the Series A-T is payable annually on September 1 through 2028.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

As discussed above, the Agency has pledged all future tax increment revenues of the Roseville Redevelopment Project Area, less amounts required to be set aside for Low and Moderate Income Housing, for the repayment of the 2002 Tax Allocation Bonds and the 2006 Series A and Series A-T Tax Allocation Bonds, which are considered parity obligations. The pledge of all future tax increment revenues ends upon repayment of the remaining debt service on the Bonds which is expected in 2040. Also as discussed above, the Agency has pledged the tax increment revenue set aside for Low and Moderate Income Housing for the repayment of the 2006 Series H-T Tax Allocation Bonds.

The pledge of all future tax increment revenue ends upon repayment of the \$60,590,444 remaining debt service on the bonds which is scheduled to occur in fiscal year 2041. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed and housing set-aside amounts are no longer required, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2014 calculated by the County Auditor-Controller was \$3,713,386 and the total received by the Successor Agency for fiscal year 2014 debt service was \$1,900,108, which represented coverage of 84% of the \$2,265,555 of debt service. The lesser tax distribution was deemed sufficient, because the Successor Agency had other revenues/resources available to direct towards debt service.

**5. *Loans from the City***

Prior to July 1, 2011, the Redevelopment Agency had received six advances from various City funds: (1) Advances in the amount of \$5,422,789 were to be repaid in fiscal year 2029. This advance bore interest at the average interest rate of the City's pooled investments. (2) Advance in the amount of \$915,049 bore interest at 3.15% and was to be repaid in fiscal year 2023. (3) Advance in the amount of \$3,900,000 bears no interest and was to be repaid in fiscal year 2029. (4) Advance in the amount of \$3,000,000 bears no interest and was to be repaid in fiscal year 2034. (5) Advance in the amount of \$4,966,402 will be repaid in fiscal year 2031. This advance bore interest at the average rate of the City's pooled investments, plus 1%. (6) Advances in the amount of \$9,774,347 were to be repaid in fiscal year 2040. These advances bear interest at the average interest rate of the City's pooled investments.

Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012. The balance of the advances, including principal and accrued interest, was \$25,230,453 as of February 1, 2012. During fiscal year 2013, the State Department of Finance denied the fiscal year 2012 repayment and required the return of \$7,304,227 to the Successor Agency. The City's General Fund returned the cash to the Successor Agency during fiscal year 2013 and the balance of the loans payable to the City were increased in that amount.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is based upon whether the Successor Agency receives a Finding of Completion from the State. In addition, the interest rate on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception of each loan. During fiscal year 2014, the Successor Agency completed its Long-Range Property Management Plan which was approved by the Department of Finance in May 2014 and as a result, the Successor Agency transferred land that was designated for governmental use to the City in the amount of \$7,107,581. As a result of the transfer, the City cancelled the loans that had been made to the former Redevelopment Agency for the purchase of those properties, including accrued interest, in the amount of \$5,902,331, which has been reported as a Special Item. Also during fiscal year 2014, the Department of Finance clarified the how the interest is to be calculated on each loan to the Successor Agency. The City recalculated the interest due on the loans using the revised guidance and as a result the interest payable on the loans was reduced by \$3,030,067, which has also been reported as a Special Item. The balance of the loans, including principal and accrued interest, as of June 30, 2014 is \$23,236,075.

In addition, during the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Roseville Redevelopment Project Area Fund and the Roseville Flood Control Project Area to borrow \$558,381 and \$258,455, respectively, from the Agency's Low and Moderate Income Housing Fund to assist in making the Agency's fiscal year 2009-10 SERAF payment. These loans do not bear interest and were repayable in five equal annual installments, and were required to be repaid prior to June 30, 2015. The City assumed the housing assets of the Agency, and the loans are now payable to the City's Low and Moderate Income Housing Assets Special Revenue Fund. The balance of the loans as of June 30, 2014 totaled \$490,102.

The loans had previously been reported as an interfund advance between the City and Redevelopment Agency, but with the transfer of the Redevelopment Agency's liabilities to the Successor Agency, the advances are now reported as long-term obligations of the Successor Agency. The loans were originally required to be repaid by the dates noted above, however repayment is now contingent upon the Successor Agency receiving a Finding of Completion, as defined in Health and Safety Code Section 34179.6. After the Successor Agency receives a Finding of Completion, and under the provisions of Health and Safety Code Section 34191.4(b)(2)(A), the loans can be repaid by the Successor Agency. However, the Successor Agency must apply for approval of the loans by the Oversight Board including a finding that the loans were for legitimate redevelopment purposes. If the Oversight Board finds that the loans are enforceable obligations, the loans are to be repaid in accordance with a defined schedule over a reasonable term of years, beginning with the SERAF loans, followed by all other loans. Repayment cannot begin prior to fiscal year 2014 and the maximum annual repayment amount is limited based on calculations in the Code Section.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

The Successor Agency received its Finding of Completion in August 2013 and the Oversight Board found they were for legitimate redevelopment purposes in April 2013, and the loans are now considered enforceable obligations of the Successor Agency.

**F. STATE APPROVAL OF ENFORCEABLE OBLIGATIONS**

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**NOTE 21 – SUBSEQUENT EVENTS**

***Roseville Finance Authority Electric System Revenue Refunding Bonds, Series 2014***

On July 24, 2014, the Roseville Finance Authority issued the Electric System Revenue Refunding Bonds, Series 2014, in the amount of \$16,485,000 to refund the 2004 Electric System Revenue Certificates of Participation. The Bonds bear interest of 5%. Principal payments are due annually on February 1. Interest payments are due semi-annually on each August 1 and February 1, commencing on February 1, 2015 through February 1, 2034.

***South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2014***

On August 7, 2014, the South Placer Wastewater Authority issued the Wastewater Revenue Refunding Bonds, Series 2014, in the amount of \$29,120,000 to refund the Authority's Wastewater Revenue Refunding Bonds, Series 2011D. The Bonds are being issued as Securities Industry and Financial Markets Association (SIFMA) Index Bonds and the interest rate will be the rate of the SIFMA index, adjusted weekly, plus a spread of .33%. Interest payments will be due on a monthly basis on the first business day of each month commencing September 2, 2014. Principal payments are due annually on each November 1 through November 1, 2017.

***Successor Agency of the Redevelopment Agency of the City of Roseville, Tax Allocation Refunding Bonds, Series 2014***

On September 9, 2014, the Roseville Successor Agency issued the Series 2014 Refunding Bonds, in the amount of \$10,740,000 for the purpose of refunding the 2002 Tax Allocation Bonds. The Bonds bear interest at rates ranging from 2.00% to 5.00%. Principal payments are due annually on September 1. Interest payments are due semi-annually on each September 1 and March 1, commencing on September 1, 2015 through September 1, 2033.

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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$78,402,276	\$81,657,583	\$82,908,186	\$1,250,603
Licenses and permits	1,687,200	1,690,200	2,066,744	376,544
Charges for services	10,639,497	13,141,332	13,683,955	542,623
Subventions and grants	1,947,403	2,315,947	1,774,570	(541,377)
Use of money and property	439,033	711,905	837,876	125,971
Fines, forfeitures and penalties	1,048,200	1,144,000	901,875	(242,125)
Contributions from developers	620,000	620,000	619,244	(756)
Miscellaneous revenues	1,376,918	2,062,063	2,258,297	196,234
TOTAL REVENUES	96,160,527	103,343,030	105,050,747	1,707,717
EXPENDITURES				
Current:				
Salaries And Benefits				
General Government				
City Council	37,587	37,587	37,587	
City Manager - Administration	587,940	759,249	592,947	166,302
Communications-Government Relations	847,446	891,509	829,064	62,445
City Attorney	1,367,941	1,380,536	1,335,457	45,079
Human Resources-Admin	1,098,051	1,085,699	1,076,659	9,040
Risk Mgmt - Administration	134,284	172,341	170,746	1,595
IT Administration	516,884	513,631	511,121	2,510
IT-Data Center	614,791	572,630	572,514	116
IT-Communications	831,703	761,282	734,364	26,918
IT-Public Safety	397,982	382,152	378,872	3,280
IT-GIS/Web	573,747	588,456	588,325	131
IT-Customer Service	776,323	770,369	770,322	47
IT-Applications	785,174	788,165	788,081	84
City Clerk - Administration	694,395	702,669	702,195	474
Central Services - Administration	284,870	355,799	354,033	1,766
Purchasing	527,122	443,396	404,485	38,911
Central Stores	254,071	260,911	236,977	23,934
Building Maintenance	798,368	733,557	724,049	9,508
Janitorial	559,193	548,885	535,805	13,080
Finance Administration	626,165	647,931	496,217	151,714
Budget	379,039	387,013	386,486	527
Payroll	398,880	449,451	411,786	37,665
Licensing	92,043	106,853	106,547	306
Cash Management	198,037	200,117	197,094	3,023
Util Billing & Services-Field Services	907,839	882,353	858,907	23,446
Util Billing & Services - Billing	459,114	451,385	434,483	16,902
Util Billing & Services-Services	922,074	936,295	924,301	11,994
Gen Acct - Administration	264,805	270,596	270,398	198
Gen Acct - Accounts Payable	415,504	407,643	395,980	11,663
Gen Acct - Accounting	369,570	381,851	381,847	4
Community Events				
Neighborhood Services				
Economic Development				
Utility Billing and Services	160,551	143,192	143,174	18
Development & Operations				
Development & Operations-Admin	881,989	745,724	721,788	23,936
Housing Admin	148,716	148,372	63,356	85,016
Planning	1,640,309	1,563,007	1,465,264	97,743
Economic Development & Housing	314,157	430,227	360,366	69,861
Development Services-Admin	310,289	341,955	340,266	1,689
Development Services-Permit Center	586,683	630,895	519,486	111,409
Development Services-Building Inspection	1,475,030	1,495,411	1,467,131	28,280
Development Services-Code Enforcement	432,531	338,625	338,186	439
Development Services-Engineering	1,511,010	1,602,673	1,517,833	84,840

(Continued)

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public Works - Administration	283,795	282,919	278,610	4,309
Building Inspection				
Engineering	1,301,041	1,483,445	1,413,974	69,471
Flood Alert	123,040	127,465	127,257	208
Streets - Administration	629,504	642,331	642,122	209
Street Drainage	163,125	133,857	126,823	7,034
Paving	945,316	1,062,600	1,008,741	53,859
Street Signs	248,929	277,924	277,803	121
Street Markings	296,140	301,564	282,999	18,565
Public Safety				
Police				
Police - Administration	1,596,025	1,767,170	1,603,666	163,504
Records-Property	1,102,847	1,485,614	1,208,079	277,535
Jail	924,576	921,703	823,233	98,470
Police Communications	2,490,618	2,612,695	2,547,528	65,167
Community Services	1,564,754	1,380,038	1,301,147	78,891
Patrol	13,360,842	13,591,304	13,544,153	47,151
Investigations	3,684,600	3,812,673	3,694,372	118,301
Animal Control	292,573	287,736	271,504	16,232
Police Traffic	2,129,412	1,669,710	1,570,415	99,295
Fire				
Fire - Administration	741,068	766,433	764,526	1,907
Fire Prevention	1,522,177	1,392,273	1,320,258	72,015
Fire Operations	20,498,779	20,890,406	20,625,813	264,593
Fire Training	249,822	300,177	273,408	26,769
Library				
Library - Admin/Tech Services	2,900,464	2,685,284	2,670,673	14,611
Library-Public Services				
Maidu Museum-Historic Site	327,375	336,127	336,045	82
Parks And Recreation				
Parks & Rec - Administration	1,062,936	1,056,422	1,051,678	4,744
Park Development	287,400	269,764	262,779	6,985
Adult Sports	213,754	230,130	226,454	3,676
Youth Sports				
Adult & Senior Activities	102,791	105,039	103,961	1,078
Youth & Teen Services	165,010	169,078	147,219	21,859
Youth Classes	335,045	333,552	312,694	20,858
Maidu Community Center/Sports Courts	286,330	288,931	266,217	22,714
Roseville Sports Center	515,847	475,534	469,524	6,010
Aquatics	1,106,213	1,128,860	1,127,310	1,550
Park Operations - Admin	671,165	669,155	661,736	7,419
Open Space/Tree Maintenance	562,323	566,289	538,701	27,588
Parks - Maintenance	2,346,559	2,275,901	2,256,525	19,376
Community Special Events	97,573	106,266	100,015	6,251
Town Square	118,078	134,049	122,910	11,139
Cultural Arts & Entertainment	31,244	30,566	23,648	6,918
Operating Services And Supplies				
General Government				
City Council	277,070	300,308	285,323	14,985
Community Grants	30,000	49,319	28,814	20,505
Strategic Improvements	102,410	136,410	99,862	36,548
City Manager - Administration	54,792	54,792	41,416	13,376
Conference Center Dr-Parcel 40a				
Communications-Government Relations	33,037	208,050	203,035	5,015
City Attorney	90,687	173,187	478,993	(305,806)
Human Resources-Admin	370,917	414,629	336,158	78,471
Risk Mgmt - Administration	13,215	14,215	8,789	5,426
IT Administration	223,860	492,302	395,335	96,967
IT-Data Center	652,048	685,797	547,340	138,457
IT-Communications	350,779	388,533	335,455	53,078
IT-Public Safety	3,502	3,502	3,502	

(Continued)



CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
IT-GIS/Web	30,089	30,089	24,484	5,605
IT-Customer Service	371,923	394,822	336,814	58,008
IT-Applications	250,588	282,989	246,290	36,699
City Clerk - Administration	100,514	106,214	64,415	41,799
Elections	76,000	75,300		75,300
Central Services - Administration	18,311	18,311	14,632	3,679
Purchasing	15,439	27,439	20,172	7,267
Central Stores	70,259	70,259	60,080	10,179
Building Maintenance	1,051,147	1,288,334	1,275,487	12,847
Janitorial	404,324	434,142	428,909	5,233
Finance Administration	85,103	170,103	120,199	49,904
Budget	40,219	51,719	50,184	1,535
Payroll	14,011	71,470	26,321	45,149
Licensing	35,168	39,168	32,938	6,230
Cash Management	55,626	81,436	32,872	48,564
Utility Billing & Services - Admin	1,099	1,099	1,099	
Utility Billing & Services-Field Services	142,083	152,083	142,896	9,187
Utility Billing & Services - Billing	829,130	920,425	788,570	131,855
Utility Billing & Services-Services	28,229	28,229	27,947	282
General Accounting - Administration	123,861	123,861	141,023	(17,162)
General Accounting - Accounts Payable	14,576	15,576	14,352	1,224
General Accounting - Accounting	6,746	6,746	5,288	1,458
Community Events	245	245	245	
Downtown Vernon/Historic Old Town			4,853	(4,853)
Development & Operations				
Development & Operations-Admin	40,771	40,772	16,044	24,728
Housing Admin	39,587	74,790	28,342	46,448
Planning	93,221	102,972	91,775	11,197
Sierra Vista Specific Plan	15,000	2,500	711	1,789
Creekview Specific Plan	5,000	910	910	
Amoruso/Brookfield	80,000	599,130	300,136	298,994
Westbrook-SVSP	5,000	7,080	4,137	2,943
Planning-Full Cost Projects	160,000	348,401	361,520	(13,119)
Economic Development & Housing	370,579	378,581	340,387	38,194
Development Services-Admin		10,699	9,617	1,082
Development Services-Permit Center	18,600	21,100	20,466	634
Development Services-Building Inspection	647,102	626,902	594,001	32,901
Development Services-Code Enforcement	71,580	56,180	51,148	5,032
Development Services-Engineering	113,880	144,926	113,534	31,392
Placer Ranch		148,700	50,501	98,199
Plan Check/Inspection Consultant-Engineering	100,000	100,000		100,000
Building Plan Check Services		200,000	69,578	130,422
Development Full Cost Recovery		250,000	135,016	114,984
Traffic Study Dep/Consultant	157,496	157,496	157,496	
Public Works				
Public Works - Administration	5,839	6,464	6,463	1
Engineering	131,355	166,436	108,615	57,821
Flood Alert	50,486	50,486	42,993	7,493
Streets - Administration	91,062	91,062	86,992	4,070
Street Drainage	251,380	264,291	234,509	29,782
Paving	972,052	994,702	907,131	87,571
Street Signs	151,230	158,938	139,114	19,824
Street Markings	243,449	243,449	205,699	37,750
Public Works Projects-General		95,011	15,492	79,519
Public Safety				
Police				
Police - Administration	788,622	821,027	752,103	68,924
Records-Property	81,493	84,550	69,814	14,736
Jail	67,795	71,070	39,996	31,074
Police Communications	115,953	118,453	106,516	11,937
Community Services	28,528	50,204	39,181	11,023
Patrol	442,113	468,256	325,313	142,943
Investigations	110,232	124,008	97,650	26,358
Animal Control	663,794	1,089,298	1,019,014	70,284
Police Traffic	46,022	46,022	24,983	21,039
Police - vehicles	1,860,770	1,860,770	1,648,000	212,770

(Continued)

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire				
Fire - Administration	85,813	94,748	76,469	18,279
Fire Prevention	130,797	243,365	180,388	62,977
Fire Operations	2,084,183	2,305,808	1,977,191	328,617
Fire Training	133,090	143,058	90,693	52,365
Fire Services	166,168	182,786	91,198	91,588
Emergency Preparedness	98,326	110,100	88,336	21,764
Library				
Library - Admin/Tech Services	530,965	603,751	565,457	38,294
Maidu Museum-Historic Site	92,391	92,691	76,399	16,292
Parks And Recreation				
Parks & Rec - Administration	191,121	203,269	188,978	14,291
Park Development	23,443	36,492	21,888	14,604
Adult Sports	147,519	152,934	147,626	5,308
Adult & Senior Activities	31,020	31,020	28,741	2,279
Youth & Teen Services	55,788	58,069	56,280	1,789
Youth Classes	147,214	140,214	139,486	728
Maidu Community Center/Sports Courts	76,502	139,634	127,013	12,621
Roseville Sports Center	254,870	274,672	226,829	47,843
Aquatics	688,730	745,612	685,411	60,201
Park Operations - Admin	75,551	75,551	74,842	709
Open Space/Tree Maintenance	509,103	664,982	475,737	189,245
Parks - Maintenance	2,789,591	3,003,897	2,861,890	142,007
Community Special Events	99,065	157,947	138,545	19,402
Town Square	98,054	162,364	161,914	450
Cultural Arts & Entertainment	22,250	76,649	72,036	4,613
Payments under development agreements	567,619	567,619	567,619	
Annexation payments	2,350,000	2,953,500	2,932,924	20,576
Debt service:				
Principal retirement	41,550	41,700	42,965	(1,265)
Interest and fiscal charges	7,000	7,000	8,446	(1,446)
<b>TOTAL EXPENDITURES</b>	<b>114,946,018</b>	<b>121,017,547</b>	<b>114,473,309</b>	<b>6,544,238</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(18,785,491)</b>	<b>(17,674,517)</b>	<b>(9,422,562)</b>	<b>8,251,955</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property			40,044	40,044
Transfers in	24,851,029	27,791,645	25,208,960	(2,582,685)
Transfers (out)	(4,814,791)	(18,926,271)	(12,483,393)	6,442,878
<b>Total Other Financing Sources (Uses)</b>	<b>20,036,238</b>	<b>8,865,374</b>	<b>12,765,611</b>	<b>3,900,237</b>
<b>NET CHANGE IN FUND BALANCE BEFORE SPECIAL ITEM</b>	<b>1,250,747</b>	<b>(8,809,143)</b>	<b>3,343,049</b>	<b>12,152,192</b>
<b>SPECIAL ITEM</b>				
Cancellation of loans receivable from the Successor Agency			(5,847,668)	(5,847,668)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$1,250,747</b>	<b>(\$8,809,143)</b>	<b>(2,504,619)</b>	<b>\$6,304,524</b>
Adjustment to budgetary basis:				
Capital outlay			2,763,055	
Fund balance at beginning of year			58,841,682	
Fund balance at end of year			<u>\$53,574,008</u>	

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<b>REQUIRED SUPPLEMENTARY INFORMATION</b>
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**MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND PARKS AND LANDSCAPING COSTS**

GASB Statement 34 allows the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The Modified Approach may be used if two requirements are met:

- 1) The City must have an asset management system (AMS) with certain features.
  - ✓ It must maintain an up-to-date inventory of the infrastructure assets.
  - ✓ It must estimate the annual costs to maintain and preserve those assets at the condition level the City has established and disclosed through administrative or executive policy or legislative action.
  - ✓ The AMS must be used to assess the condition of the assets periodically, using a measurement scale.
  - ✓ The condition assessments must be replicable as those that are based on sufficiently understandable and complete measurement methods such that different measurers using the same methods would reach substantially similar results.
  
- 2) The City must document that the roads, parks and landscaping are being preserved approximately at or above the condition level the City has established and disclosed. This documentation must include the results of the three most recent complete condition assessments and must provide reasonable assurance that the assets are being preserved approximately at or above the intended condition level.

**Street Pavement**

The City has elected to use the Modified Approach to report street pavement costs. The City uses a computerized Pavement Management System to track the condition levels of each of the street sections.

The condition of the pavement is based on a weighted average of seven distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 10 for pavement with perfect condition. The condition index is used to classify pavement in good or better condition (7.0-10.0), fair condition (5.5–6.9), and substandard condition (less than 5.5).

The City’s maintenance costs are budgeted to be \$6,295,490 in fiscal 2015. The Pavement Quality Index (PQI) for the City’s street pavement for the last ten years is as follows:

Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/Collector	Residential		
04/05	7.5	7.9	\$6,499,729	\$4,284,993
05/06	7.5	7.9	7,794,196	7,213,261
06/07	7.7	8.0	5,521,428	10,289,440
07/08	7.9	8.0	5,929,683	5,641,810
08/09	7.8	7.9	4,728,208	4,749,229
09/10	8.2	7.9	4,736,644	6,044,401
10/11	8.3	7.8	4,241,928	6,426,462
11/12	8.3	7.8	5,489,639	5,149,814
12/13	7.8	7.4	5,185,511	4,980,690
13/14	8.1	7.0	4,570,018	6,918,584
14/15	7.8	7.8	6,295,490	N/A

<b>REQUIRED SUPPLEMENTARY INFORMATION (Continued)</b>
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The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.4. This rating allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$6,918,584 for street preservation in fiscal 2014.

**Parks and Landscaping**

The City has also elected to use the Modified Approach to report parks and landscaping costs. The City uses a computerized Grounds Management System to track the condition levels of each of the parks and landscaping.

The condition of the parks and landscaping is based on a weighted average of six levels of condition. The ground management system uses a measurement scale that is based on various levels ranging from six for an undeveloped natural area to one for parks and landscaping with high-quality, diverse landscaping with state-of-the art maintenance. The condition index is used to classify parks and landscaping in the following levels: state-of-the-art to high-level maintenance (1-2), moderate to moderately low level maintenance (3-4), minimum-level maintenance (5), and natural area that is not developed (6).

The City's maintenance costs are budgeted to be \$5,538,641 in fiscal 2015. The Ground Management Index (GMI) for the City's parks and landscaping maintenance for the last ten years is as follows:

<b>Fiscal Year</b>	<b>GMI (Level) Parks and Landscaping</b>	<b>Maintenance Budget</b>	<b>Actual Maintenance</b>
04/05	2	\$4,349,147	\$3,879,242
05/06	2	4,633,558	4,309,606
06/07	2	5,111,124	5,028,402
07/08	2	5,309,367	5,314,121
08/09	3	5,019,740	4,445,082
09/10	3	4,483,608	4,154,376
10/11	3	4,651,367	4,435,937
11/12	3	4,764,762	4,766,512
12/13	3	4,853,428	4,868,908
13/14	3	5,012,552	4,879,463
14/15	3	5,538,641	N/A

The City's policy based on current funding is to maintain parks and landscape at an average Ground Management Index (GMI) of Level 3. This rating allows for moderate maintenance and is the recommended level for most organizations. The City expended \$4,879,463 for maintenance in fiscal 2014.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Lighting and Landscape and Service Districts Fund.** To account for the collection of assessment revenue from property owners for the maintenance of surrounding park and landscaping improvements within the boundaries of each district.

**State Gasoline Tax Fund.** To account for revenue apportioned to the City from the State-collected gas tax revenues and spent for construction and maintenance of City streets.

**Home Improvement Fund.** To account for loan activities for the production of affordable housing under the City's former program that was discontinued.

**California Library Services Fund.** To account for revenues and grants from the State to be expended for library related materials

**Traffic Safety Fund.** To account for the City's share of fines generated from violations of the State Motor Vehicle Code.

**Trench Cut Recovery Fund.** To account for the collection of fees charged by the City for cutting trenches in paved roadway and spent for maintaining the street if useful life is decreased.

**Law Enforcement Block Grants Fund.** To account for the collection of grants from the Federal Department of Justice Assistance and expended for front line law enforcement.

**Fire Facilities Fund.** To account for fees applied to new construction and expended for construction or repair of fire facilities and equipment for which it creates a need.

**Utility Exploration Center Fund.** To account for the operations of the state-of-the-art Utilities Exploration Center, funded by the utility funds.

**Tree Propagation Fund.** To account for fees assessed on oak tree removal and expended on the continuation and preservation of tree planting within the City.

**Air Quality Mitigation Fund.** To account for mitigation fees to fund future emission reduction projects for air quality.

**Community Development Block Grant/HOME Fund.** To account for monies received from the Department of Housing & Urban Development and expended for programs and activities to benefit low-income residents, and to account for funds received from the Federal government used to produce affordable housing and rehabilitate existing residential units.

**Housing Authority Section 8 Fund.** To account for monies received from the U.S. Department of Housing and Urban Development and expended for rental assistance to low income households within the Roseville and Rocklin areas.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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**Affordable Housing Fund.** To account for monies received from property whose land use was changed from residential to commercial and from affordable housing agreements. These monies are then used to fund other affordable housing projects.

**Miscellaneous Fire Fund.** To account for various Fire funds including child car seat safety and fire museum donations.

**Miscellaneous General Government Fund.** To account for Cable TV PEG funds.

**Miscellaneous Library Fund.** To account for an adult literacy program for the Library.

**Miscellaneous Police Fund.** To account for confiscated property and evidence funds for the Police department.

**Miscellaneous Park Fund.** To account for donations and revenues for Park and Recreation facilities and youth sports, and the Olympus Pointe Sculpture Park maintenance.

**Storm Water Management Fund.** To accumulate expenditures for future storm water mandates.

**Traffic Signal Coordination Fund.** To fund the maintenance of optimized traffic flow through signalized intersections.

**Bike Trail/Open Space Maintenance Fund.** To account for the accumulation of funding for the maintenance of the City's bike trails and open spaces.

