

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2016



Open Space, Roseville, California



CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

Prepared by

FINANCE DEPARTMENT

**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

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December 13, 2016

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Roseville (City) for the fiscal year ended June 30, 2016. The format and content of this CAFR complies with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB) and contains all information needed for readers to gain a reasonable understanding of the City's financial activities. In addition, the organization of the CAFR follows the guidelines set forth by the Government Finance Officers' Association (GFOA) of the United States and Canada. Management takes sole responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are fairly presented in conformity with generally accepted accounting principles (GAAP). Vavrinek, Trine, Day & Co., LLP, issued an unmodified opinion for the fiscal year ended June 30, 2016. The independent auditors' report is presented as the first component of the financial section of this report.

A separate single audit report has been prepared in conformity with the provisions of the Federal Single Audit Act of 1996 as amended and Title 2 U.S. *Code of Federal Regulations* Part 200 (Uniform Guidance).

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 the CAFR's financial section in conjunction with this letter.

THE REPORTING ENTITY AND ITS SERVICES

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.

Residents of the City may to assist the City Council in forming government policy 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.

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

The CAFR includes blended component units of the Roseville Finance Authority (Finance Authority), Roseville Natural Gas Financing Authority (RNGFA), Roseville Community Development Corporation (RCDC), the City of Roseville Housing Authority (Housing Authority), and the Successor Agency to the Redevelopment Agency (Successor Agency) which constitutes a single reporting entity. The Finance Authority, the Housing Authority, and RNGFA are separate legal entities from the City, but have the same governing board. 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. RNGFA and RCDC issue component unit financial statements. Separate financial statements are not issued for the Finance Authority, the Housing Authority, or the Successor Agency.

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2016 is continuing to improve. Overall, general fund revenues increased from the prior year. The City is taking a new approach on the budgeting philosophy for the General Fund to more closely reflect anticipated expenses, leaving less unallocated at the end of the fiscal year. With the unspent funds, a General Fund Contingency, 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 count of customers grew 1.7% in FY16. Energy sales increased from the prior year, but operating revenues decreased as the hydroelectric surcharge was reduced. Operating and non-operating expenses decreased from the prior year. The revenue to expense outlook for the next several years forecasts revenues meeting expenses. Anticipated new development will add residential and commercial customers. Issues that may impact future rates include state and federal mandates related to renewable energy and environmental concerns as well as increasing distributed generation throughout the customer base.

The environmental utilities (water, wastewater, and solid waste) all ended the year with positive changes in their net position. The water and wastewater utilities debt instruments performed well during fiscal year 2016. 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 2016.

The long-term outlook for the City's economy is promising. 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 33% increase in residential single family permits over fiscal year 2015. Sales tax increased but at a higher rate than in prior years due to the sunset of the triple-flip and final true-up payments. The City anticipates that sales tax should begin to level out over the next few years. New auto sales in fiscal year 2016 generated more sales tax as compared to fiscal year 2015, and continues to be a leader in the state. The City is taking a conservative approach on sales and property taxes in its budgeting process.

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 2016, 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 is funding Workers Compensation and General Liability at a council directed 75% confidence level. PERS costs increased, as expected, and are projected to increase in future years as well.

MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2016 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:** The City has installed traffic signals at the intersection of Fiddymont and Angus and at the intersection of Secret Ravine and Alexandria. The City has completed the following projects: 2015 Residential Resurfacing Project, the Roseville Aquatic Complex Overflow Parking Lot Project, and the Pedestrian Facilities Improvement Project. The City has begun design of the following projects: Eureka/Atlantic to Westbound I-80 Onramp Widening and Hillcrest Drainage, Washington "Andora" Underpass Widening, and Woodcreek Oaks Widening projects. The City has completed design of the Roller Compacted Concrete Project. The City has completed the site grading for the relocation of Fire Station #1. Finally, the City has begun construction of the Industrial Bridge over Pleasant Grove and the Roseville Grove Creek and the Roseville Road Realignment projects.
- **Water:** The City has completed the first phase of the West Side Tank & Pump Station Project design and is on track to meet the June 2017 deadline for formation of a Groundwater Sustainability Agency in West Placer County in compliance with the State Sustainable Groundwater Management Act Law. The City has testified before the State Water Resources Control Board on the effects of the California WaterFix project and has continued work within the region on gaining acceptance for the Modified Flow Management Standard for the Lower American River. This project includes a carry-over storage target for Folsom Lake which would result in higher lake levels. In addition, the City has met the water conservation targets prescribed by the State Board as part of the Governor's Drought Emergency executive order.
- **Wastewater:** Completed the alternative analysis for the Dry Creek Wastewater Treatment Plant (WWTP) Nitrate plus Nitrate Reduction Project; Secured grant funding for the Dry Creek WWTP Cogeneration Project; Completed the 30 percent design of the Pleasant Grove WWTP Expansion Project; Completed the preliminary design of the Pleasant Grove WWTP Energy Recovery Project; Completed testing of the new Water Treatment Plant SCADA system, and commenced configuration of the Pleasant Grove Dry Creek WWTP SCADA systems.

- Electric: Ongoing expansion of electric distribution system and first major scheduled maintenance at the Roseville Energy Park.
- Parks and Recreation: Phase 1 of the Maidu parking lot repairs; RAC slide gelcoat repairs; Mahany tennis court repairs; Hillsborough Park play structure replacement; EU pump station landscaping; Diamond Oaks Golf Course restroom; Cresthaven pavement repairs; Mahany recycled water retrofit; Diamond Oaks Park drainage and turf conversion; Duke Davis turf conversion; Hughes Park bridge and trail

The City has experienced an overall increase in total permit activity with 4,931 permits being issued, compared to 4,719 permits issued last fiscal year. Single-family residential permits increased compared to last fiscal year with 850 new single family and 0 new multi-family permits finalized in 2016 as compared to 638 and 16, respectively, in fiscal year 2015. 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 increased to 10, the square footage of these buildings has decreased to 89,996 square feet as compared to the 272,000 square feet in the prior year. Of the new commercial permits, the largest permits were issued to Sutter Roseville Parking Garage for 60,000 square feet and IFly Indoor Skydiving for 5,000 square feet of commercial space.

The major growth areas of the Sierra Vista, Creekview, and Amoruso Ranch Specific Plan areas are located on the north and south boundaries of the West Roseville Specific Plan. Sierra Vista is annexed and fully entitled, including the Westbrook portion of the plan area adopted in June 2012 and is currently under construction. The remainder of the Sierra Vista Specific Plan area is awaiting federal wetland permits. They hope to secure those in time to start construction the spring of 2017. The Creekview Specific Plan, approved by the City Council in September 2012, was annexed on April 17, 2013. The Creekview Specific Plan includes 2,011 single family and multi-family residential units and 19.3 acres for commercial development (161 acres are planned for open space, parks, a school and utility sites). HP Campus rezone project was approved by Council on August 5, 2015. Amoruso Ranch Specific Plan was approved by City Council in June 2016. This specific plan includes the establishment of 2,827 residential units, commercial, parks, open space and public land use designations. It is currently going through the annexation process, estimated to be complete by the end of 2017. It will also need Federal wetland permits and is dependent on infrastructure in the Creekview Specific Plan area.

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 money 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 established 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 7.02% since inception. In fiscal year 2016, the OPEB plan assets grew to \$60.8 million. In fiscal year 2014, the City negotiated 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.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

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, 2015. 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.

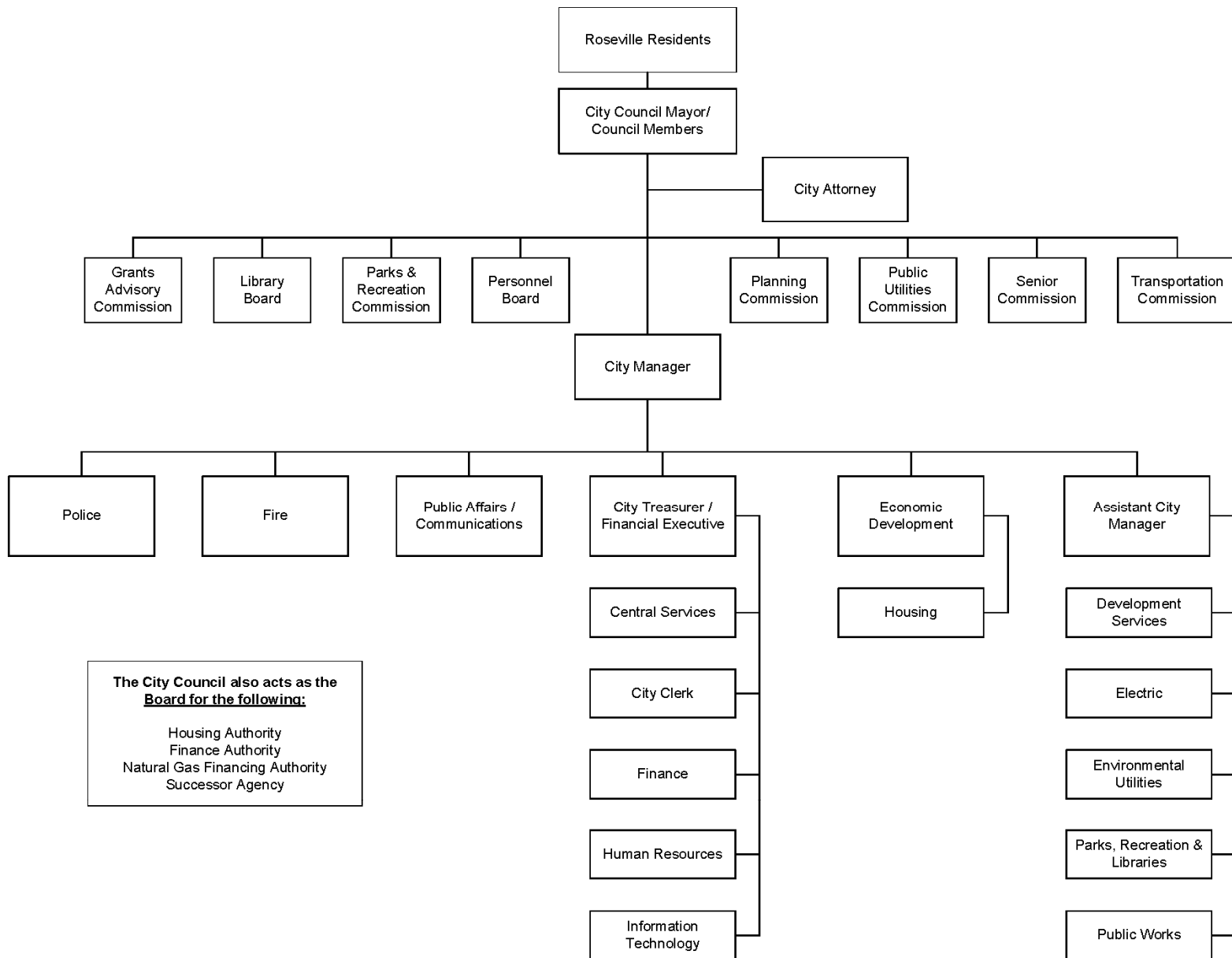
ACKNOWLEDGMENTS

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 made 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, 2016

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, 2015

Executive Director/CEO



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, 2016, 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, 2016, 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) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 72*, effective July 1, 2015. Our opinion is 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 18, the budgetary comparison information for the General Fund on pages 105 through 108, the schedule of changes in the net pension liability and related ratios on page 109, the schedule of pension contributions on page 110, the Modified Approach to Reporting Street Pavement Costs and Parks and Landscaping Costs on pages 111 through 112, and the schedule of funding progress on page 113 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 13, 2016, 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 13, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion provides readers of the City of Roseville's (City) financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. This document should be read in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

FISCAL YEAR 2016 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2016 include the following:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2016 by \$2,398.1 million, an increase of \$122.8 million from the prior year.
- The City's governmental funds reported a combined fund balance of \$237.0 million, an increase of \$31.1 million from the prior year. Unassigned fund balances comprise \$45.2 million of this total or 19.1%, which is available for use at the discretion of the City.
- The fund balance of the General Fund increased by \$8.0 million in fiscal year 2016.

OVERVIEW OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

The City's Comprehensive Annual Financial Report (CAFR) is divided into four sections:

- 1) Introductory section, including the letter of transmittal, list of City elected officials, and the City's organization chart.
- 2) Financial section, including the independent auditors' report, management's discussion and analysis, the basic financial statements, and the notes to the financial statements.
- 3) Supplemental Information section, including the required supplementary information and combining financial statements and schedules of individual non-major governmental funds, internal service funds, private-purpose trust funds, and agency funds.
- 4) Statistical section, including a number of tables and graphs on unaudited data depicting 10 years of financial history about the City and information on its overlapping governmental debt.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-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 Government-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 Government-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 Retiree Health Plan Trust Funds, 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 government-wide financial statements.

The Government-wide Financial Statements

Government-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 and are reported as blended component units.

- **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 and is reported as a blended component unit.

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.

Four out of eight of the City's Enterprise Funds are reported as Major Funds. The City has one major governmental fund.

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 Government-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 City's net position and changes of its governmental and business-type activities for the fiscal year ending June 30, 2016. As noted earlier, the City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$2,398.1 million at the end of the fiscal year, and improvement in net position of \$122.8 million.

Table 1
Statement of Net Position at June 30
(in Millions)

| | Governmental Activities | | Business-type Activities | | Government-Wide Activities | |
|---|-------------------------|-----------------|--------------------------|------------------|----------------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets | | | | | | |
| Cash and Investments | \$ 264.4 | \$ 242.8 | \$ 296.3 | \$ 258.3 | \$ 560.7 | \$ 501.1 |
| Other Assets | 87.6 | 69.2 | 401.8 | 402.7 | 489.4 | 471.9 |
| Capital Assets | 903.4 | 858.0 | 1,518.2 | 1,506.4 | 2,421.6 | 2,364.4 |
| Total Assets | 1,255.4 | 1,170.0 | 2,216.3 | 2,167.4 | 3,471.7 | 3,337.4 |
| Deferred Outflows of Resources | | | | | | |
| Deferred Amounts related to Pensions | 18.5 | 17.3 | 8.5 | 4.2 | 27.0 | 21.5 |
| Accumulated Decrease in Fair Value of Hedging Derivatives | | | 34.3 | 30.7 | 34.3 | 30.7 |
| Deferred Amounts related to Pensions | | | 5.9 | 7.6 | 5.9 | 7.6 |
| Total Deferred Outflows of Resources | 18.5 | 17.3 | 48.7 | 42.5 | 67.2 | 59.8 |
| Liabilities | | | | | | |
| Long-Term Debt Outstanding | 28.4 | 14.0 | 524.3 | 539.3 | 552.7 | 553.3 |
| Other Liabilities | 277.3 | 259.1 | 179.5 | 162.7 | 456.8 | 421.8 |
| Total Liabilities | 305.7 | 273.1 | 703.8 | 702.0 | 1,009.5 | 975.1 |
| Deferred Inflows of Resources | | | | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | | | 110.8 | 111.0 | 110.8 | 111.0 |
| Deferred Amounts related to Pensions | 15.2 | 24.6 | 5.3 | 11.2 | 20.5 | 35.8 |
| Total Deferred Inflows of Resources | 15.2 | 24.6 | 116.1 | 122.2 | 131.3 | 146.8 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 875.0 | 844.0 | 1,156.7 | 1,137.5 | 2,031.7 | 1,981.5 |
| Restricted | 171.6 | 139.7 | 33.3 | 34.0 | 204.9 | 173.7 |
| Unrestricted | (93.6) | (94.1) | 255.1 | 214.2 | 161.5 | 120.1 |
| Total Net Position | \$ 953.0 | \$ 889.6 | \$1,445.1 | \$1,385.7 | \$2,398.1 | \$2,275.3 |

The largest portion of the City's net position is recorded in the net investment in capital asset category of \$2,031.7 million. This category reports capital assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its citizens.

The restricted portion of the City's net position of \$204.9 million represents resources that are restricted for use by external sources. The remaining net position of \$161.1 million is unrestricted and can be used to meet the ongoing obligations of the City.

Government Activities – Net Position

This analysis focus on the net position and changes in net position of the City's Governmental Activities, presented in the Government-wide Statement of Net Position and Statement of Activities.

Table 2
Governmental Activities Net Position at June 30
(in Millions)

| | <u>2016</u> | <u>2015</u> | <u>Increase/ Decrease</u> |
|---|------------------------|------------------------|-------------------------------|
| Assets | | | |
| Cash and Investments | \$ 264.4 | \$ 242.8 | \$ 21.6 |
| Other Assets | 87.6 | 69.2 | 18.4 |
| Capital Assets | 903.4 | 858.0 | 45.4 |
| Total Assets | <u>1,255.4</u> | <u>1,170.0</u> | <u>85.4</u> |
| Deferred Amounts related to Pensions | <u>18.5</u> | <u>17.3</u> | <u>1.2</u> |
| Liabilities | | | |
| Long-Term Debt Outstanding | 28.4 | 14.0 | 14.4 |
| Other Liabilities | 277.3 | 259.1 | 18.2 |
| Total Liabilities | <u>305.7</u> | <u>273.1</u> | <u>32.6</u> |
| Deferred Amounts related to Pensions | <u>15.2</u> | <u>24.6</u> | <u>(9.4)</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 875.0 | 844.0 | 31.0 |
| Restricted | 171.6 | 139.7 | 31.9 |
| Unrestricted | (93.6) | (94.1) | 0.5 |
| Total Net Position | <u>\$ 953.0</u> | <u>\$ 889.6</u> | <u>\$ 63.4</u> |

The City's governmental net position increased by \$63.4 million to \$953 million as of June 30, 2016.

The City's net position increased due to the following:

- Cash and investments increased by \$21.6 million, primarily due to a bond proceeds and positive changes in net position.
- Capital assets net of depreciation increased by \$45.4 million due to donated land for parks of \$18.1 million and additions to construction in progress for the new City building at 316 Vernon Street of \$14.4 million and other capital projects.
- Long-term debt outstanding increased by \$14.4 million due to the issuance of the 2015 316 Vernon Street Project Lease bonds to partially finance the construction costs of a new City building.
- Long-term liabilities increased primarily due to the increases in the net OPEB obligation by \$5.1 million and the Net Pension Obligation by \$6.8 million.

Governmental Activities – Revenues and Expenses

The Table below shows that governmental activities net position increased by \$63.4 million from the prior year to \$953 million.

Table 3
Changes in Governmental Activities Net Position
for the year ended June 30
(in Millions)

| | <u>2016</u> | <u>2015</u> | <u>Increase/ Decrease</u> |
|---|------------------------|------------------------|-------------------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 29.4 | \$ 29.8 | \$ (0.4) |
| Operating Grants and Contributions | 18.7 | 12.4 | 6.3 |
| Capital Grants and Contributions | 38.6 | 29.8 | 8.8 |
| Total Program Revenues | <u>86.7</u> | <u>72.0</u> | <u>14.7</u> |
| General Revenues: | | | |
| Taxes/Intergovernmental | 100.9 | 92.1 | 8.8 |
| Use of Money and Property | 3.1 | 1.8 | 1.3 |
| Miscellaneous | 0.2 | 2.1 | (1.9) |
| Total General Revenues | <u>104.2</u> | <u>96.0</u> | <u>8.2</u> |
| Total Revenues | <u>190.9</u> | <u>168.0</u> | <u>22.9</u> |
| Expenses | | | |
| General Government | 24.2 | 33.3 | (9.1) |
| Development and Operations | 21.7 | 20.7 | 1.0 |
| Public Works | 12.8 | 17.2 | (4.4) |
| Police | 34.2 | 33.8 | 0.4 |
| Fire | 28.3 | 28.7 | (0.4) |
| Library | 4.7 | 4.7 | - |
| Parks and Recreation | 21.3 | 21.7 | (0.4) |
| Housing Assistance Payments | 4.1 | 4.1 | - |
| Interest on Long-Term Debt | 1.1 | 0.5 | 0.6 |
| Total Expenses | <u>152.4</u> | <u>164.7</u> | <u>(12.3)</u> |
| Changes in Net Position before transfers | 38.5 | 3.3 | 35.2 |
| Transfers | 24.9 | 27.7 | (2.8) |
| Changes in Net Position after transfers | <u>63.4</u> | <u>31.0</u> | <u>32.4</u> |
| Net Position-Beginning | <u>889.6</u> | <u>858.6</u> | <u>31.0</u> |
| Net Position-Ending | <u>\$ 953.0</u> | <u>\$ 889.6</u> | <u>\$ 63.4</u> |

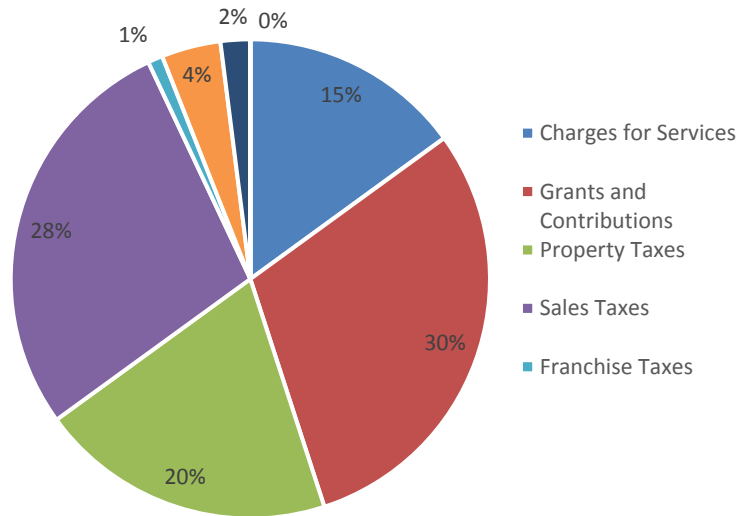
Program revenues were composed of charges for services of \$29.4 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$18.7 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$38.6 million that consist mainly of street project grants, developer impact fees restricted to capital outlay.

General Revenues-Taxes/Intergovernmental showed an increase of \$8.8 million primarily due to the sunset of the triple-flip and final true-up payments. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

Total Expenses decreased by \$12.3 million primarily due to decrease in general government and decreases in public works.

Governmental Activities – Revenues by Source

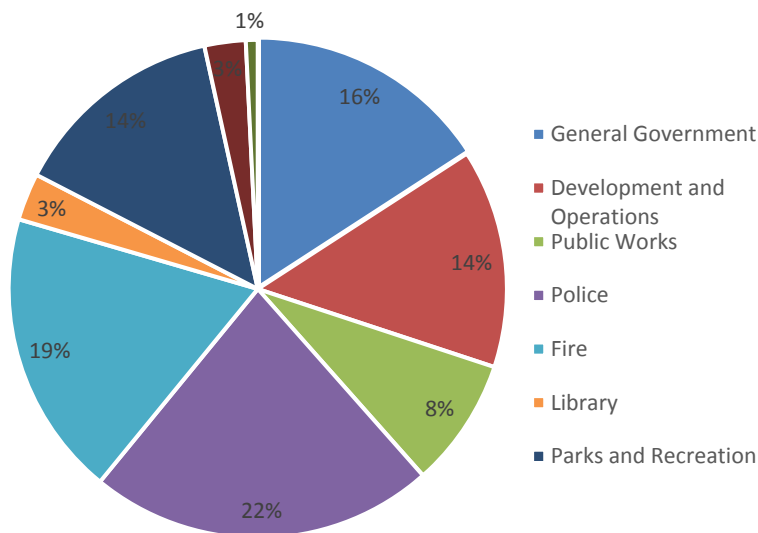
The chart below describes the revenues by source for Governmental Activities.



As the Sources of Revenue Chart shows, \$79.0 million, or 43% of the City’s fiscal year 2016 governmental revenue came from program revenues and \$105.2 million, or 57%, came from general revenues such as taxes and interest.

Governmental Activities – Functional Expenses

The functional expenses chart below includes only current year expenses for Governmental Activities.



The Functional Expenses Chart above includes only current year expenses. Capital outlay is excluded as these expenses are added to the City's capital assets. As the Chart shows, general government was \$24.2 million or 16% of total governmental activities expenses, development and operations was \$21.7 million or 19%, public works was \$12.8 million or 8%, police was \$34.2 million or 22%, fire was \$28.3 million or 14%, parks and recreation was \$21.3 million or 14%, and the remainder came from other governmental programs and functions, as shown above.

Business-type Activities – Net Position and Changes in Net Position

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 Activities Net Position at June 30
(in Millions)

| | <u>2016</u> | <u>2015</u> | <u>Increase/ Decrease</u> |
|---|--------------------------|--------------------------|-------------------------------|
| Assets | | | |
| Cash and Investments | \$ 296.3 | \$ 258.3 | \$ 38.0 |
| Other Assets | 401.8 | 402.7 | (0.9) |
| Capital Assets | <u>1,518.2</u> | <u>1,506.4</u> | <u>11.8</u> |
| Total Assets | <u>2,216.3</u> | <u>2,167.4</u> | <u>48.9</u> |
| Deferred Outflows of Resources | | | |
| Deferred Amount on Refunding | 8.5 | 4.2 | 4.3 |
| Accumulated Decrease in Fair Value of Hedging Derivatives | 34.3 | 30.7 | 3.6 |
| Deferred Amounts related to Pensions | <u>5.9</u> | <u>7.6</u> | <u>(1.7)</u> |
| Total Deferred Outflows of Resources | <u>48.7</u> | <u>42.5</u> | <u>6.2</u> |
| Liabilities | | | |
| Long-Term Debt Outstanding | 524.3 | 539.3 | (15.0) |
| Other Liabilities | <u>179.5</u> | <u>162.7</u> | <u>16.8</u> |
| Total Liabilities | <u>703.8</u> | <u>702.0</u> | <u>1.8</u> |
| Deferred Inflows of Resources | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | 110.8 | 111.0 | (0.2) |
| Deferred Amounts related to Pensions | <u>5.3</u> | <u>11.2</u> | <u>(5.9)</u> |
| Total Deferred Inflows of Resources | <u>116.1</u> | <u>122.2</u> | <u>(6.1)</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 1,156.7 | 1,137.5 | 19.2 |
| Restricted | 33.3 | 34.0 | (0.7) |
| Unrestricted | <u>255.1</u> | <u>214.2</u> | <u>40.9</u> |
| Total Net Position | <u>\$ 1,445.1</u> | <u>\$ 1,385.7</u> | <u>\$ 59.4</u> |

The net position of business-type activities amounted to \$1,445.1 million in fiscal year 2016, an increase of \$59.4 million from fiscal year 2015. The City’s net position increased due to the following:

- Cash and investments increased by \$38.0 million and capital assets increased by \$11.8 million, primarily due to new development.
- Long-term debt outstanding decreased by \$15.0 million from refundings and scheduled retirements of outstanding debt.
- Other liabilities increased primarily due to an increase in the net pension liability and derivative at fair value liability by \$4.8 million and \$3.7 million, respectively.

Table 5
Changes in Business-Type Activities Net Position
for the year ended June 30
(in Millions)

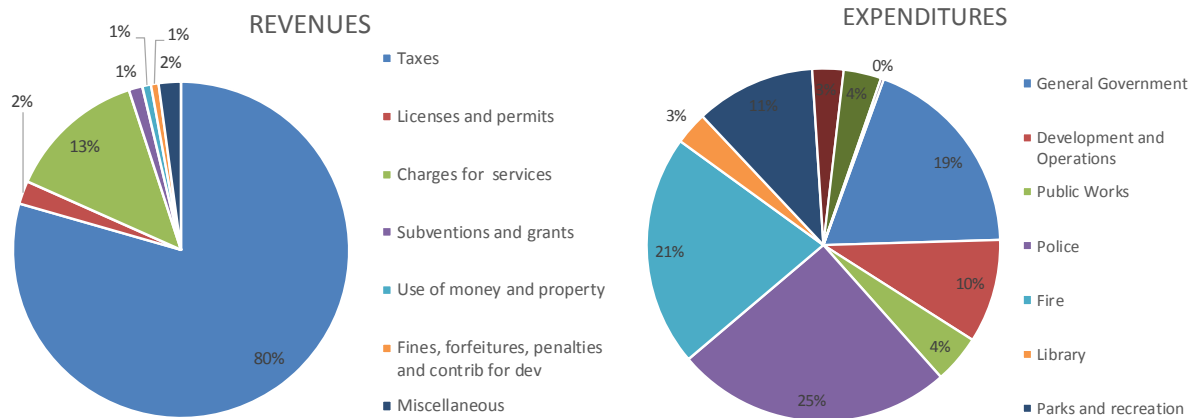
| | Business-Type Activities | | Increase/ Decrease |
|--|--------------------------|-------------------|-----------------------|
| | 2016 | 2015 | |
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services | 272.4 | 270.0 | 2.4 |
| Operating Grants and Contributions | 5.9 | 14.3 | (8.4) |
| Capital Grants and Contributions | 55.8 | 50.7 | 5.1 |
| Total Program Revenues | 334.1 | 335.0 | (0.9) |
| General Revenues | | | |
| Use of Property and Money | 12.1 | 11.3 | 0.8 |
| Total Revenues | 346.2 | 346.3 | (0.1) |
| Expenses | | | |
| Electric Fund | \$ 141.8 | \$ 139.3 | \$ 2.5 |
| Water Fund | 26.7 | 25.1 | 1.6 |
| Wastewater Fund | 34.6 | 34.6 | - |
| Solid Waste Fund | 17.8 | 17.0 | 0.8 |
| Natural Gas | 25.2 | 25.6 | (0.4) |
| Golf Course Fund | 2.5 | 2.6 | (0.1) |
| Local Transportation Fund | 8.0 | 8.9 | (0.9) |
| School-Age Child Care Fund | 5.3 | 3.7 | 1.6 |
| Loss on Sale of Capital Assets | - | 2.0 | (2.0) |
| Total Expenses | 261.9 | 258.8 | 3.1 |
| Change in Net Position before Transfers | 84.3 | 87.5 | (3.2) |
| Transfers | (24.9) | (27.7) | 2.8 |
| Changes in Net Position | 59.4 | 59.8 | (0.4) |
| Net Position-Beginning | 1,385.7 | 1,325.9 | 59.8 |
| Net Position-Ending | \$ 1,445.1 | \$ 1,385.7 | \$ 59.4 |

Business-type activities program revenues and interest revenue were \$346.2 million while Business-type activities expenses, transfers out, and loss on sale of capital assets were \$286.8 million in 2016. Major-enterprise fund activity is discussed in the Proprietary Funds section.

Analyses of Major Governmental Funds

General Fund

Fiscal Year 2016 General Fund Activity



General Fund revenues increased by \$7.1 million from the prior year, primarily due to increases in taxes of \$9.4 million and a decrease in subventions and grants by \$1.5 million. Total actual revenues were less than the final budget by \$0.4 million, with the following major breakdown:

- Taxes were more than budget by \$1.3 million as taxes were higher than expected.
- Charges for services and miscellaneous revenues were less than budget by \$1.5 million, \$0.7 million, respectively.

General Fund expenditures increased by \$7.7 million from the prior year, primarily due to increases in general government increasing by \$1.2 million, public safety of \$4.1 million, and debt service by \$1.4 million. Expenditures were also \$5.8 million less than budget. The original budget was increased by a net \$9.3 million, from encumbrances and incomplete capital projects carried over from fiscal year 2015. The following is a list of the major differences:

Salaries and benefits

- Salaries and benefits in aggregate was under budget by \$808 thousand due to unfilled positions.

Operating services and supplies

- General Government in aggregate was under budget by \$1.2 million due to the litigation reserve and certain contracts and services not being expended.
- 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 \$1.1 million as the project was delayed and subsequently cancelled.
- Full cost/consolidated billing were under budget by \$765 thousand due to delayed or not yet completed projects.

As of June 30, 2016, the General Fund's fund balance totaled \$60.6 million, including \$12.1 million nonspendable, mostly for notes receivable, \$3.1 million assigned to various contracts, and the balance of \$45.4 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.

Non-Major Governmental Funds

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

Analysis of Major Proprietary Funds

Electric Fund

Net Position of the Electric Fund increased \$27.7 million in fiscal year 2016 to a total of \$322.3 million, primarily due to increased development and a decrease in operating expenses. As of June 30, 2016, of the net position of \$322.3 million, \$208.8 million was invested in capital assets, \$16.5 million was restricted for debt service, \$6.6 restricted for the benefit of rate payers, and \$90.4 million was unrestricted. In fiscal year 2016, electric rates will be restructured by increasing the energy consumption charge and decreasing the monthly flat fee.

Water Fund

Net Position of the Water Fund increased \$15.4 million in fiscal year 2016, primarily due to new development and additional capital contributions. As of June 30, 2016, the Fund's Net Position was \$493.5 million, of which \$432.9 million was invested in capital assets, \$4.1 million was restricted for debt service, and \$56.4 million was unrestricted as to use. Effective July 1, 2016, water rates will increase by 12 percent and the increase will apply to both the monthly service charge and uniform volumetric rate.

Wastewater Fund

Net Position of the Wastewater Fund increased \$17.1 million in fiscal year 2016, primarily due to increases in charges for services for rate changes. As of June 30, 2016, the Fund's Net Position was \$587.3 million, of which \$482.2 million was invested in capital assets, \$4.8 million was restricted for debt service, and \$100.3 million was unrestricted as to use. Effective July 1, 2016 wastewater rates will increase by 6.5 percent raising the current rate from \$32.60 to \$34.70 a month per household.

Solid Waste Fund

Net Position of the Solid Waste Fund increased \$1.4 million in fiscal year 2016, primarily due to increases in charges for services for rate restructuring. As of June 30, 2016, the Fund's Net Position was \$18.4 million, of which \$4.3 million was invested in capital assets and \$14.1 million was unrestricted as to use. There are no scheduled rate changes for fiscal year 2017.

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. \$156.9 million remains due in bonds payable, while the pre-paid natural gas is \$159.3 million. Net Position of the Roseville Natural Gas Financing Authority Fund increased \$0.2 million in fiscal year 2016 to \$3.7 million which is unrestricted as to use.

Non-Major Enterprise Funds

These funds are presented in the Basic Financial statements, but are identified as non-major enterprise funds.

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 is as shown in table below:

Table 6
Capital Assets at Year End
(in Millions)

| | <u>2016</u> | <u>2015</u> | <u>Increase/ Decrease</u> |
|---|--------------------------|--------------------------|-------------------------------|
| Governmental Activities | | | |
| Land | \$ 56.6 | \$ 38.0 | \$ 18.6 |
| Streets (modified) | 305.5 | 301.1 | 4.4 |
| Parks (modified) | 98.2 | 97.5 | 0.7 |
| Landscaping (modified) | 47.6 | 46.7 | 0.9 |
| Construction in Progress | 47.8 | 26.7 | 21.1 |
| Buildings | 133.7 | 134.3 | (0.6) |
| Improvements | 8.1 | 7.1 | 1.0 |
| Equipment | 82.3 | 77.4 | 4.9 |
| Bike Paths | 9.0 | 9.1 | (0.1) |
| Bridges | 70.5 | 70.5 | 0.0 |
| Culverts | 20.7 | 20.7 | 0.0 |
| Curb, Gutter, Sidewalk, & Median Curbs | 161.8 | 157.0 | 4.8 |
| Drain Inlets | 21.6 | 21.6 | 0.0 |
| Flood Control Improvements | 20.4 | 20.4 | 0.0 |
| Soundwall | 36.8 | 36.6 | 0.2 |
| Stormdrains | 88.5 | 85.4 | 3.1 |
| Less: Accumulated Depreciation | <u>(305.7)</u> | <u>(292.1)</u> | <u>(13.6)</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 903.4</u> | <u>\$ 858.0</u> | <u>\$ 45.4</u> |
| | <u>2016</u> | <u>2015</u> | <u>Increase/ Decrease</u> |
| Business-Type Activities | | | |
| Land | \$ 17.0 | \$ 17.0 | |
| Landscaping (modified) | 0.6 | 0.6 | |
| Construction in Progress | 51.8 | 43.7 | \$ 8.1 |
| Buildings | 26.9 | 26.8 | 0.1 |
| Improvements | 18.8 | 18.6 | 0.2 |
| Machinery and Equipment | 29.2 | 29.1 | 0.1 |
| Bike Paths | 5.4 | 4.5 | 0.9 |
| Bridges | 1.7 | 1.7 | 0.0 |
| Culverts, drains, curbs | 0.4 | 0.4 | 0.0 |
| Curb, gutter, sidewalk, and median curbs | 0.5 | 0.1 | 0.4 |
| Flood control improvements | 8.8 | 8.8 | 0.0 |
| Traffic Signals | 49.1 | 48.6 | 0.5 |
| Plant and Substations | 362.9 | 363.2 | (0.3) |
| Distribution | 1,332.5 | 1,288.0 | 44.5 |
| Generation | 202.8 | 202.7 | 0.1 |
| Less: Accumulated Depreciation | <u>(590.3)</u> | <u>(547.4)</u> | <u>(42.9)</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 1,518.1</u> | <u>\$ 1,506.4</u> | <u>\$ 11.7</u> |

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 72 and residential roadways at an average PQI of 65, which means that, on average, the City's streets must be maintained at no less than 69% of pavement in perfect condition.

At June 30, 2016, the City's streets averaged 71 PQI for arterial and collector roadways and 70 PQI for residential roadways. The City expended \$6.2 million on preservation of its streets in fiscal year 2016, compared to the budgeted amount of \$15.2 million. A portion of the 2016 budget will be carried forward to subsequent years, the budget without carryforward funds for 2017 is \$6.0 million.

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, 2016, the City's parks and landscaping averaged 3 GMI. The City expended \$5.5 million on preservation of its parks and landscaping in fiscal year 2016, compared to the budget of \$5.4 million, and plans to spend \$5.7 million in fiscal year 2017.

