

# Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2015



Vernon Street Town Square Grand Opening Concert, 311 Vernon St.



**CITY OF ROSEVILLE, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Prepared by

**FINANCE DEPARTMENT**



**CITY OF ROSEVILLE, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

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December 31, 2015

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, 2015. 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 Vavrinek, Trine, Day & Co., LLP, 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, Economic Development Advisory Committee, Library Board, Parks and Recreation Commission, Personnel Board, Placer Mosquito & Vector Control District, Planning Commission, Public Utilities Commission, Roseville Grants Advisory Commission, Senior Citizen Commission, Transportation Commission, and Youth Sports Coalition.

## ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2015 continued improving. Overall, general fund revenues increased from the prior year. Commercial development increased again over the previous year, with commercial investment and tenant improvements totaling sixty-seven million dollars (\$67 m). This is expected to increase by another fifty percent (50%) by the end of fiscal year 2016.

In March, 2014, Standard & Poor's upgraded the City's bond rating to AA+, an uncommonly strong rating for a California municipality, especially during an economic downturn.

The City continued efforts to control costs as the economy continued its recovery. The City is taking a new approach on the budgeting philosophy for the General Fund. Budgets should more closely reflect anticipated expenses, leaving less unallocated at the end of the fiscal year. With the unspent funds, a

General Fund Contingency fund, in addition to the General Fund's operating reserve, was created to allow more flexibility to address unanticipated needs that arise during the year.

The electric utility's operating revenues and expenses increased from the prior year with Roseville Electric's residential customers growing at an average of 1.2% per 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. New undeveloped specific plans will add a considerable amount of residential customers plus additional acres of commercial and industrial land. 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 continue with 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 2015. The water utility's debt is a fixed rate; however, the wastewater utility includes a large amount of variable-rate debt. The interest rates on this debt remained low through fiscal year 2015.

The Golf Course enterprise fund ended the fiscal year with operating revenues higher than operating expenses, although both came in under what was anticipated. The 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.

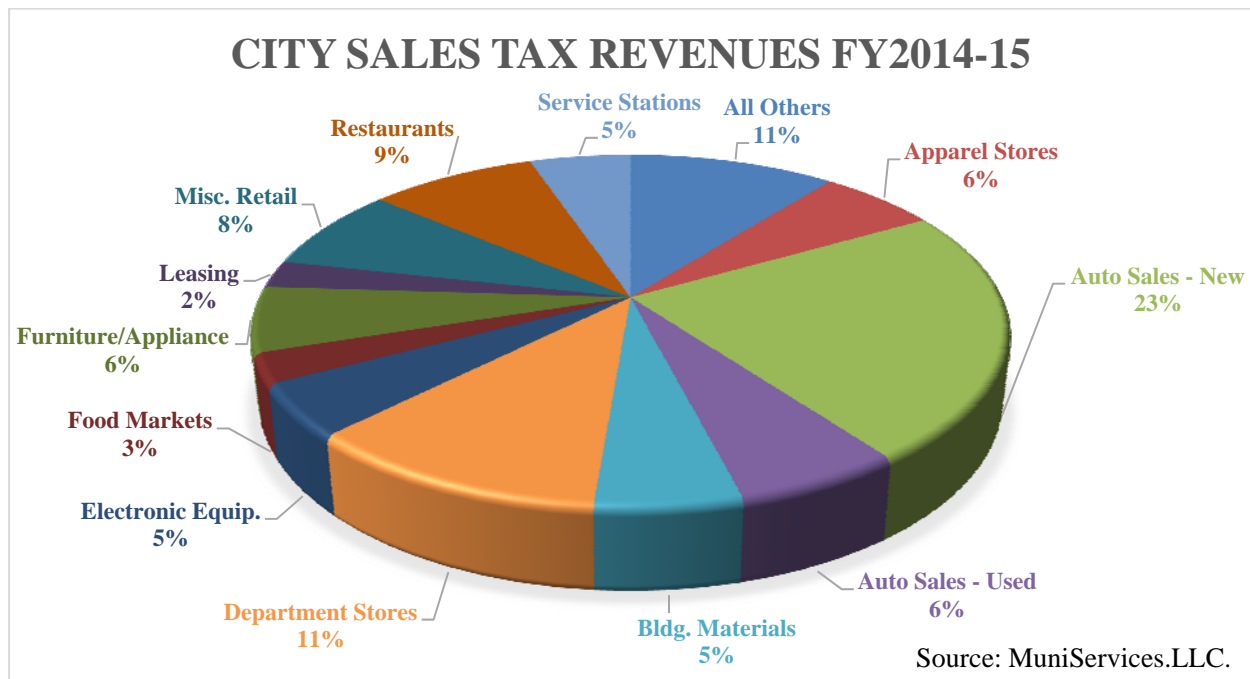
The School-Age Child Care Fund had operating revenues greater than operating expenses and ended the fiscal year in the black. Review of the program's financial structure is an on-going process and the program was successful in bringing the fund balance to a positive in fiscal year 2014 which was maintained in fiscal year 2015.

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 couple of years. This is indicated in the 27% increase in residential single family permits over fiscal year 2014. Office vacancies continue to remain low. Sales tax increased but at a lower rate than in prior years. It should begin to level out over the next few years. New auto sales in fiscal year 2015 generated more sales tax as compared to fiscal year 2014, and continues to be a leader in the state.

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 2015, the City continued with the five-year funding plan to address unfunded liabilities associated with OPEB and the CIP Rehab Fund by increasing contributions to the respective funds. The City added additional contributions to Workers Compensation and General Liability funds bringing the balances to a council directed 75% confidence level. PERS costs increased, as expected, and are projected 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, building materials, and restaurants all increased over fiscal year 2014. Total sales and use taxes saw a slight upward shift, with less than a two percent increase above fiscal year 2014. New auto sales, the largest sales tax category, were up 5.94 % from last year and up 14.29% from two years ago.



The outlook for the next two years is that sales taxes are most likely to increase slightly over the next year and then begin to level out while property taxes will continue to climb upward for the next several years as the newly constructed single family homes sell. 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 2015 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:** Completed 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:** The Blue Oaks and Hayden Parkway wells were completed in early February 2015. Kicked off the first phase of the West Side Tank & Pump Station Project design. Aided Fire Department accreditation by passing national audit board on water system credentials. Coordinated the region toward successful formation of a Groundwater Sustainability Agency in compliance with the State Sustainable Groundwater Management Act law. Commissioned the Pleasant Grove Pump Back station that will enable more efficient use of groundwater in emergency conditions and drought. Received the Project of the Year award from American Public Works Association for the Blue Oaks and Hayden Parkway well projects. Worked with the region on furthering the Modified Flow Management Standard for the Lower American River, a project that includes a carry-over storage target for Folsom Lake which would result in higher lake levels in more years.

- Wastewater: The Pleasant Grove WWTP Expansion and Cogeneration Projects are underway. Consultants are preparing the basis of design report for each project. Digester cleaning is underway at the Dry Creek WWTP. A consultant will assess the structural condition of the tank after it is cleaned.
- Electric: Ongoing expansion of electric distribution system to serve new customers and rehabilitation of electric assets to maintain Roseville's highly reliable electric service.
- Parks and Recreation: Completion of Ricky Park (formerly Longmeadow), Royer Tennis Court Renovations, Lincoln Estates Park Play Area Renovation; Saugstad Storm Drainage Repairs; Garbolino Park Play Area Renovations; Project Play Shade Replacement; pool cover at the Roseville Aquatics Complex; and Phase 1 of turf conversions (Electric Administration, Corporation Yard, and Crestmont Park.)

The City has experienced an overall decrease in total permit activity with 4,719 permits being issued, compared to 5,796 issued last fiscal year. Single-family residential permits increased compared to last fiscal year with 638 new single family and sixteen (16) new multi-family permits finalized in 2015 as compared to 503 and zero (0), respectively, in fiscal year 2014. Several new development proposals should keep single-family and multi-family permits on the rise in the near future. Although the number of commercial permits decreased down to eight (8), the square footage of these buildings has increased by over 272,000 square feet as compared to the prior year. Of the new commercial permits, Lifetime Fitness makes up 120,000 square feet and a downtown office building makes up 56,248 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 and is currently under construction. The Creekview Specific Plan, approved by the City Council in September 2012, was officially annexed April 17, 2013. HP Campus rezone project was approved by Council on August 5, 2015. Amoruso Ranch is finishing up technical studies and is anticipated to complete its entitlement process by early summer 2016. The specific plan will go to hearing by the end of fiscal year 2016.

#### 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:

**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, supranational bonds, 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, Negotiable CD's, Federal Agencies and U.S. Treasuries. The average annual yield was 0.810% on the City's month-end average investment balances. This compared with a return of 0.790% in the prior year. As of June 30, 2015, the yield to market of outstanding investments was 0.769%. 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 CD's. No losses have occurred in these portfolios. The table below provides a list of the City's investments at the end of June 30, 2015.

City of Roseville							
Portfolio Summary							
June 30, 2015							
Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Certificates of Deposit	2,250,000.00	2,255,369.90	2,250,000.00	0.45	324	155	0.350
Local Agency Investment Funds	49,276,578.81	49,276,578.81	49,276,578.81	9.85	1	1	0.290
Money Market	17,168,049.59	17,168,049.59	17,168,049.59	3.43	1	1	0.090
Negotiable CDs	69,605,000.00	69,547,578.11	69,591,739.56	13.91	774	574	0.952
Corporate Notes	109,055,000.00	109,606,491.54	109,542,221.65	21.90	1,091	770	1.235
Commercial Paper- Interest Bearing	50,000,000.00	50,011,963.31	50,000,000.00	9.99	351	242	0.184
Federal Agency Coupon Securities	105,340,000.00	105,613,467.14	105,470,785.86	21.08	819	617	0.730
Treasury Coupon Securities	85,794,000.00	87,085,439.30	86,840,881.35	17.36	948	740	0.812
Supra-National Agency Bond	2,205,000.00	2,202,062.94	2,201,433.90	0.44	1,142	1,080	1.058
Federal Agency Collateralized Mort	1,770,000.00	1,783,205.97	1,787,693.63	0.36	1,067	1,005	0.773
Municipal Bonds	6,145,000.00	6,164,419.50	6,145,000.00	1.23	734	454	0.764
<b>Investments</b>	<b>498,608,628.40</b>	<b>500,714,626.11</b>	<b>500,274,384.35</b>	<b>100.00%</b>	<b>738</b>	<b>546</b>	<b>0.769</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 \$7.77 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. It

has performed well in the equity markets, achieving a return of 8.66% since inception. In fiscal year 2015, the fund's market value grew to \$52 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. In the long-term the OPEB unfunded liability should start decreasing with increased contributions and investment returns. The city is on track to fund 100% of the annual required contribution by fiscal year 2018.

#### 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, Vavrinek, Trine, Day & Co., LLP, 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, 2014. 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

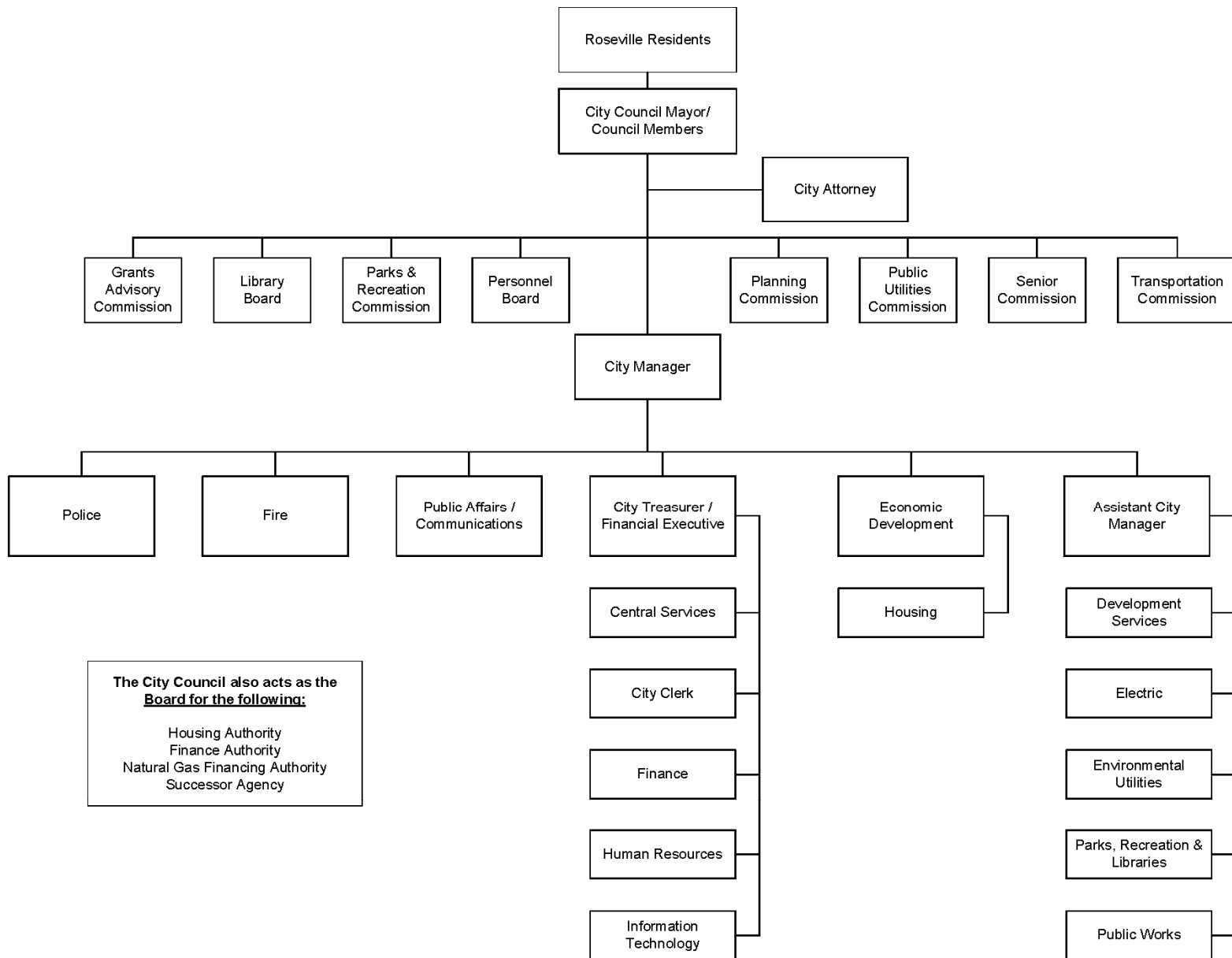
I extend my appreciation to the entire staff in the Finance Department and other departments who assisted in the process of compiling the information for this report. In addition, I extend a special "thank you" to the City's Accounting Division staff and our external auditors who contributed long hours 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, 2015

Mayor  
Vice Mayor  
Council Member  
Council Member  
Council Member

Carol Garcia  
Susan Rohan  
Pauline Roccucci  
Bonnie Gore  
Tim Herman



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, 2014**

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council  
City of Roseville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, California, (City) as of and for the year ended June 30, 2015, 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Financial Reporting for Pensions - an amendment of GASB 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB 68*, effective July 1, 2014. Our opinions are not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 20, the budgetary comparison information for the General Fund on pages 108 through 111, the Modified Approach to Reporting Street Pavement Costs and Parks and Landscaping Costs on pages 114 through 115, the schedule of changes in the net pension liability and related ratios on page 112, the schedule of pension contributions on page 113 and the schedule of funding progress on page 116 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are 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 31, 2015, 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 City's internal control over financial reporting and compliance.



Sacramento, California  
December 31, 2015

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2015**

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, 2015. 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 2015 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2015 include the following:

*Entity-wide:*

- The City's total net position was \$2.3 billion as of June 30, 2015. Of this total, the net position is \$889.6 million for Governmental Activities and \$1.4 billion for Business-type Activities.
- Governmental revenues include program revenues of \$72.0 million and general revenues and transfers of \$123.7 million for a total of \$195.7 million.
- Governmental expenses were \$164.6 million (see Governmental Activities – Table 1 discussion).
- Business-type program revenues and interest revenue were \$346.3 million while Business-type expenses and transfers out were \$286.5 million.
- During fiscal year 2015, the City implemented GASB Statements 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (GASB 68)*, and 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68 (GASB 71)*. As a result, deferred outflows of resources, deferred inflows of resources, and the net pension liability are reflected in the financial statements. The net pension liability as of June 30, 2015 for governmental activities and business type activities was \$161.8 million and \$79.4 million, respectively. Amounts related to fiscal year 2014 have not been restated in this management's discussion and analysis.

*Fund Level:*

- Governmental Fund balances increased to \$205.9 million in fiscal year 2015, up \$18.7 million from the prior year.
- Governmental Fund revenues increased to \$168.6 million in 2015, up \$29.1 million from the prior year. Taxes, licenses and permits, charges for services, subventions and grants, use of money property, contributions from developers, and miscellaneous revenue all increased, while fines, forfeitures, and penalties slightly decreased. Governmental Fund expenditures increased to \$170.0 million in fiscal year 2015, up \$9.2 million from the prior year. The change was primarily due to increases of \$3.5 million in development and operations, \$3.0 million in public safety, and \$1.7 million in general government.
- Other Financing Sources provided a net of \$20.1 million in fiscal year 2015, up \$3.2 million from 2014.

*General Fund:*

- General Fund revenues of \$114.5 million increased by \$9.4 million over the prior year as most revenue categories increased; with taxes increasing by \$4.2 million and a \$2.3 million increase in charges for services.
- General Fund expenditures of \$129.2 million increased \$12.0 million over the prior year as most expenditure categories increased; with development and operations increasing by \$3.2 million, public safety increasing by \$3.0 million, and general government increasing by \$1.6 million.
- Other Financing Sources increased by \$912 thousand to \$13.7 million, as there were less transfers out in the current year (see additional discussion in Note 4A).
- The General Fund balance of \$52.5 million as of June 30, 2015 decreased \$1.0 million from fiscal year 2014's fund balance of \$53.5 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 the financial statements,
- 4) Required Supplementary Information,
- 5) Combining Statements and Schedules for Non-major Governmental Funds, Internal Service 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 Governmental 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 Other Post Employment Benefits Trust Fund, Private-Purpose Trust Funds, 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 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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

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*

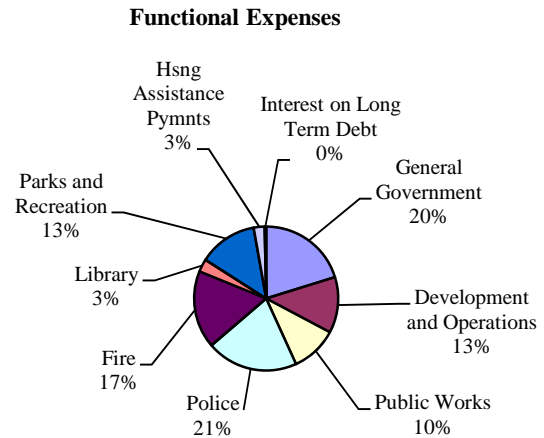
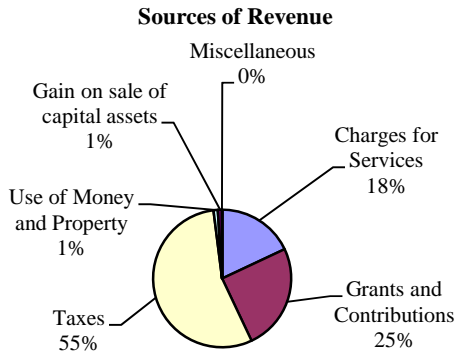
**Table 1**  
**Governmental Net Position at June 30**  
**(in Millions)**

	<u>2015</u>	<u>2014</u>
Cash and Investments	\$ 242.8	\$ 224.5
Other Assets	69.2	70.4
Capital Assets	<u>858.0</u>	<u>840.5</u>
<b>Total Assets</b>	<b><u>1,170.0</u></b>	<b><u>1,135.4</u></b>
Deferred Amounts related to Pensions	<u>17.3</u>	<u></u>
<b>Total Deferred Outflows of Resources</b>	<b><u>17.3</u></b>	<u></u>
Long-Term Debt Outstanding	14.0	14.7
Other Liabilities	<u>259.1</u>	<u>92.4</u>
<b>Total Liabilities</b>	<b><u>273.1</u></b>	<b><u>107.1</u></b>
Deferred Amounts related to Pensions	<u>24.6</u>	<u></u>
<b>Total Deferred Inflows of Resources</b>	<b><u>24.6</u></b>	<u></u>
Net Investment in Capital Assets	844.0	828.8
Restricted	139.7	123.6
Unrestricted	<u>(94.1)</u>	<u>75.9</u>
<b>Total Net Position</b>	<b><u>\$ 889.6</u></b>	<b><u>\$ 1,028.3</u></b>

The City's governmental net position amounted to \$889.6 million as of June 30, 2015, an increase of \$31.0 million from fiscal year 2014 (after restatement). The City's net position as of June 30, 2015 comprised the following:

- Cash and investments comprised \$239.3 million in the city treasury and \$3.5 million of restricted cash and investments. The majority of the securities mature within the next five years and are held in U.S. Government Agencies, Federal Agency Securities, or Corporate Notes, as detailed in Note 3 to the financial statements.
- Receivables comprised \$16.4 million of which were current, along with developer permit receivables of \$3.6 million, internal balances of \$3.7 million, notes receivable of \$43.4 million that are due over longer periods of time, as explained in Notes 4, 5, and 6 to the financial statements.
- Capital assets of \$858.0 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.
- Deferred outflows of resources related to pensions \$17.3 million, as explained in Note 12 to the financial statements.
- Current liabilities—including accounts payable, accrued liabilities, and other amounts due currently—totaled \$29.7 million.
- Accrued compensated absences liabilities payable to employees of \$12.9 million, as explained in Note 1H to the financial statements.
- \$44.5 million of unfunded required contributions to the Other Post-Employment Benefits (OPEB) Trust as required by GASB 45 and detailed in Note 13.
- Net pension liability of \$161.8 million, as explained in Note 12 to the financial statements.
- Long-term debt of \$14.0 million, of which \$13.1 million is due in more than one year and \$0.9 million is due within one year, as detailed in Note 9.
- Deferred inflows of resources related to pensions \$24.6 million, as explained in Note 12 to the financial statements.
- Net investment in capital assets of \$844.0 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 \$139.7 million may only be used to construct specified capital projects, for debt service, for community development projects, or must be held in tact. 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 \$(94.1) million of unrestricted net position as of June 30, 2015. This was primarily a result of implementation of GASB Statements 68 and 71 and the corresponding net pension liability.

## Fiscal Year 2015 Governmental Activities



As the Sources of Revenue Chart above shows, \$92.1 million or 55% of the City's fiscal year 2015 governmental activities revenue came from taxes, while \$42.3 million or 25% came from grants and contributions, \$29.8 million or 18% came from charges for services, and the remainder came from use of money and property, gain on sale of capital assets, 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 \$33.3 million or 20% of total government expenses, development and operations was \$20.7 million or 13%, public works was \$17.2 million or 10%, police was \$33.8 million or 21%, fire was \$28.7 million or 17%, parks and recreation was \$21.7 million or 13%, and the remainder came from other governmental programs and functions, as shown above.

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>2015</u>	<u>2014</u>
<b>Expenses</b>		
General Government	\$ 33.3	\$ 42.4
Development and Operations	20.7	14.4
Public Works	17.2	26.3
Police	33.8	34.4
Fire	28.7	28.2
Library	4.7	4.6
Parks and Recreation	21.7	13.9
Housing Assistance Payments	4.1	3.9
Interest on Long-Term Debt	0.5	0.7
<b>Total Expenses</b>	<b>164.7</b>	<b>168.8</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	29.8	24.5
Operating Grants and Contributions	12.4	11.0
Capital Grants and Contributions	29.8	22.5
<b>Total Program Revenues</b>	<b>72.0</b>	<b>58.0</b>
General Revenues:		
Taxes/Intergovernmental	92.1	88.0
Use of Money and Property	1.8	2.4
Miscellaneous	2.1	0.5
<b>Total General Revenues</b>	<b>96.0</b>	<b>90.9</b>
<b>Total Revenues</b>	<b>168.0</b>	<b>148.9</b>
<b>Changes in Net Position before Transfers</b>	<b>3.3</b>	<b>(19.9)</b>
Transfers	27.7	(11.5)
Extraordinary item-Successor Agency		0.4
<b>Change in Net Position</b>	<b>31.0</b>	<b>(31.0)</b>
<b>Net Position-Beginning, as restated</b>	<b>858.6</b>	<b>1,059.3</b>
<b>Net Position-Ending</b>	<b>\$ 889.6</b>	<b>\$ 1,028.3</b>

As the Sources of Revenue Chart and **Table 2** above show, \$72.0 million, or 42.9% of the City's fiscal year 2015 governmental revenue, came from program revenues and \$96.0 million, or 57.1%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$29.8 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$12.4 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$29.8 million that consist mainly of street project grants, developer impact fees restricted to capital outlay.

General Revenues-Taxes/Intergovernmental showed an increase of \$4.1 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.

**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>2015</u>	<u>2014</u>
General Government	\$ (24.2)	\$ (37.1)
Development and Operations	(9.2)	(4.8)
Public Works	4.5	(9.7)
Police	(31.1)	(31.8)
Fire	(24.9)	(24.6)
Library	(4.5)	(4.2)
Parks and Recreation	(3.4)	1.6
Housing Assistance Payments	0.7	0.5
Interest on Long Term Debt	(0.5)	(0.7)
<b>Totals</b>	<b>\$ (92.6)</b>	<b>\$ (110.8)</b>



### *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)**

	<b>2015</b>	<b>2014</b>
Cash and Investments	\$ 258.3	\$ 222.0
Other Assets	402.7	382.0
Capital Assets	1,506.4	1,469.4
<b>Total Assets</b>	<b>2,167.4</b>	<b>2,073.4</b>
Deferred Amount on Refunding	4.2	4.5
Accumulated Decrease in Fair Value of Hedging Derivatives	30.7	27.1
Deferred Amounts related to Pensions	7.6	
<b>Total Deferred Outflows of Resources</b>	<b>42.5</b>	<b>31.6</b>
Long-Term Debt Outstanding	539.3	560.3
Other Liabilities	162.7	78.2
<b>Total Liabilities</b>	<b>702.0</b>	<b>638.5</b>
Accumulated Increase in Fair Value of Hedging Derivatives	111.0	79.8
Deferred Amounts related to Pensions	11.2	
<b>Total Deferred Inflows of Resources</b>	<b>122.2</b>	<b>79.8</b>
Net Investment in Capital Assets	1,137.5	1,084.8
Restricted	34.0	31.6
Unrestricted	214.2	270.3
<b>Total Net Position</b>	<b>\$ 1,385.7</b>	<b>\$ 1,386.7</b>

The net position of business-type activities amounted to \$1.386 billion in fiscal year 2015, an increase of \$60.0 million from fiscal year 2014 (after restatement). Cash and investments increased by \$36.3 million and capital assets increased by \$37.0 million, primarily due to new development. Net pension liability increased by \$79.4 million due to the implementation of GASB 68 and 71. Long-term debt outstanding decreased by \$21.0 million from refundings and scheduled retirements of outstanding debt. Other assets and other liabilities increased by \$20.7 million and \$84.5 million, respectively. Deferred outflows of resources increased by \$10.9 million and deferred inflows of resources increased by \$42.4 million due to changes in the fair value of hedging derivatives and pension related items from the implementation of GASB 68 and 71.

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

	Business-Type Activities	
	<u>2015</u>	<u>2014</u>
<b>Expenses</b>		
Electric Fund	\$ 139.3	\$ 144.6
Water Fund	25.1	25.3
Wastewater Fund	34.6	36.1
Solid Waste Fund	17.0	16.1
Natural Gas	25.6	26.0
Golf Course Fund	2.6	2.5
Local Transportation Fund	8.9	7.5
School-Age Child Care Fund	3.7	4.5
<b>Total Expenses</b>	<u>256.8</u>	<u>262.6</u>
<b>Revenues</b>		
<b>Program Revenues</b>		
Charges for Services	270.0	262.4
Operating Grants and Contributions	14.3	13.3
Capital Grants and Contributions	50.7	43.5
<b>Total Program Revenues</b>	<u>335.0</u>	<u>319.2</u>
<b>General Revenues</b>		
Use of Property and Money	11.3	11.5
Loss on Sale of Capital Assets	(2.0)	
<b>Total Revenues</b>	<u>344.3</u>	<u>330.7</u>
<b>Change in Net Position before Transfers</b>	<b>87.5</b>	<b>68.1</b>
Transfers	(27.7)	11.5
<b>Changes in Net Position</b>	<b>59.8</b>	<b>79.6</b>
<b>Net Position-Beginning, as restated</b>	<u>1,325.9</u>	<u>1,307.0</u>
<b>Net Position-Ending</b>	<u>\$ 1,385.7</u>	<u>\$ 1,386.6</u>

Business-type program revenues, interest revenue, and miscellaneous revenues were \$346.3 million while Business-type expenses, transfers out, and loss on sale of capital assets were \$286.5 million in 2015. Each program is discussed in the Proprietary Funds section.

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

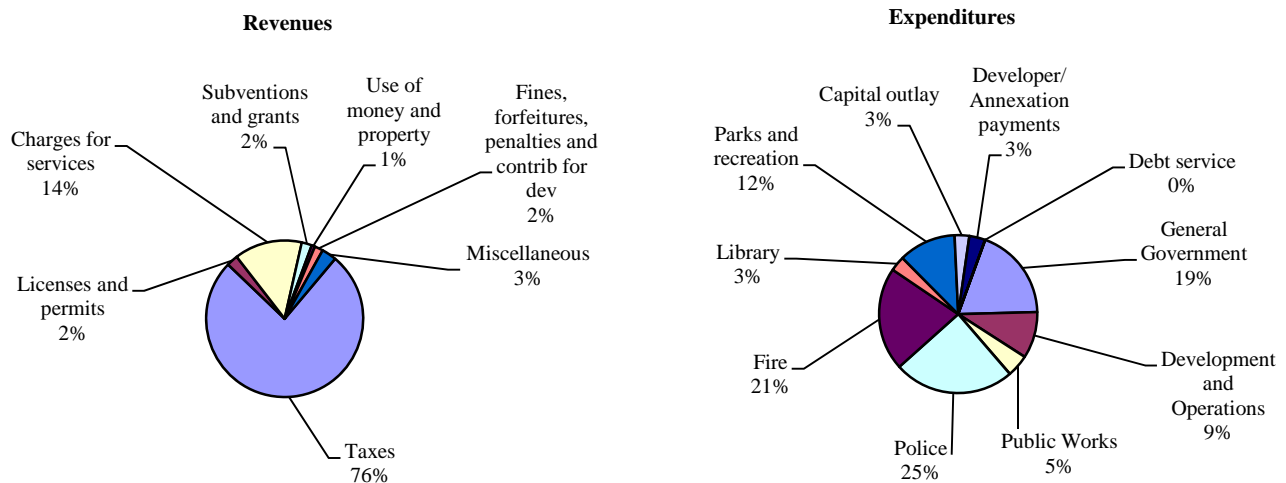
**Table 6**  
**Changes in Business-Type Net Position**  
**(in Millions)**

	<u>Net (Expense)/Revenues From Services</u>	
	<u>2015</u>	<u>2014</u>
Electric Fund	\$ 42.4	\$ 26.8
Water Fund	16.5	14.8
Wastewater Fund	17.0	12.3
Solid Waste Fund	5.5	6.0
Natural Gas	(9.0)	(9.5)
Golf Course Fund	(0.2)	(0.1)
Local Transportation Fund	5.4	5.8
School-Age Child Care Fund	0.6	0.5
<b>Totals</b>	<b>\$ 78.2</b>	<b>\$ 56.6</b>

*Analyses of Major Governmental Funds*

General Fund

**Fiscal Year 2015 General Fund Activity**



General Fund revenues increased by \$9.4 million from the prior year, primarily due to increases in taxes of \$4.2 million, charges for services of \$2.3 million, and miscellaneous revenues of \$1.2 million. Total actual revenues were more than the final budget by \$1.7 million, with the following major breakdown:

- Taxes were less than budget by \$1.0 million as taxes increased from the original budget but did not quite meet the final budget amount.
- Licenses and permits, subventions and grants, use of money, and miscellaneous revenues were more than budget by \$0.6 million, \$0.5 million, \$0.1 million, and \$1.0 million, respectively.
- Charges for services, fines, forfeitures, and penalties, and contributions from developers were less than budget by \$2.1 million, \$0.3 million, and \$0.6 million, respectively.

General Fund expenditures increased by \$12.0 million from the prior year, primarily due to increases in general government increasing by \$1.6 million, development and operations of \$3.2 million, public safety of \$3.0 million, and parks and recreation of \$2.1 million. Expenditures were also \$10.3 million less than budget. The original budget was increased by a net \$10.0 million, from encumbrances and incomplete capital projects carried over from fiscal year 2014. The following is a list of the major differences:

#### Salaries and benefits

- General Government in aggregate was under budget by \$894 thousand due to unfilled positions.
- Police in aggregate was under budget by \$1.0 million due to unfilled positions.

#### Operating services and supplies

- Information technology in aggregate was under budget by \$674 thousand due to upgrade projects being delayed or not completed.
- Placer Ranch was under budget by \$1.9 million as the project was delayed and subsequently cancelled.
- Building plan check and development and planning cost recovery were under budget by \$438 thousand due to professional services savings.
- Police in aggregate was under budget by \$616 thousand as contract services and vehicle replacement were delayed.
- Fire in aggregate was under budget by \$247 thousand due to fuel and minor equipment savings.

Other financing sources and uses reported net inflows of \$13.7 million in fiscal year 2015, an increase of \$912 thousand.

As of June 30, 2015, the General Fund's fund balance totaled \$52.5 million, including \$12.5 million nonspendable, mostly for notes receivable, \$4.5 million assigned to various contracts, and the balance of \$35.5 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.

#### **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 \$29.6 million in fiscal year 2015 to a total of \$294.6 million, primarily due to increased development and charges for services, and a decrease in operating expenses. Operating revenues were \$168.3 million, an increase of \$6.2 million from 2014. Operating expenses were \$129.1 million in fiscal year 2015, a decrease of \$4.9 million. This resulted in a net operating income of \$39.3 million. Net nonoperating expenses decreased slightly by \$1.1 million in fiscal year 2015 to \$9.7 million from \$10.8 million in fiscal year 2014. During fiscal year 2015, the City partially refunded the 2004 Electric System Revenue Refunding Certificates of Participation, Series A, with the 2014 Refunding Electric System Revenue Bonds, leaving a principal balance of \$5,000.

Of the fund's Net Position of \$294.6 million, \$203.7 million was invested in capital assets, \$16.5 million was restricted for debt service, \$4.4 restricted for the benefit of rate payers, and \$70.0 million was unrestricted. In fiscal year 2016, electric rates will be restructured by decreasing the energy consumption charge and increasing the monthly flat fee.

## **Water Fund**

Net Position of the Water Fund increased \$14.3 million in fiscal year 2015, mostly due to new development. Operating revenues increased by \$299 thousand in fiscal year 2015 to a total of \$23.5 million, while expenses increased slightly by \$205 thousand to a total of \$23.7 million. The net result was an operating loss of \$150 thousand. In fiscal year 2015, capital connection fees were \$6.2 million with an increase of \$1.1 million; and capital contributions from developers decreased \$1.8 million from fiscal year 2014 to \$10.9 million. In addition, net transfers out were \$2.9 million. As of June 30, 2015, the Fund's Net Position was \$478.0 million, of which \$428.1 million was invested in capital assets, \$4.3 million was restricted for debt service, and \$45.6 million was unrestricted as to use. Water rates will be increased in fiscal year 2016.

## **Wastewater Fund**

Operating revenues increased in fiscal year 2015 by \$1.4 million to a total of \$31.8 million. Operating expenses increased slightly to \$30.6 million, up \$748 thousand. The net result was an operating income of \$1.1 million. Other items that affected net position were: connection fees of \$7.3 million; capital contributions by developers of \$12.5 million; net transfers out of \$3.7 million; and a loss on disposal of capital assets of \$1.6 million. The total increase to net position was \$11.8 million for fiscal year 2015 to a total of \$570.2 million. As of June 30, 2015, \$472.6 million was invested in capital assets, \$4.8 million restricted for debt service, and \$92.8 million was unrestricted. Wastewater rates will be increased in fiscal year 2016.

## **Solid Waste Fund**

Operating revenues increased slightly by \$196 thousand to \$22.0 million while operating expenses increased by \$897 thousand in fiscal year 2015 to \$17.1 million. Net operating income was \$4.9 million. Capital impact fees were \$405 thousand. Net transfers out were \$3.5 million. As of June 30, 2015, the Fund's Net Position was \$17.0 million, an increase of \$2.1 million. In fiscal year 2016, solid waste rates will be restructured by reducing the rate for additional green waste can and creating a new rate for an additional residential refuse can.

## **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. \$157.7 million remains due in bonds payable, while the pre-paid natural gas is \$168.9 million. In 2015, \$7.4 million in debt service was expensed and interest earnings were \$9.3 million. Net position increased by \$210 thousand to \$3.5 million.

## **Golf Course Fund**

Operating revenues decreased slightly by \$7 thousand in fiscal year 2015 to \$2.4 million. Operating expenses increased slightly by \$93 thousand to \$2.5 million, for an operating loss \$106 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 \$1.5 million in fiscal year 2015. There was a \$7.7 million operating loss in fiscal year 2015, but the loss was offset by subventions and grants of \$13.1 million. As of June 30, 2015, of the Fund's Net Position of \$20.1 million, \$16.1 million was invested in capital assets and \$3.9 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 \$336 thousand in fiscal year 2015 to a total of negative \$2.2 million. Operating revenues decreased \$507 thousand while operating expenses decreased by \$832 thousand as some programs are now funded by the General Fund. Of the net position, \$2.2 million were invested in capital assets, which leaves a negative \$4.3 million 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)**

	<u>2015</u>	<u>2014</u>
<b>Governmental Activities</b>		
Land	\$ 38.0	\$ 37.1
Streets (modified)	301.1	290.8
Parks (modified)	97.5	95.8
Landscaping (modified)	46.7	45.6
Construction in Progress	26.7	24.2
Buildings	134.3	134.3
Improvements	7.1	7.0
Equipment	77.4	75.3
Bike Paths	9.1	9.0
Bridges	70.5	70.1
Culverts	20.7	20.7
Curb, Gutter, Sidewalk, & Median Curbs	157.0	153.5
Drain Inlets	21.6	21.3
Flood Control Improvements	20.4	20.2
Soundwall	36.6	36.2
Stormdrains	85.4	80.5
Less: Accumulated Depreciation	<u>(292.1)</u>	<u>(281.1)</u>
<b>Governmental Activity Capital Assets, Net</b>	<b><u>\$ 858.0</u></b>	<b><u>\$ 840.5</u></b>

	<u>2015</u>	<u>2014</u>
<b>Business-Type Activities</b>		
Land	\$ 17.0	\$ 16.5
Landscaping (modified)	0.6	0.6
Construction in Progress	43.7	34.4
Buildings	26.8	26.6
Improvements	18.6	17.3
Machinery and Equipment	29.1	30.8
Bike Paths	4.5	4.1
Bridges	1.7	1.7
Culverts, drains, curbs	0.4	0.3
Curb, gutter, sidewalk, and median curbs	0.1	0.1
Flood control improvements	8.8	8.8
Traffic Signals	48.6	46.9
Plant and Substations	363.2	354.5
Distribution	1,288.0	1,222.9
Generation	202.7	202.1
Less: Accumulated Depreciation	<u>(547.4)</u>	<u>(498.3)</u>
<b>Business-Type Activity Capital Assets, Net</b>	<b><u>\$ 1,506.4</u></b>	<b><u>\$ 1,469.3</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 7.8, 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, 2015, the City's streets averaged 7.1 PQI for arterial and collector roadways and 7.0 PQI for residential roadways. The City expended \$3.5 million on preservation of its streets in fiscal year 2015, compared to the budgeted amount of \$6.3 million, and plans to spend \$8.0 million in fiscal year 2016.