**Roseville Community Development Corporation Fund.** To account for revenues and expenditures of the Corporation for economic development, affordable housing and other community programs.

**Low/Mod Income Housing Asset Fund.** To account for the activities related to the assets assumed by the City as Housing Successor to the housing activities of the former Redevelopment Agency of the City of Roseville.

**Technology Replacement Fund.** To account for the activities related to the City's permit system funded by a 3% technology fee on permits.

**Roadway Fund.** To account for non-Gas Tax grants and other restricted revenues to construct and or maintain City streets.

#### **DEBT SERVICE FUND**

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Roseville Finance Authority Fund.** To account for the accumulation of resources from lease payments and the payment of long-term debt incurred by the Finance Authority.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Building Fund.** To account for approved capital projects within the City funded by various fees and other sources.

**South Placer Animal Control Shelter Fund.** To account for the collection of fees for the construction of an animal shelter.

**Public Facilities Fund.** To account for fees applied to new construction and expended for the development of public facilities for which it creates a need.

**Park Development Fund.** To account for collection fees applied to new construction and expended for neighborhood and community park and recreation facilities.

**Pleasant Grove Drain Basin Fund.** To account for collection of fees applied to new construction and expended for mitigation of developmental impacts on the Pleasant Grove watershed.

**Traffic Mitigation Fund.** To account for revenues and expenditures related to major roadways and related structures such as bridges or interchanges.

**General Capital Improvement Projects Rehabilitation Fund.** To account for the approved rehabilitation of existing City property funded by the General Fund.

### **PERMANENT FUNDS**

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

**Roseville Aquatics Complex Maintenance Fund.** A permanent fund established to account for contribution from the High School District. Only the interest earnings can be spent on helping maintain the Aquatics Complex.

**Citizens' Benefit Fund.** A permanent fund established to account for the proceeds from the sale of any municipally owned Hospital and interest earnings expended for improving the quality of life for the citizens of the City of Roseville.



CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
ASSETS					
Cash and investments in City Treasury	\$9,891,003	\$6,025,287	\$80,567	\$125,020	
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	185,497				4,811
Accrued interest	12,984	153,957	169	458	
Due from other government agencies					\$56,360
Due from other funds					
Advances to other funds					
Developer permit fees receivable					
Notes receivable		3,900,000	29,888		
Land held for resale					
	<u>\$10,089,484</u>	<u>\$10,079,244</u>	<u>\$110,624</u>	<u>\$125,478</u>	<u>\$61,171</u>
LIABILITIES					
Accounts payable	\$270,840	\$268,373		\$4,016	\$1,805
Accrued liabilities					
Due to other funds					59,365
Due to other government agencies					
Advances from other funds					
Deposits	41,185				
Unearned revenue	253,794				
	<u>565,819</u>	<u>268,373</u>		<u>4,016</u>	<u>61,170</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue		141,960			
FUND BALANCES					
Nonspendable					
Restricted	9,523,665	9,668,911	\$110,624	121,462	1
Committed					
Assigned					
Unassigned					
	<u>9,523,665</u>	<u>9,668,911</u>	<u>110,624</u>	<u>121,462</u>	<u>1</u>
TOTAL FUND BALANCES	<u>9,523,665</u>	<u>9,668,911</u>	<u>110,624</u>	<u>121,462</u>	<u>1</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$10,089,484</u>	<u>\$10,079,244</u>	<u>\$110,624</u>	<u>\$125,478</u>	<u>\$61,171</u>

SPECIAL REVENUE FUNDS

Trench Cut Recovery Fund	Law Enforcement Block Grants	Fire Facilities	Utility Exploration Center	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME
\$133,482	\$229,218	\$4,094,949	\$89,585	\$2,063,274	\$270,340	\$120,051
242	497 105,967	8,467	109	4,989	528	96,479
		195,692			7,721	13,558,968
<u>\$133,724</u>	<u>\$335,682</u>	<u>\$4,299,108</u>	<u>\$89,694</u>	<u>\$2,068,263</u>	<u>\$278,589</u>	<u>\$13,775,498</u>
		\$21,449	\$8,138 14,711	\$3,356		\$73,038 4,971
		235,408				13,558,968
		256,609				
	<u>\$233,406</u>					
	<u>233,406</u>	<u>513,466</u>	<u>22,849</u>	<u>3,356</u>		<u>13,636,977</u>
\$133,724	102,276	3,785,642	66,845	2,064,907	\$278,589	138,521
<u>133,724</u>	<u>102,276</u>	<u>3,785,642</u>	<u>66,845</u>	<u>2,064,907</u>	<u>278,589</u>	<u>138,521</u>
<u>\$133,724</u>	<u>\$335,682</u>	<u>\$4,299,108</u>	<u>\$89,694</u>	<u>\$2,068,263</u>	<u>\$278,589</u>	<u>\$13,775,498</u>

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Housing Authority Section 8	Affordable Housing	Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library
ASSETS					
Cash and investments in City Treasury	\$363,138	\$3,627,813	\$30,385	\$570,629	\$263,672
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts				56,328	
Accrued interest		232,328	65	1,118	561
Due from other government agencies					
Due from other funds					
Advances to other funds		500,000			
Developer permit fees receivable					
Notes receivable		3,839,366			
Land held for resale					
	<u>\$363,138</u>	<u>\$8,199,507</u>	<u>\$30,450</u>	<u>\$628,075</u>	<u>\$264,233</u>
LIABILITIES					
Accounts payable	\$45,873			\$2,964	
Accrued liabilities	39,741				
Due to other funds					
Due to other government agencies		\$380,311			
Advances from other funds					
Deposits					
Unearned revenue					
	<u>85,614</u>	<u>380,311</u>		<u>2,964</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue		4,154,636			
FUND BALANCES					
Nonspendable					
Restricted	277,524	3,664,560	\$30,450	625,111	\$264,233
Committed					
Assigned					
Unassigned					
	<u>277,524</u>	<u>3,664,560</u>	<u>30,450</u>	<u>625,111</u>	<u>264,233</u>
TOTAL FUND BALANCES	<u>277,524</u>	<u>3,664,560</u>	<u>30,450</u>	<u>625,111</u>	<u>264,233</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$363,138</u>	<u>\$8,199,507</u>	<u>\$30,450</u>	<u>\$628,075</u>	<u>\$264,233</u>

SPECIAL REVENUE FUNDS

Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal Coordination	Bike Trail/ Open Space Maintenance	Roseville Community Development Corporation	Low/Mod Income Housing Asset
\$298,611	\$388,404	\$324,978	\$2,202,866	\$956,370	\$1,164,230	\$68,708
10,000 637 31,525	199 847	203	4,620	2,095		\$472,763
			8,600			5,562,663
						861,245
<u>\$340,773</u>	<u>\$389,450</u>	<u>\$325,181</u>	<u>\$2,216,086</u>	<u>\$958,465</u>	<u>\$1,164,230</u>	<u>\$6,965,379</u>
\$257		\$4,832 14,867		\$21,589	\$14,783 45,673	
					2,030,951 17,158 4,200	
<u>257</u>		<u>19,699</u>		<u>21,589</u>	<u>2,112,765</u>	
						\$5,545,182
\$340,516	\$389,450	305,482	\$2,216,086	936,876		1,420,197
					(948,535)	
<u>340,516</u>	<u>389,450</u>	<u>305,482</u>	<u>2,216,086</u>	<u>936,876</u>	<u>(948,535)</u>	<u>1,420,197</u>
<u>\$340,773</u>	<u>\$389,450</u>	<u>\$325,181</u>	<u>\$2,216,086</u>	<u>\$958,465</u>	<u>\$1,164,230</u>	<u>\$6,965,379</u>

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Technology Replacement	Roadway	Roseville Finance Authority	Building	South Placer Animal Control Shelter	Public Facilities
<b>ASSETS</b>						
Cash and investments in City Treasury	\$158,015	\$1,213,890	\$71,208	\$1,932,763	\$665,107	\$9,264,508
Restricted cash and investments with fiscal agents			65,415			
Receivables:						
Accounts	97					
Accrued interest	235	4,755		3,529	1,250	22,364
Due from other government agencies						
Due from other funds						100,000
Advances to other funds						395,054
Developer permit fees receivable	88				35,820	503,432
Notes receivable						
Land held for resale						
<b>Total Assets</b>	<b>\$158,435</b>	<b>\$1,218,645</b>	<b>\$136,623</b>	<b>\$1,936,292</b>	<b>\$702,177</b>	<b>\$10,285,358</b>
<b>LIABILITIES</b>						
Accounts payable	\$5,475			\$111,591		\$40,451
Accrued liabilities			\$11,988			
Due to other funds	100,000					
Due to other government agencies						
Advances from other funds	395,054					
Deposits						
Unearned revenue						
<b>Total Liabilities</b>	<b>500,529</b>		<b>11,988</b>	<b>111,591</b>		<b>40,451</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue						
<b>FUND EQUITY</b>						
Nonspendable						
Restricted		\$1,218,645	124,635		\$702,177	10,244,907
Committed				1,824,701		
Assigned						
Unassigned	(342,094)					
<b>TOTAL FUND BALANCES</b>	<b>(342,094)</b>	<b>1,218,645</b>	<b>124,635</b>	<b>1,824,701</b>	<b>702,177</b>	<b>10,244,907</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$158,435</b>	<b>\$1,218,645</b>	<b>\$136,623</b>	<b>\$1,936,292</b>	<b>\$702,177</b>	<b>\$10,285,358</b>

CAPITAL PROJECTS FUNDS				PERMANENT FUNDS		Total Nonmajor Governmental Funds
Park Development	Pleasant Grove Drain Basin	Traffic Mitigation	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	
\$25,393,335	\$5,716,691	\$17,397,931	\$11,419,820	\$623,835	\$17,441,701	\$123,517,154 1,229,645
1,400		188,107				446,439
48,721	11,552	35,003	25,128	461	46,600	1,097,235
		1,670,568				1,960,899
	3,000,000					100,000
736,673		508,976				3,895,054
						1,997,002
						26,890,885
						861,245
<u>\$26,180,129</u>	<u>\$8,728,243</u>	<u>\$19,800,585</u>	<u>\$11,444,948</u>	<u>\$624,296</u>	<u>\$17,488,301</u>	<u>\$161,995,558</u>
\$14,863		\$1,532,696	\$140,815			\$2,587,204
						131,951
						394,773
						13,939,279
						2,682,614
				\$600,000	105	658,448
						491,400
<u>14,863</u>		<u>1,532,696</u>	<u>140,815</u>	<u>600,000</u>	<u>105</u>	<u>20,885,669</u>
		25,399				9,867,177
26,165,266	\$8,728,243	18,242,490		24,296	16,940,290	16,940,290
					547,906	102,007,922
			11,304,133			2,280,996
						11,304,133
						(1,290,629)
<u>26,165,266</u>	<u>8,728,243</u>	<u>18,242,490</u>	<u>11,304,133</u>	<u>24,296</u>	<u>17,488,196</u>	<u>131,242,712</u>
<u>\$26,180,129</u>	<u>\$8,728,243</u>	<u>\$19,800,585</u>	<u>\$11,444,948</u>	<u>\$624,296</u>	<u>\$17,488,301</u>	<u>\$161,995,558</u>

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
REVENUES					
Taxes	\$6,968,857				
Charges for services		\$26,450		\$432	
Subventions and grants		4,122,508			
Use of money and property	48,891	48,606	\$704	\$1,729	
Fines, forfeitures and penalties					\$355,001
Contributions from developers and others					
Miscellaneous revenues	22,024			44,397	
<b>Total Revenues</b>	<b>7,039,772</b>	<b>4,197,564</b>	<b>704</b>	<b>46,558</b>	<b>355,001</b>
EXPENDITURES					
Current:					
General government					
Development & operations					
Public works					
Public safety:					
Fire					
Police					
Library				31,340	
Parks and recreation	4,561,738				
Housing assistance payments					
Capital outlay		5,006,964		6,240	
Debt service:					
Principal retirement					
Interest and fiscal charges	93,640				
<b>Total Expenditures</b>	<b>4,655,378</b>	<b>5,006,964</b>		<b>37,580</b>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,384,394	(809,400)	704	8,978	355,001
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of property					
Transfers in		900,000			
Transfers (out)	(2,380,185)	(1,742,070)	(136)	(87,468)	(355,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,380,185)</b>	<b>(842,070)</b>	<b>(136)</b>	<b>(87,468)</b>	<b>(355,000)</b>
Net change in fund balances before special item	4,209	(1,651,470)	568	(78,490)	1
SPECIAL ITEM					
Change in classification of assets					
Net change in fund balances	4,209	(1,651,470)	568	(78,490)	1
Fund balances (deficits) at the beginning of the year, as restated	9,519,456	11,320,381	110,056	199,952	
<b>Fund balances (deficits) at the end of year</b>	<b>\$9,523,665</b>	<b>\$9,668,911</b>	<b>\$110,624</b>	<b>\$121,462</b>	<b>\$1</b>

SPECIAL REVENUE FUNDS

Trench Cut Recovery	Law Enforcement Block Grants	Fire Facilities	Utility Exploration Center	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME
		\$815,251				
\$27,391			\$17,067	\$152,211	\$31,970	
	\$164,568					\$767,251
\$891	1,753	34,482	221	20,628	1,983	16,262
			15,458	4,926		579,678
28,282	166,321	849,733	32,746	177,765	33,953	1,363,191
						1,210,058
			400,099	573,819		
		97,988	6,126	37,450		
		10,896				
		108,884	406,225	611,269		1,210,058
28,282	166,321	740,849	(373,479)	(433,504)	33,953	153,133
		3,948				
(48)	(100,096)	(475,523)	428,540 (54,995)	(109,507)	(138)	
(48)	(100,096)	(471,575)	373,545	(109,507)	(138)	
28,234	66,225	269,274	66	(543,011)	33,815	153,133
28,234	66,225	269,274	66	(543,011)	33,815	153,133
105,490	36,051	3,516,368	66,779	2,607,918	244,774	(14,612)
\$133,724	\$102,276	\$3,785,642	\$66,845	\$2,064,907	\$278,589	\$138,521

(Continued)



CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	Housing Authority Section 8	Affordable Housing	Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library
<b>REVENUES</b>					
Taxes					
Charges for services		\$1,921			
Subventions and grants	\$4,325,019				
Use of money and property		\$48,727	\$259	\$4,022	\$2,217
Fines, forfeitures and penalties			7,500		
Contributions from developers and others		124,473			
Miscellaneous revenues	52,007	245,109		181,984	250
<b>Total Revenues</b>	<b>4,377,026</b>	<b>420,230</b>	<b>7,759</b>	<b>186,006</b>	<b>2,467</b>
<b>EXPENDITURES</b>					
Current:					
General government				70,686	
Development & operations	672,146	52,966			
Public works					
Public safety:					
Fire					
Police			8,488		
Library					10,000
Parks and recreation					
Housing assistance payments	3,858,070				
Capital outlay					
Debt service:					
Principal retirement					
Interest and fiscal charges					
<b>Total Expenditures</b>	<b>4,530,216</b>	<b>52,966</b>	<b>8,488</b>	<b>70,686</b>	<b>10,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(153,190)</b>	<b>367,264</b>	<b>(729)</b>	<b>115,320</b>	<b>(7,533)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of property					
Transfers in					
Transfers (out)	(64,090)	(188,110)			
<b>Total Other Financing Sources (Uses)</b>	<b>(64,090)</b>	<b>(188,110)</b>			
<b>Net change in fund balances</b>	<b>(217,280)</b>	<b>179,154</b>	<b>(729)</b>	<b>115,320</b>	<b>(7,533)</b>
<b>SPECIAL ITEM</b>					
Change in classification of assets					
<b>Net change in fund balances</b>	<b>(217,280)</b>	<b>179,154</b>	<b>(729)</b>	<b>115,320</b>	<b>(7,533)</b>
<b>Fund balances (deficits) at the beginning of the year, as restated</b>	<b>494,804</b>	<b>3,485,406</b>	<b>31,179</b>	<b>509,791</b>	<b>271,766</b>
<b>Fund balances (deficits) at the end of year</b>	<b>\$277,524</b>	<b>\$3,664,560</b>	<b>\$30,450</b>	<b>\$625,111</b>	<b>\$264,233</b>

SPECIAL REVENUE FUNDS

Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal Coordination	Bike Trail/ Open Space Maintenance	Roseville Community Development Corporation	Low/Mod Income Housing Asset
	\$42,020		\$2,312			
\$18,782		\$257,228			\$207,500	
2,404	3,309	250 650	17,993	\$7,919	72,743	\$3,640
			34,437			
90,126	3,684	1,480		53,477	134,798	46,133
111,312	49,013	259,608	54,742	61,396	415,041	49,773
					379,395	59,292
42,223		541,616	42,281			
				600,744		
					1,412,690	
					12,208 70,583	
42,223		541,616	42,281	600,744	1,874,876	59,292
69,089	49,013	(282,008)	12,461	(539,348)	(1,459,835)	(9,519)
(15,000)	(66,814)	630,435 (42,945)	(1,289,293)	529,570 (31,735)		36,500
(15,000)	(66,814)	587,490	(1,289,293)	497,835		36,500
54,089	(17,801)	305,482	(1,276,832)	(41,513)	(1,459,835)	26,981
					(2,141,561)	
54,089	(17,801)	305,482	(1,276,832)	(41,513)	(3,601,396)	26,981
286,427	407,251		3,492,918	978,389	2,652,861	1,393,216
\$340,516	\$389,450	\$305,482	\$2,216,086	\$936,876	(\$948,535)	\$1,420,197

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Technology Replacement	Roadway	Roseville Finance Authority	Building	South Placer Animal Control Shelter	Public Facilities
<b>REVENUES</b>						
Taxes						
Charges for services	\$204,135				\$124,679	\$2,065,213
Subventions and grants						
Use of money and property	1,213	\$17,559	\$37,709	\$14,133	4,628	94,844
Fines, forfeitures and penalties						
Contributions from developers and others						
Miscellaneous revenues	97			14,840		167,554
<b>Total Revenues</b>	<b>205,445</b>	<b>17,559</b>	<b>37,709</b>	<b>28,973</b>	<b>129,307</b>	<b>2,327,611</b>
<b>EXPENDITURES</b>						
Current:						
General government	396					
Development & operations						
Public works						
Public safety:						
Fire						
Police						
Library						
Parks and recreation						
Housing assistance payments						
Capital outlay	175,606			3,347,643		1,402,807
Debt service:						
Principal retirement			878,783	1,191,322		
Interest and fiscal charges	1,426		201,421	55,224		
<b>Total Expenditures</b>	<b>177,428</b>		<b>1,080,204</b>	<b>4,594,189</b>		<b>1,402,807</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>28,017</b>	<b>17,559</b>	<b>(1,042,495)</b>	<b>(4,565,216)</b>	<b>129,307</b>	<b>924,804</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of property						
Transfers in	59,000	2,917,379	1,022,152	4,579,349		139,346
Transfers (out)		(1,716,293)		(6,340)		(2,808,113)
<b>Total Other Financing Sources (Uses)</b>	<b>59,000</b>	<b>1,201,086</b>	<b>1,022,152</b>	<b>4,573,009</b>		<b>(2,668,767)</b>
<b>Net change in fund balances</b>	<b>87,017</b>	<b>1,218,645</b>	<b>(20,343)</b>	<b>7,793</b>	<b>129,307</b>	<b>(1,743,963)</b>
<b>SPECIAL ITEM</b>						
Change in classification of assets						
<b>Net change in fund balances</b>	<b>87,017</b>	<b>1,218,645</b>	<b>(20,343)</b>	<b>7,793</b>	<b>129,307</b>	<b>(1,743,963)</b>
<b>Fund balances (deficits) at the beginning of the year, as restated</b>	<b>(429,111)</b>		<b>144,978</b>	<b>1,816,908</b>	<b>572,870</b>	<b>11,988,870</b>
<b>Fund balances (deficits) at the end of year</b>	<b>(\$342,094)</b>	<b>\$1,218,645</b>	<b>\$124,635</b>	<b>\$1,824,701</b>	<b>\$702,177</b>	<b>\$10,244,907</b>

CAPITAL PROJECTS FUNDS				PERMANENT FUNDS		Total Nonmajor Governmental Funds
Park Development	Pleasant Grove Drain Basin	Traffic Mitigation	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	
						\$7,784,108
\$3,766,375	\$220,738	\$2,778,189				9,461,103
		2,427,141	\$17,200			12,307,197
186,642	121,351	132,340	102,200	(\$617)	\$280,516	1,332,151
						363,151
						158,910
8,381		315,872			7,257	1,989,532
<u>3,961,398</u>	<u>342,089</u>	<u>5,653,542</u>	<u>119,400</u>	<u>(617)</u>	<u>287,773</u>	<u>33,396,152</u>
			5,460		391,869	468,411
		10,964	40,696			2,373,857
						635,557
						42,223
						8,488
						41,340
2,500						6,138,900
						3,858,070
3,718,083	34,835	5,353,838	2,064,413			22,664,683
						2,082,313
						433,190
<u>3,720,583</u>	<u>34,835</u>	<u>5,364,802</u>	<u>2,110,569</u>		<u>391,869</u>	<u>38,747,032</u>
<u>240,815</u>	<u>307,254</u>	<u>288,740</u>	<u>(1,991,169)</u>	<u>(617)</u>	<u>(104,096)</u>	<u>(5,350,880)</u>
						3,948
2,880,398		1,058,683	1,152,657			16,334,009
(9,835)	(4,603)	(109,801)	(482,771)			(12,140,909)
<u>2,870,563</u>	<u>(4,603)</u>	<u>948,882</u>	<u>669,886</u>			<u>4,197,048</u>
3,111,378	302,651	1,237,622	(1,321,283)	(617)	(104,096)	(1,153,832)
						(2,141,561)
3,111,378	302,651	1,237,622	(1,321,283)	(617)	(104,096)	(3,295,393)
23,053,888	8,425,592	17,004,868	12,625,416	24,913	17,592,292	134,538,105
<u>\$26,165,266</u>	<u>\$8,728,243</u>	<u>\$18,242,490</u>	<u>\$11,304,133</u>	<u>\$24,296</u>	<u>\$17,488,196</u>	<u>\$131,242,712</u>

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$7,274,299	\$6,968,857	(\$305,442)			
Charges for services					\$26,450	\$26,450
Subventions and grants				\$3,933,995	4,122,508	188,513
Use of money and property	25,838	48,891	23,053	30,435	48,606	18,171
Fines, forfeitures and penalties						
Miscellaneous revenues		22,024	22,024			
Total Revenues	<u>7,300,137</u>	<u>7,039,772</u>	<u>(260,365)</u>	<u>3,964,430</u>	<u>4,197,564</u>	<u>233,134</u>
EXPENDITURES						
Current:						
Operating services and supplies						
Planning						
Home Improvement						
Main Library - Library Fund						
Parks And Recreation						
Olympus Pointe Lld Zone A	160,926	160,802	124			
Olympus Pointe Lld Zone D	59,875	41,792	18,083			
Nwrld Zone A	424,234	414,027	10,207			
Nwrld Zone B	18,256	18,139	117			
Johnson Ranch Lld Zone A	2,968	2,917	51			
Johnson Ranch Lld Zone B	1,830	1,829	1			
Johnson Ranch Lld Zone C	1,406	1,404	2			
Johnson Ranch Lld Zone D	98	8	90			
Johnson Ranch Lld Zone E	1,898	1,890	8			
Ncrld Zone A	387,362	366,317	21,045			
Ncrld Zone B	131,596	108,502	23,094			
Ncrld Zone F	20,126	17,445	2,681			
Ncrld Zone G	12,283	10,210	2,073			
Infill Lld Zone A	13,524	7,117	6,407			
Infill Lld Zone B	13,766	8,405	5,361			
Infill Lld Zone C	15,405	9,513	5,892			
Nrcfd 2 Sd Zone A	43,514	37,100	6,414			
Nrcfd 2 Sd Zone B	60,349	54,859	5,490			
Nrcfd 2 Sd Zone C	149,164	139,907	9,257			
Historic District Lld	34,789	25,028	9,761			
Riverside District Lld	20,874	18,530	2,344			
Stone Point Cfd #4 (Sd)	12,574	6,702	5,872			
Infill Cfd4-Wderk Oaks Preser	10,335	10,325	10			
Stoneridge Cfd #1 Srv Dist	411,485	387,282	24,203			
Stoneridge Parcel 1 Cfd #2 Sd	22,065	20,108	1,957			
Wooderk West - Services District	315,237	292,323	22,914			
Crocker Ranch Services District	221,865	209,548	12,317			
Highland Res North Srv Dist	451,104	426,438	24,666			
Vernon St Lighting/Landscape	30,403	23,624	6,779			
Woodcreek East Services Dist	125,065	120,327	4,738			
Stone Point Cfd #2 Srv Dist	36,616	33,655	2,961			
Westpark Cfd #2 Services Dist	538,125	511,811	26,314			
Fiddymet Ranch Cfd #2 Sd	634,410	619,509	14,901			
Municipal Services Cfd #3	22,100	21,098	1,002			
Longmeadow Cfd #2 Sd	79,831	45,002	34,829			
Infill Services Cfd	29,533	24,020	5,513			
NWRSP-Landscaping and Lighting District	663,969	355,583	308,386			
NRCFD 2 Services District Zone E	13,589	8,642	4,947			
Debt service:						
Interest and fiscal charges	101,142	93,640	7,502			
Total Expenditures	<u>5,293,691</u>	<u>4,655,378</u>	<u>638,313</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,006,446</u>	<u>2,384,394</u>	<u>377,948</u>	<u>3,964,430</u>	<u>4,197,564</u>	<u>233,134</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				958,446	900,000	(58,446)
Transfers (out)	(2,436,380)	(2,380,185)	56,195	(565,422)	(1,742,070)	(1,176,648)
Total Other Financing Sources (Uses)	<u>(2,436,380)</u>	<u>(2,380,185)</u>	<u>56,195</u>	<u>393,024</u>	<u>(842,070)</u>	<u>(1,235,094)</u>
NET CHANGE IN FUND BALANCES	<u>(\$429,934)</u>	<u>4,209</u>	<u>\$434,143</u>	<u>\$4,357,454</u>	<u>3,355,494</u>	<u>(\$1,001,960)</u>
Adjustment to budgetary basis						
Capital outlay					(5,006,964)	
Fund balances (deficits) at beginning of year		<u>9,519,456</u>			<u>11,320,381</u>	
Fund balances (deficits) at end of year		<u>\$9,523,665</u>			<u>\$9,668,911</u>	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				\$432	\$432			
\$718	\$704	(\$14)	1,014	1,729	715	\$347,000	\$355,001	\$8,001
			31,441	44,397	12,956			
718	704	(14)	32,455	46,558	14,103	347,000	355,001	8,001
110,000		110,000	31,551	31,340	211			
110,000		110,000	31,551	31,340	211			
(109,282)	704	109,986	904	15,218	14,314	347,000	355,001	8,001
(136)	(136)		(87,468)	(87,468)		(347,000)	(355,000)	(8,000)
(136)	(136)		(87,468)	(87,468)		(347,000)	(355,000)	(8,000)
(\$109,418)	568	\$109,986	(\$86,564)	(72,250)	\$14,314		1	\$1
				(6,240)				
	110,056			199,952				
	\$110,624			\$121,462			\$1	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	TRENCH CUT RECOVERY			LAW ENFORCEMENT BLOCK GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services		\$27,391	\$27,391			
Subventions and grants				\$100,000	\$164,568	\$64,568
Use of money and property	\$456	891	435	906	1,753	847
Miscellaneous revenues						
Total Revenues	456	28,282	27,826	100,906	166,321	65,415
EXPENDITURES						
Current:						
Salaries and benefits						
Parks And Recreation						
Utility Exploration Center						
Operating services and supplies						
Parks And Recreation						
Utility Exploration Center						
RUEC School Tour Annual						
Native Tree Projects						
Non-Native Tree Projects						
Debt service:						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	456	28,282	27,826	100,906	166,321	65,415
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of property						
Transfers in						
Transfers (out)	(48)	(48)		(100,096)	(100,096)	
Total Other Financing Sources (Uses)	(48)	(48)		(100,096)	(100,096)	
NET CHANGE IN FUND BALANCES	\$408	28,234	\$27,826	\$810	66,225	\$65,415
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year		105,490			36,051	
Fund balances (deficits) at end of year		\$133,724			\$102,276	