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 7
Outstanding Debt
(in Millions)

| | <u>2016</u> | <u>2015</u> | <u>Increase/ Decrease</u> |
|--|------------------------|------------------------|-------------------------------|
| Governmental Activities Debt: | | | |
| Lease: | | | |
| 2013 Public Facilities Refunding, 2.15%, due 8/1/25 | \$ 9.1 | \$ 9.9 | \$ (0.8) |
| 2015 316 Vernon Street Project, 2.00%-5.00%, due 2/1/34 | 14.4 | | 14.4 |
| Add: deferred debt premium | 0.8 | | |
| Capital Lease Obligations: | | | |
| Equipment | 0.1 | 0.1 | |
| Loans: | | | |
| Successor Agency | 4.0 | 4.0 | |
| Total Governmental Activities Debt: | <u>\$ 28.4</u> | <u>\$ 14.0</u> | <u>\$ 13.6</u> |
| Business-type Activities Debt: | | | |
| Certificates of Participation: | | | |
| 2009 Electric System Revenue Refunding, 2.00%-5.25%, due 2/1/2 | \$ 16.1 | \$ 17.7 | \$ (1.6) |
| Add deferred bond premium | 0.2 | 0.2 | |
| 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 | (40.5) |
| Add deferred bond premium | | 1.7 | (1.7) |
| 2015 Water Utility Revenue, 2.00%-5.00%, due 12/1/29 | 39.9 | | 39.9 |
| Add deferred bond premium | 6.4 | | 6.4 |
| Total Certificates of Participation | <u>152.6</u> | <u>150.1</u> | <u>2.6</u> |
| Revenue Bonds: | | | |
| 2007 Gas Revenue Bonds | | | |
| 4.00%-5.00%, due 2/15/28 | 148.9 | 157.7 | (8.8) |
| Add: deferred bond premium | 8.1 | 8.8 | (0.7) |
| 2010 Electric System Revenue Refunding | | | |
| 2.00%-5.00%, due 2/1/37 | 54.1 | 54.5 | (0.4) |
| Add: deferred bond premium | 2.1 | 2.3 | (0.2) |
| 2013 Electric System Revenue Refunding | | | |
| 2.00%-5.00%, due 2/1/29 | 43.8 | 47.9 | (4.1) |
| Add: deferred bond premium | 4.8 | 5.2 | (0.4) |
| 2011 Refunding Wastewater Revenue Bonds, Series C | | | |
| 1.00%-5.25%, due 11/1/25 | 31.4 | 33.7 | (2.3) |
| Add: deferred bond premium | 2.0 | 2.2 | (0.2) |
| 2013 Refunding Wastewater Revenue Bonds | | | |
| variable rate, due 11/1/35 | 36.5 | 36.6 | (0.1) |
| 214 Refunding Wastewater Revenue Bonds | | | |
| variable rate, due 6/30/30 | 18.0 | 18.0 | |
| 2014 Refunding Electric System Revenue Bonds | | | |
| 5.00%, due 2/1/34 | 16.5 | 16.5 | |
| Add: deferred bond premium | 1.9 | 2.0 | (0.1) |
| Total Revenue Bonds | <u>368.1</u> | <u>385.3</u> | <u>(17.3)</u> |
| Lease: | | | |
| 2013 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25 | 3.5 | 4.0 | (0.5) |
| Total Business-type Activities Debt: | <u>\$ 524.2</u> | <u>\$ 539.3</u> | <u>\$ (15.1)</u> |

COMMUNITY FACILITIES/ASSESSMENT DISTRICTS DEBT

Community facilities districts and assessment districts in different parts of the City have also issued debt to finance infrastructure and facilities construction in their respective districts. As of June 30, 2016, a total of \$328.5 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 Finance Department at 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, 2016

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-------------------------|
| ASSETS | | | |
| Cash and Investments in City Treasury | \$ 238,169,691 | \$ 261,180,765 | \$ 499,350,456 |
| Restricted cash and investments with fiscal agents | 26,189,247 | 35,088,079 | 61,277,326 |
| Receivables: | | | |
| Taxes | 8,413,923 | | 8,413,923 |
| Accounts, net of allowance for doubtful accounts | 5,845,296 | 36,683,177 | 42,528,473 |
| Accrued interest | 4,240,721 | 636,037 | 4,876,758 |
| Due from other government agencies | 18,613,333 | 10,073,669 | 28,687,002 |
| Internal balances | 4,231,235 | (4,231,235) | |
| Prepays | 2,033,776 | 2,008,787 | 4,042,563 |
| Developer permit fees receivable | 75,450 | | 75,450 |
| Notes receivable | 42,418,284 | | 42,418,284 |
| Inventories | 922,146 | 10,794,283 | 11,716,429 |
| Land held for resale | 861,245 | | 861,245 |
| Prepaid purchased gas | | 159,332,478 | 159,332,478 |
| Investment in NCPA reserves | | 3,409,325 | 3,409,325 |
| Investment in SPWA reserves | | 72,383,339 | 72,383,339 |
| Derivative at fair value-asset | | 110,824,051 | 110,824,051 |
| Capital assets: | | | |
| Capital assets not being depreciated | 555,599,846 | 69,465,595 | 625,065,441 |
| Capital assets being depreciated, net | 347,780,542 | 1,448,660,628 | 1,796,441,170 |
| Total Assets | <u>1,255,394,735</u> | <u>2,216,308,978</u> | <u>3,471,703,713</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount on refunding | | 5,945,052 | 5,945,052 |
| Accumulated decrease in fair value of hedging derivative | | 34,274,419 | 34,274,419 |
| Deferred outflows related to pensions | 18,468,382 | 8,504,932 | 26,973,314 |
| Total Deferred Outflows of Resources | <u>18,468,382</u> | <u>48,724,403</u> | <u>67,192,785</u> |
| LIABILITIES | | | |
| Accounts payable | 7,747,899 | 11,094,575 | 18,842,474 |
| Accrued liabilities | 6,827,156 | 13,356,254 | 20,183,410 |
| Due to other governments | 13,245,422 | 1,005,989 | 14,251,411 |
| Deposits | 4,168,854 | 6,983,511 | 11,152,365 |
| Unearned revenues | 969,019 | 17,759,548 | 18,728,567 |
| Derivative at fair value-liability | | 34,274,419 | 34,274,419 |
| Landfill closure and post closure liability: | | | |
| Due in more than one year | | 1,999,776 | 1,999,776 |
| Net OPEB obligation: | | | |
| Due in more than one year | 49,633,209 | | 49,633,209 |
| Compensated absences: | | | |
| Due within one year | 4,714,151 | 2,859,202 | 7,573,353 |
| Due in more than one year | 12,138,327 | 5,920,876 | 18,059,203 |
| Net pension liability | 168,589,924 | 84,227,472 | 252,817,396 |
| Self-insurance claims payable and litigation settlement: | | | |
| Due within one year | 2,060,445 | | 2,060,445 |
| Due in more than one year | 7,209,780 | | 7,209,780 |
| Long-term liabilities: | | | |
| Due within one year | 1,097,167 | 20,937,141 | 22,034,308 |
| Due in more than one year | 27,315,509 | 503,341,839 | 530,657,348 |
| Total Liabilities | <u>305,716,862</u> | <u>703,760,602</u> | <u>1,009,477,464</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Accumulated increase in fair value of hedging derivatives | | 110,824,051 | 110,824,051 |
| Deferred inflows related to pensions | 15,172,791 | 5,285,745 | 20,458,536 |
| Total Deferred Inflows of Resources | <u>15,172,791</u> | <u>116,109,796</u> | <u>131,282,587</u> |
| NET POSITION | | | |
| Net investment in capital assets | <u>874,967,712</u> | <u>1,156,762,308</u> | <u>2,031,730,020</u> |
| Restricted for: | | | |
| Capital projects | | | |
| Expendable | 148,125,934 | | 148,125,934 |
| Nonexpendable | 16,964,800 | | 16,964,800 |
| Debt service | 827,834 | 25,457,307 | 26,285,141 |
| Community development projects | 5,663,031 | | 5,663,031 |
| Local transportation | | 1,253,756 | 1,253,756 |
| The benefit of rate payers (AB 32) | | 6,589,267 | 6,589,267 |
| Total Restricted | <u>171,581,599</u> | <u>33,300,330</u> | <u>204,881,929</u> |
| Unrestricted | <u>(93,575,847)</u> | <u>255,100,345</u> | <u>161,524,498</u> |
| Total Net Position | <u>\$ 952,973,464</u> | <u>\$ 1,445,162,983</u> | <u>\$ 2,398,136,447</u> |

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

| 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 | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 24,156,228 | \$ 4,097,453 | \$ 1,360,897 | \$ 2,932,605 | \$ (15,765,273) | | \$ (15,765,273) |
| Development & operations | 21,661,632 | 8,941,215 | 9,802,642 | 48,599 | (2,869,176) | | (2,869,176) |
| Public works | 12,786,495 | 30,618 | 1,210,449 | 28,365,436 | 16,820,008 | | 16,820,008 |
| Police | 34,215,809 | 1,354,837 | 1,125,889 | | (31,735,083) | | (31,735,083) |
| Fire | 28,336,652 | 1,704,523 | 461,577 | 1,183,979 | (24,986,573) | | (24,986,573) |
| Library | 4,675,146 | 128,689 | 92,217 | | (4,454,240) | | (4,454,240) |
| Parks & recreation | 21,289,788 | 13,093,192 | 89,898 | 6,110,433 | (1,996,265) | | (1,996,265) |
| Housing assistance payments | 4,077,451 | | 4,587,108 | | 509,657 | | 509,657 |
| Interest on long-term debt | 1,170,785 | | | | (1,170,785) | | (1,170,785) |
| Total Governmental Activities | 152,369,986 | 29,350,527 | 18,730,677 | 38,641,052 | (65,647,730) | | (65,647,730) |
| Business-type Activities: | | | | | | | |
| Electric | 141,831,457 | 167,160,777 | | 14,017,957 | | \$ 39,347,277 | 39,347,277 |
| Water | 26,723,627 | 22,960,518 | 1,230,309 | 20,790,289 | | 18,257,489 | 18,257,489 |
| Wastewater | 34,569,588 | 34,411,404 | | 20,528,882 | | 20,370,698 | 20,370,698 |
| Solid Waste | 17,778,385 | 22,403,352 | 68,777 | 471,458 | | 5,165,202 | 5,165,202 |
| Natural Gas | 25,179,279 | 16,572,034 | | | | (8,607,245) | (8,607,245) |
| Golf Course | 2,502,782 | 2,216,692 | | | | (286,090) | (286,090) |
| Local Transportation | 7,985,912 | 1,177,935 | 4,309,522 | 693 | | (2,497,762) | (2,497,762) |
| School-Age Child Care | 5,251,976 | 5,475,945 | 270,004 | | | 493,973 | 493,973 |
| Total Business-Type Activities | 261,823,007 | 272,378,657 | 5,878,612 | 55,809,279 | | 72,243,541 | 72,243,541 |
| Total | \$ 414,192,993 | \$ 301,729,184 | \$ 24,609,289 | \$ 94,450,331 | (65,647,730) | 72,243,541 | 6,595,811 |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 37,998,872 | | 37,998,872 |
| Sales taxes | | | | | 52,993,394 | | 52,993,394 |
| Franchise taxes | | | | | 2,168,413 | | 2,168,413 |
| Other taxes | | | | | 7,745,155 | | 7,745,155 |
| Use of money and property | | | | | 3,058,420 | 12,056,004 | 15,114,424 |
| Miscellaneous revenues | | | | | 191,255 | | 191,255 |
| Gain on sale of capital assets | | | | | 4,729 | | 4,729 |
| Transfers | | | | | 24,853,427 | (24,853,427) | |
| Total General Revenues and Transfers | | | | | 129,013,665 | (12,797,423) | 116,216,242 |
| Change in Net Position | | | | | 63,365,935 | 59,446,118 | 122,812,053 |
| Net Position - beginning | | | | | 889,607,529 | 1,385,716,865 | 2,275,324,394 |
| Net Position - ending | | | | | \$ 952,973,464 | \$ 1,445,162,983 | \$ 2,398,136,447 |

See accompanying notes to basic financial statements.

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 year 2016. Individual non-major funds may be found in the Supplemental Information 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, 2016**

| | General | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--------------------------------|--------------------------------|
| ASSETS: | | | |
| Cash and investments in City Treasury | \$ 33,936,862 | \$ 156,699,340 | \$ 190,636,202 |
| Restricted cash and investments with fiscal agents | | 26,189,247 | 26,189,247 |
| Receivables: | | | |
| Taxes | 8,413,923 | | 8,413,923 |
| Accounts | 2,020,045 | 3,434,142 | 5,454,187 |
| Accrued interest | 528,998 | 1,363,938 | 1,892,936 |
| Due from other government agencies | 9,716,709 | 8,872,523 | 18,589,232 |
| Due from other funds | 69,769 | 8,058,157 | 8,127,926 |
| Advances to other funds | 7,498,088 | 195,054 | 7,693,142 |
| Prepays | 68,453 | | 68,453 |
| Developer permit fees receivable | 37,725 | 37,725 | 75,450 |
| Notes receivable | 17,979,293 | 23,609,790 | 41,589,083 |
| Inventories | 179,563 | | 179,563 |
| Land held for resale | | 861,245 | 861,245 |
| | <u>80,449,428</u> | <u>229,321,161</u> | <u>309,770,589</u> |
| Total Assets | <u>\$ 80,449,428</u> | <u>\$ 229,321,161</u> | <u>\$ 309,770,589</u> |
| LIABILITIES: | | | |
| Accounts payable | \$ 1,802,716 | \$ 5,174,796 | \$ 6,977,512 |
| Accrued liabilities | 6,080,853 | 130,980 | 6,211,833 |
| Due to other funds | | 8,075,291 | 8,075,291 |
| Due to other government agencies | 36,854 | 13,208,568 | 13,245,422 |
| Advances from other funds | | 8,331,758 | 8,331,758 |
| Unearned revenue | 517,755 | 451,264 | 969,019 |
| Deposits | 3,501,912 | 666,942 | 4,168,854 |
| | <u>11,940,090</u> | <u>36,039,599</u> | <u>47,979,689</u> |
| Total Liabilities | <u>11,940,090</u> | <u>36,039,599</u> | <u>47,979,689</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Unavailable revenue | <u>7,931,881</u> | <u>16,888,480</u> | <u>24,820,361</u> |
| FUND BALANCES: | | | |
| Nonspendable | 12,089,564 | 16,964,800 | 29,054,364 |
| Restricted | | 148,224,236 | 148,224,236 |
| Committed | | 794,928 | 794,928 |
| Assigned | 3,129,479 | 10,525,153 | 13,654,632 |
| Unassigned | 45,358,414 | (116,035) | 45,242,379 |
| | <u>60,577,457</u> | <u>176,393,082</u> | <u>236,970,539</u> |
| Total Fund Balances | <u>60,577,457</u> | <u>176,393,082</u> | <u>236,970,539</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 80,449,428</u> | <u>\$ 229,321,161</u> | <u>\$ 309,770,589</u> |

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2016**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 236,970,539

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 883,647,762

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 | \$ | 47,533,489 | |
| Accounts receivable | | 391,109 | |
| Accrued interest | | 2,347,785 | |
| Due from other government agencies | | 24,101 | |
| Internal balances | | 4,817,216 | |
| Prepaid expense | | 1,965,323 | |
| Notes receivable | | 829,201 | |
| Inventories | | 742,583 | |
| Capital assets | | 19,732,626 | |
| Deferred outflows | | 343,664 | |
| Accounts payable | | (770,387) | |
| Accrued liabilities | | (132,755) | |
| Self-insurance claims payable | | (9,270,225) | |
| Compensated absences | | (354,130) | |
| Net OPEB obligation | | (49,633,209) | |
| Net pension liability | | (3,975,584) | |
| Deferred inflows | | (302,251) | |
| | | 14,288,556 | 14,288,556 |

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 | | (28,412,676) | |
| Interest payable | | (482,568) | |
| Compensated absences | | (16,498,348) | |
| Net pension liability | | (164,614,340) | |

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

| | | | |
|---------------------------------------|--|--------------|--|
| Deferred outflows related to pensions | | 18,124,718 | |
| Deferred inflows related to pensions | | (14,870,540) | |

Unavailable revenue in the governmental funds is revenue in the governmental activities 24,820,361

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 952,973,464

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

| | General | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|--------------------------------|
| REVENUES | | | |
| Taxes | \$ 96,548,882 | \$ 9,661,058 | \$ 106,209,940 |
| Licenses and permits | 2,723,234 | | 2,723,234 |
| Charges for services | 16,232,572 | 12,166,312 | 28,398,884 |
| Subventions and grants | 834,196 | 9,828,692 | 10,662,888 |
| Use of money and property | 1,026,571 | 2,581,569 | 3,608,140 |
| Fines, forfeitures and penalties | 878,177 | 314,258 | 1,192,435 |
| Contributions from developers and others | 813,192 | 4,033,905 | 4,847,097 |
| Miscellaneous revenues | 2,572,309 | 22,248,186 | 24,820,495 |
| Total Revenues | 121,629,133 | 60,833,980 | 182,463,113 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 25,781,274 | 527,095 | 26,308,369 |
| Development and operations | 12,914,325 | 3,128,468 | 16,042,793 |
| Public works | 5,950,751 | 119,042 | 6,069,793 |
| Public safety | | | |
| Police | 34,545,564 | 20,335 | 34,565,899 |
| Fire | 28,787,595 | 4,775 | 28,792,370 |
| Library | 4,110,111 | 10,000 | 4,120,111 |
| Parks and recreation | 14,901,607 | 6,209,913 | 21,111,520 |
| Housing assistance payments | | 4,077,451 | 4,077,451 |
| Capital outlay | 3,879,012 | 33,942,762 | 37,821,774 |
| Payments under development agreements | 567,619 | | 567,619 |
| Annexation payments | 4,076,406 | | 4,076,406 |
| Debt service: | | | |
| Principal retirement | 34,079 | 829,813 | 863,892 |
| Interest and fiscal charges | 358,699 | 720,484 | 1,079,183 |
| Total Expenditures | 135,907,042 | 49,590,138 | 185,497,180 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (14,277,909) | 11,243,842 | (3,034,067) |
| OTHER FINANCING SOURCES (USES) | | | |
| Debt issued | | 14,425,000 | 14,425,000 |
| Premium on debt issued | | 862,056 | 862,056 |
| Transfers in | 29,773,709 | 23,429,240 | 53,202,949 |
| Transfers out | (7,445,691) | (26,948,638) | (34,394,329) |
| Total Other Financing Sources (Uses) | 22,328,018 | 11,767,658 | 34,095,676 |
| NET CHANGES IN FUND BALANCES | 8,050,109 | 23,011,500 | 31,061,609 |
| FUND BALANCES AT BEGINNING OF YEAR | 52,527,348 | 153,381,582 | 205,908,930 |
| FUND BALANCES AT END OF YEAR | \$ 60,577,457 | \$ 176,393,082 | \$ 236,970,539 |

See accompanying notes to basic 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, 2016**

| | | |
|---|-----------|--------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ | 31,061,609 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| CAPITAL ASSETS TRANSACTIONS | | |
| Governmental funds report capital outlays as expenditures | | 37,821,774 |
| Non-capitalized capital outlay expenditures are reclassified to various governmental activities | | 17,477,971 |
| 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) | | (14,464,901) |
| LONG TERM DEBT TRANSACTIONS | | |
| 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 | | 863,892 |
| Issuance of debt | | (14,425,000) |
| Premium on issued debt | | (862,056) |
| PENSION RELATED ITEMS | | |
| 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 | | |
| | | 3,715,853 |
| ACCRUAL OF NON-CURRENT ITEMS | | |
| The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in Governmental Funds (net change): | | |
| Compensated absences | | (3,978,528) |
| Deferred inflows of resources- Unavailable revenues | | 8,419,381 |
| Interest Payable | | (91,602) |
| ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY | | |
| Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. | | |
| The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with governmental activities, because they service those activities. | | |
| Change in Net Position - All Internal Service Funds | | (2,172,458) |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u>63,365,935</u> |

See accompanying notes to basic financial statements.

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 year 2016.

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.

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, 2016**

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|-----------------------|-----------------------|----------------------|
| | Electric | Water | Wastewater | Solid Waste |
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash and investments in City Treasury | \$ 115,359,723 | \$ 63,189,149 | \$ 48,898,635 | \$ 23,578,915 |
| Restricted cash and investments with fiscal agents | 17,029,969 | 9,347,196 | | |
| Receivables: | | | | |
| Accounts, net of allowance for doubtful accounts | 23,424,854 | 5,032,819 | 4,891,373 | 2,765,490 |
| Accrued interest | 311,460 | 143,871 | 95,955 | 47,218 |
| Due from other government agencies | | 208,752 | 718,899 | |
| Prepays | 2,008,787 | | | |
| Notes receivable | | | | |
| Due from other funds | | | | |
| Inventories | 10,240,800 | 427,070 | 72,989 | 53,424 |
| Total Current Assets | 168,375,593 | 78,348,857 | 54,677,851 | 26,445,047 |
| Non-Current Assets: | | | | |
| Prepaid purchased gas | | | | |
| Investment in NCPA reserves | 3,409,325 | | | |
| Investment in SPWA reserves | | | 72,383,339 | |
| Advances to other funds | | | | |
| Derivative at fair value-assets | 69,435 | | | |
| Land and construction in progress | 28,205,225 | 11,408,311 | 19,325,640 | 577,813 |
| Capital assets being depreciated, net | 406,474,986 | 465,525,417 | 550,840,502 | 3,701,644 |
| Total Non-Current Assets | 438,158,971 | 476,933,728 | 642,549,481 | 4,279,457 |
| Total Assets | 606,534,564 | 555,282,585 | 697,227,332 | 30,724,504 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Deferred charge on refunding | 3,559,310 | 2,385,742 | | |
| Accumulated decrease in fair value of hedging derivatives | 27,168,636 | | 7,105,783 | |
| Deferred outflows related to pensions | 3,884,489 | 1,449,848 | 1,578,660 | 877,500 |
| Total Deferred outflows of resources | 34,612,435 | 3,835,590 | 8,684,443 | 877,500 |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 8,929,655 | 320,166 | 935,420 | 696,946 |
| Accrued liabilities | 4,168,824 | 924,675 | 2,545,651 | 418,738 |
| Due to other government agencies | 3,496 | | 1,002,493 | |
| Due to other funds | | | | |
| Current portion of compensated absences | 1,402,414 | 518,324 | 508,768 | 217,104 |
| Current portion of long-term debt | 6,465,000 | 2,255,000 | 2,457,151 | |
| Deposits | 2,317,233 | 44,500 | | |
| Unearned revenue | 2,780,007 | | | 35,340 |
| Self-insurance claims payable | | | | |
| Total Current Liabilities | 26,066,629 | 4,062,665 | 7,449,483 | 1,368,128 |
| Long-term liabilities: | | | | |
| Advances from other funds | | | | |
| Long-term debt, non-current portion | 222,971,120 | 44,127,501 | 85,495,035 | |
| Landfill closure and post closure liability | | | | 1,999,776 |
| Compensated absences | 2,627,038 | 1,086,119 | 1,216,722 | 534,232 |
| Net OPEB obligations | | | | |
| Self-insurance claims payable | | | | |
| Derivative at fair value-liability | 27,168,636 | | 7,105,783 | |
| Net pension liability | 37,644,806 | 15,328,586 | 16,255,065 | 8,753,659 |
| Total Long-Term Liabilities | 290,411,600 | 60,542,206 | 110,072,605 | 11,287,667 |
| Total Liabilities | 316,478,229 | 64,604,871 | 117,522,088 | 12,655,795 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Accumulated increase in fair value of hedging derivatives | 69,435 | | | |
| Deferred inflows related to pensions | 2,286,182 | 1,053,287 | 1,077,745 | 554,532 |
| Total Deferred inflows of resources | 2,355,617 | 1,053,287 | 1,077,745 | 554,532 |
| NET POSITION: | | | | |
| Net investment in Capital Assets | 208,803,401 | 432,936,969 | 482,213,956 | 4,279,457 |
| Restricted for debt service | 16,493,250 | 4,134,075 | 4,829,982 | |
| Restricted for local transportation | | | | |
| Restricted for the benefit of rate payers (AB 32) | 6,589,267 | | | |
| Unrestricted | 90,427,235 | 56,388,973 | 100,268,004 | 14,112,220 |
| Total Net Position (deficit) | \$ 322,313,153 | \$ 493,460,017 | \$ 587,311,942 | \$ 18,391,677 |

See accompanying notes to basic financial statements.

| Business-Type Activities Enterprise Funds | Non-Major Enterprise Funds Total | Totals | Governmental Activities Internal Service Funds |
|--|--|-------------------------|---|
| Roseville Natural Gas Financing Authority | | | |
| \$ 70,028 | \$ 10,084,315 | \$ 261,180,765 | \$ 47,533,489 |
| 8,710,914 | | 35,088,079 | |
| | 568,641 | 36,683,177 | 391,109 |
| 115 | 37,418 | 636,037 | 2,347,785 |
| | 9,146,018 | 10,073,669 | 24,101 |
| | | 2,008,787 | 1,965,323 |
| | | | 829,201 |
| | | 10,794,283 | 476,834 |
| | | | 742,583 |
| <u>8,781,057</u> | <u>19,836,392</u> | <u>356,464,797</u> | <u>54,310,425</u> |
| 159,332,478 | | 159,332,478 | |
| | | 3,409,325 | |
| | | 72,383,339 | |
| | | | 3,601,216 |
| 110,754,616 | | 110,824,051 | |
| | 9,948,606 | 69,465,595 | 501,924 |
| | 22,118,079 | 1,448,660,628 | 19,230,702 |
| <u>270,087,094</u> | <u>32,066,685</u> | <u>1,864,075,416</u> | <u>23,333,842</u> |
| 278,868,151 | 51,903,077 | 2,220,540,213 | 77,644,267 |
| | | 5,945,052 | |
| | | 34,274,419 | |
| | 714,435 | 8,504,932 | 343,664 |
| | 714,435 | 48,724,403 | 343,664 |
| 834 | 211,554 | 11,094,575 | 770,387 |
| 2,791,406 | 2,506,960 | 13,356,254 | 132,755 |
| | 178,369 | 1,005,989 | |
| | 212,592 | 178,369 | 312,700 |
| 9,345,000 | 414,990 | 2,859,202 | |
| 4,621,690 | 88 | 20,937,141 | |
| | 14,944,201 | 6,983,511 | |
| | | 17,759,548 | |
| | | | 2,060,445 |
| <u>16,758,930</u> | <u>18,468,754</u> | <u>74,174,589</u> | <u>3,276,287</u> |
| | 3,001,000 | 3,001,000 | |
| 147,625,013 | 3,123,170 | 503,341,839 | |
| | 456,765 | 1,999,776 | |
| | | 5,920,876 | 253,179 |
| | | | 49,633,209 |
| | | | 7,209,780 |
| | 6,245,356 | 34,274,419 | |
| | | 84,227,472 | 3,975,584 |
| <u>147,625,013</u> | <u>12,826,291</u> | <u>632,765,382</u> | <u>61,071,752</u> |
| <u>164,383,943</u> | <u>31,295,045</u> | <u>706,939,971</u> | <u>64,348,039</u> |
| 110,754,616 | | 110,824,051 | |
| | 313,999 | 5,285,745 | 302,251 |
| <u>110,754,616</u> | <u>313,999</u> | <u>116,109,796</u> | <u>302,251</u> |
| | 28,528,525 | 1,156,762,308 | 19,732,626 |
| | 1,253,756 | 25,457,307 | |
| | | 1,253,756 | |
| | | 6,589,267 | |
| <u>3,729,592</u> | <u>(8,773,813)</u> | <u>256,152,211</u> | <u>(6,495,936)</u> |
| <u>\$ 3,729,592</u> | <u>\$ 21,008,468</u> | <u>\$ 1,446,214,849</u> | <u>\$ 13,236,690</u> |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds | | (1,051,866) | |
| Change in net position of business-type activities | | <u>\$ 1,445,162,983</u> | |

**CITY OF ROSEVILLE, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016**

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|-----------------------|-----------------------|----------------------|
| | Electric | Water | Wastewater | Solid Waste |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 163,762,375 | \$ 22,692,348 | \$ 34,357,622 | \$ 21,769,252 |
| Other | 3,398,402 | 268,170 | 53,782 | 634,100 |
| Total Operating Revenues | <u>167,160,777</u> | <u>22,960,518</u> | <u>34,411,404</u> | <u>22,403,352</u> |
| OPERATING EXPENSES | | | | |
| Power supply | 84,067,732 | | | |
| Operations | 22,930,166 | 13,923,622 | 18,896,554 | 16,899,117 |
| Administration | 4,414,756 | 2,508,961 | 477,205 | 629,141 |
| Depreciation and amortization | 20,146,429 | 8,548,657 | 11,856,087 | 328,840 |
| Claims expense | | | | |
| Total Operating Expenses | <u>131,559,083</u> | <u>24,981,240</u> | <u>31,229,846</u> | <u>17,857,098</u> |
| Operating Income (Loss) | <u>35,601,694</u> | <u>(2,020,722)</u> | <u>3,181,558</u> | <u>4,546,254</u> |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Interest and rents revenue | 1,524,616 | 832,803 | 477,274 | 233,499 |
| Interest and fiscal charges (expenses) | (9,974,522) | (1,401,054) | (3,541,652) | (2,834) |
| Subventions and grants | | 1,230,309 | | 68,777 |
| Cost of issuance | (20,964) | (448,220) | | |
| Gain (loss) from sale of property | (525,988) | (12,732) | (15,178) | |
| Increase (decrease) in SPWA reserves | | | 89,962 | |
| Total Nonoperating Revenues (Expenses) | <u>(8,996,858)</u> | <u>201,106</u> | <u>(2,989,594)</u> | <u>299,442</u> |
| Income (Loss) Before Contributions and Transfers | 26,604,836 | (1,819,616) | 191,964 | 4,845,696 |
| Contributions | | | | |
| Capital contributions - connection/impact fees | 1,361,092 | 6,415,949 | 6,964,269 | 471,458 |
| Contributions in aid of construction | 4,052,555 | | | |
| Capital contributions from developers and governmental activities | 8,604,310 | 14,374,340 | 13,564,613 | |
| Transfer in | | 2,155,023 | 1,389,435 | 27,068 |
| Transfer out | (12,911,612) | (5,672,371) | (4,995,164) | (3,977,590) |
| Change in net position | <u>27,711,181</u> | <u>15,453,325</u> | <u>17,115,117</u> | <u>1,366,632</u> |
| Total net position - beginning | <u>294,601,972</u> | <u>478,006,692</u> | <u>570,196,825</u> | <u>17,025,045</u> |
| Total net position - ending | <u>\$ 322,313,153</u> | <u>\$ 493,460,017</u> | <u>\$ 587,311,942</u> | <u>\$ 18,391,677</u> |

See accompanying notes to basic financial statements.

| Business-Type Activities Enterprise Funds | Non-Major Enterprise Funds Total | Totals | Governmental Activities- Internal Service Funds |
|--|--|--------------------|--|
| Roseville Natural Gas Financing Authority | | | |
| \$ 16,572,034 | \$ 8,481,577 | \$ 267,635,208 | \$ 12,837,217 |
| | 388,995 | 4,743,449 | 11,534,624 |
| <u>16,572,034</u> | <u>8,870,572</u> | <u>272,378,657</u> | <u>24,371,841</u> |
| | | 84,067,732 | |
| 18,172,022 | 12,992,164 | 103,813,645 | 27,365,628 |
| 8,250 | 598,754 | 8,637,067 | |
| | 2,099,482 | 42,979,495 | 3,891,387 |
| | | | 1,902,051 |
| <u>18,180,272</u> | <u>15,690,400</u> | <u>239,497,939</u> | <u>33,159,066</u> |
| <u>(1,608,238)</u> | <u>(6,819,828)</u> | <u>32,880,718</u> | <u>(8,787,225)</u> |
| 8,845,391 | 142,421 | 12,056,004 | 704,660 |
| (6,999,007) | (109,210) | (22,028,279) | |
| | 4,579,526 | 5,878,612 | |
| | | (469,184) | |
| | 6,160 | (547,738) | 483,029 |
| | | 89,962 | |
| <u>1,846,384</u> | <u>4,618,897</u> | <u>(5,020,623)</u> | <u>1,187,689</u> |
| 238,146 | (2,200,931) | 27,860,095 | (7,599,536) |
| | 693 | 693 | 12,442 |
| | | 15,212,768 | |
| | | 4,052,555 | |
| | | 36,543,263 | |
| | 152,580 | 3,724,106 | 7,269,825 |
| | (1,020,796) | (28,577,533) | (1,225,018) |
| <u>238,146</u> | <u>(3,068,454)</u> | <u>58,815,947</u> | <u>(1,542,287)</u> |
| <u>3,491,446</u> | <u>24,076,922</u> | | <u>14,778,977</u> |
| <u>\$ 3,729,592</u> | <u>\$ 21,008,468</u> | | <u>13,236,690</u> |

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds 630,171

Change in net position of business-type activities \$ 59,446,118

**CITY OF ROSEVILLE, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2016**

| | Business-Type Activities - Enterprise Funds | | | | |
|---|---|----------------------|----------------------|----------------------|---|
| | Electric | Water | Wastewater | Solid Waste | Roseville Natural Gas Financing Authority |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 166,156,814 | \$ 22,090,361 | \$ 34,202,873 | \$ 21,726,650 | \$ 16,553,724 |
| Payments to suppliers | (93,792,394) | (8,738,012) | (12,826,363) | (11,662,338) | (8,747,866) |
| Payments to employees | (17,617,365) | (8,731,496) | (6,635,866) | (5,801,874) | |
| Payments to OPEB trust | | | | | |
| Claims paid | | | | | |
| Other receipts | 2,959,408 | 268,169 | 53,782 | 634,100 | |
| Net Cash provided by/(used for) Operating Activities | <u>57,706,463</u> | <u>4,889,022</u> | <u>14,794,426</u> | <u>4,896,538</u> | <u>7,805,858</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Subventions and grants | | 1,033,085 | | 68,777 | |
| Increase/decrease in due from other funds | | | (838,301) | | |
| Increase/decrease in due to other funds | | 5,810 | 58,441 | (114,512) | |
| Increase/decrease in advance to other funds | | 1,585,418 | | | |
| Increase/decrease in advances from other funds | | (243,150) | | | |
| Transfers in | | 2,155,023 | 1,389,435 | 27,068 | |
| Transfers out | (12,911,612) | (5,672,371) | (4,995,164) | (3,977,590) | |
| Net cash provided by/(used for) Noncapital Financing Activities | <u>(12,911,612)</u> | <u>(1,136,185)</u> | <u>(4,385,589)</u> | <u>(3,996,257)</u> | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital contributions | 4,052,555 | | | | |
| Acquisition and construction of capital assets | (10,319,333) | (884,841) | (5,603,827) | (283,932) | |
| Change in restricted assets | (755,851) | (1,167) | | | |
| Proceeds from issuance of debt | | 2,321,173 | | | |
| Proceeds from issuance premium | | (448,220) | | | |
| Issuance costs | (20,964) | | | | |
| Principal payments on capital debt | (6,824,000) | | (2,489,559) | | (8,860,000) |
| Interest paid on capital debt | (9,974,522) | (1,401,054) | (3,377,719) | (2,834) | (7,734,918) |
| Connection/impact fees | 1,361,092 | 6,415,949 | 6,964,269 | 471,458 | |
| Net cash provided by/(used for) Capital and Related Financing Activities | <u>(22,481,023)</u> | <u>6,001,840</u> | <u>(4,506,836)</u> | <u>184,692</u> | <u>(16,594,918)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest and rents received | 1,467,441 | 833,218 | 462,368 | 230,110 | 8,845,329 |
| Receipts from sale of (payment to acquire) equity instruments, net | | (4,799,591) | | | (24,428) |
| Net cash provided by/(used for) Investing Activities | <u>1,467,441</u> | <u>(3,966,373)</u> | <u>462,368</u> | <u>230,110</u> | <u>8,820,901</u> |
| Net increase (decrease) in cash and cash equivalents | 23,781,269 | 5,788,304 | 6,364,369 | 1,315,083 | 31,841 |
| Cash and investments at beginning of period | 91,578,454 | 57,400,845 | 42,534,266 | 22,263,832 | 38,187 |
| Cash and investments at end of period | <u>\$ 115,359,723</u> | <u>\$ 63,189,149</u> | <u>\$ 48,898,635</u> | <u>\$ 23,578,915</u> | <u>\$ 70,028</u> |
| Reconciliation of Operating Income (Loss) | | | | | |
| to Net Cash provided by/(used for) Operating Activities: | | | | | |
| Operating Income (Loss) | \$ 35,601,694 | \$ (2,020,722) | \$ 3,181,558 | \$ 4,546,254 | \$ (1,608,238) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation and amortization | 20,146,429 | 8,548,657 | 11,856,087 | 328,840 | |
| Retirement of capital assets | | | | | |
| Change in Assets and Liabilities: | | | | | |
| Receivables, Net | 303,595 | (612,084) | (178,788) | (46,665) | |
| Inventories | (766,257) | 22,720 | (68,294) | 70,362 | |
| Prepays | 154,522 | 72,057 | | | |
| Prepaid purchased gas | | | | | 9,597,988 |
| Net OPEB obligation | | | | | |
| Accounts payable and other liabilities | 1,719,079 | (782,304) | 372,364 | 202,073 | (183,892) |
| Net pension liability and related amounts | (908,223) | (339,302) | (368,501) | (204,445) | |
| Unearned revenue | 1,455,624 | | | 119 | |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 57,706,463</u> | <u>\$ 4,889,022</u> | <u>\$ 14,794,426</u> | <u>\$ 4,896,538</u> | <u>\$ 7,805,858</u> |
| NON-CASH TRANSACTIONS: | | | | | |
| Capital assets transferred from governmental activities | <u>\$ 336,260</u> | <u>\$ 206,513</u> | <u>\$ 210,798</u> | <u>\$ 40,041</u> | |
| Contributions of capital assets | <u>\$ 8,268,050</u> | <u>\$ 14,168,161</u> | <u>\$ 13,353,148</u> | | |
| Amortization of bond premium | <u>\$ 604,000</u> | <u>\$ 137,959</u> | <u>\$ 201,973</u> | | <u>\$ 735,910</u> |
| Amortization of deferred amount on refunding | <u>\$ (255,261)</u> | <u>\$ (37,076)</u> | | | |

See accompanying notes to basic financial statements.

| Non-Major Enterprise Funds Total | Totals | Governmental Activities- Internal Service Funds |
|--|-----------------------|--|
| \$ 17,551,988 | \$ 278,282,410 | \$ 12,877,576 |
| (8,656,868) | (144,423,841) | (11,591,186) |
| (5,322,424) | (44,109,025) | (4,847,285) |
| | | (8,634,942) |
| | | (2,775,057) |
| 388,995 | 4,304,454 | 11,534,624 |
| <u>3,961,691</u> | <u>94,053,998</u> | <u>(3,436,270)</u> |
| 3,390,944 | 4,492,806 | |
| (8,733,413) | (9,571,714) | |
| (8,631) | (58,892) | (352,154) |
| | 1,585,418 | 762,569 |
| (147,000) | (390,150) | |
| 152,580 | 3,724,106 | 7,269,825 |
| <u>(1,020,796)</u> | <u>(28,577,533)</u> | <u>(1,225,018)</u> |
| <u>(6,366,316)</u> | <u>(28,795,959)</u> | <u>6,455,222</u> |
| 693 | 4,053,248 | |
| (1,692,594) | (18,784,527) | (7,915,859) |
| | (757,018) | |
| | 2,321,173 | |
| | (448,220) | |
| | (20,964) | |
| (407,671) | (18,581,230) | |
| (109,209) | (22,600,256) | |
| | 15,212,768 | |
| <u>(2,208,781)</u> | <u>(39,605,026)</u> | <u>(7,915,859)</u> |
| 154,219 | 11,992,685 | 666,554 |
| | (4,824,019) | |
| <u>154,219</u> | <u>7,168,666</u> | <u>666,554</u> |
| (4,459,187) | 32,821,679 | (4,230,353) |
| <u>14,543,502</u> | <u>228,359,086</u> | <u>51,763,842</u> |
| <u>\$ 10,084,315</u> | <u>\$ 261,180,765</u> | <u>\$ 47,533,489</u> |
| (6,819,828) | \$ 32,880,718 | \$ (8,787,225) |
| 2,099,482 | 42,979,495 | 3,891,387 |
| 13,894 | (520,048) | (270,191) |
| | (741,469) | (88,585) |
| | 226,579 | (1,747,853) |
| | 9,597,988 | |
| | | 5,171,280 |
| (227,122) | 1,100,198 | (1,525,256) |
| (166,564) | (1,987,035) | (79,827) |
| 9,061,829 | 10,517,572 | |
| <u>\$ 3,961,691</u> | <u>\$ 94,053,998</u> | <u>\$ (3,436,270)</u> |
| | \$ 793,612 | |
| | <u>\$ 35,789,359</u> | |
| | <u>\$ 1,679,842</u> | |
| | <u>\$ (292,337)</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 year 2016:

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, 2016**

| | Other Post Employment Benefits Trust Fund | Private-Purpose Trust Funds | Agency Funds |
|---|---|--------------------------------|-----------------|
| ASSETS: | | | |
| Cash and investments in City Treasury | | \$ 8,880,691 | \$ 137,964,221 |
| Restricted cash and investments with fiscal agents | | 6,000,551 | 43,218,052 |
| OPEB Plan Assets: | | | |
| Domestic equity funds | \$ 33,045,960 | | |
| Fixed income securities | 25,289,706 | | |
| Miscellaneous (EQUUS) | 2,251,498 | | |
| Cash equivalents | 227,127 | | |
| Accounts receivable | | | 2,382,376 |
| Taxes receivable | | | 884,802 |
| Accrued interest receivable | | 218,821 | 289,589 |
| Permit fees receivable | | | 1,751 |
| Due from other government agencies | | | 1,991,342 |
| Notes receivable | | 4,181,516 | |
| Capital Assets: | | | |
| Land | | 74,369 | |
| | 60,814,291 | 19,355,948 | \$ 186,732,133 |
| LIABILITIES: | | | |
| Accounts payable | 42,218 | | \$ 5,651,604 |
| Accrued liabilities | | 501,268 | 476,582 |
| Due to other government agencies | | | 193,738 |
| Due to member agencies | | | 121,700,326 |
| Due to bondholders | | | 57,628,674 |
| Due to others | | | 1,081,209 |
| Long-term liabilities: | | | |
| Due in one year | | 1,489,010 | |
| Due in more than one year | | 52,630,217 | |
| | 42,218 | 54,620,495 | \$ 186,732,133 |
| NET POSITION (DEFICIT): | | | |
| Held in trust for retiree health plan benefits | \$ 60,772,073 | | |
| Held in trust for private purposes or for other governments | | \$ (35,264,547) | |

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016**

| | Other Post Employment Benefits Trust Fund | Private-Purpose Trust Funds |
|--|---|--------------------------------|
| ADDITIONS | | |
| Property taxes, net of pass through payments | | \$ 2,563,843 |
| Contributions from the City | \$ 10,127,745 | |
| Investment income | 1,656,732 | 147,737 |
| Total Additions | 11,784,477 | 2,711,580 |
| DEDUCTIONS | | |
| General government | | 33,973 |
| Community services | | 196,723 |
| Retiree health plan benefits | 6,243,079 | |
| Interest and fiscal charges | | 1,915,300 |
| Total Deductions | 6,243,079 | 2,145,996 |
| CHANGE IN NET POSITION | 5,541,398 | 565,584 |
| Net position (deficit) - beginning of period | 55,230,675 | (35,830,131) |
| Net position (deficit) - end of period | \$ 60,772,073 | \$ (35,264,547) |

See accompanying notes to basic financial statements.