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, 2015, the City's parks and landscaping averaged 3 GMI. The City expended \$5.2 million on preservation of its parks and landscaping in fiscal year 2015, compared to the budget of \$5.5 million, and plans to spend \$5.4 million in fiscal year 2016.

## **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)**

	<u>2015</u>	<u>2014</u>
<b>Governmental Activity Debt:</b>		
<b>Lease:</b>		
2012 Public Facilities Refunding, 2.15%, due 8/1/25	\$ 9.9	\$ 10.7
<b>Installment Purchase Obligations:</b>		
Equipment	0.1	
<b>Loans:</b>		
Successor Agency	4.0	4.0
<b>Total Governmental Activity Debt:</b>	<b>\$ 14.0</b>	<b>\$ 14.7</b>
	<u>2015</u>	<u>2014</u>
<b>Business-type Activity Debt:</b>		
<b>Certificates of Participation:</b>		
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34		\$ 18.3
Less deferred amount on refunding		(0.2)
2005 Electric System Revenue, Series A, 3.00%-5.00%, due 2/1/23		3.8
Add deferred bond premium cost		0.1
2009 Electric System Revenue Refunding, 2.00%-5.25%, due 2/1/2	\$ 17.7	19.3
Add deferred bond premium cost	0.2	0.3
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.0	90.0
2007 Water Utility Revenue, 4.00%-5.00%, due 12/1/27	40.5	42.6
Add deferred bond premium cost	1.7	1.8
Total Certificates of Participation	<b>150.1</b>	<b>175.9</b>
<b>Revenue Bonds:</b>		
2007 Gas Revenue Bonds		
4.00%-5.00%, due 2/15/28	157.7	166.2
Add: deferred bond premium cost	8.8	9.6
2010 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/37	54.5	54.9
Add: deferred bond premium cost	2.3	2.4
2013 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/29	47.9	48.3
Add: deferred bond premium cost	5.2	5.5
2011 Refunding Wastewater Revenue Bonds, Series C		
1.00%-5.25%, due 11/1/25	33.7	35.8
Add: deferred bond premium cost	2.2	2.4
2011 Refunding Wastewater Revenue Bonds, Series D		
variable rate (SIFMA rate plus 0.83%), due 11/1/14		18.5
2013 Refunding Wastewater Revenue Bonds		
variable rate, due 11/1/35	36.6	36.6
214 Refunding Wastewater Revenue Bonds		
variable rate, due 6/30/30	18.0	
2014 Refunding Electric System Revenue Bonds		
5.00%, due 2/1/34	16.5	
Add: deferred bond premium	2.0	
Total Revenue Bonds	<b>385.3</b>	<b>380.1</b>
<b>Lease:</b>		
2012 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	4.0	4.3
<b>Total Business-type Activity Debt:</b>	<b>\$ 539.3</b>	<b>\$ 560.4</b>



## **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, 2015, a total of \$326.8 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 9S 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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## **BASIC FINANCIAL STATEMENTS**

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## **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, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments in City Treasury (Note 3)	\$ 239,245,478	\$ 228,359,086	\$ 467,604,564
Restricted cash and investments with fiscal agents (Note 3)	3,538,606	29,922,251	33,460,857
Receivables:			
Taxes	1,606,749		1,606,749
Accounts, net of allowance for doubtful accounts	2,650,924	36,150,169	38,801,093
Accrued interest	4,091,980	575,708	4,667,688
Due from other government agencies	8,066,504	3,039,185	11,105,689
Internal balances (Note 4D)	3,674,769	(3,674,769)	
Prepays	281,043	2,235,366	2,516,409
Developer permit fees receivable (Note 6)	3,558,067	26,908	3,584,975
Notes receivable (Note 5)	43,434,104		43,434,104
Notes receivable from NCPA (Note 15B)		6,467	6,467
Inventories (Note 1I)	932,165	10,052,814	10,984,979
Land held for resale (Note 7B)	861,245		861,245
Prepaid purchased gas (Note 19)		168,930,466	168,930,466
Investment in NCPA reserves (Note 15)		2,970,331	2,970,331
Investment in SPWA reserves (Note 16)		71,340,564	71,340,564
Derivative at fair value-asset (Note 10A)		111,007,691	111,007,691
Capital assets (Note 8):			
Capital assets not being depreciated	510,064,836	61,333,261	571,398,097
Capital assets being depreciated, net	347,960,765	1,445,108,677	1,793,069,442
Total Assets	<u>1,169,967,235</u>	<u>2,167,384,175</u>	<u>3,337,351,410</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding (Note 9)		4,259,487	4,259,487
Accumulated decrease in fair value of hedging derivative (Notes 9Q and 10A)		30,659,305	30,659,305
Deferred outflows related to pensions	17,305,231	7,582,421	24,887,652
Total deferred outflows of resources	<u>17,305,231</u>	<u>42,501,213</u>	<u>59,806,444</u>
<b>LIABILITIES</b>			
Accounts payable	7,368,017	14,584,295	21,952,312
Accrued liabilities	4,436,459	12,186,348	16,622,807
Due to other governments	12,762,821	949,557	13,712,378
Deposits	4,542,259	6,797,407	11,339,666
Unearned revenues	710,673	8,415,601	9,126,274
Derivative at fair value-liability (Notes 9Q and 10A)		30,659,305	30,659,305
Landfill closure and post closure liability (Note 17):			
Due in more than one year		2,208,755	2,208,755
Net OPEB obligation (Note 13):			
Due in more than one year	44,461,929		44,461,929
Compensated absences (Note 1H):			
Due within one year	4,416,172	2,598,555	7,014,727
Due in more than one year	8,438,620	4,849,150	13,287,770
Net pension liability (Note 12)	161,823,332	79,369,847	241,193,179
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	1,565,167		1,565,167
Due in more than one year	8,578,064		8,578,064
Long-term liabilities (Note 9):			
Due within one year	863,892	20,055,257	20,919,149
Due in more than one year	13,125,620	519,278,865	532,404,485
Total liabilities	<u>273,093,025</u>	<u>701,952,942</u>	<u>975,045,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated increase in fair value of hedging derivatives (Note 10A)		111,007,691	111,007,691
Deferred inflows related to pensions	24,571,912	11,207,890	35,779,802
Total deferred inflows of resources	<u>24,571,912</u>	<u>122,215,581</u>	<u>146,787,493</u>
<b>NET POSITION (Note 11)</b>			
Net investment in capital assets	844,036,089	1,137,488,311	1,981,524,400
Restricted for:			
Capital projects			
Expendable	116,797,158		116,797,158
Nonexpendable	17,494,596		17,494,596
Debt service	146,057	25,638,732	25,784,789
Community development projects	5,248,787		5,248,787
Local transportation		3,924,543	3,924,543
The benefit of rate payers (AB 32)		4,411,556	4,411,556
Total restricted	<u>139,686,598</u>	<u>33,974,831</u>	<u>173,661,429</u>
Unrestricted	(94,115,158)	214,253,723	120,138,565
Total net position	<u>\$ 889,607,529</u>	<u>\$ 1,385,716,865</u>	<u>\$ 2,275,324,394</u>

See accompanying notes to financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

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	Business-Type Activities	
<b>Governmental Activities:</b>							
General Government	\$ 33,259,988	\$ 4,151,967	\$ 1,996,162	\$ 2,942,106	\$ (24,169,753)		\$ (24,169,753)
Development & operation	20,677,108	9,016,571	2,413,414	41,786	(9,205,337)		(9,205,337)
Public works	17,191,405	207,635	344,837	21,143,536	4,504,603		4,504,603
Police	33,815,163	1,384,407	1,355,379		(31,075,377)		(31,075,377)
Fire	28,710,164	1,525,539	1,100,876	1,222,863	(24,860,886)		(24,860,886)
Library	4,728,411	137,575	86,144		(4,504,692)		(4,504,692)
Parks & recreation	21,676,006	13,361,020	431,619	4,487,961	(3,395,406)		(3,395,406)
Housing assistance payments	4,046,250		4,691,852		645,602		645,602
Interest on long-term debt	543,336				(543,336)		(543,336)
<b>Total Governmental Activities</b>	<b>164,647,830</b>	<b>29,784,714</b>	<b>12,420,283</b>	<b>29,838,252</b>	<b>(92,604,581)</b>		<b>(92,604,581)</b>
<b>Business-type Activities:</b>							
Electric	139,307,833	168,349,951		13,367,026		\$ 42,409,144	42,409,144
Water	25,123,587	23,511,499	1,038,348	17,091,957		16,518,217	16,518,217
Wastewater	34,558,191	31,786,319		19,756,942		16,985,070	16,985,070
Solid Waste	17,028,218	22,002,869	121,674	404,797		5,501,122	5,501,122
Natural Gas	25,574,327	16,528,513				(9,045,814)	(9,045,814)
Golf Course	2,598,524	2,386,188				(212,336)	(212,336)
Local Transportation	8,918,391	1,201,224	13,112,688	50,103		5,445,624	5,445,624
School-Age Child Care	3,664,376	4,273,030				608,654	608,654
<b>Total Business-Type Activities</b>	<b>256,773,447</b>	<b>270,039,593</b>	<b>14,272,710</b>	<b>50,670,825</b>		<b>78,209,681</b>	<b>78,209,681</b>
<b>Total</b>	<b>\$ 421,421,277</b>	<b>\$ 299,824,307</b>	<b>\$ 26,692,993</b>	<b>\$ 80,509,077</b>	<b>(92,604,581)</b>	<b>78,209,681</b>	<b>(14,394,900)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes					34,728,281		34,728,281
Sales taxes					48,094,824		48,094,824
Franchise taxes					2,057,707		2,057,707
Other taxes					7,186,709		7,186,709
Use of money and property					1,763,604	11,274,851	13,038,455
Miscellaneous revenues					414,279		414,279
Gain/(loss) from sale of capital assets					1,699,847	(2,028,306)	(328,459)
Transfers					27,704,787	(27,704,787)	
<b>Total General Revenues</b>					<b>123,650,038</b>	<b>(18,458,242)</b>	<b>105,191,796</b>
<b>Change in Net Position</b>					<b>31,045,457</b>	<b>59,751,439</b>	<b>90,796,896</b>
<b>Net Position - beginning, as restated</b>					<b>858,562,072</b>	<b>1,325,965,426</b>	<b>2,184,527,498</b>
<b>Net Position - ending</b>					<b>\$ 889,607,529</b>	<b>\$ 1,385,716,865</b>	<b>\$ 2,275,324,394</b>

See accompanying notes to financial statements.

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## **FUND FINANCIAL STATEMENTS**

Major funds are defined generally as having significant activities or balances in the current year.

The fund described below was determined to be a Major Fund by the City in fiscal 2015. 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.

**CITY OF ROSEVILLE, CALIFORNIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>			
Cash and investments in City Treasury (Note 3)	\$ 40,167,356	\$ 147,314,280	\$ 187,481,636
Restricted cash and investments with fiscal agents (Note 3)		3,538,606	3,538,606
Receivables:			
Taxes	1,606,749		1,606,749
Accounts	2,287,756	243,697	2,531,453
Accrued interest	481,778	1,299,076	1,780,854
Due from other government agencies	7,249,164	811,798	8,060,962
Due from other funds (Note 4B)	51,641	100,000	151,641
Advances to other funds (Note 4C)	1,530,951	3,295,054	4,826,005
Prepays	63,573		63,573
Developer permit fees receivable (Note 6)	435,092	3,122,975	3,558,067
Notes receivable (Note 5)	17,979,293	24,625,610	42,604,903
Inventories (Note 1I)	278,167		278,167
Land held for resale (Note 7B)		861,245	861,245
	<u>72,131,520</u>	<u>185,212,341</u>	<u>257,343,861</u>
Total Assets	<u>\$ 72,131,520</u>	<u>\$ 185,212,341</u>	<u>\$ 257,343,861</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 3,609,411	\$ 2,275,090	\$ 5,884,501
Accrued liabilities	3,851,433	105,526	3,956,959
Due to other funds (Note 4B)		391,115	391,115
Due to other government agencies	33,235	12,729,586	12,762,821
Advances from other funds (Note 4C)		6,785,623	6,785,623
Unearned revenue	493,706	216,967	710,673
Deposits	3,894,010	648,249	4,542,259
	<u>11,881,795</u>	<u>23,152,156</u>	<u>35,033,951</u>
Total Liabilities	<u>11,881,795</u>	<u>23,152,156</u>	<u>35,033,951</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue (Note 1F)	<u>7,722,377</u>	<u>8,678,603</u>	<u>16,400,980</u>
<b>FUND BALANCES:</b>			
Nonspendable	12,547,564	16,964,800	29,512,364
Restricted		122,721,798	122,721,798
Committed		2,362,738	2,362,738
Assigned	4,510,098	11,483,003	15,993,101
Unassigned	35,469,686	(150,757)	35,318,929
	<u>52,527,348</u>	<u>153,381,582</u>	<u>205,908,930</u>
Total Fund Balances	<u>52,527,348</u>	<u>153,381,582</u>	<u>205,908,930</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 72,131,520</u>	<u>\$ 185,212,341</u>	<u>\$ 257,343,861</u>

See accompanying notes to financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$ 205,908,930

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 financial resources and, therefore, are not reported in the governmental funds 842,812,918

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal service funds are used to charge the costs of certain activities such as insurance and post employment benefits. The net position of the internal service funds are therefore included in governmental activities in the statement of net position as follows:

Cash and investments	51,763,842	
Accounts receivable	119,471	
Accrued interest	2,311,126	
Due from other government agencies	5,542	
Internal balances	5,873,861	
Prepaid expense	217,470	
Notes receivable	829,201	
Inventories	653,998	
Capital assets	15,212,683	
Deferred outflows related to pensions	366,042	
Accounts payable	(1,483,516)	
Accrued liabilities	(88,534)	
Self-insurance claims payable	(10,143,231)	
Compensated absences	(334,972)	
Net OPEB obligation	(44,461,929)	
Net pension liability	(3,838,065)	
Deferred inflows related to pensions	<u>(541,975)</u>	16,461,014

**LONG-TERM LIABILITIES**

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

Long-term debt		(13,989,512)
Interest payable		(390,966)
Compensated absences		(12,519,820)
Net pension liability		(157,985,267)

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows related to pensions	16,939,189
Deferred inflows related to pensions	(24,029,937)

Unavailable revenue in the governmental funds is revenue in the governmental activities 16,400,980

\$ 889,607,529

NET POSITION OF GOVERNMENTAL ACTIVITIES

See accompanying notes to financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 87,099,836	\$ 8,955,240	\$ 96,055,076
Licenses and permits	2,684,169		2,684,169
Charges for services	16,018,017	11,606,911	27,624,928
Subventions and grants	2,369,057	12,713,140	15,082,197
Use of money and property	817,748	1,455,939	2,273,687
Fines, forfeitures and penalties	918,227	308,384	1,226,611
Contributions from developers and others	1,078,854	14,242,432	15,321,286
Miscellaneous revenues	3,486,896	4,836,486	8,323,382
<b>Total Revenues</b>	<b>114,472,804</b>	<b>54,118,532</b>	<b>168,591,336</b>
<b>EXPENDITURES</b>			
Current:			
General government	24,574,935	560,353	25,135,288
Development and operations	12,320,245	2,659,108	14,979,353
Public works	5,883,754	89,188	5,972,942
Public safety			
Police	31,904,269	13,451	31,917,720
Fire	27,319,417	9,137	27,328,554
Library	3,945,042	34,116	3,979,158
Parks and recreation	15,137,497	5,716,911	20,854,408
Housing assistance payments		4,046,250	4,046,250
Capital outlay	3,911,904	26,522,086	30,433,990
Payments under development agreements (Note 7A)	567,619		567,619
Annexation payments	3,596,777		3,596,777
Debt service (Note 9):			
Principal retirement	35,573	808,917	844,490
Interest and fiscal charges	224	393,151	393,375
<b>Total Expenditures</b>	<b>129,197,256</b>	<b>40,852,668</b>	<b>170,049,924</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,724,452)</b>	<b>13,265,864</b>	<b>(1,458,588)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from the sale of property		516,821	516,821
Capital lease	104,580		104,580
Transfers in (Note 4)	24,940,486	13,298,092	38,238,578
Transfers out (Note 4)	(11,367,274)	(7,371,917)	(18,739,191)
<b>Total Other Financing Sources (Uses)</b>	<b>13,677,792</b>	<b>6,442,996</b>	<b>20,120,788</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(1,046,660)</b>	<b>19,708,860</b>	<b>18,662,200</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>53,574,008</b>	<b>133,672,722</b>	<b>187,246,730</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 52,527,348</b>	<b>\$ 153,381,582</b>	<b>\$ 205,908,930</b>

See accompanying notes to financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
RECONCILIATION OF THE  
NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS  
TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	18,662,200
Amounts reported for governmental activities in the statement of activities are different because:		
<b>CAPITAL ASSETS TRANSACTIONS</b>		
Governmental funds report capital outlays as expenditures		30,433,990
Non-capitalized capital outlay expenditures are reclassified to various governmental activities		(2,098,983)
In the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense (net of depreciation on internal service fund capital assets of \$3,078,743)		(14,385,450)
<b>LONG TERM DEBT TRANSACTIONS</b>		
Issuance of debt and repayment of principal is an other financing source and expenditure, respectively, in the governmental funds but in the statement of net position the transactions increase and reduce long term liabilities		
Payment of debt principal		844,490
Capital lease		(104,580)
<b>PENSION RELATED ITEMS</b>		
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represent the net change in pension related amounts		
		621,716
<b>ACCRUAL OF NON-CURRENT ITEMS</b>		
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):		
Compensated absences		(251,112)
Deferred inflows of resources- Unavailable revenues		(628,657)
Interest Payable		(149,961)
<b>ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY</b>		
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		(1,898,196)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>31,045,457</u></b>

See accompanying notes to financial statements.

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## **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 2015.

### **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.

### **INTERNAL SERVICE FUNDS**

These funds account for activities and services performed by a designated department for other departments in the City.

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>ASSETS:</b>					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$ 91,578,454	\$ 57,400,845	\$ 42,534,266	\$ 22,263,832	\$ 38,187
Restricted cash and investments with fiscal agents (Note 3)	16,708,654	4,527,111			8,686,486
Receivables:					
Accounts, net of allowance for doubtful accounts	23,701,541	4,420,735	4,712,585	2,720,103	
Accrued interest	254,285	161,380	81,048	42,546	53
Due from other government agencies		16,884	2,624,503		
Prepays	2,163,309	72,057			
Notes receivable					
Due from other funds (Note 4B)			114,512		
Inventories (Note 1I)	9,474,543	449,790	4,695	123,786	
<b>Total Current Assets</b>	<b>143,880,786</b>	<b>67,048,802</b>	<b>50,071,609</b>	<b>25,150,267</b>	<b>8,724,726</b>
Non-Current Assets:					
Developer permit fees receivable (Note 6)	26,908				
Notes receivable from NCPA (Note 15B)	6,467				
Prepaid purchased gas (Note 19)					168,930,466
Investment in NCPA reserves (Note 15)	2,970,331				
Investment in SPWA reserves (Note 16)			71,340,564		
Advances to other funds (Note 4C)		1,342,268			
Derivative at fair value-assets (Notes 9 and 10)	39,122				110,968,569
Capital assets (Note 8):					
Land and construction in progress	27,568,407	10,771,515	12,824,718	502,861	
Capital assets being depreciated, net	408,605,317	459,463,707	550,207,516	4,030,483	
<b>Total non-current assets</b>	<b>439,216,552</b>	<b>471,577,490</b>	<b>634,372,798</b>	<b>4,533,344</b>	<b>279,899,035</b>
<b>Total assets</b>	<b>583,097,338</b>	<b>538,626,292</b>	<b>684,444,407</b>	<b>29,683,611</b>	<b>288,623,761</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred charge on refunding (Note 9)	3,814,571	444,916			
Accumulated decrease in fair value of hedging derivatives (Notes 9 and 10)	24,462,162		6,197,143		
Deferred outflows related to pensions	3,375,790	1,395,584	1,473,359	788,593	
<b>Total Deferred outflows of resources</b>	<b>31,652,523</b>	<b>1,840,500</b>	<b>7,670,502</b>	<b>788,593</b>	
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable	9,020,062	1,237,983	2,867,878	662,777	291
Accrued liabilities	3,483,512	864,838	2,253,193	309,200	2,957,531
Due to other government agencies	5,505		944,052		
Due to other funds (Note 4B)				114,512	
Current portion of compensated absences (Note 1H)	1,154,555	532,464	510,737	252,599	
Current portion of long-term debt (Note 9)	6,220,000	2,280,000	2,287,586		8,860,000
Deposits	2,121,007	31,000			4,640,000
Unearned revenue	1,324,383			35,221	
Self-insurance claims payable (Note 14)					
<b>Total Current Liabilities</b>	<b>23,329,024</b>	<b>4,946,285</b>	<b>8,863,446</b>	<b>1,374,309</b>	<b>16,457,822</b>
Long-term liabilities:					
Advances from other funds (Note 4C)					
Long-term debt, non-current portion (Note 9)	230,040,120	39,840,502	88,154,159		157,705,924
Landfill closure and post closure liability (Note 17)				2,208,755	
Compensated absences (Note 1H)	1,946,949	1,006,402	1,107,326	440,370	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14)					
Derivative at fair value-liability (Notes 9 and 10)	24,462,162		6,197,143		
Net pension liability	35,340,103	14,604,584	15,418,718	8,257,654	
<b>Total long-term liabilities</b>	<b>291,789,334</b>	<b>55,451,488</b>	<b>110,877,346</b>	<b>10,906,779</b>	<b>157,705,924</b>
<b>Total Liabilities</b>	<b>315,118,358</b>	<b>60,397,773</b>	<b>119,740,792</b>	<b>12,281,088</b>	<b>174,163,746</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Accumulated increase in fair value of hedging derivatives (Notes 9 and 10)	39,122				110,968,569
Deferred inflows related to pensions	4,990,409	2,062,327	2,177,292	1,166,071	
<b>Total Deferred inflows of resources</b>	<b>5,029,531</b>	<b>2,062,327</b>	<b>2,177,292</b>	<b>1,166,071</b>	<b>110,968,569</b>
<b>NET POSITION: (Note 11):</b>					
Net investment in Capital Assets	203,728,175	428,114,720	472,590,489	4,533,344	
Restricted for debt service	16,493,250	4,315,500	4,829,982		
Restricted for local transportation					
Restricted for the benefit of rate payers (AB 32)	4,411,556				
Unrestricted	69,968,991	45,576,472	92,776,354	12,491,701	3,491,446
<b>Total Net Position</b>	<b>\$ 294,601,972</b>	<b>\$ 478,006,692</b>	<b>\$ 570,196,825</b>	<b>\$ 17,025,045</b>	<b>\$ 3,491,446</b>

See accompanying notes to financial statements.



Business-Type Activities - Enterprise Funds				Governmental
Golf Course	Local Transportation	School-Age Child Care	Totals	Activities Internal Service Funds
\$ 864,521	\$ 13,327,536	\$ 351,445	\$ 228,359,086	\$ 51,763,842
			29,922,251	
225,069	37,129	333,007	36,150,169	119,471
14,497	21,898	1	575,708	2,311,126
	397,798		3,039,185	5,542
			2,235,366	217,470
			114,512	829,201
			10,052,814	1,075,269
				653,998
<u>1,104,087</u>	<u>13,784,361</u>	<u>684,453</u>	<u>310,449,091</u>	<u>56,975,919</u>
			26,908	
			6,467	
			168,930,466	
			2,970,331	
			71,340,564	
			1,342,268	3,765,350
			111,007,691	
6,007,666	3,658,094		61,333,261	489,482
8,127,817	12,481,574	2,192,263	1,445,108,677	14,723,201
14,135,483	16,139,668	2,192,263	1,862,066,633	18,978,033
15,239,570	29,924,029	2,876,716	2,172,515,724	75,953,952
			4,259,487	
			30,659,305	
	187,355	361,740	7,582,421	366,042
	187,355	361,740	42,501,213	366,042
237,128	501,033	57,143	14,584,295	1,483,516
2,142,931	43,416	131,727	12,186,348	88,534
			949,557	
127,000		60,000	301,512	648,795
	69,187	79,013	2,598,555	
407,671	60	5,340	6,797,407	
	7,050,751	5,246	8,415,601	
				1,565,167
2,914,730	7,664,447	338,469	65,888,532	3,786,012
2,623,000		525,000	3,148,000	
3,538,160			519,278,865	
	145,304	202,799	2,208,755	
			4,849,150	334,972
				44,461,929
				8,578,064
	1,960,569	3,788,219	30,659,305	
			79,369,847	3,838,065
6,161,160	2,105,873	4,516,018	639,513,922	57,213,030
9,075,890	9,770,320	4,854,487	705,402,454	60,999,042
			111,007,691	
	276,853	534,938	11,207,890	541,975
	276,853	534,938	122,215,581	541,975
10,189,652	16,139,668	2,192,263	1,137,488,311	15,212,683
	3,924,543		25,638,732	
			3,924,543	
			4,411,556	
(4,025,972)		(4,343,232)	215,935,760	(433,706)
<u>\$ 6,163,680</u>	<u>\$ 20,064,211</u>	<u>\$ (2,150,969)</u>	<u>1,387,398,902</u>	<u>\$ 14,778,977</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between internal service funds and the enterprise funds over (1,682,037)

Net position of business-type activities \$ 1,385,716,865

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>OPERATING REVENUES</b>					
Charges for services	\$ 165,002,143	\$ 23,110,559	\$ 31,588,263	\$ 21,393,859	\$ 16,528,513
Other	3,347,808	400,940	198,056	609,010	
Total Operating Revenues	<u>168,349,951</u>	<u>23,511,499</u>	<u>31,786,319</u>	<u>22,002,869</u>	<u>16,528,513</u>
<b>OPERATING EXPENSES</b>					
Power supply	90,285,306				
Operations	15,475,549	12,418,866	18,056,379	16,062,703	18,133,391
Administration	3,431,923	2,621,756	793,263	677,083	6,180
Depreciation and amortization	19,897,164	8,620,895	11,796,925	330,232	
Claims expense					
Total Operating Expenses	<u>129,089,942</u>	<u>23,661,517</u>	<u>30,646,567</u>	<u>17,070,018</u>	<u>18,139,571</u>
Operating Income (Loss)	<u>39,260,009</u>	<u>(150,018)</u>	<u>1,139,752</u>	<u>4,932,851</u>	<u>(1,611,058)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest and rents revenue	794,936	724,286	276,001	139,326	9,255,627
Interest and fiscal charges (expenses)	(10,177,039)	(1,524,609)	(3,580,611)	(7,234)	(7,434,756)
Subventions and grants		1,038,348		121,674	
Cost of issuance	(281,664)		(222,981)		
Gain (loss) from sale of property	(189,612)	(44,872)	(1,627,110)		
Increase (decrease) in NCPA reserves	166,292				
Increase (decrease) in SPWA reserves			(192,634)		
Total Nonoperating Revenues (Expenses)	<u>(9,687,087)</u>	<u>193,153</u>	<u>(5,347,335)</u>	<u>253,766</u>	<u>1,820,871</u>
Income (Loss) Before Contributions and Transfers	29,572,922	43,135	(4,207,583)	5,186,617	209,813
Contributions					
Capital contributions - connection/impact fees	1,161,675	6,241,387	7,299,640	404,797	
Contributions in aid of construction	4,036,616				
Capital contributions from developers and governmental activities	8,168,735	10,850,570	12,457,302		
Transfer in (Note 4A)	37,500	4,678,106	3,698,827	94,536	
Transfer out (Note 4A)	(13,426,937)	(7,536,485)	(7,430,302)	(3,568,044)	
Change in net position	<u>29,550,511</u>	<u>14,276,713</u>	<u>11,817,884</u>	<u>2,117,906</u>	<u>209,813</u>
Total net position - beginning, as restated	<u>265,051,461</u>	<u>463,729,979</u>	<u>558,378,941</u>	<u>14,907,139</u>	<u>3,281,633</u>
Total net position - ending	<u>\$ 294,601,972</u>	<u>\$ 478,006,692</u>	<u>\$ 570,196,825</u>	<u>\$ 17,025,045</u>	<u>\$ 3,491,446</u>

See accompanying notes to financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
Golf Course	Local Transportation	School-Age Child Care	Totals	
\$ 2,260,816	\$ 1,035,368	\$ 4,269,536	\$ 265,189,057	\$ 12,755,592
125,372	165,856	3,494	4,850,536	9,832,159
2,386,188	1,201,224	4,273,030	270,039,593	22,587,751
			90,285,306	
2,103,542	6,159,544	3,590,303	92,000,277	28,517,412
	586,445	32,262	8,148,912	
388,602	2,170,604	67,286	43,271,708	3,078,743
				1,756,540
2,492,144	8,916,593	3,689,851	233,706,203	33,352,695
(105,956)	(7,715,369)	583,179	36,333,390	(10,764,944)
8,497	73,676	2,502	11,274,851	506,413
(106,863)		(4,077)	(22,835,189)	
	13,112,688		14,272,710	
	(166,712)		(504,645)	
			(2,028,306)	440,425
			166,292	
			(192,634)	
(98,366)	13,019,652	(1,575)	153,079	946,838
(204,322)	5,304,283	581,604	36,486,469	(9,818,106)
	50,103		50,103	13,441
			15,107,499	
			4,036,616	
			31,476,607	
	44,483		8,553,452	15,573,825
(131,357)	(3,919,175)	(245,939)	(36,258,239)	(7,368,425)
(335,679)	1,479,694	335,665	59,452,507	(1,599,265)
6,499,359	18,584,517	(2,486,634)		16,378,242
\$ 6,163,680	\$ 20,064,211	\$ (2,150,969)		14,778,977

Adjustment for the net effect of the current year activity between the  
internal service funds and the enterprise funds 298,932  
Change in net position of business-type activities \$ 59,751,439

**CITY OF ROSEVILLE, CALIFORNIA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

	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	\$ 165,713,423	\$ 23,098,319	\$ 29,675,216	\$ 21,387,823	\$ 16,529,398
Payments to suppliers	(80,229,504)	(137,222)	(10,617,116)	(11,095,893)	(9,158,798)
Payments to employees	(28,478,857)	(14,620,599)	(6,172,806)	(5,612,068)	
Payments to OPEB trust					
Claims paid					
Other receipts	3,347,808	508,219	198,057	609,010	
Net Cash Flows provided by/(used for) Operating Activities	<u>60,352,870</u>	<u>8,848,717</u>	<u>13,083,351</u>	<u>5,288,872</u>	<u>7,370,600</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Subventions and grants		1,901,486		121,674	
Increase/decrease in due from other funds			(4,405)	4,405	
Increase/decrease in due to other funds		318,914			
Increase/decrease in advance to other funds			114,512	(114,512)	
Increase/decrease in advances from other funds					
Transfers in	37,500	4,678,106	3,698,827	94,536	
Transfers out	(13,426,937)	(7,536,485)	(7,430,302)	(3,568,044)	
Cash Flows provided by/(used for) Noncapital Financing Activities	<u>(13,389,437)</u>	<u>(637,979)</u>	<u>(3,621,368)</u>	<u>(3,461,941)</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	4,036,616				
Acquisition and construction of capital assets	(12,397,342)	(11,257,769)	(3,635,384)	(213,962)	
Change in restricted assets	(133,029)				
Issuance of debt	16,485,000		17,955,392		
Debt issuance premium	2,129,224				
Issuance costs	(281,664)		(222,981)		
Principal payments on capital debt	(24,400,000)	(2,170,000)	(20,631,436)		(8,435,000)
Interest paid on capital debt	(10,177,039)	(1,524,609)	(3,580,611)	(7,234)	(8,170,666)
Connection/impact fees	1,161,675	6,241,387	7,299,640	404,797	
Cash Flows provided by/(used for) Capital Related Financing Activities	<u>(23,576,559)</u>	<u>(8,710,991)</u>	<u>(2,815,380)</u>	<u>183,601</u>	<u>(16,605,666)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and rents received	718,610	744,389	266,399	134,133	9,255,584
Receipts from sale of (payment to acquire) equity instruments, net		556,271			(709)
Cash Flows provided by/(used for) Investing Activities	<u>718,610</u>	<u>1,300,660</u>	<u>266,399</u>	<u>134,133</u>	<u>9,254,875</u>
Net increase (decrease) in cash and cash equivalents	24,105,484	800,407	6,913,002	2,144,665	19,809
Cash and investments at beginning of period	67,472,970	56,600,438	35,621,264	20,119,167	18,378
Cash and investments at end of period	<u>\$ 91,578,454</u>	<u>\$ 57,400,845</u>	<u>\$ 42,534,266</u>	<u>\$ 22,263,832</u>	<u>\$ 38,187</u>
<b>NON-CASH TRANSACTIONS:</b>					
Capital assets transferred from governmental activities	<u>\$ 280,766</u>	<u>\$ 144,389</u>	<u>\$ 155,766</u>	<u>\$ 16,896</u>	
Amortization of bond premium	<u>\$ 717,807</u>	<u>\$ 137,959</u>	<u>\$ 201,973</u>		<u>\$ 735,910</u>
Amortization of bond discount	<u>\$ (242,750)</u>				
Amortization of deferred amount on refunding	<u>\$ (255,262)</u>	<u>\$ (37,076)</u>			
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by/(used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 39,260,009	\$ (150,018)	\$ 1,139,752	\$ 4,932,851	\$ (1,611,058)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and amortization	19,897,164	8,620,895	11,796,925	330,232	
Retirement of capital assets					
Change in Assets and Liabilities:					
Receivables, Net	785,417	108,539	(1,913,046)	(6,368)	
Inventories	(153,696)	(120,897)	51,005	58,201	
Prepays	154,522				
Prepaid purchased gas					9,140,057
Net OPEB obligation					
Accounts payable and other liabilities	1,012,594	496,019	2,120,414	32,966	(158,399)
Net pension liability and related amounts	(254,829)	(105,821)	(111,699)	(59,342)	
Unearned revenue	(348,311)			332	
Net Cash Provided by (Used for) Operating Activities	<u>\$ 60,352,870</u>	<u>\$ 8,848,717</u>	<u>\$ 13,083,351</u>	<u>\$ 5,288,872</u>	<u>\$ 7,370,600</u>

See accompanying notes to financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
Golf Course	Local Transportation	School-Age Child Care	Totals	
\$ 2,281,494 (1,880,431)	\$ 1,030,486 (4,871,540) (1,723,681)	\$ 4,348,096 (339,818) (3,307,540)	\$ 264,064,255 (118,330,322) (59,915,551)	\$ 12,827,290 (8,647,088) (4,927,222) (8,994,201) (2,572,881) 9,825,661
<u>125,372</u>	<u>165,856</u>	<u>3,494</u>	<u>4,957,816</u>	<u>9,825,661</u>
<u>526,435</u>	<u>(5,398,879)</u>	<u>704,232</u>	<u>90,776,198</u>	<u>(2,488,441)</u>
	13,106,660	51,367	15,181,187	(4,066)
			318,914 (187,000)	(173,741)
(127,000)		(60,000)	8,553,452 (36,258,239)	15,573,825 (7,368,425)
<u>(131,357)</u>	<u>(3,919,175)</u>	<u>(245,939)</u>	<u>(36,258,239)</u>	<u>(7,368,425)</u>
<u>(258,357)</u>	<u>9,231,968</u>	<u>(254,572)</u>	<u>(12,391,686)</u>	<u>8,027,593</u>
	50,103 (1,318,329)	(191,977)	4,086,719 (29,014,763) (133,029) 34,440,392 2,129,224 (504,645) (56,035,565) (23,555,508) 15,107,499	(6,164,236)
(399,129) (91,272)		(4,077)		
<u>(490,401)</u>	<u>(1,268,226)</u>	<u>(196,054)</u>	<u>(53,479,676)</u>	<u>(6,164,236)</u>
7,599	75,009	2,501	11,204,224 555,562	456,698
<u>7,599</u>	<u>75,009</u>	<u>2,501</u>	<u>11,759,786</u>	<u>456,698</u>
(214,724)	2,639,872	256,107	36,664,622	(168,386)
<u>1,079,245</u>	<u>10,687,664</u>	<u>95,338</u>	<u>191,694,464</u>	<u>51,932,228</u>
<u>\$ 864,521</u>	<u>\$ 13,327,536</u>	<u>\$ 351,445</u>	<u>\$ 228,359,086</u>	<u>\$ 51,763,842</u>
			\$ 597,817	
			\$ 1,793,649	
			\$ (242,750)	
			\$ (292,338)	
\$ (105,956)	\$ (7,715,369)	\$ 583,179	\$ 36,333,390	\$ (10,764,944)
388,602	2,170,604	67,286	43,271,708	3,078,743
20,678	(4,852)	75,222	(934,410) (165,387) 154,522 9,140,057	200,178 (47,670)
223,111	164,953 (14,215)	494 (27,195) 5,246	3,892,152 (573,101) (342,733)	5,098,617 (26,270) (27,095)
<u>\$ 526,435</u>	<u>\$ (5,398,879)</u>	<u>\$ 704,232</u>	<u>\$ 90,776,198</u>	<u>\$ (2,488,441)</u>

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## **FIDUCIARY FUNDS**

### **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 2015:

*Other Post Employment Benefits Trust Fund* is 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, CALIFORNIA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2015**

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS:</b>			
Cash and investments in City Treasury (Note 3)		\$ 10,366,135	\$ 134,065,746
Restricted cash and investments with fiscal agents (Note 3)		5,998,363	39,333,747
OPEB Plan Assets (Note 13F):			
Domestic equity funds	\$ 34,276,813		
Fixed income securities	18,978,687		
Miscellaneous (EQUUS)	1,004,991		
Cash equivalents	984,998		
Accounts receivable			2,276,441
Taxes receivable			775,338
Accrued interest receivable		208,502	1,475,190
Permit fees receivable			1,750
Due from other government agencies			1,679,652
Notes receivable (Note 20B)		4,224,196	
Capital Assets (Note 20C):			
Land		74,369	
	55,245,489	20,871,565	\$ 179,607,864
<b>LIABILITIES:</b>			
Accounts payable	14,814	18,798	\$ 3,713,732
Accrued liabilities		508,593	504,857
Unearned revenue		41,631	
Due to other government agencies			13,122
Due to member agencies			115,939,874
Due to bondholders			59,131,164
Due to others			305,115
Long-term liabilities (Note 20D):			
Due in one year		1,783,259	
Due in more than one year		54,349,415	
	14,814	56,701,696	\$ 179,607,864
<b>NET POSITION (DEFICIT):</b>			
Held in trust for retiree health plan benefits	\$ 55,230,675		
Held in trust for private purposes or for other governments		\$ (35,830,131)	

See accompanying notes to financial statements.