FIRE FACILITIES			UTILITY EXPLORATION CENTER			TREE PROPAGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$560,000	\$815,251	\$255,251						
3,540		(3,540)	\$15,500	\$17,067	\$1,567		\$152,211	\$152,211
20,000	34,482	14,482	120	221	101	\$14,636	20,628	5,992
			20,000	15,458	(4,542)		4,926	4,926
<u>583,540</u>	<u>849,733</u>	<u>266,193</u>	<u>35,620</u>	<u>32,746</u>	<u>(2,874)</u>	<u>14,636</u>	<u>177,765</u>	<u>163,129</u>
			349,954	340,983	8,971			
			75,395	44,148	31,247			
				14,968	(14,968)			
						565,245	520,328	44,917
						133,590	53,491	80,099
10,896	10,896							
<u>10,896</u>	<u>10,896</u>		<u>425,349</u>	<u>400,099</u>	<u>25,250</u>	<u>698,835</u>	<u>573,819</u>	<u>125,016</u>
572,644	838,837	266,193	(389,729)	(367,353)	22,376	(684,199)	(396,054)	288,145
	3,948	3,948						
(1,859,242)	(475,523)	1,383,719	941,983	428,540	(513,443)	(109,507)	(109,507)	
			(52,367)	(54,995)	(2,628)			
<u>(1,859,242)</u>	<u>(471,575)</u>	<u>1,387,667</u>	<u>889,616</u>	<u>373,545</u>	<u>(516,071)</u>	<u>(109,507)</u>	<u>(109,507)</u>	
<u>(\$1,286,598)</u>	367,262	<u>\$1,653,860</u>	<u>\$499,887</u>	6,192	<u>(\$493,695)</u>	<u>(\$793,706)</u>	(505,561)	<u>\$288,145</u>
	(97,988)			(6,126)			(37,450)	
	3,516,368			66,779			2,607,918	
	<u>\$3,785,642</u>			<u>\$66,845</u>			<u>\$2,064,907</u>	

(Continued)



CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	AIR QUALITY MITIGATION			COMMUNITY DEVELOPMENT BLOCK GRANT / HOME		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services	\$41,000	\$31,970	(\$9,030)			
Subventions and grants				\$1,403,000	\$767,251	(\$635,749)
Use of money and property	928	1,983	1,055		16,262	16,262
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues				437,100	579,678	142,578
<b>Total Revenues</b>	<b>41,928</b>	<b>33,953</b>	<b>(7,975)</b>	<b>1,840,100</b>	<b>1,363,191</b>	<b>(476,909)</b>
EXPENDITURES						
Current:						
Salaries and benefits						
Planning						
CDBG				117,481	113,674	3,807
Housing Authority						
Operating services and supplies						
Planning						
Rehabilitation Account				400,000	219,128	180,872
CDBG				521,126	389,187	131,939
Home Program				688,253	488,069	200,184
Cal/Home				37,100		37,100
Housing Trust Fund						
Affordable Housing						
Housing Authority						
Public Safety:						
Fire						
Buckle Up Baby Fund						
Housing assistance payments						
<b>Total Expenditures</b>				<b>1,763,960</b>	<b>1,210,058</b>	<b>553,902</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	41,928	33,953	(7,975)	76,140	153,133	76,993
OTHER FINANCING SOURCES (USES)						
Transfers (out)	(138)	(138)				
<b>Total Other Financing Sources (Uses)</b>	<b>(138)</b>	<b>(138)</b>				
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$41,790</b>	<b>33,815</b>	<b>(\$7,975)</b>	<b>\$76,140</b>	<b>153,133</b>	<b>\$76,993</b>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year		244,774			(14,612)	
Fund balances (deficits) at end of year		<u>\$278,589</u>			<u>\$138,521</u>	

HOUSING AUTHORITY SECTION 8			AFFORDABLE HOUSING			MISCELLANEOUS FIRE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				\$1,921	\$1,921			
\$4,663,085	\$4,325,019	(\$338,066)	\$17,656	48,727	31,071	\$154	\$259	\$105
40		(40)				15,000	7,500	(7,500)
			44,000	124,473	80,473	3,000		(3,000)
54,600	52,007	(2,593)	110,000	245,109	135,109			
4,717,725	4,377,026	(340,699)	171,656	420,230	248,574	18,154	7,759	(10,395)
495,683	456,414	39,269						
			150,000		150,000			
			820,813	52,966	767,847			
50,516	215,732	(165,216)						
						18,000	8,488	9,512
4,036,089	3,858,070	178,019						
4,582,288	4,530,216	52,072	970,813	52,966	917,847	18,000	8,488	9,512
135,437	(153,190)	(288,627)	(799,157)	367,264	1,166,421	154	(729)	(883)
(64,090)	(64,090)		(188,110)	(188,110)				
(64,090)	(64,090)		(188,110)	(188,110)				
\$71,347	(217,280)	(\$288,627)	(\$987,267)	179,154	\$1,166,421	\$154	(729)	(\$883)
	494,804			3,485,406			31,179	
	\$277,524			\$3,664,560			\$30,450	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	MISCELLANEOUS GENERAL GOVERNMENT			MISCELLANEOUS LIBRARY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Charges for services						
Subventions and grants						
Use of money and property	\$1,656	\$4,022	\$2,366	\$1,284	\$2,217	\$933
Miscellaneous revenues	168,320	181,984	13,664		250	250
<b>Total Revenues</b>	<u>169,976</u>	<u>186,006</u>	<u>16,030</u>	<u>1,284</u>	<u>2,467</u>	<u>1,183</u>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits						
Public Works						
Storm Water Management Program						
Operating services and supplies						
General Government						
Cable TV Peg Funds	242,853	70,686	172,167			
Public Works						
Storm Water Management Program						
Public Safety:						
Police						
Forfeited Property						
Police Evidence Funds						
Library						
Harrigan Trust-Adult Literacy				20,000	10,000	10,000
Grants	25,000		25,000			
<b>Total Expenditures</b>	<u>267,853</u>	<u>70,686</u>	<u>197,167</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(97,877)</u>	<u>115,320</u>	<u>213,197</u>	<u>(18,716)</u>	<u>(7,533)</u>	<u>11,183</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers (out)						
<b>Total Other Financing Sources (Uses)</b>						
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>(97,877)</u></u>	<u>115,320</u>	<u><u>\$213,197</u></u>	<u><u>(18,716)</u></u>	<u>(7,533)</u>	<u><u>\$11,183</u></u>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year		<u>509,791</u>			<u>271,766</u>	
Fund balances (deficits) at end of year		<u><u>\$625,111</u></u>			<u><u>\$264,233</u></u>	

MISCELLANEOUS POLICE			MISCELLANEOUS PARK			STORM WATER MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$42,000	\$42,020	\$20			
\$17,369	\$18,782	\$1,413				\$314,717	257,228	(57,489)
1,174	2,404	1,230	1,724	3,309	1,585		250	250
47,183	90,126	42,943		3,684	3,684		2,130	2,130
65,726	111,312	45,586	43,724	49,013	5,289	314,717	259,608	(55,109)
						409,929	379,227	30,702
						262,074	162,389	99,685
68,252	42,223	26,029						
1		1						
68,253	42,223	26,030				672,003	541,616	130,387
(2,527)	69,089	71,616	43,724	49,013	5,289	(357,286)	(282,008)	75,278
	(15,000)	(15,000)	(71,000)	(66,814)	4,186	694,356	630,435	(63,921)
	(15,000)	(15,000)	(71,000)	(66,814)	4,186	(42,945)	(42,945)	
						651,411	587,490	(63,921)
(\$2,527)	54,089	\$56,616	(\$27,276)	(17,801)	\$9,475	\$294,125	305,482	\$11,357
	286,427			407,251				
	\$340,516			\$389,450			\$305,482	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	TRAFFIC SIGNAL COORDINATION			BIKE TRAIL/OPEN SPACE MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Charges for services		\$2,312	\$2,312			
Subventions and grants						
Use of money and property	\$9,991	17,993	8,002	\$3,963	\$7,919	\$3,956
Contributions from developers	28,000	34,437	6,437			
Miscellaneous revenues					53,477	53,477
<b>Total Revenues</b>	<b>37,991</b>	<b>54,742</b>	<b>16,751</b>	<b>3,963</b>	<b>61,396</b>	<b>57,433</b>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits						
Planning						
Roseville Community						
Development Corporation						
Operating services and supplies						
General Government						
Technology Fee Replacement Fund						
General Projects-Technology Replacement						
Development & operations						
Low & Moderate Income Housing						
Successor Agency						
Planning						
Roseville Community						
Development Corporation						
Parks and Recreation						
Facilities Rehab Project	50,000	42,281	7,719			
Bike Trail Maintenance				82,205	62,266	19,939
Open Space Maintenance				568,891	538,478	30,413
Debt Service:						
Principal						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>50,000</b>	<b>42,281</b>	<b>7,719</b>	<b>651,096</b>	<b>600,744</b>	<b>50,352</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(12,009)</b>	<b>12,461</b>	<b>24,470</b>	<b>(647,133)</b>	<b>(539,348)</b>	<b>107,785</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt						
Transfers in				544,861	529,570	(15,291)
Transfers (out)	(1,419)	(1,289,293)	(1,287,874)	(35,693)	(31,735)	3,958
<b>Total Other Financing Sources (Uses)</b>	<b>(1,419)</b>	<b>(1,289,293)</b>	<b>(1,287,874)</b>	<b>509,168</b>	<b>497,835</b>	<b>(11,333)</b>
<b>NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM</b>	<b>(\$13,428)</b>	<b>(1,276,832)</b>	<b>(1,263,404)</b>	<b>(137,965)</b>	<b>(41,513)</b>	<b>96,452</b>
<b>SPECIAL ITEM</b>						
Change in classification of assets						
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$13,428)</b>	<b>(1,276,832)</b>	<b>(\$1,263,404)</b>	<b>(\$137,965)</b>	<b>(41,513)</b>	<b>\$96,452</b>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year, as restated						
		3,492,918			978,389	
Fund balances (deficits) at end of year						
		<u>\$2,216,086</u>			<u>\$936,876</u>	

ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION			LOW/MOD INCOME HOUSING ASSET			TECHNOLOGY REPLACEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$104,423	\$204,135	\$99,712
\$205,000	\$207,500	\$2,500						
208,520	72,743	(135,777)	\$30	\$3,640	\$3,610	1,541	1,213	(328)
51,202	134,798	83,596		46,133	46,133		97	97
464,722	415,041	(49,681)	30	49,773	49,743	105,964	205,445	99,481
	38,512	(38,512)						
							97	(97)
							299	(299)
			75,726	59,292	16,434			
1,150,315	340,883	809,432						
	12,208	(12,208)						
113,086	70,583	42,503				1,426	1,426	
1,263,401	462,186	801,215	75,726	59,292	16,434	1,426	1,822	(396)
(798,679)	(47,145)	751,534	(75,696)	(9,519)	66,177	104,538	203,623	99,085
500,000		(500,000)						
			109,326	36,500	(72,826)	59,000	59,000	
						(100,000)		100,000
500,000		(500,000)	109,326	36,500	(72,826)	(41,000)	59,000	100,000
(298,679)	(47,145)	251,534	33,630	26,981	(6,649)	63,538	262,623	199,085
	(2,141,561)	(2,141,561)						
(\$298,679)	(2,188,706)	(\$1,890,027)	\$33,630	26,981	(\$6,649)	\$63,538	262,623	\$199,085
	(1,412,690)						(175,606)	
	2,652,861			1,393,216			(429,111)	
	(\$948,535)			\$1,420,197			(\$342,094)	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ROADWAY			ROSEVILLE FINANCE AUTHORITY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Use of money and property	\$9,001	\$17,559	\$8,558		\$37,709	\$37,709
Miscellaneous revenues						
Total Revenues	<u>9,001</u>	<u>17,559</u>	<u>8,558</u>		<u>37,709</u>	<u>37,709</u>
EXPENDITURES						
Current:						
Operating services and supplies						
General government						
Citizens Benefit						
Debt service:						
Principal retirement				878,784	878,783	1
Interest and fiscal charges				145,629	201,421	(55,792)
Total Expenditures				<u>1,024,413</u>	<u>1,080,204</u>	<u>(55,791)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,001</u>	<u>17,559</u>	<u>8,558</u>	<u>(1,024,413)</u>	<u>(1,042,495)</u>	<u>(18,082)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,700,000	2,917,379	1,217,379	1,302,823	1,022,152	(280,671)
Transfers (out)	<u>(1,733,114)</u>	<u>(1,716,293)</u>	<u>16,821</u>			
Total Other Financing Sources (Uses)	<u>(33,114)</u>	<u>1,201,086</u>	<u>1,234,200</u>	<u>1,302,823</u>	<u>1,022,152</u>	<u>(280,671)</u>
NET CHANGE IN FUND BALANCES	<u>(\$24,113)</u>	<u>1,218,645</u>	<u>\$1,242,758</u>	<u>\$278,410</u>	<u>(20,343)</u>	<u>(\$298,753)</u>
Fund balances (deficits) at beginning of year					144,978	
Fund balances (deficits) at end of year		<u>\$1,218,645</u>			<u>\$124,635</u>	

CITIZENS' BENEFIT

Budget	Actual	Variance Positive (Negative)
\$205,964	\$280,516	\$74,552
	7,257	7,257
<u>205,964</u>	<u>287,773</u>	<u>81,809</u>
400,958	391,869	9,089
<u>400,958</u>	<u>391,869</u>	<u>9,089</u>
<u>(194,994)</u>	<u>(104,096)</u>	<u>90,898</u>
<u>(194,994)</u>	<u>(104,096)</u>	<u>\$90,898</u>
	<u>17,592,292</u>	
	<u>\$17,488,196</u>	



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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

Financial reporting standards require that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**Automotive Services Fund.** To account for the maintenance of vehicles used by City departments. Funds are received by means of a rental fee charged to the various departments.

**Automotive Replacement Fund.** To accumulate resources and account for the purchase of vehicles used by City departments. The source of revenue for this fund is replacement fees charged to City vehicles.

**Workers' Compensation Fund.** To account for the City's self-insurance program for Workers' Compensation benefits and for the administration of various preventative programs.

**General Liability Fund.** To account for the cost of claims and administrative costs of the City's self-insured general liability program.

**Unemployment Reserve Fund.** To account for State and Federal mandated unemployment insurance benefits for employees.

**Vision Fund.** To account for the City's insurance program for Vision benefits.

**Dental Fund.** To account for the City's insurance program for Dental benefits.

**Section 125 Fund.** To account for the assets and liabilities of the employer's flexible benefits plan established under Internal Revenue Code Section 125.

**Post Retirement Fund.** To account for the contributions and benefits paid in relation to accrued employee retirement compensation.

**Central Stores Fund.** To account for stores inventory that gets allocated out at year-end to the General Fund and Enterprise Funds.

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2014

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
ASSETS				
Current Assets				
Cash and investments in City Treasury	\$1,154	\$37,855,243	\$7,386,788	\$2,558,358
Receivables:				
Accounts			2,247	1,000
Accrued interest	2,305	2,241,888	17,486	7,093
Due from other government agencies	9,598			
Due from other funds		1,364,894	100,000	
Prepays				
Notes receivable		829,201		
Inventories	806,281			
<b>Total Current Assets</b>	<b>819,338</b>	<b>42,291,226</b>	<b>7,506,521</b>	<b>2,566,451</b>
Non Current Assets				
Advances to other funds		3,591,609	90,353	
Capital assets:				
Construction in progress	297,475	178,566		
Capital assets being depreciated, net	585	11,182,433	253	
<b>Total Assets</b>	<b>1,117,398</b>	<b>57,243,834</b>	<b>7,597,127</b>	<b>2,566,451</b>
LIABILITIES				
Current Liabilities				
Accounts payable	176,998	432,444	25,478	26,182
Accrued liabilities	68,445		3,433	3,382
Due to other funds	942,486			
Self-insurance claims payable			1,070,857	529,403
<b>Total Current Liabilities</b>	<b>1,187,929</b>	<b>432,444</b>	<b>1,099,768</b>	<b>558,967</b>
Long-term Liabilities				
Advances from other funds				
Compensated absences	299,096		49,968	13,806
Net OPEB obligations				
Self-insurance claims payable			7,852,950	1,296,126
<b>Total Liabilities</b>	<b>1,487,025</b>	<b>432,444</b>	<b>9,002,686</b>	<b>1,868,899</b>
NET POSITION				
Net investment in capital assets	298,060	11,360,999	253	
Unrestricted	(667,687)	45,450,391	(1,405,812)	697,552
<b>Total Net Position</b>	<b>(\$369,627)</b>	<b>\$56,811,390</b>	<b>(\$1,405,559)</b>	<b>\$697,552</b>

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
\$302,908	\$299,840	\$670,804	\$69,473	\$2,644,707	\$142,953	\$51,932,228
426	603	1,519	111	28 3,992 160,035		3,275 2,275,423 169,633 1,464,894 169,800 829,201 806,281
<u>303,334</u>	<u>300,443</u>	<u>842,123</u>	<u>69,584</u>	<u>2,808,762</u>	<u>142,953</u>	<u>57,650,735</u>
						3,681,962
						476,041 11,183,271
<u>303,334</u>	<u>300,443</u>	<u>842,123</u>	<u>69,584</u>	<u>2,808,762</u>	<u>142,953</u>	<u>72,992,009</u>
100,000		113,035			114,920	889,057 75,260 1,042,486 1,600,260
<u>100,000</u>		<u>113,035</u>			<u>114,920</u>	<u>3,607,063</u>
90,353				39,363,312		90,353 362,870 39,363,312 9,149,076
<u>190,353</u>		<u>113,035</u>		<u>39,363,312</u>	<u>114,920</u>	<u>52,572,674</u>
112,981	300,443	729,088	69,584	(36,554,550)	28,033	11,659,312 8,760,023
<u>\$112,981</u>	<u>\$300,443</u>	<u>\$729,088</u>	<u>\$69,584</u>	<u>(\$36,554,550)</u>	<u>\$28,033</u>	<u>\$20,419,335</u>

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>OPERATING REVENUES</b>				
Charges for services	\$7,068,708	\$5,353,317	\$154	
Other	90,485		2,085,342	\$1,212,768
Total Operating Revenues	7,159,193	5,353,317	2,085,496	1,212,768
<b>OPERATING EXPENSES</b>				
Operations	6,190,097	94,976	3,061,043	1,939,687
Depreciation and amortization	6,959	3,056,725	3,040	
Claims expense			1,220,103	211,012
Total Operating Expenses	6,197,056	3,151,701	4,284,186	2,150,699
Operating Income (Loss)	962,137	2,201,616	(2,198,690)	(937,931)
<b>NONOPERATING (EXPENSES)</b>				
Interest and rents revenue	36,641	356,581	69,668	29,109
Net Nonoperating Revenues (Expenses)	36,641	356,581	69,668	29,109
Income (Loss) Before Contributions and Transfers	998,778	2,558,197	(2,129,022)	(908,822)
Contributions	297,475	178,566		
Transfers in		731,300		
Transfers (out)	(977,044)	(43,663)	(70,593)	(73,178)
Change in Net Position Before Special Item	319,209	3,424,400	(2,199,615)	(982,000)
<b>Special Item</b>				
Restructuring of interest on loans receivable from the Successor Agency		(814,422)		
Change in Net Position	319,209	2,609,978	(2,199,615)	(982,000)
Net position (deficit) - beginning	(688,836)	54,201,412	794,056	1,679,552
Net position (deficit) - ending	(\$369,627)	\$56,811,390	(\$1,405,559)	\$697,552

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$12,422,179
\$485,530	\$157,036	\$1,462,280	\$390,824	\$2,581,341		8,465,606
485,530	157,036	1,462,280	390,824	2,581,341		20,887,785
	156,996	101,362		15,535,320		27,079,481
148,241		1,351,318	385,429			3,066,724
148,241	156,996	1,452,680	385,429	15,535,320		33,462,308
337,289	40	9,600	5,395	(12,953,979)		(12,574,523)
1,418	2,364	5,812	413	15,450		517,456
1,418	2,364	5,812	413	15,450		517,456
338,707	2,404	15,412	5,808	(12,938,529)		(12,057,067)
				7,185,722		476,041
(309)	(1,817)	(3)	(444)	(27,156)		7,917,022
338,398	587	15,409	5,364	(5,779,963)		(1,194,207)
						(814,422)
338,398	587	15,409	5,364	(5,779,963)		(5,672,633)
(225,417)	299,856	713,679	64,220	(30,774,587)	\$28,033	26,091,968
\$112,981	\$300,443	\$729,088	\$69,584	(\$36,554,550)	\$28,033	\$20,419,335

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$7,076,068	\$5,353,473	\$154	
Payments to suppliers	(4,354,691)	(87,731)	(2,948,627)	(\$1,832,984)
Payments to employees	(1,868,393)		(88,948)	(87,812)
Payments to OPEB trust				
Claims paid				(278,088)
Other receipts (payments)	90,485		2,083,095	1,211,768
Net Cash Provided (Used) by Operating Activities	943,469	5,265,742	(954,326)	(987,116)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Increase (decrease) in due to other funds	393	566,484	100,000	
(Increase) decrease in advances to other funds		217,408	100,000	
Transfers in		731,300		
Transfers (out)	(977,044)	(43,663)	(70,593)	(73,178)
Cash Flows from (Used for) Noncapital Financing Activities	(976,651)	1,471,529	129,407	(73,178)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net		(2,140,741)		
Cash Flows (Used for) Capital and Related Financing Activities		(2,140,741)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and rents received	34,336	367,441	79,110	32,763
Cash Flows from Investing Activities	34,336	367,441	79,110	32,763
Net increase (decrease) in cash and cash equivalents	1,154	4,963,971	(745,809)	(1,027,531)
Cash and investments at beginning of period		32,891,272	8,132,597	3,585,889
Cash and investments at end of period	\$1,154	\$37,855,243	\$7,386,788	\$2,558,358
<b>NONCASH TRANSACTIONS:</b>				
Transfer of capital assets from governmental activities	\$297,475	\$178,566		
Retirement of capital assets		(\$7,245)		
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$962,137	\$2,201,616	(\$2,198,690)	(\$937,931)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	6,959	3,056,725	3,040	
Retirement of capital assets		7,245		
Change in assets and liabilities:				
Receivables, net	(27,406)	156	(2,247)	(1,000)
Prepays				
Net OPEB obligations				
Accounts and other payables	1,779		1,243,571	(48,185)
Net cash provided by operating activities	\$943,469	\$5,265,742	(\$954,326)	(987,116)

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
				(\$160,063)		\$12,269,632
	(\$156,996)	(\$186,177)			(\$84,456)	(9,651,662)
				(\$3,997,701)		(6,042,854)
				(5,421,876)		(5,421,876)
(148,241)		(1,351,318)	(\$385,429)			(2,163,076)
485,530	157,036	1,462,280	390,824	2,581,341		8,462,359
337,289	40	(75,215)	5,395	(6,998,299)	(84,456)	(2,547,477)
(100,000)						566,877
(100,000)						217,408
				7,185,722		7,917,022
(309)	(1,817)	(3)	(444)	(27,156)		(1,194,207)
(200,309)	(1,817)	(3)	(444)	7,158,566		7,507,100
						(2,140,741)
						(2,140,741)
1,267	2,722	6,334	443	15,646		540,062
1,267	2,722	6,334	443	15,646		540,062
138,247	945	(68,884)	5,394	175,913	(84,456)	3,358,944
164,661	298,895	739,688	64,079	2,468,794	227,409	48,573,284
\$302,908	\$299,840	\$670,804	\$69,473	\$2,644,707	\$142,953	\$51,932,228
						\$476,041
						(\$7,245)
\$337,289	\$40	\$9,600	\$5,395	(\$12,953,979)		(\$12,574,523)
						3,066,724
						7,245
				(160,063)		(190,560)
		(169,800)				(169,800)
				6,116,526		6,116,526
		84,985		(783)	(\$84,456)	1,196,911
\$337,289	\$40	(\$75,215)	\$5,395	(\$6,998,299)	(\$84,456)	(\$2,547,477)



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## **PRIVATE-PURPOSE TRUST FUNDS**

Private-Purpose Trust funds are used to account for trust arrangements under which principal and income benefit private organizations or other governments.

The Endowment Private-Purpose Trust Fund accounts for trust arrangements under which principal and income benefit private organizations.

The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Roseville.