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CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Roseville (City) 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 and 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 provide assistance to low and very low income residents in safe and affordable privately owned rental units. The funding for the Authority is from the U.S. Department of Housing and Urban Development. 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, 2016

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 States of America.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

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

The City reported the following major governmental 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, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds (Continued)

The City reported the following 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.

The City also reports the following funds:

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, 2016

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 *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 (120) days after year-end with the exception of property taxes which is considered available if collected within sixty (60) 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 services 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, 2016

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 two sources: interest receivable and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources related to unavailable revenue was comprised of the following at June 30, 2016:

| | Interest Receivable | Loans Receivable | Total |
|-----------------------------|------------------------|----------------------|----------------------|
| General Fund | \$ 465,223 | \$ 7,466,658 | \$ 7,931,881 |
| Nonmajor Governmental Funds | 706,871 | 8,446,467 | 9,153,338 |
| | <u>\$ 1,172,094</u> | <u>\$ 15,913,125</u> | <u>\$ 17,085,219</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Tax

Placer County assesses properties and 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 |
|-------------------|----------------------------|-----------------------------|----------------------|
| Beginning Balance | \$ 12,854,792 | \$ 7,447,705 | \$ 20,302,497 |
| Additions | 8,702,763 | 2,655,868 | 11,358,631 |
| Payments | (4,705,077) | (1,323,505) | (6,028,582) |
| Ending Balance | <u>\$ 16,852,478</u> | <u>\$ 8,780,068</u> | <u>\$ 25,632,546</u> |
| Current Portion | <u>\$ 4,714,151</u> | <u>\$ 2,859,202</u> | <u>\$ 7,573,353</u> |

Compensated absences are liquidated by the fund that has recorded the liability. Governmental activities compensated absences are liquidated primarily by the General Fund.

I. Inventories

Inventories are valued at cost, using the weighted-average method. Inventories of the Governmental Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the Governmental Funds at the time individual inventory items are consumed. 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 proprietary funds consist primarily of merchandise held for internal consumption.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and disclosures. Accordingly, 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. Fair Value Measurement

As of July 1, 2015, the Commission retrospectively applied Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

N. New Accounting Pronouncements

Effective in this Fiscal Year

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 was implemented as of July 1, 2015.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. New Accounting Pronouncements (Continued)

Effective in this Fiscal Year (Continued)

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. The City has determined that the requirements of this statement effective in the current year do not have a material impact on the financial statements.

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 was implemented as of July 1, 2015.

GASB Statement No. 79 – In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The City has determined that this pronouncement does not have a material impact on the financial statements.

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement was implemented as of July 1, 2015.

Effective in Future Fiscal Years

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. The City has not determined the effect, if any, on the financial statements.

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. The City has not determined the effect, if any, on the financial statements.

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. The City has not determined the effect, if any, on the financial statements.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. New Accounting Pronouncements (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The City has not determined the effect, if any, on the financial statements.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement is effective for reporting periods beginning after June 15, 2016. The City has not determined the effect, if any, on the financial statements.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement is effective for reporting periods beginning after December 15, 2016. The City has not determined the effect, if any, on the financial statements.

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. A formal budgetary process is employed as a management control device during the year.
7. Budgets are adopted for all governmental funds. 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, 2016

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

A. Classification

Cash and investments are classified in the financial statements as shown below:

| | |
|---|------------------------------|
| Cash and investments in City Treasury | \$ 499,350,456 |
| Restricted cash and investments with fiscal agents | <u>61,277,326</u> |
| Total City cash and investments with primary government | 560,627,782 |
| | |
| Fiduciary Funds (separate statement) | |
| Cash and investments in City Treasury | 152,991,238 |
| Restricted cash and investments with fiscal agents | <u>45,909,023</u> |
| Total Cash and Investments | <u><u>\$ 759,528,043</u></u> |

Cash and investments as of June 30, 2016, consist of the following:

| | |
|----------------------------|------------------------------|
| Cash in bank and on hand | \$ 42,112,167 |
| Investments | <u>717,415,876</u> |
| Total Cash and Investments | <u><u>\$ 759,528,043</u></u> |

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 Fund's portion of the City's overall cash and investment pool is treated as cash and equivalents since these amounts are in substance demand deposits.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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 |
| 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 | \$65 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 |
| Supranationals | 5 Years | AA- | 30% | None |
| Mortgage Pass-Through Securities | 5 Years | AA | 20% | None |

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

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

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

(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, 2016

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-refunded Municipal Obligations | N/A | AAA |
| Municipal Obligations | N/A | AAA |
| Common Law Trust | N/A | None |
| California Asset Management Pool (CAMP) | N/A | None |
| Lawful Investments | N/A | None |
| Investment Agreements | N/A | A+ to AA |
| Local Agency Investment Fund (LAIF) | N/A | None |
| Placer County Investment Pool | N/A | None |
| Supranationals | N/A | None |
| Mortgage Pass-Through Securities | N/A | None |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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 Securities | | \$ 650,533 | | | \$ 650,533 |
| Federal Agency Securities | \$ 42,521,916 | 94,466,674 | \$ 113,948,047 | \$ 12,282,480 | 263,219,117 |
| Forward Purchase Agreement | 4,077,511 | | | | 4,077,511 |
| Corporate Notes | 41,255,531 | 71,409,675 | 50,189,685 | | 162,854,891 |
| Municipal Bonds | | 568,763 | | | 568,763 |
| Commercial Paper | 35,333,544 | | | | 35,333,544 |
| Money Market Mutual | 122,014,218 | | | | 122,014,218 |
| Guaranteed Investment Contracts (GIC) | | | | 6,068,862 | 6,068,862 |
| Negotiable CD's | 10,675,644 | 46,776,478 | | | 57,452,122 |
| Local Agency Investment Fund | 56,212,043 | | | | 56,212,043 |
| California Asset Management Pool | 8,964,272 | | | | 8,964,272 |
| Total | <u>\$ 321,054,679</u> | <u>\$ 213,872,123</u> | <u>\$ 164,137,732</u> | <u>\$ 18,351,342</u> | <u>\$ 717,415,876</u> |

The City is a voluntary 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, 2016 the fair value was \$34,898 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, 2016, these investments matured in an average of 167 days. LAIF is not registered with the Securities Exchange Commission and is not rated.

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, 2016, 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, 2016 and had an average maturity of 19 days for the Dreyfus U.S. Treasury Money Market Fund and 6 days for the First American Money Market Fund.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016, for each investment type as provided by Standard and Poor's investment rating system:

| | AAA / AAAm | AA+ / AA / AA- | A+ / A / A- | A-1+ / A-1 | Total |
|-------------------------------------|----------------------|-----------------------|----------------------|----------------------|--------------------|
| Investments: | | | | | |
| Federal Agency Securities | | \$ 260,657,565 | | | \$ 260,657,565 |
| Forward Purchase Agreement | | 4,077,511 | | | 4,077,511 |
| Corporate Notes | | 75,658,664 | \$ 87,196,227 | | 162,854,891 |
| Municipal Bonds | | | 568,763 | | 568,763 |
| California Asset Management Program | \$ 8,964,272 | | | | 8,964,272 |
| Certificates of Deposits | | | 9,818,522 | | 9,818,522 |
| Supranational | 2,561,552 | | | | 2,561,552 |
| Commercial Paper | | | | \$ 35,333,544 | 35,333,544 |
| Total | <u>\$ 11,525,824</u> | <u>\$ 340,393,740</u> | <u>\$ 97,583,512</u> | <u>\$ 35,333,544</u> | <u>484,836,620</u> |

Exempt from Credit Rate Disclosure:

| | |
|----------------------------|---------|
| U.S. Government Securities | 650,533 |
|----------------------------|---------|

Not Rated:

| | |
|---------------------------------|-----------------------|
| Local Agency Investment Fund | 56,212,043 |
| Money Market Mutual Funds | 122,014,218 |
| Certificates of Deposit | 47,633,600 |
| Guaranteed Investment Contracts | 6,068,862 |
| Total Investments | <u>\$ 717,415,876</u> |

F. Concentration of Credit Risk

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, and investment pools that represent 5% or more of total Entity-wide investments are as follows at June 30, 2016:

| Issuer | Investment Type | Amount |
|--|---------------------------|---------------|
| Federal Home Loan Bank | Federal agency securities | \$ 68,306,189 |
| Federal Home Loan Mortgage Corporation | Federal agency securities | 82,876,935 |
| Federal National Mortgage Association | Federal agency securities | 99,333,150 |

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2016:

| Fund | Issuer | Investment Type | Amount |
|---|------------------------|--------------------------------|--------------|
| Major Enterprise Funds: | | | |
| Roseville Natural Gas Financing Authority | Wachovia Bank | Forward Purchase Agreement | \$ 4,061,960 |
| Water | FSA Security Assurance | Guaranteed Investment Contract | 3,918,125 |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

G. Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted for identical assets in active markets;
- Level 2: Investments reflect prices that are based on a similar observable inputs;
- Level 3: Investments reflect prices based on unobservable inputs.

The Pool has the following recurring fair value measurements as of June 30, 2016:

| Investments at fair value | Amount | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|-----------------------|---|---|---|
| U.S. Government Securities | \$ 650,533 | \$ 650,533 | | |
| Federal Agency Securities | 260,657,565 | | \$ 260,657,565 | |
| Corporate Notes | 162,854,891 | | 162,854,891 | |
| Certificates of Deposit | 57,452,122 | | 55,695,077 | 1,757,045 |
| Commercial Paper | 35,333,544 | | 35,333,544 | |
| Supranational | 2,561,552 | | 2,561,552 | |
| Municipal bonds | 568,763 | | 568,763 | |
| Forward Purchase Agreement | 4,077,511 | | | 4,077,511 |
| Mutual Funds | 120,895,107 | | 120,895,107 | |
| Total Investments at fair value | <u>645,051,588</u> | <u>\$ 650,533</u> | <u>\$ 638,566,499</u> | <u>\$ 5,834,556</u> |
| Investments Measured at Amortized Cost | | | | |
| Guaranteed Investment Contracts (GICs) | <u>6,068,862</u> | | | |
| Investments Measured at Net Asset Value (NAV) | | | | |
| Money Market Funds | <u>1,119,111</u> | | | |
| Investments with untcategorized inputs | | | | |
| Local Agency Investment Fund | 56,212,043 | | | |
| California Asset Management Program | 8,964,272 | | | |
| Total Investments Measured at NAV | <u>65,176,315</u> | | | |
| Total Investments Measured at Fair Value | <u>\$ 717,415,876</u> | | | |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016, were as follows:

| Fund Receiving Transfers | Fund Making Transfers | Amount Transferred | |
|------------------------------|------------------------------|-----------------------|---------------|
| General Fund | Non-Major Governmental Funds | \$ 8,878,064 | (A), (B), (C) |
| | Electric Enterprise Fund | 11,660,316 | (A), (B), (C) |
| | Water Enterprise Fund | 3,426,450 | (A), (B) |
| | Wastewater Enterprise Fund | 2,358,967 | (A), (B) |
| | Solid Waste Enterprise Fund | 1,842,679 | (A), (B) |
| | Non-Major Enterprise Funds | 701,555 | (A), (B) |
| | Internal Service Funds | 905,678 | (A), (B) |
| Non-Major Governmental Funds | General Fund | 2,630,856 | (A), (B) |
| | Non-Major Governmental Funds | 17,746,258 | (A), (B) |
| | Electric Enterprise Fund | 347,691 | (A), (B) |
| | Water Enterprise Fund | 1,044,579 | (A), (B), (C) |
| | Wastewater Enterprise Fund | 910,465 | (A), (B), (C) |
| | Solid Waste Enterprise Fund | 499,178 | (A), (B), (C) |
| | Non-Major Enterprise Funds | 162,055 | (B) |
| | Internal Service Funds | 88,158 | (B) |
| Water Enterprise Fund | Solid Waste Enterprise Fund | 1,409,478 | (A), (B) |
| | Wastewater Enterprise Fund | 745,545 | (A) |
| Wastewater Enterprise Fund | Non-Major Governmental Funds | 875 | (B) |
| | Water Enterprise Fund | 739,158 | (B) |
| | Solid Waste Enterprise Fund | 649,402 | (A) |
| Solid Waste Enterprise Fund | Non-Major Governmental Funds | 10,000 | (B) |
| | Water Enterprise Fund | 8,367 | (B) |
| | Wastewater Enterprise Fund | 8,701 | (B) |
| Non-Major Enterprise Funds | Non-Major Governmental Funds | 152,580 | (A) |
| Internal Service Funds | General Fund | 4,814,835 | (A) |
| | Non-Major Governmental Funds | 118 | (A) |
| | Electric Enterprise Fund | 903,605 | (A) |
| | Water Enterprise Fund | 453,817 | (A) |
| | Wastewater Enterprise Fund | 471,486 | (A) |
| | Solid Waste Enterprise Fund | 237,597 | (A) |
| | Non-Major Enterprise Funds | 157,185 | (A) |
| | Internal Service Funds | 231,182 | (A) |
| Total Interfund Transfers | | <u>\$ 64,196,880</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, 2016

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, 2016, interfund balances comprised the following:

| <u>Due From Other Funds</u> | <u>Due to Other Funds</u> | <u>Amount</u> |
|---------------------------------|------------------------------------|---------------------|
| Capital Projects Fund: | | |
| Community Facilities District | Pleasant Grove Drainage Basin Fund | \$ 2,233,082 (A) |
| Public Facilities | Roseville Financing Authority | 5,725,075 (B) |
| | | |
| Enterprise Funds: | | |
| School-Age Child Care Fund | Automotive Replacement Fund | 20,000 (A) |
| Golf Fund | Automotive Replacement Fund | 127,000 (A) |
| | | |
| Special Revenue Funds: | | |
| Fire Facilities Fund | Automotive Replacement Fund | 17,134 (A) |
| Technology Fee Replacement Fund | Public Facilities Fund | 100,000 (A) |
| | | <u>\$ 8,222,291</u> |

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

(B) To cover negative cash balances as of June 30.

C. Long-Term Interfund Advances

At June 30, 2016, 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> |
|---|-----------------------------|--------------------------|
| <i>Governmental Funds</i> | | |
| Special Revenue Funds: | | |
| Roseville Community Development Corporation | General Fund | \$ 1,530,951 |
| Technology Replacement | Public Facilities Fund | 195,054 |
| Downtown Parking | Strategic Improvement Fund | 1,967,137 |
| | | |
| Capital Projects Funds: | | |
| Public Facilities Fund | Automotive Replacement Fund | 600,216 |
| Public Facilities Fund | Strategic Improvement Fund | 4,038,400 |
| | Total governmental funds | <u>8,331,758</u> |
| | | |
| <i>Enterprise Funds</i> | | |
| Golf Course | Automotive Replacement Fund | 2,496,000 |
| School-Age Child Care | Automotive Replacement Fund | 505,000 |
| | Total | <u>\$ 11,332,758</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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 2017.

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.

Downtown Parking advance bears interest at the City’s pooled interest rate. It will be repaid over a period of 10 years beginning in fiscal year 2019.

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, 2016

NOTE 5 – NOTES RECEIVABLE

The City engages 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 the 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, 2016:

| | |
|---|---------------|
| Flood Loan Notes | \$ 6,633 |
| Housing Rehabilitation and Affordable Housing Notes | 11,841,548 |
| First Time Home-Buyer Notes | 8,922,316 |
| Housing Elevation Notes | 15,000 |
| Due From Successor Agency | 23,163,738 |
| Subtotal | \$ 43,949,235 |
| Note between RCDC and General Fund | (1,530,951) |
| Total | 42,418,284 |

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, 2016 was \$6,633.

B. Housing Rehabilitation and Affordable Housing Notes Receivable

The City engages 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, 2016, was \$11,841,548.

C. First Time Home-Buyer Notes Receivable

The City engages 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 unavailable revenue as they are not expected to be repaid during fiscal year 2017, 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, 2016, was \$8,922,316.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016, 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 former 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 \$7,309,447 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, 2016 is \$22,218,977. Accrued interest on the loans as of June 30, 2016 is \$493,491 and has been included in accrued interest receivable.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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. These loans were paid off during fiscal year 2016.

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 reported as a current asset. The long-term portion of these receivables at June 30, 2016, was \$3,275,000 which has been classified as developer permit fees receivable, and the short-term portion of these receivables, which totaled \$282,869 at June 30, 2016, 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 balance of these receivables at June 30, 2016, was \$6,997,585 and 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.

A. Galleria at Roseville

In fiscal year 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 \$567,619 at June 30, 2016. 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 2016, the City made payments of \$567,619 to the developer under the agreement.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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

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 former Redevelopment Agency as of February 1, 2012, including 304 Washington Boulevard. As of June 30, 2016, 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 acquisition 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, 2016

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 | no threshold |
| Improvements | 40 years | no threshold |
| Machinery and Equipment | 3-20 years | 5,000 |
| Bike Paths | 20 years | no threshold |
| Bridges | 90 years | no threshold |
| Culverts | 75 years | no threshold |
| Curb, Gutter, Sidewalks and Median Curbs | 20 years | no threshold |
| Drain Inlets | 50 years | no threshold |
| Flood Control Improvements | 75 years | no threshold |
| Soundwalls | 35 years | no threshold |
| Stormdrains | 75 years | no threshold |
| Traffic Signals | 20 years | no threshold |
| Plants and Substations: | | |
| Electric | 10-120 years | no threshold |
| Sewer | 15-60 years | no threshold |
| Water | 15-75 years | no threshold |
| Distribution Systems: | | |
| Electric | 7-100 years | no threshold |
| Sewer | 75 years | no threshold |
| Water | 75 years | no threshold |
| Electric Generation | 10-40 years | no threshold |

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, 2016

NOTE 8 – CAPITAL ASSETS (CONTINUED)

B. Capital Asset Additions, Retirements and Transfers

Capital asset activity for the year ended June 30, 2016, was as follows:

| | Balance at June 30, 2015 | Additions | Retirements | Transfers | Balance at June 30, 2016 |
|---|-----------------------------|----------------------|-----------------------|---------------------|-----------------------------|
| <i>Governmental activities</i> | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 38,045,322 | \$ 18,567,109 | | | \$ 56,612,431 |
| Streets (modified) | 301,102,077 | 4,356,846 | | | 305,458,923 |
| Parks (modified) | 97,504,314 | 704,664 | | | 98,208,978 |
| Landscaping (modified) | 46,722,774 | 830,868 | | | 47,553,642 |
| Construction in progress | 26,690,349 | 29,742,912 | \$ (3,808,292) | \$ (4,859,097) | 47,765,872 |
| Total capital assets not being depreciated | <u>510,064,836</u> | <u>54,202,399</u> | <u>(3,808,292)</u> | <u>(4,859,097)</u> | <u>555,599,846</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 134,325,773 | 140,179 | (723,355) | | 133,742,597 |
| Improvements | 7,113,869 | | (35,721) | 1,072,076 | 8,150,224 |
| Equipment | 77,387,884 | 8,928,596 | (4,041,638) | | 82,274,842 |
| Bike paths | 9,044,060 | | | | 9,044,060 |
| Bridges | 70,479,950 | | | | 70,479,950 |
| Culverts | 20,746,285 | | | | 20,746,285 |
| Curb, gutter, sidewalk, and median curbs | 156,948,227 | 1,944,005 | | 2,922,071 | 161,814,303 |
| Drain inlets | 21,596,433 | | | | 21,596,433 |
| Flood control improvements | 20,444,797 | | | | 20,444,797 |
| Soundwall | 36,639,461 | 124,080 | | | 36,763,541 |
| Storm drains | 85,352,621 | 3,027,157 | | 71,338 | 88,451,116 |
| Total capital assets being depreciated | <u>640,079,360</u> | <u>14,164,017</u> | <u>(4,800,714)</u> | <u>4,065,485</u> | <u>653,508,148</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (55,366,106) | (3,248,895) | 723,324 | | (57,891,677) |
| Improvements | (2,118,990) | (332,855) | | | (2,451,845) |
| Equipment | (55,292,676) | (5,753,080) | 4,023,953 | | (57,021,803) |
| Bike paths | (6,822,605) | (240,047) | | | (7,062,652) |
| Bridges | (11,159,109) | (783,111) | | | (11,942,220) |
| Culverts | (5,828,551) | (276,617) | | | (6,105,168) |
| Curb, gutter, sidewalk, and median curbs | (114,939,825) | (4,809,851) | | | (119,749,676) |
| Drain inlets | (9,039,165) | (431,929) | | | (9,471,094) |
| Flood control improvements | (3,508,017) | (272,597) | | | (3,780,614) |
| Soundwall | (11,474,073) | (1,048,614) | | | (12,522,687) |
| Storm Drains | (16,569,478) | (1,158,692) | | | (17,728,170) |
| Total accumulated depreciation | <u>(292,118,595)</u> | <u>(18,356,288)</u> | <u>4,747,277</u> | | <u>(305,727,606)</u> |
| Net capital assets being depreciated | <u>347,960,765</u> | <u>(4,192,271)</u> | <u>(53,437)</u> | <u>4,065,485</u> | <u>347,780,542</u> |
| Governmental activities capital assets, net | <u>\$ 858,025,601</u> | <u>\$ 50,010,128</u> | <u>\$ (3,861,729)</u> | <u>\$ (793,612)</u> | <u>\$ 903,380,388</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 8 – CAPITAL ASSETS (CONTINUED)

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

| | Balance at June 30, 2015 | Additions | Retirements | Transfers | Balance at June 30, 2016 |
|--|-----------------------------|----------------------|-----------------------|--------------------|-----------------------------|
| <i>Business-type activities</i> | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 17,035,347 | | | | \$ 17,035,347 |
| Landscaping (modified) | 576,843 | | | | 576,843 |
| Streets (modified) | 24,914 | | | | 24,914 |
| Construction in progress | 43,696,157 | \$ 19,534,210 | \$ (2,038,068) | \$ (9,363,808) | 51,828,491 |
| Total capital assets not being depreciated | <u>61,333,261</u> | <u>19,534,210</u> | <u>(2,038,068)</u> | <u>(9,363,808)</u> | <u>69,465,595</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 26,803,155 | 130,858 | | | 26,934,013 |
| Improvements | 18,547,922 | 16,999 | (4,086) | 188,539 | 18,749,374 |
| Machinery and equipment | 29,056,937 | 314,966 | (187,255) | 38,376 | 29,223,024 |
| Bike paths | 4,480,498 | | | 904,957 | 5,385,455 |
| Bridges | 1,702,403 | | | | 1,702,403 |
| Culverts | 356,961 | | | | 356,961 |
| Curb, gutter, sidewalk, and median curbs | 120,149 | | | 343,847 | 463,996 |
| Drain inlets | 24,663 | | | 5,200 | 29,863 |
| Flood control improvements | 8,830,439 | | | | 8,830,439 |
| Storm drains | 38,069 | | | 21,048 | 59,117 |
| Traffic signals | 48,621,190 | 428,340 | | | 49,049,530 |
| Plants and substations | 363,200,461 | | (465,324) | 200,824 | 362,935,961 |
| Distribution | 1,287,996,543 | 36,762,964 | (802,378) | 8,454,629 | 1,332,411,758 |
| Generation | 202,711,282 | 115,205 | | | 202,826,487 |
| Total capital assets being depreciated | <u>1,992,490,672</u> | <u>37,769,332</u> | <u>(1,459,043)</u> | <u>10,157,420</u> | <u>2,038,958,381</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (8,929,006) | (663,254) | | | (9,592,260) |
| Improvements | (7,086,151) | (516,361) | 4,086 | | (7,598,426) |
| Machinery and equipment | (18,848,430) | (1,886,061) | 141,184 | | (20,593,307) |
| Bike paths | (1,631,597) | (244,314) | | | (1,875,911) |
| Bridges | (122,952) | (18,915) | | | (141,867) |
| Culverts | (30,412) | (4,759) | | | (35,171) |
| Curb, gutter, sidewalk, and median curbs | (23,364) | (31,797) | | | (55,161) |
| Drain inlets | (4,836) | (649) | | | (5,485) |
| Flood control improvements | (412,087) | (117,739) | | | (529,826) |
| Storm drains | (5,178) | (928) | | | (6,106) |
| Traffic signals | (23,744,274) | (1,963,282) | | | (25,707,556) |
| Plants and substations | (117,501,281) | (8,262,474) | 321,595 | | (125,442,160) |
| Distribution | (290,491,745) | (19,350,750) | 439,137 | | (309,403,358) |
| Generation | (78,550,682) | (10,760,477) | | | (89,311,159) |
| Total accumulated depreciation | <u>(547,381,995)</u> | <u>(43,821,760)</u> | <u>906,002</u> | | <u>(590,297,753)</u> |
| Net capital assets being depreciated | <u>1,445,108,677</u> | <u>(6,052,428)</u> | <u>(553,041)</u> | <u>10,157,420</u> | <u>1,448,660,628</u> |
| Business-type activities capital assets, net | <u>\$ 1,506,441,938</u> | <u>\$ 13,481,782</u> | <u>\$ (2,591,109)</u> | <u>\$ 793,612</u> | <u>\$ 1,518,126,223</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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:

Governmental Activities

| | | |
|--|-----------|--------------------------|
| General Government | \$ | 1,403,826 |
| Development & Operations | | 907,425 |
| Public Works | | 9,789,989 |
| Police | | 822,164 |
| Fire | | 546,196 |
| Library | | 471,839 |
| Parks and recreation | | 523,462 |
| Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets | | 3,891,387 |
| Total Governmental Activities | \$ | <u>18,356,288</u> |

Business-Type Activities

| | | |
|---------------------------------------|-----------|--------------------------|
| Electric | \$ | 20,495,166 |
| Water | | 8,840,211 |
| Wastewater | | 12,058,061 |
| Solid Waste | | 328,840 |
| Golf Course | | 390,236 |
| Local Transportation | | 1,639,560 |
| School-age Child Care | | 69,686 |
| Total Business-Type Activities | \$ | <u>43,821,760</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 72 and residential roadways at an average PQI of 65, instead of providing depreciation. During fiscal year 2016 the City expended \$6,220,458 to preserve its roads. The City estimates that it will be required to expend approximately \$5,929,921 in fiscal year 2017 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 year 2016 the City expended \$5,514,512 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$5,563,349 in fiscal year 2017 to maintain its parks at this condition level.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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 included, 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 and government-wide 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, 2015 | Additions | Retirements | Balance June 30, 2016 | Current Portion |
|---|---------------------------|--------------------------|----------------------------|-----------------------------|--------------------------|----------------------|
| Governmental Activities Debt: | | | | | | |
| Lease: | | | | | | |
| 2013 Public Facilities Refunding 2.15%, due 8/1/25 | \$ 11,549,031 | \$ 9,874,685 | | \$ (814,674) | \$ 9,060,011 | \$ 831,484 |
| 2015 316 Vernon Street Project 2.00%-5.25%, due 2/1/34 Add: deferred debt premium | 14,425,000 | | \$ 14,425,000 862,056 | | 14,425,000 862,056 | 215,000 |
| Capital Lease Obligations: | | | | | | |
| Equipment | 104,580 | 69,007 | | (34,079) | 34,928 | 34,928 |
| Loans: | | | | | | |
| Successor Agency | 4,071,383 | 4,045,820 | | (15,139) | 4,030,681 | 15,755 |
| Total Governmental Activities Debt | \$ 30,149,994 | \$ 13,989,512 | \$ 15,287,056 | \$ (863,892) | \$ 28,412,676 | \$ 1,097,167 |
| Business-Type Activities Debt: | | | | | | |
| Certificates of Participation | | | | | | |
| 2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34 Less: deferred bond discount | \$ 39,940,000 | \$ 5,000 | | | \$ 5,000 | |
| | (728,254) | | | | | |
| 2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24 Add: deferred bond premium | 27,010,000 396,611 | 17,690,000 237,965 | | \$ (1,640,000) (26,441) | 16,050,000 211,524 | \$ 1,680,000 |
| 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 Add: deferred bond premium | 53,695,000 2,759,170 | 40,465,000 1,655,502 | | (40,465,000) (1,655,502) | | |
| 2015 Water Utility Revenue Refunding 2.00%-5.00%, due 12/1/29 Add: deferred bond premium | 42,565,000 6,899,891 | | \$ 42,565,000 6,899,891 | (2,650,000) (432,390) | 39,915,000 6,467,501 | 2,255,000 |
| Total Certificates of Participation | <u>262,537,418</u> | <u>150,053,467</u> | <u>49,464,891</u> | <u>(46,869,333)</u> | <u>152,649,025</u> | <u>3,935,000</u> |
| Revenue Bonds | | | | | | |
| 2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/28 Add: deferred bond premium | 209,350,000 15,454,116 | 157,735,000 8,830,924 | | (8,860,000) (735,910) | 148,875,000 8,095,014 | 9,345,000 |
| 2010 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/37 Add: deferred bond premium | 55,845,000 2,764,207 | 54,480,000 2,252,317 | | (405,000) (102,378) | 54,075,000 2,149,939 | 440,000 |
| 2013 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/29 Add: deferred bond premium | 48,780,000 5,899,513 | 47,925,000 5,162,073 | | (4,175,000) (368,720) | 43,750,000 4,793,353 | 4,345,000 |
| 2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25 Add: deferred bond premium | 36,315,568 2,839,017 | 33,681,775 2,221,700 | | (2,287,586) (201,973) | 31,394,189 2,019,727 | 2,457,151 |
| 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 Add: deferred bond premium | 16,485,000 2,022,765 | 16,485,000 2,022,765 | | (106,462) | 16,485,000 1,916,303 | |
| Total Revenue Bonds | <u>448,270,691</u> | <u>385,334,824</u> | <u>-</u> | <u>(17,243,029)</u> | <u>368,091,795</u> | <u>16,587,151</u> |
| Lease: | | | | | | |
| 2013 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25 | 4,775,578 | 3,945,831 | | (407,671) | 3,538,160 | 414,990 |
| Total Business-Type Activities Debt: | \$ 715,583,687 | \$ 539,334,122 | \$ 49,464,891 | \$ (64,520,033) | \$ 524,278,980 | \$ 20,937,141 |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

B. 2013 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. The amount outstanding as of June 30, 2016 was \$9,060,011

C. 2015 316 Vernon Street Project Lease

On July 14, 2015, the Roseville Finance Authority issued the Certificates of Participation, Series 2015 (316 Vernon Street Project), in the principal amount of \$14,425,000 to fund a portion of the acquisition and construction of an office building located at 316 Vernon Street. The Lease bears interest at 2.00% to 5.00% and are due semi-annually at February 1 and August 1 of each year. The Lease is repayable from any source of legally available funds of the City, including (but not limited to) amounts held by the City in its General Fund according to the Lease Agreement in the official statement. Principal payments are due annually on August 1 through 2032.

D. 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, 2016 were as follows:

| Year Ending June 30, | Governmental Activities |
|---|----------------------------|
| 2017 | \$ 35,798 |
| Total Minimum Lease Payments | 35,798 |
| Less: Amounts representing interest | (870) |
| Present Value of Minimum Lease Payments | \$ 34,928 |

E. 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 of the Redevelopment Agency continued to make disbursements related to the loan agreement after that date, because it had been approved by the Redevelopment Agency Board prior to the Court decision.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

E. Loans from the Successor Agency (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 former Redevelopment Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City or component unit is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency.

The 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, 2016.

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, 2016 the note bears interest of 1.963% with interest accrued of \$401,405. The principal amount outstanding as of June 30, 2016 was \$3,486,433.

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, 2016 is \$544,248.

F. 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 leaving a PAR amount of \$5,000.

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, 2016 is \$16,050,000.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

H. 2010 Electric System Revenue Refunding Bonds

On October 21, 2010, the City issued Revenue Bonds in the original principal amount of \$55,845,000. The Bonds were issued to refinance the remaining outstanding balance of the 2008 Electric System Revenue Refunding Certificates of Participation Series B. The Revenue Bonds bear interest at 2.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually on February 1 through 2037. The balance outstanding as of June 30, 2016 is \$54,075,000.

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, 2016 was 0.870%.

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, 2016. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035.

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% to 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

J. 2013 Electric System Revenue Refunding Bonds (Continued)

As of June 30, 2016, 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 \$268,300,536. 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 2016, net revenues amount to \$48,334,538 which represents coverage of 299% over the \$16,145,049 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. During the year, the 2007 Water Utility Revenue COPs were refunded by the 2015 Water Utility Revenue COPs as described below.

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, 2016, the total principal and interest to be paid on the bonds was \$201,608,750. For fiscal year 2016, net revenues amounted to \$25,409,175 which represented coverage of 153% over the \$16,580,625 in debt service.

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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

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

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, 2016 was 0.870%. 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, 2016 was 4.13%.

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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

O. South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2014 (Continued)

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 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, 2016, the total principal and interest remaining to be paid on the 2011 Series C, the 2013 Bonds and the 2014 Bonds was \$107,320,040. 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 2016, \$5,667,057 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.

Q. 2015 Water Utility Revenue Refunding Certificates of Participation

On August 20, 2015, the Roseville Finance Authority issued the Water Revenue Certificates of Participation, Series 2015, in the principal amount of \$42,565,000 to refund the 2007 Water Utility Certificates of Participation. The Bonds bear interest at 2.00% to 5.00% and are due semi-annually on December 1 and June 1 of each year. The Bonds are repayable by a pledge of net revenue from the Water Utility System. Principal payments are due annually on December 1 through 2030. The refunding resulted in an overall debt service savings of \$3,915,638. The net present value of the debt service savings is called an economic gain and amounted to \$2,791,937. The refunding resulted in a deferred gain on refunding of \$1,940,826 that is recorded as a deferred outflow of resources and will be amortized over the life of the refunded bonds.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Q. 2015 Water Utility Revenue Refunding Certificates of Participation (Continued)

As of June 30, 2016, the total principal and interest remaining to be paid on the bonds was \$54,205,300. As disclosed in the official statement, all net revenues of the Water Utility System are expected to provide coverage over debt service of 120% over the life of the Bonds. For fiscal year 2016 net revenues amounted to \$11,589,408 which represented coverage of 285% over the \$4,073,306 in debt service.

R. 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, 2016, 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, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

R. 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. Hedging derivative instruments are classified as Level 2 and are valued using a discounted cash flow technique, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates (LIBOR or SIMFA). The payments are then discounted using the spot rates (LIBOR or SIMFA) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. As of June 30, 2016, the fair value of the swaps was not in favor of the City as follows:

| Related Bond Issue | Fair Value | |
|---|-----------------|-----------------|
| | 2016 | 2015 |
| 2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A) | | |
| Bank of America N.A. | \$ (10,211,595) | \$ (6,822,683) |
| Morgan Stanley Capital Services Inc. | (15,036,848) | (9,955,096) |
| 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) | (7,105,783) | (6,197,143) |
| | \$ (32,354,226) | \$ (22,974,922) |

(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, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

R. 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, 2016, 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, 2016:

| For the Year Ending June 30 | Variable-Rate Bonds | | Interest Rate Swaps, Net | Total |
|-----------------------------------|---------------------|---------------|-----------------------------|----------------|
| | Principal | Interest | | |
| 2017 | | \$ 1,236,673 | \$ 3,807,412 | \$ 5,044,085 |
| 2018 | | 1,236,673 | 3,719,452 | 4,956,125 |
| 2019 | | 1,236,673 | 3,628,156 | 4,864,829 |
| 2020 | | 1,236,673 | 3,533,675 | 4,770,348 |
| 2021 | | 1,236,673 | 3,435,706 | 4,672,379 |
| 2022-2026 | \$ 25,440,115 | 5,808,699 | 14,383,350 | 45,632,164 |
| 2027-2031 | 58,544,989 | 3,906,746 | 7,603,841 | 70,055,576 |
| 2032-2036 | 60,553,166 | 1,192,862 | 2,019,643 | 63,765,671 |
| Totals | \$ 144,538,270 | \$ 17,091,672 | \$ 42,131,235 | \$ 203,761,177 |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 – LONG-TERM DEBT (CONTINUED)

S. 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 |
| 2017 | \$ 1,097,168 | \$ 944,731 | \$ 20,937,141 | \$ 18,080,046 |
| 2018 | 1,112,436 | 891,131 | 19,256,224 | 15,733,645 |
| 2019 | 1,131,800 | 864,700 | 22,770,542 | 16,274,410 |
| 2020 | 1,160,454 | 835,223 | 23,945,287 | 15,162,387 |
| 2021 | 1,187,260 | 804,942 | 25,231,379 | 13,983,144 |
| 2022-2026 | 8,566,977 | 3,389,844 | 149,981,735 | 51,341,310 |
| 2027-2031 | 3,779,525 | 2,500,991 | 124,725,145 | 23,256,549 |
| 2032-2036 | 2,550,000 | 1,917,225 | 96,073,166 | 11,807,112 |
| 2037-2041 | 3,100,000 | 1,360,188 | 15,705,000 | 785,250 |
| 2042-2046 | 3,865,000 | 598,500 | | |
| Totals | \$ 27,550,620 | \$ 14,107,475 | 498,625,619 | \$ 166,423,853 |
| Reconciliation of long-term debt | | | | |
| | Add deferred bond premium | | 25,653,361 | |
| | | Net long-term debt | \$ 524,278,980 | |

T. 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, 2016, is as follows:

| | |
|---|-----------------------|
| North Central Roseville Community Facilities District #1, Series 2010 | \$ 6,920,000 |
| Stone Point Community Facilities District #1 | 6,835,000 |
| Fiddymont Ranch Community Facilities District #1 | 72,945,000 |
| Roseville Finance Authority Revenue Bonds, Series 2006 A and B | 25,345,000 |
| Stone Point Community Facilities District #5, Series 2006 | 4,990,000 |
| Diamond Creek Community Facilities District #1, Series 2007 | 6,730,000 |
| Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds | 33,755,000 |
| Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds | 7,915,000 |
| Fountains Community Facilities District No. 1 Special Tax Bonds Series 2008 | 11,020,000 |
| Roseville Automall Community Facilities District #1 Special Tax Bonds | 1,005,000 |
| Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012 | 13,995,000 |
| Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013 | 7,705,000 |
| Westbrook Community Facilities District #1 Special Tax Bonds, Series 2014 | 14,355,000 |
| Woodcreek West Community Facilities District #1 Refunding Bonds, Series 2015 | 13,695,000 |
| North Roseville Community Facilities District #1 Refunding Bonds, Series 2015 | 10,400,000 |
| Westpark Community Facilities District #1 Special Tax Refunding Bonds, Series 2015 | 67,860,000 |
| HP Campus Oaks Community Facilities District #1 Special Tax Bonds, Series 2016 | 23,000,000 |
| Total | <u>\$ 328,470,000</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016.

| | 2016 Change in Fair Value | | Fair Value, End of Fiscal Year 2016 | | Notional | Level |
|--|---------------------------|--------------|-------------------------------------|-----------------------|------------------------------|-------|
| | Classification | Amount | Classification | Amount | | |
| Effective Cash Flow Hedges | | | | | | |
| Electric Fund | | | | | | |
| Pay Fixed SWAP, Natural Gas | Deferred Outflow | \$ 5,774,190 | Derivative | \$ (1,910,193) | 8,687,000 mmBtu | 2 |
| Pay Fixed SWAP, Natural Gas | Deferred Inflow | 30,313 | Derivative | \$ 69,435 | 552,000 mmBtu | 2 |
| Roseville Natural Gas Financing Authority | | | | | | |
| Pay Fixed SWAP, Natural Gas | Deferred Inflow | (2,315,760) | Derivative | \$ 16,023,967 | 34,513,500 mmBtu | 2 |
| Receive Fixed SWAP, Natural Gas | Deferred Inflow | 2,101,807 | Derivative | 94,730,649 | 76,000-372,000 monthly mmBtu | 2 |
| | | | | <u>\$ 110,754,616</u> | | |

B. Objective and Terms of Hedging Derivative Instruments

The objectives and terms of the City’s hedging derivative instruments that were outstanding at June 30, 2016, 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, 2016 are summarized in the table below:

| Type and Objective | Notional Amount | Effective Date | Maturity Date | Terms | Counterparty | Counterparty Rating |
|--|--|----------------|---------------|---|----------------------------|---------------------|
| Forward Contracts, Gas: | | | | | | |
| Hedge Cash Flows on PG&E citygate Gas | 975,000 mmBtu | 6/1/2017 | 3/31/2019 | Pay \$3.72; Receive NGI PG&E citygate price | BP Energy | A- |
| Hedge Cash Flows on PG&E citygate Gas | 612,500 mmBtu | 11/1/2016 | 9/30/2017 | Pay \$3.59; Receive NGI PG&E citygate price | J Aron & Company | A- |
| Hedge Cash Flows on PG&E citygate Gas | 1,607,500 mmBtu | 8/1/2016 | 12/31/2016 | Pay \$4.75; 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 |
| Commodity Swaps, Gas: | | | | | | |
| Prepayment 20-year supply of Natural Gas | \$ 34,513,500 | 1/1/2008 | 12/31/2027 | Pay index minus 0.68; Receive NGI | Merrill Lynch | A |
| Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas | From 76,000 to 372,000 mmBtu per month | 1/24/2007 | 1/25/2028 | Pay NGI PG&E citygate price; Receive \$7.7224 per MMBtu | JPMorgan Chase Bank, NA | A+ |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 10 – DERIVATIVE INSTRUMENTS (CONTINUED)

C. Risks of Derivative Instruments

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

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

NOTE 11 – NET POSITION AND FUND BALANCES

A. Net Position

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

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

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

Unrestricted describes the portion of net position which is not restricted to use.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 – NET POSITION AND FUND BALANCES (CONTINUED)

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, 2016

NOTE 11 – NET POSITION AND FUND BALANCES (CONTINUED)

B. Fund Balances (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2016, are below:

| Fund Balance Classifications | General Fund | Other Governmental Funds | Total |
|--|----------------------|--------------------------------|-----------------------|
| Nonspendable: | | | |
| Items not in spendable form: | | | |
| Prepays | \$ 68,453 | | \$ 68,453 |
| Notes receivable | 11,841,548 | | 11,841,548 |
| Inventories | 179,563 | | 179,563 |
| Subtotal | 12,089,564 | | 12,089,564 |
| Amounts required to be maintained intact: | | | |
| Permanent funds | | \$ 16,964,800 | 16,964,800 |
| Total Nonspendable Fund Balances | <u>12,089,564</u> | <u>16,964,800</u> | <u>29,054,364</u> |
| Restricted for: | | | |
| Community facilities districts | | 18,577,038 | 18,577,038 |
| Debt Service | | 827,834 | 827,834 |
| Landscape and lighting | | 10,613,594 | 10,613,594 |
| Street projects | | 13,196,939 | 13,196,939 |
| Affordable housing | | 7,852,738 | 7,852,738 |
| Technology replacement | | 242,528 | 242,528 |
| Library services and projects | | 248,968 | 248,968 |
| Public safety services and projects | | 5,614,147 | 5,614,147 |
| Bike trail/open space maintenance | | 930,303 | 930,303 |
| Animal control shelter | | 29,653 | 29,653 |
| Traffic projects | | 28,782,985 | 28,782,985 |
| Public facilities | | 14,599,808 | 14,599,808 |
| Park development | | 32,298,815 | 32,298,815 |
| Pleasant Grove drain basin | | 9,687,006 | 9,687,006 |
| Tree propagation | | 1,734,849 | 1,734,849 |
| Community development block grant and HOME programs | | 165,600 | 165,600 |
| Aquatics Complex Maintenance | | 25,346 | 25,346 |
| Citizen's Benefits | | 1,028,374 | 1,028,374 |
| Other capital projects | | 1,767,711 | 1,767,711 |
| Total Restricted Fund Balances | | <u>148,224,236</u> | <u>148,224,236</u> |
| Committed to: | | | |
| Utility exploration center | | 96,135 | 96,135 |
| Park services and projects | | 508,516 | 508,516 |
| Building projects | | 190,277 | 190,277 |
| Total Committed Fund Balances | | <u>794,928</u> | <u>794,928</u> |
| Assigned to: | | | |
| Annual construction and maintenance contracts | 202,352 | | 202,352 |
| Information systems upgrades and improvements | 287,196 | | 287,196 |
| Annual park and maintenance repairs | 155,188 | | 155,188 |
| Police patrol supplies | 129,801 | | 129,801 |
| Fire operations and supplies | 162,541 | | 162,541 |
| Development services | 1,200,724 | | 1,200,724 |
| Public works projects | 334,919 | | 334,919 |
| Various contracts | 656,758 | | 656,758 |
| Building and general rehabilitation projects | | 10,525,153 | 10,525,153 |
| Total Assigned Fund Balances | <u>3,129,479</u> | <u>10,525,153</u> | <u>13,654,632</u> |
| Unassigned: | | | |
| General fund | 45,358,414 | | 45,358,414 |
| Other governmental fund deficit residuals | | (116,035) | (116,035) |
| Total Unassigned Fund Balances | <u>45,358,414</u> | <u>(116,035)</u> | <u>45,242,379</u> |
| Total Fund Balances | <u>\$ 60,577,457</u> | <u>\$ 176,393,082</u> | <u>\$ 236,970,539</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 – NET POSITION AND FUND BALANCES (CONTINUED)

C. Fund Balance and Net Position Deficits

The School-Age Child Care Fund had a deficit net position of at June 30, 2016 of \$2,057,586. The City is evaluating the operations of this fund to ensure that service rates are sufficient to cover operations.