**CITY OF ROSEVILLE, CALIFORNIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2015**

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds
<b>ADDITIONS</b>		
Property taxes, net of pass through payments		\$ 3,483,534
Contributions from the City	\$ 8,994,101	
Investment income	1,838,236	100,010
Total Additions	10,832,337	3,583,544
<b>DEDUCTIONS</b>		
General government		531,051
Community services		1,041,388
Retiree health plan benefits	5,817,810	
Interest and fiscal charges		2,138,816
Total Deductions	5,817,810	3,711,255
<b>CHANGE IN NET POSITION</b>	5,014,527	(127,711)
<b>NET POSITION</b>		
Net position (deficit) - beginning of period	50,216,148	(35,702,420)
Net position (deficit) - end of period	\$ 55,230,675	\$ (35,830,131)

See accompanying notes to financial statements.

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**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 former City of Roseville Redevelopment Agency. The Roseville Natural Gas Financing Authority 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (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 are 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 Other Post Employment Benefits 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 Other Post Employment Benefits Trust Fund.

Financial statements for the Roseville Natural Gas Financing Authority and the Roseville Community Development Corporation may be obtained from the City of Roseville at 311 Vernon Street, Roseville, California, 95678. Separate financial statements for the Roseville Finance Authority, Roseville Housing Authority and City of Roseville Other Post Employment Benefits 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.

**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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**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.

**C. Major Funds**

Major funds are defined as funds that have either assets or 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 fund in the accompanying financial statements:

**General Fund** - This is used as the main operating governmental fund of the City. 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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Major Funds (Continued)**

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.

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 Other Post Employment Benefits 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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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 one hundred twenty days after year-end with the exception of property taxes which is considered available if collected within sixty days. 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.

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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*F. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net 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 and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has several items that qualify for reporting in this category. They are the deferred charge on refunding, accumulated decrease in fair value of hedging derivatives, and deferred outflows related to pensions 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. The deferred outflows related to pensions are contributions made to the pension plan subsequent to the measurement of the net pension liability and are described in Note 12.

In addition to liabilities, the statement of net 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 and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several types of these items, the accumulated increase in fair value of hedging derivatives and the deferred inflows related to pensions 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. The deferred inflows related to pensions result from the difference between projected and actual earnings of plan investments and are described in Note 12. 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.

Unavailable revenue was comprised of the following at June 30, 2015:

	<u>Interest Receivable</u>	<u>Loans Receivable</u>	<u>Total</u>
General Fund	\$ 417,957	\$ 7,304,420	\$ 7,722,377
Nonmajor Governmental Funds	<u>987,626</u>	<u>7,690,977</u>	<u>8,678,603</u>
	<u>\$ 1,405,583</u>	<u>\$ 14,995,397</u>	<u>\$ 16,400,980</u>



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

The changes in compensated absence balances were as follows:

	Governmental Activities	Business-Type Activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Beginning Balance	\$ 12,631,578	\$ 7,279,128	\$ 19,910,706
Additions	4,639,386	1,482,630	6,122,016
Payments	<u>(4,416,172)</u>	<u>(1,314,053)</u>	<u>(5,730,225)</u>
Ending Balance	<u>\$ 12,854,792</u>	<u>\$ 7,447,705</u>	<u>\$ 20,302,497</u>
Current Portion	<u>\$ 4,416,172</u>	<u>\$ 2,598,555</u>	<u>\$ 7,014,727</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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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. Inventories reported in governmental funds 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. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids. In governmental funds, prepaids are not in spendable form and are therefore included in nonspendable fund balance.

***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.

***L. Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***M. New Accounting Pronouncements***

Effective in this Fiscal Year

**GASB Statement No. 68** – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement was implemented as of July 1, 2014.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. New Accounting Pronouncements (Continued)**

Effective in this Fiscal Year (Continued)

**GASB Statement No. 71** – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This Statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This Statement was implemented as of July 1, 2014.

Effective in Future Fiscal Years

**GASB Statement No. 72** – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the 2015-16 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 73** – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The Statement is effective for periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 74** – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The City has not determined the effect of the statement.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***M. New Accounting Pronouncements (Continued)***

Effective in Future Fiscal Years (Continued)

**GASB Statement No. 76** – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The Statement is effective for the periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 77** – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The City has not determined the effect of the statement.

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

***A. Budgeting Procedures***

The City follows these procedures in establishing the budgetary data:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating 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 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 fund 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 except that capital projects expenditures are budgeted on a project length basis rather than a fiscal year. Budgets are adopted for all governmental funds, except the FEMA Special Revenue Fund and the Roseville Aquatics Complex Maintenance Permanent Fund. In addition, the capital projects funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)**

***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.

***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	\$	467,604,564
Restricted cash and investments with fiscal agents		33,460,857
Total City cash and investments with primary government		501,065,421
 Cash and investments in Fiduciary Funds (Separate statement)		 189,763,991
Total Cash and Investments	\$	690,829,412

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 3 – CASH AND INVESTMENTS**

**A. Classification (Continued)**

Cash and investments as of June 30, 2015, consist of the following:

Cash and investments consist of the following:

Cash in bank and on hand	\$	42,487,080
Investments		648,342,332
Total Cash and Investments	\$	690,829,412

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	Maximum Percentage of Portfolio	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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

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

- (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.
- (C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority (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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

***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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
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-funded 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 to 60 Months	More Than 60 Months	
U.S. Government Agencies	\$ 1,617,429	\$ 54,852,917	\$ 56,158,065		\$ 112,628,411
Federal Agency Securities	8,806,358	69,744,704	46,363,032		124,914,094
Corporate Notes		67,054,838	64,519,822		131,574,660
Forward Delivery Agreement	4,605,249				4,605,249
Forward Purchase Agreement	4,039,960				4,039,960
Commercial Paper	50,011,963				50,011,963
Guaranteed Investment Contracts				\$ 6,368,599	6,368,599
Municipal Bonds	5,272,414	712,770	1,156,054		7,141,238
Money Market Mutual Funds	33,944,204				33,944,204
Local Agency Investment Fund	59,403,759				59,403,759
California Asset Management Pool	26,066,900				26,066,900
Certificates of Deposit	25,834,970	51,174,262	10,634,063		87,643,295
<b>Total</b>	<u>\$ 219,603,206</u>	<u>\$ 243,539,491</u>	<u>\$ 178,831,036</u>	<u>\$ 6,368,599</u>	<u>\$ 648,342,332</u>

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, 2015 the fair value was \$22,326 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, 2015, these investments matured in an average of 239 days.

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, 2015, 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, 2015 and had an average maturity of 22 days for the Dreyfus U.S. Treasury Money Market Fund and 33 days for the First American Money Market Fund.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

**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, 2015, for each investment type as provided by Standard and Poor's investment rating system:

	<u>AAA / AAAm</u>	<u>AA+ / AA / AA-</u>	<u>A+ / A / A-</u>	<u>A-1+ / A-1</u>	<u>Total</u>
<b>Investments:</b>					
Federal Agency Securities		\$ 124,914,094			\$ 124,914,094
Corporate Notes	\$ 8,667,956	61,890,900	\$ 61,015,804		131,574,660
Forward Delivery Agreement		4,605,249			4,605,249
Forward Purchase Agreement		4,039,960			4,039,960
Municipal Bonds	513,050	6,628,188			7,141,238
California Asset Management Pool	26,066,900				26,066,900
Money Market Mutual Funds					
Commercial Paper				\$ 50,011,963	50,011,963
Certificates of Deposit		9,799,951			9,799,951
Total	<u>\$ 35,247,906</u>	<u>\$ 211,878,342</u>	<u>\$ 61,015,804</u>	<u>\$ 50,011,963</u>	358,154,015
<b>Exempt from Credit Rate Disclosure:</b>					
U.S. Government Securities					112,628,411
<b>Not Rated:</b>					
Local Agency Investment Fund					59,403,759
Money Market Mutual Funds					33,944,204
Certificates of Deposit					77,843,344
Guaranteed Investment Contracts					6,368,599
Total Investments					<u>\$ 648,342,332</u>

**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, 2015:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 59,845,000
Federal Home Loan Mortgage Corporation	Federal Agency Securities	32,640,000

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2015:

<u>Fund</u>	<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
<b>Major Enterprise Funds:</b>			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$ 4,039,960
Water	FSA Security Assurance	Guaranteed Investment Contract	4,217,863

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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, 2015, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Non-Major Governmental Funds	\$ 4,332,211	(A), (B), (C)
	Electric Enterprise Fund	11,805,069	(A), (B), (C)
	Water Enterprise Fund	3,051,306	(A), (B)
	Wastewater Enterprise Fund	2,057,645	(A), (B)
	Solid Waste Enterprise Fund	1,635,276	(A), (B)
	Golf Course Enterprise Fund	127,800	(A)
	Local Transportation Enterprise Fund	377,103	(A), (B)
	School-Age Child Care Enterprise Fund	233,585	(A)
	Internal Service Funds	1,320,491	(A), (B)
Non-Major Governmental Funds	General Fund	4,164,975	(A), (B)
	Non-Major Governmental Funds	3,002,200	(A), (B)
	Electric Enterprise Fund	493,202	(A), (B)
	Water Enterprise Fund	888,799	(A), (B), (C)
	Wastewater Enterprise Fund	801,907	(A), (B), (C)
	Solid Waste Enterprise Fund	414,274	(A), (B), (C)
	Golf Course Enterprise Fund	2	(B)
	Local Transportation Enterprise Fund	3,529,865	(B)
	Internal Service Funds	2,868	(B)
Electric Enterprise Fund	General Fund	37,500	(B)
Water Enterprise Fund	Solid Waste Enterprise Fund	651,332	(A)
	Wastewater Enterprise Fund	4,026,774	(A), (B)
Wastewater Enterprise Fund	Water Enterprise Fund	3,083,190	(B)
	Solid Waste Enterprise Fund	578,137	(B)
	General Fund	37,500	(B)
Solid Waste Enterprise Fund	Wastewater Enterprise Fund	84,536	(B)
	Non-Major Governmental Funds	10,000	(A)
Local Transportation Enterprise Fund	General Fund	44,483	(A)
Internal Service Funds	General Fund	7,082,816	(A)
	Non-Major Governmental Funds	27,506	(A)
	Electric Enterprise Fund	1,128,666	(A)
	Water Enterprise Fund	513,190	(A)
	Wastewater Enterprise Fund	459,440	(A)
	Solid Waste Enterprise Fund	289,025	(A)
	Golf Course Enterprise Fund	3,555	(A)
	Local Transportation Enterprise Fund	12,207	(A)
	School-Age Child Care Enterprise Fund	12,354	(A)
	Internal Service Funds	6,045,066	(A)
Total Interfund Transfers		<u>\$ 62,365,855</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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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, 2015, interfund balances comprised the following:

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>	
General Fund	Traffic Safety Special Revenue Fund	\$ 51,641	(A)
Capital Projects Fund: Public Facilities	Technology Fee Replacement Special Revenue Fund	100,000	(B)
Enterprise Funds: Wastewater	Solid Waste Enterprise Fund	114,512	(B)
Internal Service Funds: Automotive Replacement	Fire Facilities Special Revenue Fund	239,474	(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	558,442	(A)
Workers Compensation	Unemployment Insurance Internal Service Fund	<u>90,353</u>	(B)
		<u>\$ 1,341,422</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, 2015, the funds below had made advances which were not expected to be repaid within the next year.

<u>Fund Receiving Advance</u>	<u>Fund Making Advance</u>	<u>Amount of Advance</u>
<b>Governmental Funds</b>		
<b>Special Revenue Funds:</b>		
Fire Facilities	Automotive Replacement Internal Service Fund	\$ 17,134
Roseville Community Development Corporation	General Fund	1,530,951
Technology Fee Replacement	Public Facilities Capital Projects Fund	295,054
<b>Capital Projects Funds:</b>		
Community Facilities District	Pleasant Grove Drainage Basin Capital Projects Fund	3,000,000
Community Facilities District	Water Enterprise Fund	1,342,268
Public Facilities	Auto Replacement	<u>600,216</u>
	Total governmental funds	<u>6,785,623</u>
<b>Enterprise Funds</b>		
Golf Course	Automotive Replacement Internal Service Fund	2,623,000
School-Age Child Care	Automotive Replacement Internal Service Fund	<u>525,000</u>
	Total	<u>\$ 9,933,623</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)**

**C. Long-Term Interfund Advances (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.

**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 2036.

**Public Facilities** advance bears interest at simple interest, based on the City's annual interest rate plus ½%. It will be repaid over a period of 20 years beginning in FY 2016-17.

**School-Age Child Care** advances are comprised of three advances. The first is being repaid over five years with the last payment scheduled to be made in fiscal year 2016. A second advance was made in 2013 and will be repaid over a 6 year period beginning in 2017. A third amount was advanced in 2014 and will be repaid over a 2 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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, 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. Notes receivable were comprised of the following at June 30, 2015:

Flood Loan Notes	\$ 6,633
Housing Rehabilitation and Affordable Housing Notes	12,035,492
First Time Home-Buyer Notes	8,430,719
Housing Elevation Notes	15,000
Due From Successor Agency	22,946,260
Total	\$ 43,434,104

**A. Flood Loan 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, 2015 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 the next fiscal year 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, 2015, was \$12,035,492.

**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, 2015, was \$8,430,719.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 5 – NOTES RECEIVABLE (CONTINUED)**

***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, 2015, three loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$15,000.

***E. 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 \$5,902,331. Also during fiscal year 2014, the Department of Finance clarified 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. The principal balance of the loans as of June 30, 2015 is \$22,701,861. Accrued interest on the loans as of June 30, 2015 is \$392,078 and has been included in accrued interest receivable.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 5 – NOTES RECEIVABLE (CONTINUED)**

***E. Successor Agency Loans (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. The balance of the loans as of June 30, 2015 totaled \$244,399.

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. As discussed in Note 20, the Successor Agency received its Finding of Completion in August 2013 and the loans are now enforceable obligations.

**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, 2015, was \$52,307 which has been classified as developer permit fees receivable, and the short-term portion of these receivables, which totaled \$26,102 at June 30, 2015, 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, 2015, was \$3,532,668 which has been classified as developer permit fees receivable, and the short-term portion of these receivables, which totaled \$3,765,869 at June 30, 2015, 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 was approximately \$1,135,238 at June 30, 2015. 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 2015, the City made payments of \$567,619 to the developer under the agreement.

**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, 2015, the total carrying value of the housing property held by the City amounted to \$861,245. These properties are held 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 8 – CAPITAL ASSETS (CONTINUED)**

**A. Policies (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:		10,000
Electric	10-120 years	10,000
Sewer	15-60 years	10,000
Water	15-75 years	10,000
Distribution Systems:		10,000
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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 8 – CAPITAL ASSETS (CONTINUED)**

**B. Capital Asset Additions, Retirements and Transfers**

Capital assets at June 30, 2015 comprise:

	Balance at June 30, 2014	Additions	Retirements	Transfers	Balance at June 30, 2015
<i>Governmental activities</i>					
Capital assets, not being depreciated:					
Land	\$ 37,134,232	\$ 2,202,090	\$ (1,291,000)		\$ 38,045,322
Streets (modified)	290,809,587	2,723,594		\$ 7,568,896	301,102,077
Parks (modified)	95,777,824	389,632	(31,596)	1,368,454	97,504,314
Landscaping (modified)	45,561,277	402,654		758,843	46,722,774
Construction in progress	24,172,257	19,152,634	(2,310,666)	(14,323,876)	26,690,349
Total capital assets not being depreciated	<u>493,455,177</u>	<u>24,870,604</u>	<u>(3,633,262)</u>	<u>(4,627,683)</u>	<u>\$ 510,064,836</u>
Capital assets, being depreciated:					
Buildings	134,283,194	42,579			134,325,773
Improvements	7,035,190	78,679			7,113,869
Equipment	75,308,472	8,589,618	(6,510,206)		77,387,884
Bike paths	9,023,743	20,317			9,044,060
Bridges	70,053,793			426,157	70,479,950
Culverts	20,723,814			22,471	20,746,285
Curb, gutter, sidewalk, and median curbs	153,512,451	1,650,222		1,785,554	156,948,227
Drain inlets	21,263,914			332,519	21,596,433
Flood control improvements	20,224,585			220,212	20,444,797
Soundwall	36,234,891	186,296		218,274	36,639,461
Storm drains	80,519,878	3,808,064		1,024,679	85,352,621
Total capital assets being depreciated	<u>628,183,925</u>	<u>14,375,775</u>	<u>(6,510,206)</u>	<u>4,029,866</u>	<u>640,079,360</u>
Less accumulated depreciation for:					
Buildings	(52,103,172)	(3,262,934)			(55,366,106)
Improvements	(1,940,016)	(178,974)			(2,118,990)
Equipment	(56,693,720)	(5,060,983)	6,462,027		(55,292,676)
Bike paths	(6,511,439)	(311,166)			(6,822,605)
Bridges	(10,378,366)	(780,743)			(11,159,109)
Culverts	(5,552,084)	(276,467)			(5,828,551)
Curb, gutter, sidewalk, and median curbs	(110,193,510)	(4,746,315)			(114,939,825)
Drain inlets	(8,610,562)	(428,603)			(9,039,165)
Flood control improvements	(3,236,888)	(271,129)			(3,508,017)
Soundwall	(10,433,011)	(1,041,062)			(11,474,073)
Storm Drains	(15,463,661)	(1,105,817)			(16,569,478)
Total accumulated depreciation	<u>(281,116,429)</u>	<u>(17,464,193)</u>	<u>6,462,027</u>		<u>(292,118,595)</u>
Net capital assets being depreciated	<u>347,067,496</u>	<u>(3,088,418)</u>	<u>(48,179)</u>	<u>4,029,866</u>	<u>347,960,765</u>
Governmental activities capital assets, net	<u>\$ 840,522,673</u>	<u>\$ 21,782,186</u>	<u>\$ (3,681,441)</u>	<u>\$ (597,817)</u>	<u>\$ 858,025,601</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 8 – CAPITAL ASSETS (CONTINUED)**

**B. Capital Asset Additions, Retirements and Transfers (Continued)**

	Balance at June 30, 2014 as restated	Additions	Retirements	Transfers	Balance at June 30, 2015
<i>Business-type activities</i>					
Capital assets, not being depreciated:					
Land	\$ 16,514,857	\$ 520,490			\$ 17,035,347
Landscaping (modified)	576,843				576,843
Streets (modified)	24,914				24,914
Construction in progress	34,357,145	25,695,282	\$ (3,866,952)	\$ (12,489,318)	43,696,157
Total capital assets not being depreciated	<u>51,473,759</u>	<u>26,215,772</u>	<u>(3,866,952)</u>	<u>(12,489,318)</u>	<u>61,333,261</u>
Capital assets, being depreciated:					
Buildings	26,611,178			191,977	26,803,155
Improvements	17,254,928	113,917		1,179,077	18,547,922
Machinery and equipment	30,749,237	528,258	(2,220,558)		29,056,937
Bike paths	4,078,094			402,404	4,480,498
Bridges	1,702,403				1,702,403
Culverts	305,328			51,633	356,961
Curb, gutter, sidewalk, and median curbs	110,989			9,160	120,149
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	1,687,559			48,621,190
Plants and substations	354,502,310	1,676,000		7,022,151	363,200,461
Distribution	1,253,919,963	32,301,282	(2,455,435)	4,230,733	1,287,996,543
Generation	202,139,523	571,759			202,711,282
Total capital assets being depreciated	<u>1,947,200,755</u>	<u>36,878,775</u>	<u>(4,675,993)</u>	<u>13,087,135</u>	<u>1,992,490,672</u>
Less accumulated depreciation for:					
Buildings	(8,269,787)	(659,219)			(8,929,006)
Improvements	(6,602,010)	(484,141)			(7,086,151)
Machinery and equipment	(18,404,243)	(2,453,552)	2,009,365		(18,848,430)
Bike paths	(1,419,967)	(211,630)			(1,631,597)
Bridges	(104,036)	(18,916)			(122,952)
Culverts	(25,997)	(4,415)			(30,412)
Curb, gutter, sidewalk, and median curbs	(17,586)	(5,778)			(23,364)
Drain inlets	(4,343)	(493)			(4,836)
Flood control improvements	(294,348)	(117,739)			(412,087)
Storm drains	(4,670)	(508)			(5,178)
Traffic signals	(21,787,217)	(1,957,057)			(23,744,274)
Plants and substations	(109,333,060)	(8,168,221)			(117,501,281)
Distribution	(272,334,500)	(18,992,439)	835,194		(290,491,745)
Generation	(67,830,436)	(10,720,246)			(78,550,682)
Total accumulated depreciation	<u>(506,432,200)</u>	<u>(43,794,354)</u>	<u>2,844,559</u>		<u>(547,381,995)</u>
Net capital assets being depreciated	<u>1,440,768,555</u>	<u>(6,915,579)</u>	<u>(1,831,434)</u>	<u>13,087,135</u>	<u>1,445,108,677</u>
Business-type activities capital assets, net	<u>\$ 1,492,242,314</u>	<u>\$ 19,300,193</u>	<u>\$ (5,698,386)</u>	<u>\$ 597,817</u>	<u>\$ 1,506,441,938</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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:

<b><i>Governmental Activities</i></b>	
General Government	\$ 1,470,168
Development & Operations	841,689
Public Works	9,632,513
Police	816,658
Fire	633,695
Library	471,892
Parks and recreation	518,835
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	3,078,743
<b>Total Governmental Activities</b>	<u><u>\$ 17,464,193</u></u>
 <b><i>Business-Type Activities</i></b>	
Electric	\$ 20,116,956
Water	8,721,776
Wastewater	11,998,898
Solid Waste	330,232
Golf Course	388,602
Local Transportation	2,170,604
School-age Child Care	67,286
<b>Total Business-Type Activities</b>	<u><u>\$ 43,794,354</u></u>

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

The City has elected to use the modified approach 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 2015 the City expended \$3,548,376 to preserve its roads. The City estimates that it will be required to expend approximately \$8,042,792 in fiscal 2016 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 2015 the City expended \$5,179,924 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$5,438,071 in fiscal 2016 to maintain its parks at this condition level.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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.

**A. Current Year Transactions and Balances**

	Original Issue Amount	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Current Portion
<b>Governmental Activities Debt:</b>						
<b>Lease:</b>						
2012 Public Facilities Refunding 2.15%, due 8/1/25	\$ 11,549,031	\$ 10,670,247		\$ (795,562)	\$ 9,874,685	\$ 814,674
<b>Capital Lease Obligations:</b>						
Equipment	104,580		\$ 104,580	(35,573)	69,007	34,079
<b>Loans:</b>						
Successor Agency	4,071,383	4,059,175		(13,355)	4,045,820	15,139
<b>Total Governmental Activities Debt</b>	<b>\$ 15,724,994</b>	<b>\$ 14,729,422</b>	<b>\$ 104,580</b>	<b>\$ (844,490)</b>	<b>\$ 13,989,512</b>	<b>\$ 863,892</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	\$ 18,320,000		\$ (18,315,000)	\$ 5,000	
Less: deferred bond discount	(728,254)	(242,750)		242,750		
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	3,750,000		(3,750,000)		
Add: deferred bond premium	3,528,055	113,809		(113,809)		
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24	27,010,000	19,290,000		(1,600,000)	17,690,000	1,640,000
Add: deferred bond premium	396,611	264,406		(26,441)	237,965	
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	42,635,000		(2,170,000)	40,465,000	2,280,000
Add: deferred bond premium	2,759,170	1,793,461		(137,959)	1,655,502	
Total Certificates of Participation	<u>269,500,582</u>	<u>175,923,926</u>		<u>(25,870,459)</u>	<u>150,053,467</u>	<u>3,920,000</u>
<b>Revenue Bonds</b>						
2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/28	209,350,000	166,170,000		(8,435,000)	157,735,000	8,860,000
Add: deferred bond premium	15,454,116	9,566,834		(735,910)	8,830,924	
2010 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/37	55,845,000	54,855,000		(375,000)	54,480,000	405,000
Add: deferred bond premium	2,764,207	2,354,695		(102,378)	2,252,317	
2013 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/29	48,780,000	48,285,000		(360,000)	47,925,000	4,175,000
Add: deferred bond premium	5,899,513	5,530,793		(368,720)	5,162,073	
2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25	36,315,568	35,815,211		(2,133,436)	33,681,775	2,287,586
Add: deferred bond premium	2,839,017	2,423,673		(201,973)	2,221,700	
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	
2014 Refunding Wastewater Revenue Bonds variable rate, due 6/30/30	17,955,392		\$ 17,955,392		17,955,392	
2014 Refunding Electric System Revenue Bonds 5%, due 2/1/34	16,485,000		16,485,000		16,485,000	
Add: deferred bond premium			2,129,224	(106,459)	2,022,765	
Total Revenue Bonds	<u>464,521,691</u>	<u>380,082,084</u>	<u>36,569,616</u>	<u>(31,316,876)</u>	<u>385,334,824</u>	<u>15,727,586</u>
<b>Lease:</b>						
2012 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	4,775,578	4,344,960		(399,129)	3,945,831	407,671
<b>Total Business-Type Activity Debt:</b>	<b>\$ 738,797,851</b>	<b>\$ 560,350,970</b>	<b>\$ 36,569,616</b>	<b>\$ (57,586,464)</b>	<b>\$ 539,334,122</b>	<b>\$ 20,055,257</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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. Capital Lease***

During fiscal year 2015, the City entered into a lease agreement as lessee for financing the acquisition of equipment valued at \$104,580. The first payment of \$35,798 was made during the year. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30,	Governmental Activities
2016	\$ 35,797
2017	35,798
Total Minimum Lease Payments	71,595
Less: Amounts representing interest	(2,588)
Present Value of Minimum Lease Payments	\$ 69,007

***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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

***D. Loans from the Successor Agency (Continued)***

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 the dissolution of the redevelopment agency were not reversed in the current fiscal year and remain in the Corporation as of June 30, 2015.

Upon dissolution of the redevelopment agency, the note was transferred to the Successor Agency. The note accrues interest at a rate equal to the City's average interest earnings plus 1%, adjusted every five years. Principal and interest payments commence on June 30, 2021 and will be due annually with the final payment scheduled on June 30, 2030. As of June 30, 2015 the note bears interest of 1.963% with interest accrued of \$302,205.

During fiscal year 2014, the Roseville Community Development Corporation assumed a loan made by the former Redevelopment Agency of the City of Roseville 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. The amount outstanding at June 30, 2015 is \$576,771.

***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 9I below. In August 2014, the 2004 Electric System Revenue Certificates of Participation were partially refunded by the 2014 Electric System Revenue Refunding Bonds as discussed in Note 9P below, leaving a PAR amount of \$5,000.

***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 9I below. The remaining 2005 Electric System Revenue Certificates of Participation were repaid during fiscal year 2015.



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

***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 through fiscal year 2024. The balance outstanding as of June 30, 2015 is \$17,690,000.

***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 on February 1 through 2037. The balance outstanding as of June 30, 2015 is \$54,480,000.

***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 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, 2015 was 0.580%.

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 3.15% at June 30, 2015. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 on February 1 through 2029.

As of June 30, 2015, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COPs, 2012 Electric System Revenue Refunding COPs, 2009 Electric System Revenue Refunding COPs, 2010 Electric System Revenue Refunding Revenue Bonds, the 2013 Electric System Revenue Refunding Bonds and the 2014 Electric System Revenue Refunding bonds was \$310,878,404. 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 2015, net revenues amount to \$40,216,217 which represents coverage of 249% over the \$16,176,135 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, 2015, the total principal and interest remaining to be paid on the bonds was \$54,793,656. 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 2015 net revenues amounted to \$10,228,902 which represented coverage of 243% over the \$4,209,987 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 on February 15 through 2028 and interest is payable semiannually on February 15 and August 15. As of June 30, 2015, the total principal and interest to be paid on the bonds was \$218,355,500. For fiscal year 2015, net revenues amounted to \$25,777,960 which represented coverage of 155% over the \$16,585,344 in debt service.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 South Placer Wastewater Authority (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.

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 2011A and 2011B Bonds were refunded by the 2013 South Placer Wastewater Authority Refunding Wastewater Bonds. During fiscal year 2015, the 2011D Bonds were refunded by the Wastewater Revenue Refunding Bonds, Series 2014.

The Series 2011C Bonds bear interest at 1.00%-5.25% and are due semi-annually on May 1 and November 1 of each year. The Bonds are repayable solely from the Authority Revenues. Principal payments are due annually November 1 through 2025.

***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.

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, 2015 was 0.580%. 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 2011C, 2013 Bonds, and the 2014 Bonds at June 30, 2015 was 4.13%.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

***O. 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 City's share of the obligation is 61.66%, or \$17,955,392.

The 2014 Bonds were issued as SIFMA Index Bonds and the interest rate is the rate of the SIFMA index, adjusted weekly, plus a spread of .33%. The SIFMA Municipal Swap Index, represents 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. SIFMA Index Rate is defined as the a per annum rate equal to the weighted average of the SIFMA Index in effect for each day in the Interest Period, which is the period from and including each interest payment date for such Series 2014 Bonds.

Interest on the Series 2014 Bonds is payable on the first business day of each month, commencing September 2, 2014. Principal payments are due annually beginning November 3, 2025 through 2029.

The Series 2004 Bonds are secured by a pledge of Authority Revenues, which include all amounts received by, or entitled to be received by, the Authority from the Participants (consist of the City, SPMUD and Placer County) under provisions of the Funding Agreement. The Authority Revenues generally exclude Regional Connection Fees and amount held in the Rate Stabilization Fund, unless certain conditions are met.

As of June 30, 2015, the total principal and interest remaining to be paid on the 2011 Series C, the 2013 Bonds and the 2014 Bonds was \$112,022,794. 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 2015, \$5,705,879 in debt service was paid from the Rate Stabilization Account.

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

On July 24, 2014, the Roseville Finance Authority issued 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 beginning in 2030. Interest payments are due semi-annually on each August 1 and February 1, commencing on February 1, 2015 through February 1, 2034.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

***Q. 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.

*Terms.* The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2015, 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	Nominal Amount	Effective Date	Counterparty	Credit Rating	Fixed Rate Paid	Variable Rate Received	Termination Date
2012 Electric System Revenue Refunding COP (based on nominal 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

***Q. Interest Rate Swap Agreements (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, 2015, the fair value of the swaps was not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2015	2014
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)		
Bank of America N.A.	\$ (6,822,683)	\$ (5,892,566)
Morgan Stanley Capital Services Inc.	(9,955,096)	(8,548,074)
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)	(6,197,143)	(6,560,947)
	\$ (22,974,922)	\$ (21,001,587)

(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.

*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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

***Q. Interest Rate Swap Agreements (Continued)***

*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, 2015, 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, 2015:

For the Year Ending June 30	Variable-Rate and Fixed Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2016		\$ 806,002	\$ 4,246,421	\$ 5,052,423
2017		806,002	4,154,148	4,960,151
2018		806,002	4,058,238	4,864,241
2019		806,002	3,958,690	4,764,693
2020		806,002	3,855,670	4,661,672
2021-2025	\$ 16,500,000	3,900,526	16,891,550	37,292,077
2026-2030	55,099,221	2,879,941	9,679,805	67,658,967
2031-2035	66,954,946	1,167,805	3,375,418	71,498,169
2036	5,984,103	11,569		5,995,672
Totals	<u>\$ 144,538,270</u>	<u>\$ 11,989,853</u>	<u>\$ 50,219,941</u>	<u>\$ 206,748,064</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

**R. Debt Service Requirements**

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
2016	\$ 863,892	\$ 291,082	\$ 20,055,257	\$ 18,924,918
2017	882,168	263,840	21,077,141	18,026,959
2018	862,436	245,243	22,082,189	17,042,006
2019	876,803	226,312	23,169,771	16,016,019
2020	895,454	207,036	24,361,848	14,890,201
2021-2025	6,535,154	668,626	142,651,245	55,796,225
2026-2030	2,726,700	114,737	134,884,377	26,732,522
2031-2035	346,905	5,024	92,014,946	13,657,108
2036-2038			36,654,103	2,370,433
Totals	<u>\$ 13,989,512</u>	<u>\$ 2,021,900</u>	516,950,876	<u>\$ 183,456,391</u>
<b>Reconciliation of long-term debt</b>				
		Add deferred bond premium costs	<u>22,383,246</u>	
		Net long-term debt	<u>\$ 539,334,122</u>	

**S. 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, 2015, is as follows:

North Roseville Community Facilities District #1	\$ 12,795,000
North Central Roseville Community Facilities District #1, Series 2010	10,305,000
Woodcreek West Community Facilities District #1, Series 2005	15,470,000
Stone Point Community Facilities District # 1	7,160,000
Fiddymont Ranch Community Facilities District # 1	74,870,000
Westpark Community Facilities District # 1	72,565,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	27,145,000
Stone Point Community Facilities District #5, Series 2006	5,060,000
Diamond Creek Community Facilities District #1, Series 2007	6,810,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	35,090,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	8,225,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,095,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	1,460,000
Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012	16,395,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	7,960,000
Westbrook Community Facilities District #1 Special Tax Bonds, Series 2014	14,355,000
Total	<u>\$ 326,760,000</u>



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 inflow or outflow of resources on the statement of net position. For the reporting period, all of the City’s derivatives are considered effective hedges.

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.

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2015.

	2015 Change in Fair Value		Fair Value, End of Fiscal Year 2015		Notional
	Classification	Amount	Classification	Amount	
<b>Effective Cash Flow Hedges</b>					
<b>Electric Fund</b>					
Pay Fixed SWAP, Natural Gas	Deferred Outflow	\$ (1,597,074)	Derivative	\$ (7,684,383)	8,687,000 mmBtu
Pay Fixed SWAP, Natural Gas	Deferred Inflow	(84,733)	Derivative	\$ 39,122	552,000 mmBtu
<b>Roseville Natural Gas Financing Authority</b>					
Pay Fixed SWAP, Natural Gas	Deferred Inflow	(573,944)	Derivative	\$ 18,339,727	34,513,500 mmBtu 76,000-372,000
Receive Fixed SWAP, Natural Gas	Deferred Inflow	31,819,267	Derivative	92,628,842	monthly mmBtu
				<u>\$ 110,968,569</u>	

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

**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, 2015, 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, 2015 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	450,000 mmBtu	1/1/2018	3/31/2018	Pay \$3.97; Receive NGI PG&E citygate price	BP Energy	BBB+
Hedge Cash Flows on PG&E citygate Gas	460,000 mmBtu	7/1/2017	9/30/2017	Pay \$3.69; Receive NGI PG&E citygate price	J Aron & Company	A-
Hedge Cash Flows on PG&E citygate Gas	3,563,500 mmBtu	7/1/2015	12/31/2016	Pay \$4.93; Receive NGI PG&E citygate price	Macquarie Energy	A
Hedge Cash Flows on PG&E citygate Gas	1,012,000 mmBtu	7/1/2015	12/31/2015	Pay \$5.77; 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

**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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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.

**B. Fund Balances**

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 intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assignments may be made by the City Council or its designee, the Finance Director. Unlike commitments, assignments generally only exist temporarily. Thus, additional action does not normally have to be taken for the removal of an assignment.

*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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

**B. Fund Balances (Continued)**

Detailed classifications of the City’s Fund Balances, as of June 30, 2015, are below:

Fund Balance Classifications	General Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>			
Items not in spendable form:			
Prepays	\$ 63,573		\$ 63,573
Notes receivable	12,205,824		12,205,824
Inventories	278,167		278,167
Subtotal	12,547,564		12,547,564
Amounts required to be maintained intact:			
Permanent funds		\$ 16,964,800	16,964,800
<b>Total Nonspendable Fund Balances</b>	<b>12,547,564</b>	<b>16,964,800</b>	<b>29,512,364</b>
<b>Restricted for:</b>			
Community facilities districts		1,771,964	1,771,964
Debt Service		146,057	146,057
Landscape and lighting		10,311,148	10,311,148
Street projects		15,227,653	15,227,653
Affordable housing		6,848,704	6,848,704
Community development		170,551	170,551
Library services and projects		260,904	260,904
Public safety services and projects		5,240,079	5,240,079
Bike trail/open space maintenance		856,455	856,455
Animal control shelter		878,337	878,337
Traffic projects		24,835,994	24,835,994
Public facilities		12,657,962	12,657,962
Park development		30,014,557	30,014,557
Pleasant Grove drain basin		9,157,640	9,157,640
Tree propagation		1,867,205	1,867,205
Community development block grant and HOME programs		386,120	386,120
Aquatics Complex Maintenance		24,749	24,749
Citizen's Benefits		505,047	505,047
Other capital projects		1,560,672	1,560,672
<b>Total Restricted Fund Balances</b>		<b>122,721,798</b>	<b>122,721,798</b>
<b>Committed to:</b>			
Utility exploration center		97,098	97,098
Park services and projects		436,391	436,391
Building projects		1,829,249	1,829,249
<b>Total Committed Fund Balances</b>		<b>2,362,738</b>	<b>2,362,738</b>
<b>Assigned to:</b>			
Information systems upgrades and improvements	1,590,633		1,590,633
Annual park and maintenance repairs	150,513		150,513
Police patrol supplies	489,295		489,295
Fire Operations and supplies	199,372		199,372
Development services	1,246,872		1,246,872
Public works projects	228,004		228,004
Various contracts	605,409		605,409
Building and general rehabilitation projects		11,483,003	11,483,003
<b>Total Assigned Fund Balances</b>	<b>4,510,098</b>	<b>11,483,003</b>	<b>15,993,101</b>
<b>Unassigned:</b>			
General fund	35,469,686		35,469,686
Other governmental fund deficit residuals		(150,757)	(150,757)
<b>Total Unassigned Fund Balances</b>	<b>35,469,686</b>	<b>(150,757)</b>	<b>35,318,929</b>
<b>Total Fund Balances</b>	<b>\$ 52,527,348</b>	<b>\$ 153,381,582</b>	<b>\$ 205,908,930</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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, 2015, the General Fund Reserve for Economic Uncertainties, which is reported within the unassigned fund balance of the General Fund, had a balance of \$12,977,476. As of June 30, 2015, the Electric Operations Economic Uncertainty balance, which is reported within the Electric Rate Stabilization Fund, had a balance of \$50,767,779. As of June 30, 2015, 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 \$1,902,700, \$2,941,000 and \$2,034,600 respectively.

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

The Technology Replacement Special Revenue Fund had a deficit fund balance at June 30, 2015 of \$150,757. Future permit fees are expected to offset this deficit.

The Automotive Services Internal Service Fund had deficit net position at June 30, 2015 of \$3,399,988. Rental Rates will be increased in future years to eliminate the deficit.

The Post Retirement Internal Service Fund had deficit net position at June 30, 2015 of \$42,019,322. 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, 2015 of \$37,769,559. Future tax revenues are expected to eliminate this deficit.