CITY OF ROSEVILLE  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2014

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ASSETS</b>			
Cash and investments in Treasury	\$2,448,978	\$7,625,747	\$10,074,725
Restricted cash and investments with fiscal agents		5,959,376	5,959,376
Accrued interest receivable	4,219	192,332	196,551
Notes receivable		5,097,430	5,097,430
Capital Assets:			
Land		74,369	74,369
<b>Total Assets</b>	<b>2,453,197</b>	<b>18,949,254</b>	<b>21,402,451</b>
<b>LIABILITIES</b>			
Accounts payable		1,594	1,594
Accrued liabilities		565,806	565,806
Unearned revenue		36,294	36,294
Long-term liabilities:			
Due in one year		825,703	825,703
Due in over one year		55,675,474	55,675,474
<b>Total Liabilities</b>		<b>57,104,871</b>	<b>57,104,871</b>
<b>NET POSITION (DEFICIT)</b>			
Held in trust for private purposes or for other governments	\$2,453,197	(\$38,155,617)	(\$35,702,420)

CITY OF ROSEVILLE  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ADDITIONS</b>			
Property taxes		\$1,900,108	\$1,900,108
Investment income	16,630	147,444	164,074
Fines, forfeitures and other penalties		1,707	1,707
<b>Total additions</b>	<b>16,630</b>	<b>2,049,259</b>	<b>2,065,889</b>
<b>DEDUCTIONS</b>			
General government	27,831		27,831
Community services		427,464	427,464
Debt service:			
Interest and fiscal charges		1,773,381	1,773,381
<b>Total deductions</b>	<b>27,831</b>	<b>2,200,845</b>	<b>2,228,676</b>
Change in net position before special items	(11,201)	(151,586)	(162,787)
<b>SPECIAL ITEMS:</b>			
Transfer of land held and capital assets to the City		(7,107,581)	(7,107,581)
Cancellation of loans and interest payable to the City		3,030,067	3,030,067
Restructuring of interest on loans payable to the City		5,902,331	5,902,331
Change in net position	(11,201)	1,673,231	1,662,030
Net position (deficit) - beginning of period	2,464,398	(39,828,848)	(37,364,450)
Net position (deficit) - end of period	<u>\$2,453,197</u>	<u>(\$38,155,617)</u>	<u>(\$35,702,420)</u>

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## AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

### **Special Assessments/Community Facility Districts (CFDs)**

These funds account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

### **Payroll Revolving Fund**

This fund accounts for the payroll deductions and contributions that are held in transit.

### **Highway 65 JPA (Bizz Johnson JPA)**

This JPA, which consists of the City, City of Rocklin and Placer County, was formed to fund interchanges off of Highway 65. The City acts as lead agency and treasurer. The fees are collected via building permits.

### **Dry Creek Drainage Basin**

Fees are collected via building permits for the Dry Creek area and submitted quarterly to Placer County for drainage mitigation.

### **County Capital Facilities Fee**

This fee was established by the County to fund future county capital facilities from development. It is collected via building permits and submitted quarterly to the County.

### **South Placer Wastewater Authority (SPWA)**

SPWA is a Joint Powers Authority comprised of the City, Placer County and South Placer Public Utilities District. The City is acting as the treasurer and construction manager. This JPA was formed to issue debt to facilitate the construction of the regional wastewater infrastructure. The agencies collect regional wastewater connection fees and submit them to SPWA which is used for debt service payments and for the future expansion of facilities.

### **Special Sewer Benefit Area #3**

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the northeast portion of the City. The reimbursements are made to various project participants.

### **Special Sewer Benefit Area #4**

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the southeast portion of the City. The reimbursements are made to Southfork Partnership.

<b>AGENCY FUNDS (Continued)</b>
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**South Placer County Tourism Business Improvement District (SPCTBID)**

All hotels in the region are assessed fees for the purpose of promoting tourism in the area. These fees are forwarded to the City quarterly and then submitted quarterly to the SPCTBID.

**South Placer County Safe Kids Coalition**

The fees are collected for and submitted to an organization in Placer County for child safety programs.

**South Placer Regional Traffic Fee**

This fee is collected via building permits and submitted quarterly to Placer County Transportation Authority to fund regional traffic mitigation.

**City/County Traffic Mitigation Fund (TMF)**

The fee is collected via building permits and submitted quarterly to Placer County to fund regional traffic mitigation due to new development.

**Placer County Air Pollution Control Fund**

The fee is collected to contribute towards construction of a future animal shelter in South Placer County.

**Sierra College Boulevard Fund**

To account for contributions to provide maintenance of bike trails and open space.

**Other**

To account for fees collected for Placer County's administration of the City's Special Assessments.

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Foothills Boulevard Special Assessment District</u>				
Taxes receivable	\$1,243	\$21,706	\$1,243	\$21,706
Total Assets	<u>\$1,243</u>	<u>\$21,706</u>	<u>\$1,243</u>	<u>\$21,706</u>
Due to bondholders	<u>\$1,243</u>	<u>\$21,706</u>	<u>\$1,243</u>	<u>\$21,706</u>
 <u>North Roseville/Rocklin Sewer Special Assessment District</u>				
Cash and investments in City Treasury	\$19	\$3,421	\$64	\$3,376
Taxes receivable	362	783	362	783
Total Assets	<u>\$381</u>	<u>\$4,204</u>	<u>\$426</u>	<u>\$4,159</u>
Due to bondholders	<u>\$381</u>	<u>\$4,204</u>	<u>\$426</u>	<u>\$4,159</u>
Total Liabilities	<u>\$381</u>	<u>\$4,204</u>	<u>\$426</u>	<u>\$4,159</u>
 <u>Champion Oaks Special Assessment District</u>				
Cash and investments in City Treasury	<u>\$19,287</u>			<u>\$19,287</u>
Due to bondholders	<u>\$19,287</u>			<u>\$19,287</u>
 <u>Foothills Boulevard Extension Special Assessment District</u>				
Cash and investments in City Treasury		\$452	\$452	
Taxes receivable	\$6,407	38,424	6,407	\$38,424
Total Assets	<u>\$6,407</u>	<u>\$38,876</u>	<u>\$6,859</u>	<u>\$38,424</u>
Due to bondholders	<u>\$6,407</u>	<u>\$38,876</u>	<u>\$6,859</u>	<u>\$38,424</u>
Total Liabilities	<u>\$6,407</u>	<u>\$38,876</u>	<u>\$6,859</u>	<u>\$38,424</u>
 <u>Northeast Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury		\$20,415		\$20,415
Taxes receivable	\$106	228	\$106	\$228
Total Assets	<u>\$106</u>	<u>\$20,643</u>	<u>\$106</u>	<u>\$20,643</u>
Due to bondholders	<u>\$106</u>	<u>\$20,643</u>	<u>\$106</u>	<u>\$20,643</u>
Total Liabilities	<u>\$106</u>	<u>\$20,643</u>	<u>\$106</u>	<u>\$20,643</u>

(Continued)



CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Northwest Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,048,650	\$669,507	\$487,536	\$2,230,621
Restricted cash and investments with fiscal agents	1,592,538		16,305	1,576,233
Taxes receivable	36,264	265,485	36,264	265,485
Accrued interest receivable	2,775	2,152	2,775	2,152
<b>Total Assets</b>	<b>\$3,680,227</b>	<b>\$937,144</b>	<b>\$542,880</b>	<b>\$4,074,491</b>
Accounts payable				
Due to bondholders	\$3,680,227	\$937,144	\$542,880	\$4,074,491
<b>Total Liabilities</b>	<b>\$3,680,227</b>	<b>\$937,144</b>	<b>\$542,880</b>	<b>\$4,074,491</b>
<u>Stoneridge East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$948,840	\$738,265	\$722,943	\$964,162
Restricted cash and investments with fiscal agents	1,176,677	791		1,177,468
Taxes receivable	7,646	20,925	7,646	20,925
Accrued interest receivable	1,645	1,023	1,645	1,023
<b>Total Assets</b>	<b>\$2,134,808</b>	<b>\$761,004</b>	<b>\$732,234</b>	<b>\$2,163,578</b>
Accounts payable	\$1,950	\$250	\$1,950	\$250
Due to bondholders	2,132,858	760,754	730,284	2,163,328
<b>Total Liabilities</b>	<b>\$2,134,808</b>	<b>\$761,004</b>	<b>\$732,234</b>	<b>\$2,163,578</b>
<u>Northeast Roseville Community Facilities District #2</u>				
Cash and investments in City Treasury	\$808,071	\$232,747	\$187,141	\$853,677
Restricted cash and investments with fiscal agents	654,870		7,378	647,492
Taxes receivable	1,511	7,095	1,511	7,095
Accrued Interest receivable	923	893	923	893
<b>Total Assets</b>	<b>\$1,465,375</b>	<b>\$240,735</b>	<b>\$196,953</b>	<b>\$1,509,157</b>
Accounts payable	\$2,235	\$35	\$2,235	\$35
Due to bondholders	1,463,140	240,700	194,718	1,509,122
<b>Total Liabilities</b>	<b>\$1,465,375</b>	<b>\$240,735</b>	<b>\$196,953</b>	<b>\$1,509,157</b>
<u>North Central Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$4,122,770	\$1,068,132	\$1,059,775	\$4,131,127
Restricted cash and investments with fiscal agents	2,535,181		226,375	2,308,806
Taxes receivable	24,947	75,735	24,947	75,735
Accrued interest receivable	9,471	5,241	9,471	5,241
<b>Total Assets</b>	<b>\$6,692,369</b>	<b>\$1,149,108</b>	<b>\$1,320,568</b>	<b>\$6,520,909</b>
Accounts payable	\$142	\$142	\$142	\$142
Due to bondholders	\$6,692,227	1,148,966	1,320,426	6,520,767
<b>Total Liabilities</b>	<b>\$6,692,369</b>	<b>\$1,149,108</b>	<b>\$1,320,568</b>	<b>\$6,520,909</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>North Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,763,210	\$597,277	\$689,849	\$1,670,638
Restricted cash and investments with fiscal agents	1,742,984		1,364	1,741,620
Accounts receivable				
Taxes receivable	7,938	26,308	7,938	26,308
Accrued interest receivable	3,400	1,979	3,400	1,979
	<u>3,400</u>	<u>1,979</u>	<u>3,400</u>	<u>1,979</u>
Total Assets	<u>\$3,517,532</u>	<u>\$625,564</u>	<u>\$702,551</u>	<u>\$3,440,545</u>
Accounts payable		\$35		\$35
Due to bondholders	\$3,517,532	625,529	\$702,551	3,440,510
	<u>\$3,517,532</u>	<u>625,529</u>	<u>\$702,551</u>	<u>3,440,510</u>
Total Liabilities	<u>\$3,517,532</u>	<u>\$625,564</u>	<u>\$702,551</u>	<u>\$3,440,545</u>
<u>Woodcreek West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,178,855	\$787,175	\$799,777	\$1,166,253
Restricted cash and investments with fiscal agents	1,402,654		415	1,402,239
Taxes receivable	7,449	22,286	7,449	22,286
Accrued interest receivable	2,112	1,239	2,112	1,239
	<u>2,112</u>	<u>1,239</u>	<u>2,112</u>	<u>1,239</u>
Total Assets	<u>\$2,591,070</u>	<u>\$810,700</u>	<u>\$809,753</u>	<u>\$2,592,017</u>
Accounts payable	\$71	\$35	\$71	\$35
Accrued Liabilities	4,871			4,871
Due to bondholders	2,586,128	810,665	809,682	2,587,111
	<u>2,586,128</u>	<u>810,665</u>	<u>809,682</u>	<u>2,587,111</u>
Total Liabilities	<u>\$2,591,070</u>	<u>\$810,700</u>	<u>\$809,753</u>	<u>\$2,592,017</u>
<u>Highland Reserve North Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,212,359	\$1,294,037	\$1,237,586	\$2,268,810
Restricted cash and investments with fiscal agents	2,543,184	1,711		2,544,895
Taxes receivable	11,580	36,432	11,580	36,432
Accrued interest receivable	4,011	2,310	4,011	2,310
	<u>4,011</u>	<u>2,310</u>	<u>4,011</u>	<u>2,310</u>
Total Assets	<u>\$4,771,134</u>	<u>\$1,334,490</u>	<u>\$1,253,177</u>	<u>\$4,852,447</u>
Accounts payable	\$1,950		\$1,950	
Due to bondholders	4,769,184	1,334,490	1,251,227	4,852,447
	<u>4,769,184</u>	<u>1,334,490</u>	<u>1,251,227</u>	<u>4,852,447</u>
Total Liabilities	<u>\$4,771,134</u>	<u>\$1,334,490</u>	<u>\$1,253,177</u>	<u>\$4,852,447</u>
<u>Stoneridge Parcel 1 Community Facilities District #1</u>				
Cash and investments in City Treasury	\$143,964	\$78,471	\$92,536	\$129,899
Restricted cash and investments with fiscal agents	137,968	93		138,061
Taxes receivable	191	1,283	191	1,283
Accrued interest receivable	310	165	310	165
	<u>310</u>	<u>165</u>	<u>310</u>	<u>165</u>
Total Assets	<u>\$282,433</u>	<u>\$80,012</u>	<u>\$93,037</u>	<u>\$269,408</u>
Accounts payable	\$1,950		\$1,950	
Due to bondholders	280,483	\$80,012	91,087	\$269,408
	<u>280,483</u>	<u>\$80,012</u>	<u>91,087</u>	<u>\$269,408</u>
Total Liabilities	<u>\$282,433</u>	<u>\$80,012</u>	<u>\$93,037</u>	<u>\$269,408</u>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Woodcreek East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$495,044	\$225,339	\$268,032	\$452,351
Restricted cash and investments with fiscal agents	486,051	327		486,378
Taxes receivable	3,469	13,276	3,469	13,276
Accrued interest receivable	1,073	581	1,073	581
<b>Total Assets</b>	<b>\$985,637</b>	<b>\$239,523</b>	<b>\$272,574</b>	<b>\$952,586</b>
Accounts payable	\$1,950		\$1,950	
Due to bondholders	983,687	\$239,523	270,624	\$952,586
<b>Total Liabilities</b>	<b>\$985,637</b>	<b>\$239,523</b>	<b>\$272,574</b>	<b>\$952,586</b>
<u>Stoneridge West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,143,671	\$549,049	\$485,484	\$1,207,236
Restricted cash and investments with fiscal agents	920,320	1,119		921,439
Taxes receivable	162,071	271,718	162,071	271,718
Accrued interest receivable	2,444	1,707	2,444	1,707
<b>Total Assets</b>	<b>\$2,228,506</b>	<b>\$823,593</b>	<b>\$649,999</b>	<b>\$2,402,100</b>
Accounts payable	\$1,950	\$250	\$1,950	\$250
Due to bondholders	\$2,226,556	823,343	648,049	2,401,850
<b>Total Liabilities</b>	<b>\$2,228,506</b>	<b>\$823,593</b>	<b>\$649,999</b>	<b>\$2,402,100</b>
<u>Crocker Ranch Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,119,461	\$964,233	\$970,453	\$1,113,241
Restricted cash and investments with fiscal agents	1,390,684	936		1,391,620
Taxes receivable	6,802	33,303	6,802	33,303
Accrued interest receivable	1,929	1,211	1,929	1,211
<b>Total Assets</b>	<b>\$2,518,876</b>	<b>\$999,683</b>	<b>\$979,184</b>	<b>\$2,539,375</b>
Accounts payable	\$1,985	\$35	\$1,985	\$35
Due to bondholders	\$2,516,891	999,648	977,199	2,539,340
<b>Total Liabilities</b>	<b>\$2,518,876</b>	<b>\$999,683</b>	<b>\$979,184</b>	<b>\$2,539,375</b>
<u>Stone Point Community Facilities District #1</u>				
Cash and investments in City Treasury	\$846,671	\$483,844	\$591,931	\$738,584
Restricted cash and investments with fiscal agents	907,029	1,588	3,948	904,669
Taxes receivable				
Accrued interest receivable	1,857	908	1,857	908
<b>Total Assets</b>	<b>\$1,755,557</b>	<b>\$486,340</b>	<b>\$597,736</b>	<b>\$1,644,161</b>
Accounts payable		\$500		\$500
Due to bondholders	\$1,755,557	485,840	\$597,736	1,643,661
<b>Total Liabilities</b>	<b>\$1,755,557</b>	<b>\$486,340</b>	<b>\$597,736</b>	<b>\$1,644,161</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Stone Point Community Facilities District #5</u>				
Cash and investments in City Treasury	\$266,471	\$340,826	\$297,910	\$309,387
Restricted cash and investments with fiscal agents	496,513		1,692	494,821
Taxes receivable				
Accrued interest receivable	396	336	396	336
<b>Total Assets</b>	<b>\$763,380</b>	<b>\$341,162</b>	<b>\$299,998</b>	<b>\$804,544</b>
Accounts payable				
Due to bondholders	\$763,380	\$341,162	\$299,998	\$804,544
<b>Total Liabilities</b>	<b>\$763,380</b>	<b>\$341,162</b>	<b>\$299,998</b>	<b>\$804,544</b>
<u>Westpark Community Facilities District #1</u>				
Cash and investments in City Treasury	\$3,579,553	\$4,584,070	\$4,002,722	\$4,160,901
Restricted cash and investments with fiscal agents	5,564,921	9,744	44,763	5,529,902
Taxes receivable	7,003	78,148	7,003	78,148
Accrued interest receivable	4,968	4,493	4,968	4,493
<b>Total Assets</b>	<b>\$9,156,445</b>	<b>\$4,676,455</b>	<b>\$4,059,456</b>	<b>\$9,773,444</b>
Accounts payable	\$79	\$536	\$79	\$536
Due to bondholders	9,156,366	4,675,919	\$4,059,377	9,772,908
<b>Total Liabilities</b>	<b>\$9,156,445</b>	<b>\$4,676,455</b>	<b>\$4,059,456</b>	<b>\$9,773,444</b>
<u>Fiddymont Ranch Community Facilities District #1</u>				
Cash and investments in City Treasury	\$3,176,944	\$3,855,033	\$4,070,584	\$2,961,393
Restricted cash and investments with fiscal agents	6,489,775		359,167	6,130,608
Taxes receivable	1,498	16,811	1,498	16,811
Accrued interest receivable	243,138	718,429	243,138	718,429
<b>Total Assets</b>	<b>\$9,911,355</b>	<b>\$4,590,273</b>	<b>\$4,674,387</b>	<b>\$9,827,241</b>
Accounts payable	\$35	\$486	\$35	\$486
Due to bondholders	9,911,320	4,589,787	4,674,352	9,826,755
<b>Total Liabilities</b>	<b>\$9,911,355</b>	<b>\$4,590,273</b>	<b>\$4,674,387</b>	<b>\$9,827,241</b>
<u>Longmeadow Community Facilities District #1</u>				
Cash and investments in City Treasury	\$300,916	\$568,255	\$377,681	\$491,490
Restricted cash and investments with fiscal agents	574,279		579	573,700
Taxes receivable	2,703	6,359	2,703	6,359
Accrued interest receivable	379	430	379	430
<b>Total Assets</b>	<b>\$878,277</b>	<b>\$575,044</b>	<b>\$381,342</b>	<b>\$1,071,979</b>
Accounts payable	\$35		\$35	
Due to bondholders	878,242	\$575,044	381,307	\$1,071,979
<b>Total Liabilities</b>	<b>\$878,277</b>	<b>\$575,044</b>	<b>\$381,342</b>	<b>\$1,071,979</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Diamond Creek Community Facilities District #1</u>				
Cash and investments in City Treasury	\$271,527	\$361,866	\$365,698	\$267,695
Restricted cash and investments with fiscal agents	651,880	11,324	12,002	651,202
Taxes receivable		815		815
Accrued interest receivable	694	300	694	300
<b>Total Assets</b>	<b>\$924,101</b>	<b>\$374,305</b>	<b>\$378,394</b>	<b>\$920,012</b>
Due to bondholders	\$924,101	\$374,305	\$378,394	\$920,012
<b>Total Liabilities</b>	<b>\$924,101</b>	<b>\$374,305</b>	<b>\$378,394</b>	<b>\$920,012</b>
<u>Fountains Community Facilities District #1</u>				
Cash and investments in City Treasury	\$433,931	\$785,196	\$770,792	\$448,335
Restricted cash and investments with fiscal agents	1,120,721		315	1,120,406
Taxes receivable				
Accrued interest receivable	639	396	639	396
<b>Total Assets</b>	<b>\$1,555,291</b>	<b>\$785,592</b>	<b>\$771,746</b>	<b>\$1,569,137</b>
Accounts payable		\$250		\$250
Due to bondholders	\$1,555,291	785,342	\$771,746	1,568,887
<b>Total Liabilities</b>	<b>\$1,555,291</b>	<b>\$785,592</b>	<b>\$771,746</b>	<b>\$1,569,137</b>
<u>Automall Community Facilities District #1</u>				
Cash and investments in City Treasury	\$513,652	\$126,245	\$159,174	\$480,723
Accrued interest receivable	1,421	469	1,421	469
<b>Total Assets</b>	<b>\$515,073</b>	<b>\$126,714</b>	<b>\$160,595</b>	<b>\$481,192</b>
Due to bondholders	\$515,073	\$126,714	\$160,595	\$481,192
<b>Total Liabilities</b>	<b>\$515,073</b>	<b>\$126,714</b>	<b>\$160,595</b>	<b>\$481,192</b>
<u>Payroll Revolving</u>				
Cash and investments in City Treasury	\$978,848	\$1,070,033	\$978,848	\$1,070,033
<b>Total Assets</b>	<b>\$978,848</b>	<b>\$1,070,033</b>	<b>\$978,848</b>	<b>\$1,070,033</b>
Accounts payable	\$5,592	\$1,070,033	\$5,592	\$1,070,033
Due to others	973,256		973,256	
<b>Total Liabilities</b>	<b>\$978,848</b>	<b>\$1,070,033</b>	<b>\$978,848</b>	<b>\$1,070,033</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<hr/> <b>Highway 65 JPA</b> <hr/>				
Cash and investments in City Treasury	\$1,334,631	\$1,032,488	\$377,059	\$1,990,060
Accrued interest receivable	3,258	3,590	3,258	3,590
Permit fees receivable				
Due from other government agencies	94,266	216,285	94,266	216,285
<b>Total Assets</b>	<b>\$1,432,155</b>	<b>\$1,252,363</b>	<b>\$474,583</b>	<b>\$2,209,935</b>
Accounts payable	\$842	\$1,269	\$842	\$1,269
Due to member agencies	1,431,313	1,251,094	473,741	2,208,666
<b>Total Liabilities</b>	<b>\$1,432,155</b>	<b>\$1,252,363</b>	<b>\$474,583</b>	<b>\$2,209,935</b>
<hr/> <b>Dry Creek Drainage Basin</b> <hr/>				
Cash and investments in City Treasury	\$2,074	\$42,709		\$44,783
Accrued interest receivable	10	50	\$10	50
<b>Total Assets</b>	<b>\$2,084</b>	<b>\$42,759</b>	<b>\$10</b>	<b>\$44,833</b>
Accounts Payable	\$1,655	\$44,376	\$1,655	\$44,376
Due to others	429	(1,617)	(1,645)	457
<b>Total Liabilities</b>	<b>\$2,084</b>	<b>\$42,759</b>	<b>\$10</b>	<b>\$44,833</b>
<hr/> <b>County Capital Facilities Fee</b> <hr/>				
Cash and investments in City Treasury	\$430,567	\$521,357	\$351,517	\$600,407
Accrued interest receivable	1,160	738	1,160	738
<b>Total Assets</b>	<b>\$431,727</b>	<b>\$522,095</b>	<b>\$352,677</b>	<b>\$601,145</b>
Accounts payable	\$351,794	\$520,935	\$351,794	\$520,935
Due to others	79,933	1,160	883	80,210
<b>Total Liabilities</b>	<b>\$431,727</b>	<b>\$522,095</b>	<b>\$352,677</b>	<b>\$601,145</b>
<hr/> <b>South Placer Wastewater Authority</b> <hr/>				
Cash and investments in City Treasury	\$95,555,231	\$11,521,077	\$10,022,474	\$97,053,834
Restricted cash and investments with fiscal agents	8,931,577	193,777		9,125,354
Accounts receivable	1,654	3,702	1,654	3,702
Accrued interest receivable	278,603	226,975	278,603	226,975
Permit fees receivable	974,209	272,929		1,247,138
Due from other government agencies	1,430,980	1,228,011	1,430,980	1,228,011
<b>Total Assets</b>	<b>\$107,172,254</b>	<b>\$13,446,471</b>	<b>\$11,733,711</b>	<b>\$108,885,014</b>
Accounts payable	\$44,042	\$96,576	\$44,042	\$96,576
Accrued liabilities	570,534	511,656	570,534	511,656
Due to member agencies	106,557,678	12,838,239	11,119,135	108,276,782
<b>Total Liabilities</b>	<b>\$107,172,254</b>	<b>\$13,446,471</b>	<b>\$11,733,711</b>	<b>\$108,885,014</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Special Sewer Benefit Area #3</u>				
Cash and investments in City Treasury	\$6,956	\$91,590	\$8,593	\$89,953
Accrued interest receivable	19	88	19	88
Permit fees receivable	5,249	3,499	5,249	3,499
<b>Total Assets</b>	<b>\$12,224</b>	<b>\$95,177</b>	<b>\$13,861</b>	<b>\$93,540</b>
Accounts payable		\$89,909		\$89,909
Due to others	\$12,224	5,268	\$13,861	3,631
<b>Total Liabilities</b>	<b>\$12,224</b>	<b>\$95,177</b>	<b>\$13,861</b>	<b>\$93,540</b>
<u>Special Sewer Benefit Area #4</u>				
Cash and investments in City Treasury	\$152,917	\$1,439		\$154,356
Accrued interest receivable	506	321	\$506	321
<b>Total Assets</b>	<b>\$153,423</b>	<b>\$1,760</b>	<b>\$506</b>	<b>\$154,677</b>
Due to others	\$153,423	\$1,760	\$506	\$154,677
<b>Total Liabilities</b>	<b>\$153,423</b>	<b>\$1,760</b>	<b>\$506</b>	<b>\$154,677</b>
<u>South Placer County Tourism Business Improvement District (SPCTBID)</u>				
Cash and investments in City Treasury	\$13,768	\$216,502	\$211,092	\$19,178
Accounts receivable	214,782	215,894	214,782	215,894
Accrued interest receivable	248	171	248	171
<b>Total Assets</b>	<b>\$228,798</b>	<b>\$432,567</b>	<b>\$426,122</b>	<b>\$235,243</b>
Accounts payable	\$214,782	\$1,472		\$216,254
Due to others	14,016	431,095	\$426,122	18,989
<b>Total Liabilities</b>	<b>\$228,798</b>	<b>\$432,567</b>	<b>\$426,122</b>	<b>\$235,243</b>
<u>South Placer County Safe Kids Coalition</u>				
Cash and investments in City Treasury	\$6,564	\$5,139	\$5,040	\$6,663
Accrued interest receivable	30	14	30	14
<b>Total Assets</b>	<b>\$6,594</b>	<b>\$5,153</b>	<b>\$5,070</b>	<b>\$6,677</b>
Accounts payable	\$92	\$48	\$92	\$48
Due to others	6,502	5,105	4,978	6,629
<b>Total Liabilities</b>	<b>\$6,594</b>	<b>\$5,153</b>	<b>\$5,070</b>	<b>\$6,677</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<hr/> <b>South Placer Regional Traffic Fee</b> <hr/>				
Cash and investments in City Treasury	\$278,186	\$319,698	\$278,979	\$318,905
Accrued interest receivable	622	376	622	376
<b>Total Assets</b>	<b>\$278,808</b>	<b>\$320,074</b>	<b>\$279,601</b>	<b>\$319,281</b>
Accounts payable	\$278,979	\$319,084	\$278,979	\$319,084
Due to others	(171)	990	622	197
<b>Total Liabilities</b>	<b>\$278,808</b>	<b>\$320,074</b>	<b>\$279,601</b>	<b>\$319,281</b>
<hr/> <b>City/County TMF</b> <hr/>				
Cash and investments in City Treasury	\$76,226	\$141,691	\$84,379	\$133,538
Accrued interest receivable	152	137	152	137
<b>Total Assets</b>	<b>\$76,378</b>	<b>\$141,828</b>	<b>\$84,531</b>	<b>\$133,675</b>
Accounts payable	\$76,477	\$141,539	\$76,477	\$141,539
Due to others	(99)	289	8,054	(7,864)
<b>Total Liabilities</b>	<b>\$76,378</b>	<b>\$141,828</b>	<b>\$84,531</b>	<b>\$133,675</b>
<hr/> <b>Placer County Air Pollution Control</b> <hr/>				
Cash and investments in City Treasury	\$36,743	\$6,571	\$13,276	\$30,038
Permit fees receivable		134		134
<b>Total Assets</b>	<b>\$36,743</b>	<b>\$6,705</b>	<b>\$13,276</b>	<b>\$30,172</b>
Due to others	\$36,743	\$6,705	\$13,276	\$30,172
<b>Total Liabilities</b>	<b>\$36,743</b>	<b>\$6,705</b>	<b>\$13,276</b>	<b>\$30,172</b>
<hr/> <b>Sierra College Boulevard</b> <hr/>				
Cash and investments in City Treasury	\$11,547	\$11,853		\$23,400
Accounts receivable		375		375
<b>Total Assets</b>	<b>\$11,547</b>	<b>\$12,228</b>		<b>\$23,775</b>
Due to others	\$11,547	\$12,228		\$23,775
<b>Total Liabilities</b>	<b>\$11,547</b>	<b>\$12,228</b>		<b>\$23,775</b>
<hr/> <b>Westbrook Community Facilities District #1</b> <hr/>				
Cash and investments in City Treasury		\$1,703		\$1,703
Accrued interest receivable		9		9
<b>Total Assets</b>		<b>\$1,712</b>		<b>\$1,712</b>
Due to bondholders		\$1,712		\$1,712
<b>Total Liabilities</b>		<b>\$1,712</b>		<b>\$1,712</b>