The Roseville Community Development Corporation had a deficit fund balance as of June 30, 2016 of \$116,035. The deficit is primarily a result of a loan due to the successor agency. The City will continue to evaluate the operations of RCDC.

The Automotive Services Internal Service Fund had deficit net position at June 30, 2016 of \$2,981,831. 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, 2016 of \$47,393,944. 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, 2016 of \$37,237,308. Payment on the related long-term debt will reduce the 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, 2016

NOTE 12 – PENSION PLAN (CONTINUED)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

| | Safety | |
|---|--------------------------|-----------------------|
| | Prior to January 1, 2013 | After January 1, 2013 |
| Hire date | 5 years service | 5 years service |
| Benefit vesting schedule | monthly for life | monthly for life |
| Benefit payments | 50 - 55 | 50 - 57 |
| Retirement age | 3.000% | 2.0% - 2.7% |
| Monthly benefits, as a % of annual salary | 9.000% | 12.250% |
| Required employee contribution rates | 36.635% | 36.635% |
| Required employer contribution rates | | |

| | Miscellaneous | |
|---|--------------------------|-----------------------|
| | Prior to January 1, 2013 | After January 1, 2013 |
| Hire date | 5 years service | 5 years service |
| Benefit vesting schedule | monthly for life | monthly for life |
| Benefit payments | 50 - 55 | 52 - 67 |
| Retirement age | 2.0% - 2.7% | 1.0% - 2.5% |
| Monthly benefits, as a % of annual salary | 8.000% | 6.250% |
| Required employee contribution rates | 23.506% | 23.506% |
| Required employer contribution rates | | |

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

| | Miscellaneous | Safety |
|--|---------------|------------|
| Inactive employees or beneficiaries currently receiving benefits | 619 | 170 |
| Inactive employees entitled to but not yet receiving benefits | 616 | 67 |
| Active employees | 916 | 222 |
| Total | <u>2,151</u> | <u>459</u> |

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 \$ 17,564,085 to the miscellaneous plan and \$ 9,409,229 to the safety plan during the year ended June 30, 2016.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015. 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, 2014 actuarial valuations were determined using the following actuarial assumptions:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|---------------------------|---------------------------------------|------------------|
| Valuation Date | June 30, 2014 | June 30, 2014 |
| Measurement Date | June 30, 2015 | June 30, 2015 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | |
| Actuarial Assumptions: | | |
| Discount Rate | 7.65% | 7.65% |
| 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 | 7.65% | 7.65% |
| Mortality | Derived using CalPERS membership data | |

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 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.

Changes in Assumptions

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, 2016

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 ¹ | Real Return Years 11+ ² |
|-------------------------------|-------------------|--|---------------------------------------|
| Global Equity | 51% | 5.25% | 5.71% |
| Global Fixed Income | 19% | 0.99% | 2.43% |
| Inflation Sensitive | 6% | 0.45% | 3.36% |
| Private equity | 10% | 6.83% | 6.95% |
| Real Estate | 10% | 4.50% | 5.13% |
| Infrastructure and forestland | 2% | 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 7.65% 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, 2016

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, 2016 follows:

| <i>Miscellaneous Plan:</i> | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2015 | \$ 513,101,070 | \$ 346,951,083 | \$ 166,149,987 |
| Changes in the year: | | | |
| Service Cost | \$ 12,377,311 | | \$ 12,377,311 |
| Interest on the total pension liability | 38,106,634 | | 38,106,634 |
| Plan to plan resource movement | | \$ 3,810 | (3,810) |
| Contribution - employer | | 15,901,790 | (15,901,790) |
| Contribution - employee | | 5,785,312 | (5,785,312) |
| Projected earnings on investments | | 26,526,104 | (26,526,104) |
| Differences between projected and actual earnings on plan investments | (1,796,891) | (18,640,336) | 16,843,445 |
| Change in assumptions | (9,697,397) | | (9,697,397) |
| Benefit payments, including refunds of employee contributions | (19,339,004) | (19,339,004) | |
| Administrative expenses | | (401,772) | 401,772 |
| Net changes | 19,650,653 | 9,835,904 | 9,814,749 |
| Balance at June 30, 2016 | \$ 532,751,723 | \$ 356,786,987 | \$ 175,964,736 |
| <i>Safety Plan:</i> | | | |
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2015 | \$ 257,069,269 | \$ 182,026,076 | \$ 75,043,193 |
| Changes in the year: | | | |
| Service Cost | \$ 7,650,925 | | \$ 7,650,925 |
| Interest on the total pension liability | 18,851,867 | | 18,851,867 |
| Plan to plan resource movement | | \$ (26,514) | 26,514 |
| Contribution - employer | | 9,010,440 | (9,010,440) |
| Contribution - employee | | 2,299,042 | (2,299,042) |
| Projected earnings on investments | | 13,963,007 | (13,963,007) |
| Differences between projected and actual earnings on plan investments | (4,348,535) | (9,852,741) | 5,504,206 |
| Change in assumptions | (5,162,388) | | (5,162,388) |
| Benefit payments, including refunds of employee contributions | (9,908,333) | (9,908,333) | |
| Administrative expenses | | (210,832) | 210,832 |
| Net changes | 7,083,536 | 5,274,069 | 1,809,467 |
| Balance at June 30, 2016 | \$ 264,152,805 | \$ 187,300,145 | \$ 76,852,660 |
| Totals of both miscellaneous and safety plans | \$ 796,904,528 | \$ 544,087,132 | \$ 252,817,396 |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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 | 6.65% | 6.65% | 6.65% |
| Net Pension Liability | \$ 250,673,049 | \$ 117,146,821 | \$ 367,819,870 |
| Current Discount Rate | 7.65% | 7.65% | 7.65% |
| Net Pension Liability | \$ 175,964,736 | \$ 76,852,660 | \$ 252,817,396 |
| 1% Increase | 8.65% | 8.65% | 8.65% |
| Net Pension Liability | \$ 114,257,891 | \$ 44,187,642 | \$ 158,445,533 |

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, 2016, the City recognized pension expense of \$21,215,177. At June 30, 2016, 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 | \$ 26,973,314 | |
| Changes of assumptions | | \$ (11,483,206) |
| Differences between expected and actual experience | | (4,934,938) |
| Net difference between projected and actual earnings on plan investments | | (4,040,392) |
| Total | <u>\$ 26,973,314</u> | <u>\$ (20,458,536)</u> |

The amount of \$26,973,314 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, 2017. 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> | <u>2016</u> |
|---------------------------|------------------------|
| 2017 | \$ (7,833,403) |
| 2018 | (7,833,403) |
| 2019 | (7,538,681) |
| 2020 | 4,058,803 |
| 2021 | (1,311,852) |
| | <u>\$ (20,458,536)</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016, there were 596 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 (a) and 5 years of CalPERS service or disability retirement) | | | |
| | Tier 1 Hired prior to January 1, 2004 (b) | | Tier 2 Hired prior on or after January 1, 2004 (b) | |
| Benefit | City paid premium, subject to the following caps: | | City paid premium, subject to the following caps: | |
| | <u>Group</u> | <u>2016</u> | <u>2016</u> | |
| | Management/Confidential | \$ 1,272 | Single | \$ 705 |
| | Stationary Engineers Local 39 | 1,284 | Two Party | 1,343 |
| | Roseville Police Association | 1,272 | Family | 1,727 |
| | Roseville Police Officers Association | 1,272 | | |
| | Roseville Firefighters Association | 1,272 | | |
| | International Brotherhood of Electrical Workers | 1,272 | | |
| | | | Subject to vesting schedule | |
| | | | <u>CalPERS service</u> | <u>Percent of Cap</u> |
| | | | Less than 10 years | 0% (c) |
| | | | 10 - 20 years | 50% |
| | | | 20 years or more | 100% |
| | | | Five years City service required | |
| | | | 100% vested if disabled | |
| | Tier 3 RFF Hired on or after January 1, 2012 | | Tier 3 Non-RFF 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) Age 52 for Miscellaneous PEPRAs employees. (b) January 1, 2005 for Police Officers Association (sworn) and Local 39 (c) City must pay at least the PEMHCA minimum (d) Eligible for PEMHCA minimum only | | | |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2015, 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 7.00% to 7.20% in 2017 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 26 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 |
|-------------|---------------------------|------------------------|-------------------------------------|---------------------|
| 6/30/2014 | \$ 13,586,139 | \$ 7,469,613 | 55% | \$ 39,363,312 |
| 6/30/2015 | 14,092,818 | 8,994,201 | 64% | 44,461,929 |
| 6/30/2016 | 16,643,000 | 11,471,000 | 69% | 49,633,184 |

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] |
|--------------------------------|--|---|---|--------------------------|-------------------------|---|
| 6/30/2015 | \$ 53,826,000 | \$ 206,344,000 | \$ (152,518,000) | 26.09% | \$ 93,480,000 | -163.16% |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 13 – POST-EMPLOYMENT BENEFITS (CONTINUED)

D. Funding Progress and Funded Status

During the fiscal year ended June 30, 2016, 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 (ARC) | \$ | 16,365,000 |
| Interest on net OPEB obligation | | 2,890,000 |
| Adjustment to annual required contribution | | <u>(2,612,000)</u> |
| Annual OPEB cost | | 16,643,000 |
| Contributions: | | |
| Pay-as-you-go premiums | | (7,423,963) |
| Contribution to the Trust | | <u>(4,047,782)</u> |
| Change in net OPEB obligation | | 5,171,255 |
| Net OPEB obligation at June 30, 2015 | | <u>44,461,929</u> |
| Net OPEB Obligation at June 30, 2016 | \$ | <u>49,633,184</u> |
| Percentage of annual OPEB cost contributed | | <u>69%</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, 2016

NOTE 13 – POST-EMPLOYMENT BENEFITS (CONTINUED)

F. Other Post Employment Benefits Trust Fund Assets

At June 30, 2016, the Trust reported assets available for benefits of \$60,814,291. The composition of these assets at June 30, 2016, is shown below.

| | Amount | Level |
|--|---------------|-----------------------------------|
| Cash equivalents | \$ 227,127 | Uncategorized |
| Domestic equity funds | 33,045,960 | 2 |
| Fixed income securities | 25,289,706 | 2 |
| Miscellaneous (EQUUS) | 2,251,498 | Uncategorized - Amortized Cost |
| Assets available for benefits at June 30, 2016 | \$ 60,814,291 | |

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, 2016

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 \$624,805.

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 \$182,928.

Boiler and Machinery Coverage

CJPRMA has purchased commercial insurance against boiler and machinery claims. The City has a SIR of \$5,000 per claim up to a \$21,250,000 limit. The annual premium paid was \$31,983.

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 \$363,194.

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 \$34,056.

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 \$811,176 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 \$841,887.

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, 2016

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:

| | 2016 | 2015 |
|-------------------------------------|--------------|--------------|
| Claims liability, beginning of year | \$ 8,096,298 | \$ 8,923,807 |
| Current year claims | 2,867,000 | 2,120,000 |
| Change in prior year claims | (1,527,352) | (973,718) |
| Claims paid, current year claims | (514,941) | (241,696) |
| Claims paid, prior year claims | (1,472,063) | (1,732,095) |
| Claims liability, end of year | \$ 7,448,942 | \$ 8,096,298 |
| Current claims liabilities | \$ 1,400,094 | \$ 971,556 |

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:

| | 2016 | 2015 |
|-------------------------------------|--------------|--------------|
| Claims liability, beginning of year | \$ 2,046,933 | \$ 1,825,529 |
| Current year claims | 1,200,000 | 851,000 |
| Change in prior year claims | (652,172) | 225,606 |
| Claims paid, current year claims | (94,651) | (136,825) |
| Claims paid, prior year claims | (678,827) | (718,377) |
| Claims liability, end of year | \$ 1,821,283 | \$ 2,046,933 |
| Current claims liabilities | \$ 660,351 | \$ 593,611 |

NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA)

A. General

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

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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

A. General (Continued)

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

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

During the year ended June 30, 2016, the City incurred expenses totaling \$7,535,368 for purchased power, regulatory and legislature assessments, association dues 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, 2016 |
|---|---------------|
| General operating reserve (including advances) | \$ 1,506,710 |
| Associated member services (including advances) | 76,454 |
| Undivided equity interest, at cost, in certain NCPA power projects: | |
| Geothermal projects | 642,565 |
| Calveras hydroelectric project | 1,108,321 |
| Combustion turbine project no. 2 | 75,275 |
| | \$ 3,409,325 |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016, the book value of this Project's plant, equipment and other assets was \$87,015,972 while its long-term debt totaled \$34,594,237 and other liabilities totaled \$44,272,327. The City's share of the Project's long-term debt amounted to \$2,727,064 at that date.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016, the City was owed \$4,321.

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, 2016, the book value of this Project's plant, equipment and other assets was \$435,313,323, while its long-term debt totaled \$375,870,310, and other liabilities totaled \$50,207,012. The City's share of the Project's long-term debt amounted to \$38,710,607 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, 2016, the book value of this Project's plant, equipment and other assets was \$44,658,157, deferred outflows totaled \$2,257,570, while its long-term debt totaled \$42,026,831 and other liabilities totaled \$2,425,094. The City's share of the Project's long-term debt amounted to \$15,339,793 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, 2016

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, 2016, the City paid \$6,618,117 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, 2016, was \$72,383,339.

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, 2016

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 2016, the changes of landfill closure liabilities were as follows:

| | | |
|-------------------|----|-------------------------|
| Beginning Balance | \$ | 2,208,755 |
| Deductions | | <u>(208,979)</u> |
| Ending Balance | \$ | <u><u>1,999,776</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, 2016, was \$56,777,464. 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, 2016

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, 2016, by individual major funds and non-major funds in total were as follows:

| | |
|------------------------------|---------------|
| Major Governmental Funds: | |
| General Fund | \$ 3,129,479 |
| Non-Major Governmental Funds | 10,525,153 |
| Total Encumbrances | \$ 13,654,632 |

E. Other Commitments

The City had the following outstanding significant commitments at June 30, 2016:

| Projects | (in millions) |
|--------------------------------------|---------------|
| REP long-term service agreement | \$ 29.5 |
| Net power purchase contracts | 30.9 |
| Natural Gas Forward Obligations | 108.1 |
| Renewable power purchase obligations | 71.0 |

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.

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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 19 – GAS SUPPLY ACQUISITIONS AND RESALE (CONTINUED)

A. *Prepaid Gas Agreement (Continued)*

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, 2016, the book value of prepaid gas under this agreement amounted to \$159,332,478.

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, 2016.

C. *Supply Agreement*

Pursuant to a Natural Gas Supply Agreement dated February 1, 2007, the Authority has agreed to sell to the City a twenty year supply of natural gas. This Supply Agreement is coterminous with and provides for the delivery of natural gas in quantities which are matched to the Prepaid Gas Agreement, discussed above. For each MMBtu delivered (sold) to the City, the Authority will receive a variable revenue stream based on a first of the month index for the delivery location. The Agreement terminates upon termination of the Prepaid Gas Agreement or upon the City's failure to make any required payment within two business days of the due date.

D. *Commodity Swap Agreement*

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

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

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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.

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, 2016 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, 2016.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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

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 \$4,181,517 at June 30, 2016, 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.

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, 2016.

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, 2016 were comprised of land in the amount of \$74,369.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

**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, 2015 | Additions | Reductions | Balance June 30, 2016 | Current Portion |
|---|--------------------------|-------------|-----------------------|--------------------------|---------------------|
| Tax Allocation Bonds: | | | | | |
| 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 | 2,350,000 | | \$ (125,000) | 2,225,000 | \$ 125,000 |
| 2006 Redevelopment Project Taxable Tax Allocation Housing Bonds, Series H-T 5.31%-6.07%, due 9/1/40 | 5,800,000 | | (100,000) | 5,700,000 | 105,000 |
| 2014 Redevelopment Project Taxable Tax Allocation 2.00%-5.00%, due 9/1/33 | 10,740,000 | | (435,000) | 10,305,000 | 435,000 |
| Add: deferred bond premium | 543,875 | | (28,625) | 515,250 | |
| Total Tax Allocation Bonds | 32,588,875 | | (688,625) | 31,900,250 | 665,000 |
| Advances from the City of Roseville | | | | | |
| Loans from the City | 23,299,400 | | (1,080,423) | 22,218,977 | 824,010 |
| SERAF Loans from the Housing Successor | 244,399 | | (244,399) | | |
| Total | <u>\$ 56,132,674</u> | <u>\$ -</u> | <u>\$ (2,013,447)</u> | <u>\$ 54,119,227</u> | <u>\$ 1,489,010</u> |

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 |
|--------------------------------|----------------------|----------------------|
| 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 | 800,000 | 1,353,447 |
| 2022 - 2026 | 4,585,000 | 6,166,293 |
| 2027 - 2031 | 5,790,000 | 4,956,109 |
| 2032 - 2036 | 7,490,000 | 3,481,690 |
| 2037 - 2041 | 9,870,000 | 1,266,787 |
| Total | <u>\$ 31,385,000</u> | <u>\$ 22,997,852</u> |

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

**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 2016 calculated by the County Auditor-Controller was \$4,689,485 and the total received by the Successor Agency for fiscal year 2016 debt service was \$2,515,962, which represented coverage of 116% of the \$2,174,792 of debt service.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

**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, 2016 is \$22,218,977.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 2016. 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 was paid off during fiscal year 2016.

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.

NOTE 21 - 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 | RFA Refunding Bonds, Series 2016 | 7/14/2016 | Special Tax Bonds | \$ 18,555,000 | Refunding of 2006 Revenue Bonds, Series A and B |
| Private-Purpose Trust Fund | Successor Agency Refunding Bonds, Series 2016-T | 7/19/2016 | Tax Allocation Bonds | 21,520,000 | Refunding of 2006 Redevelopment Bonds |
| Agency Funds | Fountains CFD No. 1 Refunding, Series 2016 | 7/19/2016 | Special Tax Bonds | 11,405,000 | Refunding of Fountains CDF No. 1 2008 Bonds |
| Wastewater Enterprise | South Placer Wastewater Authority Renewal | 10/1/2016 | Private Placement | 36,582,878 | Expansion and construction of wastewater treatment plants |

REQUIRED SUPPLEMENTARY INFORMATION

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**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, 2016**

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|-----------------------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 93,831,225 | \$ 95,245,525 | \$ 96,548,882 | \$ 1,303,357 |
| Licenses and permits | 2,086,050 | 2,161,050 | 2,723,234 | 562,184 |
| Charges for services | 13,797,585 | 17,742,283 | 16,232,572 | (1,509,711) |
| Subventions and grants | 555,845 | 879,232 | 834,196 | (45,036) |
| Use of money and property | 669,656 | 846,903 | 1,026,571 | 179,668 |
| Fines, forfeitures and penalties | 1,128,300 | 908,300 | 878,177 | (30,123) |
| Contribution from developers | 1,325,000 | 900,000 | 813,192 | (86,808) |
| Miscellaneous revenues | 1,674,164 | 3,308,615 | 2,572,309 | (736,306) |
| TOTAL REVENUES | 115,067,825 | 121,991,908 | 121,629,133 | (362,775) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Salaries and Benefits | | | | |
| General Government | | | | |
| City Council | \$ 36,600 | \$ 36,600 | \$ 36,600 | |
| City Manager - Administration | 1,002,155 | 1,047,776 | 1,029,330 | \$ 18,446 |
| Communications - Government Relations | 540,189 | 690,827 | 685,125 | 5,702 |
| City Attorney | 1,657,037 | 1,584,495 | 1,565,200 | 19,295 |
| Human Resources - Administration | 1,269,041 | 1,294,383 | 1,208,309 | 86,074 |
| Risk Mgmt - Administration | 137,787 | 147,218 | 138,813 | 8,405 |
| IT Administration | 815,268 | 898,837 | 898,645 | 192 |
| IT - Data Center | 513,114 | 525,623 | 509,821 | 15,802 |
| IT - Communications | 1,175,719 | 1,201,586 | 1,160,733 | 40,853 |
| IT - Public Safety | 796,019 | 847,215 | 846,977 | 238 |
| IT - GIS/Web | 595,878 | 547,561 | 450,847 | 96,714 |
| IT - Customer Service | 781,142 | 808,350 | 794,679 | 13,671 |
| IT - Applications | 491,537 | 498,217 | 480,847 | 17,370 |
| City Clerk - Administration | 828,670 | 826,933 | 776,563 | 50,370 |
| Central Services - Administration | 470,617 | 505,511 | 505,185 | 326 |
| Purchasing | 512,162 | 492,095 | 491,690 | 405 |
| Central Stores | 253,631 | 290,844 | 290,821 | 23 |
| Building Maintenance | 935,011 | 929,103 | 929,017 | 86 |
| Janitorial | 501,155 | 517,439 | 517,066 | 373 |
| Finance Administration | 462,230 | 536,004 | 535,928 | 76 |
| Budget | 555,243 | 565,117 | 564,943 | 174 |
| Payroll | 549,357 | 615,310 | 615,039 | 271 |
| Accounts Payable | 394,792 | 416,586 | 416,353 | 233 |
| Cash management | 277,343 | 269,797 | 269,327 | 470 |
| Util Billing & Services - Admin | 67,156 | 6,279 | 5,795 | 484 |
| Util Billing & Services - Field Services | 824,141 | 859,238 | 813,288 | 45,950 |
| Util Billing & Services - Billing | 483,552 | 345,638 | 344,892 | 746 |
| Util Billing & Services - Services | 1,246,658 | 1,136,990 | 1,136,856 | 134 |
| Gen Acct - Administration | 448,777 | 412,189 | 411,846 | 343 |
| Gen Acct - Accounting | 406,291 | 323,523 | 323,439 | 84 |
| Economic Development | 1,400,000 | 54,521 | 8,474 | 46,047 |
| Development & Operations | | | | |
| Development & Operations - Admin | 757,006 | 654,526 | 650,938 | 3,588 |
| Housing Admin | 247,645 | 351,186 | 350,749 | 437 |
| Economic Development & Housing | 407,147 | 445,468 | 445,343 | 125 |
| Planning | 1,924,811 | 1,682,017 | 1,629,673 | 52,344 |
| Development Services - Admin | 459,576 | 592,862 | 592,444 | 418 |
| Development Services - Permit Center | 552,283 | 573,297 | 572,889 | 408 |
| Development Services - Building Inspection | 1,672,633 | 1,814,742 | 1,814,410 | 332 |
| Development Services - Code Enforcement | 419,130 | 438,176 | 438,132 | 44 |
| Development Services - Engineering | 1,694,422 | 1,663,354 | 1,548,561 | 114,793 |

(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, 2016**

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|------------|-----------------------------------|---|
| | Original | Final | | |
| Public Works | | | | |
| Public Works - Administration | \$ 309,265 | \$ 333,206 | \$ 333,069 | \$ 137 |
| Engineering | 1,548,747 | 1,496,949 | 1,486,950 | 9,999 |
| Flood Alert | 131,590 | 133,315 | 120,277 | 13,038 |
| Streets - Administration | 678,951 | 695,923 | 695,645 | 278 |
| Street Drainage | 179,225 | 202,376 | 201,953 | 423 |
| Paving | 1,203,774 | 1,140,374 | 1,095,502 | 44,872 |
| Street Signs | 280,171 | 284,583 | 271,555 | 13,028 |
| Street Markings | 314,484 | 267,733 | 243,573 | 24,160 |
| Public Safety | | | | |
| Police | | | | |
| Police - Administration | 2,123,313 | 2,232,827 | 2,231,602 | 1,225 |
| Records - Property | 1,754,914 | 1,797,915 | 1,797,717 | 198 |
| Jail | 647,609 | 113,456 | 113,456 | - |
| Police Communications | 2,641,548 | 2,836,886 | 2,836,435 | 451 |
| Community Services | 1,525,455 | 1,552,002 | 1,551,143 | 859 |
| Patrol | 14,094,511 | 15,203,615 | 15,175,450 | 28,165 |
| Investigations | 3,876,651 | 4,337,267 | 4,337,244 | 23 |
| Animal Control | 290,327 | 310,454 | 310,049 | 405 |
| Police Traffic | 1,747,756 | 1,346,460 | 1,345,672 | 788 |
| Fire | | | | |
| Fire - Administration | 662,432 | 595,969 | 595,851 | 118 |
| Fire Prevention | 1,452,371 | 1,469,006 | 1,468,587 | 419 |
| Fire Operations | 21,100,045 | 22,667,941 | 22,659,948 | 7,993 |
| Fire Training | 449,619 | 439,772 | 438,501 | 1,271 |
| Fire Logistics | 521,627 | 564,980 | 564,545 | 435 |
| Emergency Preparedness | 245,622 | 240,559 | 239,695 | 864 |
| Library | | | | |
| Library - Admin/Tech Services | 2,948,252 | 2,925,830 | 2,918,762 | 7,068 |
| Maidu Museum - Historic Site | 399,871 | 426,805 | 426,525 | 280 |
| Parks and Recreation | | | | |
| Parks & Rec - Administration | 1,195,120 | 1,203,746 | 1,203,390 | 356 |
| Park Development | 427,997 | 446,526 | 446,058 | 468 |
| Recreation Staffing | | (2,353) | (2,468) | 115 |
| Adult Sports | 216,520 | 244,520 | 244,418 | 102 |
| Adult & Senior Activities | 163,752 | 163,752 | 156,088 | 7,664 |
| Cultural Arts & Entertainment | 54,098 | 50,602 | 41,487 | 9,115 |
| Youth & Teen Services | 217,369 | 189,369 | 188,575 | 794 |
| Youth Classes | 401,069 | 371,069 | 370,961 | 108 |
| Community Special Events | 125,358 | 128,358 | 127,861 | 497 |
| Maidu Park | 329,079 | 329,079 | 320,729 | 8,350 |
| Mahany Park | 619,614 | 582,614 | 582,051 | 563 |
| Town Square | 195,080 | 195,080 | 194,827 | 253 |
| Aquatics | 1,300,059 | 1,402,234 | 1,402,069 | 165 |
| Park Operations - Admin | 706,740 | 641,838 | 641,628 | 210 |
| Open Space/Tree Maintenance | 674,819 | 662,754 | 636,196 | 26,558 |
| Parks - Maintenance | 2,540,795 | 2,672,131 | 2,671,644 | 487 |
| Operating Services and Supplies | | | | |
| General Government | | | | |
| City Council | 346,455 | 355,910 | 343,055 | 12,855 |
| Community Contributions | 30,000 | 37,187 | 21,179 | 16,008 |
| Strategic Improvements | 5,000 | 57,386 | 52,386 | 5,000 |
| City Manager - Administration | 75,253 | 113,407 | 88,088 | 25,319 |
| Public Affairs/Communication | 59,300 | 106,583 | 97,082 | 9,501 |
| City Attorney | 169,841 | 169,841 | 139,381 | 30,460 |
| Litigation Reserve | 250,000 | 250,000 | | 250,000 |
| Human Resources - Admin | 525,145 | 661,450 | 555,358 | 106,092 |
| Risk Mgmt - Administration | | 1,000 | | 1,000 |

(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, 2016**

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|-----------------------------------|---|
| | Original | Final | | |
| IT Administration | \$ 320,996 | \$ 650,386 | \$ 578,014 | \$ 72,372 |
| IT - Data Center | 412,865 | 460,739 | 399,788 | 60,951 |
| IT - Communication | 583,835 | 625,084 | 605,085 | 19,999 |
| IT - Public Safety | 94,020 | 94,020 | 93,844 | 176 |
| IT - GIS/Web | 95,232 | 179,045 | 127,144 | 51,901 |
| IT - Customer Service | 323,363 | 409,548 | 360,661 | 48,887 |
| IT- Application | 169,689 | 208,689 | 168,033 | 40,656 |
| City Clerk - Administration | 84,634 | 84,634 | 82,983 | 1,651 |
| Elections | 6,000 | 50,103 | 25,447 | 24,656 |
| Central Services - Administration | 17,487 | 18,263 | 14,654 | 3,609 |
| Purchasing | 20,675 | 24,581 | 16,087 | 8,494 |
| Central Stores | 71,167 | 71,167 | 69,322 | 1,845 |
| Building Maintenance | 1,311,281 | 1,329,082 | 1,223,816 | 105,266 |
| Janitorial | 471,216 | 476,017 | 473,755 | 2,262 |
| Finance Administration | 278,570 | 232,570 | 205,031 | 27,539 |
| Budget | 52,137 | 52,137 | 41,602 | 10,535 |
| Payroll | 46,330 | 142,788 | 67,323 | 75,465 |
| Accounts Payable | 21,926 | 21,926 | 14,083 | 7,843 |
| Licensing | 10,075 | 1,075 | 343 | 732 |
| Cash Management | 56,917 | 55,331 | 48,488 | 6,843 |
| Utility Billing & Services - Admin | 2,832 | 2,832 | 2,832 | |
| Utility Billing & Services - Field Services | 129,846 | 129,846 | 112,422 | 17,424 |
| Utility Billing & Services - Billing | 819,919 | 827,702 | 741,959 | 85,743 |
| Utility Billing & Services - Services | 34,942 | 34,942 | 33,532 | 1,410 |
| General Accounting - Administration | 155,152 | 156,974 | 130,577 | 26,397 |
| General Accounting - Accounts Payable | | 905 | (310) | 1,215 |
| General Accounting - Accounting | 7,264 | 10,426 | 5,693 | 4,733 |
| City Special Assessments | 81,986 | 81,986 | 80,087 | 1,899 |
| Development & Operations-Admin | | | | |
| Development & Operations - Admin | 24,957 | 192,987 | 146,081 | 46,906 |
| Housing Admin | 20,598 | 20,598 | 13,385 | 7,213 |
| Economic Development & Housing | 232,013 | 250,795 | 226,359 | 24,436 |
| Planning | 98,640 | 101,118 | 89,297 | 11,821 |
| Development Services - Admin | 32,325 | 86,575 | 81,695 | 4,880 |
| Development Services - Permit Center | 109,468 | 23,991 | 18,646 | 5,345 |
| Development Services - Building Inspection | 691,109 | 843,104 | 641,538 | 201,566 |
| Development Services - Code Enforcement | 103,941 | 92,941 | 53,133 | 39,808 |
| Development Services - Engineering | 164,016 | 162,745 | 131,343 | 31,402 |
| Sierra Vista Specific Plan | 2,500 | 2,500 | 2,379 | 121 |
| Creekview Specific Plan | 2,000 | | | |
| Placer Ranch | 306,200 | 1,217,328 | 97,577 | 1,119,751 |
| Amoruso/Brookfield | 230,000 | 861,616 | 679,268 | 182,348 |
| Traffic Study | | 200,000 | 94,139 | 105,861 |
| Building Plan Check Services | 50,000 | 50,000 | 11,445 | 38,555 |
| Development Full Cost Recovery | 25,000 | 25,000 | 13,735 | 11,265 |
| Planning - Full Cost Projects | 531,261 | 3,336,575 | 2,571,166 | 765,409 |
| Public Works | | | | |
| Public Works - Administration | 23,164 | 23,171 | 22,806 | 365 |
| Engineering | 114,752 | 116,044 | 93,958 | 22,086 |
| Flood Alert | 73,274 | 73,274 | 58,706 | 14,568 |
| Streets - Administration | 77,837 | 77,837 | 68,836 | 9,001 |
| Street Drainage | 321,208 | 328,991 | 285,065 | 43,926 |
| Paving | 802,018 | 802,018 | 689,225 | 112,793 |
| Street Signs | 146,587 | 146,587 | 123,139 | 23,448 |
| Street Markings | 177,333 | 177,333 | 160,492 | 16,841 |

(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, 2016**

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|-----------------------------------|---|
| | Original | Final | | |
| Public Safety | | | | |
| Police | | | | |
| Merchant Parking Program | \$ 600 | \$ 600 | | \$ 600 |
| Police - Administration | 818,158 | 872,101 | \$ 866,217 | 5,884 |
| Records - Property | 116,174 | 116,210 | 105,805 | 10,405 |
| Jail | 48,661 | 29,925 | 29,912 | 13 |
| Police Communications | 127,497 | 133,922 | 126,423 | 7,499 |
| Community Services | 37,207 | 38,407 | 37,836 | 571 |
| Patrol | 640,545 | 952,241 | 906,182 | 46,059 |
| Investigations | 114,672 | 114,672 | 103,606 | 11,066 |
| Animal Control | 792,352 | 880,205 | 781,266 | 98,939 |
| Police Traffic | 45,519 | 50,541 | 49,837 | 704 |
| Police - Vehicles | 1,922,329 | 1,884,474 | 1,839,713 | 44,761 |
| Fire | | | | |
| Fire - Administration | 41,985 | 56,985 | 56,584 | 401 |
| Fire Prevention | 109,534 | 147,066 | 100,883 | 46,183 |
| Fire Operations | 339,970 | 346,646 | 295,710 | 50,936 |
| Fire Training | 147,095 | 271,057 | 224,997 | 46,060 |
| Fire Logistics | 1,822,883 | 2,041,472 | 1,975,301 | 66,171 |
| Fire Grants | 66,900 | 56,900 | 48,302 | 8,598 |
| Emergency Preparedness | 64,600 | 124,600 | 118,692 | 5,908 |
| Library | | | | |
| Library - Admin/Tech Services | 667,520 | 693,957 | 671,688 | 22,269 |
| Maidu Museum - Historic Site | 82,393 | 102,894 | 93,136 | 9,758 |
| Parks and Recreation | | | | |
| Parks & Rec - Administration | 207,620 | 260,170 | 240,355 | 19,815 |
| Park Development | 37,363 | 41,463 | 20,045 | 21,418 |
| Adult Sports | 156,920 | 156,920 | 138,723 | 18,197 |
| Adult & Senior Activities | 60,386 | 60,386 | 56,118 | 4,268 |
| Cultural Arts & Entertainment | 20,000 | 13,496 | 12,288 | 1,208 |
| Youth & Teen Services | 71,563 | 71,563 | 71,548 | 15 |
| Youth Classes | 180,114 | 180,114 | 175,575 | 4,539 |
| Community Special Events | 203,254 | 204,354 | 188,422 | 15,932 |
| Maidu Community Center/Sports Courts | 71,910 | 71,914 | 63,248 | 8,666 |
| Mahany Park | 261,434 | 270,684 | 212,124 | 58,560 |
| Town Square | 147,544 | 163,027 | 160,617 | 2,410 |
| Aquatics | 715,102 | 720,394 | 630,740 | 89,654 |
| Park Operations - Admin | 65,731 | 65,731 | 59,675 | 6,056 |
| Open Space/Tree Maintenance | 674,315 | 676,048 | 603,111 | 72,937 |
| Parks - Maintenance | 3,083,206 | 3,114,319 | 3,043,504 | 70,815 |
| Payments under development agreements | 567,619 | 567,619 | 567,619 | |
| Annexation payments | 3,650,000 | 4,090,000 | 4,076,406 | 13,594 |
| Debt Service: | | | | |
| Principal retirement | 814,674 | 850,472 | 848,753 | 1,719 |
| Interest and fiscal charges | 210,680 | 603,476 | 566,626 | 36,850 |
| TOTAL EXPENDITURES | <u>129,566,104</u> | <u>138,840,671</u> | <u>133,050,631</u> | <u>5,790,040</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(14,498,279)</u> | <u>(16,848,763)</u> | <u>(11,421,498)</u> | <u>5,427,265</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 25,779,289 | 32,689,226 | 29,773,709 | (2,915,517) |
| Transfers (Out) | <u>(6,450,764)</u> | <u>(12,558,301)</u> | <u>(6,423,090)</u> | <u>6,135,211</u> |
| Total Other Financing Sources (Uses) | 19,328,525 | 20,130,925 | 23,350,619 | 3,219,694 |
| NET CHANGE IN FUND BALANCE | <u>\$ 4,830,246</u> | <u>\$ 3,282,162</u> | <u>11,929,121</u> | <u>\$ 8,646,959</u> |
| Adjustment to budgetary basis: | | | | |
| Capital outlay | | | 3,879,012 | |
| FUND BALANCE AT BEGINNING OF YEAR | | | <u>52,527,348</u> | |
| FUND BALANCE AT END OF YEAR | | | <u>\$ 60,577,457</u> | |

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

| | 2015 | | 2016 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Miscellaneous</u> | <u>Safety</u> | <u>Miscellaneous</u> | <u>Safety</u> |
| Total pension liability | | | | |
| Service cost | \$ 12,410,363 | \$ 7,979,496 | \$ 12,377,311 | \$ 7,650,925 |
| Interest on total pension liability | 35,999,301 | 17,970,776 | 38,106,634 | 18,851,867 |
| Differences between expected and actual experience | | | (1,796,891) | (4,348,535) |
| Changes in assumptions | | | (9,697,397) | (5,162,388) |
| Benefit payments, including refunds of employee contributions | (18,188,166) | (9,003,224) | (19,339,004) | (9,908,333) |
| Net change in total pension liability | <u>30,221,498</u> | <u>16,947,048</u> | <u>19,650,653</u> | <u>7,083,536</u> |
| Total pension liability -- beginning | 482,879,572 | 240,122,220 | 513,101,070 | 257,069,269 |
| Total pension liability -- ending (a) | <u>\$ 513,101,070</u> | <u>\$ 257,069,268</u> | <u>\$ 532,751,723</u> | <u>\$ 264,152,805</u> |
| Plan fiduciary net position | | | | |
| Plan to plan resource movement | | | \$ 3,810 | \$ (26,514) |
| Contributions - employer | \$ 14,691,280 | \$ 8,482,557 | 15,901,790 | 9,010,440 |
| Contributions - employee | 5,879,856 | 2,321,899 | 5,785,312 | 2,299,042 |
| Net investment income | 51,318,939 | 26,953,304 | 7,885,768 | 4,110,266 |
| Benefit payments | (18,188,166) | (9,003,224) | (19,339,004) | (9,908,333) |
| Administrative expenses | | | (401,772) | (210,832) |
| Net change in fiduciary net position | <u>53,701,909</u> | <u>28,754,536</u> | <u>9,835,904</u> | <u>5,274,069</u> |
| Plan fiduciary net position -- beginning | 293,249,174 | 153,271,540 | 346,951,083 | 182,026,076 |
| Plan fiduciary net position -- ending (b) | <u>\$ 346,951,083</u> | <u>\$ 182,026,076</u> | <u>\$ 356,786,987</u> | <u>\$ 187,300,145</u> |
| Net pension liability -- ending (a) - (b) | <u>\$ 166,149,987</u> | <u>\$ 75,043,192</u> | <u>\$ 175,964,736</u> | <u>\$ 76,852,660</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 67.62% | 70.81% | 66.97% | 70.91% |
| Covered payroll | \$ 67,642,462 | \$ 25,304,421 | \$ 70,574,246 | \$ 25,172,485 |
| Net pension liability as a percentage of covered payroll | 245.63% | 296.56% | 249.33% | 305.30% |
| Measurement date | June 30, 2014 | June 30, 2014 | June 30, 2015 | June 30, 2015 |

* - Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

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

| | 2015 | | 2016 | |
|--|---------------|---------------|---------------|---------------|
| | Miscellaneous | Safety | Miscellaneous | Safety |
| Actuarially determined contributions | \$ 15,872,491 | \$ 9,015,161 | \$ 17,564,085 | \$ 9,409,229 |
| Contributions in relation to the actuarially determined contribution | 15,872,491 | 9,015,161 | 17,564,085 | 9,409,229 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 70,574,246 | \$ 25,172,485 | \$ 74,134,013 | \$ 26,276,305 |
| Contributions as a percentage of covered-employee payroll | 22.49% | 35.81% | 23.69% | 35.81% |

Notes to Schedule

| | | | | |
|-----------------|-----------|-----------|-----------|-----------|
| Valuation date: | 6/30/2013 | 6/30/2013 | 6/30/2014 | 6/30/2014 |
|-----------------|-----------|-----------|-----------|-----------|

Methods and assumptions used to determine contribution rates:

| | | |
|------------------------|---|---|
| Actuarial cost method | Entry age normal cost method | Entry age normal cost method |
| Amortization method | Level percentage of payroll | Level percentage of payroll |
| Asset valuation method | Market value | Market value |
| Inflation | 2.75% | 2.75% |
| Salary Increase | 3.3% to 14.2% depending on age, service, and type of employment | 3.3% to 14.2% depending on age, service, and type of employment |
| Discount rate | 7.65% | 7.65% |
| Retirement age | 50-57 for Safety; 50-67 for Miscellaneous | 50-57 for Safety; 50-67 for Miscellaneous |
| Mortality | Derived using CalPERS membership data | Derived using CalPERS membership data |

* - Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

**CITY OF ROSEVILLE, CALIFORNIA
MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND
PARKS AND LANDSCAPING COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

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 100 for pavement with perfect condition. The condition index is used to classify pavement in good or better condition (70-100), fair condition (55–69), and substandard condition (less than 55).