**NOTE 12 – PENSION PLAN**

**Plan Descriptions** – Substantially all City employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple employer defined benefit pension plans administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and may be amended by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 12 – PENSION PLAN (CONTINUED)**

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Safety	
	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	3.000%	2.0% - 2.7%
Required employee contribution rates	9.000%	12.250%
Required employer contribution rates	35.724%	35.724%
	Miscellaneous	
	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	52 - 67
Monthly benefits, as a % of annual salary	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	22.455%	22.455%

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	595	161
Inactive employees entitled to but not yet receiving benefits	594	64
Active employees	890	224
Total	1164	457

**Contributions** – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The City made contributions of \$24,887,652 during the year ended June 30, 2015.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 12 – PENSION PLAN (CONTINUED)**

**Net Pension Liability**

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.5%	7.5%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	Derived using CalPERS membership data	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 12 – PENSION PLAN (CONTINUED)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Target Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	<u>100%</u>		

1 – An expected inflation of 2.5% used for this period

2 – An expected inflation of 3.0% used for this period

**Discount rate** - The discount rate used to measure the total pension liability was 7.5% for each plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the district's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 12 – PENSION PLAN (CONTINUED)**

*Changes in the Net Pension Liability*

The changes in the Net Pension Liability for each Plan as of the measurement date of June 30, 2014 follows:

*Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014</b>	\$ 482,879,572	\$ 293,249,174	\$ 189,630,398
<b>Changes in the year:</b>			
Service Cost	\$ 12,410,363		\$ 12,410,363
Interest on the total pension liability	35,999,301		35,999,301
Contribution - employer		\$ 14,691,280	(14,691,280)
Contribution - employee		5,879,856	(5,879,856)
Projected earnings on investments		21,991,193	(21,991,193)
Differences between projected and actual earnings on plan investments		29,327,746	(29,327,746)
Benefit payments, including refunds of employee contributions	(18,188,166)	(18,188,166)	
<b>Net changes</b>	<u>30,221,498</u>	<u>53,701,909</u>	<u>(23,480,411)</u>
<b>Balance at June 30, 2015</b>	<u>\$ 513,101,070</u>	<u>\$ 346,951,083</u>	<u>\$ 166,149,987</u>

*Safety Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014</b>	\$ 240,122,220	\$ 153,271,540	\$ 86,850,680
<b>Changes in the year:</b>			
Service Cost	\$ 7,979,496		\$ 7,979,496
Interest on the total pension liability	17,970,776		17,970,776
Contribution - employer		\$ 8,482,557	(8,482,557)
Contribution - employee		2,321,899	(2,321,899)
Projected earnings on investments		11,556,293	(11,556,293)
Differences between projected and actual earnings on plan investments		15,397,011	(15,397,011)
Benefit payments, including refunds of employee contributions	(9,003,224)	(9,003,224)	
<b>Net changes</b>	<u>16,947,048</u>	<u>28,754,536</u>	<u>(11,807,488)</u>
<b>Balance at June 30, 2015</b>	<u>\$ 257,069,268</u>	<u>\$ 182,026,076</u>	<u>\$ 75,043,192</u>
<b>Totals of both miscellaneous and safety plans</b>	<u>\$ 770,170,338</u>	<u>\$ 528,977,159</u>	<u>\$ 241,193,179</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 12 – PENSION PLAN (CONTINUED)**

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$ 236,828,014	\$ 113,591,941	\$ 350,419,955
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$ 166,149,987	\$ 75,043,192	\$ 241,193,179
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$ 107,488,722	\$ 43,652,111	\$ 151,140,833

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plans’ fiduciary net position is available in the separately issued CalPERS financial reports.

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions*

For the year ended June 30, 2015, the City recognized pension expense of \$23,665,745. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 24,887,652	
Net difference between projected and actual earnings on plan investments		\$ 35,779,802
Total	<u>\$ 24,887,652</u>	<u>\$ 35,779,802</u>

The amount of \$24,887,652 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30</u>	
2016	\$ (8,944,951)
2017	(8,944,951)
2018	(8,944,950)
2019	(8,944,950)
	<u>\$ (35,779,802)</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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, 2015, 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	Retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability retirement)			
	<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	City paid premium, subject to the following caps:		City paid premium, subject to the following caps:	
	<u>Group</u>	<u>2015</u>		<u>2015</u>
	Management/Confidential	\$ 1,248	Single	\$ 642
	Stationary Engineers Local 39	1,284	Two Party	1,218
	Roseville Police Association	1,248	Family	1,559
	Roseville Police Officers Association	1,248		
	Roseville Firefighters Association	1,248		
	International Brotherhood of Electrical Workers	1,248		
			Subject to vesting schedule	
			<u>CalPERS service</u>	<u>Percent of Cap</u>
			Less than 10 years	0%
			10 - 20 years	50%
			20 years or more	100%
			Five years City service required	
			100% vested if disabled	
			If 20 years with the City, do not need to retire directly from the City.	
	<b>Tier 3 RFF (c)</b> Hired on or after January 1, 2012		<b>Tier 3 Non-RFF (c)</b> Hired on or after January 1, 2014 (d)	
Benefit (continued)	\$720/month - subject to Tier 2 vesting schedule based on City Service		PEMHCA minimum	
	Employees contribute percent of payroll to PFM trust starting 2012:		Roseville Health Savings Account:	
	<u>Years of City Service</u>	<u>Payroll %</u>	Employees contribute percent of payroll to health savings account	
	1	1%	<u>Years of City Service</u>	<u>Payroll %</u>
	2	2%	1	1%
	3	3%	2	2%
	4	4%	3	3%
	5+	5%	4	4%
			5+	5%
			City contribution of \$100/month after 5 years City service	
			Must retire from City to receive City health savings account contributions	
Non-Represented	Eligible for PEMHCA minimum only			
Dental, Vision and Life	None			
Surviving Spouse Continuation	Retiree medical benefit continues to surviving spouse if retire elects CalPERS survivor annuity.			
	(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)			

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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
6/30/2013	\$ 15,317,140	\$ 7,612,084	50%	\$ 33,246,786
6/30/2014	13,586,139	7,469,613	55%	39,363,312
6/30/2015	14,092,818	8,994,201	64%	44,461,929

**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]
6/30/2013	\$ 41,493,000	\$ 184,532,000	\$ (143,039,000)	22.49%	\$ 86,402,000	(165.55)%

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***D. Funding Progress and Funded Status***

During the fiscal year ended June 30, 2015, 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	\$	15,270,000
Interest on net OPEB obligation		2,558,615
Adjustment to annual required contribution		<u>(3,735,797)</u>
Annual OPEB cost		14,092,818
Contributions:		
Pay-as-you-go premiums		(5,663,252)
Contribution to the Trust		<u>(3,330,949)</u>
Change in net OPEB obligation		5,098,617
Net OPEB obligation at June 30, 2014		<u>39,363,312</u>
 <b>Net OPEB Obligation at June 30, 2015</b>	 <b>\$</b>	 <b><u>44,461,929</u></b>
 Percentage of annual OPEB cost contributed		 <u>64%</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 Other Post Employment Benefits Trust Fund***

The authorized investments for the Other Post Employment Benefits 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%	2.5%
Inflation Hedge	0% - 10%	2.5%
Fixed Income	35% - 75%	50%
Cash Equivalent	0% - 20%	0%

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***F. Other Post Employment Benefits Trust Fund Assets***

At June 30, 2015, the Trust reported assets available for benefits of \$55,245,489. The composition of these assets at June 30, 2015, is shown below. For actuarial purposes, the value of the Plan’s assets was determined to be fair value.

Domestic Equity	\$	34,276,813
Fixed Income Securities		18,978,687
Miscellaneous		1,004,991
Cash Equivalent		984,998
Assets available for benefits at June 30, 2015	\$	55,245,489

**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, California 94551.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 14 – RISK MANAGEMENT (CONTINUED)**

**A. Risk Coverage (Continued)**

**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 \$486,414.

**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 \$250,428.

**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 \$31,525.

**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 \$371,854.

**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 \$33,024.

**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 \$661,722 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 \$692,433.

Financial statements for the risk pool and more information may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 14 – RISK MANAGEMENT (CONTINUED)**

***B. Insurance Internal Service Funds (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:

	<u>2015</u>	<u>2014</u>
Claims liability, beginning of year	\$ 8,923,807	\$ 7,703,704
Current year claims	2,120,000	3,024,000
Change in prior year claims	(973,718)	(163,705)
Claims paid, current year claims	(241,696)	(495,516)
Claims paid, prior year claims	<u>(1,732,095)</u>	<u>(1,144,676)</u>
Claims liability, end of year	<u>\$ 8,096,298</u>	<u>\$ 8,923,807</u>
Current claims liabilities	<u>\$ 971,556</u>	<u>\$ 1,070,857</u>

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:

	<u>2015</u>	<u>2014</u>
Claims liability, beginning of year	\$ 1,825,529	\$ 1,892,605
Current year claims	851,000	802,000
Change in prior year claims	225,606	192,129
Claims paid, current year claims	(136,825)	(33,104)
Claims paid, prior year claims	<u>(718,377)</u>	<u>(1,028,101)</u>
Claims liability, end of year	<u>\$ 2,046,933</u>	<u>\$ 1,825,529</u>
Current claims liabilities	<u>\$ 593,611</u>	<u>\$ 529,403</u>



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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.

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, 2015, the City incurred expenses totaling \$7,731,018 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, 2015
General operating reserve (including advances)	\$ 1,505,036
Associated member services (including advances)	82,398
Undivided equity interest, at cost, in certain NCPA power projects:	
Geothermal projects	442,235
Calveras hydroelectric project	879,814
Combustion turbine project no. 2	60,848
	\$ 2,970,331

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA) (CONTINUED)**

**A. *General (Continued)***

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.

**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, 2015, the book value of this Project's plant, equipment and other assets was \$88,097,952 while its long-term debt totaled \$38,098,381 and other liabilities totaled \$44,391,424. The City's share of the Project's long-term debt amounted to \$3,003,295 at that date.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA) (CONTINUED)**

***B. Projects (Continued)***

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, 2015, the City was owed \$6,467.

***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, 2015, the book value of this Project's plant, equipment and other assets was \$447,792,983, while its long-term debt totaled \$396,718,866, and other liabilities totaled \$43,742,329. The City's share of the Project's long-term debt amounted to \$47,606,624 at that date.

***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, 2015, the book value of this Project's plant, equipment and other assets was \$48,538,467, deferred outflows totaled \$2,454,573, while its long-term debt totaled \$45,822,029 and other liabilities totaled \$2,554,311. The City's share of the Project's long-term debt amounted to \$16,725,041 at that date.

***C. NCPA Financial Information***

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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, construction and operation of the Regional Wastewater Facilities.

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, 2015, the City paid \$6,979,521 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%. The City's investment in SPWA Reserves at June 30, 2015, was \$71,340,564.

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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 2015, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$	2,361,710
Deductions		<u>(152,955)</u>
Ending Balance	\$	<u><u>2,208,755</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, 2015, was \$67,334,600. 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 4.58533% 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***D. 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, 2015, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:		
General Fund	\$	4,510,098
Non-Major Governmental Funds		6,326,690
Total Encumbrances	\$	10,836,788

***E. Other Commitments***

The City had the following outstanding significant commitments at June 30, 2015:

Projects	(in millions)
REP long-term service agreement	\$ 32.4
Net power purchase contracts	46.4
Natural Gas Forward Obligations	115.5
Renewable power purchase obligations	81.9

**NOTE 19 – GAS SUPPLY ACQUISITIONS 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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 19 – GAS SUPPLY ACQUISITIONS AND RESALE (CONTINUED)**

**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, 2015, the book value of prepaid gas under this agreement amounted to \$168,930,466.

**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, 2015.

**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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 19 – GAS SUPPLY ACQUISITIONS AND RESALE (CONTINUED)**

***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.

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.



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

**A. *Redevelopment Dissolution (Continued)***

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 were 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, 2015 are included in the pooled cash and investments discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2015.

**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 \$4,224,196 at June 30, 2015, inclusive of an allowance for doubtful accounts of \$828,703.

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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***B. Notes Receivable (Continued)***

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 the dissolution were not reversed in the current fiscal year and remain as payable from the Corporation as of June 30, 2015.

Also included in the notes receivable above is a loan to the Corporation with an outstanding balance of \$576,771. 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 payable 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. 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.

Capital assets as of June 30, 2015 were comprised of land in the amount of \$74,369.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES  
(CONTINUED)**

***D. 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, 2014	Additions	Reductions	Balance June 30, 2015	Current Portion
<b>Tax Allocation Bonds:</b>					
2002 Redevelopment Project Tax Allocation Bonds, 3%-5.14%, due 9/1/33	\$ 11,260,000		\$ (11,260,000)		
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	2,465,000		(115,000)	2,350,000	\$ 125,000
2006 Redevelopment Project Taxable Tax Allocation Housing Bonds, Series H-T 5.31%-6.07%, due 9/1/40	5,895,000		(95,000)	5,800,000	100,000
2014 Redevelopment Project Taxable Tax Allocation 2.00%-5.00%, due 9/1/33		\$ 10,740,000		10,740,000	435,000
Add: deferred bond premium		543,875		543,875	
Total Tax Allocation Bonds	32,775,000	11,283,875	(11,470,000)	32,588,875	660,000
Advances from the City of Roseville					
Loans from the City	23,236,075	391,936	(328,611)	23,299,400	878,860
SERAF Loans from the Housing Successor	490,102		(245,703)	244,399	244,399
<b>Total</b>	<b>\$ 56,501,177</b>	<b>\$ 11,675,811</b>	<b>\$ (12,044,314)</b>	<b>\$ 56,132,674</b>	<b>\$ 1,783,259</b>

***2. Debt Service Requirements***

Debt service requirements are shown below for all long-term debt except the advance made to the Successor Agency, 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
2016	\$ 660,000	\$ 1,514,792
2017	665,000	1,490,494
2018	695,000	1,463,134
2019	725,000	1,429,789
2020	765,000	1,390,109
2021 - 2025	4,380,000	6,375,073
2026 - 2030	5,535,000	5,211,546
2031 - 2035	7,060,000	3,830,439
2036 - 2040	9,390,000	1,755,145
2041	2,170,000	52,122
Total	<b>\$ 32,045,000</b>	<b>\$ 24,512,643</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***D. Long-Term Obligations (Continued)***

***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. The bonds were refunded during the year by the 2014 Redevelopment Tax Allocation Refunding Bonds.

***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.

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 \$56,557,643 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 2015 calculated by the County Auditor-Controller was \$6,816,128 and the total received by the Successor Agency for fiscal year 2015 debt service was \$3,483,534, which represented coverage of 154% of the \$2,262,920 of debt service.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***D. Long-Term Obligations (Continued)***

***5. 2014 Roseville Redevelopment Project Tax Allocation Refunding Bonds***

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.

***6. 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.

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. The balance of the loans, including principal and accrued interest, as of June 30, 2015 is \$23,299,400.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

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

***D. Long-Term Obligations (Continued)***

***6. Loans from the City (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 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, 2015 totaled \$244,399.

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 was contingent upon the Successor Agency receiving a Finding of Completion, as defined in Health and Safety Code Section 34179.6. 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.

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. The maximum annual repayment amount is limited based on calculations in the Code Section.

***E. State Approval of Enforceable Obligations***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semiannually 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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**NOTE 21 – RESTATEMENT OF NET POSITION**

The City adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. Additionally, the City completed a detailed review of capital assets in the Electric, Water and Wastewater funds. As a result, balances previously reported have been restated. The effects of the implementation of GASB Nos. 68 and 71, and capital asset review are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Beginning net position (as previously reported)	\$ 1,028,300,897	\$ 1,386,688,016
Net pension liability as of the measurement date June 30, 2013	(185,894,638)	(90,586,442)
Contributions after the measurement date - deferred outflows of resources	16,155,813	7,018,025
Adjustment to capital assets	<u>                    </u>	<u>22,845,827</u>
Beginning net position (restated)	<u>\$ 858,562,072</u>	<u>\$ 1,325,965,426</u>

	<u>Business-Type Activities - Enterprise Funds</u>					
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Local Transportation</u>	<u>School-Age Child Care</u>
Beginning net position (as previously reported)	\$ 300,794,489	\$ 459,692,745	\$ 572,648,369	\$ 23,601,613	\$ 20,648,799	\$ 1,501,978
Net pension liability as of the measurement date June 30, 2013	(40,334,386)	(16,668,512)	(17,597,701)	(9,424,631)	(2,237,639)	(4,323,573)
Contributions after the measurement date - deferred outflows of resources	3,124,835	1,291,364	1,363,351	730,157	173,357	334,961
Adjustment to capital assets	<u>1,466,523</u>	<u>19,414,382</u>	<u>1,964,922</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Beginning net position (restated)	<u>\$ 265,051,461</u>	<u>\$ 463,729,979</u>	<u>\$ 558,378,941</u>	<u>\$ 14,907,139</u>	<u>\$ 18,584,517</u>	<u>\$ (2,486,634)</u>

	<u>Self Insurance Funds</u>			
	<u>Automotive Services</u>	<u>Automotive Replacement</u>	<u>Workers' Compensation</u>	<u>General Liability</u>
Beginning net position (as previously reported)	\$ (369,627)	\$ 56,811,390	\$ (1,405,559)	\$ 697,552
Net pension liability as of the measurement date June 30, 2013	(3,470,236)	(132,741)	(398,224)	(379,261)
Contributions after the measurement date - deferred outflows of resources	268,850	10,284	30,852	29,383
Beginning net position (restated)	<u>\$ (3,571,013)</u>	<u>\$ 56,688,933</u>	<u>\$ (1,772,931)</u>	<u>\$ 347,674</u>

**NOTE 22 - SUBSEQUENT EVENTS**

Subsequent to year end, debt was issued by various reporting units as follows:

<u>Reporting Unit</u>	<u>Description</u>	<u>Date Issued</u>	<u>Type</u>	<u>Par</u>	<u>Purpose</u>
Governmental Activities	316 Vernon Street Project, Series 2015	7/14/2015	Certificates of Participation	\$ 14,425,000	Construction of new 4-story building
Water Enterprise Fund	Water Utility Revenue, Series 2015	9/3/2015	Certificates of Participation	42,565,000	Refunding of 2007 bonds plus \$5m of new project money
Agency Funds	Woodcreek West CFD Refunding, Series 2015	7/23/2015	Private Placement	13,695,000	Refunding of Woodcreek West CFD, Series 2005
Agency Funds	North Roseville CFD Refunding, Series 2015	7/23/2015	Private Placement	10,400,000	Refunding of North Roseville CFD, Series 2005
Agency Funds	Westpark CFD Special Tax Refunding, Series 2015	8/12/2015	Special Tax Bonds	67,860,000	Refunding of Westpark CFD, Series 2005 and Series 2006

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 85,803,125	\$ 88,055,468	\$ 87,099,836	\$ (955,632)
Licenses and permits	2,201,650	2,095,350	2,684,169	588,819
Charges for services	11,719,666	18,077,687	16,018,017	(2,059,670)
Subventions and grants	1,156,937	1,917,338	2,369,057	451,719
Use of money and property	743,432	720,414	817,748	97,334
Fines, forfeitures and penalties	1,195,175	1,198,843	918,227	(280,616)
Contribution from developers	1,200,000	1,675,000	1,078,854	(596,146)
Miscellaneous revenues	2,258,646	2,449,531	3,486,896	1,037,365
<b>TOTAL REVENUES</b>	<b>106,278,631</b>	<b>116,189,631</b>	<b>114,472,804</b>	<b>(1,716,827)</b>
<b>EXPENDITURES:</b>				
Current:				
Salaries and Benefits				
General Government				
City Council	36,600	36,650	36,650	
City Manager - Administration	764,970	666,729	622,949	43,780
Communications - Government Relations	651,737	551,169	544,256	6,913
City Attorney	1,515,025	1,641,318	1,466,572	174,746
Human Resources - Administration	1,301,645	1,136,104	1,099,202	36,902
Risk Mgmt - Administration	38,840	144,335	133,674	10,661
IT Administration	695,796	722,525	722,333	192
IT - Data Center	668,944	602,355	553,215	49,140
IT - Communications	815,542	822,109	820,887	1,222
IT - Public Safety	410,330	611,576	610,892	684
IT - GIS/Web	819,189	614,064	599,862	14,202
IT - Customer Service	808,538	740,369	694,109	46,260
IT - Applications	741,290	613,655	571,659	41,996
City Clerk - Administration	717,390	734,738	706,082	28,656
Central Services - Administration	469,010	428,546	428,406	140
Purchasing	573,266	527,055	527,034	21
Central Stores	274,537	265,335	265,320	15
Building Maintenance	842,962	816,679	810,367	6,312
Janitorial	505,399	471,524	470,767	757
Finance Administration	712,333	759,137	749,046	10,091
Budget	513,567	496,939	491,285	5,654
Payroll	547,428	563,050	562,103	947
Licensing		(11,317)	(11,325)	8
Cash management	210,794	223,023	218,108	4,915
Util Billing & Services - Admin	30,378	84,273	55,528	28,745
Util Billing & Services - Field Services	994,160	979,475	825,944	153,531
Util Billing & Services - Billing	424,384	501,384	419,227	82,157
Util Billing & Services - Services	1,226,266	1,094,460	1,045,436	49,024
Gen Acct - Administration	280,592	283,069	282,781	288
Gen Acct - Accounts Payable	417,155	396,609	394,812	1,797
Gen Acct - Accounting	389,783	488,868	394,708	94,160
Development & Operations				
Development & Operations - Admin	766,538	752,769	728,864	23,905
Housing Admin	107,068	120,206	119,649	557
Economic Development & Housing	444,645	484,625	484,162	463
Planning	1,563,809	1,608,984	1,587,092	21,892
Development Services - Admin	443,955	542,736	441,073	101,663
Development Services - Permit Center	727,223	549,965	549,893	72
Development Services - Building Inspection	1,684,444	1,729,509	1,676,612	52,897
Development Services - Code Enforcement	434,437	394,588	370,658	23,930
Development Services - Engineering	1,617,517	1,603,518	1,509,009	94,509

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public Works - Administration	\$ 303,970	\$ 305,282	\$ 305,242	\$ 40
Engineering	1,603,077	1,495,627	1,263,979	231,648
Flood Alert	123,265	127,173	127,050	123
Streets - Administration	690,206	680,813	650,813	30,000
Street Drainage	174,890	149,857	129,149	20,708
Paving	1,113,130	1,222,979	1,178,307	44,672
Street Signs	279,580	292,025	291,916	109
Street Markings	314,126	307,354	298,130	9,224
Public Safety				
Police				
Police - Administration	1,994,298	1,958,696	1,917,534	41,162
Records - Property	1,701,592	1,485,533	1,484,680	853
Jail	998,678	752,000	673,605	78,395
Police Communications	2,809,112	2,734,668	2,694,736	39,932
Community Services	1,618,815	1,456,141	1,373,755	82,386
Patrol	14,082,292	14,413,927	14,386,508	27,419
Investigations	3,986,091	4,070,527	3,650,911	419,616
Animal Control	300,523	293,982	293,845	137
Police Traffic	1,755,149	1,781,869	1,432,328	349,541
Fire				
Fire - Administration	676,722	655,065	650,178	4,887
Fire Prevention	1,437,747	1,325,242	1,308,748	16,494
Fire Operations	20,908,326	21,816,977	21,813,244	3,733
Fire Training	463,826	452,725	446,051	6,674
Fire Logistics	544,636	411,253	398,146	
Emergency Preparedness	261,675	220,175	154,590	65,585
Library				
Library - Admin/Tech Services	2,920,831	2,919,706	2,857,862	61,844
Maidu Museum - Historic Site	415,427	396,625	394,268	2,357
Parks and Recreation				
Parks & Rec - Administration	1,158,648	1,274,681	1,240,100	34,581
Park Development	289,681	327,292	323,700	3,592
Adult Sports	230,606	227,354	216,992	10,362
Adult & Senior Activities	101,589	101,644	100,133	1,511
Cultural Arts & Entertainment	23,096	22,184	20,968	1,216
Youth & Teen Services	202,875	201,685	173,040	28,645
Youth Classes	354,778	353,351	332,931	20,420
Community Special Events	153,891	150,395	138,989	11,406
Maidu Park	303,342	298,123	264,532	33,591
Mahany Park	557,186	585,037	522,095	62,942
Town Square	178,966	173,038	155,285	17,753
Aquatics	1,232,844	1,244,473	1,217,753	26,720
After School Education-Safety	377,253	417,681	393,235	24,446
CDE-Child Develop Program	439,729	560,592	542,936	17,656
Park Operations - Admin	702,089	633,388	558,060	75,328
Open Space/Tree Maintenance	570,534	604,117	541,491	62,626
Parks - Maintenance	2,644,527	2,593,054	2,474,987	118,067
Operating Services and Supplies				
General Government				
City Council	314,290	345,490	322,205	23,285
Community Grants	30,000	50,504	13,318	37,186
Strategic Improvements	146,510	156,135	55,840	100,295
City Manager - Administration	145,370	165,370	120,555	44,815
Communications - Government Relations	51,555	54,607	54,548	59
City Attorney	104,841	154,901	121,677	33,224
Human Resources - Admin	424,569	598,012	598,007	5
Risk Mgmt - Administration	12,051	13,051	10,652	2,399

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
IT Administration	\$ 294,348	\$ 608,644	\$ 396,561	\$ 212,083
IT - Data Center	683,888	766,526	620,671	145,855
IT - Communication	357,410	410,429	335,401	75,028
IT - Public Safety	5,234	5,234	5,163	71
IT - GIS/Web	163,447	168,519	84,676	83,843
IT - Customer Service	361,091	387,378	297,509	89,869
IT- Application	276,039	309,162	241,768	67,394
City Clerk - Administration	107,079	107,329	71,148	36,181
Elections	77,300	147,300	87,414	59,886
Central Services - Administration	16,875	16,875	15,171	1,704
Purchasing	18,435	29,141	25,234	3,907
Central Stores	71,679	89,479	89,432	47
Building Maintenance	1,157,349	1,379,141	1,338,706	40,435
Janitorial	471,212	497,801	469,770	28,031
Finance Administration	85,194	804,481	549,648	254,833
Budget	46,743	48,243	48,205	38
Payroll	18,609	125,202	105,423	19,779
Licensing	34,799	23,607	14,000	9,607
Cash Management	55,606	77,618	57,438	20,180
Utility Billing & Services - Admin	2,225	2,225	2,225	
Utility Billing & Services - Field Services	162,568	165,204	132,995	32,209
Utility Billing & Services - Billing	909,567	972,154	964,481	7,673
Utility Billing & Services - Services	30,800	30,800	25,426	5,374
General Accounting - Administration	145,867	145,867	90,876	54,991
General Accounting - Accounts Payable	18,921	19,538	18,544	994
General Accounting - Accounting	7,655	7,655	4,460	3,195
City Special Assessments		73,900	73,900	
Development & Operations-Admin				
Development & Operations - Admin	43,252	43,252	19,407	23,845
Housing Admin	143,427	210,946	156,465	54,481
Economic Development & Housing	393,714	391,286	247,781	143,505
Planning	97,232	97,232	88,671	8,561
Development Services - Admin	12,901	66,901	10,458	56,443
Development Services - Permit Center	45,709	45,709	41,186	4,523
Development Services - Building Inspection	491,701	839,951	591,478	248,473
Development Services - Code Enforcement	90,333	79,333	60,226	19,107
Development Services - Engineering	137,337	142,683	90,085	52,598
Sierra Vista Specific Plan		5,000	2,464	2,536
Creekview Specific Plan		9,000	4,320	4,680
Placer Ranch	60,000	2,339,615	473,163	1,866,452
Amoruso/Brookfield	60,000	977,896	667,244	310,652
Westbrook - SVSP		9,000	1,119	7,881
Traffic Study			123,466	(123,466)
Plan Check/Inspection Consultant - Engineering	100,000			
Building Plan Check Services	300,000	300,000	37,950	262,050
Development Full Cost Recovery		400,000	301,240	98,760
Planning - Full Cost Projects	160,000	1,085,680	1,008,433	77,247
Public Works				
Public Works - Administration	9,900	9,900	8,761	1,139
Engineering	119,686	124,686	113,220	11,466
Flood Alert	54,112	54,112	44,542	9,570
Streets - Administration	108,291	108,351	62,328	46,023
Street Sweeping		1,150		1,150
Street Drainage	281,252	281,802	274,002	7,800
Paving	922,317	930,610	820,236	110,374
Street Signs	146,384	146,384	128,198	18,186
Street Markings	213,598	213,598	187,881	25,717

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Public Safety				
Police				
Merchant Parking Program	\$ 600	\$ 600		\$ 600
Police - Administration	824,252	849,349	\$ 762,242	87,107
Records - Property	119,263	129,443	98,899	30,544
Jail	65,783	65,178	51,941	13,237
Police Communications	121,000	121,000	109,960	11,040
Community Services	34,138	40,138	31,174	8,964
Patrol	696,400	871,992	805,485	66,507
Investigations	122,317	132,469	121,039	11,430
Animal Control	332,610	884,960	786,587	98,373
Police Traffic	47,751	50,501	40,317	10,184
Police - Vehicles	1,487,915	1,466,340	1,188,723	277,617
Fire				
Fire - Administration	79,569	62,059	60,552	1,507
Fire Prevention	108,908	154,892	130,188	24,704
Fire Operations	348,837	482,901	454,837	28,064
Fire Training	172,031	220,846	183,063	37,783
Fire Logistics	1,450,948	1,727,071	1,649,401	77,670
Fire Grants	65,250	71,250	54,650	16,600
Emergency Preparedness	81,765	76,765	15,769	60,996
Library				
Library - Admin/Tech Services	578,118	637,068	614,585	22,483
Maidu Museum - Historic Site	83,375	83,376	78,327	5,049
Parks and Recreation				
Parks & Rec - Administration	202,762	227,605	200,154	27,451
Park Development	24,519	40,769	31,841	8,928
Adult Sports	157,239	160,739	155,760	4,979
Adult & Senior Activities	36,152	36,402	36,307	95
Cultural Arts & Entertainment	20,000	23,600	15,992	7,608
Youth & Teen Services	61,378	57,903	57,850	53
Youth Classes	163,667	179,567	178,256	1,311
Community Special Events	140,767	182,068	178,056	4,012
Maidu Community Center/Sports Courts	66,098	73,661	72,316	1,345
Mahany Park	249,946	251,446	231,672	19,774
Town Square	135,895	285,431	143,481	141,950
Aquatics	669,803	679,027	634,212	44,815
After School Education-Safety	27,700	39,700	28,612	11,088
CDE-Child Develop Program	53,300	79,100	79,075	25
Park Operations - Admin	72,200	72,200	66,455	5,745
Open Space/Tree Maintenance	587,163	759,193	754,189	5,004
Parks - Maintenance	2,926,813	3,123,289	3,056,041	67,248
Passthrough payments				
Economic Development & Housing		928,077	928,077	
Payments under development agreements	567,619	567,619	567,619	
Annexation payments	3,100,000	3,597,000	3,596,777	223
Debt Service:				
Principal retirement		35,673	35,573	100
Interest and fiscal charges		224	224	
<b>TOTAL EXPENDITURES</b>	<b>124,071,227</b>	<b>134,687,106</b>	<b>125,285,352</b>	<b>9,388,647</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(17,792,596)</b>	<b>(18,497,475)</b>	<b>(10,812,548)</b>	<b>7,684,927</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease			104,580	104,580
Transfers In	29,804,683	31,290,369	24,940,486	(6,349,883)
Transfers (Out)	(11,126,523)	(14,290,979)	(11,367,274)	2,923,705
Total Other Financing Sources (Uses)	18,678,160	16,999,390	13,677,792	(3,321,598)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 885,564</b>	<b>\$ (1,498,085)</b>	<b>2,865,244</b>	<b>\$ 4,363,329</b>
Adjustment to budgetary basis:				
Capital outlay			3,911,904	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<b>53,574,008</b>	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$ 52,527,348</b>	

**CITY OF ROSEVILLE, CALIFORNIA  
SCHEDULE OF CHANGES IN THE NET PENSION  
LIABILITY AND RELATED RATIOS  
LAST TEN YEARS\***

	2015	
	<u>Miscellaneous</u>	<u>Safety</u>
<b>Total pension liability</b>		
Service cost	\$ 12,410,363	\$ 7,979,496
Differences between expected and actual experience	35,999,301	17,970,776
Benefit payments, including refunds of employee contributions	<u>(18,188,166)</u>	<u>(9,003,224)</u>
<b>Net change in total pension liability</b>	30,221,498	16,947,048
<b>Total pension liability -- beginning</b>	<u>482,879,572</u>	<u>240,122,220</u>
<b>Total pension liability -- ending (a)</b>	<u><u>\$ 513,101,070</u></u>	<u><u>\$ 257,069,268</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	14,691,280	8,482,557
Contributions - employee	5,879,856	2,321,899
Net investment income	51,318,939	26,953,304
Benefit payments	<u>(18,188,166)</u>	<u>(9,003,224)</u>
<b>Net change in fiduciary net position</b>	53,701,909	28,754,536
<b>Plan fiduciary net position -- beginning</b>	<u>293,249,174</u>	<u>153,271,540</u>
<b>Plan fiduciary net position -- ending (b)</b>	<u><u>\$ 346,951,083</u></u>	<u><u>\$ 182,026,076</u></u>
<b>Net pension liability -- ending (a) - (b)</b>	<u><u>\$ 166,149,987</u></u>	<u><u>\$ 75,043,192</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	67.62%	70.81%
<b>Covered-employee payroll</b>	\$ 66,866,406	\$ 28,778,625
<b>Net pension liability as a percentage of covered-employee payroll</b>	248.48%	260.76%
<b>Measurement date</b>		June 30, 2014

\* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

**CITY OF ROSEVILLE, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS – PENSIONS  
LAST TEN YEARS\***

	<b>2015</b>	
	<u>Miscellaneous</u>	<u>Safety</u>
Actuarially determined contributions	\$ 15,872,491	\$ 9,015,161
Contributions in relation to the actuarially determined contribution	15,872,491	9,015,161
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 71,752,076	\$ 30,168,840
Contributions as a percentage of covered-employee payroll	22.12%	29.88%
<b>Notes to Schedule</b>		
Valuation date:	6/30/2013	6/30/2013
Methods and assumptions used to determine contribution rates:		
Actuarial cost method		Entry age normal cost method
Amortization method		Level percentage of payroll
Asset valuation method		Market value
Inflation		2.75%
Salary Increase		3.3% to 14.2% depending on age, service, and type of employment
Investment Rate of Return		7.50%
Retirement age		50-57 for Safety; 50-67 for Miscellaneous
Mortality		Derived using CalPERS membership data

\* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

**CITY OF ROSEVILLE, CALIFORNIA  
 MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND  
 PARKS AND LANDSCAPING COSTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

GASB Statement No. 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 \$8,042,792 in fiscal 2016. 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		
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	4,749,220
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	7.2	7.0	6,295,490	3,548,376
15/16	7.1	7.0	8,042,792	

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 7.8. 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 \$3,548,376 for street preservation in fiscal year 2015.



**CITY OF ROSEVILLE, CALIFORNIA  
MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND  
PARKS AND LANDSCAPING COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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 \$5,438,071 in fiscal 2016. 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>
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	5,179,924
15/16	3	5,438,071	

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 \$5,179,924 for maintenance in fiscal year 2015.