(Continued)



CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>Other</u>				
Cash and investments in City Treasury	\$13,122			\$13,122
Total Assets	<u>\$13,122</u>			<u>\$13,122</u>
Due to other government agencies	\$13,122			\$13,122
Total Liabilities	<u>\$13,122</u>			<u>\$13,122</u>
<u>Total Agency Funds</u>				
Cash and investments in City Treasury	\$124,291,246	\$33,317,705	\$29,969,377	\$127,639,574
Restricted cash and investments with fiscal agents	39,319,806	221,410	674,303	38,866,913
Accounts receivable	216,436	219,971	216,436	219,971
Taxes receivable	289,190	937,120	289,190	937,120
Accrued interest receivable	568,193	976,731	568,193	976,731
Permit fees receivable	979,458	276,562	5,249	1,250,771
Due from other government agencies	1,525,246	1,444,296	1,525,246	1,444,296
Total Assets	<u>\$167,189,575</u>	<u>\$37,393,795</u>	<u>\$33,247,994</u>	<u>\$171,335,376</u>
Accounts payable	\$988,587	\$2,287,795	\$773,805	\$2,502,577
Accrued liabilities	575,405	511,656	570,534	516,527
Due to other government agencies	13,122			13,122
Due to member agencies	107,988,991	14,089,333	11,592,876	110,485,448
Due to bondholders	56,335,667	20,042,028	18,870,866	57,506,829
Due to others	1,287,803	462,983	1,439,913	310,873
Total Liabilities	<u>\$167,189,575</u>	<u>\$37,393,795</u>	<u>\$33,247,994</u>	<u>\$171,335,376</u>

## STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed 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 contain information to help the reader assess the City's most significant local revenue sources, the property tax and electric revenue:

1. Sales Tax Revenue
2. Assessed Value and Estimated Value of Taxable Property
3. Property Tax Rates, All Direct and Overlapping Governments
4. Principal Property Tax Payers
5. Property Tax Levies and Collections
6. Electric Customers and Revenues
7. Residential Energy Prices
8. Business Energy Prices

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage – 2013 Refunding Variable Rate Wastewater Revenue Bonds
3. Revenue Bond Coverage – 2011 Refunding Fixed Rate Wastewater Revenue Bonds – Series C
4. Revenue Bond Coverage – 2011 Refunding SIFMA Index Wastewater Revenue Bonds – Series D
5. Bonded Debt Pledged Revenue Coverage – 2002 Redevelopment Tax Allocation Bonds
6. Bonded Debt Pledged Revenue Coverage – 2006A Redevelopment Tax Allocation Bonds
7. Bonded Debt Pledged Revenue Coverage – 2006AT Redevelopment Tax Allocation Bonds
8. Bonded Debt Pledged Revenue Coverage – 2006HT Redevelopment Tax Allocation Bonds
9. Computation of Direct and Overlapping Debt
10. Computation of Legal Bonded Debt Margin

### ***Demographic and Economic Information***

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

1. Demographic and Economic Statistics
2. Principal Employers

<b>STATISTICAL SECTION (Continued)</b>
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***Operating Information***

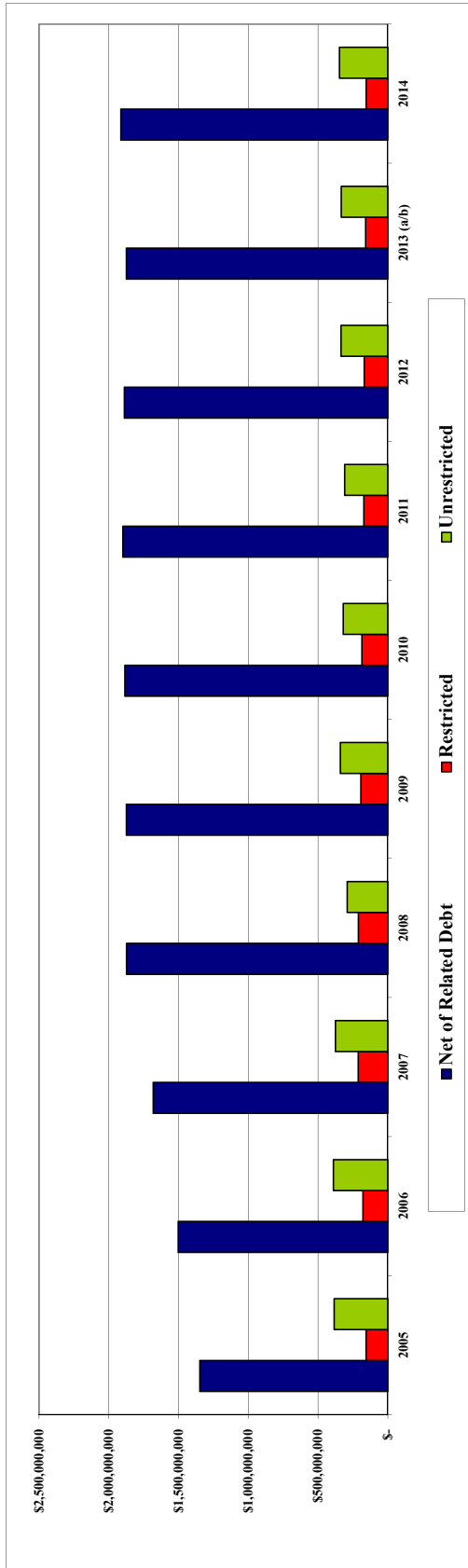
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government 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 Comprehensive Annual Financial Reports for the relevant year.

**CITY OF ROSEVILLE**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)



	2005	2006	2007	2008	2009	2010	2011	2012	2013 (a)(b)	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$579,757,919	\$664,131,414	\$742,822,158	\$775,922,473	\$809,874,186	\$821,029,885	\$827,793,866	\$834,840,748	\$837,323,692	\$828,800,273
Restricted	124,527,445	149,738,041	177,189,997	165,833,165	149,364,179	141,943,254	144,584,184	140,299,702	131,372,528	123,592,373
Unrestricted	89,038,317	109,395,679	107,064,085	131,434,721	114,855,293	100,170,093	84,860,426	94,429,280	90,617,991	75,908,251
Total governmental activities net position	\$793,323,681	\$923,265,134	\$1,027,076,240	\$1,073,190,359	\$1,074,093,658	\$1,063,143,232	\$1,057,238,476	\$1,069,569,730	\$1,059,314,211	\$1,028,300,897
<b>Business-type activities</b>										
Net investment in capital assets	\$767,628,987	\$838,373,690	\$938,933,934	\$1,096,922,321	\$1,063,872,692	\$1,063,903,341	\$1,070,888,251	\$1,053,701,396	\$1,036,619,532	\$1,084,782,351
Restricted	31,082,339	28,178,946	34,533,611	44,622,022	43,873,415	43,565,544	26,825,766	28,837,472	27,217,358	31,557,118
Unrestricted	295,600,560	280,399,506	268,413,147	159,481,947	225,358,784	219,151,174	224,337,296	241,020,358	243,176,781	270,348,547
Total business-type activities net position	\$1,094,311,886	\$1,146,952,142	\$1,241,900,692	\$1,301,026,290	\$1,333,104,891	\$1,326,620,059	\$1,322,051,313	\$1,323,559,226	\$1,307,013,671	\$1,386,688,016
<b>Primary government</b>										
Net investment in capital assets	\$1,347,386,906	\$1,502,505,104	\$1,681,756,092	\$1,872,844,794	\$1,873,746,878	\$1,884,933,226	\$1,898,682,117	\$1,888,542,144	\$1,873,943,224	\$1,913,582,624
Restricted	155,609,784	177,916,987	211,743,608	210,455,187	193,237,594	185,508,798	171,409,950	169,137,174	158,589,886	155,149,491
Unrestricted	384,638,877	389,795,185	375,477,232	290,916,668	340,214,077	319,321,267	309,197,722	335,449,638	333,794,772	346,256,798
Total primary government net position	\$1,887,635,567	\$2,070,217,276	\$2,268,976,932	\$2,374,216,649	\$2,407,198,549	\$2,389,763,291	\$2,379,289,789	\$2,393,128,956	\$2,366,327,882	\$2,414,988,913

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets," with the term "net position."  
 (b) The City restated certain balances in 2014; the statistics prior to 2013 have not been restated.

**CITY OF ROSEVILLE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

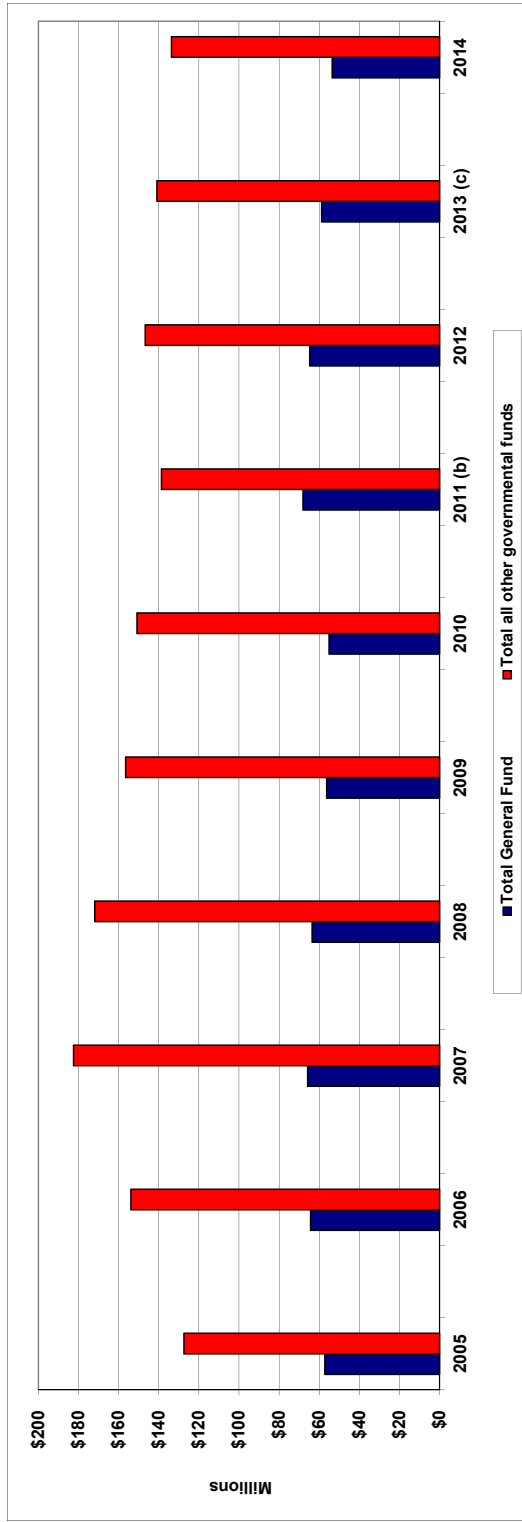
	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$22,350,454	\$25,437,535	\$30,929,747	\$34,826,790	\$35,306,470	\$31,596,121	\$30,387,717	\$35,564,864	\$36,146,055	\$42,359,074
Development and Operations	10,131,568	11,893,312	13,171,347	16,004,720	16,399,001	20,004,902	13,441,264	11,625,120	6,070,940	14,194,087
Public Works	39,391,505	33,498,385	42,070,119	33,682,426	35,299,262	33,143,591	30,932,981	32,524,417	42,655,128	26,482,643
Police	22,761,768	24,500,396	27,440,631	33,717,164	36,257,952	34,190,552	31,720,789	31,262,454	33,163,354	34,443,258
Fire	15,226,498	16,435,774	20,572,207	26,372,987	27,405,634	27,543,494	25,191,924	25,282,596	26,611,217	28,183,501
Library	2,996,195	3,156,087	3,552,614	5,506,954	5,184,868	4,692,455	3,933,549	4,631,691	4,537,528	4,634,502
Parks and recreation	14,001,045	16,052,655	17,634,887	20,021,127	20,607,763	18,358,870	17,664,088	20,209,935	22,032,310	13,939,153
Community facilities districts										
Payments under developer agreements	3,093,615		3,328,656	3,399,145	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279	3,858,070
Housing assistance payments	3,050,762	2,974,236		6,858,207	5,847,054	7,131,216	3,181,266	999,436	1,274,294	740,975
Interest on long-term debt	1,760,833	1,933,654	4,920,776							
<b>Total Governmental Activities Expenses</b>	<b>\$134,764,243</b>	<b>\$135,882,034</b>	<b>\$163,620,984</b>	<b>\$180,389,520</b>	<b>\$185,838,531</b>	<b>\$180,289,711</b>	<b>\$160,096,972</b>	<b>\$166,333,208</b>	<b>\$176,540,105</b>	<b>\$168,835,263</b>
<b>Business-Type Activities:</b>										
Electric	\$93,061,537	\$97,101,941	\$131,224,885	\$155,579,953	\$163,739,748	\$172,512,453	\$148,271,687	\$144,985,608	\$144,141,500	\$144,616,552
Water	16,719,257	18,510,040	15,855,579	25,826,409	21,842,893	23,025,281	22,335,757	24,311,517	24,569,405	25,300,949
Wastewater	23,885,474	27,207,717	28,948,611	37,098,813	28,512,359	29,169,860	29,516,033	34,587,583	33,820,510	36,129,357
Solid Waste	12,749,998	14,220,731	15,182,395	15,743,209	14,914,734	15,172,092	14,979,891	15,855,280	16,173,643	16,113,470
Natural Gas			5,152,447	15,123,490	27,665,056	27,398,886	27,106,564	26,792,658	26,383,130	25,984,715
Golf Course	2,473,835	2,479,378	2,351,603	2,883,713	3,003,690	2,814,274	2,828,099	2,487,080	2,617,733	2,501,897
Local Transportation	4,106,631	4,415,411	5,410,630	5,872,368	6,221,260	7,084,490	6,609,048	6,727,985	7,909,058	7,482,689
School-age Child Care	4,211,285	4,430,801	4,825,366	5,575,761	4,649,458	4,258,304	4,277,245	4,461,275	4,691,235	4,496,871
<b>Total Business-Type Activities Expenses</b>	<b>\$157,208,017</b>	<b>\$168,366,019</b>	<b>\$208,951,516</b>	<b>\$263,703,716</b>	<b>\$270,549,198</b>	<b>\$281,435,640</b>	<b>\$255,924,324</b>	<b>\$260,208,986</b>	<b>\$260,306,214</b>	<b>\$262,626,500</b>
<b>Total Primary Government Expenses</b>	<b>\$291,972,260</b>	<b>\$304,248,053</b>	<b>\$372,572,500</b>	<b>\$444,093,236</b>	<b>\$456,387,729</b>	<b>\$461,725,351</b>	<b>\$416,021,296</b>	<b>\$426,542,194</b>	<b>\$436,846,319</b>	<b>\$431,461,763</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$1,570,571	\$3,364,921	\$3,980,445	\$2,658,458	\$3,780,716	\$2,655,834	\$2,914,657	\$2,778,080	\$2,650,873	\$2,519,443
Development and Operations	3,652,829	4,312,464	3,543,270	3,386,649	1,903,124	2,704,794	2,564,206	1,983,989	1,691,318	7,131,093
Public Works	6,814,277	7,959,770	9,246,666	5,843,426	3,327,869	2,841,931	2,913,603	2,919,180	3,124,557	224,389
Police	2,009,281	1,900,144	2,346,493	1,845,245	2,346,230	2,088,346	1,525,433	1,319,271	1,504,357	1,541,641
Fire	1,082,211	1,253,881	1,505,547	1,402,158	1,362,379	1,185,742	1,203,109	1,009,954	821,543	1,326,015
Library	162,479	188,738	235,231	272,057	230,290	216,064	228,343	339,589	297,467	332,387
Parks and recreation	6,224,464	7,315,217	4,167,719	9,986,005	9,728,400	9,843,940	10,057,346	10,242,291	12,574,853	11,391,414
Community facilities districts										
Operating Grants and Contributions	9,449,752	7,717,503	7,246,321	9,514,427	12,465,557	12,354,931	10,943,019	2,984,979	9,609,400	10,996,049
Capital Grants and Contributions	41,143,945	113,531,406	101,768,467	59,279,903	22,813,349	27,053,063	11,716,689	19,862,713	21,787,386	22,489,470
<b>Total Government Activities Program Revenues</b>	<b>72,109,809</b>	<b>147,544,044</b>	<b>134,040,159</b>	<b>94,188,328</b>	<b>57,957,914</b>	<b>60,944,645</b>	<b>44,066,405</b>	<b>43,440,046</b>	<b>54,061,754</b>	<b>57,951,901</b>
<b>Business-Type Activities:</b>										
<b>Charges for Services:</b>										
Electric	98,949,341	102,772,594	130,264,098	143,898,715	155,843,041	163,315,149	163,234,969	160,141,372	159,002,035	162,182,048
Water	13,163,434	13,450,264	14,938,665	16,925,351	17,765,674	17,473,099	17,967,074	19,954,068	22,899,867	23,212,495
Wastewater	16,355,694	19,025,742	22,455,645	24,014,362	27,087,117	24,961,516	30,472,704	28,088,503	27,693,272	30,398,896
Solid Waste	15,244,048	17,558,492	18,575,194	19,562,798	19,951,063	20,082,492	20,682,638	20,903,993	21,437,536	21,806,830
Natural Gas			4,059,943	16,528,513	16,557,517	16,528,513	16,563,722	16,563,722	16,530,605	16,529,666
Golf Course	2,564,469	2,747,851	3,162,637	3,182,357	2,953,223	2,801,963	2,415,583	2,702,741	2,460,509	2,392,702
Local Transportation	530,516	601,087	739,826	863,606	1,184,861	861,730	861,730	974,344	1,075,864	1,141,354
School-age Child Care	4,193,923	4,833,884	4,845,460	5,193,488	4,779,262	4,358,762	4,296,761	4,047,021	4,475,225	4,780,848
Operating Grants and Contributions	7,104,895	2,299,189	14,328,217	13,630,808	10,139,913	6,327,458	6,174,016	13,729,467	17,175,122	13,286,509
Capital Grants and Contributions	49,828,229	68,914,968	108,453,838	88,497,473	55,050,971	26,604,588	16,234,957	12,323,429	17,501,234	43,539,243
<b>Total Business-Type Activities Program Revenue</b>	<b>207,934,549</b>	<b>232,204,071</b>	<b>317,763,580</b>	<b>319,828,901</b>	<b>311,283,638</b>	<b>283,344,274</b>	<b>278,956,407</b>	<b>279,428,660</b>	<b>280,251,269</b>	<b>319,270,591</b>
<b>Total Primary Government Program Revenues</b>	<b>\$280,044,358</b>	<b>\$379,748,115</b>	<b>\$451,803,739</b>	<b>\$414,017,229</b>	<b>\$369,241,552</b>	<b>\$344,288,919</b>	<b>\$323,022,812</b>	<b>\$322,868,706</b>	<b>\$334,313,023</b>	<b>\$377,222,492</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$62,654,434)	\$11,662,010	(\$29,580,825)	(\$86,001,192)	(\$127,880,617)	(\$119,345,066)	(\$116,030,567)	(\$122,893,162)	(\$122,478,351)	(\$110,883,362)
Business-Type Activities	50,726,532	63,838,052	108,812,064	56,125,185	40,734,440	1,908,634	23,032,083	19,219,674	19,945,055	56,644,091
<b>Total Primary Government Net Expense</b>	<b>(\$11,927,902)</b>	<b>\$75,500,062</b>	<b>\$79,231,239</b>	<b>(\$29,876,007)</b>	<b>(\$87,146,177)</b>	<b>(\$117,436,432)</b>	<b>(\$92,998,484)</b>	<b>(\$103,673,488)</b>	<b>(\$102,533,296)</b>	<b>(\$54,239,271)</b>

**CITY OF ROSEVILLE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$26,548,498	\$30,867,256	\$38,737,491	\$41,066,666	\$39,688,660	\$38,102,029	\$34,721,253	\$31,758,352	\$31,075,967	\$31,930,656
Less Education Revenue Augmentation Fund Payment (260,676)										
Sales taxes	40,973,365	42,642,034	44,772,743	40,982,384	36,024,500	32,139,544	37,332,222	38,129,931	43,002,643	46,591,961
Franchise taxes	1,060,903	1,267,707	1,429,155	1,607,214	930,003	1,615,166	1,735,495	1,822,869	1,874,700	2,037,189
Motor fuel taxes	1,897,211	3,116,638	1,999,542	1,985,315	1,855,462	2,909,176				
Motor vehicle in lieu (Intergovernmental- unrestricted)	2,123,202	710,510	565,719	471,834	373,495	332,224	523,609	122,230		
Other Taxes	3,671,924	3,630,534	3,529,485	3,306,271	2,974,201	2,779,885	2,936,778	6,626,071	6,465,560	7,465,472
Licenses and permits										
Use of money and property	5,631,061	8,077,599	14,208,032	16,918,766	14,048,619	4,737,938	3,645,241	3,243,932	533,505	2,414,976
Miscellaneous revenues	664,191	1,680,851	2,926,467	887,173	4,568,055	1,934,366	1,089,608	1,511,125	2,113,638	420,959
Transfers	17,318,498	23,582,576	25,223,297	24,622,443	28,320,921	23,844,312	26,144,153	30,374,582	25,212,344	(11,480,648)
Extraordinary item:										
Gain/(Loss) from sales of capital assets		2,703,738								43,992
Assets transferred to/liabilities assumed by Successor Agency								34,223,315		7,107,581
Cancellation of loans receivable from Successor Agency										(5,847,668)
Restructuring of interest on loans receivable from Successor Agency										(814,422)
<b>Total Government Activities</b>	<b>99,628,177</b>	<b>118,279,443</b>	<b>133,391,931</b>	<b>131,848,066</b>	<b>128,783,916</b>	<b>108,394,640</b>	<b>108,128,359</b>	<b>147,812,407</b>	<b>110,278,357</b>	<b>79,870,048</b>
Business-Type Activities:										
Use of money and property	4,487,348	10,559,581	11,359,783	27,622,856	19,665,082	15,450,846	12,812,162	12,662,821	11,245,022	11,499,354
Miscellaneous revenues		1,825,199							150,119	
Provision for disputed SCS charges	418,521									
Transfers	(17,318,498)	(23,582,576)	(25,223,297)	(24,622,443)	(28,320,921)	(23,844,312)	(26,144,153)	(30,374,582)	(25,212,344)	11,480,648
Gain/(Loss) from sales of capital assets										50,252
Special Item									(22,715,022)	
<b>Total Business-Type Activities</b>	<b>(12,412,629)</b>	<b>(11,197,796)</b>	<b>(13,863,514)</b>	<b>3,000,413</b>	<b>(8,655,839)</b>	<b>(8,393,466)</b>	<b>(13,331,991)</b>	<b>(17,711,761)</b>	<b>(36,532,225)</b>	<b>23,030,254</b>
<b>Total Primary Government</b>	<b>\$87,215,548</b>	<b>\$107,081,647</b>	<b>\$119,528,417</b>	<b>\$134,848,479</b>	<b>\$120,128,077</b>	<b>\$100,001,174</b>	<b>\$94,796,368</b>	<b>\$130,100,646</b>	<b>\$73,746,132</b>	<b>\$102,900,302</b>
<b>Change in Net Position</b>										
Governmental Activities	\$36,973,743	\$129,941,453	\$103,811,106	\$45,846,874	\$903,299	(\$10,950,426)	(\$7,902,208)	\$24,919,245	(\$12,199,994)	(\$31,013,314)
Business-Type Activities	38,313,903	52,640,256	94,948,550	59,125,598	32,078,601	(6,484,832)	9,700,092	1,507,913	(16,587,170)	79,674,345
<b>Total Primary Government</b>	<b>\$75,287,646</b>	<b>\$182,581,709</b>	<b>\$198,759,656</b>	<b>\$104,972,472</b>	<b>\$32,981,900</b>	<b>(\$17,435,258)</b>	<b>\$1,797,884</b>	<b>\$26,427,158</b>	<b>(\$28,787,164)</b>	<b>\$48,661,031</b>