The City’s maintenance costs are budgeted to be \$5,929,921 in fiscal year 2017. The Pavement Quality Index (PQI) for the City’s street pavement for the last five years is as follows:

| Fiscal Year | PQI | | Maintenance Budget | Actual Maintenance |
|----------------|------------------------|-------------|-----------------------|-----------------------|
| | Arterial/ Collector | Residential | | |
| 2012 | 83 | 78 | \$ 5,489,639 | \$ 5,149,814 |
| 2013 | 78 | 74 | 5,185,511 | 4,980,690 |
| 2014 | 81 | 70 | 4,570,018 | 6,918,584 |
| 2015 | 72 | 70 | 6,295,490 | 5,009,404 |
| 2016 | 71 | 70 | 15,242,792 | 6,220,458 |

The City’s policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 65. This rating allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$6,220,458 for street preservation in fiscal year 2016.

**CITY OF ROSEVILLE, CALIFORNIA
MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND
PARKS AND LANDSCAPING COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

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 \$5,563,349 in fiscal year 2017. The Ground Management Index (GMI) for the City’s parks and landscaping maintenance for the last five years is as follows:

| Fiscal Year | GMI (Level) Parks and Landscaping | Maintenance Budget | Actual Maintenance |
|----------------|---|-----------------------|-----------------------|
| 2012 | 3 | \$ 4,764,762 | \$ 4,766,512 |
| 2013 | 3 | 4,853,428 | 4,868,908 |
| 2014 | 3 | 5,012,552 | 4,879,463 |
| 2015 | 3 | 5,538,641 | 5,179,924 |
| 2016 | 3 | 5,438,071 | 5,514,512 |

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 \$5,514,512 for maintenance in fiscal year 2016.

**CITY OF ROSEVILLE, CALIFORNIA
OTHER POST-EMPLOYMENT BENEFITS – SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016**

| 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] |
|--------------------------------|--|---|---|--------------------------|-------------------------|---|
| 6/30/2015 | \$ 53,826,000 | \$ 206,344,000 | \$ (152,518,000) | 26.09% | \$ 93,480,000 | (163.16)% |
| 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)% |

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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.

Downtown Parking Fund. To account for fees assessed and expended on additional parking in Downtown 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, 2016**

| | SPECIAL REVENUE FUNDS | | | |
|--|---|--------------------------|---------------------|-----------------------------------|
| | Landscape and Lighting and Service Districts | State Gasoline Tax | Home Improvement | California Library Services |
| ASSETS: | | | | |
| Cash and investments | \$ 10,935,008 | \$ 7,680,262 | \$ 68,735 | |
| Cash with fiscal agents | | | | |
| Receivables: | | | | |
| Accounts receivable | 163,987 | | | |
| Accrued interest | 21,102 | 15,056 | 176 | |
| Due from other government agencies | | 682,977 | | |
| Due from other funds | | | | |
| Advances to other funds | | | | |
| Developer permit fees receivable | | | | |
| Notes receivable | | 2,923,625 | 29,888 | |
| Land held for resale | | | | |
| Total Assets | \$ 11,120,097 | \$ 11,301,920 | \$ 98,799 | \$ - |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 464,439 | \$ 24,107 | | |
| Accrued liabilities | | | | |
| Due to other funds | | | | |
| Due to other government agencies | | | | |
| Advances from other funds | | | | |
| Deposits | 42,064 | 1,300 | | |
| Unearned revenue | | | | |
| Total Liabilities | 506,503 | 25,407 | | |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenue | | | | |
| Fund Balances: | | | | |
| Nonspendable | | | | |
| Restricted | 10,613,594 | 11,276,513 | \$ 98,799 | |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| Total Fund Balances (Deficit) | 10,613,594 | 11,276,513 | 98,799 | |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 11,120,097 | \$ 11,301,920 | \$ 98,799 | \$ - |

SPECIAL REVENUE FUNDS

| Traffic Safety | Trench Cut Recovery Fund | Law Enforcement Block Grants | Downtown Parking | Technology Replacement | Bike Trail/ Open Space Maintenance |
|-------------------|--------------------------------|------------------------------------|---------------------|---------------------------|--|
| \$ 80,588 | \$ 146,161 | \$ 524,768 | \$ 1,979,333 | \$ 558,996 | \$ 929,275 |
| | 327 | 1,098 | 1,833 | 84 | 2,122 |
| 38,875 | | 59,868 | | 524 | |
| <u>\$ 119,463</u> | <u>\$ 146,488</u> | <u>\$ 585,734</u> | <u>\$ 1,981,166</u> | <u>\$ 559,604</u> | <u>\$ 931,397</u> |
| \$ 4,045 | | | | \$ 19,170 | \$ 1,094 |
| | | | \$ 7,869 | 2,833 | |
| | | | | 100,000 | |
| | | | 1,967,137 | 195,054 | |
| | | \$ 336,064 | | | |
| <u>4,045</u> | | <u>336,064</u> | <u>1,975,006</u> | <u>317,057</u> | <u>1,094</u> |
| | | | | 19 | |
| 115,418 | \$ 146,488 | 249,670 | 6,160 | 242,528 | 930,303 |
| <u>115,418</u> | <u>146,488</u> | <u>249,670</u> | <u>6,160</u> | <u>242,528</u> | <u>930,303</u> |
| <u>\$ 119,463</u> | <u>\$ 146,488</u> | <u>\$ 585,734</u> | <u>\$ 1,981,166</u> | <u>\$ 559,604</u> | <u>\$ 931,397</u> |

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2016**

| | SPECIAL REVENUE FUNDS | | | |
|--|-----------------------|---------------------------|-----------------------------------|----------------------------------|
| | Fire Facilities | Storm Water Management | Traffic Signal Coordination | Utility Exploration Center |
| ASSETS: | | | | |
| Cash and investments | \$ 4,696,522 | \$ 349,396 | \$ 2,249,574 | \$ 134,767 |
| Cash with fiscal agents | | | | |
| Receivables: | | | | |
| Accounts receivable | 293,144 | | 12,800 | |
| Accrued interest | 9,793 | 601 | 4,951 | 162 |
| Due from other government agencies | | | | |
| Due from other funds | | | | |
| Advances to other funds | | | | |
| Developer permit fees receivable | | | | |
| Notes receivable | | | | |
| Land held for resale | | | | |
| Total Assets | \$ 4,999,459 | \$ 349,997 | \$ 2,267,325 | \$ 134,929 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 38,794 | \$ 8,760 | | \$ 10,697 |
| Accrued liabilities | 471 | 26,654 | | 28,097 |
| Due to other funds | 17,134 | | | |
| Due to other government agencies | | | | |
| Advances from other funds | | | | |
| Deposits | | | | |
| Unearned revenue | | | | |
| Total Liabilities | 56,399 | 35,414 | | 38,794 |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenue | 62,926 | | \$ 2,816 | |
| Fund Balances: | | | | |
| Nonspendable | | | | |
| Restricted | 4,880,134 | 314,583 | 2,264,509 | |
| Committed | | | | 96,135 |
| Assigned | | | | |
| Unassigned | | | | |
| Total Fund Balances (Deficit) | 4,880,134 | 314,583 | 2,264,509 | 96,135 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 4,999,459 | \$ 349,997 | \$ 2,267,325 | \$ 134,929 |

SPECIAL REVENUE FUNDS

| Roadway | Tree Propagation | Air Quality Mitigation | Community Development Block Grant/HOME | Housing Authority Section 8 | Affordable Housing |
|---------------------|---------------------|---------------------------|---|-----------------------------------|-----------------------|
| \$ 2,340,297 | \$ 1,731,508 | \$ 362,013 | \$ (55,057) | \$ 609,006 | \$ 5,371,519 |
| | | 11,628 | | 206 | 114,651 |
| 10,127 | 4,062 | 739 | 654 | | 326,261 |
| 2,624 | | | 245,266 | | |
| | | | 12,631,257 | | 3,179,087 |
| <u>\$ 2,353,048</u> | <u>\$ 1,735,570</u> | <u>\$ 374,380</u> | <u>\$ 12,822,120</u> | <u>\$ 609,212</u> | <u>\$ 8,991,518</u> |
| \$ 438,782 | \$ 721 | | \$ 25,263 | \$ 54,113 44,305 | |
| | | | 12,838,257 | | \$ 370,311 |
| <u>438,782</u> | <u>721</u> | | <u>12,863,520</u> | <u>98,418</u> | <u>370,311</u> |
| | | \$ 2,558 | (207,000) | | 3,123,776 |
| 1,914,266 | 1,734,849 | 371,822 | 165,600 | 510,794 | 5,497,431 |
| <u>1,914,266</u> | <u>1,734,849</u> | <u>371,822</u> | <u>165,600</u> | <u>510,794</u> | <u>5,497,431</u> |
| <u>\$ 2,353,048</u> | <u>\$ 1,735,570</u> | <u>\$ 374,380</u> | <u>\$ 12,822,120</u> | <u>\$ 609,212</u> | <u>\$ 8,991,518</u> |

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2016**

| | SPECIAL REVENUE FUNDS | | | |
|--|------------------------------------|-----------------------|-------------------------------------|--------------------------|
| | Low/Mod Income Housing Asset | Miscellaneous Fire | Miscellaneous General Government | Miscellaneous Library |
| ASSETS: | | | | |
| Cash and investments | \$ 883,027 | \$ 27,407 | \$ 920,162 | \$ 248,398 |
| Cash with fiscal agents | | | | |
| Receivables: | | | | |
| Accounts receivable | | | 57,372 | |
| Accrued interest | 658,313 | 62 | 1,839 | 570 |
| Due from other government agencies | | | | |
| Due from other funds | | | | |
| Advances to other funds | | | | |
| Developer permit fees receivable | | | | |
| Notes receivable | 4,845,933 | | | |
| Land held for resale | 861,245 | | | |
| | \$ 7,248,518 | \$ 27,469 | \$ 979,373 | \$ 248,968 |
| Total Assets | | | | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | | | \$ 44,555 | |
| Accrued liabilities | | | | |
| Due to other funds | | | | |
| Due to other government agencies | | | | |
| Advances from other funds | | | | |
| Deposits | | | | |
| Unearned revenue | | | | |
| | | | 44,555 | |
| Total Liabilities | | | | |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenue | \$ 5,502,804 | | | |
| Fund Balances: | | | | |
| Nonspendable | | | | |
| Restricted | 1,745,714 | \$ 27,469 | 934,818 | \$ 248,968 |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| | 1,745,714 | 27,469 | 934,818 | 248,968 |
| Total Fund Balances (Deficit) | | | | |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 7,248,518 | \$ 27,469 | \$ 979,373 | \$ 248,968 |

| SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUND | CAPITAL PROJECTS FUNDS | | |
|-----------------------|--------------------|---|-----------------------------|-------------------------------------|----------------------|--|
| Miscellaneous Police | Miscellaneous Park | Roseville Community Development Corporation | Roseville Finance Authority | South Placer Animal Control Shelter | Traffic Mitigation | |
| \$ 450,571 | \$ 507,487 | \$ 1,424,295 | | \$ 26,016 | \$ 26,854,140 | |
| | | | \$ 6,564,897 | | | |
| | | 20,400 | | 4,543 | 905,692 | |
| 885 | 1,029 | | | 93 | 54,061 | |
| | | | | | 7,842,913 | |
| <u>\$ 451,456</u> | <u>\$ 508,516</u> | <u>\$ 1,444,695</u> | <u>\$ 6,564,897</u> | <u>\$ 30,652</u> | <u>\$ 35,656,806</u> | |
| | | \$ 1,375 | | | \$ 1,211,906 | |
| | | | \$ 11,988 | | | |
| | | | 5,725,075 | | | |
| | | 1,530,951 | | | | |
| | | 23,204 | | | | |
| \$ 110,000 | | 5,200 | | | | |
| <u>110,000</u> | | <u>1,560,730</u> | <u>5,737,063</u> | | <u>1,211,906</u> | |
| | | | | \$ 999 | 7,926,424 | |
| 341,456 | | | 827,834 | 29,653 | 26,518,476 | |
| | \$ 508,516 | | | | | |
| | | (116,035) | | | | |
| <u>341,456</u> | <u>508,516</u> | <u>(116,035)</u> | <u>827,834</u> | <u>29,653</u> | <u>26,518,476</u> | |
| <u>\$ 451,456</u> | <u>\$ 508,516</u> | <u>\$ 1,444,695</u> | <u>\$ 6,564,897</u> | <u>\$ 30,652</u> | <u>\$ 35,656,806</u> | |

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2016**

| | CAPITAL PROJECTS FUNDS | | | |
|--|------------------------|----------------------|----------------------------------|---|
| | Public Facilities | Park Development | Pleasant Grove Drain Basin | Community Facilities District Projects |
| ASSETS: | | | | |
| Cash and investments | \$ 14,636,309 | \$ 31,411,488 | \$ 7,439,592 | \$ 1,537,811 |
| Cash with fiscal agents | | | | 19,624,350 |
| Receivables: | | | | |
| Accounts receivable | 665,806 | 1,183,275 | 406 | |
| Accrued interest | 34,919 | 67,137 | 14,015 | 5,131 |
| Due from other government agencies | | | | |
| Due from other funds | 5,825,075 | | 2,233,082 | |
| Advances to other funds | 195,054 | | | |
| Developer permit fees receivable | | 37,725 | | |
| Notes receivable | | | | |
| Land held for resale | | | | |
| Total Assets | <u>\$ 21,357,163</u> | <u>\$ 32,699,625</u> | <u>\$ 9,687,095</u> | <u>\$ 21,167,292</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,967,810 | \$ 69,907 | | \$ 357,172 |
| Accrued liabilities | 8,763 | | | |
| Due to other funds | | | | 2,233,082 |
| Due to other government agencies | | | | |
| Advances from other funds | 4,638,616 | | | |
| Deposits | | | | |
| Unearned revenue | | | | |
| Total Liabilities | <u>6,615,189</u> | <u>69,907</u> | | <u>2,590,254</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenue | <u>142,166</u> | <u>330,903</u> | <u>\$ 89</u> | |
| Fund Balances: | | | | |
| Nonspendable | | | | |
| Restricted | 14,599,808 | 32,298,815 | \$ 9,687,006 | 18,577,038 |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| Total Fund Balances (Deficit) | <u>14,599,808</u> | <u>32,298,815</u> | <u>9,687,006</u> | <u>18,577,038</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 21,357,163</u> | <u>\$ 32,699,625</u> | <u>\$ 9,687,095</u> | <u>\$ 21,167,292</u> |

| CAPITAL PROJECTS FUNDS | | PERMANENT FUNDS | | | |
|------------------------|---|----------------------|--|------------------------------------|-------------|
| Building | General Capital Improvement Projects Rehabilitation | Citizens' Benefit | Roseville Aquatics Complex Maintenance | Total Non-Major Governmental Funds | |
| \$ 212,342 | \$ 10,906,940 | \$ 17,895,705 | \$ 624,979 | \$ 156,699,340 | 26,189,247 |
| | 148 | | | | 3,434,142 |
| 2,532 | 25,554 | 97,843 | 367 | | 1,363,938 |
| | | | | | 8,872,523 |
| | | | | | 8,058,157 |
| | | | | | 195,054 |
| | | | | | 37,725 |
| | | | | | 23,609,790 |
| | | | | | 861,245 |
| <u>\$ 214,874</u> | <u>\$ 10,932,642</u> | <u>\$ 17,993,548</u> | <u>\$ 625,346</u> | <u>\$ 229,321,161</u> | |
| \$ 24,597 | \$ 407,489 | | | \$ 5,174,796 | 130,980 |
| | | | | | 8,075,291 |
| | | | | | 13,208,568 |
| | | | | | 8,331,758 |
| | | \$ 374 | \$ 600,000 | | 666,942 |
| | | | | | 451,264 |
| <u>24,597</u> | <u>407,489</u> | <u>374</u> | <u>600,000</u> | <u>36,039,599</u> | |
| | | | | | 16,888,480 |
| | | 16,964,800 | | | 16,964,800 |
| | | 1,028,374 | 25,346 | | 148,224,236 |
| 190,277 | | | | | 794,928 |
| | 10,525,153 | | | | 10,525,153 |
| | | | | | (116,035) |
| <u>190,277</u> | <u>10,525,153</u> | <u>17,993,174</u> | <u>25,346</u> | <u>176,393,082</u> | |
| <u>\$ 214,874</u> | <u>\$ 10,932,642</u> | <u>\$ 17,993,548</u> | <u>\$ 625,346</u> | <u>\$ 229,321,161</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, 2016**

| | SPECIAL REVENUE FUNDS | | | |
|--|---|--------------------------|---------------------|-----------------------------------|
| | Landscape and Lighting and Service Districts | State Gasoline Tax | Home Improvement | California Library Services |
| Taxes | \$ 8,540,005 | | | |
| Charges for services | | | | |
| Subventions and grants | | \$ 3,717,989 | | |
| Use of money and property | 84,436 | 74,677 | \$ 880 | \$ 17 |
| Fines, forfeitures and penalties | | | | |
| Contributions from developers and others | | | | |
| Miscellaneous revenues | | | | |
| Total Revenues | <u>8,624,441</u> | <u>3,792,666</u> | <u>880</u> | <u>17</u> |
| Current: | | | | |
| General government | | | | |
| Development and operations | | | 13,205 | |
| Public works | | 3,879 | | |
| Public safety: | | | | |
| Police | | | | |
| Fire | | | | |
| Library | | | | |
| Parks and recreation | 4,923,613 | | | |
| Housing assistance payments | | | | |
| Capital outlay | | 3,275,530 | | |
| Debt service: | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total Expenditures | <u>4,923,613</u> | <u>3,279,409</u> | <u>13,205</u> | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>3,700,828</u> | <u>513,257</u> | <u>(12,325)</u> | <u>17</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Debt issued | | | | |
| Premium on debt issued | | | | |
| Transfers in | | | | |
| Transfers out | <u>(3,398,382)</u> | <u>(241,617)</u> | <u>(51)</u> | <u>(4,760)</u> |
| Total Other Financing Sources (Uses) | <u>(3,398,382)</u> | <u>(241,617)</u> | <u>(51)</u> | <u>(4,760)</u> |
| Net change in fund balance | 302,446 | 271,640 | (12,376) | (4,743) |
| Fund Balances (Deficit) at the Beginning of Period | <u>10,311,148</u> | <u>11,004,873</u> | <u>111,175</u> | <u>4,743</u> |
| Fund balances at the end of the year | <u>\$ 10,613,594</u> | <u>\$ 11,276,513</u> | <u>\$ 98,799</u> | <u>\$ -</u> |

SPECIAL REVENUE FUNDS

| Traffic Safety | Trench Cut Recovery Fund | Law Enforcement Block Grants | Downtown Parking | Technology Replacement | Bike Trail/ Open Space Maintenance |
|-------------------|--------------------------------|------------------------------------|---------------------|---------------------------|--|
| | \$ (8,430) | | | \$ 399,104 | |
| | 1,645 | \$ 106,684 5,174 | \$ 4,927 | 2,416 | \$ 9,803 |
| \$ 310,418 | | | | | |
| | | | | 70 | 33,973 |
| 310,418 | (6,785) | 111,858 | 4,927 | 401,590 | 43,776 |
| | | | | 19,240 | |
| | | | | | 548,622 |
| | | | 7,869 | 8,235 | |
| | | | 7,869 | 27,475 | 548,622 |
| 310,418 | (6,785) | 111,858 | (2,942) | 374,115 | (504,846) |
| (195,000) | (84) | (100,207) | | 19,170 | 586,779 (8,085) |
| (195,000) | (84) | (100,207) | | 19,170 | 578,694 |
| 115,418 | (6,869) | 11,651 | (2,942) | 393,285 | 73,848 |
| | 153,357 | 238,019 | 9,102 | (150,757) | 856,455 |
| \$ 115,418 | \$ 146,488 | \$ 249,670 | \$ 6,160 | \$ 242,528 | \$ 930,303 |

(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, 2016**

| | SPECIAL REVENUE FUNDS | | | |
|--|-----------------------|---------------------------|-----------------------------------|----------------------------------|
| | Fire Facilities | Storm Water Management | Traffic Signal Coordination | Utility Exploration Center |
| Taxes | \$ 1,121,053 | | | |
| Charges for services | | \$ 4,409 | | \$ 25,797 |
| Subventions and grants | | | | |
| Use of money and property | 54,052 | 2,708 | \$ 24,386 | 4,515 |
| Fines, forfeitures and penalties | | 100 | | |
| Contributions from developers and others | | | 50,684 | |
| Miscellaneous revenues | | 7,249 | | 15,975 |
| Total Revenues | <u>1,175,105</u> | <u>14,466</u> | <u>75,070</u> | <u>46,287</u> |
| Current: | | | | |
| General government | | | | |
| Development and operations | | 593,545 | | |
| Public works | | 38,142 | 26,879 | |
| Public safety: | | | | |
| Police | | | | |
| Fire | | | | |
| Library | | | | |
| Parks and recreation | | | | 563,196 |
| Housing assistance payments | | | | |
| Capital outlay | 943,161 | | | 39,393 |
| Debt service: | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | 6,245 | | | |
| Total Expenditures | <u>949,406</u> | <u>631,687</u> | <u>26,879</u> | <u>602,589</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>225,699</u> | <u>(617,221)</u> | <u>48,191</u> | <u>(556,302)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Debt issued | | | | |
| Premium on debt issued | | | | |
| Transfers in | | 677,294 | | 610,729 |
| Transfers out | (4,365) | (25,645) | (1,726) | (55,390) |
| Total Other Financing Sources (Uses) | <u>(4,365)</u> | <u>651,649</u> | <u>(1,726)</u> | <u>555,339</u> |
| Net change in fund balance | 221,334 | 34,428 | 46,465 | (963) |
| Fund Balances (Deficit) at the Beginning of Period | <u>4,658,800</u> | <u>280,155</u> | <u>2,218,044</u> | <u>97,098</u> |
| Fund balances at the end of the year | <u>\$ 4,880,134</u> | <u>\$ 314,583</u> | <u>\$ 2,264,509</u> | <u>\$ 96,135</u> |

SPECIAL REVENUE FUNDS

| Roadway | Tree Propagation | Air Quality Mitigation | Community Development Block Grant/HOME | Housing Authority Section 8 | Affordable Housing |
|--------------|---------------------|---------------------------|---|-----------------------------------|-----------------------|
| | \$ 24,145 | \$ 46,041 | | | |
| \$ 3,788 | | | \$ 973,068 | \$ 4,587,108 | |
| 51,238 | 20,232 | 3,601 | 20,710 | | \$ 103,819 |
| | | | 523,942 | 136,345 | 216,414 |
| | | | 1,517,720 | 4,723,453 | 509,464 |
| 55,026 | 44,377 | 49,642 | 1,517,720 | 4,723,453 | 829,697 |
| | | | 1,392,578 | 538,627 | 192,916 |
| 9,258 | | | | | |
| | 170,982 | | | 4,077,451 | |
| 2,663,730 | | | 124,001 | | |
| 2,672,988 | 170,982 | | 1,516,579 | 4,616,078 | 192,916 |
| (2,617,962) | (126,605) | 49,642 | 1,141 | 107,375 | 636,781 |
| 1,976,662 | | | 12,500 | | |
| (1,667,214) | (5,751) | (170) | (234,161) | | (2,017) |
| 309,448 | (5,751) | (170) | (221,661) | | (2,017) |
| (2,308,514) | (132,356) | 49,472 | (220,520) | 107,375 | 634,764 |
| 4,222,780 | 1,867,205 | 322,350 | 386,120 | 403,419 | 4,862,667 |
| \$ 1,914,266 | \$ 1,734,849 | \$ 371,822 | \$ 165,600 | \$ 510,794 | \$ 5,497,431 |

(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, 2016**

| | SPECIAL REVENUE FUNDS | | | |
|--|------------------------------------|-----------------------|--|--------------------------|
| | Low/Mod Income Housing Asset | Miscellaneous Fire | Miscellaneous General Government | Miscellaneous Library |
| Taxes | | | | |
| Charges for services | \$ 11,000 | | | |
| Subventions and grants | | | | |
| Use of money and property | 11,709 | \$ 305 | \$ 8,907 | \$ 2,807 |
| Fines, forfeitures and penalties | | 3,740 | | |
| Contributions from developers and others | | | | |
| Miscellaneous revenues | 282,032 | 20 | 227,399 | |
| Total Revenues | 304,741 | 4,065 | 236,306 | 2,807 |
| Current: | | | | |
| General government | | | 106,297 | |
| Development and operations | 30,470 | | | |
| Public works | | | | |
| Public safety: | | | | |
| Police | | | | |
| Fire | | 4,775 | | |
| Library | | | | 10,000 |
| Parks and recreation | | | | |
| Housing assistance payments | | | | |
| Capital outlay | | | | |
| Debt service: | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | | | | |
| Total Expenditures | 30,470 | 4,775 | 106,297 | 10,000 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 274,271 | (710) | 130,009 | (7,193) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Debt issued | | | | |
| Premium on debt issued | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Total Other Financing Sources (Uses) | | | | |
| Net change in fund balance | 274,271 | (710) | 130,009 | (7,193) |
| Fund Balances (Deficit) at the Beginning of Period | 1,471,443 | 28,179 | 804,809 | 256,161 |
| Fund balances at the end of the year | \$ 1,745,714 | \$ 27,469 | \$ 934,818 | \$ 248,968 |

| SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUND | CAPITAL PROJECTS FUNDS | |
|-----------------------|--------------------|---|-----------------------------|-------------------------------------|--------------------|
| Miscellaneous Police | Miscellaneous Park | Roseville Community Development Corporation | Roseville Finance Authority | South Placer Animal Control Shelter | Traffic Mitigation |
| | \$ 45,720 | | | \$ 42,170 | \$ 4,595,615 |
| \$ 4,188 | 5,041 | \$ 195,000 | \$ 75,757 | 1,898 | 245,055 |
| | | 149,280 | | | 264,466 |
| | | | | | 1,095,597 |
| 42,522 | 36,821 | 10,883 | | | 1,719 |
| 46,710 | 87,582 | 355,163 | 75,757 | 44,068 | 6,202,452 |
| | | 367,127 | | | |
| 20,335 | | | | | 8 |
| | | 243,876 | | | 3,292,297 |
| | | 15,139 | 814,674 | | |
| | | 15,607 | 494,983 | | |
| 20,335 | | 641,749 | 1,309,657 | | 3,292,305 |
| 26,375 | 87,582 | (286,586) | (1,233,900) | 44,068 | 2,910,147 |
| | | | 14,425,000 | | |
| | | | 862,056 | | |
| | | | 1,022,601 | | 1,188,954 |
| | (15,457) | | (14,393,980) | (892,752) | (198,575) |
| | (15,457) | | 1,915,677 | (892,752) | 990,379 |
| 26,375 | 72,125 | (286,586) | 681,777 | (848,684) | 3,900,526 |
| 315,081 | 436,391 | 170,551 | 146,057 | 878,337 | 22,617,950 |
| \$ 341,456 | \$ 508,516 | \$ (116,035) | \$ 827,834 | \$ 29,653 | \$ 26,518,476 |

(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, 2016**

| | CAPITAL PROJECTS FUNDS | | | |
|--|------------------------|----------------------|----------------------------------|---|
| | Public Facilities | Park Development | Pleasant Grove Drain Basin | Community Facilities District Projects |
| Taxes | | | | |
| Charges for services | \$ 2,275,985 | \$ 4,314,787 | \$ 389,969 | |
| Subventions and grants | | | | |
| Use of money and property | 154,559 | 330,897 | 152,069 | \$ 42,620 |
| Fines, forfeitures and penalties | | | | |
| Contributions from developers and others | | | | 2,671,210 |
| Miscellaneous revenues | <u>502,869</u> | <u>5,100</u> | <u> </u> | <u>19,900,000</u> |
| Total Revenues | <u>2,933,413</u> | <u>4,650,784</u> | <u>542,038</u> | <u>22,613,830</u> |
| Current: | | | | |
| General government | | | | |
| Development and operations | | | | |
| Public works | | | | |
| Public safety: | | | | |
| Police | | | | |
| Fire | | | | |
| Library | | | | |
| Parks and recreation | | 3,500 | | |
| Housing assistance payments | | | | |
| Capital outlay | 15,094,766 | 3,402,644 | 5,828 | 2,568,024 |
| Debt service: | | | | |
| Principal retirement | | | | |
| Interest and fiscal charges | <u>47,163</u> | <u> </u> | <u> </u> | <u>140,382</u> |
| Total Expenditures | <u>15,141,929</u> | <u>3,406,144</u> | <u>5,828</u> | <u>2,708,406</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(12,208,516)</u> | <u>1,244,640</u> | <u>536,210</u> | <u>19,905,424</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Debt issued | | | | |
| Premium on debt issued | | | | |
| Transfers in | 14,524,494 | 1,119,726 | 319 | |
| Transfers out | <u>(365,031)</u> | <u>(80,108)</u> | <u>(7,163)</u> | <u>(3,100,350)</u> |
| Total Other Financing Sources (Uses) | <u>14,159,463</u> | <u>1,039,618</u> | <u>(6,844)</u> | <u>(3,100,350)</u> |
| Net change in fund balance | 1,950,947 | 2,284,258 | 529,366 | 16,805,074 |
| Fund Balances (Deficit) at the Beginning of Period | <u>12,648,861</u> | <u>30,014,557</u> | <u>9,157,640</u> | <u>1,771,964</u> |
| Fund balances at the end of the year | <u>\$ 14,599,808</u> | <u>\$ 32,298,815</u> | <u>\$ 9,687,006</u> | <u>\$ 18,577,038</u> |

| CAPITAL PROJECTS FUNDS | | PERMANENT FUNDS | | |
|------------------------|---|-------------------|--|------------------------------------|
| Building | General Capital Improvement Projects Rehabilitation | Citizens' Benefit | Roseville Aquatics Complex Maintenance | Total Non-Major Governmental Funds |
| | | | | \$ 9,661,058 |
| | | | | 12,166,312 |
| | | | | 9,828,692 |
| \$ 15,802 | \$ 127,118 | \$ 764,313 | \$ 597 | 2,581,569 |
| | | | | 314,258 |
| | | | | 4,033,905 |
| | 150 | 11,653 | | 22,248,186 |
| 15,802 | 127,268 | 775,966 | 597 | 60,833,980 |
| | 148,919 | 252,639 | | 527,095 |
| | 40,876 | | | 3,128,468 |
| | | | | 119,042 |
| | | | | 20,335 |
| | | | | 4,775 |
| | | | | 10,000 |
| | | | | 6,209,913 |
| 82,913 | 2,206,599 | | | 4,077,451 |
| | | | | 33,942,762 |
| | | | | 829,813 |
| | | | | 720,484 |
| 82,913 | 2,396,394 | 252,639 | | 49,590,138 |
| (67,111) | (2,269,126) | 523,327 | 597 | 11,243,842 |
| | | | | 14,425,000 |
| | | | | 862,056 |
| 82,913 | 1,607,099 | | | 23,429,240 |
| (1,654,774) | (295,823) | | | (26,948,638) |
| (1,571,861) | 1,311,276 | | | 11,767,658 |
| (1,638,972) | (957,850) | 523,327 | 597 | 23,011,500 |
| 1,829,249 | 11,483,003 | 17,469,847 | 24,749 | 153,381,582 |
| \$ 190,277 | \$ 10,525,153 | \$ 17,993,174 | \$ 25,346 | \$ 176,393,082 |