**CITY OF ROSEVILLE, CALIFORNIA  
OTHER POST-EMPLOYMENT BENEFITS – SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2015**

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]
6/30/2013	\$ 41,493,000	\$ 184,532,000	\$ (143,039,000)	22.49%	\$ 86,402,000	(165.55)%
6/30/2011	34,626,000	176,733,000	(142,107,000)	19.59%	74,535,000	(190.66)%
6/30/2009		180,097,000	(180,097,000)	0.00%	82,912,000	(217.21)%

## 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.

**Landscape and Lighting 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.

## NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

**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.

## NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

### 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.

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

### 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, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015**

	SPECIAL REVENUE FUNDS				
	Landscape and Lighting and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
<b>ASSETS:</b>					
Cash and Investments	\$ 10,652,831	\$ 7,258,824	\$ 81,109	\$ 4,512	
Cash with Fiscal Agents					
Receivables:					
Accounts Receivable	151,412	60			\$ 10,985
Accrued Interest	14,705	167,516	178	231	
Due from Other Government Agencies					43,079
Due from Other Funds					
Advances to other funds					
Developer permit fees receivable					
Notes receivable		3,900,000	29,888		
Land held for resale					
Total Assets	\$ 10,818,948	\$ 11,326,400	\$ 111,175	\$ 4,743	\$ 54,064
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 472,904	\$ 167,347			\$ 2,423
Accrued Liabilities					
Due to Other Funds					51,641
Due to Other Government Agencies					
Advances from Other Funds					
Deposits	34,896	1,300			
Unearned Revenue					
Total Liabilities	507,800	168,647			54,064
Deferred Inflows of Resources:					
Unavailable Revenue		152,880			
Fund Balances:					
Nonspendable					
Restricted	10,311,148	11,004,873	\$ 111,175	\$ 4,743	
Committed					
Assigned					
Unassigned					
Total Fund Balances (Deficit)	10,311,148	11,004,873	111,175	4,743	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,818,948	\$ 11,326,400	\$ 111,175	\$ 4,743	\$ 54,064

SPECIAL REVENUE FUNDS

Trench Cut Recovery Fund	Law Enforcement Block Grants	Technology Replacement	Bike Trail/ Open Space Maintenance	Fire Facilities	Storm Water Management	Traffic Signal Coordination
\$ 153,043	\$ 350,260	\$ 243,284	\$ 904,840	\$ 4,781,563	\$ 303,343	\$ 2,198,341
314	790 99,736	294	2,133	9,320	50 633	4,803
		719		323,810		14,900
<u>\$ 153,357</u>	<u>\$ 450,786</u>	<u>\$ 244,297</u>	<u>\$ 906,973</u>	<u>\$ 5,114,693</u>	<u>\$ 304,026</u>	<u>\$ 2,218,044</u>
			\$ 50,518	\$ 199,285	\$ 7,724 16,147	
		\$ 100,000		239,474		
		295,054		17,134		
	\$ 212,767					
	212,767	395,054	50,518	455,893	23,871	
153,357	238,019		856,455	4,658,800	280,155	\$ 2,218,044
		(150,757)				
<u>153,357</u>	<u>238,019</u>	<u>(150,757)</u>	<u>856,455</u>	<u>4,658,800</u>	<u>280,155</u>	<u>2,218,044</u>
<u>\$ 153,357</u>	<u>\$ 450,786</u>	<u>\$ 244,297</u>	<u>\$ 906,973</u>	<u>\$ 5,114,693</u>	<u>\$ 304,026</u>	<u>\$ 2,218,044</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015**

	SPECIAL REVENUE FUNDS				
	Utility Exploration Center	Roadway	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME
<b>ASSETS:</b>					
Cash and Investments	\$ 131,167	\$ 4,314,921	\$ 1,900,153	\$ 308,181	\$ 351,494
Cash with Fiscal Agents					
Receivables:					
Accounts Receivable					
Accrued Interest	60	7,031	4,418	634	
Due from Other Government Agencies					87,710
Due from Other Funds					
Advances to other funds					
Developer permit fees receivable				13,535	
Notes receivable					12,423,003
Land held for resale					
Total Assets	<u>\$ 131,227</u>	<u>\$ 4,321,952</u>	<u>\$ 1,904,571</u>	<u>\$ 322,350</u>	<u>\$ 12,862,207</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 17,309	\$ 99,172	\$ 37,366		\$ 61,644
Accrued Liabilities	16,820				5,168
Due to Other Funds					
Due to Other Government Agencies					12,409,275
Advances from Other Funds					
Deposits					
Unearned Revenue					
Total Liabilities	<u>34,129</u>	<u>99,172</u>	<u>37,366</u>		<u>12,476,087</u>
Deferred Inflows of Resources:					
Unavailable Revenue					
Fund Balances:					
Nonspendable					
Restricted		4,222,780	1,867,205	\$ 322,350	386,120
Committed	97,098				
Assigned					
Unassigned					
Total Fund Balances (Deficit)	<u>97,098</u>	<u>4,222,780</u>	<u>1,867,205</u>	<u>322,350</u>	<u>386,120</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 131,227</u>	<u>\$ 4,321,952</u>	<u>\$ 1,904,571</u>	<u>\$ 322,350</u>	<u>\$ 12,862,207</u>



SPECIAL REVENUE FUNDS

Housing Authority Section 8	Affordable Housing	Low/Mod Income Housing Asset	Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park
\$ 486,798	\$ 4,839,156	\$ 365,023	\$ 28,447	\$ 757,273	\$ 255,587	\$ 287,933	\$ 435,479
23,984	276,479	565,522	66	57,206 1,483	574	762 27,580	912
	3,092,779	5,179,940 861,245					
<u>\$ 510,782</u>	<u>\$ 8,208,414</u>	<u>\$ 6,971,730</u>	<u>\$ 28,513</u>	<u>\$ 815,962</u>	<u>\$ 256,161</u>	<u>\$ 316,275</u>	<u>\$ 436,391</u>
\$ 51,960 55,403	\$ 320,311		\$ 334	\$ 2,051		\$ 1,194	
<u>107,363</u>	<u>320,311</u>		<u>334</u>	<u>2,051</u>		<u>1,194</u>	
	<u>3,025,436</u>	<u>5,500,287</u>					
403,419	4,862,667	1,471,443	28,179	813,911	\$ 256,161	315,081	436,391
<u>403,419</u>	<u>4,862,667</u>	<u>1,471,443</u>	<u>28,179</u>	<u>813,911</u>	<u>256,161</u>	<u>315,081</u>	<u>436,391</u>
<u>\$ 510,782</u>	<u>\$ 8,208,414</u>	<u>\$ 6,971,730</u>	<u>\$ 28,513</u>	<u>\$ 815,962</u>	<u>\$ 256,161</u>	<u>\$ 316,275</u>	<u>\$ 436,391</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015**

	DEBT SERVICE FUND			CAPITAL PROJECT FUNDS	
	Roseville Community Development Corporation	Roseville Finance Authority	South Placer Animal Control Shelter	Traffic Mitigation	Public Facilities
<b>ASSETS:</b>					
Cash and Investments		\$ 101,150	\$ 830,378	\$ 21,462,485	\$ 12,379,576
Cash with Fiscal Agents	\$ 1,737,344	56,895			
Receivables:					
Accounts Receivable					
Accrued Interest			1,630	39,643	23,205
Due from Other Government Agencies				553,693	
Due from Other Funds					100,000
Advances to other funds					295,054
Developer permit fees receivable			46,329	860,636	707,857
Notes receivable					
Land held for resale					
Total Assets	<u>\$ 1,737,344</u>	<u>\$ 158,045</u>	<u>\$ 878,337</u>	<u>\$ 22,916,457</u>	<u>\$ 13,505,692</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 19,938			\$ 298,507	\$ 256,615
Accrued Liabilities		\$ 11,988			
Due to Other Funds					
Due to Other Government Agencies					
Advances from Other Funds	1,530,951				600,216
Deposits	11,704				
Unearned Revenue	4,200				
Total Liabilities	<u>1,566,793</u>	<u>11,988</u>		<u>298,507</u>	<u>856,831</u>
Deferred Inflows of Resources:					
Unavailable Revenue					
Fund Balances:					
Nonspendable					
Restricted	170,551	146,057	\$ 878,337	22,617,950	12,648,861
Committed					
Assigned					
Unassigned					
Total Fund Balances (Deficit)	<u>170,551</u>	<u>146,057</u>	<u>878,337</u>	<u>22,617,950</u>	<u>12,648,861</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,737,344</u>	<u>\$ 158,045</u>	<u>\$ 878,337</u>	<u>\$ 22,916,457</u>	<u>\$ 13,505,692</u>

CAPITAL PROJECT FUNDS					PERMANENT FUNDS		
Park Development	Pleasant Grove Drain Basin	Community Facilities District Projects	Building	General Capital Improvement Projects Rehabilitation	Citizens' Benefit	Roseville Aquatics Complex Maintenance	Total Non-Major Governmental Funds
\$ 28,864,056	\$ 6,141,770	\$ 4,360,072 1,744,367	\$ 2,065,588	\$ 11,683,098	\$ 17,408,163	\$ 624,382	\$ 147,314,280 3,538,606
59,845	12,902	9,793	4,005	26,419	62,409	367	243,697 1,299,076 811,798 100,000
1,152,221	3,000,000 2,968						3,295,054 3,122,975 24,625,610 861,245
<u>\$ 30,076,122</u>	<u>\$ 9,157,640</u>	<u>\$ 6,114,232</u>	<u>\$ 2,069,593</u>	<u>\$ 11,709,517</u>	<u>\$ 17,470,572</u>	<u>\$ 624,749</u>	<u>\$ 185,212,341</u>
\$ 61,565			\$ 240,344	\$ 226,514	\$ 376		\$ 2,275,090 105,526 391,115 12,729,586
		\$ 4,342,268					6,785,623 648,249 216,967
<u>61,565</u>		<u>4,342,268</u>	<u>240,344</u>	<u>226,514</u>	<u>725</u>	<u>600,000</u>	<u>23,152,156</u>
							8,678,603
30,014,557	\$ 9,157,640	1,771,964	1,829,249	11,483,003	16,964,800 505,047	24,749	16,964,800 122,721,798 2,362,738 11,483,003 (150,757)
<u>30,014,557</u>	<u>9,157,640</u>	<u>1,771,964</u>	<u>1,829,249</u>	<u>11,483,003</u>	<u>17,469,847</u>	<u>24,749</u>	<u>153,381,582</u>
<u>\$ 30,076,122</u>	<u>\$ 9,157,640</u>	<u>\$ 6,114,232</u>	<u>\$ 2,069,593</u>	<u>\$ 11,709,517</u>	<u>\$ 17,470,572</u>	<u>\$ 624,749</u>	<u>\$ 185,212,341</u>

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	SPECIAL REVENUE FUNDS					
	Landscape and Lighting and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety	Trench Cut Recovery Fund
Taxes	\$ 7,732,377					
Charges for services		\$ 60				\$ 18,642
Subventions and grants		3,611,461				
Use of money and property	47,190	48,419	\$ 594	\$ 736		1,048
Fines, forfeitures and penalties					\$ 299,671	
Contributions from developers and others						
Miscellaneous revenues	133,124	5		7,370		
<b>Total Revenues</b>	<b>7,912,691</b>	<b>3,659,945</b>	<b>594</b>	<b>8,106</b>	<b>299,671</b>	<b>19,690</b>
<b>Current:</b>						
General government						
Development and operations						
Public works		1,887				
Public safety:						
Police						
Fire						
Library				24,116		
Parks and recreation	4,434,515					
Housing assistance payments						
Capital Outlay		2,327,995				
Debt Service:						
Principal retirement						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>4,434,515</b>	<b>2,329,882</b>		<b>24,116</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,478,176</b>	<b>1,330,063</b>	<b>594</b>	<b>(16,010)</b>	<b>299,671</b>	<b>19,690</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in		74,000				
Transfers out	(2,690,693)	(68,101)	(43)	(100,709)	(299,672)	(57)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,690,693)</b>	<b>5,899</b>	<b>(43)</b>	<b>(100,709)</b>	<b>(299,672)</b>	<b>(57)</b>
<b>Net Change in Fund Balances</b>	<b>787,483</b>	<b>1,335,962</b>	<b>551</b>	<b>(116,719)</b>	<b>(1)</b>	<b>19,633</b>
<b>Fund Balances (Deficit) at the Beginning of Period</b>	<b>9,523,665</b>	<b>9,668,911</b>	<b>110,624</b>	<b>121,462</b>	<b>1</b>	<b>133,724</b>
<b>Fund balances at the end of the year</b>	<b>\$ 10,311,148</b>	<b>\$ 11,004,873</b>	<b>\$ 111,175</b>	<b>\$ 4,743</b>	<b>\$ -</b>	<b>\$ 153,357</b>

SPECIAL REVENUE FUNDS

Law Enforcement Block Grants	Technology Replacement	Bike Trail/ Open Space Maintenance	Fire Facilities	Storm Water Management	Traffic Signal Coordination	Utility Exploration Center	Roadway	Tree Propagation
			\$ 1,222,863					
\$ 233,406	\$ 231,251			\$ 13,400	\$ 1,304	\$ 30,190		\$ 55,915
2,485	961	\$ 6,747	30,483	13,538	16,060	1,507	\$ 18,714	14,630
				2,095				
				2,063	46,000			
		21,051		11,779		14,144		2,219
235,891	232,212	27,798	1,253,346	42,875	63,364	45,841	18,714	72,764
				646,581				
				7,992	59,851			
		616,071				453,739		207,636
	50,475		365,799			21,653	770,840	
			9,840					
	50,475	616,071	375,639	654,573	59,851	475,392	770,840	207,636
235,891	181,737	(588,273)	877,707	(611,698)	3,513	(429,551)	(752,126)	(134,872)
	9,600	547,419		625,149		513,135	5,156,227	
(100,148)		(39,567)	(4,549)	(38,778)	(1,555)	(53,331)	(1,399,966)	(62,830)
(100,148)	9,600	507,852	(4,549)	586,371	(1,555)	459,804	3,756,261	(62,830)
135,743	191,337	(80,421)	873,158	(25,327)	1,958	30,253	3,004,135	(197,702)
102,276	(342,094)	936,876	3,785,642	305,482	2,216,086	66,845	1,218,645	2,064,907
\$ 238,019	\$ (150,757)	\$ 856,455	\$ 4,658,800	\$ 280,155	\$ 2,218,044	\$ 97,098	\$ 4,222,780	\$ 1,867,205

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

SPECIAL REVENUE FUNDS						
	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing	Low/Mod Income Housing Asset	Miscellaneous Fire
Taxes						
Charges for services	\$ 41,786					
Subventions and grants		\$ 565,645	\$ 4,691,852			
Use of money and property	2,104	21,023		\$ 37,857	\$ 7,691	\$ 223
Fines, forfeitures and penalties						6,650
Contributions from developers and others				459,799		
Miscellaneous revenues		540,500	70,516	771,825	64,256	
Total Revenues	<u>43,890</u>	<u>1,127,168</u>	<u>4,762,368</u>	<u>1,269,481</u>	<u>71,947</u>	<u>6,873</u>
Current:						
General government						
Development and operations		876,942	530,069	44,566	40,701	
Public works						
Public safety:						
Police						
Fire						9,137
Library						
Parks and recreation						
Housing assistance payments			4,046,250			
Capital Outlay						
Debt Service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures		<u>876,942</u>	<u>4,576,319</u>	<u>44,566</u>	<u>40,701</u>	<u>9,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>43,890</u>	<u>250,226</u>	<u>186,049</u>	<u>1,224,915</u>	<u>31,246</u>	<u>(2,264)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in		3,600			20,000	
Transfers out	(129)	(6,227)	(60,154)	(26,808)		(7)
Total Other Financing Sources (Uses)	<u>(129)</u>	<u>(2,627)</u>	<u>(60,154)</u>	<u>(26,808)</u>	<u>20,000</u>	<u>(7)</u>
Net Change in Fund Balances	43,761	247,599	125,895	1,198,107	51,246	(2,271)
Fund Balances (Deficit) at the Beginning of Period	<u>278,589</u>	<u>138,521</u>	<u>277,524</u>	<u>3,664,560</u>	<u>1,420,197</u>	<u>30,450</u>
Fund balances at the end of the year	<u>\$ 322,350</u>	<u>\$ 386,120</u>	<u>\$ 403,419</u>	<u>\$ 4,862,667</u>	<u>\$ 1,471,443</u>	<u>\$ 28,179</u>

SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Roseville Community Development Corporation	Roseville Finance Authority	
3,388			\$ 64,678			
\$ 4,858	\$ 1,928	\$ 24,813 2,624	2,985	\$ 1,164,113 278,441	\$	21,423
<u>226,242</u>		<u>31,622</u>	<u>3,470</u>	<u>13,880</u>		
<u>234,488</u>	<u>1,928</u>	<u>59,059</u>	<u>71,133</u>	<u>1,456,434</u>		<u>21,423</u>
51,359				520,249		
		13,451				
	10,000					
		71,043		304,805		
				13,355		795,562
				15,760		225,134
<u>51,359</u>	<u>10,000</u>	<u>84,494</u>		<u>854,169</u>		<u>1,020,696</u>
<u>183,129</u>	<u>(8,072)</u>	<u>(25,435)</u>	<u>71,133</u>	<u>602,265</u>		<u>(999,273)</u>
5,671				516,821		
			(24,192)			1,020,695
<u>5,671</u>			<u>(24,192)</u>	<u>516,821</u>		<u>1,020,695</u>
188,800	(8,072)	(25,435)	46,941	1,119,086		21,422
<u>625,111</u>	<u>264,233</u>	<u>340,516</u>	<u>389,450</u>	<u>(948,535)</u>		<u>124,635</u>
<u>\$ 813,911</u>	<u>\$ 256,161</u>	<u>\$ 315,081</u>	<u>\$ 436,391</u>	<u>\$ 170,551</u>	<u>\$</u>	<u>146,057</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	CAPITAL PROJECTS FUNDS					
	South Placer Animal Control Shelter	Traffic Mitigation	Public Facilities	Park Development	Pleasant Grove Drain Basin	Community Facilities District Projects
Taxes						
Charges for services	\$ 170,820	\$ 3,842,625	\$ 2,715,864	\$ 4,091,438	\$ 325,550	
Subventions and grants		2,408,312				
Use of money and property	5,340	127,876	72,701	198,783	118,319	\$ 33,622
Fines, forfeitures and penalties						
Contributions from developers and others				10,000		13,726,633
Miscellaneous revenues		2,791,198	118,270	7,839		
Total Revenues	<u>176,160</u>	<u>9,170,011</u>	<u>2,906,835</u>	<u>4,308,060</u>	<u>443,869</u>	<u>13,760,255</u>
Current:						
General government			14,875			
Development and operations						
Public works		4,823				
Public safety:						
Police						
Fire						
Library						
Parks and recreation				3,500	1,450	
Housing assistance payments						
Capital Outlay		6,548,915	657,839	701,946	8,459	12,627,922
Debt Service:						
Principal retirement						
Interest and fiscal charges						142,417
Total Expenditures		<u>6,553,738</u>	<u>672,714</u>	<u>705,446</u>	<u>9,909</u>	<u>12,770,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>176,160</u>	<u>2,616,273</u>	<u>2,234,121</u>	<u>3,602,614</u>	<u>433,960</u>	<u>989,916</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in		1,793,962	184,330	290,661		
Transfers out		(34,775)	(14,497)	(43,984)	(4,563)	(1,647,962)
Total Other Financing Sources (Uses)		<u>1,759,187</u>	<u>169,833</u>	<u>246,677</u>	<u>(4,563)</u>	<u>(1,647,962)</u>
Net Change in Fund Balances	176,160	4,375,460	2,403,954	3,849,291	429,397	(658,046)
Fund Balances (Deficit) at the Beginning of Period	<u>702,177</u>	<u>18,242,490</u>	<u>10,244,907</u>	<u>26,165,266</u>	<u>8,728,243</u>	<u>2,430,010</u>
Fund balances at the end of the year	<u>\$ 878,337</u>	<u>\$ 22,617,950</u>	<u>\$ 12,648,861</u>	<u>\$ 30,014,557</u>	<u>\$ 9,157,640</u>	<u>\$ 1,771,964</u>



CAPITAL PROJECTS FUNDS		PERMANENT FUNDS			
Building	General Capital Improvement Projects Rehabilitation	Citizens' Benefit	Roseville Aquatics Complex Maintenance	Total Non-Major Governmental Funds	
				\$ 8,955,240	
				11,606,911	
				12,713,140	
\$ 13,494	\$ 86,650	\$ 225,875	\$ 453	1,455,939	
				308,384	
				14,242,432	
		7,176		4,836,486	
<u>13,494</u>	<u>86,650</u>	<u>233,051</u>	<u>453</u>	<u>54,118,532</u>	
	242,719	251,400		560,353	
	14,635			2,659,108	
				89,188	
				13,451	
				9,137	
				34,116	
				5,716,911	
608,074	1,456,321			4,046,250	
				26,522,086	
				808,917	
				393,151	
<u>608,074</u>	<u>1,713,675</u>	<u>251,400</u>		<u>40,852,668</u>	
<u>(594,580)</u>	<u>(1,627,025)</u>	<u>(18,349)</u>	<u>453</u>	<u>13,265,864</u>	
608,074	2,445,569			516,821	
(8,946)	(639,674)			13,298,092	
<u>599,128</u>	<u>1,805,895</u>			<u>(7,371,917)</u>	
4,548	178,870	(18,349)	453	6,442,996	
<u>1,824,701</u>	<u>11,304,133</u>	<u>17,488,196</u>	<u>24,296</u>	<u>19,708,860</u>	
<u>\$ 1,829,249</u>	<u>\$ 11,483,003</u>	<u>\$ 17,469,847</u>	<u>\$ 24,749</u>	<u>\$ 153,381,582</u>	

**CITY OF ROSEVILLE, CALIFORNIA  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	LANDSCAPE AND LIGHTING SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	<b>REVENUES:</b>					
Taxes	\$ 9,893,458	\$ 7,732,377	\$ (2,161,081)			
Charges for services					\$ 60	\$ 60
Subventions and grants				\$ 3,815,899	3,611,461	(204,438)
Use of money and property	32,965	47,190	14,225	30,529	48,419	17,890
Fines, forfeitures and penalties						
Contributions from developers and others						
Miscellaneous revenues		133,124	133,124		5	5
Total Revenues	<u>9,926,423</u>	<u>7,912,691</u>	<u>(2,013,732)</u>	<u>3,846,428</u>	<u>3,659,945</u>	<u>(186,483)</u>
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies						
Planning						
Home Improvement						
Main Library - Library Fund						
Highway Users Tax Operations				10,000	1,887	8,113
Parks and Recreation						
Olympus Pointe Lld Zone A	205,059	189,665	15,394			
Olympus Pointe Lld Zone D	54,001	48,882	5,119			
Nwrld Zone A	475,193	429,475	45,718			
Nwrld Zone B	18,903	17,657	1,246			
Johnson Ranch Lld Zone A	4,284	4,237	47			
Johnson Ranch Lld Zone B	2,724	2,712	12			
Johnson Ranch Lld Zone C	2,116	2,110	6			
Johnson Ranch Lld Zone D	124	106	18			
Johnson Ranch Lld Zone E	2,925	2,873	52			
Ncrld Zone A	406,109	370,517	35,592			
Ncrld Zone B	119,183	106,584	12,599			
Ncrld Zone F	21,033	14,275	6,758			
Ncrld Zone G	30,216	10,349	19,867			
Infill Lld Zone A	8,258	6,691	1,567			
Infill Lld Zone B	9,614	5,808	3,806			
Infill Lld Zone C	10,235	6,641	3,594			
Nrcfd 2 Sd Zone A	57,082	33,929	23,153			
Nrcfd 2 Sd Zone B	80,665	51,230	29,435			
Nrcfd 2 Sd Zone C	187,259	120,491	66,768			
Nrcfd 2 Sd Zone E	11,642	8,932	2,710			
Historic District Lld	47,744	33,728	14,016			
Riverside District Lld	32,021	19,298	12,723			
Stone Point Cfd #4 (Sd)	20,879	9,531	11,348			
Infill Cfd4-Wderk Oaks Preser	11,967	11,545	422			
NWRSP-Landscaping and Lighting District	352,349	22,805	329,544			
Stoneridge Cfd #1 Srv Dist	422,976	402,267	20,709			
Stoneridge Parcel 1 Cfd #2 Sd	25,429	22,461	2,968			
Wooderk West - Services District	339,042	288,320	50,722			
Crocker Ranch Services District	314,828	208,206	106,622			
Highland Res north Srv Dist	462,138	406,099	56,039			
Vernon St Lighting/Landscape	37,324	27,079	10,245			
Woodcreek East Services Dist	140,052	105,331	34,721			
Stone Point Cfd #2 Srv Dist	39,733	35,991	3,742			
Westpark Cfd #2 Services Dist	700,126	615,841	84,285			
Fiddymont Ranch Cfd #2 Sd	652,698	642,763	9,935			
Municipal Services Cfd #3	31,485	29,431	2,054			
Longmeadow Cfd #2 Sd	119,838	92,863	26,975			
Infill Services Cfd	36,742	27,792	8,950			
Total Expenditures	<u>5,493,996</u>	<u>4,434,515</u>	<u>1,059,481</u>	<u>10,000</u>	<u>1,887</u>	<u>8,113</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,432,427</u>	<u>3,478,176</u>	<u>(954,251)</u>	<u>3,836,428</u>	<u>3,658,058</u>	<u>(178,370)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in				274,000	74,000	(200,000)
Transfers out		(2,690,693)	(2,690,693)	(293,465)	(68,101)	225,364
Total Other Financing Sources (Uses)		<u>(2,690,693)</u>	<u>(2,690,693)</u>	<u>(19,465)</u>	<u>5,899</u>	<u>25,364</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,432,427</u>	<u>787,483</u>	<u>\$ (3,644,944)</u>	<u>3,816,963</u>	<u>3,663,957</u>	<u>\$ (153,006)</u>
Adjustment to Budgetary Basis:						
Extraordinary item						
Capital Outlay					(2,327,995)	
Fund balance (deficit) at beginning of year		<u>9,523,665</u>			<u>9,668,911</u>	
Fund balance at end of year		<u>\$ 10,311,148</u>			<u>\$ 11,004,873</u>	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 391	\$ 594	\$ 203	\$ 1,097	\$ 736	\$ (361)	\$ 283,000	\$ 299,671	\$ 16,671
<u>391</u>	<u>594</u>	<u>203</u>	<u>4,363</u> <u>5,460</u>	<u>7,370</u> <u>8,106</u>	<u>3,007</u> <u>2,646</u>	<u>283,000</u>	<u>299,671</u>	<u>16,671</u>

25,000      24,116      884

			<u>25,000</u>	<u>24,116</u>	<u>884</u>			
<u>391</u>	<u>594</u>	<u>203</u>	<u>(19,540)</u>	<u>(16,010)</u>	<u>3,530</u>	<u>283,000</u>	<u>299,671</u>	<u>16,671</u>
<u>(43)</u>	<u>(43)</u>		<u>(100,721)</u>	<u>(100,709)</u>	<u>12</u>	<u>(283,000)</u>	<u>(299,672)</u>	<u>(16,672)</u>
<u>(43)</u>	<u>(43)</u>		<u>(100,721)</u>	<u>(100,709)</u>	<u>12</u>	<u>(283,000)</u>	<u>(299,672)</u>	<u>(16,672)</u>
<u>\$ 348</u>	<u>551</u>	<u>\$ 203</u>	<u>\$ (120,261)</u>	<u>(116,719)</u>	<u>\$ 3,542</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>

110,624  
\$ 111,175

121,462  
\$ 4,743

1  
\$ -

**CITY OF ROSEVILLE, CALIFORNIA  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015**

	TRENCH RECOVERY			LAW ENFORCEMENT BLOCK GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Taxes						
Charges for services	\$ 2,000	\$ 18,642	\$ 16,642			
Suventions and grants				\$ 100,000	\$ 233,406	\$ 133,406
Use of money and property	521	1,048	527	1,103	2,485	1,382
Miscellaneous revenues						
Total Revenues	<u>2,521</u>	<u>19,690</u>	<u>17,169</u>	<u>101,103</u>	<u>235,891</u>	<u>134,788</u>
<b>EXPENDITURES:</b>						
Current:						
Salaries and benefits						
Parks and Recreation						
Utility Exploration Center						
Operating services and supplies						
Parks and Recreation						
Native Tree Projects						
Non-Native Tree Projects						
Debt Service:						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,521</u>	<u>19,690</u>	<u>17,169</u>	<u>101,103</u>	<u>235,891</u>	<u>134,788</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in						
Transfers out	(57)	(57)		(100,148)	(100,148)	
Total Other Financing Sources (Uses)	<u>(57)</u>	<u>(57)</u>		<u>(100,148)</u>	<u>(100,148)</u>	
NET CHANGE IN FUND BALANCE	<u>\$ 2,464</u>	<u>19,633</u>	<u>\$ 17,169</u>	<u>\$ 955</u>	<u>135,743</u>	<u>\$ 134,788</u>
Adjustment to Budgetary Basis:						
Capital Outlay						
Fund balance (deficit) at beginning of year		<u>133,724</u>			<u>102,276</u>	
Fund balance at end of year		<u>\$ 153,357</u>			<u>\$ 238,019</u>	

FIRE FACILITIES			UTILITY EXPLORATION CENTER			TREE PROPAGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 750,000	\$ 1,222,863	\$ 472,863	\$ 17,950	\$ 30,190	\$ 12,240		\$ 55,915	\$ 55,915
20,063	30,483	10,420	3,696	1,507	(2,189)	\$ 12,014	14,630	2,616
770,063	1,253,346	483,283	33,146	45,841	12,695	12,014	2,219	2,219
							72,764	60,750
			506,878	453,739	53,139			
						396,574	150,537	246,037
							57,099	(57,099)
9,840	9,840							
9,840	9,840		506,878	453,739	53,139	396,574	207,636	188,938
760,223	1,243,506	483,283	(473,732)	(407,898)	65,834	(384,560)	(134,872)	249,688
(1,393,795)	(4,549)	1,389,246	(53,331)	513,135	513,135	(62,830)	(62,830)	
(1,393,795)	(4,549)	1,389,246	(53,331)	(53,331)		(62,830)	(62,830)	
\$ (633,572)	1,238,957	\$ 1,872,529	\$ (527,063)	459,804	513,135	\$ (447,390)	(197,702)	\$ 249,688
	(365,799)			(21,653)				
	3,785,642			66,845			2,064,907	
	\$ 4,658,800			\$ 97,098			\$ 1,867,205	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	AIR QUALITY MITIGATION			COMMUNITY DEVELOPMENT BLOCK GRANT / HOME		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for services	\$ 94,000	\$ 41,786	\$ (52,214)			
Subventions and grants				\$ 1,059,654	\$ 565,645	\$ (494,009)
Use of money and property	1,215	2,104	889	6,210	21,023	14,813
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues				445,860	540,500	94,640
Total Revenues	<u>95,215</u>	<u>43,890</u>	<u>(51,325)</u>	<u>1,511,724</u>	<u>1,127,168</u>	<u>(384,556)</u>
<b>EXPENDITURES:</b>						
Current:						
Salaries and benefits						
Planning						
CDBG				118,694	110,450	8,244
Housing Authority						
Operating services and supplies						
Planning						
Rehabilitation Account				300,000	162,590	137,410
CDBG				300,978	300,228	750
Home Program				444,119	303,674	140,445
Cal/Home				36,000		36,000
Begin Program				90,000		90,000
Affordable Housing						
Housing Authority						
Public Safety:						
Fire						
Buckle Up Baby Fund						
Housing assistance payments						
Total Expenditures				<u>1,289,791</u>	<u>876,942</u>	<u>412,849</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>95,215</u>	<u>43,890</u>	<u>(51,325)</u>	<u>221,933</u>	<u>250,226</u>	<u>28,293</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in				16,500	3,600	(12,900)
Transfers out	(129)	(129)		(282,000)	(6,227)	275,773
Total Other Financing Sources (Uses)	<u>(129)</u>	<u>(129)</u>		<u>(265,500)</u>	<u>(2,627)</u>	<u>262,873</u>
NET CHANGE IN FUND BALANCE	<u>\$ 95,086</u>	<u>43,761</u>	<u>\$ (51,325)</u>	<u>\$ (43,567)</u>	<u>247,599</u>	<u>\$ 291,166</u>
Fund balance (deficit) at beginning of year		278,589			138,521	
Fund balance at end of year		<u>\$ 322,350</u>			<u>\$ 386,120</u>	

HOUSING AUTHORITY SECTION 8			AFFORDABLE HOUSING			MISCELLANEOUS FIRE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 4,523,964 109	\$ 4,691,852	\$ 167,888 (109)	\$ 17,021	\$ 37,857	\$ 20,836	\$ 153 9,000	\$ 223 6,650	\$ 70 (2,350)
39,600	70,516	30,916	343,000	459,799	116,799	500		(500)
<u>4,563,673</u>	<u>4,762,368</u>	<u>198,695</u>	<u>360,021</u>	<u>1,269,481</u>	<u>909,460</u>	<u>9,653</u>	<u>6,873</u>	<u>(2,780)</u>
505,573	530,069	(24,496)						
41,233		41,233	71,550	44,566	26,984			
4,144,388	4,046,250	98,138				9,500	9,137	363
<u>4,691,194</u>	<u>4,576,319</u>	<u>114,875</u>	<u>71,550</u>	<u>44,566</u>	<u>26,984</u>	<u>9,500</u>	<u>9,137</u>	<u>363</u>
<u>(127,521)</u>	<u>186,049</u>	<u>313,570</u>	<u>288,471</u>	<u>1,224,915</u>	<u>936,444</u>	<u>153</u>	<u>(2,264)</u>	<u>(2,417)</u>
<u>(60,154)</u>	<u>(60,154)</u>		<u>(27,208)</u>	<u>(26,808)</u>	<u>400</u>		<u>(7)</u>	<u>(7)</u>
<u>(60,154)</u>	<u>(60,154)</u>	<u>-</u>	<u>(27,208)</u>	<u>(26,808)</u>	<u>400</u>		<u>(7)</u>	<u>(7)</u>
<u>\$ (187,675)</u>	<u>125,895</u>	<u>\$ 313,570</u>	<u>\$ 261,263</u>	<u>1,198,107</u>	<u>\$ 936,844</u>	<u>\$ 153</u>	<u>(2,271)</u>	<u>\$ (2,424)</u>
	<u>277,524</u>			<u>3,664,560</u>			<u>30,450</u>	
	<u>\$ 403,419</u>			<u>\$ 4,862,667</u>			<u>\$ 28,179</u>	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015**

	MISCELLANEOUS GENERAL GOVERNMENT			MISCELLANEOUS LIBRARY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for Services		\$ 3,388	\$ 3,388			
Subventions and grants						
Use of money and property	2,470	4,858	2,388	\$ 1,329	\$ 1,928	\$ 599
Fines, forfeitures and penalties						
Miscellaneous revenues	168,320	226,242	57,922			
Total Revenues	<u>170,790</u>	<u>234,488</u>	<u>63,698</u>	<u>1,329</u>	<u>1,928</u>	<u>599</u>
<b>EXPENDITURES:</b>						
Current:						
Salaries and benefits						
Public Works						
Storm Water Management Program						
Operating services and supplies						
General Government						
Cable TV Peg Funds	204,062	51,359	152,703			
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
Total Expenditures	<u>204,062</u>	<u>51,359</u>	<u>152,703</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,272)</u>	<u>183,129</u>	<u>216,401</u>	<u>(18,671)</u>	<u>(8,072)</u>	<u>10,599</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in		5,671	5,671			
Transfers out						
Total Other Financing Sources (Uses)		<u>5,671</u>	<u>5,671</u>			
NET CHANGE IN FUND BALANCE	<u>\$ (33,272)</u>	<u>188,800</u>	<u>\$ 222,072</u>	<u>\$ (18,671)</u>	<u>(8,072)</u>	<u>\$ 10,599</u>
Adjustment to Budgetary Basis:						
Capital Outlay						
Fund balance (deficit) at beginning of year		<u>625,111</u>			<u>264,233</u>	
Fund balance at end of year		<u>\$ 813,911</u>			<u>\$ 256,161</u>	



MISCELLANEOUS POLICE			MISCELLANEOUS PARK			STORM WATER MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 25,000	\$ 24,813	\$ (187)	\$ 42,000	\$ 64,678	\$ 22,678	\$ 7,500	\$ 13,400	\$ 5,900
1,516	2,624	1,108	2,015	2,985	970	57,489	13,538	(43,951)
55,000	31,622	(23,378)		3,470	3,470	234	2,095	1,861
81,516	59,059	(22,457)	44,015	71,133	27,118		2,063	2,063
							11,779	11,779
						65,223	42,875	(22,348)
						777,946	646,581	131,365
						31,858	7,992	23,866
44,331	13,451	30,880						
1		1						
44,332	13,451	30,881				809,804	654,573	155,231
37,184	45,608	8,424	44,015	71,133	27,118	(744,581)	(611,698)	132,883
			(66,000)	(24,192)	41,808	639,121	625,149	(13,972)
			(66,000)	(24,192)	41,808	(38,778)	(38,778)	
			600,343	586,371	(13,972)	600,343	586,371	(13,972)
\$ 37,184	45,608	\$ 8,424	\$ (21,985)	46,941	\$ 68,926	\$ (144,238)	(25,327)	\$ 118,911
	(71,043)							
	340,516			389,450			305,482	
	\$ 315,081			\$ 436,391			\$ 280,155	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015**

	TRAFFIC SIGNAL COORDINATION			BIKE TRAIL OPEN SPACE MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for Services		\$ 1,304	\$ 1,304			
Subventions and grants						
Use of money and property	10,776	16,060	5,284	\$ 4,072	\$ 6,747	\$ 2,675
Contributions from developers	45,000	46,000	1,000			
Miscellaneous revenues					21,051	21,051
Total Revenues	<u>55,776</u>	<u>63,364</u>	<u>7,588</u>	<u>4,072</u>	<u>27,798</u>	<u>23,726</u>
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies						
Development & operations						
Low & Moderate Income Housing						
Successor Agency						
Planning						
Roseville Community						
Development Corporation						
Parks and Recreation						
Facilities Rehab Project	60,000	59,851	149			
Bike Trail Maintenance				736,605	616,071	120,534
Debt Service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>60,000</u>	<u>59,851</u>	<u>149</u>	<u>736,605</u>	<u>616,071</u>	<u>120,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,224)</u>	<u>3,513</u>	<u>7,737</u>	<u>(732,533)</u>	<u>(588,273)</u>	<u>144,260</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in				569,148	547,419	(21,729)
Transfers out	(1,555)	(1,555)		(43,525)	(39,567)	3,958
Total Other Financing Sources (Uses)	<u>(1,555)</u>	<u>(1,555)</u>		<u>525,623</u>	<u>507,852</u>	<u>(17,771)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,779)</u>	<u>1,958</u>	<u>\$ 7,737</u>	<u>\$ (206,910)</u>	<u>(80,421)</u>	<u>\$ 126,489</u>
Adjustment to Budgetary Basis:						
Capital Outlay						
Fund balance (deficit) at beginning of year		<u>2,216,086</u>			<u>936,876</u>	
Fund balance at end of year		<u>\$ 2,218,044</u>			<u>\$ 856,455</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)
\$ 200,000	\$ 1,164,113	\$ 964,113	\$ 5,520	\$ 7,691	\$ 2,171	\$ 170,000	\$ 231,251	\$ 61,251
767,672	278,441	(489,231)				473	961	488
1,200	13,880	12,680	27,600	64,256	36,656			
968,872	1,456,434	487,562	33,120	71,947	38,827	170,473	232,212	61,739
			62,694	40,701	21,993			
901,678	520,249	381,429						
122,934	13,355	109,579						
136,486	15,760	120,726						
1,161,098	549,364	611,734	62,694	40,701	21,993			
(192,226)	907,070	1,099,296	(29,574)	31,246	60,820	170,473	232,212	61,739
	516,821	516,821	265,703	20,000	(245,703)	40,000	9,600	(30,400)
						(100,000)		100,000
	516,821	516,821	265,703	20,000	(245,703)	(60,000)	9,600	69,600
\$ (192,226)	1,423,891	\$ 1,616,117	\$ 236,129	51,246	\$ (184,883)	\$ 110,473	241,812	\$ 131,339
	(304,805)						(50,475)	
	(948,535)			1,420,197			(342,094)	
	\$ 170,551			\$ 1,471,443			\$ (150,757)	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	ROADWAY			ROSEVILLE FINANCE AUTHORITY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Subventions & Grants	\$ 723,290		\$ (723,290)			
Use of money and property	14,573	\$ 18,714	4,141	\$ 10,577,264	\$ 21,423	\$ (10,555,841)
Miscellaneous revenues						
Total Revenues	<u>737,863</u>	<u>18,714</u>	<u>(719,149)</u>	<u>10,577,264</u>	<u>21,423</u>	<u>(10,555,841)</u>
<b>EXPENDITURES:</b>						
Current:						
Roadway Operations	10,000		10,000			
Operating services and supplies						
General government						
Citizens Benefits						
Debt Service:						
Principal retirement				795,562	795,562	
Interest and fiscal charges				<u>225,135</u>	<u>225,134</u>	<u>1</u>
Total Expenditures	<u>10,000</u>		<u>10,000</u>	<u>1,020,697</u>	<u>1,020,696</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>727,863</u>	<u>18,714</u>	<u>(709,149)</u>	<u>9,556,567</u>	<u>(999,273)</u>	<u>(10,555,840)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	5,898,500	5,156,227	(742,273)		1,020,695	1,020,695
Transfers out	<u>(1,917,320)</u>	<u>(1,399,966)</u>	<u>517,354</u>			
Total Other Financing Sources (Uses)	<u>3,981,180</u>	<u>3,756,261</u>	<u>(224,919)</u>		<u>1,020,695</u>	<u>1,020,695</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,709,043</u>	<u>3,774,975</u>	<u>\$ (934,068)</u>	<u>\$ 9,556,567</u>	<u>21,422</u>	<u>\$ (9,535,145)</u>
Adjustment to Budgetary Basis:						
Capital Outlay		(770,840)				
Fund balance (deficit) at beginning of year		<u>1,218,645</u>			<u>124,635</u>	
Fund balance at end of year		<u>\$ 4,222,780</u>			<u>\$ 146,057</u>	

CITIZENS BENEFIT

Budget	Actual	Variance Positive (Negative)
\$ 191,386	\$ 225,875	\$ 34,489
	7,176	7,176
<u>191,386</u>	<u>233,051</u>	<u>41,665</u>
261,990	251,400	10,590
<u>261,990</u>	<u>251,400</u>	<u>10,590</u>
<u>(70,604)</u>	<u>(18,349)</u>	<u>52,255</u>
<u>\$ (70,604)</u>	<u>(18,349)</u>	<u>\$ 52,255</u>
	<u>17,488,196</u>	
	<u>\$ 17,469,847</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, CALIFORNIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>ASSETS</b>				
Current Assets:				
Cash and Investments in City Treasury	\$ 1,046	\$ 31,375,201	\$ 11,994,176	\$ 4,145,789
Receivables:				
Accounts	88	109,637	9,746	
Accrued interest	2,478	2,275,006	20,149	7,059
Due from other government agencies	5,542			
Due from other funds		984,916	90,353	
Prepays				
Notes receivable		829,201		
Inventories	653,998			
<b>Total Current Assets</b>	<b>663,152</b>	<b>35,573,961</b>	<b>12,114,424</b>	<b>4,152,848</b>
Non Current Assets				
Advances to other funds		3,765,350		
Capital assets:				
Construction in progress	304,950	184,532		
Capital assets being depreciated, net		14,723,201		
<b>Total Assets</b>	<b>968,102</b>	<b>54,247,044</b>	<b>12,114,424</b>	<b>4,152,848</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pensions	290,995	10,819	32,815	31,413
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	339,911	775,106	47,570	79,576
Accrued liabilities	67,086	4,695	8,038	8,715
Due to other funds	558,442			
Self-insurance claims payable			971,556	593,611
<b>Total Current Liabilities</b>	<b>965,439</b>	<b>779,801</b>	<b>1,027,164</b>	<b>681,902</b>
Non-Current Liabilities				
Advances from other funds				
Compensated absences	223,743	36,393	55,633	19,203
Net OPEB obligation				
Self-insurance claims payable			7,124,742	1,453,322
Net pension liability	3,040,545	116,305	348,915	332,300
<b>Total Liabilities</b>	<b>4,229,727</b>	<b>932,499</b>	<b>8,556,454</b>	<b>2,486,727</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	429,358	16,423	49,270	46,924
<b>NET POSITION</b>				
Net investment in capital assets	304,950	14,907,733		
Unrestricted	(3,704,938)	38,401,208	3,541,515	1,650,610
<b>Total Net Position (Deficit)</b>	<b>\$ (3,399,988)</b>	<b>\$ 53,308,941</b>	<b>\$ 3,541,515</b>	<b>\$ 1,650,610</b>