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

**CITY OF ROSEVILLE**  
**FUND BALANCES OF GOVERNMENT FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011 (b)	2012	2013 (c)	2014
<b>General Fund</b>										
Reserved	\$18,449,612	\$16,669,748	\$13,421,646	\$10,786,244	\$13,472,640	\$13,730,063				
Unreserved	38,788,181	47,642,690	52,376,837	52,774,303	42,850,836	41,373,295				
Nonspendable							\$23,734,548	\$17,036,815	\$24,350,331	\$12,700,881
Assigned							5,328,824	2,944,900	3,002,686	2,685,359
Unassigned							39,068,183	44,796,255	31,488,665	38,187,768
<b>Total General Fund</b>	<b>\$57,237,793</b>	<b>\$64,312,438</b>	<b>\$65,798,483</b>	<b>\$63,560,547</b>	<b>\$56,323,476</b>	<b>\$55,103,358</b>	<b>\$68,131,555</b>	<b>\$64,777,970</b>	<b>\$58,841,682</b>	<b>\$53,574,008 (a)</b>
<b>All Other Governmental Funds</b>										
Reserved	\$27,132,041	\$53,194,568	\$71,775,257	\$56,547,018	\$56,058,554	\$51,548,654				
Unreserved, reported in:										
Special Revenue Funds	66,266,786	64,447,245	73,726,293	79,723,403	65,941,856	64,422,284				
Capital Projects	17,733,928	19,807,821	20,128,123	18,146,007	16,456,146	16,542,186				
Permanent Funds	16,318,672	16,425,999	16,833,979	17,495,650	18,066,202	18,353,285				
Nonspendable							\$17,411,864	\$17,503,760	\$17,691,169	\$16,940,290
Restricted							108,226,582	113,465,925	109,656,487	104,437,932
Committed							2,195,164	2,248,644	2,290,938	2,280,996
Assigned							14,890,220	14,472,182	12,625,416	11,304,133
Unassigned							(4,081,313)	(925,077)	(1,333,659)	(1,290,629)
<b>Total all other governmental funds</b>	<b>\$127,451,427</b>	<b>\$153,875,633</b>	<b>\$182,463,652</b>	<b>\$171,912,078</b>	<b>\$156,522,758</b>	<b>\$150,866,409</b>	<b>\$138,642,517</b>	<b>\$146,765,434</b>	<b>\$140,930,351</b>	<b>\$133,672,722 (a)</b>

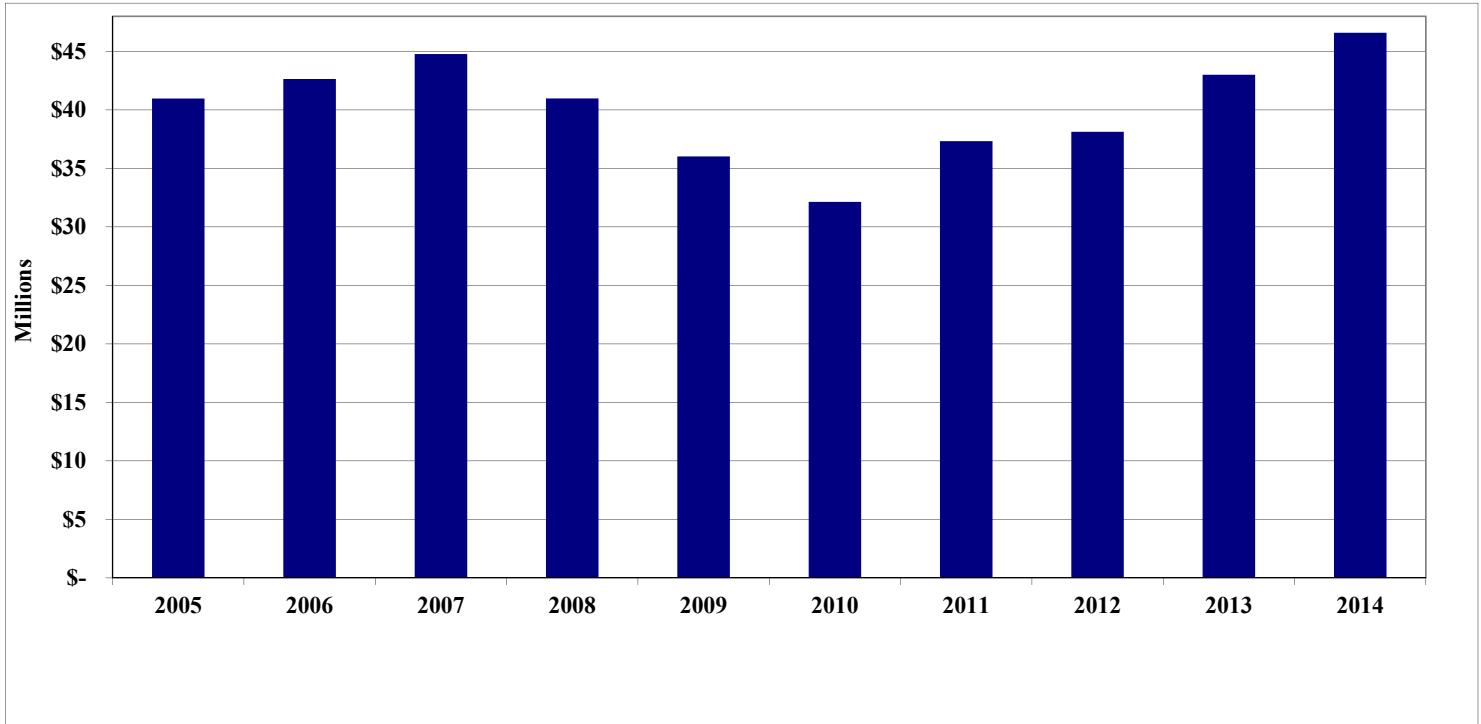
(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.  
(b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.  
(c) The City restated certain balances in 2014; the statistics prior to 2013 have not been restated.

**CITY OF ROSEVILLE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal year ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$75,900,403	\$82,770,691	\$93,500,227	\$93,457,602	\$85,601,833	\$79,623,097	\$82,023,333	\$80,584,812	\$85,621,989	\$90,692,294
Less Educational Revenue Augmentation	(260,676)	(323,743)								
Licenses, permits and fees	2,591,354	2,020,467	2,762,883	2,537,988	1,832,029	1,624,422	1,651,822	1,756,255	1,805,452	2,066,744
Charges for services	26,814,640	31,295,267	40,301,825	31,892,013	18,899,792	18,080,957	17,111,034	17,222,182	20,613,195	23,145,058
Subventions and grants	12,630,086	10,351,281	12,744,920	12,819,741	16,909,738	22,554,411	13,612,705	11,835,085	17,307,222	14,081,767
Use of money and property	4,922,685	7,784,975	16,943,196	19,198,906	16,183,845	9,528,347	3,107,947	3,271,208	1,892,467	2,237,778
Fine, forfeitures and penalties	1,803,562	1,953,405	2,358,742	2,147,695	2,283,349	2,115,882	1,829,785	1,502,408	1,447,757	1,265,026
Contributions from property owners	7,841,639	92,645,369	71,488,795	9,100,000						
Contributions from developers	4,373,481	3,337,645	1,591,059	2,070,716	957,680	706,385	1,483,872	2,900,578	3,673,089	1,721,409
Miscellaneous revenues	4,213,970	7,899,568	9,286,123	12,455,601	7,264,395	5,991,250	3,032,677	2,458,788	3,409,782	4,247,829
<b>Total Revenues</b>	<b>140,831,144</b>	<b>239,734,925</b>	<b>250,977,770</b>	<b>185,680,262</b>	<b>149,932,661</b>	<b>140,224,751</b>	<b>123,853,175</b>	<b>121,531,316</b>	<b>135,770,953</b>	<b>139,457,905</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	19,962,845	24,103,076	27,910,341	28,222,016	26,639,267	21,737,861	21,840,332	23,676,727	25,215,600	23,438,473
Development and operations	9,751,722	10,888,062	11,961,479	16,710,067	13,481,274	17,310,689	10,229,425	7,303,223	6,095,964	11,300,917
Public works	10,817,148	15,396,696	16,947,884	16,228,157	16,022,025	10,700,041	11,013,467	10,597,421	10,746,489	6,698,390
<b>Public safety:</b>										
Police	21,547,825	25,567,869	28,988,754	30,498,603	30,408,122	28,564,889	27,411,509	28,650,241	29,638,540	30,695,155
Fire	13,753,902	16,915,393	20,719,718	24,352,812	24,527,743	23,349,639	23,264,497	23,573,792	25,041,187	25,530,503
Library	2,762,274	3,133,367	3,520,834	4,542,287	3,449,204	3,224,523	2,855,794	3,560,396	3,726,160	3,689,914
Parks and recreation	13,507,359	16,007,377	17,955,082	19,092,606	17,979,576	16,199,096	15,610,257	18,320,063	19,671,070	19,276,779
Housing assistance payments	3,050,762	2,974,236	3,328,656	3,399,145	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279	3,858,070
Capital outlay	58,729,356	108,314,784	125,426,074	63,142,168	49,795,093	36,534,025	20,416,652	19,529,120	34,879,208	30,170,149
Payments under development agreements	5,389,110	2,592,039	2,396,314	2,157,821	1,601,494	1,445,960	1,146,915	880,852	567,619	567,619
Annexation payments	285,335	835,780	1,810,538	2,138,963	1,959,852	2,131,802	2,045,843	2,228,371	2,302,077	2,932,924
<b>Debt service:</b>										
Principal repayment	1,264,702	941,946	1,206,803	1,590,991	1,392,486	1,397,222	1,402,625	2,694,645	802,821	2,125,278
Interest and fiscal charges	1,789,098	1,941,002	4,523,725	6,873,248	7,090,871	7,396,273	2,932,461	1,612,858	1,217,231	607,872
<b>Total Expenditures</b>	<b>162,611,438</b>	<b>229,611,627</b>	<b>266,696,202</b>	<b>218,948,884</b>	<b>197,877,534</b>	<b>173,620,530</b>	<b>143,813,171</b>	<b>146,860,404</b>	<b>163,953,245</b>	<b>160,892,043</b>
Excess (deficiency) of revenues over (under) expenditures	(21,780,294)	10,123,298	(15,718,432)	(33,268,622)	(47,944,873)	(33,395,779)	(19,959,996)	(25,329,088)	(28,182,292)	(21,434,138)
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease	147,266	2,239,765			385,538					43,992
Proceeds from issuance of bonds			23,215,524							
Proceeds from sale of property		3,503,467		129,284	12,040	10,000			159,482	
Transfers in	26,116,934	38,439,158	54,227,228	42,487,182	53,047,351	42,615,799	44,206,780	43,818,402	38,821,810	41,542,969
Transfers (out)	(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)	(28,126,447)	(18,935,737)	(23,444,479)	(18,447,291)	(19,147,016)	(24,688,897)
Issuance of debt									11,549,031	
Payment to bond escrow agent									(12,756,326)	
Contributions from developers					2,831,250					
<b>Total other financing sources (uses)</b>	<b>17,289,695</b>	<b>23,375,553</b>	<b>45,792,496</b>	<b>20,211,867</b>	<b>25,318,482</b>	<b>26,521,312</b>	<b>20,762,301</b>	<b>25,371,111</b>	<b>18,626,981</b>	<b>16,898,064</b>
Net Change in fund balances before special and extraordinary items	(4,490,599)	33,498,851	30,074,064	(13,056,755)	(22,626,391)	(6,874,467)	802,305	42,023	(9,555,311)	(4,536,074)
<b>Special and Extraordinary items</b>										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor										
Increase in loan to the Successor Agency								4,727,309		
Change in classification of assets									(7,304,420)	
Cancellation of loans receivable from Successor Agency										(2,141,561)
<b>Net Change in fund balances</b>	<b>(\$4,490,599)</b>	<b>\$33,498,851</b>	<b>\$30,074,064</b>	<b>(\$13,056,755)</b>	<b>(\$22,626,391)</b>	<b>(\$6,874,467)</b>	<b>\$802,305</b>	<b>\$4,769,332</b>	<b>(\$16,859,731)</b>	<b>(\$12,525,303)</b>
Debt service as a percentage of noncapital expenditures	3.0%	2.5%	4.3%	5.8%	5.3%	5.7%	3.5%	3.4%	1.5%	2.0%



**CITY OF ROSEVILLE  
SALES TAX REVENUE  
Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 40,973,365
2006	42,642,035
2007	44,772,743
2008	40,982,384
2009	36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931
2013	43,002,643
2014	46,591,961

**CITY OF ROSEVILLE**  
**ASSESSMENT ROLL VALUES**  
 Last Ten Fiscal Years

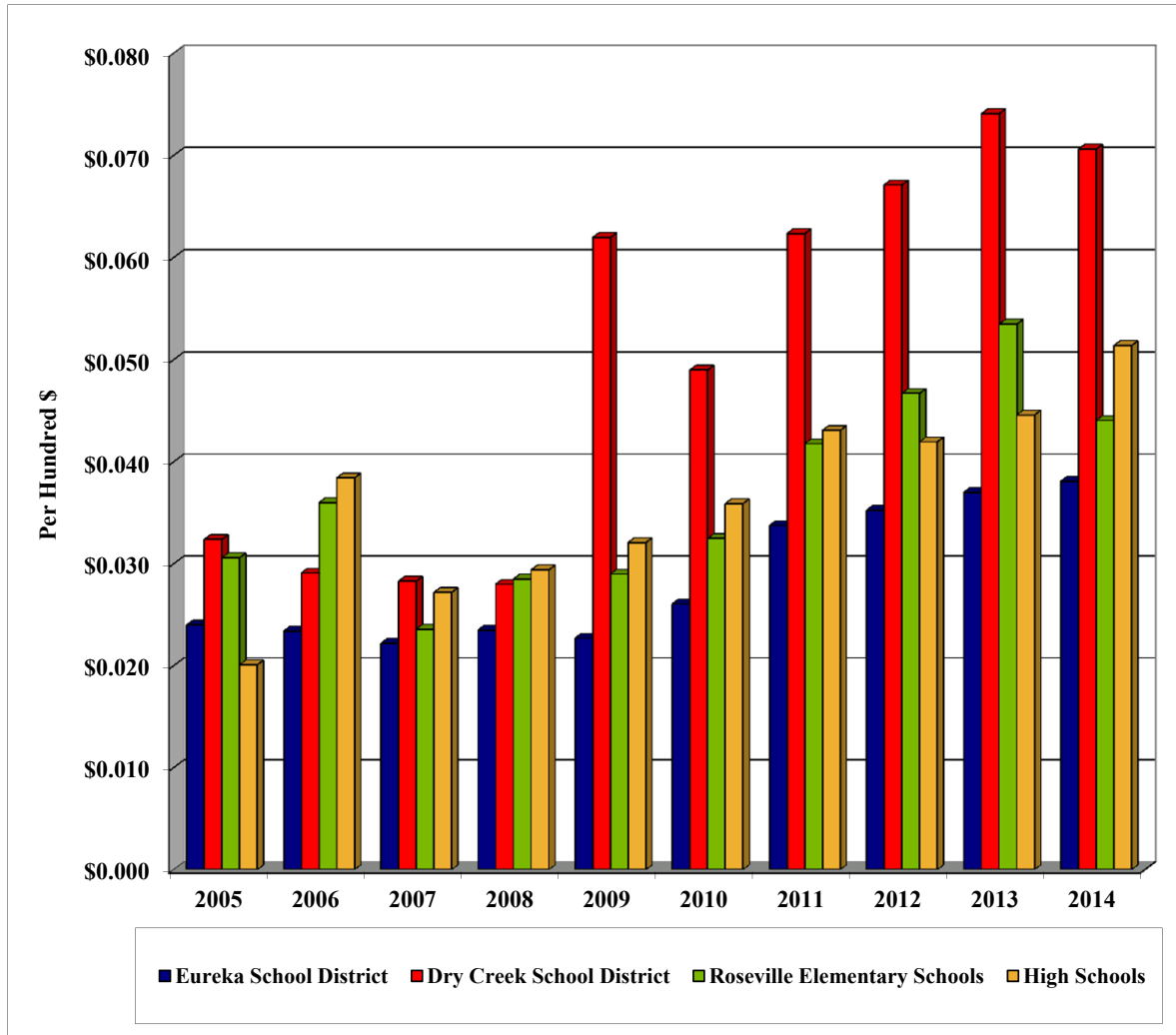
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
<b>Secured</b>										
Land	\$ 3,418,314,468	\$ 3,913,353,838	\$ 4,975,004,883	\$ 5,277,609,490	\$ 5,022,518,855	\$ 4,702,676,886	\$ 4,258,240,370	\$ 4,138,902,907	\$ 4,139,152,114	\$ 4,416,998,220
Structure	8,499,941,082	9,524,344,265	10,721,828,793	11,554,289,752	11,950,909,732	12,095,007,943	11,439,696,023	10,859,970,035	10,942,930,883	11,732,698,206
Growing Imp.										
Fixtures	114,463,857	100,605,428	156,459,551	96,186,460	172,326,456	121,330,197	122,138,875	86,539,606	86,949,612	85,175,780
Personal Property	397,085,676	377,171,200	356,221,219	424,035,810	439,345,074	397,416,205	398,032,391	195,128,458	185,441,743	197,939,682
Gross	12,429,805,083	13,915,474,731	16,209,514,449	17,352,121,512	17,585,100,117	17,316,431,231	16,218,107,659	15,280,541,006	15,354,474,352	16,432,811,888
Exemptions	(716,288,525)	(741,780,248)	(795,302,289)	(876,567,514)	(1,037,586,092)	(1,185,170,787)	(1,271,501,002)	(1,183,664,559)	(1,216,280,788)	(1,189,126,642)
<b>Net Value</b>	<b>11,713,516,558</b>	<b>13,173,694,483</b>	<b>15,414,212,160</b>	<b>16,475,553,998</b>	<b>16,547,514,025</b>	<b>16,131,260,444</b>	<b>14,946,606,657</b>	<b>14,096,876,447</b>	<b>14,138,193,564</b>	<b>15,243,685,246</b>
<b>Unsecured</b>										
Land	14,182,736	13,788,052	13,914,030	9,561,508	9,752,733	9,938,066	9,918,107	10,652,978	15,107,515	14,275,896
Structure	18,355,347	18,174,770	18,345,848	18,712,755	19,086,998	19,483,398	19,054,920	19,198,391	40,452,068	39,978,372
Fixtures	131,950,837	137,587,407	143,205,188	151,270,219	170,668,416	195,965,488	204,471,411	278,372,656	204,335,331	201,618,605
Personal Property	303,697,290	311,390,275	379,757,859	386,574,785	420,787,592	404,628,665	427,041,927	456,724,821	440,681,012	497,756,921
Gross	468,186,210	480,940,504	555,222,925	566,119,267	620,295,739	630,015,617	660,486,365	764,948,846	700,575,926	753,629,794
Exemptions	(9,564,930)	(17,829,447)	(25,233,403)	(28,052,319)	(40,368,799)	(69,496,206)	(98,512,303)	(88,790,688)	(92,879,612)	(86,500,375)
<b>Net Value</b>	<b>458,621,280</b>	<b>463,111,057</b>	<b>529,989,522</b>	<b>538,066,948</b>	<b>579,926,940</b>	<b>560,519,411</b>	<b>561,974,062</b>	<b>676,158,158</b>	<b>607,696,314</b>	<b>667,129,419</b>
<b>Total Net Assessed Value (a)</b>	<b>\$ 12,172,137,838</b>	<b>\$ 13,636,805,540</b>	<b>\$ 15,944,201,682</b>	<b>\$ 17,013,620,946</b>	<b>\$ 17,127,440,965</b>	<b>\$ 16,691,779,855</b>	<b>\$ 15,508,580,719</b>	<b>\$ 14,773,034,605</b>	<b>\$ 14,745,889,878</b>	<b>\$ 15,910,814,665</b>
<b>Direct Tax Rate (b)</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(a) Article XIII A, added to the California Constitution by Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:

- annual inflation up to 2%; or
- market value at the time of ownership change; or
- market value for new construction.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

**CITY OF ROSEVILLE  
PROPERTY TAX RATES  
DIRECT & OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years**



Fiscal Year	Direct Rate	Overlapping Rates				Total (a)
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	
2005	1.0000	0.0240	0.0324	0.0306	0.0201	1.0491
2006	1.0000	0.0234	0.0291	0.0360	0.0384	1.0679
2007	1.0000	0.0222	0.0283	0.0236	0.0272	1.0519
2008	1.0000	0.0235	0.0280	0.0285	0.0294	1.0561
2009	1.0000	0.0227	0.0620	0.0290	0.0321	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	1.0718
2011	1.0000	0.0338	0.0624	0.0418	0.0431	1.0890
2012	1.0000	0.0353	0.0671	0.0467	0.0420	1.0917
2013	1.0000	0.0370	0.0741	0.0535	0.0446	1.0995
2014	1.0000	0.0381	0.0706	0.0441	0.0514	1.1023

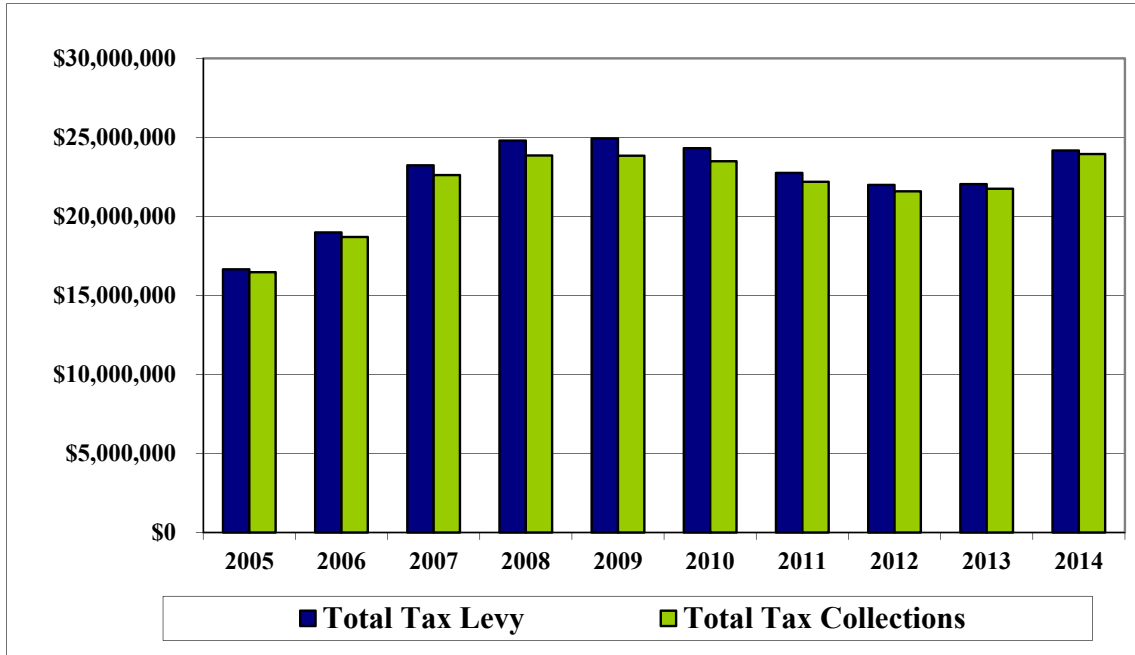
(a) Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School

**CITY OF ROSEVILLE**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**Current Year and Nine Years Ago**

Property Owner	Primary Land Use	Rank	2014			2005		
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Rank
Roseville Shoppingtown LLC	Shopping Center	1	\$408,743,797	2.65%	3	\$218,446,753	1.84%	
Hewlett Packard Co.	Industrial	2	138,605,644	0.90%	2	359,106,677	3.02%	
W2005 Fargo Hotels Pool C Realty LP	Hotel	3	88,946,067	0.58%				
Walmart Stores Inc.	Commercial	4	83,768,418	0.54%	9	43,925,835	0.37%	
Slate Creek Roseville LLC	Apartments	5	79,749,000	0.52%				
BEP Roseville Investors LLC	Office Building	6	77,125,000	0.50%				
Roseville Fountains LP	Shopping Center	7	64,464,078	0.42%				
CPT Creekside Town Center LLC	Shopping Center	8	61,231,640	0.40%				
UCM Caiprosemeade LLC	Apartments	9	58,345,117	0.38%				
Timberpine Holdings LLC	Industrial	10	47,500,000	0.31%				
Safeway Inc.	Commercial	11	47,342,569	0.31%	15	32,084,843	0.27%	
John L. Sullivan Family LP	Auto Dealership	12	44,919,377	0.29%				
Pinnacle OPID LLC & Pinnacle PCC LLC	Apartments	13	39,967,390	0.26%				
HD Development of Maryland Inc.	Commercial	14	38,888,699	0.25%				
Westcore Delta LLC	Shopping Center	15	37,069,016	0.24%				
Realty Associates Fund IX LP	Apartments	16	36,413,999	0.24%				
Macy's West Inc.	Commercial	17	33,950,035	0.22%				
Conam Highland Park LLC	Apartments	18	33,706,460	0.22%				
NNN Parkway Corporate Plaza LLC	Office Building	19	32,670,000	0.21%	4	63,650,000	0.54%	
Eureka Development Company LLC	Shopping Center	20	31,417,971	0.20%				
NEC Electronics USA Inc.	Heavy Industrial				1	378,552,214	3.19%	
SI VII LLC	Apartments				5	61,255,770	0.52%	
Creekside Center LLC	Commercial				6	60,931,031	0.51%	
Rosemead LLC	Apartments				7	48,109,975	0.41%	
Demmon Haverhill Partners LP	Apartments				8	44,908,108	0.38%	
John Mourier Construction Inc.	Residential Development				10	42,268,587	0.36%	
Olympic Preserve Partners LP	Apartments				11	37,321,943	0.31%	
Nordstrom Inc.	Commercial				12	35,773,262	0.30%	
Homarose LP	Light Industrial				13	34,000,000	0.29%	
Property Reserve Inc.	Office Building				14	32,916,894	0.28%	
GIC Olympus Corporate Center LLC	Office Building				16	31,645,788	0.27%	
Laguna Antelope Properties	Office Building				17	31,484,187	0.27%	
SMII Highland Reserve LLC	Apartments				18	30,918,388	0.26%	
Roseville Plaza LLC	Shopping Center				19	30,750,000	0.26%	
JB Management LP	Shopping Center				20	30,515,028	0.26%	
<b>Total</b>			<b>\$1,484,824,277</b>	<b>9.63%</b>		<b>\$1,648,565,283</b>	<b>13.88%</b>	
<b>Local Secured Assessed Valuation:</b>			<b>\$ 15,417,937,646</b>			<b>\$ 11,874,044,091</b>		

Source: California Municipal Statistics, Inc.