**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, 2016**

| | LANDSCAPE AND LIGHTING SERVICE DISTRICTS | | | STATE GASOLINE TAX | | |
|--|---|----------------------|------------------------------------|--------------------|----------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Taxes | \$ 9,438,464 | \$ 8,540,005 | \$ (898,459) | | | |
| Charges for services | | | | | | |
| Subventions and grants | | | | \$ 3,927,622 | \$ 3,717,989 | \$ (209,633) |
| Use of money and property | 42,398 | 84,436 | 42,038 | 25,043 | 74,677 | 49,634 |
| Fines, forfeitures and penalties | | | | | | |
| Contributions from developers and others | | | | | | |
| Miscellaneous revenues | | | | | | |
| Total Revenues | <u>9,480,862</u> | <u>8,624,441</u> | <u>(856,421)</u> | <u>3,952,665</u> | <u>3,792,666</u> | <u>(159,999)</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Operating services and supplies | | | | | | |
| Planning | | | | | | |
| Home Improvement | | | | | | |
| Main Library - Library Fund | | | | | | |
| Highway Users Tax Operations | | | | 10,000 | 3,879 | 6,121 |
| Parks and Recreation | | | | | | |
| Olympus Pointe Lld Zone A | 198,327 | 194,822 | 3,505 | | | |
| Olympus Pointe Lld Zone D | 56,070 | 44,832 | 11,238 | | | |
| Nwrlld Zone A | 445,407 | 428,605 | 16,802 | | | |
| Nwrlld Zone B | 19,369 | 19,141 | 228 | | | |
| Johnson Ranch Lld Zone A | 4,265 | 4,262 | 3 | | | |
| Johnson Ranch Lld Zone B | 1,811 | 1,810 | 1 | | | |
| Johnson Ranch Lld Zone C | 2,233 | 2,232 | 1 | | | |
| Johnson Ranch Lld Zone D | 301 | 301 | - | | | |
| Johnson Ranch Lld Zone E | 2,924 | 2,923 | 1 | | | |
| Ncrlld Zone A | 410,633 | 377,060 | 33,573 | | | |
| Ncrlld Zone B | 132,128 | 121,157 | 10,971 | | | |
| Ncrlld Zone F | 24,207 | 15,443 | 8,764 | | | |
| Ncrlld Zone G | 15,616 | 13,784 | 1,832 | | | |
| Infill Lld Zone A | 13,587 | 9,187 | 4,400 | | | |
| Infill Lld Zone B | 16,821 | 8,454 | 8,367 | | | |
| Infill Lld Zone C | 15,589 | 5,964 | 9,625 | | | |
| Nrcfd 2 Sd Zone A | 58,436 | 38,695 | 19,741 | | | |
| Nrcfd 2 Sd Zone B | 84,304 | 62,287 | 22,017 | | | |
| Nrcfd 2 Sd Zone C | 189,993 | 135,682 | 54,311 | | | |
| Nrcfd 2 Sd Zone E | 12,140 | 9,950 | 2,190 | | | |
| Historic District Lld | 51,101 | 32,181 | 18,920 | | | |
| Riverside District Lld | 30,480 | 20,801 | 9,679 | | | |
| Stone Point Cfd #4 (Sd) | 21,089 | 9,250 | 11,839 | | | |
| Infill Cfd4-Wdcrk Oaks Preser | 12,040 | 11,665 | 375 | | | |
| Westbrook SRV Dist CFDA | 27,825 | 22,341 | 5,484 | | | |
| NWRSP-Landscaping and Lighting District | 250,000 | 173,050 | 76,950 | | | |
| Stoneridge Cfd #1 Srv Dist | 489,014 | 404,428 | 84,586 | | | |
| Stoneridge Parcel 1 Cfd #2 Sd | 25,145 | 23,225 | 1,920 | | | |
| Woodcrk West - Services District | 314,976 | 285,749 | 29,227 | | | |
| Crocker Ranch Services District | 277,335 | 221,348 | 55,987 | | | |
| Highland Res north Srv Dist | 610,775 | 540,034 | 70,741 | | | |
| Vernon St Lighting/Landscape | 41,387 | 27,430 | 13,957 | | | |
| Woodcreek East Services Dist | 125,079 | 122,120 | 2,959 | | | |
| Stone Point Cfd #2 Srv Dist | 40,880 | 37,406 | 3,474 | | | |
| Westpark Cfd #2 Services Dist | 740,676 | 701,717 | 38,959 | | | |
| Fiddymnt Ranch Cfd #2 Sd | 710,108 | 643,443 | 66,665 | | | |
| Municipal Services Cfd #3 | 35,184 | 33,651 | 1,533 | | | |
| Longmeadow Cfd #2 Sd | 97,039 | 90,638 | 6,401 | | | |
| Infill Services Cfd | 32,215 | 26,545 | 5,670 | | | |
| Debt Service: | | | | | | |
| Principal retirement | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>5,636,509</u> | <u>4,923,613</u> | <u>712,896</u> | <u>10,000</u> | <u>3,879</u> | <u>6,121</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>3,844,353</u> | <u>3,700,828</u> | <u>(143,525)</u> | <u>3,942,665</u> | <u>3,788,787</u> | <u>(153,878)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | | | | 188,343 | | (188,343) |
| Transfers out | (3,398,382) | (3,398,382) | | (720,377) | (241,617) | 478,760 |
| Total Other Financing Sources (Uses) | <u>(3,398,382)</u> | <u>(3,398,382)</u> | | <u>(532,034)</u> | <u>(241,617)</u> | <u>290,417</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 445,971</u> | <u>302,446</u> | <u>\$ (143,525)</u> | <u>3,410,631</u> | <u>3,547,170</u> | <u>\$ 136,539</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Extraordinary item | | | | | | |
| Capital Outlay | | | | | (3,275,530) | |
| Fund balance (deficit) at beginning of year | | 10,311,148 | | | 11,004,873 | |
| Fund balance at end of year | | <u>\$ 10,613,594</u> | | | <u>\$ 11,276,513</u> | |

| HOME IMPROVEMENT | | | CALIFORNIA LIBRARY SERVICES | | | TRAFFIC SAFETY | | |
|--------------------|------------------|------------------------------------|-----------------------------|----------------|------------------------------------|------------------|-------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 391 | \$ 880 | \$ 489 | \$ 1,097 | \$ 17 | \$ (1,080) | \$ 283,000 | \$ 310,418 | \$ 27,418 |
| <u>391</u> | <u>880</u> | <u>489</u> | <u>1,097</u> | <u>17</u> | <u>(1,080)</u> | <u>283,000</u> | <u>310,418</u> | <u>27,418</u> |
| 45,000 | 13,205 | 31,795 | | | | | | |
| <u>45,000</u> | <u>13,205</u> | <u>31,795</u> | <u>1,097</u> | <u>17</u> | <u>(1,080)</u> | <u>283,000</u> | <u>310,418</u> | <u>27,418</u> |
| <u>(44,609)</u> | <u>(12,325)</u> | <u>32,284</u> | | | | | | |
| (51) | (51) | | (4,760) | (4,760) | | (195,000) | (195,000) | |
| <u>(51)</u> | <u>(51)</u> | | <u>(4,760)</u> | <u>(4,760)</u> | | <u>(195,000)</u> | <u>(195,000)</u> | |
| <u>\$ (44,660)</u> | <u>(12,376)</u> | <u>\$ 32,284</u> | <u>\$ (3,663)</u> | <u>(4,743)</u> | <u>\$ (1,080)</u> | <u>\$ 88,000</u> | <u>115,418</u> | <u>\$ 27,418</u> |
| | <u>111,175</u> | | | <u>4,743</u> | | | | |
| | <u>\$ 98,799</u> | | | <u>\$ -</u> | | | <u>\$ 115,418</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, 2016**

| | TRENCH RECOVERY | | | LAW ENFORCEMENT BLOCK GRANTS | | |
|--|-----------------|-------------------|------------------------------------|------------------------------|-------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Taxes | | | | | | |
| Charges for services | \$ 2,000 | \$ (8,430) | \$ (10,430) | | | |
| Subventions and grants | | | | \$ 100,000 | \$ 106,684 | \$ 6,684 |
| Use of money and property | 521 | 1,645 | 1,124 | 1,103 | 5,174 | 4,071 |
| Fines, forfeitures and penalties | | | | | | |
| Miscellaneous revenues | | | | | | |
| Total Revenues | <u>2,521</u> | <u>(6,785)</u> | <u>(9,306)</u> | <u>101,103</u> | <u>111,858</u> | <u>10,755</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Development and operations | | | | | | |
| Public works | | | | | | |
| Salaries and benefits | | | | | | |
| Parks and recreation | | | | | | |
| Utility Exploration Center | | | | | | |
| Operating services and supplies | | | | | | |
| Parks and recreation | | | | | | |
| Native Tree Projects | | | | | | |
| Non-Native Tree Projects | | | | | | |
| Bike trail maintenance | | | | | | |
| Capital outlay | | | | | | |
| Debt Service: | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>2,521</u> | <u>(6,785)</u> | <u>(9,306)</u> | <u>101,103</u> | <u>111,858</u> | <u>10,755</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | | | | | | |
| Transfers out | (84) | (84) | | (100,207) | (100,207) | |
| Total Other Financing Sources (Uses) | <u>(84)</u> | <u>(84)</u> | | <u>(100,207)</u> | <u>(100,207)</u> | |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,437</u> | <u>(6,869)</u> | <u>\$ (9,306)</u> | <u>\$ 896</u> | <u>11,651</u> | <u>\$ 10,755</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | | | | | |
| Fund balance (deficit) at beginning of year | | <u>153,357</u> | | | <u>238,019</u> | |
| Fund balance at end of year | | <u>\$ 146,488</u> | | | <u>\$ 249,670</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 | \$ 1,121,053 | \$ 371,053 | \$ 17,950 | \$ 25,797 | \$ 7,847 | | \$ 24,145 | \$ 24,145 |
| 20,063 | 54,052 | 33,989 | 3,696 | 4,515 | 819 | \$ 12,014 | 20,232 | 8,218 |
| | | | 11,500 | 15,975 | 4,475 | | | |
| <u>770,063</u> | <u>1,175,105</u> | <u>405,042</u> | <u>33,146</u> | <u>46,287</u> | <u>13,141</u> | <u>12,014</u> | <u>44,377</u> | <u>32,363</u> |
| | | | 681,515 | 563,196 | 118,319 | | | |
| | | | | | | 282,081 | 113,681 | 168,400 |
| | | | | | | 143,001 | 57,301 | 85,700 |
| 5,774 | 6,245 | (471) | | | | | | |
| <u>5,774</u> | <u>6,245</u> | <u>(471)</u> | <u>681,515</u> | <u>563,196</u> | <u>118,319</u> | <u>425,082</u> | <u>170,982</u> | <u>254,100</u> |
| 764,289 | 1,168,860 | 404,571 | (648,369) | (516,909) | 131,460 | (413,068) | (126,605) | 286,463 |
| (1,145,433) | (4,365) | 1,141,068 | 610,729 | 610,729 | | (5,751) | (5,751) | |
| <u>(1,145,433)</u> | <u>(4,365)</u> | <u>1,141,068</u> | <u>(53,331)</u> | <u>(55,390)</u> | <u>(2,059)</u> | <u>(5,751)</u> | <u>(5,751)</u> | |
| | | | 557,398 | 555,339 | (2,059) | (5,751) | (5,751) | |
| <u>\$ (381,144)</u> | 1,164,495 | <u>\$ 1,545,639</u> | <u>\$ (90,971)</u> | 38,430 | <u>\$ 129,401</u> | <u>\$ (418,819)</u> | (132,356) | <u>\$ 286,463</u> |
| | (943,161) | | | (39,393) | | | | |
| | <u>4,658,800</u> | | | <u>97,098</u> | | | <u>1,867,205</u> | |
| | <u>\$ 4,880,134</u> | | | <u>\$ 96,135</u> | | | <u>\$ 1,734,849</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, 2016**

| | AIR QUALITY MITIGATION | | | COMMUNITY DEVELOPMENT BLOCK GRANT / HOME | | |
|--|------------------------|-------------------|------------------------------------|---|-------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Charges for services | \$ 60,000 | \$ 46,041 | \$ (13,959) | | | |
| Subventions and grants | | | | \$ 1,909,601 | \$ 973,068 | \$ (936,533) |
| Use of money and property | 1,717 | 3,601 | 1,884 | 6,210 | 20,710 | 14,500 |
| Fines, forfeitures and penalties | | | | | | |
| Contributions from developers | | | | | | |
| Miscellaneous revenues | | | | | | |
| Total Revenues | <u>61,717</u> | <u>49,642</u> | <u>(12,075)</u> | <u>567,000</u> | <u>523,942</u> | <u>(43,058)</u> |
| | | | | <u>2,482,811</u> | <u>1,517,720</u> | <u>(965,091)</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Salaries and benefits | | | | | | |
| Planning | | | | | | |
| CDBG | | | | 118,694 | 90,397 | 28,297 |
| Housing Authority | | | | | | |
| Operating services and supplies | | | | | | |
| Planning | | | | | | |
| Rehabilitation Account | | | | 300,000 | 2,828 | 297,172 |
| CDBG | | | | 828,373 | 634,914 | 193,459 |
| Home Program | | | | 698,104 | 452,734 | 245,370 |
| Cal/Home | | | | | | |
| Begin Program | | | | 240,000 | 211,705 | 28,295 |
| Affordable Housing | | | | | | |
| Housing Authority | | | | | | |
| Public Safety: | | | | | | |
| Fire | | | | | | |
| Buckle Up Baby Fund | | | | | | |
| Housing assistance payments | | | | | | |
| Total Expenditures | | | | <u>2,185,171</u> | <u>1,392,578</u> | <u>792,593</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>61,717</u> | <u>49,642</u> | <u>(12,075)</u> | <u>297,640</u> | <u>125,142</u> | <u>(172,498)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from the sale of property | | | | | | |
| Transfers in | | | | 16,500 | 12,500 | (4,000) |
| Transfers out | (170) | (170) | | (275,773) | (234,161) | 41,612 |
| Total Other Financing Sources (Uses) | <u>(170)</u> | <u>(170)</u> | <u>-</u> | <u>(259,273)</u> | <u>(221,661)</u> | <u>37,612</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 61,547</u> | <u>49,472</u> | <u>\$ (12,075)</u> | <u>\$ 38,367</u> | <u>(96,519)</u> | <u>\$ (134,886)</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | | | | (124,001) | |
| Fund balance (deficit) at beginning of year | | <u>322,350</u> | | | <u>386,120</u> | |
| Fund balance at end of year | | <u>\$ 371,822</u> | | | <u>\$ 165,600</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 | \$ 4,587,108 | \$ 63,144 (109) | \$ 39,000 | \$ 103,819 | \$ 64,819 | \$ 161 9,000 | \$ 305 3,740 | \$ 144 (5,260) |
| 39,600 | 136,345 | 96,745 | 330,000 | 216,414 | (113,586) | 500 | 20 | (480) |
| 4,563,673 | 4,723,453 | 159,780 | 369,000 | 829,697 | 460,697 | 9,661 | 4,065 | (5,596) |
| 505,573 | 538,627 | (33,054) | | | | | | |
| 41,233 | | 41,233 | 312,898 | 192,916 | 119,982 | | | |
| 4,144,388 | 4,077,451 | 66,937 | | | | 9,500 | 4,775 | 4,725 |
| 4,691,194 | 4,616,078 | 75,116 | 312,898 | 192,916 | 119,982 | 9,500 | 4,775 | 4,725 |
| (127,521) | 107,375 | 234,896 | 56,102 | 636,781 | 580,679 | 161 | (710) | (871) |
| | | | (2,017) | (2,017) | | | | |
| | | | (2,017) | (2,017) | | | | |
| \$ (127,521) | 107,375 | \$ 234,896 | \$ 54,085 | 634,764 | \$ 580,679 | \$ 161 | (710) | \$ (871) |
| | 403,419 | | | 4,862,667 | | | 28,179 | |
| | \$ 510,794 | | | \$ 5,497,431 | | | \$ 27,469 | |

(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, 2016**

| | MISCELLANEOUS GENERAL GOVERNMENT | | | MISCELLANEOUS LIBRARY | | |
|--|----------------------------------|-------------------|------------------------------------|-----------------------|-------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Charges for services | | | | | | |
| Subventions and grants | | | | | | |
| Use of money and property | \$ 3,917 | \$ 8,907 | \$ 4,990 | \$ 1,583 | \$ 2,807 | \$ 1,224 |
| Fines, forfeitures and penalties | | | | | | |
| Miscellaneous revenues | 174,845 | 227,399 | 52,554 | | | |
| Total Revenues | <u>178,762</u> | <u>236,306</u> | <u>57,544</u> | <u>1,583</u> | <u>2,807</u> | <u>1,224</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Salaries and benefits | | | | | | |
| Public works | | | | | | |
| Storm Water Management Program | | | | | | |
| Operating services and supplies | | | | | | |
| General government | | | | | | |
| Cable TV Peg Funds | 249,457 | 106,297 | 143,160 | | | |
| Public works | | | | | | |
| Storm Water Management Program | | | | | | |
| Public safety: | | | | | | |
| Police | | | | | | |
| Forfeited property | | | | | | |
| Police evidence funds | | | | | | |
| Library | | | | | | |
| Harrigan Trust-Adult Literacy | | | | 30,000 | 10,000 | 20,000 |
| Total Expenditures | <u>249,457</u> | <u>106,297</u> | <u>143,160</u> | <u>30,000</u> | <u>10,000</u> | <u>20,000</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(70,695)</u> | <u>130,009</u> | <u>200,704</u> | <u>(28,417)</u> | <u>(7,193)</u> | <u>21,224</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | | | | | | |
| Transfers out | | | | | | |
| Total Other Financing Sources (Uses) | | | | | | |
| NET CHANGE IN FUND BALANCE | <u>\$ (70,695)</u> | <u>130,009</u> | <u>\$ 200,704</u> | <u>\$ (28,417)</u> | <u>(7,193)</u> | <u>\$ 21,224</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | | | | | |
| Fund balance (deficit) at beginning of year | | <u>804,809</u> | | | <u>256,161</u> | |
| Fund balance at end of year | | <u>\$ 934,818</u> | | | <u>\$ 248,968</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, 2016**

| | TRAFFIC SIGNAL COORDINATION | | | BIKE TRAIL OPEN SPACE MAINTENANCE | | |
|--|-----------------------------|---------------------|------------------------------------|-----------------------------------|-------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Charges for services | | | | | | |
| Subventions and grants | | | | | | |
| Use of money and property | \$ 13,172 | \$ 24,386 | \$ 11,214 | \$ 4,614 | \$ 9,803 | \$ 5,189 |
| Contributions from developers | 30,000 | 50,684 | 20,684 | | | |
| Miscellaneous revenues | | | | | 33,973 | 33,973 |
| Total Revenues | <u>43,172</u> | <u>75,070</u> | <u>31,898</u> | <u>4,614</u> | <u>43,776</u> | <u>39,162</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Operating services and supplies | | | | | | |
| Development and operations | | | | | | |
| Low & Moderate Income Housing Successor Agency | | | | | | |
| Planning | | | | | | |
| Roseville Community Development Corporation | | | | | | |
| Parks and Recreation | | | | | | |
| Facilities Rehab Project | 50,000 | 26,879 | 23,121 | | | |
| Bike Trail Maintenance | | | | 780,433 | 548,622 | 231,811 |
| Debt Service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>50,000</u> | <u>26,879</u> | <u>23,121</u> | <u>780,433</u> | <u>548,622</u> | <u>231,811</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(6,828)</u> | <u>48,191</u> | <u>55,019</u> | <u>(775,819)</u> | <u>(504,846)</u> | <u>270,973</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from the sale of property | | | | | | |
| Transfers in | | | | 613,994 | 586,779 | (27,215) |
| Transfers out | (1,726) | (1,726) | | (12,043) | (8,085) | 3,958 |
| Total Other Financing Sources (Uses) | <u>(1,726)</u> | <u>(1,726)</u> | <u>-</u> | <u>601,951</u> | <u>578,694</u> | <u>(23,257)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (8,554)</u> | <u>46,465</u> | <u>\$ 55,019</u> | <u>\$ (173,868)</u> | <u>73,848</u> | <u>\$ 247,716</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | | | | | |
| Fund balance (deficit) at beginning of year | | <u>2,218,044</u> | | | <u>856,455</u> | |
| Fund balance at end of year | | <u>\$ 2,264,509</u> | | | <u>\$ 930,303</u> | |

| ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION | | | HOUSING SUCCESSOR FUND/ LOW/MOD INCOME HOUSING ASSET | | | TECHNOLOGY REPLACEMENT | | |
|--|--------------|------------------------------------|---|--------------|------------------------------------|------------------------|------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 200,000 | \$ 195,000 | \$ (5,000) | | \$ 11,000 | \$ 11,000 | \$ 200,000 | \$ 399,104 | \$ 199,104 |
| 767,672 | 149,280 | (618,392) | \$ 6,570 | 11,709 | 5,139 | 671 | 2,416 | 1,745 |
| 1,200 | 10,883 | 9,683 | 58,800 | 282,032 | 223,232 | | 70 | 70 |
| 968,872 | 355,163 | (613,709) | 65,370 | 304,741 | 239,371 | 200,671 | 401,590 | 200,919 |
| | | | | | | 54,075 | 19,240 | 34,835 |
| 901,678 | 367,127 | 534,551 | 72,249 | 30,470 | 41,779 | | | |
| 122,934 | 15,139 | 107,795 | | | | | | |
| 136,486 | 15,607 | 120,879 | | | | | 8,235 | (8,235) |
| 1,161,098 | 397,873 | 763,225 | 72,249 | 30,470 | 41,779 | 54,075 | 27,475 | 26,600 |
| (192,226) | (42,710) | 149,516 | (6,879) | 274,271 | 281,150 | 146,596 | 374,115 | 227,519 |
| | | | 464,114 | | (464,114) | 84,400 | 19,170 | (65,230) |
| | | | 464,114 | | (464,114) | (100,000) | | 100,000 |
| \$ (192,226) | (42,710) | \$ 149,516 | \$ 457,235 | 274,271 | \$ (182,964) | \$ 130,996 | 393,285 | \$ 262,289 |
| | (243,876) | | | | | | | |
| | 170,551 | | | 1,471,443 | | | (150,757) | |
| | \$ (116,035) | | | \$ 1,745,714 | | | \$ 242,528 | |

(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, 2016**

| | ROADWAY | | | ROSEVILLE FINANCE AUTHORITY | | |
|--|----------------------|---------------------|------------------------------------|-----------------------------|---------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Subventions and grants | \$ 7,223,290 | \$ 3,788 | \$ (7,219,502) | | | |
| Use of money and property | 16,109 | 51,238 | 35,129 | \$ 10,587,210 | \$ 75,757 | \$ (10,511,453) |
| Miscellaneous revenues | | | | | 15,287,056 | 15,287,056 |
| Total Revenues | <u>7,239,399</u> | <u>55,026</u> | <u>(7,184,373)</u> | <u>10,587,210</u> | <u>15,362,813</u> | <u>4,775,603</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Roadway operations | 10,000 | 9,258 | 742 | | | |
| Operating services and supplies | | | | | | |
| General government | | | | | | |
| Citizens benefits | | | | | | |
| Debt Service: | | | | | | |
| Principal retirement | | | | 814,675 | 814,674 | |
| Interest and fiscal charges | | | | 497,780 | 494,983 | 2,797 |
| Total Expenditures | <u>10,000</u> | <u>9,258</u> | <u>742</u> | <u>1,312,455</u> | <u>1,309,657</u> | <u>2,796</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>7,229,399</u> | <u>45,768</u> | <u>(7,183,631)</u> | <u>9,274,755</u> | <u>14,053,156</u> | <u>4,778,399</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | 5,796,270 | 1,976,662 | (3,819,608) | | 1,022,601 | 1,022,601 |
| Transfers out | (2,308,222) | (1,667,214) | 641,008 | (9,561,855) | (14,393,980) | (4,832,125) |
| Total Other Financing Sources (Uses) | <u>3,488,048</u> | <u>309,448</u> | <u>(3,178,600)</u> | <u>(9,561,855)</u> | <u>(13,371,379)</u> | <u>(3,809,524)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 10,717,447</u> | <u>355,216</u> | <u>\$ (10,362,231)</u> | <u>\$ (287,100)</u> | <u>681,777</u> | <u>\$ 968,875</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | (2,663,730) | | | | |
| Fund balance (deficit) at beginning of year | | <u>4,222,780</u> | | | <u>146,057</u> | |
| Fund balance at end of year | | <u>\$ 1,914,266</u> | | | <u>\$ 827,834</u> | |

| CITIZENS BENEFIT | | | ROSEVILLE AQUATICS COMPLEX MAINTENANCE | | |
|--------------------|----------------------|------------------------------------|---|------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 230,000 | \$ 764,313 | \$ 534,313 | | \$ 597 | \$ 597 |
| | 11,653 | 11,653 | | | |
| <u>230,000</u> | <u>775,966</u> | <u>545,966</u> | | <u>597</u> | <u>597</u> |
| 271,111 | 252,639 | 18,472 | | | |
| <u>271,111</u> | <u>252,639</u> | <u>18,472</u> | | | |
| <u>(41,111)</u> | <u>523,327</u> | <u>564,438</u> | | <u>597</u> | <u>597</u> |
| | | | | | |
| <u>\$ (41,111)</u> | <u>523,327</u> | <u>\$ 564,438</u> | <u>\$ -</u> | <u>597</u> | <u>\$ 597</u> |
| | <u>17,469,847</u> | | | <u>24,749</u> | |
| | <u>\$ 17,993,174</u> | | | <u>\$ 25,346</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, 2016**

| | SOUTH PLACER ANIMAL CONTROL SHELTER | | | TRAFFIC MITIGATION | | |
|--|--|------------------|------------------------------------|----------------------|----------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Charges for services | \$ 140,000 | \$ 42,170 | \$ (97,830) | \$ 3,760,800 | \$ 4,595,615 | \$ 834,815 |
| Subventions and grants | | | | 5,480,367 | 245,055 | (5,235,312) |
| Use of money and property | 4,373 | 1,898 | (2,475) | 101,657 | 264,466 | 162,809 |
| Contributions from developers and others | | | | 663,686 | 1,095,597 | 431,911 |
| Miscellaneous revenues | | | | 30,000 | 1,719 | (28,281) |
| Total Revenues | 144,373 | 44,068 | (100,305) | 10,036,510 | 6,202,452 | (3,834,058) |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Development and operations | | | | | | |
| Public works | | | | | | |
| Traffic mitigation operations | | | | 10,000 | 8 | 9,992 |
| Special studies-roadway permits | | | | | | |
| Parks and recreation | | | | | | |
| Youth sports coalition | | | | | | |
| Reason farms revenues property management | | | | | | |
| Debt Service: | | | | | | |
| Principal retirement | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | | | 10,000 | 8 | 9,992 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 144,373 | 44,068 | (100,305) | 10,026,510 | 6,202,444 | (3,824,066) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfer In | | | | 1,308,444 | 1,188,954 | (119,490) |
| Transfers out | (988,785) | (892,752) | 96,033 | (260,511) | (198,575) | 61,936 |
| Total Other Financing Sources (Uses) | (988,785) | (892,752) | 96,033 | 1,047,933 | 990,379 | (57,554) |
| NET CHANGE IN FUND BALANCE | \$ (844,412) | (848,684) | \$ (4,272) | \$ 11,074,443 | 7,192,823 | \$ (3,881,620) |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | | | | (3,292,297) | |
| Fund balance (deficit) at beginning of year | | 878,337 | | | 22,617,950 | |
| Fund balance at end of year | | \$ 29,653 | | | \$ 26,518,476 | |

| PUBLIC FACILITIES | | | PARK DEVELOPMENT | | | PLEASANT GROVE DRAIN BASIN | | |
|-------------------|---------------|------------------------------------|------------------|--------------|------------------------------------|----------------------------|------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 2,057,272 | \$ 2,275,985 | \$ 218,713 | \$ 3,930,604 | \$ 4,314,787 | \$ 384,183 | \$ 350,000 | \$ 389,969 | \$ 39,969 |
| 54,962 | 154,559 | 99,597 | 175,000 | 330,897 | (175,000) | \$ - | \$ - | - |
| | 502,869 | 502,869 | 137,753 | 5,100 | 193,144 | 118,542 | 152,069 | 33,527 |
| | | | 30,000 | | (24,900) | | - | - |
| 2,112,234 | 2,933,413 | 821,179 | 4,273,357 | 4,650,784 | 377,427 | 468,542 | 542,038 | 73,496 |
| | | | 66,000 | 3,500 | 62,500 | | | |
| | 8,763 | (8,763) | | | | | | |
| | 8,763 | (8,763) | 66,000 | 3,500 | 62,500 | | | |
| 2,112,234 | 2,924,650 | 812,416 | 4,207,357 | 4,647,284 | 439,927 | 468,542 | 542,038 | 73,496 |
| 26,962,027 | 14,524,494 | (12,437,533) | 3,905,110 | 1,119,726 | (2,785,384) | 75,000 | 319 | (74,681) |
| (563,780) | (365,031) | 198,749 | (2,641,554) | (80,108) | 2,561,446 | (4,563) | (7,163) | (2,600) |
| 26,398,247 | 14,159,463 | (12,238,784) | 1,263,556 | 1,039,618 | (223,938) | 70,437 | (6,844) | (77,281) |
| \$ 28,510,481 | 17,084,113 | \$ (11,426,368) | \$ 5,470,913 | 5,686,902 | \$ 215,989 | \$ 538,979 | 535,194 | \$ (3,785) |
| | (15,094,766) | | | (3,402,644) | | | (5,828) | |
| | 12,648,861 | | | 30,014,557 | | | 9,157,640 | |
| | \$ 14,638,208 | | \$ 32,298,815 | | | \$ 9,687,006 | | |

(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, 2016**

| | COMMUNITY FACILITIES DISTRICT PROJECTS | | | BUILDING | | |
|--|---|----------------------|------------------------------------|-------------------|--------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Use of money and property | \$ 21,809 | \$ 42,620 | \$ 20,811 | \$ 11,026 | \$ 15,802 | \$ 4,776 |
| Contributions from developers and others | | 2,671,210 | 2,671,210 | | | - |
| Miscellaneous revenues | 19,900,000 | 19,900,000 | | 400,000 | | (400,000) |
| Total Revenues | <u>19,921,809</u> | <u>22,613,830</u> | <u>2,692,021</u> | <u>411,026</u> | <u>15,802</u> | <u>(395,224)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Development and operations | | | | | | |
| Public works | | | | | | |
| Parks and recreation | | | | | | |
| Debt Service: | | | | | | |
| Principal retirement | | | | | | |
| Interest and fiscal charges | 140,626 | 140,382 | 244 | | | |
| Total Expenditures | <u>140,626</u> | <u>140,382</u> | <u>244</u> | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>19,781,183</u> | <u>22,473,448</u> | <u>2,692,265</u> | <u>411,026</u> | <u>15,802</u> | <u>(395,224)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfer In | | | | 1,392,533 | 82,913 | (1,309,620) |
| Transfers out | (3,208,444) | (3,100,350) | 108,094 | (1,654,774) | (1,654,774) | |
| Total Other Financing Sources (Uses) | <u>(3,208,444)</u> | <u>(3,100,350)</u> | <u>108,094</u> | <u>(262,241)</u> | <u>(1,571,861)</u> | <u>(1,309,620)</u> |
| NET CHANGE IN FUND BALANCE | <u>16,572,739</u> | <u>19,373,098</u> | <u>2,800,359</u> | <u>\$ 148,785</u> | <u>(1,556,059)</u> | <u>\$ (1,704,844)</u> |
| Adjustment to Budgetary Basis: | | | | | | |
| Capital Outlay | | (2,568,024) | | | (82,913) | |
| Fund balance (deficit) at beginning of year | | <u>1,771,964</u> | | | <u>1,829,249</u> | |
| Fund balance at end of year | | <u>\$ 18,577,038</u> | | | <u>\$ 190,277</u> | |

GENERAL CAPITAL IMPROVEMENT
PROJECTS REHABILITATION

| Budget | Actual | Variance Positive (Negative) |
|---------------------|----------------------|------------------------------------|
| \$ 73,423 | \$ 127,118 | \$ 53,695 |
| | <u>150</u> | <u>150</u> |
| <u>73,423</u> | <u>127,268</u> | <u>53,845</u> |
| 840,346 | 148,919 | (691,427) |
| | 40,876 | 40,876 |
| <u>840,346</u> | <u>189,795</u> | <u>(650,551)</u> |
| <u>(766,923)</u> | <u>(62,527)</u> | <u>704,396</u> |
| 2,019,297 | 1,607,099 | (412,198) |
| <u>(2,051,678)</u> | <u>(295,823)</u> | <u>1,755,855</u> |
| <u>(32,381)</u> | <u>1,311,276</u> | <u>1,343,657</u> |
| <u>\$ (799,304)</u> | 1,248,749 | <u>\$ 2,048,053</u> |
| | (2,206,599) | |
| | <u>11,483,003</u> | |
| | <u>\$ 10,525,153</u> | |

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NON-MAJOR ENTERPRISE FUNDS

GOLF COURSE FUND

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

LOCAL TRANSPORTATION FUND

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

SCHOOL-AGE CHILD CARE FUND

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

CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

| | Enterprise Funds | | | Totals |
|--|-----------------------------|--------------------------------------|---------------------------------------|----------------------|
| | Non-Major Golf Course | Non-Major Local Transportation | Non-Major School-Age Child Care | |
| ASSETS: | | | | |
| Current Assets: | | | | |
| Cash and investments in City Treasury | \$ 17,226 | \$ 9,494,111 | \$ 572,978 | \$ 10,084,315 |
| Receivables: | | | | |
| Accounts, net of allowance for doubtful accounts | 212,399 | 35,972 | 320,270 | 568,641 |
| Accrued interest | 14,647 | 22,168 | 603 | 37,418 |
| Due from other government agencies | | 9,109,827 | 36,191 | 9,146,018 |
| Total Current Assets | <u>244,272</u> | <u>18,662,078</u> | <u>930,042</u> | <u>19,836,392</u> |
| Non-Current Assets: | | | | |
| Land and construction in progress | 6,007,666 | 3,940,940 | | 9,948,606 |
| Capital assets being depreciated, net | 7,868,437 | 12,127,066 | 2,122,576 | 22,118,079 |
| Total Non-Current Assets | <u>13,876,103</u> | <u>16,068,006</u> | <u>2,122,576</u> | <u>32,066,685</u> |
| Total Assets | <u>14,120,375</u> | <u>34,730,084</u> | <u>3,052,618</u> | <u>51,903,077</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Deferred outflows related to pensions | | 208,279 | 506,156 | 714,435 |
| Total Deferred outflows of resources | | <u>208,279</u> | <u>506,156</u> | <u>714,435</u> |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 19,095 | 143,195 | 49,264 | 211,554 |
| Accrued liabilities | 2,164,459 | 79,852 | 262,649 | 2,506,960 |
| Due to other funds | 158,369 | | 20,000 | 178,369 |
| Current portion of compensated absences | | 80,944 | 131,648 | 212,592 |
| Current portion of long-term debt | 414,990 | | | 414,990 |
| Deposits | | 75 | 13 | 88 |
| Unearned revenue | | 14,938,955 | 5,246 | 14,944,201 |
| Total Current Liabilities | <u>2,756,913</u> | <u>15,243,021</u> | <u>468,820</u> | <u>18,468,754</u> |
| Long-term liabilities: | | | | |
| Advances from other funds | 2,496,000 | | 505,000 | 3,001,000 |
| Long-term debt, non-current portion | 3,123,170 | | | 3,123,170 |
| Compensated absences | | 163,324 | 293,441 | 456,765 |
| Net pension liability | | 2,078,948 | 4,166,408 | 6,245,356 |
| Total Long-Term Liabilities | <u>5,619,170</u> | <u>2,242,272</u> | <u>4,964,849</u> | <u>12,826,291</u> |
| Total Liabilities | <u>8,376,083</u> | <u>17,485,293</u> | <u>5,433,669</u> | <u>31,295,045</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Deferred inflows related to pensions | | 131,308 | 182,691 | 313,999 |
| Total Deferred inflows of resources | | <u>131,308</u> | <u>182,691</u> | <u>313,999</u> |
| NET POSITION: | | | | |
| Net investment in Capital Assets | 10,337,943 | 16,068,006 | 2,122,576 | 28,528,525 |
| Restricted for local transportation | | 1,253,756 | | 1,253,756 |
| Unrestricted | (4,593,651) | | (4,180,162) | (8,773,813) |
| Total Net Position (deficit) | <u>\$ 5,744,292</u> | <u>\$ 17,321,762</u> | <u>\$ (2,057,586)</u> | <u>\$ 21,008,468</u> |

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

| | Business-Type Activities - Enterprise Funds | | | Totals |
|--|---|--------------------------------------|---------------------------------------|----------------------|
| | Non-Major Golf Course | Non-Major Local Transportation | Non-Major School-Age Child Care | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 2,216,692 | \$ 1,009,937 | \$ 5,254,948 | \$ 8,481,577 |
| Other | | 167,998 | 220,997 | 388,995 |
| Total Operating Revenues | <u>2,216,692</u> | <u>1,177,935</u> | <u>5,475,945</u> | <u>8,870,572</u> |
| OPERATING EXPENSES | | | | |
| Operations | 2,008,989 | 5,736,910 | 5,246,265 | 12,992,164 |
| Administration | | 626,586 | (27,832) | 598,754 |
| Depreciation and amortization | 390,236 | 1,639,560 | 69,686 | 2,099,482 |
| Total Operating Expenses | <u>2,399,225</u> | <u>8,003,056</u> | <u>5,288,119</u> | <u>15,690,400</u> |
| Operating Income (Loss) | <u>(182,533)</u> | <u>(6,825,121)</u> | <u>187,826</u> | <u>(6,819,828)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Interest and rents revenue | 15,375 | 122,295 | 4,751 | 142,421 |
| Interest and fiscal charges (expenses) | (104,172) | | (5,038) | (109,210) |
| Subventions and grants | | 4,309,522 | 270,004 | 4,579,526 |
| Gain (loss) from sale of property | | 6,160 | | 6,160 |
| Total Nonoperating Revenues (Expenses) | <u>(88,797)</u> | <u>4,437,977</u> | <u>269,717</u> | <u>4,618,897</u> |
| Income (Loss) Before Contributions and Transfers | <u>(271,330)</u> | <u>(2,387,144)</u> | <u>457,543</u> | <u>(2,200,931)</u> |
| Contributions | | 693 | | 693 |
| Transfer in | | 152,580 | | 152,580 |
| Transfer out | (148,058) | (508,578) | (364,160) | (1,020,796) |
| Change in net position | <u>(419,388)</u> | <u>(2,742,449)</u> | <u>93,383</u> | <u>(3,068,454)</u> |
| Total net position - beginning | <u>6,163,680</u> | <u>20,064,211</u> | <u>(2,150,969)</u> | <u>24,076,922</u> |
| Total net position - ending | <u>\$ 5,744,292</u> | <u>\$ 17,321,762</u> | <u>\$ (2,057,586)</u> | <u>\$ 21,008,468</u> |

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

| | Business-Type Activities - Enterprise Funds | | | Totals |
|---|---|--------------------------------------|---------------------------------------|----------------------|
| | Non-Major Golf Course | Non-Major Local Transportation | Non-Major School-Age Child Care | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 2,216,692 | \$ 10,072,938 | \$ 5,262,358 | \$ 17,551,988 |
| Payments to suppliers | (2,205,494) | (4,990,596) | (1,460,778) | (8,656,868) |
| Payments to employees | | (1,712,615) | (3,609,809) | (5,322,424) |
| Other receipts | | 167,998 | 220,997 | 388,995 |
| Net Cash provided by/(used for) Operating Activities | <u>11,198</u> | <u>3,537,725</u> | <u>412,768</u> | <u>3,961,691</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Subventions and grants | | 3,157,131 | 233,813 | 3,390,944 |
| Increase/decrease in due from other funds | (150) | (8,733,263) | | (8,733,413) |
| Increase/decrease in due to other funds | 31,369 | | (40,000) | (8,631) |
| Increase/decrease in advances from other funds | (127,000) | | (20,000) | (147,000) |
| Transfers in | | 152,580 | | 152,580 |
| Transfers out | (148,058) | (508,578) | (364,160) | (1,020,796) |
| Net cash provided by/(used for) Noncapital Financing Activities | <u>(243,839)</u> | <u>(5,932,130)</u> | <u>(190,347)</u> | <u>(6,366,316)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital contributions | | 693 | | 693 |
| Acquisition and construction of capital assets | (130,856) | (1,561,738) | | (1,692,594) |
| Principal payments on capital debt | (407,671) | | | (407,671) |
| Interest paid on capital debt | (104,172) | | (5,037) | (109,209) |
| Net cash provided by/(used for) Capital and Related Financing Activities | <u>(642,699)</u> | <u>(1,561,045)</u> | <u>(5,037)</u> | <u>(2,208,781)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and rents received | 28,045 | 122,025 | 4,149 | 154,219 |
| Net cash provided by/(used for) Investing Activities | <u>28,045</u> | <u>122,025</u> | <u>4,149</u> | <u>154,219</u> |
| Net increase (decrease) in cash and cash equivalents | (847,295) | (3,833,425) | 221,533 | (4,459,187) |
| Cash and investments at beginning of period | 864,521 | 13,327,536 | 351,445 | 14,543,502 |
| Cash and investments at end of period | <u>\$ 17,226</u> | <u>\$ 9,494,111</u> | <u>\$ 572,978</u> | <u>\$ 10,084,315</u> |
| Reconciliation of Operating Income (Loss) | | | | |
| to Net Cash provided by/(used for) Operating Activities: | | | | |
| Operating Income (Loss) | \$ (182,533) | \$ (6,825,121) | \$ 187,826 | \$ (6,819,828) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation and amortization | 390,236 | 1,639,560 | 69,686 | 2,099,482 |
| Retirement of capital assets | | | | |
| Change in Assets and Liabilities: | | | | |
| Receivables, Net | | 1,157 | 12,737 | 13,894 |
| Accounts payable and other liabilities | (196,505) | (291,610) | 260,993 | (227,122) |
| Net pension liability and related amounts | | (48,090) | (118,474) | (166,564) |
| Unearned revenue | | 9,061,829 | | 9,061,829 |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 11,198</u> | <u>\$ 3,537,725</u> | <u>\$ 412,768</u> | <u>\$ 3,961,691</u> |