Self Insurance Funds							
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total	
\$ 557,017	\$ 296,283	\$ 773,143	\$ 21,208	\$ 2,439,721	\$ 160,258	\$ 51,763,842	
							119,471
828	624	1,462	59	3,461			2,311,126
							5,542
							1,075,269
		169,800	47,670				217,470
							829,201
							653,998
<u>557,845</u>	<u>296,907</u>	<u>944,405</u>	<u>68,937</u>	<u>2,443,182</u>	<u>160,258</u>	<u>56,975,919</u>	
							3,765,350
							489,482
							14,723,201
<u>557,845</u>	<u>296,907</u>	<u>944,405</u>	<u>68,937</u>	<u>2,443,182</u>	<u>160,258</u>	<u>75,953,952</u>	
							366,042
							1,483,516
		108,553		575	132,225		88,534
90,353							648,795
							1,565,167
<u>90,353</u>		<u>108,553</u>		<u>575</u>	<u>132,225</u>	<u>3,786,012</u>	
							334,972
				44,461,929			44,461,929
							8,578,064
							3,838,065
<u>90,353</u>		<u>108,553</u>		<u>44,462,504</u>	<u>132,225</u>	<u>60,999,042</u>	
							541,975
							15,212,683
467,492	296,907	835,852	68,937	(42,019,322)	28,033	(433,706)	
<u>\$ 467,492</u>	<u>\$ 296,907</u>	<u>\$ 835,852</u>	<u>\$ 68,937</u>	<u>\$ (42,019,322)</u>	<u>\$ 28,033</u>	<u>\$ 14,778,977</u>	

**CITY OF ROSEVILLE, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,070,569	\$ 5,684,973	\$ 50	
Other	39,920		2,616,426	\$ 1,581,844
Total Operating Revenues	<u>7,110,489</u>	<u>5,684,973</u>	<u>2,616,476</u>	<u>1,581,844</u>
<b>OPERATING EXPENSES</b>				
Operations and maintenance	5,865,523	763,717	3,395,912	1,318,076
Depreciation and amortization	585	3,077,905	253	
Claims expense			(827,509)	922,628
Total Operating Expenses	<u>5,866,108</u>	<u>3,841,622</u>	<u>2,568,656</u>	<u>2,240,704</u>
Operating Income (Loss)	<u>1,244,381</u>	<u>1,843,351</u>	<u>47,820</u>	<u>(658,860)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest and rents revenue	45,912	353,720	62,493	21,505
Gain (loss) on disposal		440,425		
Total Non-Operating Revenue	<u>45,912</u>	<u>794,145</u>	<u>62,493</u>	<u>21,505</u>
Income (Loss) Before Contributions and transfers	<u>1,290,293</u>	<u>2,637,496</u>	<u>110,313</u>	<u>(637,355)</u>
Contributions	7,475	5,966		
Transfers In		69,699	5,289,856	1,946,554
Transfers Out	(1,126,743)	(6,093,153)	(85,723)	(6,263)
Changes in Net Position	171,025	(3,379,992)	5,314,446	1,302,936
Net position (deficit) - beginning, as restated	<u>(3,571,013)</u>	<u>56,688,933</u>	<u>(1,772,931)</u>	<u>347,674</u>
Net position - ending	<u>\$ (3,399,988)</u>	<u>\$ 53,308,941</u>	<u>\$ 3,541,515</u>	<u>\$ 1,650,610</u>

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$ 12,755,592
\$ 514,602	\$ 158,636	\$ 1,469,470	\$ 413,706	\$ 3,037,555		9,832,159
514,602	158,636	1,469,470	413,706	3,037,555		22,587,751
162,566	160,631	118,155		16,732,832		28,517,412
		1,247,620	413,801			3,078,743
162,566	160,631	1,365,775	413,801	16,732,832		1,756,540
352,036	(1,995)	103,695	(95)	(13,695,277)		33,352,695
2,571	2,088	4,695	277	13,152		(10,764,944)
						506,413
2,571	2,088	4,695	277	13,152		440,425
354,607	93	108,390	182	(13,682,125)		946,838
						(9,818,106)
(96)	(3,629)	(1,626)	(829)	8,267,716		13,441
354,511	(3,536)	106,764	(647)	(50,363)		15,573,825
112,981	300,443	729,088	69,584	(5,464,772)		(7,368,425)
\$ 467,492	\$ 296,907	\$ 835,852	\$ 68,937	\$ (42,019,322)	\$ 28,033	(1,599,265)
						16,378,242
						\$ 28,033
						\$ 14,778,977

**CITY OF ROSEVILLE, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 7,074,536	\$ 5,575,336	\$ 50	
Payments to suppliers	(3,789,953)	(345,533)	(3,162,952)	(1,065,382)
Payments to employees	(1,859,564)	(34,982)	(202,600)	(190,637)
Payments to OPEB trust				
Claims paid				(701,224)
Other receipts (payments)	39,921		2,608,927	1,582,844
Net Cash Provided by (Used for) Operating Activities	<u>1,464,940</u>	<u>5,194,821</u>	<u>(756,575)</u>	<u>(374,399)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Increase (decrease) in due to other funds	(384,044)	379,978	9,647	
Increase (decrease) in advances to other funds		(173,741)	90,353	
Transfer in		69,699	5,289,856	1,946,554
Transfer out	(1,126,743)	(6,093,153)	(85,723)	(6,263)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(1,510,787)</u>	<u>(5,817,217)</u>	<u>5,304,133</u>	<u>1,940,291</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net		(6,178,248)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	45,739	320,602	59,830	21,539
Net Increase (Decrease) in Cash and Cash Equivalents	(108)	(6,480,042)	4,607,388	1,587,431
Cash and Investments at Beginning of Period	1,154	37,855,243	7,386,788	2,558,358
Cash and Investments at End of Period	<u>\$ 1,046</u>	<u>\$ 31,375,201</u>	<u>\$ 11,994,176</u>	<u>\$ 4,145,789</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ 1,244,381	\$ 1,843,351	\$ 47,820	\$ (658,860)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	585	3,077,905	253	
Change in Assets and Liabilities:				
Receivables, Net	156,251	(109,637)	(7,499)	1,000
Prepays				
Net OPEB obligation				
Accounts payable and other liabilities	86,201	383,750	(795,147)	285,528
Net pension liability and related amounts	(22,478)	(548)	(2,002)	(2,067)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,464,940</u>	<u>\$ 5,194,821</u>	<u>\$ (756,575)</u>	<u>\$ (374,399)</u>

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
				\$ 160,063	\$ 17,305	\$ 12,827,290
	\$ (160,631)	\$ (122,637)				(8,647,088)
				(2,639,439)		(4,927,222)
				(8,994,201)		(8,994,201)
\$ (162,566)		(1,247,620)	\$ (461,471)			(2,572,881)
514,602	158,636	1,469,470	413,706	3,037,555		9,825,661
352,036	(1,995)	99,213	(47,765)	(8,436,022)	17,305	(2,488,441)
(9,647)						(4,066)
(90,353)						(173,741)
				8,267,716		15,573,825
(96)	(3,629)	(1,626)	(829)	(50,363)		(7,368,425)
(100,096)	(3,629)	(1,626)	(829)	8,217,353		8,027,593
			329	13,683		(6,164,236)
2,169	2,067	4,752				456,698
254,109	(3,557)	102,339	(48,265)	(204,986)	17,305	(168,386)
302,908	299,840	670,804	69,473	2,644,707	142,953	51,932,228
\$ 557,017	\$ 296,283	\$ 773,143	\$ 21,208	\$ 2,439,721	\$ 160,258	\$ 51,763,842
\$ 352,036	\$ (1,995)	\$ 103,695	\$ (95)	\$ (13,695,277)		\$ (10,764,944)
						3,078,743
				160,063		200,178
			(47,670)			(47,670)
				5,098,617		5,098,617
		(4,482)		575	\$ 17,305	(26,270)
						(27,095)
\$ 352,036	\$ (1,995)	\$ 99,213	\$ (47,765)	\$ (8,436,022)	\$ 17,305	\$ (2,488,441)

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## **PRIVATE-PURPOSE 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, CALIFORNIA  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015**

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ASSETS:</b>			
Cash and Investments in Treasury	\$ 1,935,346	\$ 8,430,789	\$ 10,366,135
Restricted cash and investments with fiscal agents		5,998,363	5,998,363
Accrued interest receivable	4,082	204,420	208,502
Notes receivable		4,224,196	4,224,196
Capital assets:			
Land		74,369	74,369
Total Assets	<u>1,939,428</u>	<u>18,932,137</u>	<u>20,871,565</u>
<b>LIABILITIES:</b>			
Accounts payable		18,798	18,798
Accrued liabilities		508,593	508,593
Unearned revenue		41,631	41,631
Long-term liabilities:			
Due in one year		1,783,259	1,783,259
Due in more than one year		54,349,415	54,349,415
Total Liabilities		<u>56,701,696</u>	<u>56,701,696</u>
<b>NET POSITION (DEFICIT)</b>			
Held in trust for private purposes or for other governments	<u>\$ 1,939,428</u>	<u>\$ (37,769,559)</u>	<u>\$ (35,830,131)</u>



**CITY OF ROSEVILLE, CALIFORNIA  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
JUNE 30, 2015**

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ADDITIONS</b>			
Property taxes		\$ 3,483,534	\$ 3,483,534
Investment income	\$ 17,282	82,728	100,010
Total Additions	<u>17,282</u>	<u>3,566,262</u>	<u>3,583,544</u>
<b>DEDUCTIONS</b>			
General government	531,051		531,051
Community services		1,041,388	1,041,388
Debt service:			
Interest and fiscal charges		<u>2,138,816</u>	<u>2,138,816</u>
Total Liabilities	<u>531,051</u>	<u>3,180,204</u>	<u>3,711,255</u>
Change in net position	(513,769)	386,058	(127,711)
Net position (deficit) - beginning of period	<u>2,453,197</u>	<u>(38,155,617)</u>	<u>(35,702,420)</u>
Net position (deficit) - end of period	<u>\$ 1,939,428</u>	<u>\$ (37,769,559)</u>	<u>\$ (35,830,131)</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.

## **AGENCY FUNDS (CONTINUED)**

### **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, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Foothills Boulevard Special Assessment District</b>				
Taxes receivable	\$ 21,706		\$ 21,706	
Total Assets	<u>\$ 21,706</u>		<u>\$ 21,706</u>	
Due to bondholders	<u>\$ 21,706</u>		<u>\$ 21,706</u>	
<b>North Roseville /Rocklin Sewer Special Assessment District</b>				
Cash and investments in City Treasury	\$ 3,376	\$ 58	\$ 43	\$ 3,391
Taxes receivable	783	826	783	826
Total Assets	<u>\$ 4,159</u>	<u>\$ 884</u>	<u>\$ 826</u>	<u>\$ 4,217</u>
Due to bondholders	<u>\$ 4,159</u>	<u>\$ 4,217</u>	<u>\$ 4,159</u>	<u>\$ 4,217</u>
<b>Champion Oaks Special Assessment District</b>				
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>
<b>Foothills Boulevard Extension Special Assessment District</b>				
Cash and investments in City Treasury		\$ 1,376		\$ 1,376
Taxes receivable	<u>\$ 38,424</u>		<u>\$ 31,893</u>	<u>\$ 6,531</u>
Total Assets	<u>\$ 38,424</u>	<u>\$ 1,376</u>	<u>\$ 31,893</u>	<u>\$ 7,907</u>
Due to bondholders	<u>\$ 38,424</u>	<u>\$ 7,907</u>	<u>\$ 38,424</u>	<u>\$ 7,907</u>
<b>Northeast Roseville Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 20,415	\$ 676	\$ 17	\$ 21,074
Taxes receivable	228	245	228	245
Total Assets	<u>\$ 20,643</u>	<u>\$ 921</u>	<u>\$ 245</u>	<u>\$ 21,319</u>
Due to bondholders	<u>\$ 20,644</u>	<u>\$ 21,319</u>	<u>\$ 20,644</u>	<u>\$ 21,319</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Additions	Reductions	June 30, 2015
<b>Northwest Roseville Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 2,230,621	\$ 2,035,583	\$ 2,016,772	\$ 2,249,432
Restricted cash and investments with fiscal agents	1,576,233	2,152		1,578,385
Taxes receivable	265,485	287,402	265,485	287,402
Accrued interest receivable	2,152	7,088	2,152	7,088
<b>Total Assets</b>	<b>\$ 4,074,491</b>	<b>\$ 2,332,225</b>	<b>\$ 2,284,409</b>	<b>\$ 4,122,307</b>
Accounts payable		100		100
Due to bondholders	4,074,491	2,332,125	2,284,409	4,122,207
<b>Total Liabilities</b>	<b>\$ 4,074,491</b>	<b>\$ 2,332,225</b>	<b>\$ 2,284,409</b>	<b>\$ 4,122,307</b>
<b>Stoneridge East Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 964,162	\$ 1,237,515	\$ 1,227,162	\$ 974,515
Restricted cash and investments with fiscal agents	1,177,468	2,620		1,180,088
Taxes receivable	20,925	13,776	20,925	13,776
Accrued interest receivable	1,023	3,671	1,023	3,671
<b>Total Assets</b>	<b>\$ 2,163,578</b>	<b>\$ 1,257,582</b>	<b>\$ 1,249,110</b>	<b>\$ 2,172,050</b>
Accounts payable	\$ 250		\$ 250	
Due to bondholders	2,163,328	\$ 1,257,582	1,248,860	\$ 2,172,050
<b>Total Liabilities</b>	<b>\$ 2,163,578</b>	<b>\$ 1,257,582</b>	<b>\$ 1,249,110</b>	<b>\$ 2,172,050</b>
<b>Northeast Roseville Community Facilities District #2</b>				
Cash and investments in City Treasury	\$ 853,677	\$ 868,144	\$ 857,180	\$ 864,641
Restricted cash and investments with fiscal agents	647,492	236		647,728
Taxes receivable	7,095	1,505	7,095	1,505
Accrued interest receivable	893	977	893	977
<b>Total Assets</b>	<b>\$ 1,509,157</b>	<b>\$ 870,862</b>	<b>\$ 865,168</b>	<b>\$ 1,514,851</b>
Accounts payable	\$ 35		\$ 35	-
Due to bondholders	1,509,122	\$ 870,862	865,133	\$ 1,514,851
<b>Total Liabilities</b>	<b>\$ 1,509,157</b>	<b>\$ 870,862</b>	<b>\$ 865,168</b>	<b>\$ 1,514,851</b>
<b>North Central Roseville Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 4,131,127	\$ 4,213,373	\$ 4,688,541	\$ 3,655,959
Restricted cash and investments with fiscal agents	2,308,806	13,811		2,322,617
Taxes receivable	75,735	57,583	75,735	57,583
Accrued interest receivable	5,241	8,945	5,241	8,945
<b>Total Assets</b>	<b>\$ 6,520,909</b>	<b>\$ 4,293,712</b>	<b>\$ 4,769,517</b>	<b>\$ 6,045,104</b>
Accounts payable	\$ 142		\$ 142	
Due to bondholders	6,520,767	\$ 4,293,712	4,769,375	\$ 6,045,104
<b>Total Liabilities</b>	<b>\$ 6,520,909</b>	<b>\$ 4,293,712</b>	<b>\$ 4,769,517</b>	<b>\$ 6,045,104</b>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Additions	Reductions	June 30, 2015
<b>North Roseville Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 1,670,638	\$ 1,747,931	\$ 1,781,329	\$ 1,637,240
Restricted cash and investments with fiscal agents	1,741,620	12,771		1,754,391
Taxes receivable	26,308	24,894	26,308	24,894
Accrued interest receivable	1,979	1,911	1,979	1,911
<b>Total Assets</b>	<b>\$ 3,440,545</b>	<b>\$ 1,787,507</b>	<b>\$ 1,809,616</b>	<b>\$ 3,418,436</b>
Accounts payable	\$ 35		\$ 35	
Due to bondholders	3,440,510	\$ 1,787,507	1,809,581	\$ 3,418,436
<b>Total Liabilities</b>	<b>\$ 3,440,545</b>	<b>\$ 1,787,507</b>	<b>\$ 1,809,616</b>	<b>\$ 3,418,436</b>
<b>Woodcreek West Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 1,166,253	\$ 1,436,206	\$ 1,438,705	\$ 1,163,754
Restricted cash and investments with fiscal agents	1,402,239	8,313		1,410,552
Taxes receivable	22,286	23,717	22,286	23,717
Accrued interest receivable	1,239	1,259	1,239	1,259
<b>Total Assets</b>	<b>\$ 2,592,017</b>	<b>\$ 1,469,495</b>	<b>\$ 1,462,230</b>	<b>\$ 2,599,282</b>
Accounts payable	\$ 35		\$ 35	
Accrued Liabilities	4,871	\$ 4,871	4,871	\$ 4,871
Due to bondholders	2,587,111	1,464,624	1,457,324	2,594,411
<b>Total Liabilities</b>	<b>\$ 2,592,017</b>	<b>\$ 1,469,495</b>	<b>\$ 1,462,230</b>	<b>\$ 2,599,282</b>
<b>Highland Reserve North Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 2,268,810	\$ 2,621,172	\$ 2,635,492	\$ 2,254,490
Restricted cash and investments with fiscal agents	2,544,895	11,910		2,556,805
Taxes receivable	36,432	12,366	36,432	12,366
Accrued interest receivable	2,310	6,360	2,310	6,360
<b>Total Assets</b>	<b>\$ 4,852,447</b>	<b>\$ 2,651,808</b>	<b>\$ 2,674,234</b>	<b>\$ 4,830,021</b>
Due to bondholders	\$ 4,852,447	\$ 2,651,808	\$ 2,674,234	\$ 4,830,021
<b>Stoneridge Parcel 1 Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 129,899	\$ 155,430	\$ 152,739	\$ 132,590
Restricted cash and investments with fiscal agents	138,061	155		138,216
Taxes receivable	1,283	1,338	1,283	1,338
Accrued interest receivable	165	161	165	161
<b>Total Assets</b>	<b>\$ 269,408</b>	<b>\$ 157,084</b>	<b>\$ 154,187</b>	<b>\$ 272,305</b>
Due to bondholders	\$ 269,408	\$ 157,084	\$ 154,187	\$ 272,305

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Woodcreek East Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 452,351	\$ 483,765	\$ 489,802	\$ 446,314
Restricted cash and investments with fiscal agents	486,378	675		487,053
Taxes receivable	13,276	11,887	13,276	11,887
Accrued interest receivable	581	547	581	547
<b>Total Assets</b>	<b>\$ 952,586</b>	<b>\$ 496,874</b>	<b>\$ 503,659</b>	<b>\$ 945,801</b>
Due to bondholders	\$ 952,586	\$ 496,874	\$ 503,659	\$ 945,801
<b>Stoneridge West Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 1,207,236	\$ 764,653	\$ 692,714	\$ 1,279,175
Restricted cash and investments with fiscal agents	921,439	1,821		923,260
Taxes receivable	271,718	271,497	271,718	271,497
Accrued interest receivable	1,707	4,460	1,707	4,460
<b>Total Assets</b>	<b>\$ 2,402,100</b>	<b>\$ 1,042,431</b>	<b>\$ 966,139</b>	<b>\$ 2,478,392</b>
Accounts payable	\$ 250		\$ 250	
Due to bondholders	2,401,850	\$ 1,042,431	965,889	\$ 2,478,392
<b>Total Liabilities</b>	<b>\$ 2,402,100</b>	<b>\$ 1,042,431</b>	<b>\$ 966,139</b>	<b>\$ 2,478,392</b>
<b>Crocker Ranch Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 1,113,241	\$ 1,495,808	\$ 1,459,339	\$ 1,149,710
Restricted cash and investments with fiscal agents	1,391,620	3,081		1,394,701
Taxes receivable	33,303	29,021	33,303	29,021
Accrued interest receivable	1,211	4,623	1,211	4,623
<b>Total Assets</b>	<b>\$ 2,539,375</b>	<b>\$ 1,532,533</b>	<b>\$ 1,493,853</b>	<b>\$ 2,578,055</b>
Accounts payable	\$ 35		\$ 35	
Due to bondholders	2,539,340	\$ 1,532,533	1,493,818	\$ 2,578,055
<b>Total Liabilities</b>	<b>\$ 2,539,375</b>	<b>\$ 1,532,533</b>	<b>\$ 1,493,853</b>	<b>\$ 2,578,055</b>
<b>Stone Point Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 738,584	\$ 2,108,536	\$ 2,216,695	\$ 630,425
Restricted cash and investments with fiscal agents	904,669		157,510	747,159
Accrued interest receivable	908	865	908	865
<b>Total Assets</b>	<b>\$ 1,644,161</b>	<b>\$ 2,109,401</b>	<b>\$ 2,375,113</b>	<b>\$ 1,378,449</b>
Accounts payable	\$ 500		\$ 500	
Due to bondholders	1,643,661	\$ 2,109,401	2,374,613	\$ 1,378,449
<b>Total Liabilities</b>	<b>\$ 1,644,161</b>	<b>\$ 2,109,401</b>	<b>\$ 2,375,113</b>	<b>\$ 1,378,449</b>

(Continued)



**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Stone Point Community Facilities District #5</b>				
Cash and investments in City Treasury	\$ 309,387	\$ 398,386	\$ 355,441	\$ 352,332
Restricted cash and investments with fiscal agents	494,821	55		494,876
Accrued interest receivable	336	548	336	548
<b>Total Assets</b>	<b>\$ 804,544</b>	<b>\$ 398,989</b>	<b>\$ 355,777</b>	<b>\$ 847,756</b>
Due to bondholders	\$ 804,544	\$ 398,989	\$ 355,777	\$ 847,756
<b>Westpark Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 4,160,901	\$ 5,946,430	\$ 6,369,290	\$ 3,738,041
Restricted cash and investments with fiscal agents	5,529,902	-	29,415	5,500,487
Taxes receivable	78,148	18,846	78,148	18,846
Accrued interest receivable	4,493	4,791	4,493	4,791
<b>Total Assets</b>	<b>\$ 9,773,444</b>	<b>\$ 5,970,067</b>	<b>\$ 6,481,346</b>	<b>\$ 9,262,165</b>
Accounts payable	\$ 536		\$ 536	
Due to bondholders	9,772,908	\$ 5,970,067	6,480,810	\$ 9,262,165
<b>Total Liabilities</b>	<b>\$ 9,773,444</b>	<b>\$ 5,970,067</b>	<b>\$ 6,481,346</b>	<b>\$ 9,262,165</b>
<b>Fiddymt Ranch Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 2,961,393	\$ 4,992,735	\$ 4,511,505	\$ 3,442,623
Restricted cash and investments with fiscal agents	6,130,608		2,222	6,128,386
Taxes receivable	16,811	8,127	16,811	8,127
Accrued interest receivable	718,429	1,194,064	718,429	1,194,064
<b>Total Assets</b>	<b>\$ 9,827,241</b>	<b>\$ 6,194,926</b>	<b>\$ 5,248,967</b>	<b>\$ 10,773,200</b>
Accounts payable	\$ 486		\$ 486	
Due to bondholders	9,826,755	\$ 6,194,926	5,248,481	\$ 10,773,200
<b>Total Liabilities</b>	<b>\$ 9,827,241</b>	<b>\$ 6,194,926</b>	<b>\$ 5,248,967</b>	<b>\$ 10,773,200</b>
<b>Longmeadow Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 491,490	\$ 608,166	\$ 610,912	\$ 488,744
Restricted cash and investments with fiscal agents	573,700	1,332		575,032
Taxes receivable	6,359	4,959	6,359	4,959
Accrued interest receivable	430	564	430	564
<b>Total Assets</b>	<b>\$ 1,071,979</b>	<b>\$ 615,021</b>	<b>\$ 617,701</b>	<b>\$ 1,069,299</b>
Due to bondholders	\$ 1,071,979	\$ 615,021	\$ 617,701	\$ 1,069,299

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Diamond Creek Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 267,695	\$ 475,842	\$ 444,704	\$ 298,833
Restricted cash and investments with fiscal agents	651,202	1,537		652,739
Taxes receivable	815	818	815	818
Accrued interest receivable	300	300	300	300
<b>Total Assets</b>	<b>\$ 920,012</b>	<b>\$ 478,497</b>	<b>\$ 445,819</b>	<b>\$ 952,690</b>
Due to bondholders	\$ 920,012	\$ 478,497	\$ 445,819	\$ 952,690
<b>Fountains Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 448,335	\$ 841,410	\$ 828,267	\$ 461,478
Restricted cash and investments with fiscal agents	1,120,406	3,371		1,123,777
Taxes receivable				
Accrued interest receivable	396	4,046	396	4,046
<b>Total Assets</b>	<b>\$ 1,569,137</b>	<b>\$ 848,827</b>	<b>\$ 828,663</b>	<b>\$ 1,589,301</b>
Accounts payable	\$ 250		\$ 250	
Due to bondholders	1,568,887	\$ 848,827	828,413	\$ 1,589,301
<b>Total Liabilities</b>	<b>\$ 1,569,137</b>	<b>\$ 848,827</b>	<b>\$ 828,663</b>	<b>\$ 1,589,301</b>
<b>Automall Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 480,723	\$ 673,582	\$ 556,006	\$ 598,299
Accrued interest receivable	469	580	469	580
<b>Total Assets</b>	<b>\$ 481,192</b>	<b>\$ 674,162</b>	<b>\$ 556,475</b>	<b>\$ 598,879</b>
Due to bondholders	\$ 481,192	\$ 674,162	\$ 556,475	\$ 598,879
<b>Payroll Revolving</b>				
Cash and investments in City Treasury	\$ 1,070,033	\$ 8,518		\$ 1,078,551
Accounts payable	1,070,034	1,078,551	\$ 1,070,034	1,078,551

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Highway 65 JPA</b>				
Cash and investments in City Treasury	\$ 1,990,060	\$ 1,101,337	\$ 1,336,996	\$ 1,754,401
Accrued interest receivable	3,590	2,725	3,590	2,725
Accounts receivable	-	4,895		4,895
Due from other government agencies	216,285	109,699	216,285	109,699
<b>Total Assets</b>	<b>\$ 2,209,935</b>	<b>\$ 1,218,656</b>	<b>\$ 1,556,871</b>	<b>\$ 1,871,720</b>
Accounts payable	\$ 1,269	\$ 37,484	\$ 1,269	\$ 37,484
Due to member agencies	2,208,666	1,181,172	1,555,602	1,834,236
<b>Total Liabilities</b>	<b>\$ 2,209,935</b>	<b>\$ 1,218,656</b>	<b>\$ 1,556,871</b>	<b>\$ 1,871,720</b>
<b>Dry Creek Drainage Basin</b>				
Cash and investments in City Treasury	\$ 44,783	\$ 22,769		\$ 67,552
Accrued interest receivable	50	91	\$ 50	91
<b>Total Assets</b>	<b>\$ 44,833</b>	<b>\$ 22,860</b>	<b>\$ 50</b>	<b>\$ 67,643</b>
Accounts payable	\$ 44,376	\$ 67,577	\$ 44,376	\$ 67,577
Due to others	457	66	457	66
<b>Total Liabilities</b>	<b>\$ 44,833</b>	<b>\$ 67,643</b>	<b>\$ 44,833</b>	<b>\$ 67,643</b>
<b>County Capital Facilities Fee</b>				
Cash and investments in City Treasury	\$ 600,407	\$ 737,125	\$ 600,449	\$ 737,083
Accrued interest receivable	738	835	738	835
<b>Total Assets</b>	<b>\$ 601,145</b>	<b>\$ 737,960</b>	<b>\$ 601,187</b>	<b>\$ 737,918</b>
Accounts payable	\$ 520,935	\$ 737,536	\$ 520,935	\$ 737,536
Due to others	80,210	424	80,252	382
<b>Total Liabilities</b>	<b>\$ 601,145</b>	<b>\$ 737,960</b>	<b>\$ 601,187</b>	<b>\$ 737,918</b>
<b>South Placer Wastewater Authority</b>				
Cash and investments in City Treasury	\$ 97,053,834	\$ 13,518,948	\$ 7,275,409	\$ 103,297,373
Restricted cash and investments with fiscal agents	9,125,354		1,010,443	8,114,911
Accounts receivable	3,702	1,608,964	3,702	1,608,964
Accrued interest receivable	226,975	224,488	226,975	224,488
Permit fees receivable	1,247,138		1,247,138	
Due from other government agencies	1,228,011	1,569,953	1,228,011	1,569,953
<b>Total Assets</b>	<b>\$ 108,885,014</b>	<b>\$ 16,922,353</b>	<b>\$ 10,991,678</b>	<b>\$ 114,815,689</b>
Accounts payable	\$ 96,576	\$ 210,065	\$ 96,576	\$ 210,065
Accrued liabilities	511,656	499,986	511,656	499,986
Due to member agencies	108,276,782	16,212,302	10,383,446	114,105,638
<b>Total Liabilities</b>	<b>\$ 108,885,014</b>	<b>\$ 16,922,353</b>	<b>\$ 10,991,678</b>	<b>\$ 114,815,689</b>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Special Sewer Benefit Area #3</b>				
Cash and investments in City Treasury	\$ 89,953		\$ 87,029	\$ 2,924
Accrued interest receivable	88	\$ 50	88	50
Permit fees receivable	3,499	1,750	3,499	1,750
<b>Total Assets</b>	<b>\$ 93,540</b>	<b>\$ 1,800</b>	<b>\$ 90,616</b>	<b>\$ 4,724</b>
Accounts payable	\$ 89,909		\$ 89,909	
Due to others	3,632	\$ 4,724	3,632	\$ 4,724
<b>Total Liabilities</b>	<b>\$ 93,541</b>	<b>\$ 4,724</b>	<b>\$ 93,541</b>	<b>\$ 4,724</b>
<b>Special Sewer Benefit Area #4</b>				
Cash and investments in City Treasury	\$ 154,356	\$ 30,420		\$ 184,776
Accrued interest receivable	321	341	\$ 321	341
<b>Total Assets</b>	<b>\$ 154,677</b>	<b>\$ 30,761</b>	<b>\$ 321</b>	<b>\$ 185,117</b>
Due to others	\$ 154,676	\$ 30,441		\$ 185,117
<b>South Placer County Tourism Business Improvement District (SPCTBID)</b>				
Cash and investments in City Treasury	\$ 19,178	\$ 1,838,607	\$ 1,830,802	\$ 26,983
Accounts Receivable	215,894	662,582	215,894	662,582
Accrued interest receivable	171	220	171	220
<b>Total Assets</b>	<b>\$ 235,243</b>	<b>\$ 2,501,409</b>	<b>\$ 2,046,867</b>	<b>\$ 689,785</b>
Accounts payable	\$ 216,254	\$ 644,907	\$ 216,254	\$ 644,907
Due to others	18,989	44,878	18,989	44,878
<b>Total Liabilities</b>	<b>\$ 235,243</b>	<b>\$ 689,785</b>	<b>\$ 235,243</b>	<b>\$ 689,785</b>
<b>South Placer County Safe Kids Coalition</b>				
Cash and investments in City Treasury	\$ 6,663	\$ 4,786	\$ 5,007	\$ 6,442
Accrued interest receivable	14	14	14	14
<b>Total Assets</b>	<b>\$ 6,677</b>	<b>\$ 4,800</b>	<b>\$ 5,021</b>	<b>\$ 6,456</b>
Accounts payable	\$ 48		\$ 48	
Due to others	6,629	\$ 4,800	4,973	\$ 6,456
<b>Total Liabilities</b>	<b>\$ 6,677</b>	<b>\$ 4,800</b>	<b>\$ 5,021</b>	<b>\$ 6,456</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>South Placer Regional Traffic Fee</b>				
Cash and investments in City Treasury	\$ 318,905	\$ 541,238	\$ 319,084	\$ 541,059
Accrued interest receivable	376	450	376	450
Total Assets	<u>\$ 319,281</u>	<u>\$ 541,688</u>	<u>\$ 319,460</u>	<u>\$ 541,509</u>
Accounts payable	\$ 319,084	\$ 541,302	\$ 319,084	\$ 541,302
Due to others	197	386	376	207
Total Liabilities	<u>\$ 319,281</u>	<u>\$ 541,688</u>	<u>\$ 319,460</u>	<u>\$ 541,509</u>
<b>City/County TMF</b>				
Cash and investments in City Treasury	\$ 133,538	\$ 345,812	\$ 141,402	\$ 337,948
Accrued interest receivable	137	200	137	200
Total Assets	<u>\$ 133,675</u>	<u>\$ 346,012</u>	<u>\$ 141,539</u>	<u>\$ 338,148</u>
Accounts payable	\$ 141,539	\$ 338,057	\$ 141,539	\$ 338,057
Due to others	(7,864)	7,955		91
Total Liabilities	<u>\$ 133,675</u>	<u>\$ 346,012</u>	<u>\$ 141,539</u>	<u>\$ 338,148</u>
<b>Placer County Air Pollution Control</b>				
Cash and investments in City Treasury	\$ 30,038	\$ 10,131		\$ 40,169
Permit fees receivable	134		\$ 134	
Total Assets	<u>\$ 30,172</u>	<u>\$ 10,131</u>	<u>\$ 134</u>	<u>\$ 40,169</u>
Due to others	<u>\$ 30,172</u>	<u>\$ 10,131</u>	<u>\$ 134</u>	<u>\$ 40,169</u>
<b>Sierra College Boulevard</b>				
Cash and investments in City Treasury	\$ 23,400		\$ 375	\$ 23,025
Accounts receivable	375		375	
Total Assets	<u>\$ 23,775</u>	<u></u>	<u>\$ 750</u>	<u>\$ 23,025</u>
Due to others	<u>\$ 23,775</u>	<u></u>	<u>\$ 750</u>	<u>\$ 23,025</u>
<b>Westbrook Community Facilities District #1</b>				
Cash and investments in City Treasury	\$ 1,703	\$ 936,455	\$ 905,696	\$ 32,462
Restricted cash and investments with fiscal agents		1,602,584		1,602,584
Accrued interest receivable	9	16	9	16
Total Assets	<u>\$ 1,712</u>	<u>\$ 2,539,055</u>	<u>\$ 905,705</u>	<u>\$ 1,635,062</u>
Due to bondholders	<u>\$ 1,712</u>	<u>\$ 2,539,055</u>	<u>\$ 905,705</u>	<u>\$ 1,635,062</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<b>Other</b>				
Cash and investments in City Treasury	\$ 13,122			\$ 13,122
Due to other governmental agencies	\$ 13,122			\$ 13,122
<b>DOWNTOWN RSVL PROP-BUS IMP</b>				
Cash and investments in City Treasury	\$ -	\$ 227,334	\$ 169,181	\$ 58,153
Accounts payable		\$ 58,153		\$ 58,153
<b>Total Agency Funds</b>				
Cash and investments in City Treasury	\$ 127,639,574	\$ 52,430,257	\$ 46,004,085	\$ 134,065,746
Restricted cash and investments with fiscal agents	38,866,913	1,666,424	1,199,590	39,333,747
Accounts receivable	219,971	2,276,441	219,971	2,276,441
Taxes receivable	937,120	768,807	930,589	775,338
Accrued interest receivable	976,731	1,475,190	976,731	1,475,190
Permit fees receivable	1,250,771	1,750	1,250,771	1,750
Due from other government agencies	1,444,296	1,679,652	1,444,296	1,679,652
Total Assets	<u>\$ 171,335,376</u>	<u>\$ 60,298,521</u>	<u>\$ 52,026,033</u>	<u>\$ 179,607,864</u>
Accounts payable	\$ 2,502,577	\$ 3,713,731	\$ 2,502,577	\$ 3,713,732
Accrued liabilities	516,527	504,857	516,527	504,857
Due to other governmental agencies	13,122			13,122
Due to member agencies	110,485,448	17,393,474	11,939,048	115,939,874
Due to bondholders	57,506,829	37,749,529	36,125,195	59,131,164
Due to others	310,873	103,805	109,563	305,115
Total Liabilities	<u>\$ 171,335,376</u>	<u>\$ 59,465,396</u>	<u>\$ 51,192,910</u>	<u>\$ 179,607,864</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

## STATISTICAL SECTION (Continued)

### *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:

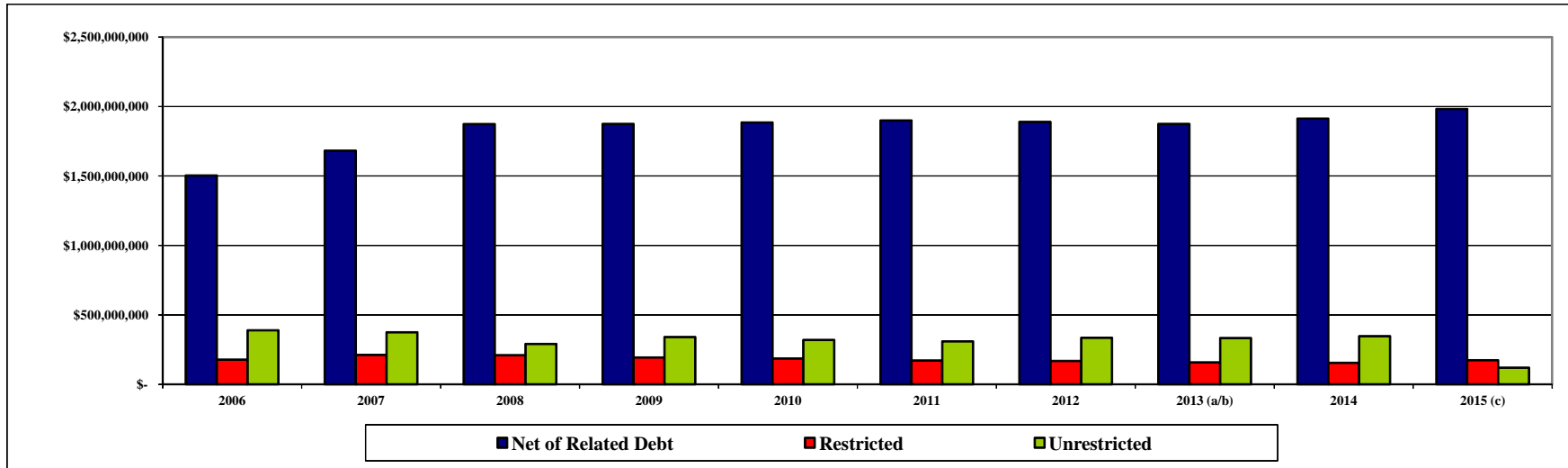
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### *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)**



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	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013 (a/b)	2014	2015 (c)
<b>Governmental activities</b>										
Net investment in capital assets	\$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	\$844,036,089
Restricted	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	139,686,598
Unrestricted	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	(94,115,158)
Total governmental activities net position	<u>\$923,265,134</u>	<u>\$1,027,076,240</u>	<u>\$1,073,190,359</u>	<u>\$1,074,093,658</u>	<u>\$1,063,143,232</u>	<u>\$1,057,238,476</u>	<u>\$1,069,569,730</u>	<u>\$1,059,314,211</u>	<u>\$1,028,300,897</u>	<u>\$889,607,529</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$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	1,137,488,311
Restricted	28,178,946	34,553,611	44,622,022	43,873,415	43,565,544	26,825,766	28,837,472	27,217,358	31,557,118	33,974,831
Unrestricted	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	214,253,723
Total business-type activities net position	<u>\$1,146,952,142</u>	<u>\$1,241,900,692</u>	<u>\$1,301,026,290</u>	<u>\$1,333,104,891</u>	<u>\$1,326,620,059</u>	<u>\$1,322,051,313</u>	<u>\$1,323,559,226</u>	<u>\$1,307,013,671</u>	<u>\$1,386,688,016</u>	<u>\$1,385,716,865</u>
<b>Primary government</b>										
Net investment in capital assets	\$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	\$1,981,524,400
Restricted	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	173,661,429
Unrestricted	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	120,138,565
Total primary government net position	<u>\$2,070,217,276</u>	<u>\$2,268,976,932</u>	<u>\$2,374,216,649</u>	<u>\$2,407,198,549</u>	<u>\$2,389,763,291</u>	<u>\$2,379,289,789</u>	<u>\$2,393,128,956</u>	<u>\$2,366,327,882</u>	<u>\$2,414,988,913</u>	<u>\$2,275,324,394</u>

(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.