**CITY OF ROSEVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2005	\$ 16,653,884	\$ 16,469,026	98.89%
2006	18,987,819	18,695,407	98.46%
2007	23,231,927	22,616,281	97.35%
2008	24,795,852	23,856,089	96.21%
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%
2011	22,749,169	22,191,814	97.55%
2012	21,991,913	21,585,063	98.15%
2013	22,044,604	21,749,207	98.66%
2014	24,170,809	23,943,603	99.06%

Notes:

Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum.

Subsequent collections are not broken out by fiscal year from the County. This information is not available.

**CITY OF ROSEVILLE  
ELECTRIC CUSTOMERS & REVENUES**

**Ten Largest Electric Customers as of 6/30/2014**

<b>Rank</b>	<b>Business Type (a)</b>	<b>kWh</b>	<b>Percent Total kWh</b>	<b>Revenue</b>	<b>Percent to Total Revenue</b>
1	Manufacturing	101,330,000	8.57%	\$10,036,048	6.32%
2	Admin/Office/R&D	42,085,000	3.57%	4,263,551	2.69%
3	Medical Care	28,144,547	2.36%	3,007,060	1.89%
4	Government and Utilities	26,161,000	2.22%	2,710,212	1.71%
5	Medical Care	22,611,659	1.86%	2,592,709	1.63%
6	Retail and Property Management	18,250,004	1.48%	2,316,951	1.46%
7	Telecommunications	12,013,326	0.88%	1,350,914	0.85%
8	Retail	10,209,220	0.88%	1,137,603	0.72%
9	Grocery	10,203,300	0.84%	1,314,029	0.83%
10	Grocery	9,580,400	0.81%	1,071,115	0.67%

**Electric Sales Revenue as of 06/30/2014**

Residential	\$ 66,359,213
Commercial	92,386,088
Total	<u>\$ 158,745,301</u>

(a) Customer's name not shown to follow the City's Administrative Regulation regarding confidentiality of customers.

Source: City of Roseville Electric Department

**City of Roseville  
Residential Energy Prices  
Effective July 1, 2013**

<b>Residential</b>	
Basic Service Charge (per meter, per month)	\$14.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.1043
Tier 2- 501 to 1,000 kWh/month	\$0.1503
Tier 3- greater than 1,000 kWh/month	\$0.1700
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.0013
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
State Energy Surcharge (\$/kWh)	\$0.0029

**Special Residential Rates**

<b>Electric Rate Assistance Program</b> <sup>(2)</sup>	
Basic Service Charge (per meter, per month)	\$11.90
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0874
Tier 2- 501 to 1,000 kWh/month	\$0.1265
Tier 3- greater than 1,000 kWh/month	\$0.1433
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.0013
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
State Energy Surcharge (\$/kWh)	\$0.0029

<b>Medical Support Rate Reduction</b> <sup>(3)</sup>	
Basic Service Charge (per meter, per month)	\$14.00
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0480
Tier 2- 501 to 1,000 kWh/month	\$0.1265
Tier 3- greater than 1,000 kWh/month	\$0.1433
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.0013
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
State Energy Surcharge (\$/kWh)	\$0.0029

<b>Senior Citizen Rate Reduction</b> <sup>(4)</sup>	
Basic Service Charge (per meter, per month)	\$12.32
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0908
Tier 2- 501 to 1,000 kWh/month	\$0.1313
Tier 3- greater than 1,000 kWh/month	\$0.1486
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.0013
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
State Energy Surcharge (\$/kWh)	\$0.0029

NOTES

1) There is a hydroelectric adjustment in effect from July 2013 through July 2014.

2) An application must be submitted along with a copy of the most recent energy bill and proof of income. For complete program guidelines or to receive an application, call the City of Roseville's Housing and Redevelopment Office at 774-5270.

**This rate is 15% credit on all electric service charges.**

3) An application must be completed for the Medical Support Rate reduction. A doctor's certification is also required. For more information or an application, please call the City of Roseville Finance Department at 774-5300. **This rate is a 50% credit on the first 500 kWh per month and 15% credit for usage > 500 kWh.**

4) Rate closed July 1, 1998. **Recipients receive a 12% credit on all electric charges.**

**City of Roseville  
Business Energy Prices  
Effective July 1, 2013**

<b>Small General Service (GS-1)</b> (Demand < 20 kW) Basic Service Charge (per meter, per month) Energy Charge Winter (\$/kWh) Energy Charge Summer (\$/kWh) Hydroelectric Adjustment (\$/kWh) State Renewable Energy Surcharge (\$/kWh) State Greenhouse Gas Surcharge (\$/kWh) State Energy Surcharge (\$/kWh)	\$22.00 \$0.1067 \$0.1233 \$0.0013 \$0.0067 \$0.0002 \$0.000290																																	
<b>Medium General Service (GS-2)</b> (20 kW < Demand ≤ 500 kW) Basic Service Charge (per meter, per month) Demand Charge(\$/kW-month) Energy Charge Winter (\$/kWh) Energy Charge Summer (\$/kWh) Hydroelectric Adjustment (\$/kWh) State Renewable Energy Surcharge (\$/kWh) State Greenhouse Gas Surcharge (\$/kWh) State Energy Surcharge (\$/kWh)	\$59.00 \$4.55 \$0.1039 \$0.1249 \$0.0013 \$0.0067 \$0.0002 \$0.00029																																	
<b>Large General Service (GS-3)</b> (500 kW < Demand ≤ 1000 kW) Basic Service Charge (per meter, per month) Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Hydroelectric Adjustment (\$/kWh) State Renewable Energy Surcharge (\$/kWh) State Greenhouse Gas Surcharge (\$/kWh) State Energy Surcharge (\$/kWh)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">Winter</th> <th style="width: 25%; text-align: center;">Summer</th> </tr> </thead> <tbody> <tr> <td>Basic Service Charge (per meter, per month)</td> <td style="text-align: right;">\$441.00</td> <td style="text-align: right;">\$441.00</td> </tr> <tr> <td>Demand Charge (\$/kW-month)</td> <td style="text-align: right;">\$3.33</td> <td style="text-align: right;">\$11.49</td> </tr> <tr> <td>Energy Charge</td> <td></td> <td></td> </tr> <tr> <td>    Off Peak (\$/kWh)</td> <td style="text-align: right;">\$0.0686</td> <td style="text-align: right;">\$0.0896</td> </tr> <tr> <td>    On Peak (\$/kWh)</td> <td style="text-align: right;">\$0.0896</td> <td style="text-align: right;">\$0.1106</td> </tr> <tr> <td>    Super Peak (\$/kWh)</td> <td style="text-align: right;">\$0.0896</td> <td style="text-align: right;">\$0.1418</td> </tr> <tr> <td>Hydroelectric Adjustment (\$/kWh)</td> <td style="text-align: right;">\$0.0013</td> <td style="text-align: right;">\$0.0013</td> </tr> <tr> <td>State Renewable Energy Surcharge (\$/kWh)</td> <td style="text-align: right;">\$0.0067</td> <td style="text-align: right;">\$0.0067</td> </tr> <tr> <td>State Greenhouse Gas Surcharge (\$/kWh)</td> <td style="text-align: right;">\$0.0002</td> <td style="text-align: right;">\$0.0002</td> </tr> <tr> <td>State Energy Surcharge (\$/kWh)</td> <td style="text-align: right;">\$0.00029</td> <td style="text-align: right;">\$0.00029</td> </tr> </tbody> </table>		Winter	Summer	Basic Service Charge (per meter, per month)	\$441.00	\$441.00	Demand Charge (\$/kW-month)	\$3.33	\$11.49	Energy Charge			Off Peak (\$/kWh)	\$0.0686	\$0.0896	On Peak (\$/kWh)	\$0.0896	\$0.1106	Super Peak (\$/kWh)	\$0.0896	\$0.1418	Hydroelectric Adjustment (\$/kWh)	\$0.0013	\$0.0013	State Renewable Energy Surcharge (\$/kWh)	\$0.0067	\$0.0067	State Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002	State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
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State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029																																
<b>Very Large General Service (GS-4)</b> (Demand > 1000 kW) Basic Service Charge (per meter, per month) Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Hydroelectric Adjustment (\$/kWh) State Renewable Energy Surcharge (\$/kWh) State Greenhouse Gas Surcharge (\$/kWh) State Energy Surcharge (\$/kWh)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">Winter</th> <th style="width: 25%; text-align: center;">Summer</th> </tr> </thead> <tbody> <tr> <td>Basic Service Charge (per meter, per month)</td> <td style="text-align: right;">\$532.00</td> <td style="text-align: right;">\$532.00</td> </tr> <tr> <td>Demand Charge (\$/kW-month)</td> <td style="text-align: right;">\$3.23</td> <td style="text-align: right;">\$11.12</td> </tr> <tr> <td>Energy Charge</td> <td></td> <td></td> </tr> <tr> <td>    Off Peak (\$/kWh)</td> <td style="text-align: right;">\$0.0672</td> <td style="text-align: right;">\$0.0882</td> </tr> <tr> <td>    On Peak (\$/kWh)</td> <td style="text-align: right;">\$0.0865</td> <td style="text-align: right;">\$0.1075</td> </tr> <tr> <td>    Super Peak (\$/kWh)</td> <td style="text-align: right;">\$0.0865</td> <td style="text-align: right;">\$0.1375</td> </tr> <tr> <td>Hydroelectric Adjustment (\$/kWh)</td> <td style="text-align: right;">\$0.0013</td> <td style="text-align: right;">\$0.0013</td> </tr> <tr> <td>State Renewable Energy Surcharge (\$/kWh)</td> <td style="text-align: right;">\$0.0067</td> <td style="text-align: right;">\$0.0067</td> </tr> <tr> <td>State Greenhouse Gas Surcharge (\$/kWh)</td> <td style="text-align: right;">\$0.0002</td> <td style="text-align: right;">\$0.0002</td> </tr> <tr> <td>State Energy Surcharge (\$/kWh)</td> <td style="text-align: right;">\$0.00029</td> <td style="text-align: right;">\$0.00029</td> </tr> </tbody> </table>		Winter	Summer	Basic Service Charge (per meter, per month)	\$532.00	\$532.00	Demand Charge (\$/kW-month)	\$3.23	\$11.12	Energy Charge			Off Peak (\$/kWh)	\$0.0672	\$0.0882	On Peak (\$/kWh)	\$0.0865	\$0.1075	Super Peak (\$/kWh)	\$0.0865	\$0.1375	Hydroelectric Adjustment (\$/kWh)	\$0.0013	\$0.0013	State Renewable Energy Surcharge (\$/kWh)	\$0.0067	\$0.0067	State Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002	State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
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State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029																																

Note: General Service Customers include all commercial, industrial, governmental and other non-residential customers.

Time of Use (TOU) seasons, days, hours, holidays:

Winter - bills with meter read dates October through May

Summer - bills with meter read date June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)

All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 3:00pm AND 7:00pm to 10:00pm

Monday through Friday (Except Holidays)

Super Peak: 3:00pm to 7:00pm Monday through Friday (Except Holidays)

Holidays are defined as: New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

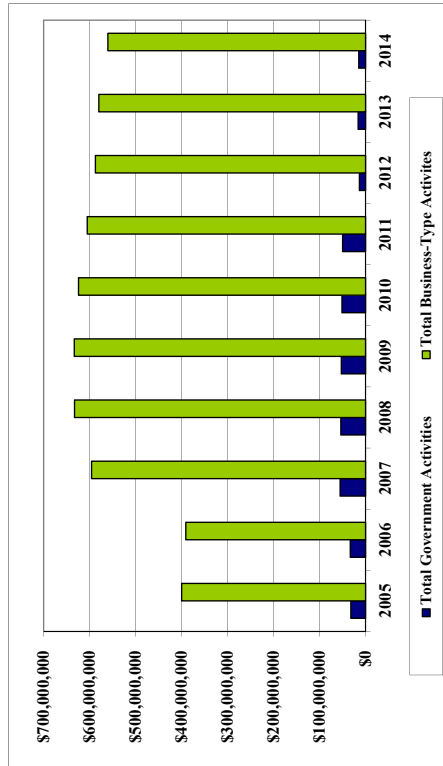
There is no hydroelectric adjustment in effect through June 2013.

The California State Energy Surcharge may change from time to time as specified in State law.

A 2% discount is available for primary service customers.



**CITY OF ROSEVILLE**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

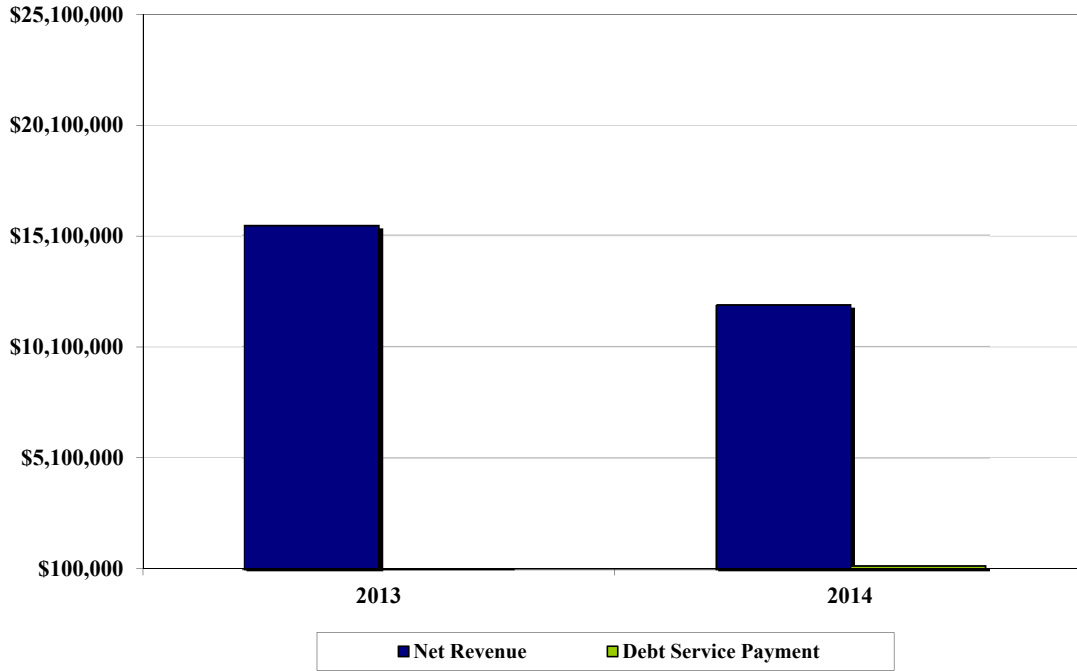


Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Governmental Activities			Loan Payable [e]	Total
			Installment Purchase Obligations	Other Long Term Obligations	2013 Pub Fac Lease		
2005	\$13,960,000	\$17,710,000	\$306,140	\$6,250			\$31,982,390
2006	13,735,000	17,105,000	2,436,986	3,223			33,280,209
2007	36,405,000	16,490,000	2,390,707				55,285,707
2008	35,745,000	15,860,000	2,089,716				53,694,716
2009	35,305,000	15,220,000	2,145,277				52,670,277
2010	34,845,000	14,560,000	1,868,055				51,273,055
2011	34,365,000	13,885,000	1,620,430				49,870,430
2012	[c]	[c]	125,785				13,315,785
2013	[c]	[c]	1,234,286				16,252,366
2014	[c]	[d]	1,234,286			\$ 11,549,031	\$ 3,469,049
						10,670,247	4,059,175
							14,729,422

Fiscal Year	Business-Type Activities							Other Long Term Obligations	Total Primary Government	Percentage of Placer County Personal Income [a]	Debt Per Capita [a]
	Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bonds	Total	Total				
2005	\$ 273,325,043	\$ 7,945,000	\$ 26,075,000	\$ 92,390,603	\$ 182,351	\$ 399,917,997	\$ 431,900,387	33.04%	\$4,226		
2006	267,326,882	7,630,000	24,740,000	90,977,962	172,056	390,846,900	424,127,109	29.77%	4,053		
2007	266,098,723	7,310,000	23,345,000	89,494,883	161,246	595,759,852	651,045,559	43.11%	6,127		
2008	271,323,395	6,985,000	55,611,761	89,572,262		632,842,418	686,537,134	42.24%	6,290		
2009	267,662,000	6,650,000	53,860,879	89,193,072		633,317,336	685,987,613	43.15%	6,106		
2010	268,431,581	6,310,000	52,039,997	88,800,339		624,147,392	675,420,447	41.02%	5,834		
2011	260,127,436	5,960,000	50,149,114	87,906,198		605,057,313	654,927,743	37.83%	5,431		
2012	254,404,084	5,600,000	48,178,231	86,271,586		587,367,556	600,683,341	[b]	4,921		
2013	248,495,732	4,775,578	46,631,417	95,510,269		579,915,741	596,168,107	[b]	4,798		
2014	242,520,953	4,344,960	44,428,461	93,319,762		560,350,970	575,080,392	[b]	4,530		

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.  
[a] These ratios are calculated using personal income and population as shown on the Demographics Statistics page.  
[b] Total personal income information not available.  
[c] Tax Allocation Bonds are zero; The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by the Successor Agency.  
[d] The Certificates of Participation were refunded by the 2013 Lease.  
[e] Long term debt was restated in fiscal 2014; statistics prior to 2013 have not been restated.

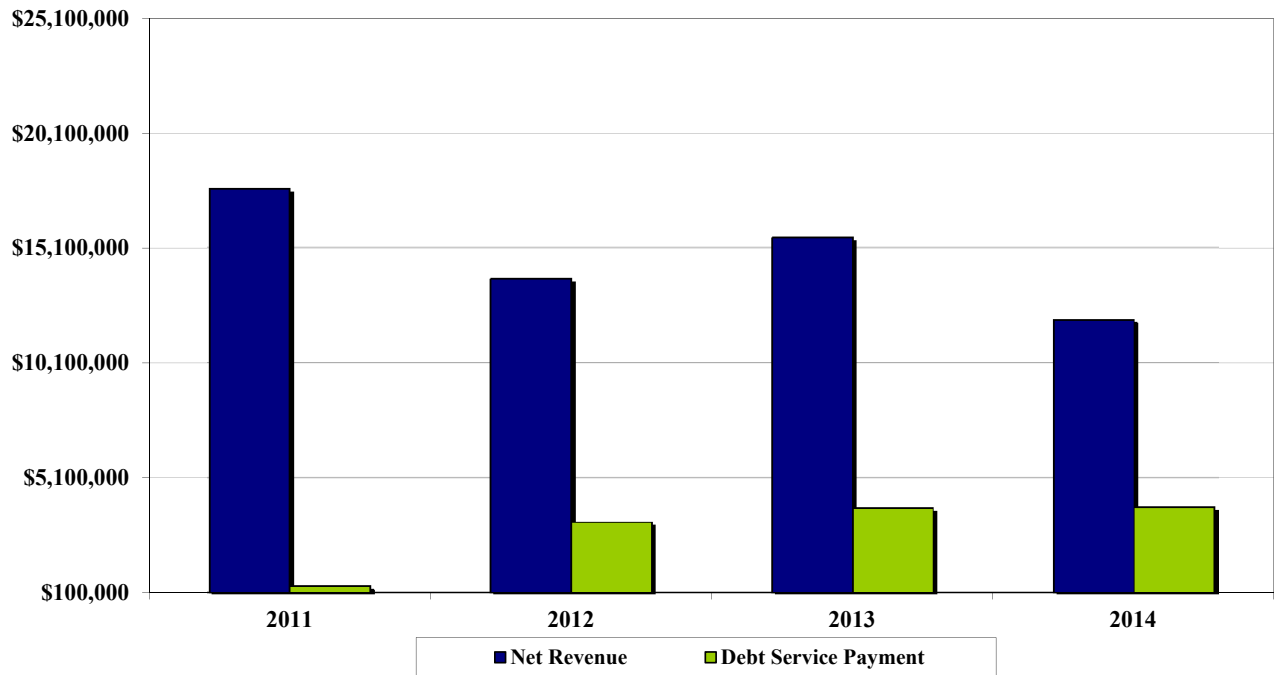
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS  
Last Two Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$33,605,925	\$18,039,506	\$15,566,419	\$0	\$112,244	\$112,244	138.68
2014	30,398,896	18,411,939	11,986,957	0	265,789	265,789	45.10

Notes: (1) Series 2013 refunded the 2011 A/B Series on April 3, 2013  
(2) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues  
(3) Includes all Wastewater Operating Expenses less Depreciation and Interest

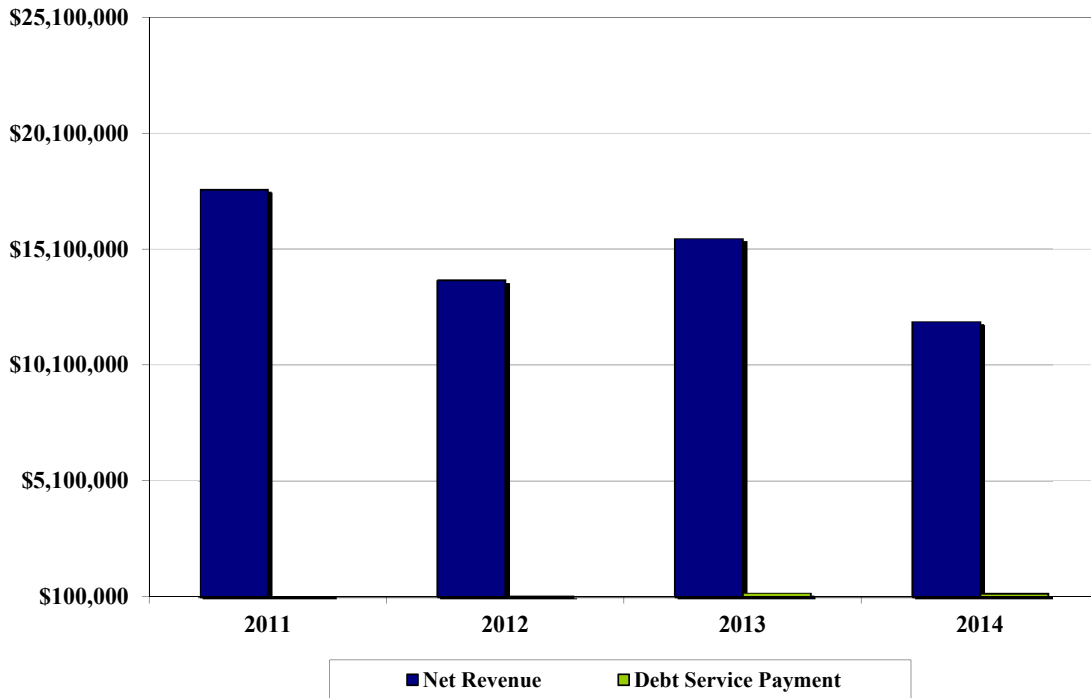
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C  
Last Four Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$400,337	\$400,337	44.17
2012	32,738,613	18,957,898	13,780,715	1,457,173	1,721,010	3,178,183	4.34
2013	33,605,925	18,039,506	15,566,419	1,874,464	1,922,096	3,796,560	4.10
2014	30,398,896	18,411,939	11,986,957	1,988,535	1,840,952	3,829,487	3.13

- Notes: (1) Ten years of data are not available due to the bonds being issued on April 7, 2011  
(2) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues  
(3) Includes all Wastewater Operating Expenses less Depreciation and Interest

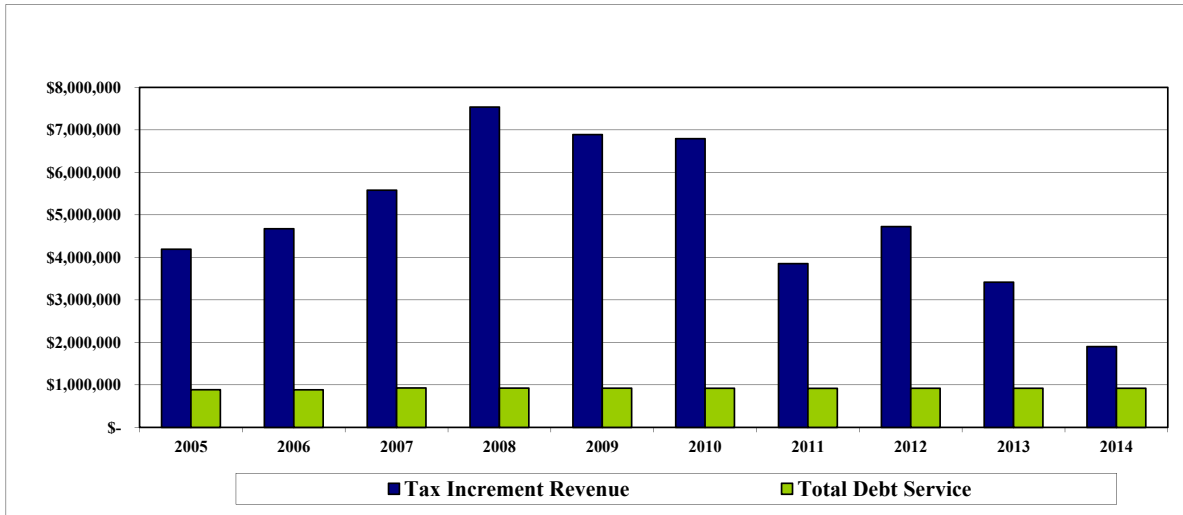
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING SIFMA INDEX WASTEWATER REVENUE BONDS SERIES D  
Last Four Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$38,820	\$38,820	455.53
2012	32,738,613	18,957,898	13,780,715	0	160,193	160,193	86.03
2013	33,605,925	18,039,506	15,566,419	0	291,218	291,218	53.45
2014	30,398,896	18,411,939	11,986,957	0	270,473	270,473	44.32

- Notes: (1) Ten years of data are not available due to the bonds being issued in April 7, 2011  
(2) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues  
(3) Includes all Wastewater Operating Expenses less Depreciation and Interest

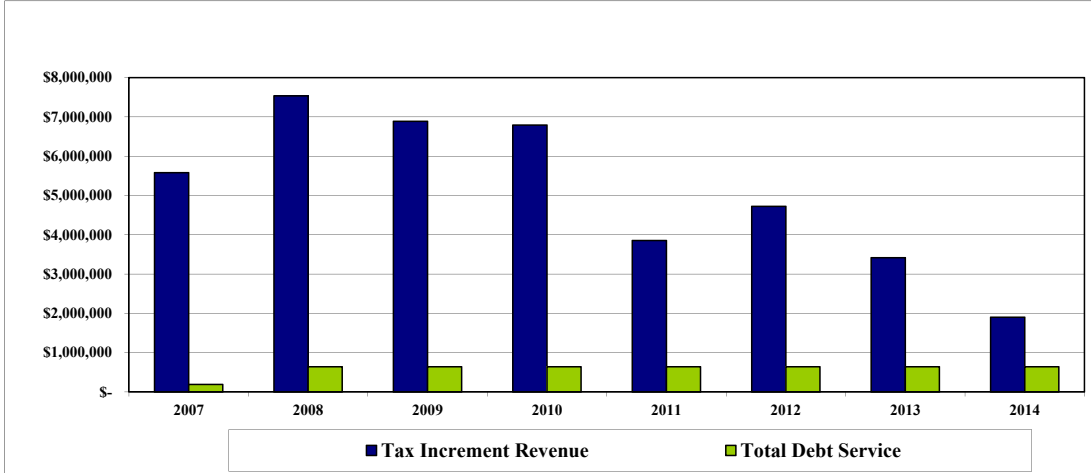
**CITY OF ROSEVILLE  
2002 REDEVELOPMENT TAX ALLOCATION BONDS  
Last Ten Fiscal Years**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements				Coverage
		Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2005	\$ 4,190,987	\$ 220,000	\$ 666,450	\$ 886,450	\$ 13,960,000	0.05
2006	4,673,904	225,000	659,775	884,775	13,735,000	0.05
2007	5,581,407 (a)	275,000	651,875	926,875	13,460,000	0.06
2008	7,535,590 (a)	280,000	642,750	922,750	13,180,000	0.08
2009	6,888,510 (a)	290,000	632,125	922,125	12,890,000	0.07
2010	6,792,567 (a)	300,000	619,875	919,875	12,590,000	0.07
2011	3,853,172 (a)	310,000	607,225	917,225	12,280,000	0.04
2012	4,724,200 (a) (b)	325,000	594,050	919,050 (b)	11,955,000	0.05
2013	3,416,590 (c)	340,000	580,069	920,069 (c)	11,615,000	0.04
2014	1,900,108 (c)	355,000	565,013	920,013 (c)	11,260,000	0.02

- (a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.
- (b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.
- (c) Amounts reported here include tax revenue and debt service of the Successor Agency.