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, 2016

| | Automotive Services | Automotive Replacement | Self Insurance Funds | |
|--|------------------------|---------------------------|--------------------------|----------------------|
| | | | Workers' Compensation | General Liability |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Investments in City Treasury | \$ 3,199 | \$ 27,839,987 | \$ 11,154,542 | \$ 4,063,777 |
| Receivables: | | | | |
| Accounts | | 190,844 | 198,157 | |
| Accrued interest | 2,721 | 2,300,360 | 27,810 | 10,481 |
| Due from other government agencies | 21,601 | 2,500 | | |
| Due from other funds | | 476,834 | | |
| Prepays | | 1,732,260 | | |
| Notes receivable | | 829,201 | | |
| Inventories | 734,291 | | | |
| Total Current Assets | <u>761,812</u> | <u>33,371,986</u> | <u>11,380,509</u> | <u>4,074,258</u> |
| Non Current Assets: | | | | |
| Advances to other funds | | 3,601,216 | | |
| Capital assets: | | | | |
| Construction in progress | 311,869 | 190,055 | | |
| Capital assets being depreciated, net | 5,672 | 19,225,030 | | |
| Total Assets | <u>1,079,353</u> | <u>56,388,287</u> | <u>11,380,509</u> | <u>4,074,258</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Deferred outflows related to pensions | 264,402 | 12,883 | 36,362 | 30,017 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 289,967 | 11,592 | 12,644 | 43,359 |
| Accrued liabilities | 107,347 | 5,480 | 12,734 | 7,194 |
| Due to other funds | 312,700 | | | |
| Compensated Absences | 70,782 | 3,942 | 17,452 | 8,775 |
| Self-insurance claims payable | | | 1,400,094 | 660,351 |
| Total Current Liabilities | <u>780,796</u> | <u>21,014</u> | <u>1,442,924</u> | <u>719,679</u> |
| Non-Current Liabilities: | | | | |
| Advances from other funds | | | | |
| Compensated absences | 162,618 | 18,002 | 59,945 | 12,614 |
| Net OPEB obligation | | | | |
| Self-insurance claims payable | | | 6,048,848 | 1,160,932 |
| Net pension liability | 3,137,498 | 123,470 | 370,053 | 344,563 |
| Total Liabilities | <u>4,080,912</u> | <u>162,486</u> | <u>7,921,770</u> | <u>2,237,788</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Deferred inflows related to pensions | 244,674 | 7,861 | 23,584 | 26,132 |
| NET POSITION | | | | |
| Net investment in capital assets | 317,541 | 19,415,085 | | |
| Unrestricted | (3,299,372) | 36,815,738 | 3,471,517 | 1,840,355 |
| Total Net Position (Deficit) | <u>\$ (2,981,831)</u> | <u>\$ 56,230,823</u> | <u>\$ 3,471,517</u> | <u>\$ 1,840,355</u> |

| Self Insurance Funds | | | | | | | |
|----------------------|-------------------|-------------------|------------------|------------------------|------------------|----------------------|------------|
| Unemployment Reserve | Vision | Dental | Section 125 | Post Retirement | Central Stores | Total | |
| \$ 870,179 | \$ 293,486 | \$ 741,307 | \$ 47,561 | \$ 2,237,715 | \$ 281,736 | \$ 47,533,489 | |
| | 134 | 1,974 | | | | 391,109 | |
| 1,450 | 641 | 1,648 | 74 | 2,600 | | 2,347,785 | |
| | | | | | | 24,101 | |
| | | 169,800 | 63,263 | | | 476,834 | |
| | | | | | | 1,965,323 | |
| | | | | | | 829,201 | |
| | | | | | 8,292 | 742,583 | |
| <u>871,629</u> | <u>294,261</u> | <u>914,729</u> | <u>110,898</u> | <u>2,240,315</u> | <u>290,028</u> | <u>54,310,425</u> | |
| | | | | | | | 3,601,216 |
| | | | | | | | 501,924 |
| | | | | | | | 19,230,702 |
| <u>871,629</u> | <u>294,261</u> | <u>914,729</u> | <u>110,898</u> | <u>2,240,315</u> | <u>290,028</u> | <u>77,644,267</u> | |
| | | | | | | | 343,664 |
| | | 133,213 | 16,567 | 1,050 | 261,995 | 770,387 | |
| | | | | | | 132,755 | |
| | | | | | | 312,700 | |
| | | | | | | 100,951 | |
| | | | | | | 2,060,445 | |
| | | <u>133,213</u> | <u>16,567</u> | <u>1,050</u> | <u>261,995</u> | <u>3,377,238</u> | |
| | | | | | | | 253,179 |
| | | | | 49,633,209 | | 49,633,209 | |
| | | | | | | 7,209,780 | |
| | | | | | | 3,975,584 | |
| | | <u>133,213</u> | <u>16,567</u> | <u>49,634,259</u> | <u>261,995</u> | <u>64,448,990</u> | |
| | | | | | | | 302,251 |
| <u>871,629</u> | <u>294,261</u> | <u>781,516</u> | <u>94,331</u> | <u>(47,393,944)</u> | <u>28,033</u> | <u>19,732,626</u> | |
| | | | | | | <u>(6,495,936)</u> | |
| <u>\$ 871,629</u> | <u>\$ 294,261</u> | <u>\$ 781,516</u> | <u>\$ 94,331</u> | <u>\$ (47,393,944)</u> | <u>\$ 28,033</u> | <u>\$ 13,236,690</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, 2016**

| | Automotive Services | Automotive Replacement | Self Insurance Funds | |
|--|------------------------|---------------------------|--------------------------|----------------------|
| | | | Workers' Compensation | General Liability |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 6,800,633 | \$ 6,036,556 | \$ 28 | |
| Other | 88,004 | 25,000 | 2,837,631 | \$ 2,207,910 |
| Total Operating Revenues | 6,888,637 | 6,061,556 | 2,837,659 | 2,207,910 |
| OPERATING EXPENSES | | | | |
| Operations and maintenance | 5,554,995 | 68,834 | 3,607,335 | 1,294,081 |
| Depreciation and amortization | | 3,891,387 | | |
| Claims expense | | | (647,356) | 772,891 |
| Total Operating Expenses | 5,554,995 | 3,960,221 | 2,959,979 | 2,066,972 |
| Operating Income (Loss) | 1,333,642 | 2,101,335 | (122,320) | 140,938 |
| NON-OPERATING REVENUE (EXPENSES) | | | | |
| Interest and rents revenue | 51,268 | 424,194 | 142,791 | 55,082 |
| Gain (loss) on disposal | | 483,029 | | |
| Total Non-Operating Revenue | 51,268 | 907,223 | 142,791 | 55,082 |
| Income (Loss) Before Contributions and transfers | 1,384,910 | 3,008,558 | 20,471 | 196,020 |
| Contributions | 6,919 | 5,523 | | |
| Transfers In | | | | |
| Transfers Out | (973,672) | (92,199) | (90,469) | (6,275) |
| Changes in Net Position | 418,157 | 2,921,882 | (69,998) | 189,745 |
| Net position (deficit) - beginning, as restated | (3,399,988) | 53,308,941 | 3,541,515 | 1,650,610 |
| Net position - ending | \$ (2,981,831) | \$ 56,230,823 | \$ 3,471,517 | \$ 1,840,355 |

| Self Insurance Funds | | | | | | |
|----------------------|------------|--------------|-------------|-----------------|----------------|---------------|
| Unemployment Reserve | Vision | Dental | Section 125 | Post Retirement | Central Stores | Total |
| | | | | | | \$ 12,837,217 |
| \$ 542,687 | \$ 159,754 | \$ 1,483,759 | \$ 391,693 | \$ 3,798,186 | | 11,534,624 |
| 542,687 | 159,754 | 1,483,759 | 391,693 | 3,798,186 | | 24,371,841 |
| 137,208 | 161,407 | 123,837 | 7,586 | 16,410,345 | | 27,365,628 |
| | | 1,418,589 | 357,927 | | | 3,891,387 |
| | | | | | | 1,902,051 |
| 137,208 | 161,407 | 1,542,426 | 365,513 | 16,410,345 | | 33,159,066 |
| 405,479 | (1,653) | (58,667) | 26,180 | (12,612,159) | | (8,787,225) |
| 6,718 | 3,169 | 8,154 | 287 | 12,997 | | 704,660 |
| | | | | | | 483,029 |
| 6,718 | 3,169 | 8,154 | 287 | 12,997 | | 1,187,689 |
| 412,197 | 1,516 | (50,513) | 26,467 | (12,599,162) | | (7,599,536) |
| | | | | | | 12,442 |
| | | | | 7,269,825 | | 7,269,825 |
| (8,060) | (4,162) | (3,823) | (1,073) | (45,285) | | (1,225,018) |
| 404,137 | (2,646) | (54,336) | 25,394 | (5,374,622) | | (1,542,287) |
| 467,492 | 296,907 | 835,852 | 68,937 | (42,019,322) | \$ 28,033 | 14,778,977 |
| \$ 871,629 | \$ 294,261 | \$ 781,516 | \$ 94,331 | \$ (47,393,944) | \$ 28,033 | \$ 13,236,690 |

CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

| | Automotive Services | Automotive Replacement | Self Insurance Funds | |
|--|------------------------|---------------------------|--------------------------|----------------------|
| | | | Workers' Compensation | General Liability |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 6,800,721 | \$ 5,955,349 | \$ 28 | |
| Payments to suppliers | (3,927,532) | (2,506,191) | (3,594,649) | \$ (1,157,749) |
| Payments to employees | (1,768,920) | (78,042) | (217,658) | (179,017) |
| Payments to OPEB trust | | | | |
| Claims paid | | | | (998,541) |
| Other receipts (payments) | 88,004 | 25,000 | 2,837,631 | 2,207,910 |
| Net Cash Provided by (Used for) Operating Activities | <u>1,192,273</u> | <u>3,396,116</u> | <u>(974,648)</u> | <u>(127,397)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Increase (decrease) in due to other funds | (261,801) | | | |
| Increase (decrease) in advances to other funds | | 672,216 | 90,353 | |
| Transfer in | | | | |
| Transfer out | (973,672) | (92,199) | (90,469) | (6,275) |
| Net Cash Provided by (used for) Non-Capital Financing Activities | <u>(1,235,473)</u> | <u>580,017</u> | <u>(116)</u> | <u>(6,275)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets, net | (5,672) | (7,910,187) | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 51,025 | 398,840 | 135,130 | 51,660 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,153 | (3,535,214) | (839,634) | (82,012) |
| Cash and Investments at Beginning of Period | 1,046 | 31,375,201 | 11,994,176 | 4,145,789 |
| Cash and Investments at End of Period | <u>\$ 3,199</u> | <u>\$ 27,839,987</u> | <u>\$ 11,154,542</u> | <u>\$ 4,063,777</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Operating Income (Loss) | \$ 1,333,642 | \$ 2,101,335 | \$ (122,320) | \$ 140,938 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation | | 3,891,387 | | |
| Change in Assets and Liabilities: | | | | |
| Receivables, Net | 88 | (81,207) | (188,411) | |
| Prepays | | (1,732,260) | | |
| Inventories | (80,293) | | | |
| Net OPEB obligation | | | | |
| Accounts payable and other liabilities | (26) | (779,678) | (655,822) | (261,202) |
| Net pension liability and related amounts | (61,138) | (3,461) | (8,095) | (7,133) |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 1,192,273</u> | <u>\$ 3,396,116</u> | <u>\$ (974,648)</u> | <u>\$ (127,397)</u> |

Self Insurance Funds

| Unemployment Reserve | Vision | Dental | Section 125 | Post Retirement | Central Stores | Total |
|-------------------------|--------------|-------------|-------------|--------------------|-------------------|----------------|
| | | | | | \$ 121,478 | \$ 12,877,576 |
| \$ (137,208) | \$ (161,541) | \$ (99,689) | \$ (6,627) | | | (11,591,186) |
| | | | | \$ (2,603,648) | | (4,847,285) |
| | | | | (8,634,942) | | (8,634,942) |
| | | (1,418,589) | (357,927) | | | (2,775,057) |
| 542,687 | 159,754 | 1,483,759 | 391,693 | 3,798,186 | | 11,534,624 |
| 405,479 | (1,787) | (34,519) | 27,139 | (7,440,404) | 121,478 | (3,436,270) |
| | | | | | | (90,353) |
| | | | | | | (352,154) |
| | | | | 7,269,825 | | 762,569 |
| (8,060) | (4,162) | (3,823) | (1,073) | (45,285) | | 7,269,825 |
| (98,413) | (4,162) | (3,823) | (1,073) | 7,224,540 | | (1,225,018) |
| | | | | | | (7,915,859) |
| 6,096 | 3,152 | 6,506 | 287 | 13,858 | | 666,554 |
| 313,162 | (2,797) | (31,836) | 26,353 | (202,006) | 121,478 | (4,230,353) |
| 557,017 | 296,283 | 773,143 | 21,208 | 2,439,721 | 160,258 | 51,763,842 |
| \$ 870,179 | \$ 293,486 | \$ 741,307 | \$ 47,561 | \$ 2,237,715 | \$ 281,736 | \$ 47,533,489 |
| | | | | | | (8,787,225) |
| \$ 405,479 | \$ (1,653) | \$ (58,667) | \$ 26,180 | \$ (12,612,159) | | 3,891,387 |
| | | | | | | (270,191) |
| | (134) | (512) | (15) | | | (1,747,853) |
| | | | (15,593) | | | (88,585) |
| | | | | 5,171,280 | \$ (8,292) | 5,171,280 |
| | | 24,660 | 16,567 | 475 | \$ 129,770 | (1,525,256) |
| | | | | | | (79,827) |
| \$ 405,479 | \$ (1,787) | \$ (34,519) | \$ 27,139 | \$ (7,440,404) | \$ 121,478 | \$ (3,436,270) |

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, 2016**

| | Endowment Private-Purpose Trust Fund | Successor Agency to the Redevelopment Agency Private-Purpose Trust | Total |
|---|--|---|------------------------|
| ASSETS: | | | |
| Cash and investments in Treasury | \$ 1,921,711 | \$ 6,958,980 | \$ 8,880,691 |
| Restricted cash and investments with fiscal agents | | 6,000,551 | 6,000,551 |
| Accrued interest receivable | 3,169 | 215,652 | 218,821 |
| Notes receivable | | 4,181,516 | 4,181,516 |
| Capital assets: | | | |
| Land | | 74,369 | 74,369 |
| Total Assets | <u>1,924,880</u> | <u>17,431,068</u> | <u>19,355,948</u> |
| LIABILITIES: | | | |
| Accrued liabilities | | 501,268 | 501,268 |
| Long-term liabilities: | | | |
| Due in one year | | 1,489,010 | 1,489,010 |
| Due in more than one year | | 52,630,217 | 52,630,217 |
| Total Liabilities | | <u>54,620,495</u> | <u>54,620,495</u> |
| NET POSITION (DEFICIT) | | | |
| Held in trust for private purposes or for other governments | <u>\$ 1,924,880</u> | <u>\$ (37,189,427)</u> | <u>\$ (35,264,547)</u> |

**CITY OF ROSEVILLE, CALIFORNIA
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
JUNE 30, 2016**

| | Endowment Private-Purpose Trust Fund | Successor Agency to the Redevelopment Agency Private-Purpose Trust | Total |
|--|--|---|------------------------|
| ADDITIONS | | | |
| Property taxes | | \$ 2,563,843 | \$ 2,563,843 |
| Investment income | \$ 19,425 | 128,312 | 147,737 |
| Total Additions | <u>19,425</u> | <u>2,692,155</u> | <u>2,711,580</u> |
| DEDUCTIONS | | | |
| General government | 33,973 | | 33,973 |
| Community services | | 196,723 | 196,723 |
| Debt service: | | | |
| Interest and fiscal charges | | <u>1,915,300</u> | <u>1,915,300</u> |
| Total Liabilities | <u>33,973</u> | <u>2,112,023</u> | <u>2,145,996</u> |
| Change in net position | (14,548) | 580,132 | 565,584 |
| Net position (deficit) - beginning of period | <u>1,939,428</u> | <u>(37,769,559)</u> | <u>(35,830,131)</u> |
| Net position (deficit) - end of period | <u>\$ 1,924,880</u> | <u>\$ (37,189,427)</u> | <u>\$ (35,264,547)</u> |

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, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|--------------------------|---------------------|------------------|--------------------------|
| North Roseville /Rocklin Sewer Special Assessment District | | | | |
| Cash and investments in City Treasury | \$ 3,391 | \$ 68 | \$ 68 | \$ 3,391 |
| Taxes receivable | 826 | 894 | 826 | 894 |
| Total Assets | <u>\$ 4,217</u> | <u>\$ 962</u> | <u>\$ 894</u> | <u>\$ 4,285</u> |
| Due to bondholders | <u>\$ 4,217</u> | <u>\$ 4,285</u> | <u>\$ 4,217</u> | <u>\$ 4,285</u> |
| Champion Oaks Special Assessment District | | | | |
| 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> |
| Foothills Boulevard Extension Special Assessment District | | | | |
| Cash and investments in City Treasury | \$ 1,376 | | | \$ 1,376 |
| Taxes receivable | 6,531 | | \$ (383) | 6,914 |
| Total Assets | <u>\$ 7,907</u> | | <u>\$ (383)</u> | <u>\$ 8,290</u> |
| Due to bondholders | <u>\$ 7,907</u> | | <u>\$ (383)</u> | <u>\$ 8,290</u> |
| Campus Oaks Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | | \$ 334 | | \$ 334 |
| Restricted cash and investments with fiscal agents | | 3,309,580 | | 3,309,580 |
| Accrued Interest receivable | | 39 | | 39 |
| Total Assets | | <u>\$ 3,309,953</u> | | <u>\$ 3,309,953</u> |
| Due to bondholders | | <u>\$ 3,309,953</u> | | <u>\$ 3,309,953</u> |
| Fiddymont Overlay #5 | | | | |
| Cash and investments in City Treasury | | \$ 1,418 | | \$ 1,418 |
| Accrued Interest receivable | | 10 | | 10 |
| Total Assets | | <u>\$ 1,428</u> | | <u>\$ 1,428</u> |
| Due to bondholders | | <u>\$ 1,428</u> | | <u>\$ 1,428</u> |
| Northeast Roseville Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 21,074 | \$ 20 | \$ 20 | \$ 21,074 |
| Taxes receivable | 245 | 266 | 245 | 266 |
| Total Assets | <u>\$ 21,319</u> | <u>\$ 286</u> | <u>\$ 265</u> | <u>\$ 21,340</u> |
| Due to bondholders | <u>\$ 21,319</u> | <u>\$ 21,340</u> | <u>\$ 21,319</u> | <u>\$ 21,340</u> |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|--------------------------|---------------------|---------------------|--------------------------|
| Northwest Roseville Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 2,249,432 | \$ 1,980,572 | \$ 1,973,365 | \$ 2,256,639 |
| Restricted cash and investments with fiscal agents | 1,578,385 | 31,414 | | 1,609,799 |
| Taxes receivable | 287,402 | 326,285 | 287,402 | 326,285 |
| Accrued interest receivable | 7,088 | 2,584 | 7,088 | 2,584 |
| Total Assets | \$ 4,122,307 | \$ 2,340,855 | \$ 2,267,855 | \$ 4,195,307 |
| Accounts payable | \$ 100 | | \$ 100 | |
| Due to bondholders | 4,122,207 | \$ 2,340,855 | 2,267,755 | \$ 4,195,307 |
| Total Liabilities | \$ 4,122,307 | \$ 2,340,855 | \$ 2,267,855 | \$ 4,195,307 |
| Stoneridge East Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 974,515 | \$ 1,229,676 | \$ 1,219,425 | \$ 984,766 |
| Restricted cash and investments with fiscal agents | 1,180,088 | 16,545 | | 1,196,633 |
| Taxes receivable | 13,776 | 18,309 | 13,776 | 18,309 |
| Accrued interest receivable | 3,671 | 1,131 | 3,671 | 1,131 |
| Total Assets | \$ 2,172,050 | \$ 1,265,661 | \$ 1,236,872 | \$ 2,200,839 |
| Accounts payable | | | | |
| Due to bondholders | \$ 2,172,050 | \$ 1,265,661 | \$ 1,236,872 | \$ 2,200,839 |
| Total Liabilities | \$ 2,172,050 | \$ 1,265,661 | \$ 1,236,872 | \$ 2,200,839 |
| Northeast Roseville Community Facilities District #2 | | | | |
| Cash and investments in City Treasury | \$ 864,641 | \$ 822,892 | \$ 842,770 | \$ 844,763 |
| Restricted cash and investments with fiscal agents | 647,728 | 6,602 | | 654,330 |
| Taxes receivable | 1,505 | 12,524 | 1,505 | 12,524 |
| Accrued interest receivable | 977 | 1,005 | 977 | 1,005 |
| Total Assets | \$ 1,514,851 | \$ 843,023 | \$ 845,252 | \$ 1,512,622 |
| Accounts payable | | | | |
| Due to bondholders | \$ 1,514,851 | \$ 843,023 | \$ 845,252 | \$ 1,512,622 |
| Total Liabilities | \$ 1,514,851 | \$ 843,023 | \$ 845,252 | \$ 1,512,622 |
| North Central Roseville Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 3,655,959 | \$ 3,976,800 | \$ 3,880,307 | \$ 3,752,452 |
| Restricted cash and investments with fiscal agents | 2,322,617 | 30,587 | | 2,353,204 |
| Taxes receivable | 57,583 | 50,113 | 57,583 | 50,113 |
| Accrued interest receivable | 8,945 | 3,804 | 8,945 | 3,804 |
| Total Assets | \$ 6,045,104 | \$ 4,061,304 | \$ 3,946,835 | \$ 6,159,573 |
| Accounts payable | | \$ 30,964 | | 30,964 |
| Due to bondholders | 6,045,104 | \$ 4,030,340 | 3,946,835 | \$ 6,128,609 |
| Total Liabilities | \$ 6,045,104 | \$ 4,061,304 | \$ 3,946,835 | \$ 6,159,573 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| North Roseville Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 1,637,240 | \$ 380,848 | \$ 445,706 | \$ 1,572,382 |
| Restricted cash and investments with fiscal agents | 1,754,391 | | 1,388,482 | 365,909 |
| Taxes receivable | 24,894 | 26,594 | 24,894 | 26,594 |
| Accrued interest receivable | 1,911 | 1,476 | 1,911 | 1,476 |
| Total Assets | \$ 3,418,436 | \$ 408,918 | \$ 1,860,993 | \$ 1,966,361 |
| Accounts payable | | | | |
| Due to bondholders | \$ 3,418,436 | \$ 408,918 | \$ 1,860,993 | \$ 1,966,361 |
| Total Liabilities | \$ 3,418,436 | \$ 408,918 | \$ 1,860,993 | \$ 1,966,361 |
| Woodcreek West Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 1,163,753 | \$ 1,389,776 | \$ 1,424,414 | \$ 1,129,115 |
| Restricted cash and investments with fiscal agents | 1,410,552 | (1,119,309) | | 291,243 |
| Taxes receivable | 23,717 | 14,577 | 23,717 | 14,577 |
| Accrued interest receivable | 1,259 | 1,037 | 1,259 | 1,037 |
| Total Assets | \$ 2,599,281 | \$ 286,081 | \$ 1,449,390 | \$ 1,435,972 |
| Accrued Liabilities | \$ 4,871 | \$ 4,871 | \$ 4,871 | \$ 4,871 |
| Due to bondholders | 2,594,410 | 281,210 | 1,444,519 | 1,431,101 |
| Total Liabilities | \$ 2,599,281 | \$ 286,081 | \$ 1,449,390 | \$ 1,435,972 |
| Highland Reserve North Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 2,254,490 | \$ 2,641,467 | \$ 2,611,201 | \$ 2,284,756 |
| Restricted cash and investments with fiscal agents | 2,556,805 | 30,042 | | 2,586,847 |
| Taxes receivable | 12,366 | 35,984 | 12,366 | 35,984 |
| Accrued interest receivable | 6,360 | 2,539 | 6,360 | 2,539 |
| Total Assets | \$ 4,830,021 | \$ 2,710,032 | \$ 2,629,927 | \$ 4,910,126 |
| Accounts payable | | \$ 583 | | 583 |
| Due to bondholders | \$ 4,830,021 | \$ 2,709,449 | \$ 2,629,927 | \$ 4,909,543 |
| Total Liabilities | 4,830,021 | 2,710,032 | 2,629,927 | 4,910,126 |
| Stoneridge Parcel 1 Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 132,590 | \$ 156,871 | \$ 154,542 | \$ 134,919 |
| Restricted cash and investments with fiscal agents | 138,216 | 527 | | 138,743 |
| Taxes receivable | 1,338 | 1,358 | 1,338 | 1,358 |
| Accrued interest receivable | 161 | 170 | 161 | 170 |
| Total Assets | \$ 272,305 | \$ 158,926 | \$ 156,041 | \$ 275,190 |
| Due to bondholders | \$ 272,305 | \$ 158,926 | \$ 156,041 | \$ 275,190 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|--------------------------|---------------------|---------------------|--------------------------|
| Woodcreek East Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 446,314 | \$ 492,288 | \$ 495,312 | \$ 443,290 |
| Restricted cash and investments with fiscal agents | 487,053 | 1,961 | | 489,014 |
| Taxes receivable | 11,887 | 10,573 | 11,887 | 10,573 |
| Accrued interest receivable | 547 | 541 | 547 | 541 |
| Total Assets | \$ 945,801 | \$ 505,363 | \$ 507,746 | \$ 943,418 |
| Due to bondholders | \$ 945,801 | \$ 505,363 | \$ 507,746 | \$ 943,418 |
| Stoneridge West Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 1,279,175 | \$ 486,457 | \$ 669,046 | \$ 1,096,586 |
| Restricted cash and investments with fiscal agents | 923,260 | 16,802 | | 940,062 |
| Taxes receivable | 271,497 | 289,856 | 271,497 | 289,856 |
| Accrued interest receivable | 4,460 | 1,927 | 4,460 | 1,927 |
| Total Assets | \$ 2,478,392 | \$ 795,042 | \$ 945,003 | \$ 2,328,431 |
| Accounts payable | | | | |
| Due to bondholders | \$ 2,478,392 | \$ 795,042 | \$ 945,003 | \$ 2,328,431 |
| Total Liabilities | \$ 2,478,392 | \$ 795,042 | \$ 945,003 | \$ 2,328,431 |
| Crocker Ranch Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 1,149,710 | \$ 1,469,349 | \$ 1,467,934 | \$ 1,151,125 |
| Restricted cash and investments with fiscal agents | 1,394,701 | 21,044 | | 1,415,745 |
| Taxes receivable | 29,021 | 23,584 | 29,021 | 23,584 |
| Accrued interest receivable | 4,623 | 1,359 | 4,623 | 1,359 |
| Total Assets | \$ 2,578,055 | \$ 1,515,336 | \$ 1,501,578 | \$ 2,591,813 |
| Accounts payable | | | | |
| Due to bondholders | \$ 2,578,055 | \$ 1,515,336 | \$ 1,501,578 | \$ 2,591,813 |
| Total Liabilities | \$ 2,578,055 | \$ 1,515,336 | \$ 1,501,578 | \$ 2,591,813 |
| Stone Point Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 630,425 | \$ 790,728 | \$ 789,390 | \$ 631,763 |
| Restricted cash and investments with fiscal agents | 747,159 | | (201) | 747,360 |
| Taxes receivable | | 904 | | 904 |
| Accrued interest receivable | 865 | 733 | 865 | 733 |
| Total Assets | \$ 1,378,449 | \$ 792,365 | \$ 790,054 | \$ 1,380,760 |
| Accounts payable | | | | |
| Due to bondholders | \$ 1,378,449 | \$ 792,365 | \$ 790,054 | \$ 1,380,760 |
| Total Liabilities | \$ 1,378,449 | \$ 792,365 | \$ 790,054 | \$ 1,380,760 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|--------------------------|---------------------|---------------------|--------------------------|
| Stone Point Community Facilities District #5 | | | | |
| Cash and investments in City Treasury | \$ 352,332 | \$ 307,094 | \$ 359,770 | \$ 299,656 |
| Restricted cash and investments with fiscal agents | 494,876 | 139 | | 495,015 |
| Taxes receivable | | 1,536 | | 1,536 |
| Accrued interest receivable | 548 | 485 | 548 | 485 |
| Total Assets | \$ 847,756 | \$ 309,254 | \$ 360,318 | \$ 796,692 |
| Due to bondholders | \$ 847,756 | \$ 309,254 | \$ 360,318 | \$ 796,692 |
| Westpark Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 3,738,041 | \$ 6,293,332 | \$ 7,850,852 | \$ 2,180,521 |
| Restricted cash and investments with fiscal agents | 5,500,487 | | (130,362) | 5,630,849 |
| Taxes receivable | 18,846 | 40,994 | 18,846 | 40,994 |
| Accrued interest receivable | 4,791 | 4,043 | 4,791 | 4,043 |
| Total Assets | \$ 9,262,165 | \$ 6,338,369 | \$ 7,744,127 | \$ 7,856,407 |
| Due to bondholders | 9,262,165 | \$ 6,338,369 | 7,744,127 | \$ 7,856,407 |
| Total Liabilities | \$ 9,262,165 | \$ 6,338,369 | \$ 7,744,127 | \$ 7,856,407 |
| Fiddymont Ranch Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 3,442,623 | \$ 4,531,521 | \$ 4,368,829 | \$ 3,605,315 |
| Restricted cash and investments with fiscal agents | 6,128,386 | 2,962,067 | | 9,090,453 |
| Taxes receivable | 8,127 | 20,356 | 8,127 | 20,356 |
| Accrued interest receivable | 1,194,064 | 4,270 | 1,194,064 | 4,270 |
| Total Assets | \$ 10,773,200 | \$ 7,518,214 | \$ 5,571,020 | \$ 12,720,394 |
| Accounts payable | | \$ 2,911,274 | | 2,911,274 |
| Due to bondholders | \$ 10,773,200 | \$ 4,606,940 | \$ 5,571,020 | \$ 9,809,120 |
| Total Liabilities | \$ 10,773,200 | \$ 7,518,214 | \$ 5,571,020 | \$ 12,720,394 |
| Longmeadow Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 488,744 | \$ 620,560 | \$ 614,830 | \$ 494,474 |
| Restricted cash and investments with fiscal agents | 575,032 | 2,521 | | 577,553 |
| Taxes receivable | 4,959 | 1,296 | 4,959 | 1,296 |
| Accrued interest receivable | 564 | 580 | 564 | 580 |
| Total Assets | \$ 1,069,299 | \$ 624,957 | \$ 620,353 | \$ 1,073,903 |
| Due to bondholders | \$ 1,069,299 | \$ 624,957 | \$ 620,353 | \$ 1,073,903 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|--------------------------|-------------------|-------------------|--------------------------|
| Diamond Creek Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 298,833 | | \$ 27,744 | \$ 271,089 |
| Restricted cash and investments with fiscal agents | 652,739 | \$ 4,909 | | 657,648 |
| Taxes receivable | 818 | 1,885 | 818 | 1,885 |
| Accrued interest receivable | 300 | 342 | 300 | 342 |
| Total Assets | \$ 952,690 | \$ 7,136 | \$ 28,862 | \$ 930,964 |
| Due to bondholders | \$ 952,690 | \$ 7,136 | \$ 28,862 | \$ 930,964 |
| Fountains Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 461,478 | \$ 806,585 | \$ 781,706 | \$ 486,357 |
| Restricted cash and investments with fiscal agents | 1,123,777 | 14,403 | | 1,138,180 |
| Taxes receivable | | | | |
| Accrued interest receivable | 4,046 | 503 | 4,046 | 503 |
| Total Assets | \$ 1,589,301 | \$ 821,491 | \$ 785,752 | \$ 1,625,040 |
| Accounts payable | | | | |
| Due to bondholders | \$ 1,589,301 | \$ 821,491 | \$ 785,752 | \$ 1,625,040 |
| Total Liabilities | \$ 1,589,301 | \$ 821,491 | \$ 785,752 | \$ 1,625,040 |
| Automall Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 598,299 | \$ 522,351 | \$ 554,074 | \$ 566,576 |
| Accrued interest receivable | 580 | 672 | 580 | 672 |
| Total Assets | \$ 598,879 | \$ 523,023 | \$ 554,654 | \$ 567,248 |
| Due to bondholders | \$ 598,879 | \$ 523,023 | \$ 554,654 | \$ 567,248 |
| Payroll Revolving | | | | |
| Cash and investments in City Treasury | \$ 1,078,551 | \$ 50,389 | | \$ 1,128,940 |
| Accounts payable | 1,078,551 | 1,128,940 | \$ 1,078,551 | 1,128,940 |
| Westbrook Community Facilities District #1 | | | | |
| Cash and investments in City Treasury | \$ 32,462 | \$ 832,195 | \$ 400,346 | \$ 464,311 |
| Restricted cash and investments with fiscal agents | 1,602,584 | | 326,413 | 1,276,171 |
| Accrued interest receivable | 16 | 241 | 16 | 241 |
| Total Assets | \$ 1,635,062 | \$ 832,436 | \$ 726,775 | \$ 1,740,723 |
| Due to bondholders | \$ 1,635,062 | \$ 832,436 | \$ 726,775 | \$ 1,740,723 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|--|--------------------------|----------------------|----------------------|--------------------------|
| Highway 65 JPA | | | | |
| Cash and investments in City Treasury | \$ 1,754,401 | \$ 992,058 | \$ 169,567 | \$ 2,576,892 |
| Accrued interest receivable | 2,725 | 4,680 | 2,725 | 4,680 |
| Accounts receivable | 4,895 | 487 | 4,895 | 487 |
| Due from other government agencies | 109,699 | 293,448 | 109,699 | 293,448 |
| Total Assets | \$ 1,871,720 | \$ 1,290,673 | \$ 286,886 | \$ 2,875,507 |
| Accounts payable | \$ 37,484 | \$ 24,437 | \$ 37,484 | \$ 24,437 |
| Due to member agencies | 1,834,236 | 1,266,236 | 249,402 | 2,851,070 |
| Total Liabilities | \$ 1,871,720 | \$ 1,290,673 | \$ 286,886 | \$ 2,875,507 |
| Dry Creek Drainage Basin | | | | |
| Cash and investments in City Treasury | \$ 67,552 | | 20,292 | \$ 47,260 |
| Accrued interest receivable | 91 | \$ 78 | \$ 91 | 78 |
| Total Assets | \$ 67,643 | \$ 78 | \$ 20,383 | \$ 47,338 |
| Accounts payable | \$ 67,577 | \$ 47,130 | \$ 67,577 | \$ 47,130 |
| Due to others | 66 | 208 | 66 | 208 |
| Total Liabilities | \$ 67,643 | \$ 47,338 | \$ 67,643 | \$ 47,338 |
| County Capital Facilities Fee | | | | |
| Cash and investments in City Treasury | \$ 737,083 | \$ 595,322 | \$ 736,701 | \$ 595,704 |
| Accrued interest receivable | 835 | 727 | 835 | 727 |
| Total Assets | \$ 737,918 | \$ 596,049 | \$ 737,536 | \$ 596,431 |
| Accounts payable | \$ 737,536 | \$ 595,535 | \$ 737,536 | \$ 595,535 |
| Due to others | 382 | 514 | | 896 |
| Total Liabilities | \$ 737,918 | \$ 596,049 | \$ 737,536 | \$ 596,431 |
| South Placer Wastewater Authority | | | | |
| Cash and investments in City Treasury | \$ 103,297,373 | \$ 11,896,263 | \$ 7,432,047 | \$ 107,761,589 |
| Restricted cash and investments with fiscal agents | 8,114,911 | | (138,803) | 8,253,714 |
| Accounts receivable | 1,608,964 | 1,595,200 | 1,608,964 | 1,595,200 |
| Accrued interest receivable | 224,488 | 252,760 | 224,488 | 252,760 |
| Due from other government agencies | 1,569,953 | 1,697,894 | 1,569,953 | 1,697,894 |
| Total Assets | \$ 114,815,689 | \$ 15,442,117 | \$ 10,696,649 | \$ 119,561,157 |
| Accounts payable | \$ 210,065 | \$ 240,190 | \$ 210,065 | \$ 240,190 |
| Accrued liabilities | 499,986 | 471,711 | 499,986 | 471,711 |
| Due to member agencies | 114,105,638 | 14,730,216 | 9,986,598 | 118,849,256 |
| Total Liabilities | \$ 114,815,689 | \$ 15,442,117 | \$ 10,696,649 | \$ 119,561,157 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| Special Sewer Benefit Area #3 | | | | |
| Cash and investments in City Treasury | \$ 2,924 | | \$ 2,862 | \$ 62 |
| Accrued interest receivable | 50 | \$ 1 | 50 | 1 |
| Permit fees receivable | 1,750 | 1,751 | 1,750 | 1,751 |
| Total Assets | \$ 4,724 | \$ 1,752 | \$ 4,662 | \$ 1,814 |
| Accounts payable | | | | |
| Due to others | 4,724 | \$ 1,814 | 4,724 | \$ 1,814 |
| Total Liabilities | \$ 4,724 | \$ 1,814 | \$ 4,724 | \$ 1,814 |
| Special Sewer Benefit Area #4 | | | | |
| Cash and investments in City Treasury | \$ 184,776 | \$ 1,989 | | \$ 186,765 |
| Accrued interest receivable | 341 | 412 | \$ 341 | 412 |
| Total Assets | \$ 185,117 | \$ 2,401 | \$ 341 | \$ 187,177 |
| Due to others | \$ 185,117 | \$ 2,401 | 341 | \$ 187,177 |
| South Placer County Tourism Business Improvement District (SPCTBID) | | | | |
| Cash and investments in City Treasury | \$ 26,983 | \$ 1,831,630 | \$ 1,837,522 | \$ 21,091 |
| Accounts Receivable | 662,582 | 688,539 | 662,582 | 688,539 |
| Accrued interest receivable | 220 | 325 | 220 | 325 |
| Total Assets | \$ 689,785 | \$ 2,520,494 | \$ 2,500,324 | \$ 709,955 |
| Accounts payable | \$ 644,907 | | \$ 644,907 | |
| Due to others | 44,878 | 709,955 | 44,878 | 709,955 |
| Total Liabilities | \$ 689,785 | \$ 709,955 | \$ 689,785 | \$ 709,955 |
| South Placer County Safe Kids Coalition | | | | |
| Cash and investments in City Treasury | \$ 6,442 | \$ 1,329 | \$ 3,502 | \$ 4,269 |
| Accrued interest receivable | 14 | 11 | 14 | 11 |
| Total Assets | \$ 6,456 | \$ 1,340 | \$ 3,516 | \$ 4,280 |
| Accounts payable | | | | |
| Due to others | 6,456 | \$ 1,340 | 3,516 | \$ 4,280 |
| Total Liabilities | \$ 6,456 | \$ 1,340 | \$ 3,516 | \$ 4,280 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|--|--------------------------|-------------------|-------------------|--------------------------|
| South Placer Regional Traffic Fee | | | | |
| Cash and investments in City Treasury | \$ 541,059 | \$ 679,939 | \$ 541,059 | \$ 679,939 |
| Accounts Receivable | | 98,150 | | 98,150 |
| Accrued interest receivable | 450 | 516 | 450 | 516 |
| Total Assets | \$ 541,509 | \$ 778,605 | \$ 541,509 | \$ 778,605 |
| Accounts payable | \$ 541,302 | \$ 679,819 | \$ 541,302 | \$ 679,819 |
| Due to others | 207 | 98,786 | 207 | 98,786 |
| Total Liabilities | \$ 541,509 | \$ 778,605 | \$ 541,509 | \$ 778,605 |
| Placer County TMF | | | | |
| Cash and investments in City Treasury | | \$ 20,950 | | \$ 20,950 |
| Total Assets | | \$ 20,950 | | \$ 20,950 |
| Due to others | | 20,950 | | 20,950 |
| Total Liabilities | | \$ 20,950 | | \$ 20,950 |
| City/County TMF | | | | |
| Cash and investments in City Treasury | \$ 337,948 | \$ (91) | \$ 337,857 | |
| Accrued interest receivable | 200 | | 200 | |
| Total Assets | \$ 338,148 | \$ (91) | \$ 338,057 | |
| Accounts payable | \$ 338,057 | | \$ 338,057 | |
| Due to others | 91 | \$ (91) | | |
| Total Liabilities | \$ 338,148 | \$ (91) | \$ 338,057 | |
| Placer County Air Pollution Control | | | | |
| Cash and investments in City Treasury | \$ 40,169 | \$ (3,426) | | \$ 36,743 |
| Permit fees receivable | | | | |
| Total Assets | \$ 40,169 | \$ (3,426) | | \$ 36,743 |
| Due to others | \$ 40,169 | \$ (3,426) | | \$ 36,743 |
| Sierra College Boulevard | | | | |
| Cash and investments in City Treasury | \$ 23,025 | | \$ 2,625 | \$ 20,400 |
| Accounts receivable | | | | |
| Total Assets | \$ 23,025 | | \$ 2,625 | \$ 20,400 |
| Due to others | \$ 23,025 | | \$ 2,625 | \$ 20,400 |

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|--|--------------------------|---------------|---------------|--------------------------|
| Other | | | | |
| Cash and investments in City Treasury | \$ 13,122 | | | \$ 13,122 |
| Due to other governmental agencies | \$ 13,122 | | | \$ 13,122 |
| WRSP Reimbursements | | | | |
| Cash and investments in City Treasury | | \$ 10,617 | | \$ 10,617 |
| Accrued interest receivable | | 221 | | 221 |
| Total Assets | | 10,838 | | 10,838 |
| Due to other governmental agencies | | \$ 10,838 | | \$ 10,838 |
| Sierra Vista Reimbursements | | | | |
| Cash and investments in City Treasury | | \$ 169,410 | | \$ 169,410 |
| Accrued interest receivable | | 368 | | 368 |
| Total Assets | | 169,778 | | 169,778 |
| Due to other governmental agencies | | \$ 169,778 | | \$ 169,778 |
| DOWNTOWN RSVL PROP-BUS IMP | | | | |
| Cash and investments in City Treasury | \$ 58,153 | \$ 239,791 | \$ 305,211 | \$ (7,267) |
| Accounts payable | 58,153 | \$ (7,267) | 58,153 | \$ (7,267) |
| Total Agency Funds | | | | |
| Cash and investments in City Treasury | \$ 134,065,745 | \$ 46,219,372 | \$ 42,320,896 | \$ 137,964,221 |
| Restricted cash and investments with fiscal agents | 39,333,747 | 5,329,834 | 1,445,529 | 43,218,052 |
| Accounts receivable | 2,276,441 | 2,382,376 | 2,276,441 | 2,382,376 |
| Taxes receivable | 775,338 | 877,888 | 768,424 | 884,802 |
| Accrued interest receivable | 1,475,190 | 289,590 | 1,475,191 | 289,589 |
| Permit fees receivable | 1,750 | 1,751 | 1,750 | 1,751 |
| Due from other government agencies | 1,679,652 | 1,991,342 | 1,679,652 | 1,991,342 |
| Total Assets | \$ 179,607,863 | \$ 57,092,153 | \$ 49,967,883 | \$ 186,732,133 |
| Accounts payable | \$ 3,713,731 | \$ 5,651,605 | \$ 3,713,732 | \$ 5,651,604 |
| Accrued liabilities | 504,857 | 476,582 | 504,857 | 476,582 |
| Due to other governmental agencies | 13,122 | 180,616 | | 193,738 |
| Due to member agencies | 115,939,874 | 15,996,452 | 10,236,000 | 121,700,326 |
| Due to bondholders | 59,131,163 | 33,047,100 | 34,549,589 | 57,628,674 |
| Due to others | 305,115 | 832,451 | 56,357 | 1,081,209 |
| Total Liabilities | \$ 179,607,862 | \$ 56,184,806 | \$ 49,060,535 | \$ 186,732,133 |