(c) The City implemented the provisions of GASB Statement 68 and 71 in fiscal year 2015, the statistics prior to 2015 have not been restated.

**CITY OF ROSEVILLE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014	2015 (b)
<b>Expenses</b>										
Governmental Activities:										
General Government	\$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	\$33,259,988
Development and Operations	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	20,677,108
Public Works	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	17,191,405
Police	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	33,815,163
Fire	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	28,710,164
Library	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	4,728,411
Parks and recreation	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	21,676,006
Housing assistance payments	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	4,046,250
Interest on long-term debt	1,933,654	4,920,776	6,858,207	5,847,054	7,131,216	3,181,266	999,436	1,274,294	740,975	543,336
Total Governmental Activities Expenses	\$135,882,034	\$163,620,984	\$180,389,520	\$185,838,531	\$180,289,711	\$160,096,972	\$166,333,208	\$176,540,105	\$168,835,263	\$164,647,830
Business-Type Activities:										
Electric	\$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	\$139,307,833
Water	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	25,123,587
Wastewater	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	34,558,191
Solid Waste	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	17,028,218
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	25,574,327
Golf Course	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	2,598,524
Local Transportation	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	8,918,391
School-age Child Care	4,430,801	4,825,366	5,575,761	4,649,458	4,258,304	4,277,245	4,461,275	4,496,871	4,966,376	3,664,376
Total Business-Type Activities Expenses	168,366,019	208,951,516	263,703,716	270,549,198	281,435,640	255,924,324	260,208,986	260,306,214	262,626,500	256,773,447
Total Primary Government Expenses	\$304,248,053	\$372,572,500	\$444,093,236	\$456,387,729	\$461,725,351	\$416,021,296	\$426,542,194	\$436,846,319	\$431,461,763	\$421,421,277
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$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	\$4,151,967
Development and Operations	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	9,016,571
Public Works	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	207,635
Police	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	1,384,407
Fire	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	1,525,539
Library	188,738	235,231	272,057	230,290	216,064	228,343	339,589	297,467	332,387	137,575
Parks and recreation	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	13,361,020
Operating Grants and Contributions	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	12,420,283
Capital Grants and Contributions	113,531,466	101,768,467	59,279,903	22,813,349	27,053,063	11,716,689	19,862,713	21,787,386	22,489,470	29,838,252
Total Government Activities Program Revenues	147,544,044	134,040,159	94,188,328	57,957,914	60,944,645	44,066,405	43,440,046	54,061,754	57,951,901	72,043,249
Business-Type Activities:										
Charges for Services:										
Electric	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	168,349,951
Water	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	23,511,499
Wastewater	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	31,786,319
Solid Waste	17,558,492	18,575,194	19,562,798	19,951,063	19,951,063	20,082,492	20,903,993	21,437,536	21,806,830	22,002,869
Natural Gas			4,059,943	16,528,513	16,557,517	16,528,513	16,563,722	16,530,605	16,529,666	16,528,513
Golf Course	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	2,386,188
Local Transportation	601,087	739,826	863,606	1,184,861	861,730	949,192	974,344	1,075,864	1,141,354	1,201,224
School-age Child Care	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	4,273,030
Operating Grants and Contributions	2,299,189	14,328,217	13,630,808	10,139,913	6,327,458	6,174,016	13,729,467	7,175,122	13,286,509	14,272,710
Capital Grants and Contributions	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	50,670,825
Total Business-Type Activities Program Revenue	232,204,071	317,763,580	319,828,901	311,283,638	283,344,274	278,956,407	279,428,660	280,251,269	319,270,591	334,983,128
Total Primary Government Program Revenues	\$379,748,115	\$451,803,739	\$414,017,229	\$369,241,552	\$344,288,919	\$323,022,812	\$322,868,706	\$334,313,023	\$377,222,492	\$407,026,377
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$11,662,010	(\$29,580,825)	(\$86,201,192)	(\$127,880,617)	(\$119,345,066)	(\$116,030,567)	(\$122,893,162)	(\$122,478,351)	(\$110,883,362)	(\$92,604,581)
Business-Type Activities	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	78,209,681
Total Primary Government Net Expense	\$75,500,062	\$79,231,239	(\$30,076,007)	(\$87,146,177)	(\$117,436,432)	(\$92,998,484)	(\$103,673,488)	(\$102,533,296)	(\$54,239,271)	(\$14,394,900)

(Continued)

Source: City's Comprehensive Annual Financial Report

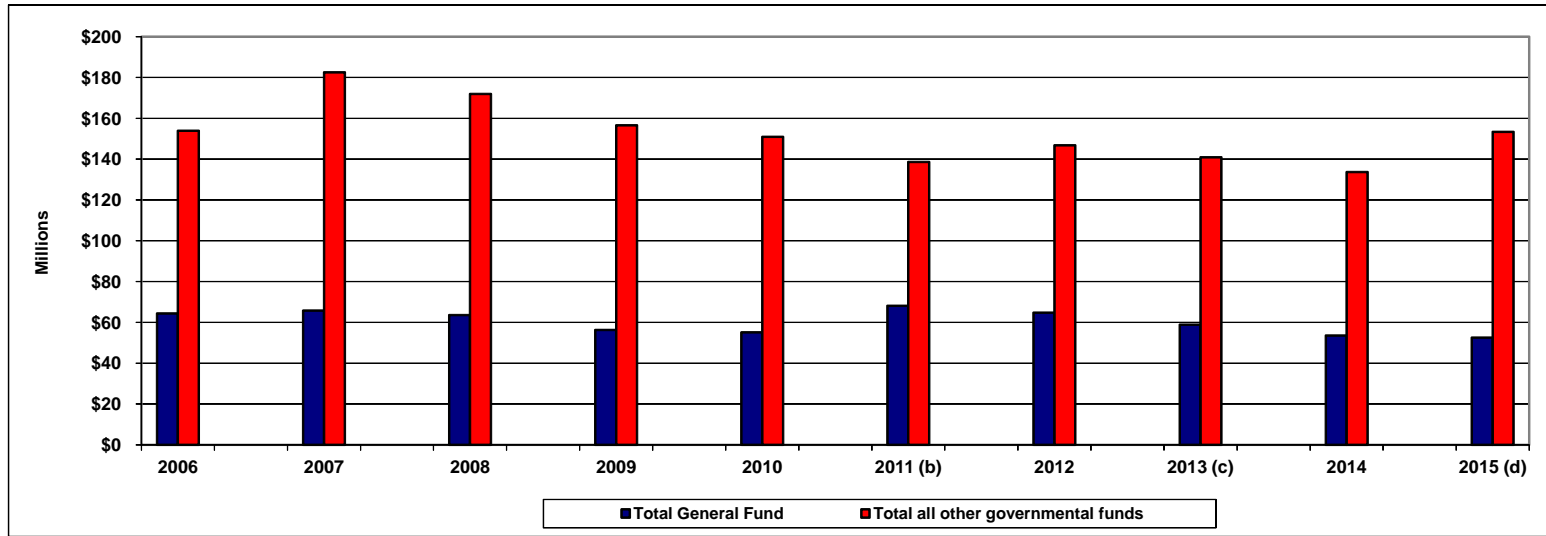
**CITY OF ROSEVILLE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014	2015 (b)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$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	\$34,728,281
Less Education Revenue Augmentation Fund Payment										
Sales taxes	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	48,094,824
Franchise taxes	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	2,057,707
Motor fuel taxes	3,116,638	1,999,542	1,985,315	1,855,462	2,909,176					
Motor vehicle in lieu (Intergovernmental- unrestricted)	710,510	565,719	471,834	373,495	332,224	523,609	122,230			
Other Taxes	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	7,186,709
Licenses and permits										
Use of money and property	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	1,763,604
Miscellaneous revenues	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	414,279
Transfers	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)	27,704,787
Extraordinary item:										
Gain/(Loss) from sales of capital assets	2,703,738								43,992	1,699,847
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>	<u>118,279,443</u>	<u>133,391,931</u>	<u>131,848,066</u>	<u>128,783,916</u>	<u>108,394,640</u>	<u>108,128,359</u>	<u>147,812,407</u>	<u>110,278,357</u>	<u>79,870,048</u>	<u>123,650,038</u>
Business-Type Activities:										
Use of money and property	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	11,274,851
Miscellaneous revenues	1,825,199							150,119		
Transfers	(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	(27,704,787)
Gain/(Loss) from sales of capital assets									50,252	(2,028,306)
Special Item								(22,715,022)		
<b>Total Business-Type Activities</b>	<u>(11,197,796)</u>	<u>(13,863,514)</u>	<u>3,000,413</u>	<u>(8,655,839)</u>	<u>(8,393,466)</u>	<u>(13,331,991)</u>	<u>(17,711,761)</u>	<u>(36,532,225)</u>	<u>23,030,254</u>	<u>(18,458,242)</u>
<b>Total Primary Government</b>	<u>\$107,081,647</u>	<u>\$119,528,417</u>	<u>\$134,848,479</u>	<u>\$120,128,077</u>	<u>\$100,001,174</u>	<u>\$94,796,368</u>	<u>\$130,100,646</u>	<u>\$73,746,132</u>	<u>\$102,900,302</u>	<u>\$105,191,796</u>
<b>Change in Net Position</b>										
Governmental Activities	\$129,941,453	\$103,811,106	\$45,646,874	\$903,299	(\$10,950,426)	(\$7,902,208)	\$24,919,245	(\$12,199,994)	(\$31,013,314)	\$31,045,457
Business-Type Activities	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	59,751,439
<b>Total Primary Government</b>	<u>\$182,581,709</u>	<u>\$198,759,656</u>	<u>\$104,772,472</u>	<u>\$32,981,900</u>	<u>(\$17,435,258)</u>	<u>\$1,797,884</u>	<u>\$26,427,158</u>	<u>(\$28,787,164)</u>	<u>\$48,661,031</u>	<u>\$90,796,896</u>

(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 implemented the provisions of GASB Statement 68 and 71 in fiscal year 2015, the statistics prior to 2015 have not been restated.

**CITY OF ROSEVILLE  
FUND BALANCES OF GOVERNMENT FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**



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	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011 (b)	2012	2013 (c)	2014	2015 (d)
General Fund										
Reserved	\$16,669,748	\$13,421,646	\$10,786,244	\$13,472,640	\$13,730,063					
Unreserved	47,642,690	52,376,837	52,774,303	42,850,836	41,375,295					
Nonspendable						\$23,734,548	\$17,036,815	\$24,350,331	\$12,700,881	\$12,547,564
Assigned						5,328,824	2,944,900	3,002,686	2,685,359	4,510,098
Unassigned						39,068,183	44,796,255	31,488,665	38,187,768	35,469,686
<b>Total General Fund</b>	<b>\$64,312,438</b>	<b>\$65,798,483</b>	<b>\$63,560,547</b>	<b>\$56,323,476</b>	<b>\$55,105,358</b>	<b>\$68,131,555</b>	<b>\$64,777,970</b>	<b>\$58,841,682</b>	<b>\$53,574,008</b>	<b>\$52,527,348</b>
All Other Governmental Funds										
Reserved	\$53,194,568	\$71,775,257	\$56,547,018	\$56,058,554	\$51,548,654					
Unreserved, reported in:										
Special Revenue Funds	64,447,245	73,726,293	79,723,403	65,941,856	64,422,284					
Capital Projects	19,807,821	20,128,123	18,146,007	16,456,146	16,542,186					
Permanent Funds	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	\$16,964,800
Restricted						108,226,582	113,465,925	109,656,487	104,437,932	122,721,798
Committed						2,195,164	2,248,644	2,290,938	2,280,996	2,362,738
Assigned						14,890,220	14,472,182	12,625,416	11,304,133	11,483,003
Unassigned						(4,081,313)	(925,077)	(1,333,659)	(1,290,629)	(150,757)
<b>Total all other governmental funds</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</b>	<b>\$153,381,582</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.

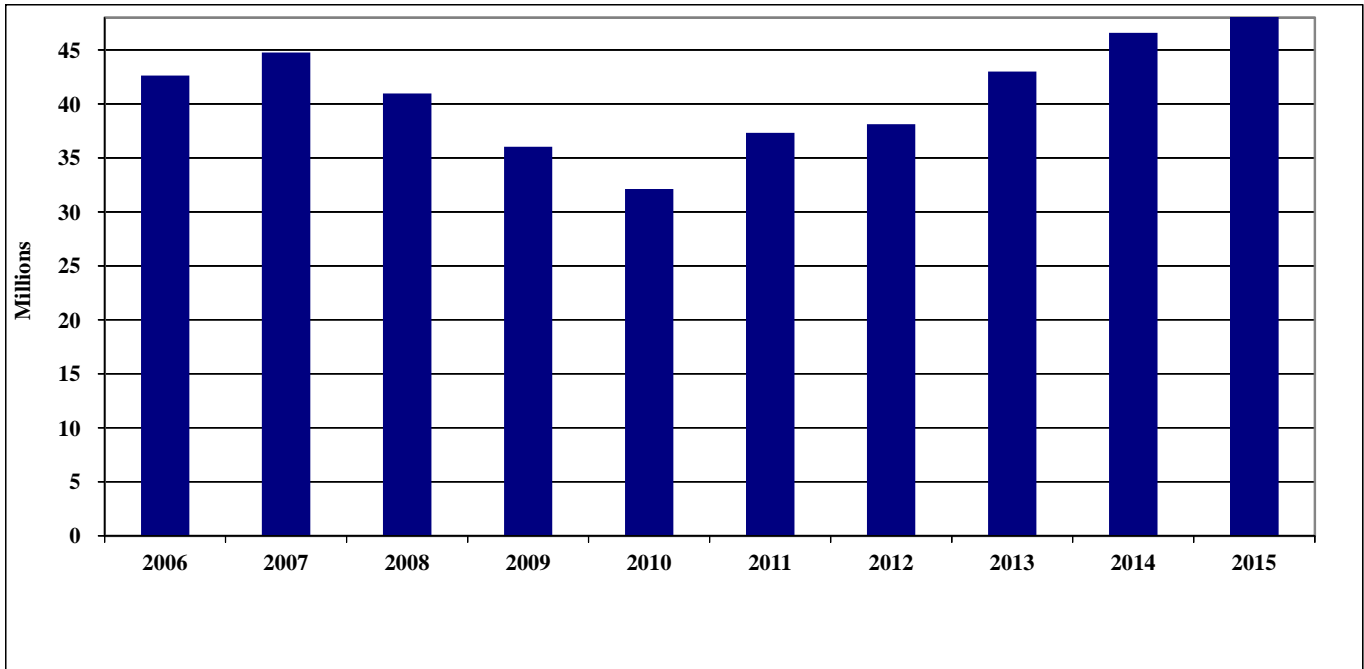
(d) The City implemented GASB Statement 68 and 71 in fiscal year 2015, and years prior to 2015 have not been restated to conform with the new presentation.

**CITY OF ROSEVILLE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal year ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$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	\$96,055,076
Less Educational Revenue Augmentation	(323,743)									
Licenses, permits and fees	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	2,684,169
Charges for services	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	27,624,928
Subventions and grants	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	15,082,197
Use of money and property	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	2,273,687
Fine, forfeitures and penalties	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	1,226,611
Contributions from property owners	92,645,369	71,488,795	9,100,000							
Contributions from developers	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	15,321,286
Miscellaneous revenues	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	8,323,382
<b>Total Revenues</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>168,591,336</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	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	25,135,288
Development and operations	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	14,979,353
Public works	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	5,972,942
Public safety:										
Police	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	31,917,720
Fire	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	27,328,554
Library	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	3,979,158
Parks and recreation	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	20,854,408
Housing assistance payments	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	4,046,250
Capital outlay	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	30,433,990
Payments under development agreements	2,592,039	2,396,314	2,157,821	1,601,494	1,445,960	1,146,915	880,852	567,619	567,619	567,619
Annexation payments	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	3,596,777
Debt service:										
Principal repayment	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	844,490
Interest and fiscal charges	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	393,375
<b>Total Expenditures</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>	<b>170,049,924</b>
Excess (deficiency) of revenues over (under) expenditures	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)	(1,458,588)
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease	2,239,765			385,538					43,992	104,580
Proceeds from issuance of bonds		23,215,524								
Proceeds from sale of property	3,503,467		129,284	12,040	10,000			159,482		516,821
Transfers in	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	38,238,578
Transfers (out)	(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)	(18,739,191)
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>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>	<b>20,120,788</b>
Net Change in fund balances before special and extraordinary items	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)	18,662,200
Special and Extraordinary items										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor							4,727,309			
Increase in loan to the Successor Agency								(7,304,420)		
Change in classification of assets									(2,141,561)	
Cancellation of loans receivable from Successor Agency									(5,847,668)	
<b>Net Change in fund balances</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>	<b>\$18,662,200</b>
Debt service as a percentage of noncapital expenditures	2.5%	4.3%	5.8%	5.3%	5.7%	3.5%	3.4%	1.5%	2.0%	0.8%

Source: City's Comprehensive Annual Financial Report

**CITY OF ROSEVILLE  
SALES TAX REVENUE  
Last Ten Fiscal Years**



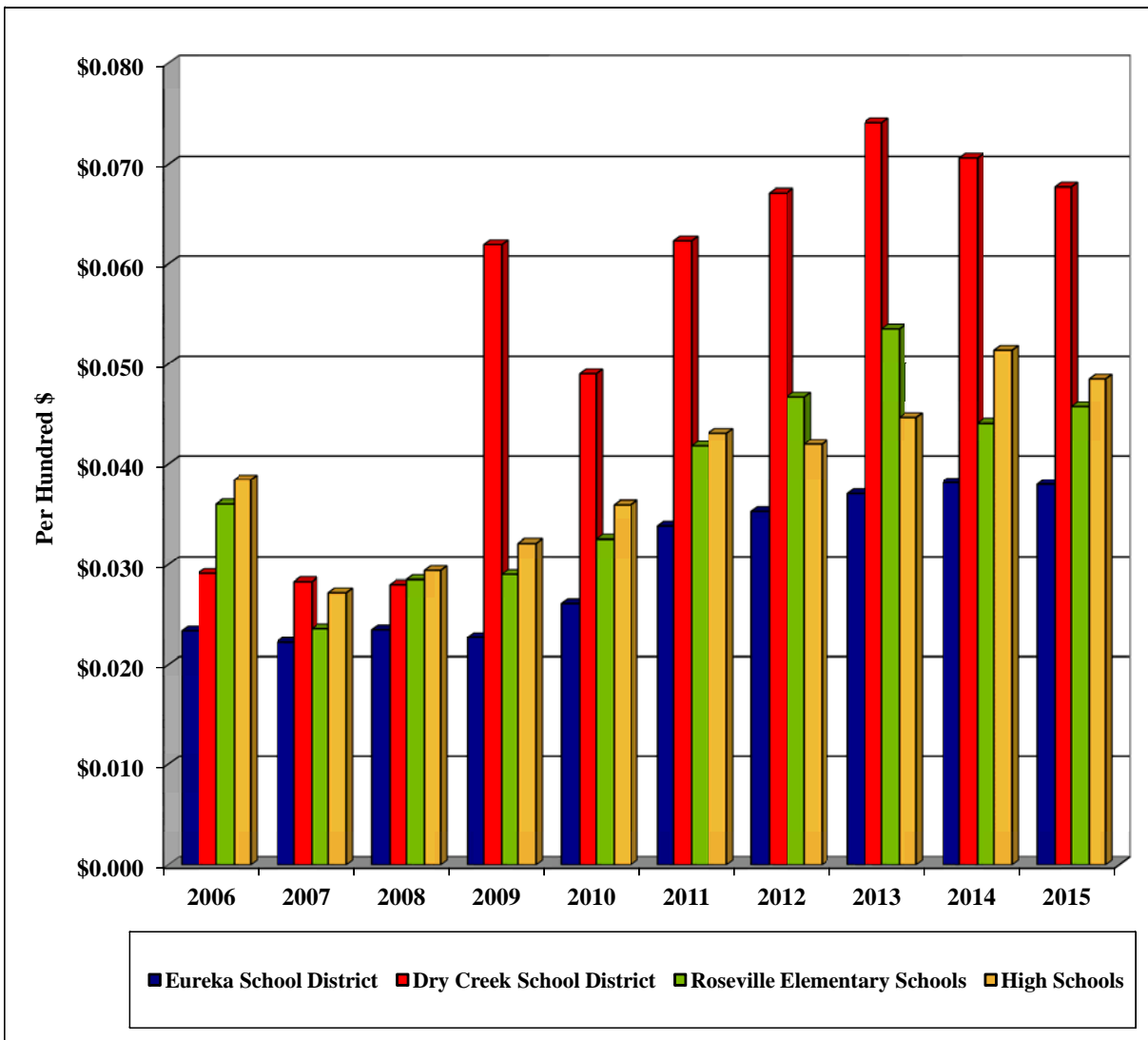
<u>Fiscal Year</u>	<u>Amount</u>
2006	42,642,035
2007	44,772,743
2008	40,982,384
2009	36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931
2013	43,002,643
2014	46,591,961
2015	48,094,824

**CITY OF ROSEVILLE  
ASSESSMENT ROLL VALUES  
Last Ten Fiscal Years**

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Secured</b>										
Land	\$ 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	\$ 4,811,588,559
Structure	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	12,621,412,601
Growing Imp.		3								
Fixtures	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	86,169,588
Personal Property	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	199,577,920
Gross	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	17,718,748,668
Exemptions	(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)	(1,235,144,897)
<b>Net Value</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>16,483,603,771</b>
<b>Unsecured</b>										
Land	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	14,209,597
Structure	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	40,065,250
Fixtures	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	200,634,374
Personal Property	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	478,575,784
Gross	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	733,485,005
Exemptions	(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)	(61,105,400)
<b>Net Value</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>672,379,605</b>
<b>Total Net</b>										
<b>Assessed Value (a)</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>\$ 17,155,983,376</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	
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
2015	1.0000	0.0379	0.0677	0.0457	0.0485	1.0989

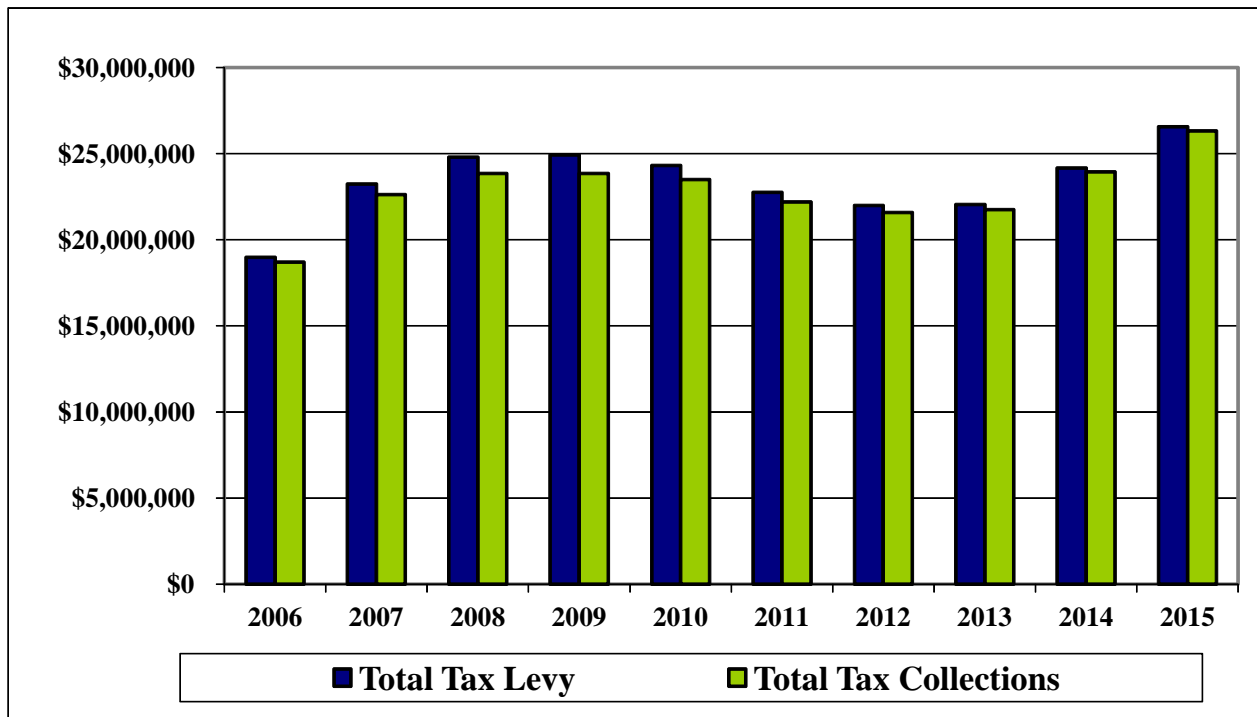
(a) Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School



**CITY OF ROSEVILLE**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**Current Year and Nine Years Ago**

Property Owner	Primary Land Use	Rank	2015		Rank	2006	
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Roseville Shoppingtown LLC	Shopping Center	1	\$409,391,842	2.46%	3	\$222,775,877	1.67%
Hewlett Packard Co.	Industrial	2	142,638,230	0.86%	1	345,594,132	2.59%
Slate Creek Roseville LLC	Apartments	3	80,079,410	0.48%			
BEP Roseville Investors LLC	Office Building	4	76,312,316	0.46%			
Roseville Fountains LP	Shopping Center	5	64,756,742	0.39%			
Walmart Stores Inc.	Commercial Stores	6	63,723,637	0.38%	5	70,874,295	0.53%
CPT Creekside Town Center LLC	Shopping Center	7	61,498,981	0.37%			
UCM Cairosemeade LLC	Apartments	8	58,381,068	0.35%			
W2005 Fargo Hotels Pool C Realty LP	Hotel	9	50,462,713	0.30%			
BBC Roseville Oaks LLC	Commercial	10	50,000,000	0.30%			
Timberpine Holdings LLC	Industrial	11	47,500,000	0.29%			
John L. Sullivan Family LP	Auto Dealership	12	44,168,552	0.27%			
Terraces at Highland Property Owner LLC	Apartments	13	41,626,345	0.25%			
Pinnacle OPID LLC & Pinnacle PCC LLC	Apartments	14	40,148,000	0.24%			
ATC Realty One LLC	Underdeveloped	15	39,463,407	0.24%			
Safeway Inc.	Commercial	16	38,053,367	0.23%			
HD Development of Maryland Inc.	Commercial	17	37,714,704	0.23%			
NNN Parkway Corporate Plaza LLC	Office Building	18	36,700,000	0.22%	6	64,923,000	0.49%
Realty Associates Fund IX LP	Apartments	19	36,579,318	0.22%			
Mourier Land Investment Corporation		20	36,027,958	0.22%			
NEC Electronics USA Inc.	Industrial				2	261,564,162	1.96%
Kobra Properties	Office Building				4	92,352,856	0.69%
SI VII LLC	Apartments				7	56,348,950	0.42%
Rosemead LLC	Apartments				8	52,060,430	0.39%
Harverhill Communities LLC	Apartments				9	49,361,480	0.37%
EOP johnson Ranch Corporate Centre LLC	Office Building				10	43,929,707	0.33%
EOP Douglas Corporate Center II LLC	Office Building				11	43,914,014	0.33%
Evergreen Britannia Land Joint Venture	Commercial Store				12	43,505,864	0.33%
PL Roseville LP	Shopping Center				13	40,652,576	0.30%
Villas at Galleria LP	Apartments				14	39,492,702	0.30%
Comcast of Sacramento LLC	Communications				15	36,903,839	0.28%
Albertsons Inc.	Warehouse				16	36,875,070	0.28%
Property Reserve Inc.	Office Building				17	33,575,230	0.25%
Home Depot USA Inc.	Commercial Store				18	32,761,028	0.25%
Roseville Plaza LLC	Shopping Center				19	31,365,000	0.24%
JB Management LP	Shopping Center				20	30,487,238	0.23%
<b>Total</b>			<b>\$1,455,226,590</b>	<b>8.74%</b>		<b>\$1,629,317,450</b>	<b>12.22%</b>
<b>Local Secured Assessed Valuation:</b>			<b>\$ 16,656,713,771</b>			<b>\$ 13,337,959,442</b>	

**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
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%
2015	26,562,322	26,328,574	99.12%

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 6/30/2015**

<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	103,700,000	8.81%	\$10,750,582	6.55%
2	Admin/Office/R&D	40,817,000	3.47%	4,311,578	2.62%
3	Medical Care	27,014,560	2.29%	2,950,720	1.80%
4	Government and Utilities	25,564,817	2.17%	2,759,053	1.68%
5	Medical Care	21,102,896	1.79%	2,501,528	1.52%
6	Retail and Property Management	18,643,308	1.58%	2,372,467	1.44%
7	Retail	11,074,293	0.94%	1,273,748	0.78%
8	Telecommunications	10,995,078	0.93%	1,285,543	0.78%
9	Grocery	10,311,240	0.88%	1,368,290	0.83%
10	Grocery	9,525,800	0.81%	1,099,853	0.67%

**Electric Sales Revenue as of 06/30/2015**

Residential	\$ 67,981,846
Commercial	96,270,204
Total	<u>\$ 164,252,050</u>

(a) Customer's name not shown to follow the City's Administrative Regulation regarding confidentiality of customers.

**City of Roseville  
Residential Energy Prices  
Effective July 1, 2014**

<b>Residential</b>	
Basic Service Charge (per meter, per month)	\$18.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.1024
Tier 2- 501 to 1,000 kWh/month	\$0.1476
Tier 3- greater than 1,000 kWh/month	\$0.1672
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029
<b>Special Residential Rates</b>	
<b>Electric Rate Assistance Program <sup>(2)</sup></b>	
Basic Service Charge (per meter, per month)	\$15.30
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0855
Tier 2- 501 to 1,000 kWh/month	\$0.1239
Tier 3- greater than 1,000 kWh/month	\$0.1406
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029
<b>Medical Support Rate Reduction <sup>(3)</sup></b>	
Basic Service Charge (per meter, per month)	\$18.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0460
Tier 2- 501 to 1,000 kWh/month	\$0.1239
Tier 3- greater than 1,000 kWh/month	\$0.1406
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029
<b>Senior Citizen Rate Reduction <sup>(4)</sup></b>	
Basic Service Charge (per meter, per month)	\$15.84
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0889
Tier 2- 501 to 1,000 kWh/month	\$0.1286
Tier 3- greater than 1,000 kWh/month	\$0.1459
Renewable Energy Surcharge (\$/kWh)	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029

NOTES

1) There is a hydroelectric adjustment in effect from July 2014 through June 2015.

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, 2014**

<b>Small General Service (GS-1)</b> (Demand < 20 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$28.00	\$28.00
Energy Charge (\$/kWh)	\$0.1044	\$0.1213
Renewable Energy Surcharge (\$/kWh)	\$0.0067	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00348	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
<b>Medium General Service (GS-2)</b> (20 kW < Demand ≤ 500 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$76.00	\$76.00
Demand Charge(\$/kW-month)	\$4.62	\$4.62
Energy Charge (\$/kWh)	\$0.1057	\$0.1267
Renewable Energy Surcharge (\$/kWh)	\$0.0067	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00348	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
<b>Large General Service (GS-3)</b> (500 kW < Demand ≤ 1000 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$567.00	\$567.00
Demand Charge (\$/kW-month)	\$3.38	\$11.66
Energy Charge		
Off Peak (\$/kWh)	\$0.0698	\$0.0912
On Peak (\$/kWh)	\$0.0912	\$0.1125
Super Peak (\$/kWh)	\$0.0912	\$0.1443
Renewable Energy Surcharge (\$/kWh)	\$0.0067	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00348	\$0.00348
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
<b>Very Large General Service (GS-4)</b> (Demand > 1000 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$684.00	\$684.00
Demand Charge (\$/kW-month)	\$3.28	\$11.29
Energy Charge		
Off Peak (\$/kWh)	\$0.0689	\$0.0899
On Peak (\$/kWh)	\$0.0881	\$0.1091
Super Peak (\$/kWh)	\$0.0881	\$0.1428
Renewable Energy Surcharge (\$/kWh)	\$0.0067	\$0.0067
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00348	\$0.00348
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,

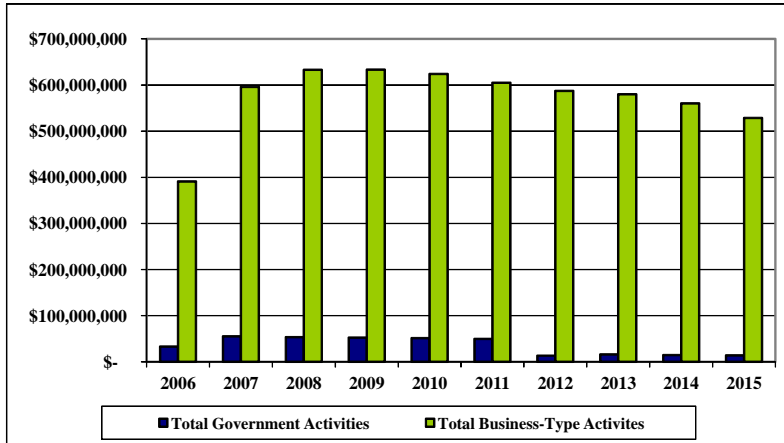
Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

There is a hydroelectric adjustment in effect from July 2014 through June 2015.

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	Governmental Activities					Total	
	Tax Allocation Bonds	Certificates of Participation	Installment Purchase Obligations	Other Long Term Obligations	2013 Pub Fac Lease		Loan Payable [c]
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	[g]		55,285,707	
2008	35,745,000	15,860,000	2,089,716	[g]		53,694,716	
2009	35,305,000	15,220,000	2,145,277	[g]		52,670,277	
2010	34,845,000	14,560,000	1,868,055	[g]		51,273,055	
2011	34,365,000	13,885,000	1,620,430	[g]		49,870,430	
2012	[c]	13,190,000	125,785	[g]		13,315,785	
2013	[c]	[d]	1,234,286	[g]	\$ 11,549,031	\$ 3,469,049	16,252,366
2014	[c]	[d]	[f]	[g]	10,670,247	4,059,175	14,729,422
2015	[c]	[d]	[f]	[g]	9,874,687	4,045,820	13,920,507

**Business-Type Activities**

Fiscal Year	Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bond	Other Long Term Obligations	Total	Total Primary Government	Percentage of Placer County Personal Income [a]	Debt Per Capita [a]
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	\$209,350,000	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	209,350,000	[h]	632,842,418	686,537,134	42.24%	6,290
2009	267,662,000	6,650,000	53,860,879	89,193,072	215,951,385	[h]	633,317,336	685,987,613	43.15%	6,106
2010	268,431,581	6,310,000	52,039,997	88,800,339	208,565,475	[h]	624,147,392	675,420,447	41.02%	5,834
2011	260,127,436	5,960,000	50,149,114	87,906,198	200,914,565	[h]	605,057,313	654,927,743	37.83%	5,431
2012	254,404,084	5,600,000	48,178,231	86,271,586	192,913,655	[h]	587,367,556	600,683,341	31.61%	4,921
2013	248,495,732	4,775,578	46,631,417	95,510,269	184,502,745	[h]	579,915,741	596,168,107	29.55%	4,798
2014	242,520,953	4,344,960	44,428,461	93,319,762	175,736,834	[h]	560,350,970	575,080,392	[b]	4,530
2015	228,735,737	3,945,831	44,682,863	88,220,045	163,143,317	[h]	528,727,793	542,648,300	[b]	4,212

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 is not available.

[c] 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 year 2014; statistics prior to 2013 have not been restated.

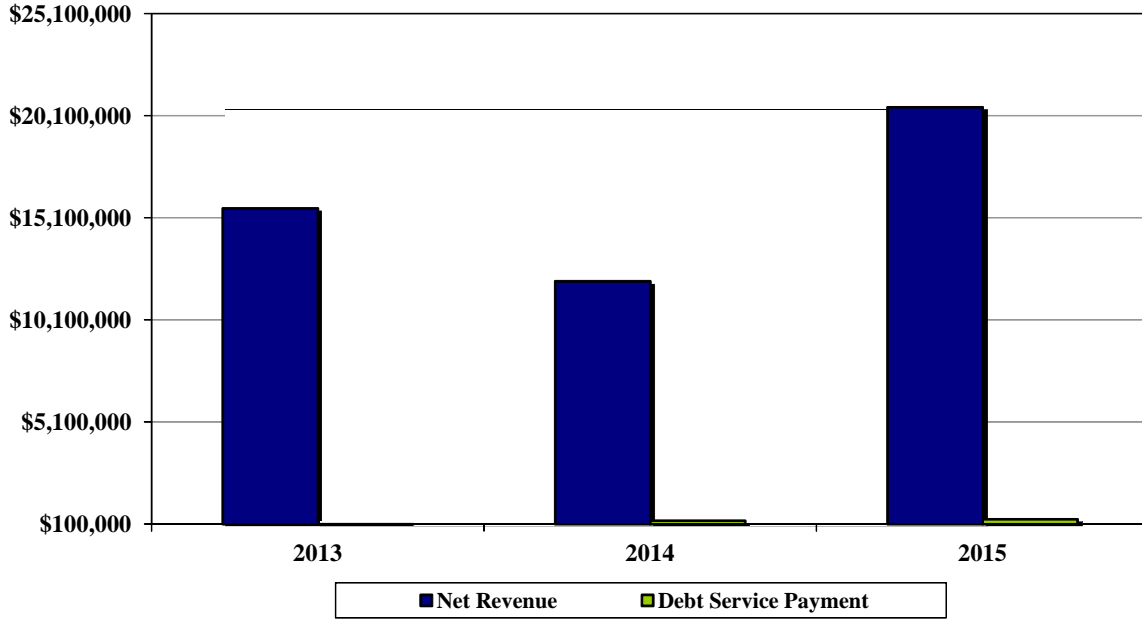
[f] Fire Truck lease ended in fiscal year 2013.

[g] Foothills Boulevard Extension to build Corp Yard ended April 1, 2007.

[h] Water EDA. Money was borrowed from US Department of Commerce for drought emergency procedure. This debt was paid off with 2007 Water bond refunding.