**CITY OF ROSEVILLE**  
**2006A REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Eight Fiscal Years (c)**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)	\$0	\$190,408	\$190,408	\$13,155,000	0.29
2008	7,535,590 (a)	0	640,625	640,625	13,155,000	0.12
2009	6,888,510 (a)	0	640,625	640,625	13,155,000	0.11
2010	6,792,567 (a)	0	640,625	640,625	13,155,000	0.11
2011	3,853,172 (a)	0	640,625	640,625	13,155,000	0.06
2012	4,724,200 (a)(b)	0	640,625	640,625 (b)	13,155,000	0.07
2013	3,416,590 (d)	0	640,625	640,625 (d)	13,155,000	0.05
2014	1,900,108 (d)	0	640,625	640,625 (d)	13,155,000	0.03

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

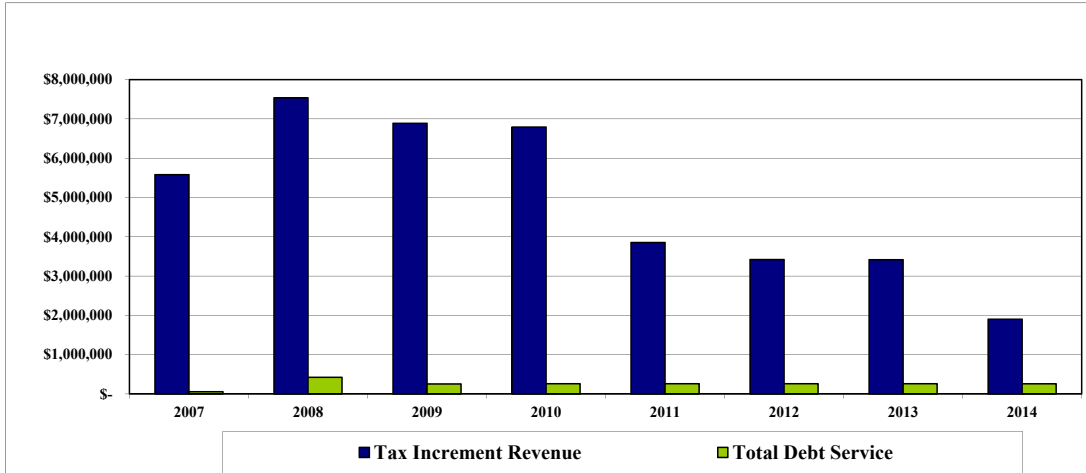
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

(c) Bond issued November 14, 2006

(d) Amounts reported here include tax revenue and debt service of the Successor Agency.

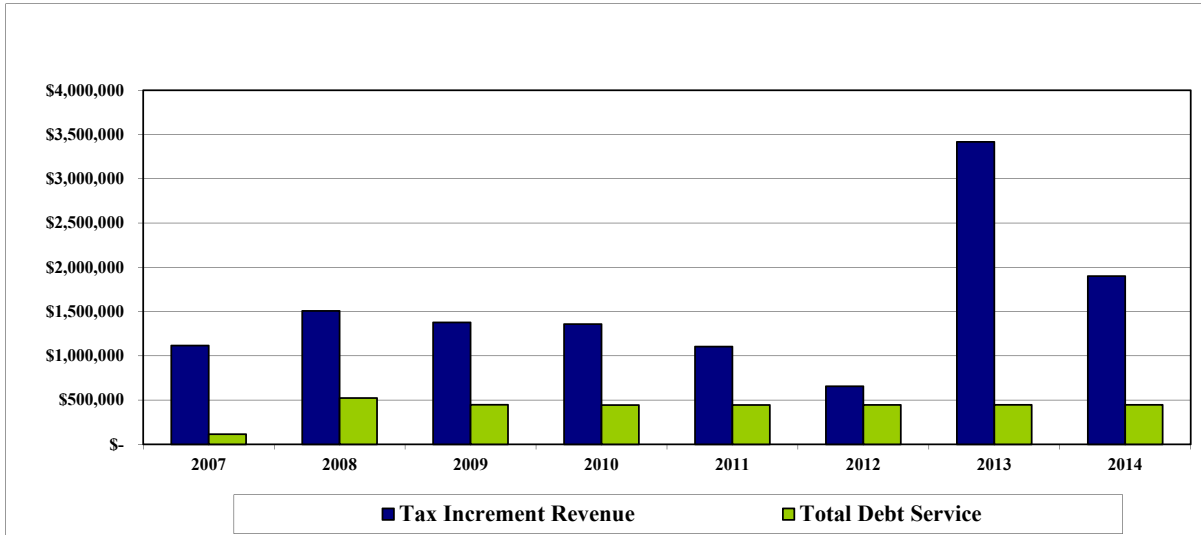
**CITY OF ROSEVILLE**  
**2006AT REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Eight Fiscal Years (c)**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)	\$0	\$56,168	\$56,168	\$3,285,000	0.99
2008	7,535,590 (a)	240,000	182,605	422,605	3,045,000	0.18
2009	6,888,510 (a)	80,000	174,109	254,109	2,965,000	0.27
2010	6,792,567 (a)	90,000	169,596	259,596	2,875,000	0.26
2011	3,853,172 (a)	95,000	164,684	259,684	2,780,000	0.15
2012	3,419,138 (a)(b)	100,000	159,507	259,507 (b)	2,680,000	0.13
2013	3,416,590 (d)	105,000	154,064	259,064 (d)	2,575,000	0.13
2014	1,900,108 (d)	110,000	148,356	258,356 (d)	2,465,000	0.07

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.  
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.  
Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.  
(c) Bond issued November 14, 2006  
(d) Amounts reported here include tax revenue and debt service of the Successor Agency.

**CITY OF ROSEVILLE**  
**2006HT REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Eight Fiscal Years (b)**



Fiscal Year	20% Set Aside	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$1,116,281	\$0	\$114,895	\$114,895	\$6,505,000	0.10
2008	1,507,118	140,000	382,846	522,846	6,365,000	0.03
2009	1,377,575	70,000	377,270	447,270	6,295,000	0.03
2010	1,358,641	70,000	373,553	443,553	6,225,000	0.03
2011	1,103,919	75,000	369,703	444,703	6,150,000	0.02
2012	656,429	80,000	365,588	445,588 (a)	6,070,000	0.01
2013	3,416,590 (c)	85,000	361,207	446,207 (c)	5,985,000	0.08
2014	1,900,108 (c)	90,000	356,561	446,561 (c)	5,895,000	0.04

- (a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include debt service of both the former Redevelopment Agency and the Successor Agency.
- (b) Bond issued November 14, 2006
- (c) Amounts reported here include tax revenue and debt service of the Successor Agency. After January 31, 2012, the Successor Agency is no longer required to set-aside 20% of tax revenue for low and moderate income housing, but the tax revenue collected by the Successor Agency is pledged for the repayment of the 2006HT Bonds.



**CITY OF ROSEVILLE**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2014**

2013-14 Assessed Valuation: \$ 16,089,684,605

	Total Debt 6/30/2014	% Applicable	City's Share of Debt 6/30/2014
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Roseville Joint Union High School District	\$ 85,225,865	74.616%	\$ 63,592,131
Roseville Joint Union High School District SFID No. 1	4,730,624	95.866%	4,535,060
Center Joint Unified School District	37,496,861	1.872%	701,941
Rocklin Unified School District	66,757,748	0.563%	375,846
Dry Creek Joint School District	45,289,236	58.172%	26,345,654
Eureka Union School District	3,987,195	35.126%	1,400,542
Roseville City School District	25,409,632	97.134%	24,681,392
City of Roseville Community Facilities Districts	326,724,000	100.000%	326,724,000
California Statewide Communities Development Authority Assessment Districts	14,407,851	3.314-100%	8,629,213
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 456,985,779</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Placer County Certificates of Participation	\$ 42,170,000	29.236%	\$ 12,328,821
Placer County Office of Education Certificates of Participation	1,815,000	29.236%	530,633
Sierra Joint Community College District Certificates of Participation	9,635,000	21.841%	2,104,380
Roseville Joint Union High School District Certificates of Participation	2,130,000	74.616%	1,589,321
Center Joint Unified School District Certificates of Participation	1,361,803	1.872%	25,493
Rocklin Unified School District Certificates of Participation	18,850,000	0.563%	106,126
Eureka Union School District Certificates of Participation	4,215,000	35.126%	1,480,561
Roseville City School District Certificates of Participation	10,605,000	97.134%	10,301,061
Placer Mosquito and Vector Control District Certificates of Participation	4,110,000	29.236%	1,201,600
<b>City of Roseville Certificates of Participation</b>	<b>15,015,209</b>	<b>100.000%</b>	<b>15,015,209 (1)</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 44,683,205</b>
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>	<b>\$ 32,775,000</b>	<b>100.000%</b>	<b>\$ 32,775,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 15,015,209</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 519,428,775</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 534,443,984 (2)</b>

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**Ratios to 2013-2014 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	2.84%
<b>Total Direct Debt (\$15,015,209)</b>	<b>0.09%</b>
Combined Total Debt	3.32%

**Ratios to Redevelopment Successor Agency Incremental Valuations (\$627,779,574):**

Total Overlapping Tax and Assessment Debt	5.22%
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Source: California Municipal Statistics, Inc.

**CITY OF ROSEVILLE**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**June 30, 2014**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$15,417,937,646
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$578,172,662
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$575,080,392
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	(575,080,392)

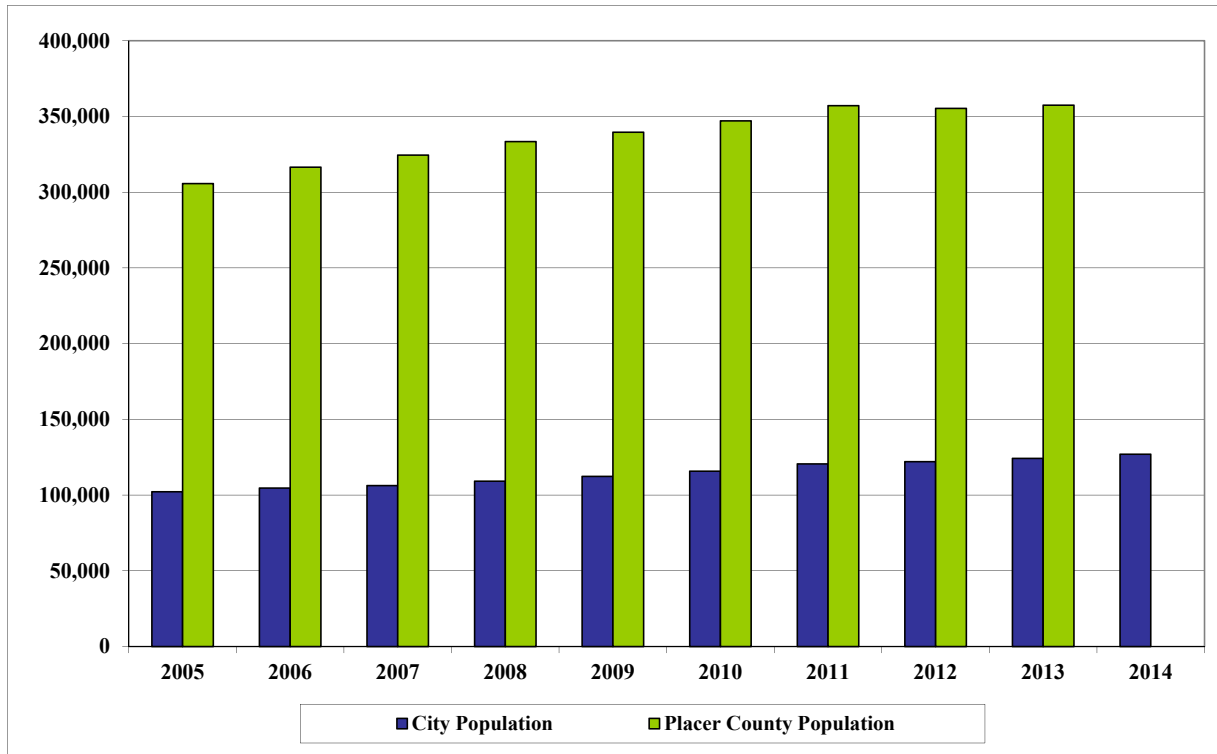
Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$578,172,662
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Fiscal Year*	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2005	\$ 445,276,653	\$0	\$ 445,276,653	0.00%
2006	500,173,479	0	500,173,479	0.00%
2007	584,311,626	0	584,311,626	0.00%
2008	624,162,731	0	624,162,731	0.00%
2009	626,993,562	0	626,993,562	0.00%
2010	611,493,748	0	611,493,748	0.00%
2011	567,178,798	0	567,178,798	0.00%
2012	560,837,192	0	560,837,192	0.00%
2013	536,758,408	0	536,758,408	0.00%
2014	578,172,662	0	578,172,662	0.00%

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**CITY OF ROSEVILLE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years**



Fiscal Year	City of Roseville Population	County Total Personal Income	County Per Capita Personal Income	City of Roseville Unemployment Rate (%)	Placer County Population	City Population % of County
2005	102,191	\$ 13,070,082	\$ 41,248	4.0%	305,675	33.43%
2006	104,655	14,247,775	43,937	4.2%	316,508	33.07%
2007	106,266	15,101,855	45,471	4.9%	324,495	32.75%
2008	109,154	16,252,937	47,657	6.6%	333,401	32.74%
2009	112,343	15,898,900	45,614	10.6%	339,577	33.08%
2010	115,781	16,464,986	47,012	11.3%	347,102	33.36%
2011	120,593	17,312,666	48,476	11.4%	357,138	33.77%
2012	122,060	19,004,105	52,544	10.0%	355,328	34.35%
2013	124,255	(a)	(a)	7.5%	357,463	34.76%
2014	126,956	(a)	(a)	6.5%	(a)	(a)

(a) Information not available

Source: Bureau of Economic Analysis  
City of Roseville Economic Development Department  
Placer County  
U.S. Department of Labor  
State of California Employment Development Department

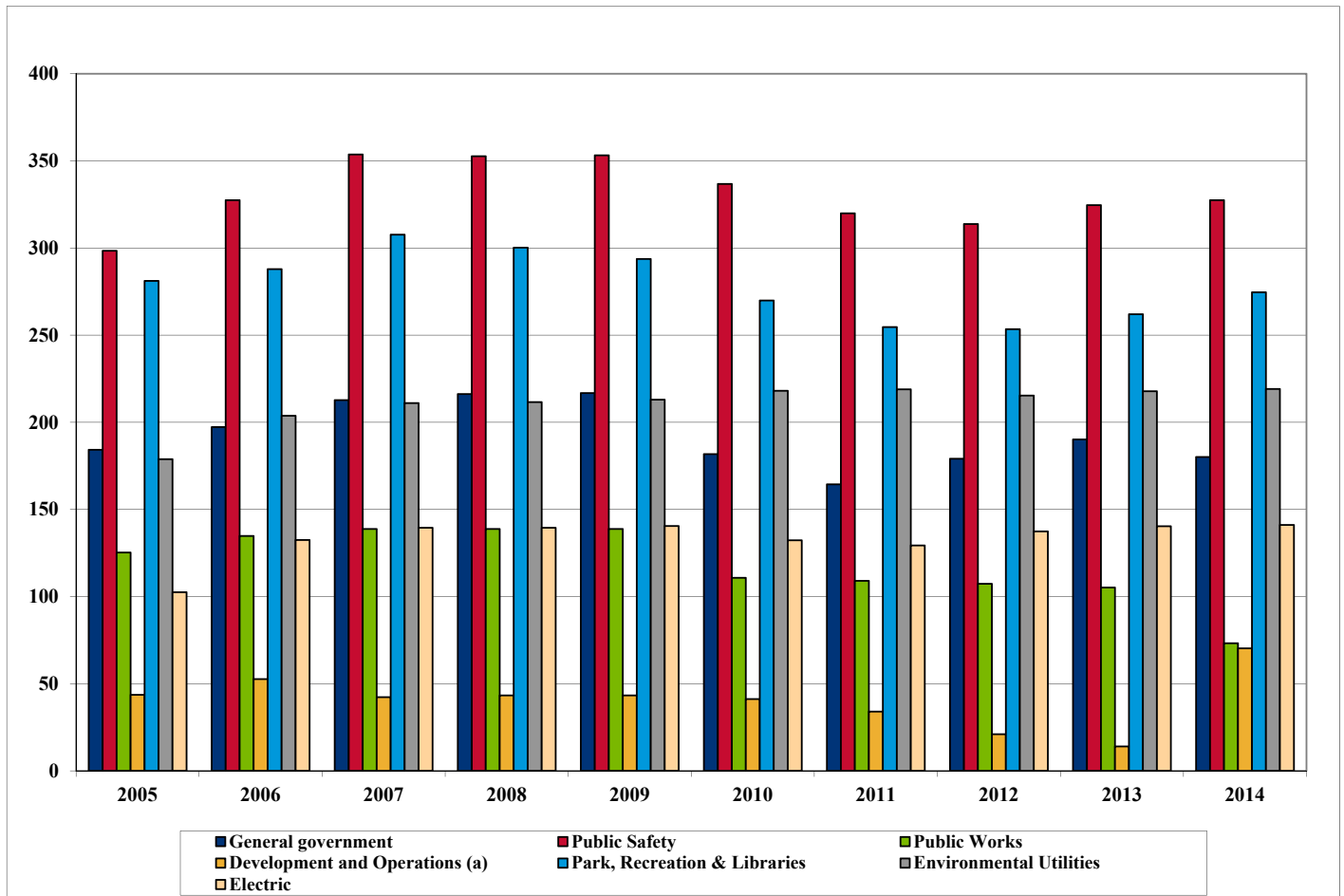
**CITY OF ROSEVILLE  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2014</b>			<b>2005</b>	
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employees</b>	<b>Number of Employees</b>	<b>Rank</b>
Kaiser Permanente	3,231	1	4.55%	3,000	2
Hewlett-Packard	2,132	2	3.00%	3,706	1
Sutter Roseville Medical Center	1,654	3	2.33%	1,682	3
Roseville Joint Union High School District	1,434	4	2.02%	946	6
City of Roseville	1,286	5	1.81%	1,034	5
Union Pacific Railroad Company	1,137	6	1.60%	1,294	4
Adventist Health System West	1,019	7	1.44%		
Roseville City School District	1,000	8	1.41%	805	7
Wal-Mart Superstore (PG)	460	9	0.65%	635	9
LB Construction, Inc.	404	10	0.57%		
NEC Electronics				715	8
Surewest Communications				575	10
Subtotal	<u>13,757</u>		<u>19.38%</u>	<u>14,392</u>	
Total Employment	<u>70,969</u> (a)			<u>(b)</u>	

(a) Total Employment as used above represents the total employment of all employees located within the City limits.

(b) Information not available

**CITY OF ROSEVILLE**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**



**Adopted for Fiscal Year Ended June 30,**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function</b>										
General government	184.23	197.23	212.71	216.21	216.79	181.75	164.38	179.09	190.14	180.10
Public Safety	298.43	327.46	353.69	352.69	353.18	336.75	319.90	313.78	324.59	327.42
Public Works	125.29	134.77	138.77	138.77	138.77	110.75	109.03	107.33	105.17	73.18
Development and Operations (a)	43.63	52.63	42.25	43.25	43.25	41.17	33.98	21.00	14.00	70.26
Park, Recreation & Libraries	281.12	287.86	307.65	300.19	293.70	269.89	254.65	253.43	262.00	274.61
Environmental Utilities	178.82	203.74	211.03	211.59	213.00	218.09	218.90	215.32	217.82	219.14
Electric	102.46	132.46	139.46	139.46	140.46	132.29	129.33	137.39	140.36	141.09
<b>Total</b>	<b>1,213.98</b>	<b>1,336.15</b>	<b>1,405.56</b>	<b>1,402.16</b>	<b>1,399.15</b>	<b>1,290.69</b>	<b>1,230.17</b>	<b>1,227.34</b>	<b>1,254.08</b>	<b>1,285.80</b>

(a) Community Development was renamed to Development and Operations in fiscal year 2014.

**CITY OF ROSEVILLE**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function/Program</b>										
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	134	413	330	287	194	192	172	199	201	214
Number of medical emergencies answered	5,228	6,458	6,622	6,737	6,967	7,485	7,836	8,429	9,045	9,995
Total calls for service	8,023	9,784	10,065	9,492	8,694	9,129	9,609	10,006	10,936	12,163
Police:										
Law violations:										
Physical arrests (adult and juvenile)	5,578	7,602	7,360	5,464	5,245	4,520	5,845	4,264	4,647	4,321
Traffic citations	15,260	18,587	19,893	18,883	20,889	19,033	6,404	4,826	4,470	2,207
Public works:										
Total building permits issued	4,434	5,703	4,272	4,849	3,975	3,884	4,078	4,338	4,131	5,796
Total square feet of street maintenance performed	9,529,760	3,763,328	7,707,910	3,853,433	7,648,976	4,501,241	4,342,272	3,375,318	4,275,981	4,452,658
Park and recreation:										
Community Services:										
Number of participants in Cultural Art classes (Note 1)	3,029	3,447	1,926	1,520	2,688	n/a	n/a	n/a	n/a	n/a
Total attendance Youth/Adult/Senior programs	299,134	301,906	265,736	86,951	160,936	299,134	301,906	265,736	86,951	160,936
Total attendance to aquatic facilities (Note 2)	271,377	234,542	243,429	235,548	250,182	266,931	278,860	306,455	291,407	324,918
Library:										
Number of materials checked out (Note 3)	554,174	627,317	685,097	818,428	946,224	1,001,179	994,990	1,058,434	1,194,909	1,273,880
Water:										
Average Daily Consumption (in gallons)	26.82M	27.26M	30.43M	28.15M	28.19M	25.6 M	25.9M	28.6M	30.2M	28.0M
Number of backflow devices tested	4,122	3,836	4,348	4,679	4,728	4,895	4,965	4,558	3,862	4,520
Number of meters sold	1,987	1,800	1,031	1,917	2,268	807	497	555	770	569
Wastewater:										
Number of miles of sewer mains flushed	448	427	218	280	258	209	284	277	271	335
Total preventative work orders completed (Note 4)	3,107	7,065	9,247	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% of preventative work orders hours (Note 5)				43.1%	45.5%	48.0%	55%	n/a	40.2%	35.8%
Solid Waste:										
Tons of solid waste collected	98,910	102,370	100,148	96,265	89,512	87,446	89,125	87,336	87,946	92,101
Number of incoming phone calls	22,684	23,672	26,870	26,491	22,340	25,369	24,538	22,898	20,732	21,718
Electric:										
Number of customers participating in energy efficiency and solar programs	2,793	3,123	3,663	2,949	6,333	3,477	4,188	3,443	3,731	4,705
Number of trees planted (Shade Tree Program)	625	621	628	842	1,106	611	680	795	457	147

- Notes:
- 1 - No longer tracked in FY09-10. Attendance are now tracked by Youth/Adult/Senior by programs.
  - 2 - Roseville Aquatics Center closed for pool repairs Nov 2007-Jan 2008.
  - 3 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during the winter 2008.
  - 4 - Preventative work orders are no longer tracked by the number completed. It is now tracked by the percentage of number of hours worked (effective FY07-08).
  - 5 - Data not available for FY11-12 due to change in software (Maximo) used by the City.

**CITY OF ROSEVILLE**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Public safety:										
Fire stations	7	7	8	8	8	8	8	8	8	8
Police stations	1	1	1	1	1	1	1	1	1	1
Number of Police patrol cars	97	110	107	107	106	51	49	58	61	64
Public works:										
Miles of streets	432	455	475	432	428	429	432	438	440	440
Number of Traffic Signals	135	141	150	154	162	165	166	167	167	167
Park and recreation:										
Community services:										
Golf courses (18 holes)	2	2	2	2	2	2	2	2	2	2
City parks	48	53	56	58	61	61	63	66	68	71
Miles of creek	57	60	60	60	60	60	60	60	60	60
Swimming pools (Note 1)	4	4	4	4	4	3	3	3	3	3
Tennis courts	12	12	12	14	16	16	16	16	16	18
Library:										
City Libraries	3	3	3	3	3	3	3	3	3	3
Water										
Miles of water mains	494	506	540	556	562	567	569	569	570	570
Fire hydrants	3,881	3,978	4,278	4,413	4,473	4,514	4,533	4,542	4,545	4,545
Wastewater										
Miles of sanitary sewers	460	447	472	485	485	492	493	487	487	491
Miles of storm drain	352	435	474	376	373	382	348	349	351	344
Solid Waste:										
Number of new residential refuse customers	1,062	705	809	984	800	750	522	537	768	475
Electric:										
Number of residential customers	41,883	43,001	43,793	44,662	45,478	46,400	47,021	47,611	48,387	49,013
Number of commercial customers	5,410	5,523	5,788	6,038	6,349	6,411	6,437	6,505	6,561	6,666

Note 1 - Swimming pool at Oakmont High School no longer used by the City.