Sources: *The City's Comprehensive Annual Financial Reports*  
*State of California, Department of Finance (population)*  
*U.S. Department of commerce, Bureau of the Census (income)*

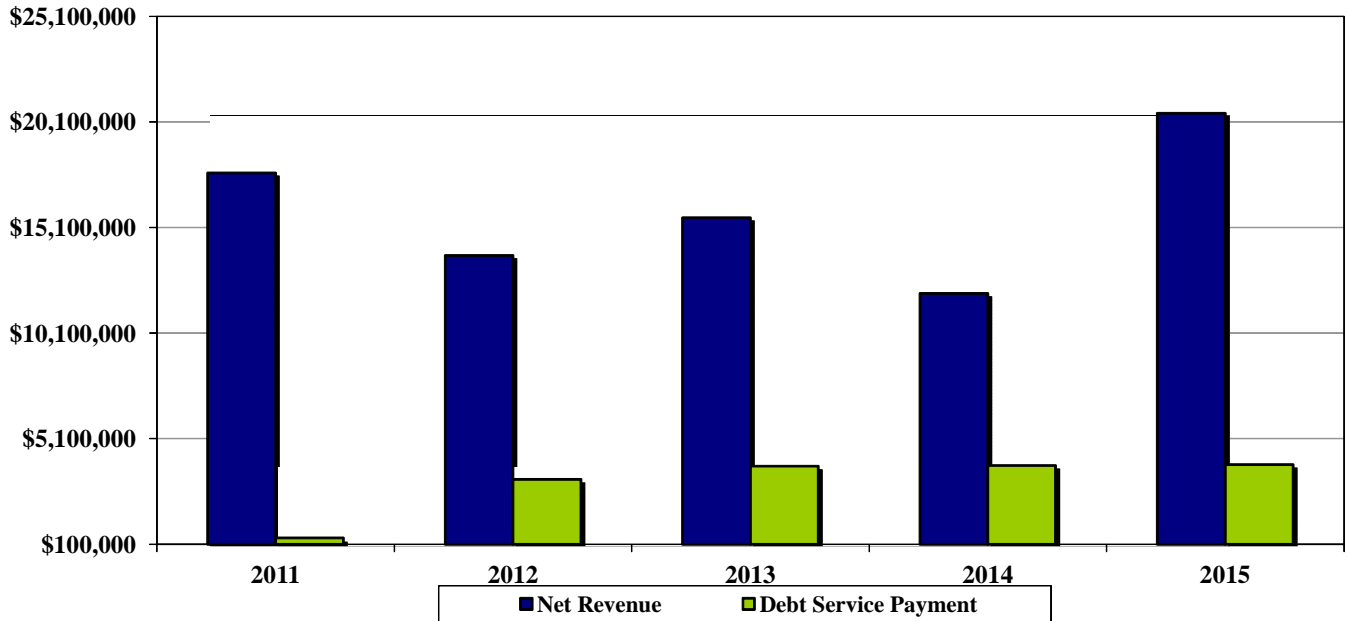
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS  
Last Three Fiscal Years <sup>(1)</sup>**



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		\$112,244	\$112,244	138.68
2014	30,398,896	18,411,939	11,986,957		265,789	265,789	45.10
2015	39,361,960	18,849,642	20,512,318		346,131	346,131	59.26

- 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 Five Fiscal Years <sup>(1)</sup>**

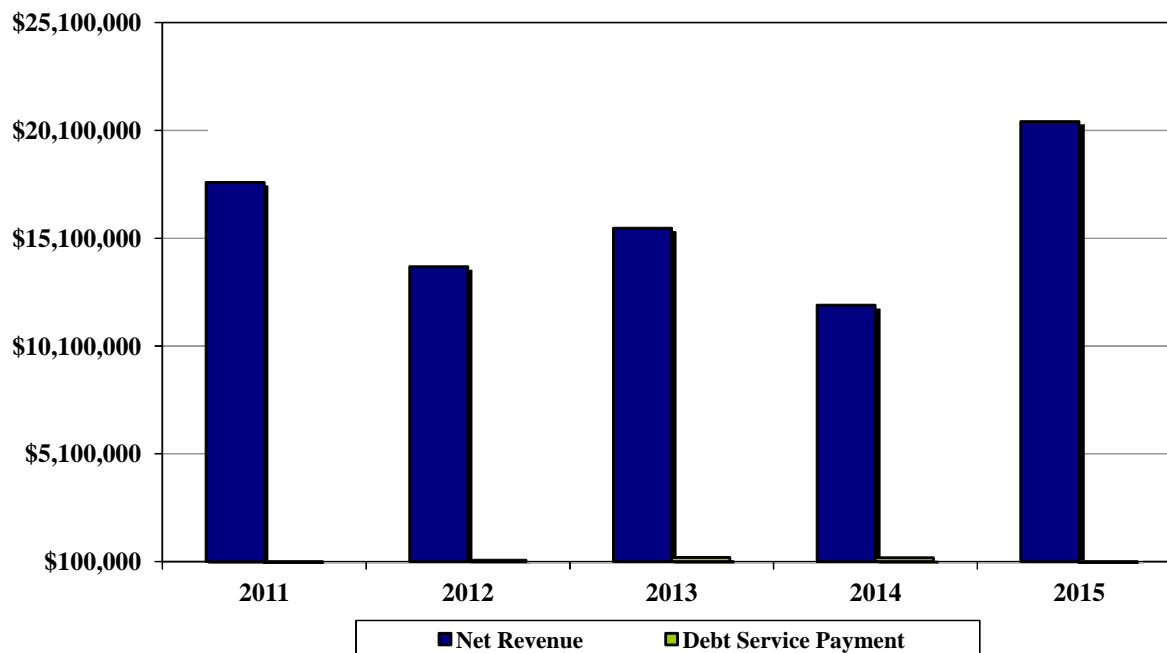


Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418		\$400,337	\$400,337	44.17
2012	32,738,613	18,957,898	13,780,715	\$1,457,173	1,721,010	3,178,183	4.34
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
2015	39,361,960	18,849,642	20,512,318	2,133,436	1,743,323	3,876,759	5.29

- 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



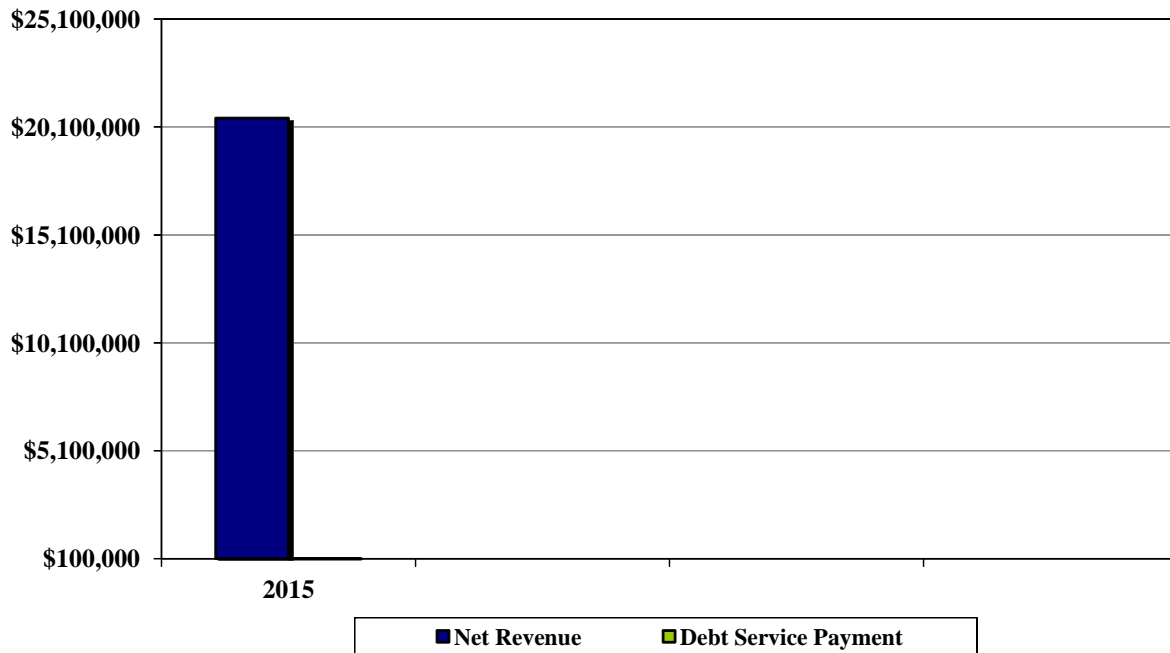
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING SIFMA INDEX WASTEWATER REVENUE BONDS SERIES D  
Last Five Fiscal Years <sup>(1)</sup>**



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		\$38,820	\$38,820	455.53
2012	32,738,613	18,957,898	13,780,715		160,193	160,193	86.03
2013	33,605,925	18,039,506	15,566,419		291,218	291,218	53.45
2014	30,398,896	18,411,939	11,986,957		270,473	270,473	44.32
2015	39,361,960	18,849,642	20,512,318		25,304 <sup>(4)</sup>	25,304	810.63

- 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  
(4) 2011D was refunded on August 13, 2014 by the Series 2014

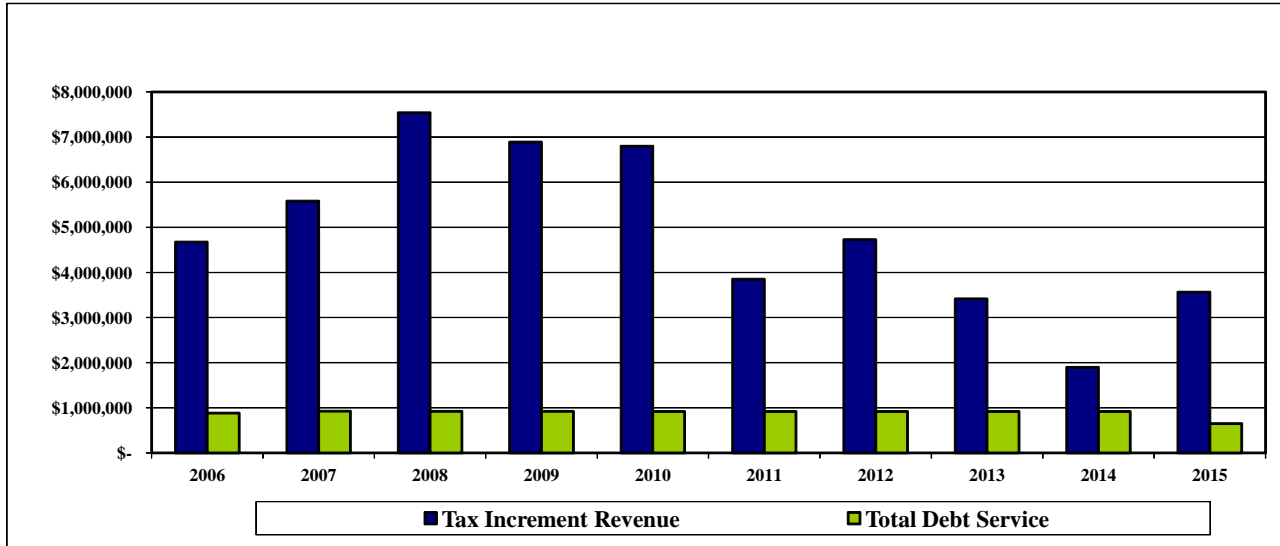
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2014 WASTEWATER REVENUE REFUNDING BONDS  
Last One Fiscal Year <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$39,361,960	\$18,849,642	\$20,512,318		\$96,431	\$96,431	212.71

- 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		
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
2015	3,566,262 (c)	370,000	282,990	652,990 (c)	(d)	0.05

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

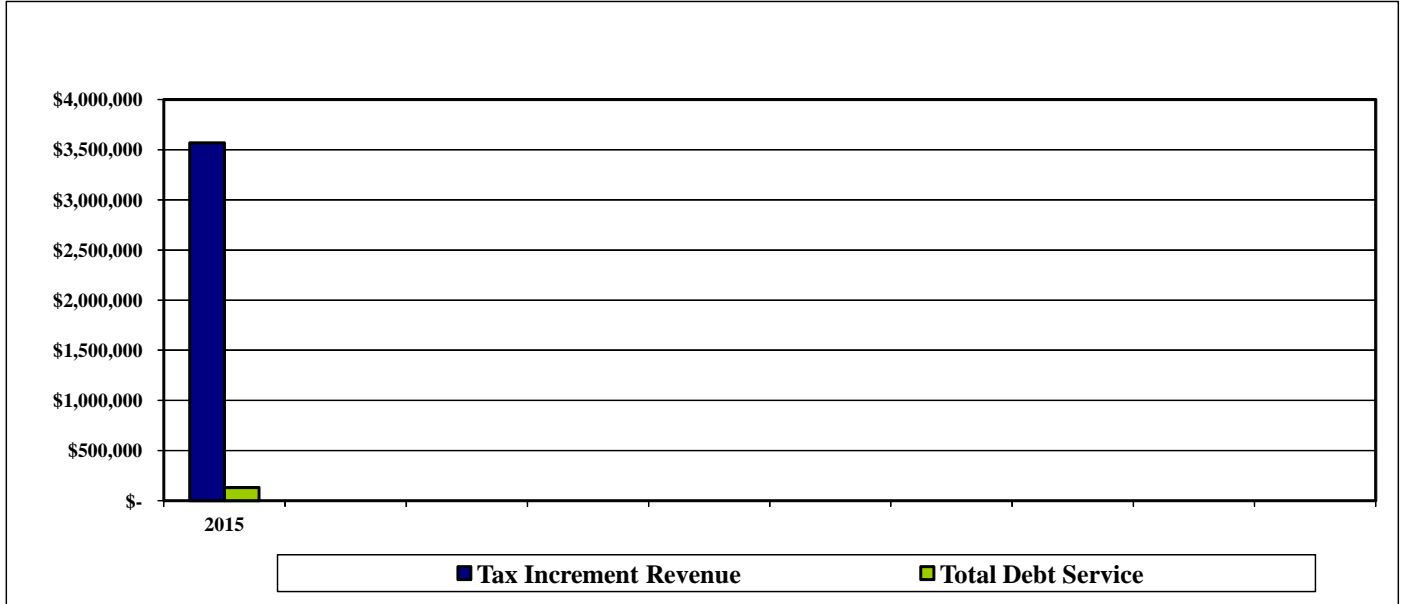
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

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.

(d) 2002 RDA Bonds were refunded by series 2014 on September 8, 2014

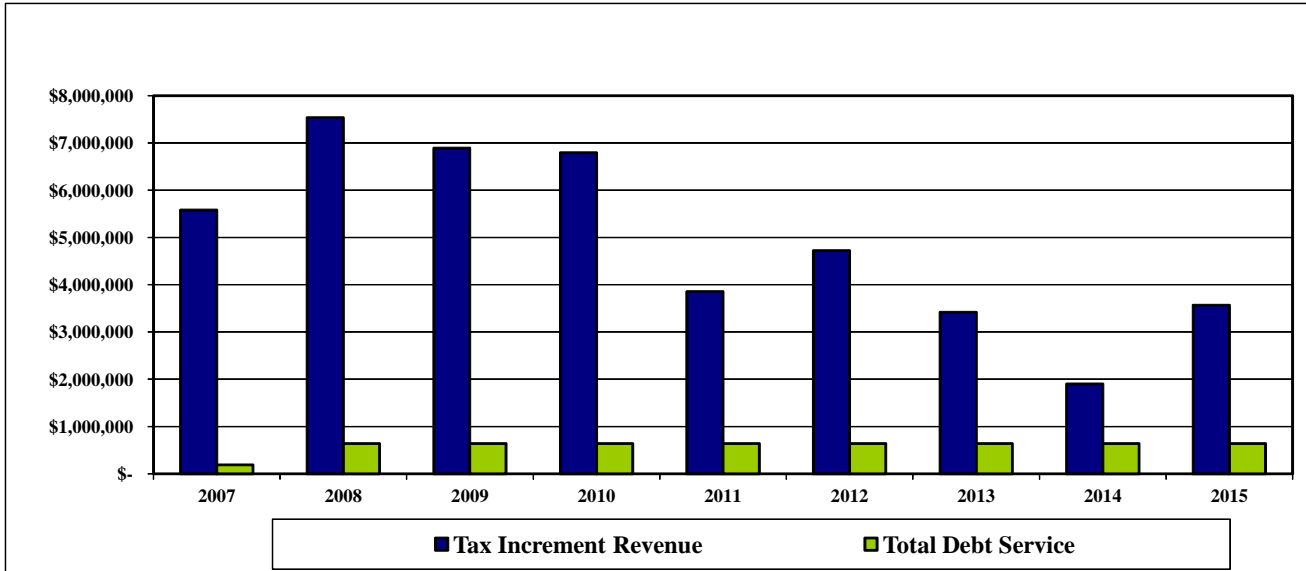
**CITY OF ROSEVILLE  
2014 REDEVELOPMENT TAX ALLOCATION BONDS  
Last One Fiscal Year**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2015	\$3,566,262 (c)		\$132,646	\$132,646	\$10,740,000	0.27

(c) Amounts reported here include tax revenue and debt service of the Successor Agency.

**CITY OF ROSEVILLE**  
**2006A REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Nine Fiscal Years <sup>(c)</sup>**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)		\$190,408	\$190,408	\$13,155,000	0.29
2008	7,535,590 (a)		640,625	640,625	13,155,000	0.12
2009	6,888,510 (a)		640,625	640,625	13,155,000	0.11
2010	6,792,567 (a)		640,625	640,625	13,155,000	0.11
2011	3,853,172 (a)		640,625	640,625	13,155,000	0.06
2012	4,724,200 (a)(b)		640,625	640,625 (b)	13,155,000	0.07
2013	3,416,590 (d)		640,625	640,625 (d)	13,155,000	0.05
2014	1,900,108 (d)		640,625	640,625 (d)	13,155,000	0.03
2015	3,566,262 (d)		640,625	640,625 (d)	13,155,000	0.06

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

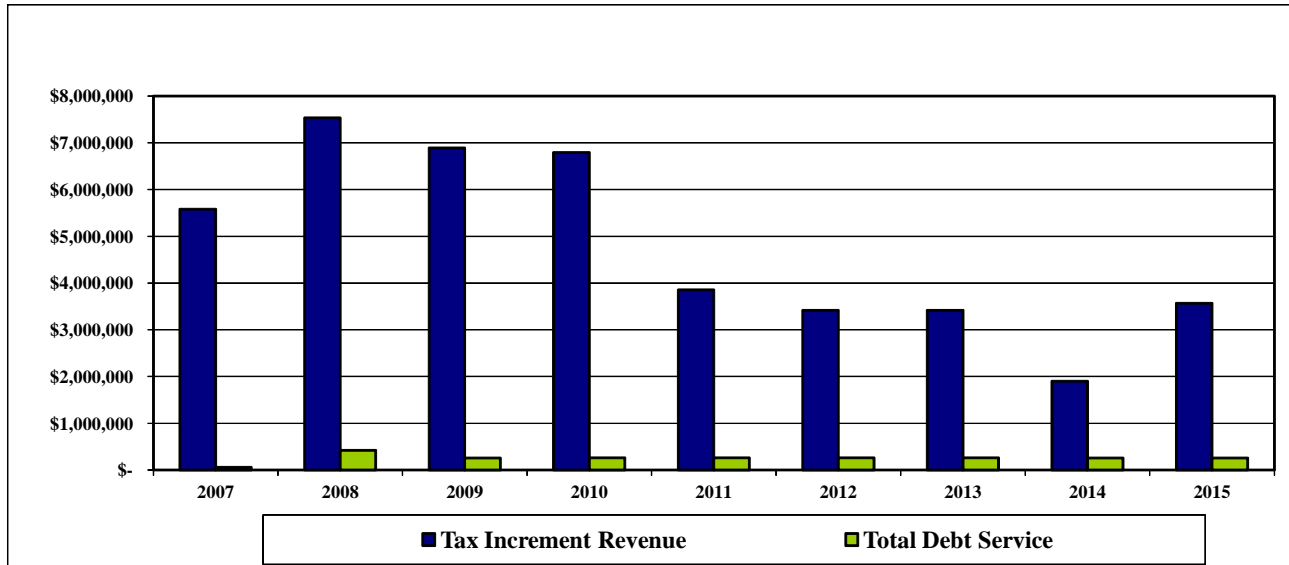
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

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 Nine Fiscal Years <sup>(c)</sup>**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal Payment	Interest Due	Total Debt Service	
2007	\$5,581,407 (a)		\$56,168	\$56,168	0.99
2008	7,535,590 (a)	\$240,000	182,605	422,605	0.18
2009	6,888,510 (a)	80,000	174,109	254,109	0.27
2010	6,792,567 (a)	90,000	169,596	259,596	0.26
2011	3,853,172 (a)	95,000	164,684	259,684	0.15
2012	3,419,138 (a)(b)	100,000	159,507	259,507 (b)	0.13
2013	3,416,590 (d)	105,000	154,064	259,064 (d)	0.13
2014	1,900,108 (d)	110,000	148,356	258,356 (d)	0.07
2015	3,566,262 (d)	115,000	139,781	254,781 (d)	0.14

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

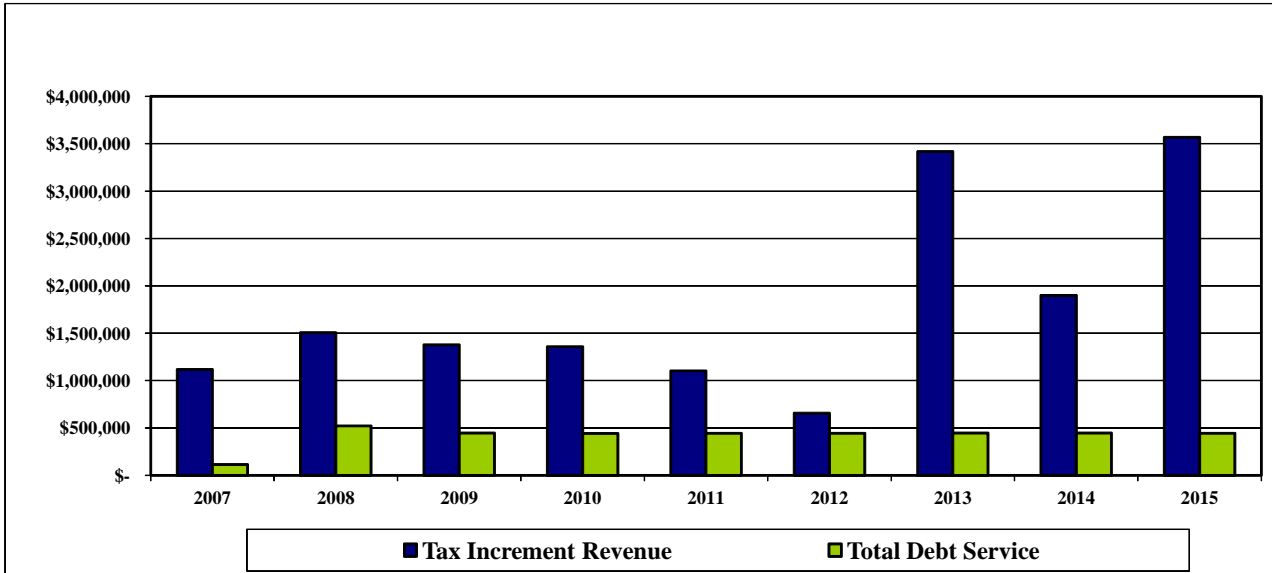
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

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 Nine Fiscal Years <sup>(b)</sup>**



Fiscal Year	20% Set Aside	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$1,116,281		\$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
2015	3,566,262 (c)	95,000	349,501	444,501 (c)	5,800,000	0.08

- (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, 2015**

2014-15 Assessed Valuation: \$17,333,710916

	Total Debt 6/30/2015	% Applicable	City's Share of Debt 6/30/2015
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Roseville Joint Union High School District	\$79,820,973	74.682%	\$59,611,899
Roseville Joint Union High School District SFID No. 1	4,730,624	97.504%	4,612,548
Center Joint Unified School District	36,102,568	1.811%	653,818
Rocklin Unified School District	64,018,920	0.523%	334,819
Dry Creek Joint School District	44,005,870	57.656%	25,372,024
Eureka Union School District	3,359,744	34.567%	1,161,363
Roseville City School District	23,191,221	97.350%	22,576,654
City of Roseville Community Facilities Districts	325,086,000	100.000%	325,086,000
California Statewide Communities Development Authority Assessment Districts	12,826,016	17.299-100%	10,021,729
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$449,430,854</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Placer County Certificates of Participation	\$38,085,000	29.457%	\$11,218,698
Placer County Office of Education Certificates of Participation	1,650,000	29.457%	486,041
Sierra Joint Community College District Certificates of Participation	8,457,000	22.080%	1,867,306
Roseville Joint Union High School District Certificates of Participation	1,625,000	74.682%	1,213,583
Center Joint Unified School District Certificates of Participation	1,149,280	1.811%	20,813
Rocklin Unified School District Certificates of Participation	13,880,000	0.523%	72,592
Eureka Union School District Certificates of Participation	4,025,000	34.567%	1,391,322
Roseville City School District Certificates of Participation	9,695,000	97.350%	9,438,083
Placer Mosquito and Vector Control District Certificates of Participation	3,910,000	29.457%	1,151,769
<b>City of Roseville Certificates of Participation</b>	<b>13,820,518</b>	<b>100.000%</b>	<b>13,820,518</b> (1)
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$40,680,725</b>
Less: <b>City of Roseville supported obligation</b>			<b>\$3,998,274</b>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$36,682,451</b>
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>	<b>\$32,195,000</b>	<b>100.000%</b>	<b>\$32,195,000</b>
<b>TOTAL GROSS DIRECT DEBT</b>			<b>\$13,820,518</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$9,822,244</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$508,486,061</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$522,306,579</b> (2)
<b>NET COMBINED TOTAL DEBT</b>			<b>\$518,308,305</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 2014-2015 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	2.59%
<b>Total Gross Direct Debt (\$13,820,518)</b>	<b>8.00%</b>
<b>Total Net Direct Debt (\$9,822,244)</b>	<b>3.32%</b>
Gross Combined Total Debt	3.01%
Net Combined Total Debt	2.99%

**Ratios to Redevelopment Successor Agency Incremental Valuations (\$627,340,692):**

Total Overlapping Tax Increment Debt	5.13%
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**CITY OF ROSEVILLE**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**June 30, 2015**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$16,656,713,771
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$624,626,766
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$542,648,300
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	(542,648,300)

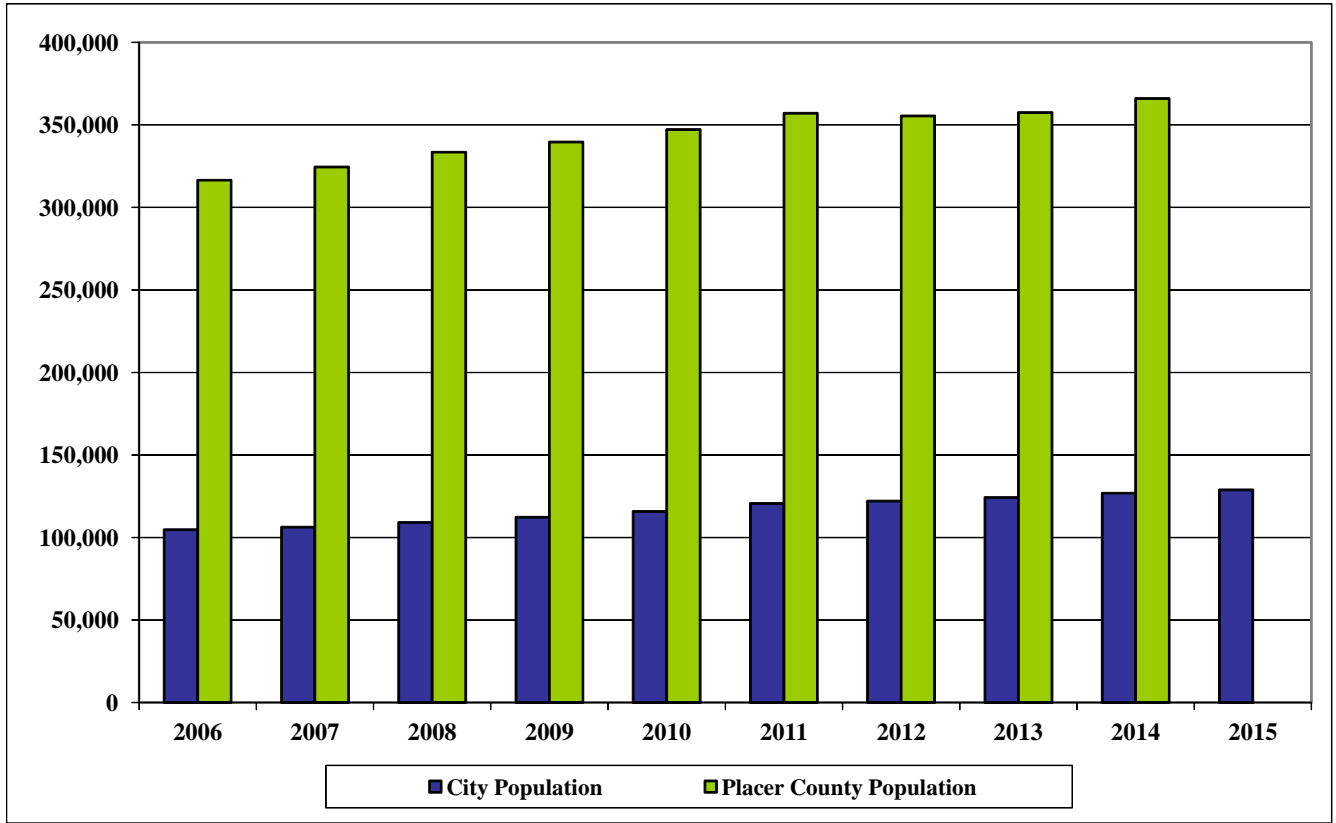
Amount of debt subject to limit	
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LEGAL BONDED DEBT MARGIN	\$624,626,766
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2006	500,173,479		500,173,479	0.00%
2007	584,311,626		584,311,626	0.00%
2008	624,162,731		624,162,731	0.00%
2009	626,993,562		626,993,562	0.00%
2010	611,493,748		611,493,748	0.00%
2011	567,178,798		567,178,798	0.00%
2012	560,837,192		560,837,192	0.00%
2013	536,758,408		536,758,408	0.00%
2014	578,172,662		578,172,662	0.00%
2015	624,626,766		624,626,766	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
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	20,174,068	54,924	7.5%	357,463	34.76%
2014	126,956	(a)	(a)	6.5%	366,000	34.69%
2015	128,832	(a)	(a)	5.3%	(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

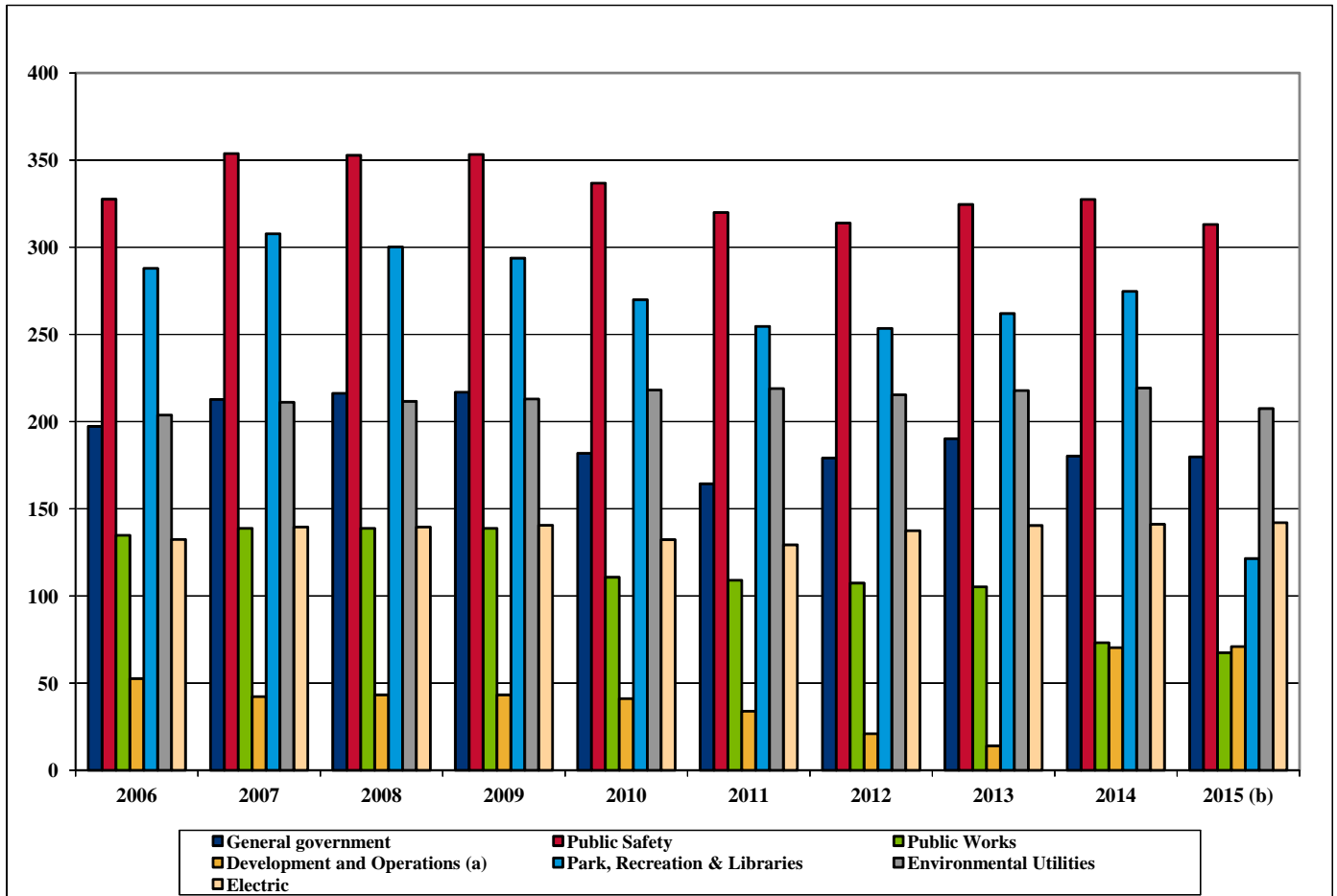
**CITY OF ROSEVILLE  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2015</u>			<u>2006</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employees</u>	<u>Number of Employees</u>	<u>Rank</u>
The Permanente Medical Group & Foundation Group	3,231	1	4.56%	3,062	2
Hewlett Packard	2,548	2	3.59%	3,857	1
Sutter Roseville Medical Group	1,654	3	2.33%	1,922	3
Roseville Joint Union High School	1,434	4	2.02%	975	6
Union Pacific Railroad Company	1,180	5	1.66%	1,328	4
City of Roseville	1,102	6	1.55%	1,233	5
Adventist Health System West	1,000	7	1.41%	(b)	
Roseville City School District	1,000	8	1.41%	840	7
PRIDE Industries	550	9	0.77%	800	9
Solar City	475	10	0.67%	(b)	
NEC Electronics				800	8
Walmart				690	10
Subtotal	<u>14,174</u>		<u>19.97%</u>	<u>15,507</u>	
Total Employment	<u>70,969</u> (a)			<u>78,000</u> (b)	

(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,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (b)
<b>Function</b>										
General government	197.23	212.71	216.21	216.79	181.75	164.38	179.09	190.14	180.10	179.81
Public Safety	327.46	353.69	352.69	353.18	336.75	319.90	313.78	324.59	327.42	313.00
Public Works	134.77	138.77	138.77	138.77	110.75	109.03	107.33	105.17	73.18	67.50
Development and Operations (a)	52.63	42.25	43.25	43.25	41.17	33.98	21.00	14.00	70.26	71.00
Park, Recreation & Libraries	287.86	307.65	300.19	293.70	269.89	254.65	253.43	262.00	274.61	121.50
Environmental Utilities	203.74	211.03	211.59	213.00	218.09	218.90	215.32	217.82	219.14	207.50
Electric	132.46	139.46	139.46	140.46	132.29	129.33	137.39	140.36	141.09	142.00
<b>Total</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>	<b>1,102.31</b>

(a) Community Development was renamed to Development and Operations in fiscal year 2014.

(b) Decrease in FTE for FY14-15 is due to no longer including FTEs attributable to temporary part-time staff.

**CITY OF ROSEVILLE**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	413	330	287	194	192	172	199	201	214	228
Number of medical emergencies answered	6,458	6,622	6,737	6,967	7,485	7,836	8,429	9,045	9,995	11,015
Total calls for service	9,784	10,065	9,492	8,694	9,129	9,609	10,006	10,936	12,163	13,286
Police:										
Law violations:										
Physical arrests (adult and juvenile)	7,602	7,360	5,464	5,245	4,520	5,845	4,264	4,647	4,321	3,295
Traffic citations	18,587	19,893	18,883	20,889	19,033	6,404	4,826	4,470	2,207	1,839
Public works:										
Total building permits issued	5,703	4,272	4,849	3,975	3,884	4,078	4,338	4,131	5,796	5,715
Total square feet of street maintenance performed	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	1,971,986
Park and recreation:										
Community Services:										
Number of participants in Cultural Art classes (Note 1)	3,447	1,926	1,520	2,688	n/a	n/a	n/a	n/a	n/a	n/a
Total attendance Youth/Adult/Senior programs					299,134	301,906	265,736	224,339	233,598	240,576
Total attendance to aquatic facilities (Note 2)	234,542	243,429	235,548	250,182	266,931	278,860	306,455	291,407	324,918	357,064
Library:										
Number of materials checked out (Note 3)	627,317	685,097	818,428	946,224	1,001,179	994,990	1,058,434	1,194,909	1,273,880	1,252,039
Water:										
Average Daily Consumption (in gallons)	27.26M	30.43M	28.15M	28.19M	25.6 M	25.9M	28.6M	30.2M	28.0M	23.01M
Number of backflow devices tested	3,836	4,348	4,679	4,728	4,895	4,965	4,558	3,862	4,520	4,854
Number of meters sold	1,800	1,031	1,917	2,268	807	497	555	770	569	824
Wastewater:										
Number of miles of sewer mains flushed	427	218	280	258	209	284	277	271	335	284
Total preventative work orders completed (Note 4)	7,065	9,247	n/a	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%	41.3%
Solid Waste:										
Tons of solid waste collected	102,370	100,148	96,265	89,512	87,446	89,125	87,336	87,946	92,101	94,308

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 and was replaced in April 2015.
- 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Fire stations	7	8	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	110	107	107	106	51	49	58	61	64	67
Public works:										
Miles of streets	455	475	432	428	429	432	438	440	440	458
Number of Traffic Signals	141	150	154	162	165	166	167	167	167	171
Park and recreation:										
Community services:										
Golf courses (18 holes)	2	2	2	2	2	2	2	2	2	2
City parks	53	56	58	61	61	63	66	68	71	72
Miles of creek	60	60	60	60	60	60	60	60	60	60
Swimming pools (Note 1)	4	4	4	4	3	3	3	3	3	3
Tennis courts	12	12	14	16	16	16	16	16	18	18
Library:										
City Libraries	3	3	3	3	3	3	3	3	3	3
Water										
Miles of water mains	506	540	556	562	567	569	569	570	570	583
Fire hydrants	3,978	4,278	4,413	4,473	4,514	4,533	4,542	4,545	4,545	4,654
Wastewater										
Miles of sanitary sewers	447	472	485	485	492	493	487	487	491	497
Miles of storm drain	435	474	376	373	382	348	349	351	344	353
Solid Waste:										
Number of new residential refuse customers	705	809	984	800	750	522	537	768	475	601
Electric:										
Number of residential customers	43,001	43,793	44,662	45,478	46,400	47,021	47,611	48,387	49,013	49,851
Number of commercial customers	5,523	5,788	6,038	6,349	6,411	6,437	6,505	6,561	6,666	6,673

Note 1 - Swimming pool at Oakmont High School no longer used by the City.