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 – 2014 Wastewater Revenue Refunding Bonds
5. Bonded Debt Pledged Revenue Coverage –2014 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

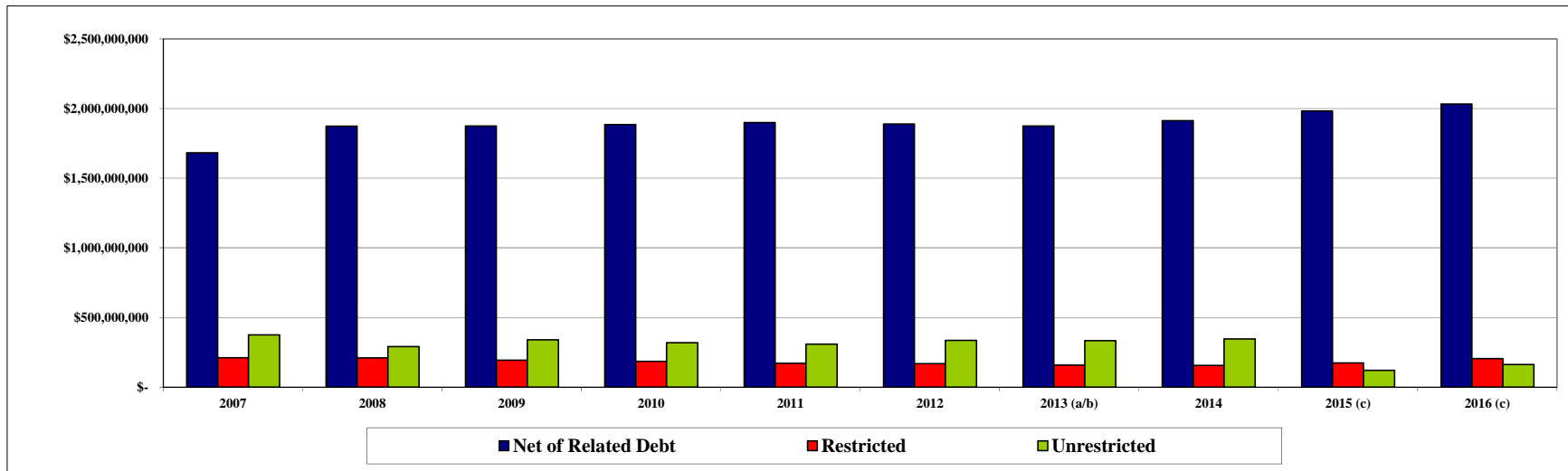
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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,

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 (a/b) | 2014 | 2015 (c) | 2016 (c) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$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 | \$874,967,712 |
| Restricted | 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 | 171,581,599 |
| Unrestricted | 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) | (93,575,847) |
| Total governmental activities net position | <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> | <u>\$952,973,464</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$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 | 1,156,762,308 |
| Restricted | 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 | 33,300,330 |
| Unrestricted | 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 | 255,100,345 |
| Total business-type activities net position | <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> | <u>\$1,445,162,983</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$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 | \$2,031,730,020 |
| Restricted | 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 | \$204,881,929 |
| Unrestricted | 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 | \$161,524,498 |
| Total primary government net position | <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> | <u>\$2,398,136,447</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)**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 (a) | 2014 | 2015 (b) | 2016 (b) |
|--|----------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$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 | \$24,156,228 |
| Development and Operations | 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 | 21,661,632 |
| Public Works | 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 | 12,786,495 |
| Police | 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 | 34,215,809 |
| Fire | 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 | 28,336,652 |
| Library | 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 | 4,675,146 |
| Parks and recreation | 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 | 21,289,788 |
| Housing assistance payments | 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 | 4,077,451 |
| Interest on long-term debt | 4,920,776 | 6,858,207 | 5,847,054 | 7,131,216 | 3,181,266 | 999,436 | 1,274,294 | 740,975 | 543,336 | 1,170,785 |
| Total Governmental Activities Expenses | <u>\$163,620,984</u> | <u>\$180,389,520</u> | <u>\$185,838,531</u> | <u>\$180,289,711</u> | <u>\$160,096,972</u> | <u>\$166,333,208</u> | <u>\$176,540,105</u> | <u>\$168,835,263</u> | <u>\$164,647,830</u> | <u>\$152,369,986</u> |
| Business-Type Activities: | | | | | | | | | | |
| Electric | \$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 | \$141,831,457 |
| Water | 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 | 26,723,627 |
| Wastewater | 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 | 34,569,588 |
| Solid Waste | 15,182,395 | 15,743,209 | 14,914,734 | 15,172,092 | 14,979,891 | 15,855,280 | 16,113,643 | 16,113,470 | 17,028,218 | 17,778,385 |
| 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 | 25,179,279 |
| Golf Course | 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 | 2,502,782 |
| Local Transportation | 5,410,630 | 5,873,368 | 6,221,260 | 7,084,490 | 6,609,048 | 6,727,985 | 7,909,058 | 7,482,689 | 8,918,391 | 7,985,912 |
| School-age Child Care | 4,825,366 | 5,575,761 | 4,649,458 | 4,258,304 | 4,277,245 | 4,461,275 | 4,691,235 | 4,496,871 | 3,664,376 | 5,251,976 |
| Total Business-Type Activities Expenses | <u>208,951,516</u> | <u>263,703,716</u> | <u>270,549,198</u> | <u>281,435,640</u> | <u>255,924,324</u> | <u>260,208,986</u> | <u>260,306,214</u> | <u>262,626,500</u> | <u>256,773,447</u> | <u>261,823,007</u> |
| Total Primary Government Expenses | <u>\$372,572,500</u> | <u>\$444,093,236</u> | <u>\$456,387,729</u> | <u>\$461,725,351</u> | <u>\$416,021,296</u> | <u>\$426,542,194</u> | <u>\$436,846,319</u> | <u>\$431,461,763</u> | <u>\$421,421,277</u> | <u>\$414,192,993</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$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 | \$4,097,453 |
| Development and Operations | 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 | 8,941,215 |
| Public Works | 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 | 30,618 |
| Police | 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 | 1,354,837 |
| Fire | 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 | 1,704,523 |
| Library | 235,231 | 272,057 | 230,290 | 216,064 | 228,343 | 339,589 | 297,467 | 332,387 | 137,575 | 128,689 |
| Parks and recreation | 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 | 13,093,192 |
| Operating Grants and Contributions | 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 | 18,730,677 |
| Capital Grants and Contributions | 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 | 38,641,052 |
| Total Government Activities Program Revenues | <u>134,040,159</u> | <u>94,188,328</u> | <u>57,957,914</u> | <u>60,944,645</u> | <u>44,066,405</u> | <u>43,440,046</u> | <u>54,061,754</u> | <u>57,951,901</u> | <u>72,043,249</u> | <u>86,722,256</u> |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Electric | 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 | 167,160,777 |
| Water | 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 | 22,960,518 |
| Wastewater | 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 | 34,411,404 |
| Solid Waste | 18,575,194 | 19,562,798 | 19,951,063 | 20,082,492 | 20,682,638 | 20,903,993 | 21,437,536 | 21,806,830 | 22,002,869 | 22,403,352 |
| 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 | 16,572,034 |
| Golf Course | 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 | 2,216,692 |
| Local Transportation | 739,826 | 863,606 | 1,184,861 | 861,730 | 949,192 | 974,344 | 1,075,864 | 1,141,354 | 1,201,224 | 1,177,935 |
| School-age Child Care | 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 | 5,475,945 |
| Operating Grants and Contributions | 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 | 5,878,612 |
| Capital Grants and Contributions | 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 | 55,809,279 |
| Total Business-Type Activities Program Revenue | <u>317,763,580</u> | <u>319,828,901</u> | <u>311,283,638</u> | <u>283,344,274</u> | <u>278,956,407</u> | <u>279,428,660</u> | <u>280,251,269</u> | <u>319,270,591</u> | <u>334,983,128</u> | <u>334,066,548</u> |
| Total Primary Government Program Revenues | <u>\$451,803,739</u> | <u>\$414,017,229</u> | <u>\$369,241,552</u> | <u>\$344,288,919</u> | <u>\$323,022,812</u> | <u>\$322,868,706</u> | <u>\$334,313,023</u> | <u>\$377,222,492</u> | <u>\$407,026,377</u> | <u>\$420,788,804</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (\$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) | (\$65,647,730) |
| Business-Type Activities | 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 | 72,243,541 |
| Total Primary Government Net Expense | <u>\$79,231,239</u> | <u>(\$30,076,007)</u> | <u>(\$87,146,177)</u> | <u>(\$117,436,432)</u> | <u>(\$92,998,484)</u> | <u>(\$103,673,488)</u> | <u>(\$102,533,296)</u> | <u>(\$54,239,271)</u> | <u>(\$14,394,900)</u> | <u>\$6,595,811</u> |

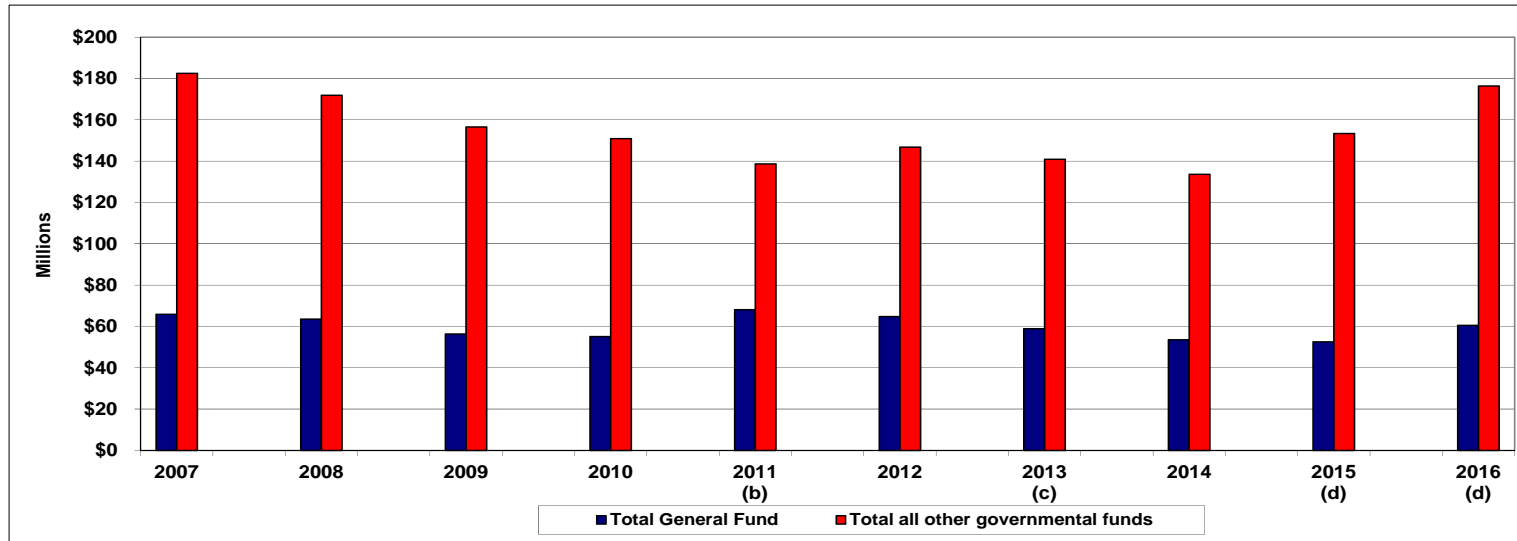
(Continued)

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 (a) | 2014 | 2015 (b) | 2016 (b) |
|---|----------------------|----------------------|----------------------|-----------------------|---------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$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 | \$37,998,872 |
| Sales taxes | 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 | 52,993,394 |
| Franchise taxes | 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 | 2,168,413 |
| Motor fuel taxes | 1,999,542 | 1,985,315 | 1,855,462 | 2,909,176 | | | | | | |
| Motor vehicle in lieu (Intergovernmental- unrestricted) | 565,719 | 471,834 | 373,495 | 332,224 | 523,609 | 122,230 | | | | |
| Other Taxes | 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 | 7,745,155 |
| Use of money and property | 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 | 3,058,420 |
| Miscellaneous revenues | 2,926,467 | 887,173 | 4,568,055 | 1,934,366 | 1,089,608 | 1,511,125 | 2,113,638 | 420,959 | 414,279 | 191,255 |
| Transfers | 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 | 24,853,427 |
| Extraordinary item: | | | | | | | | | | |
| Gain/(Loss) from sales of capital assets | | | | | | | | 43,992 | 1,699,847 | 4,729 |
| 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) | | |
| Total Government Activities | 133,391,931 | 131,848,066 | 128,783,916 | 108,394,640 | 108,128,359 | 147,812,407 | 110,278,357 | 79,870,048 | 123,650,038 | 129,013,665 |
| Business-Type Activities: | | | | | | | | | | |
| Use of money and property | 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 | 12,056,004 |
| Miscellaneous revenues | | | | | | | 150,119 | | | |
| Transfers | (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) | (24,853,427) |
| Gain/(Loss) from sales of capital assets | | | | | | | | 50,252 | (2,028,306) | |
| Special Item | | | | | | | (22,715,022) | | | |
| Total Business-Type Activities | (13,863,514) | 3,000,413 | (8,655,839) | (8,393,466) | (13,331,991) | (17,711,761) | (36,532,225) | 23,030,254 | (18,458,242) | (12,797,423) |
| Total Primary Government | \$119,528,417 | \$134,848,479 | \$120,128,077 | \$100,001,174 | \$94,796,368 | \$130,100,646 | \$73,746,132 | \$102,900,302 | \$105,191,796 | \$116,216,242 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$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 | \$63,365,935 |
| Business-Type Activities | 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 | 59,446,118 |
| Total Primary Government | \$198,759,656 | \$104,772,472 | \$32,981,900 | (\$17,435,258) | \$1,797,884 | \$26,427,158 | (\$28,787,164) | \$48,661,031 | \$90,796,896 | \$122,812,053 |

(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 GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**



180

| | Fiscal Year Ended June 30, | | | | | | | | | |
|------------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 (b) | 2012 | 2013 (c) | 2014 | 2015 (d) | 2016 (d) |
| General Fund | | | | | | | | | | |
| Reserved | \$13,421,646 | \$10,786,244 | \$13,472,640 | \$13,730,063 | | | | | | |
| Unreserved | 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 | \$12,089,564 |
| Assigned | | | | | 5,328,824 | 2,944,900 | 3,002,686 | 2,685,359 | 4,510,098 | 3,129,479 |
| Unassigned | | | | | 39,068,183 | 44,796,255 | 31,488,665 | 38,187,768 | 35,469,686 | 45,358,414 |
| Total General Fund | <u>\$65,798,483</u> | <u>\$63,560,547</u> | <u>\$56,323,476</u> | <u>\$55,105,358</u> | <u>\$68,131,555</u> | <u>\$64,777,970</u> | <u>\$58,841,682</u> | <u>\$53,574,008</u> | <u>\$52,527,348</u> | <u>\$60,577,457</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$71,775,257 | \$56,547,018 | \$56,058,554 | \$51,548,654 | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | 73,726,293 | 79,723,403 | 65,941,856 | 64,422,284 | | | | | | |
| Capital Projects | 20,128,123 | 18,146,007 | 16,456,146 | 16,542,186 | | | | | | |
| Permanent Funds | 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 | \$16,964,800 |
| Restricted | | | | | 108,226,582 | 113,465,925 | 109,656,487 | 104,437,932 | 122,721,798 | 148,224,236 |
| Committed | | | | | 2,195,164 | 2,248,644 | 2,290,938 | 2,280,996 | 2,362,738 | 794,928 |
| Assigned | | | | | 14,890,220 | 14,472,182 | 12,625,416 | 11,304,133 | 11,483,003 | 10,525,153 |
| Unassigned | | | | | (4,081,313) | (925,077) | (1,333,659) | (1,290,629) | (150,757) | (116,035) |
| Total all other governmental funds | <u>\$182,463,652</u> | <u>\$171,912,078</u> | <u>\$156,522,758</u> | <u>\$150,866,409</u> | <u>\$138,642,517</u> | <u>\$146,765,434</u> | <u>\$140,930,351</u> | <u>\$133,672,722</u> | <u>\$153,381,582</u> | <u>\$176,393,082</u> |

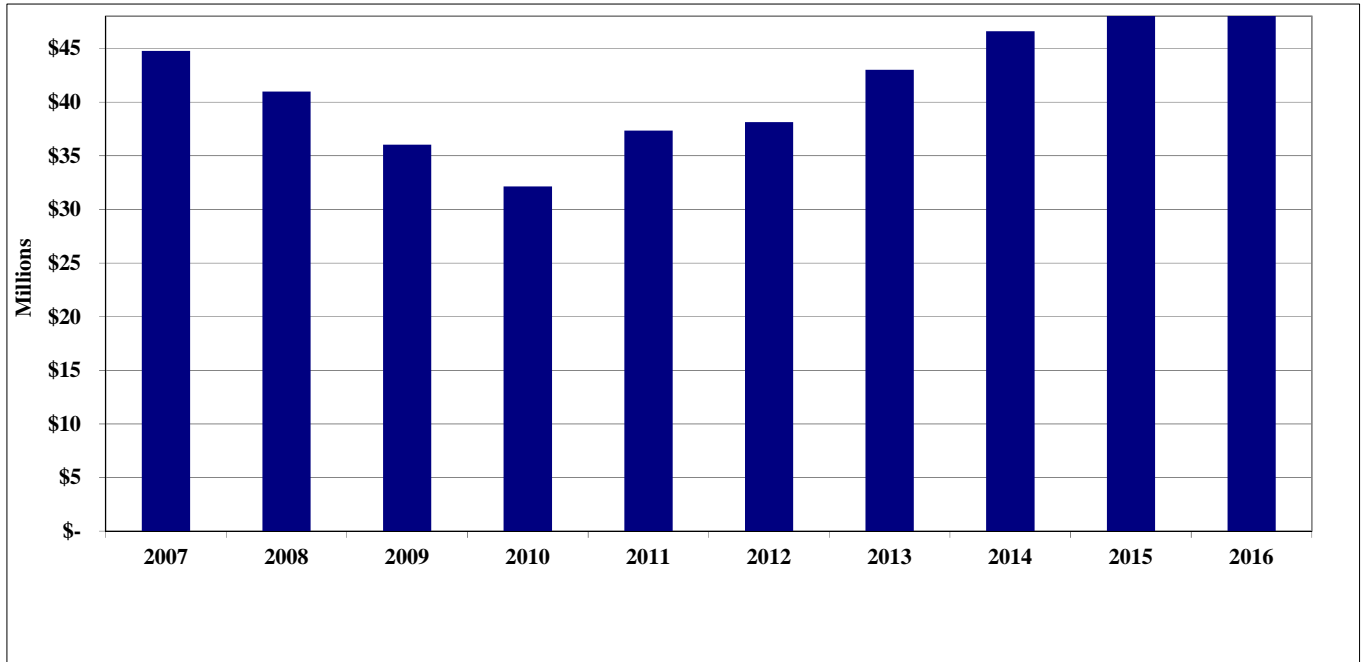
- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.
- (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 | | | | | | | | | |
|---|---------------------------|-----------------------|-----------------------|----------------------|--------------------|--------------------|-----------------------|-----------------------|---------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Revenues | | | | | | | | | | |
| Taxes | \$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 | \$106,209,940 |
| Licenses, permits and fees | 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 | 2,723,234 |
| Charges for services | 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 | 28,398,884 |
| Subventions and grants | 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 | 10,662,888 |
| Use of money and property | 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 | 3,608,140 |
| Fine, forfeitures and penalties | 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 | 1,192,435 |
| Contributions from property owners | 71,488,795 | 9,100,000 | | | | | | | | |
| Contributions from developers | 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 | 4,847,097 |
| Miscellaneous revenues | 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 | 24,820,495 |
| Total Revenues | 250,977,770 | 185,680,262 | 149,932,661 | 140,224,751 | 123,853,175 | 121,531,316 | 135,770,953 | 139,457,905 | 168,591,336 | 182,463,113 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 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 | 26,308,369 |
| Development and operations | 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 | 16,042,793 |
| Public works | 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 | 6,069,793 |
| Public safety: | | | | | | | | | | |
| Police | 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 | 34,565,899 |
| Fire | 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 | 28,792,370 |
| Library | 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 | 4,120,111 |
| Parks and recreation | 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 | 21,111,520 |
| Housing assistance payments | 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 | 4,077,451 |
| Capital outlay | 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 | 37,821,774 |
| Payments under development agreements | 2,396,314 | 2,157,821 | 1,601,494 | 1,445,960 | 1,146,915 | 880,852 | 567,619 | 567,619 | 567,619 | 567,619 |
| Annexation payments | 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 | 4,076,406 |
| Debt service: | | | | | | | | | | |
| Principal repayment | 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 | 863,892 |
| Interest and fiscal charges | 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 | 1,079,183 |
| Total Expenditures | 266,696,202 | 218,948,884 | 197,877,534 | 173,620,530 | 143,813,171 | 146,860,404 | 163,953,245 | 160,892,043 | 170,049,924 | 185,497,180 |
| Excess (deficiency) of revenues over (under) expenditures | (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) | (3,034,067) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from capital lease | | | 385,538 | | | | | 43,992 | 104,580 | |
| Debt issued | 23,215,524 | | | | | | | | | 14,425,000 |
| Premium on debt issued | | | | | | | | | | 862,056 |
| Proceeds from sale of property | | 129,284 | 12,040 | 10,000 | | | 159,482 | | 516,821 | |
| Transfers in | 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 | 53,202,949 |
| Transfers out | (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) | (34,394,329) |
| Issuance of debt | | | | | | | | 11,549,031 | | |
| Payment to bond escrow agent | | | | | | | | (12,756,326) | | |
| Contributions from developers | | | | 2,831,250 | | | | | | |
| Total other financing sources (uses) | 45,792,496 | 20,211,867 | 25,318,482 | 26,521,312 | 20,762,301 | 25,371,111 | 18,626,981 | 16,898,064 | 20,120,788 | 34,095,676 |
| Net Change in fund balances before special and extraordinary items | 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 | 31,061,609 |
| 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) | | |
| Net Change in fund balances | \$30,074,064 | (\$13,056,755) | (\$22,626,391) | (\$6,874,467) | \$802,305 | \$4,769,332 | (\$16,859,731) | (\$12,525,303) | \$18,662,200 | \$31,061,609 |
| Debt service as a percentage of noncapital expenditures | 4.3% | 5.8% | 5.3% | 5.7% | 3.5% | 3.4% | 1.5% | 2.0% | 0.8% | 1.2% |

Source: City's Comprehensive Annual Financial Report

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



| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------|
| 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 |
| 2016 | 52,993,394 |

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

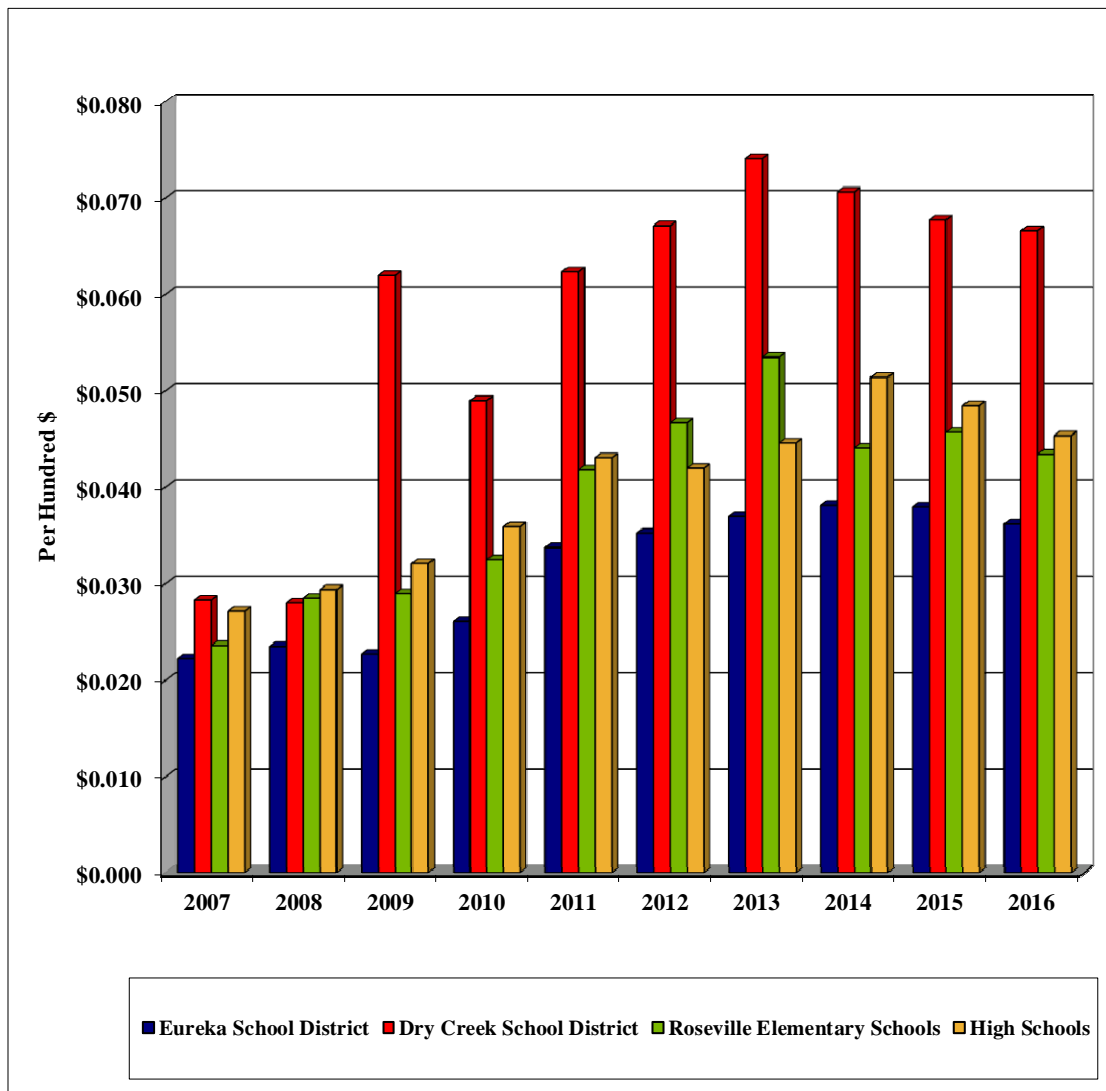
| | <u>2006-2007</u> | <u>2007-2008</u> | <u>2008-2009</u> | <u>2009-2010</u> | <u>2010-2011</u> | <u>2011-2012</u> | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Secured | | | | | | | | | | |
| Land | \$ 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 | \$ 5,038,592,302 |
| Structure | 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 | 13,670,305,499 |
| Growing Imp. | 3 | | | | | | | | | |
| Fixtures | 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 | 72,381,116 |
| Personal Property | 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 | 176,564,870 |
| Gross | 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 | 18,957,843,787 |
| Exemptions | (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) | (1,196,368,326) |
| Net Value | 15,414,212,160 | 16,475,553,998 | 16,547,514,025 | 16,131,260,444 | 14,946,606,657 | 14,096,876,447 | 14,138,193,564 | 15,243,685,246 | 16,483,603,771 | 17,761,475,461 |
| Unsecured | | | | | | | | | | |
| Land | 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 | 14,751,078 |
| Structure | 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 | 40,572,958 |
| Fixtures | 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 | 210,899,452 |
| Personal Property | 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 | 508,561,032 |
| Gross | 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 | 774,784,520 |
| Exemptions | (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) | (93,563,794) |
| Net Value | 529,989,522 | 538,066,948 | 579,926,940 | 560,519,411 | 561,974,062 | 676,158,158 | 607,696,314 | 667,129,419 | 672,379,605 | 681,220,726 |
| Total Net | | | | | | | | | | |
| Assessed Value (a) | \$ 15,944,201,682 | \$ 17,013,620,946 | \$ 17,127,440,965 | \$ 16,691,779,855 | \$ 15,508,580,719 | \$ 14,773,034,605 | \$ 14,745,889,878 | \$ 15,910,814,665 | \$ 17,155,983,376 | \$ 18,442,696,187 |
| Direct Tax Rate (b) | 200.00% | 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**



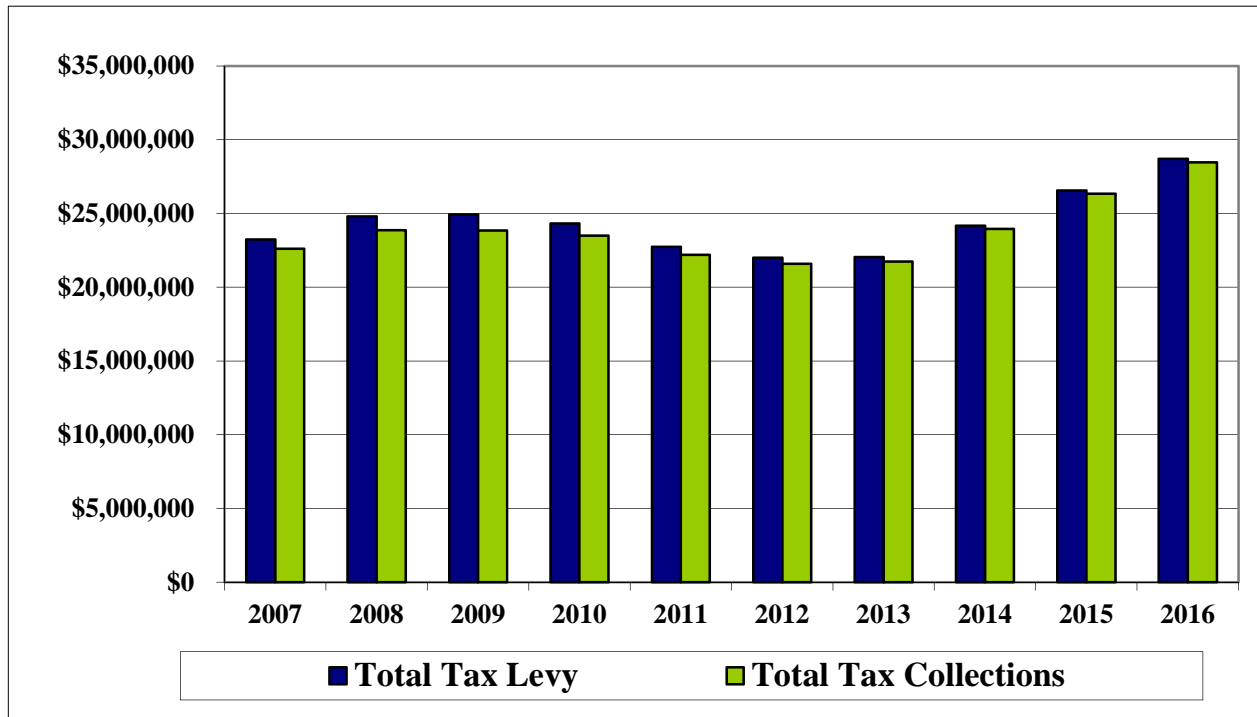
| Fiscal Year | Direct Rate | Overlapping Rates | | | | Total (a) |
|-------------|------------------------|------------------------|---------------------------|------------------------------|--------------|-----------|
| | Basic County Wide Levy | Eureka School District | Dry Creek School District | Roseville Elementary Schools | High Schools | |
| 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 |
| 2016 | 1.0000 | 0.0362 | 0.0666 | 0.0434 | 0.0454 | 1.0941 |

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

PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

| Property Owner | Primary Land Use | Rank | 2016 | | Rank | 2007 | |
|--|-------------------------|------|--------------------------|--|------|--------------------------|--|
| | | | 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 | \$417,439,536 | 2.33% | 4 | 198,422,197 | 1.27% |
| Hewlett Packard Co. | Industrial | 2 | 137,190,170 | 0.76% | 2 | 328,036,807 | 2.11% |
| Slate Creek Roseville LLC | Apartments | 3 | 81,809,449 | 0.46% | | | |
| Rosemeade Residential Holdings LLC | Apartments | 4 | 80,150,650 | 0.45% | | | |
| BEP Roseville Investors LLC | Office Building | 5 | 78,285,118 | 0.44% | | | |
| Walmart Stores Inc. | Commercial | 6 | 76,140,707 | 0.42% | 10 | 55,317,403 | 0.36% |
| Timberpine Holdings LLC | Industrial | 7 | 66,198,907 | 0.37% | | | |
| Roseville Fountains LP | Shopping Center | 8 | 66,050,579 | 0.37% | | | |
| CPT Creekside Town Center LLC | Shopping Center | 9 | 63,772,773 | 0.36% | | | |
| DDR Creekside LP | Commercial | 10 | 53,812,980 | 0.30% | | | |
| W2005 Fargo Hotels Pool C Realty LP | Hotel | 11 | 51,028,349 | 0.28% | | | |
| BBC Roseville Oaks LLC | Commercial | 12 | 50,998,998 | 0.28% | | | |
| NNN Parkway Corporate Plaza LLC | Office Building | 13 | 45,350,000 | 0.25% | 8 | 66,221,460 | 0.42% |
| Mourier Land Investment Corporation | Office Building | 14 | 44,389,612 | 0.25% | 7 | 88,406,401 | 0.57% |
| Terraces at Highland Property Owner LLC | Apartments | 15 | 42,436,644 | 0.24% | | | |
| Lennar Homes of California | Residential Development | 16 | 42,321,254 | 0.24% | | | |
| Safeway Inc. | Commercial | 17 | 41,829,424 | 0.23% | | | |
| Pinnacle OPID LLC & Pinnacle PCC LLC | Apartments | 18 | 40,991,754 | 0.23% | | | |
| Forest Cove 388 LLC | Apartments | 19 | 40,250,020 | 0.22% | | | |
| John L. Sullivan Family LP | Auto Dealership | 20 | 39,750,863 | 0.22% | | | |
| PL Roseville LLC | | | | | 1 | 357,509,644 | 2.29% |
| NEC Electronics USA Inc. | | | | | 3 | 309,105,242 | 1.98% |
| Kobra Properties | | | | | 5 | 137,451,533 | 0.88% |
| Donahue Schriber Realty Group LP | | | | | 6 | 94,434,929 | 0.61% |
| SI VII LLC | | | | | 9 | 57,508,490 | 0.37% |
| Total | | | \$1,560,197,787 | 8.70% | | \$1,692,414,106 | 10.86% |
| Local Secured Assessed Valuation: | | | \$ 17,934,186,461 | | | \$ 15,581,643,348 | |

**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 |
| 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% |
| 2016 | 28,692,626 | 28,454,477 | 99.17% |

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 6/30/2016

| Rank | Business Type (a) | kWh | Percent Total kWh | Revenue | Percent to Total Revenue |
|-------------|--------------------------------|-------------|--------------------------|----------------|---------------------------------|
| 1 | Manufacturing | 106,000,000 | 8.91% | \$10,854,119 | 6.62% |
| 2 | Admin/Office/R&D | 40,310,000 | 3.39% | 4,175,086 | 2.55% |
| 3 | Medical Care | 29,160,046 | 2.45% | 3,303,791 | 2.02% |
| 4 | Government and Utilities | 26,265,320 | 2.21% | 2,793,606 | 1.70% |
| 5 | Medical Care | 22,767,589 | 1.91% | 2,687,073 | 1.64% |
| 6 | Retail and Property Management | 19,168,026 | 1.61% | 2,389,103 | 1.46% |
| 7 | Retail | 12,675,285 | 1.07% | 1,421,243 | 0.87% |
| 8 | Grocery | 10,547,920 | 0.89% | 1,374,437 | 0.84% |
| 9 | Grocery | 9,508,400 | 0.80% | 1,087,264 | 0.66% |
| 10 | Telecommunications | 8,900,239 | 0.75% | 1,059,995 | 0.65% |

Electric Sales Revenue as of 06/30/2016

| | |
|-------------|------------------------------|
| Residential | \$ 68,852,660 |
| Commercial | <u>95,077,642</u> |
| Total | <u><u>\$ 163,930,302</u></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 January 1, 2016**

| | |
|--|-----------|
| Residential | |
| Basic Service Charge (per meter, per month) | \$22.00 |
| Energy Charge (\$/kWh) | |
| Tier 1- up to 500 kWh/month | \$0.0982 |
| Tier 2- greater than 500 kWh/month | \$0.1497 |
| Renewable Energy Surcharge (\$/kWh) | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) ⁽¹⁾ | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 |

Special Residential Rates

| | |
|--|-----------|
| Electric Rate Assistance Program ⁽²⁾ | |
| Basic Service Charge (per meter, per month) | \$18.70 |
| Energy Charge (\$/kWh) | |
| Tier 1- up to 500 kWh/month | \$0.0823 |
| Tier 2- greater than 500 kWh/month | \$0.1261 |
| Renewable Energy Surcharge (\$/kWh) | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) ⁽¹⁾ | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 |

| | |
|--|-----------|
| Medical Support Rate Reduction ⁽³⁾ | |
| Basic Service Charge (per meter, per month) | \$22.00 |
| Energy Charge (\$/kWh) | |
| Tier 1- up to 500 kWh/month | \$0.0480 |
| Tier 2- greater than 500 kWh/month | \$0.1261 |
| Renewable Energy Surcharge (\$/kWh) | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) ⁽¹⁾ | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 |

| | |
|---|-----------|
| Senior Citizen Rate Reduction ⁽⁴⁾ | |
| Basic Service Charge (per meter, per month) | \$19.36 |
| Energy Charge (\$/kWh) | |
| Tier 1- up to 500 kWh/month | \$0.0855 |
| Tier 2- greater than 500 kWh/month | \$0.1308 |
| Renewable Energy Surcharge (\$/kWh) | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) ⁽¹⁾ | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 |

NOTES

- 1) There is a hydroelectric adjustment in effect from July 2015 through June 2016.
- 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 ⁽⁴⁾ receive a 12% credit on all electric charges.

**City of Roseville
Business Energy Prices
Effective January 1, 2016**

| Small General Service (GS-1) (Demand < 20 kW) | Winter | Summer |
|--|-----------|-----------|
| Basic Service Charge (per meter, per month) | \$33.00 | \$33.00 |
| Energy Charge (\$/kWh) | \$0.1014 | \$0.1178 |
| Renewable Energy Surcharge (\$/kWh) | \$0.0056 | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) | \$0.00168 | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 | \$0.00029 |
| Medium General Service (GS-2) (20 kW < Demand ≤ 500 kW) | Winter | Summer |
| Basic Service Charge (per meter, per month) | \$70.00 | \$70.00 |
| Demand Charge(\$/kW-month) | \$5.39 | \$5.39 |
| Energy Charge (\$/kWh) | \$0.1048 | \$0.1257 |
| Renewable Energy Surcharge (\$/kWh) | \$0.0056 | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) | \$0.00168 | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 | \$0.00029 |
| Large General Service (GS-3) (500 kW < Demand ≤ 1000 kW) | Winter | Summer |
| Basic Service Charge (per meter, per month) | \$544.00 | \$544.00 |
| Demand Charge (\$/kW-month) | \$4.99 | \$11.62 |
| 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) | \$0.0056 | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) | \$0.00168 | \$0.00168 |
| State Energy Surcharge (\$/kWh) | \$0.00029 | \$0.00029 |
| Very Large General Service (GS-4) (Demand > 1000 kW) | Winter | Summer |
| Basic Service Charge (per meter, per month) | \$638.00 | \$638.00 |
| Demand Charge (\$/kW-month) | \$4.99 | \$11.40 |
| 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) | \$0.0056 | \$0.0056 |
| Greenhouse Gas Surcharge (\$/kWh) | \$0.0002 | \$0.0002 |
| Hydroelectric Adjustment (\$/kWh) | \$0.00168 | \$0.00168 |
| 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 4:00pm AND 7:00pm to 10:00pm
Monday through Friday (Except Holidays)

Super Peak: 4:00pm to 7:00pm Monday through Friday (Except Holidays)

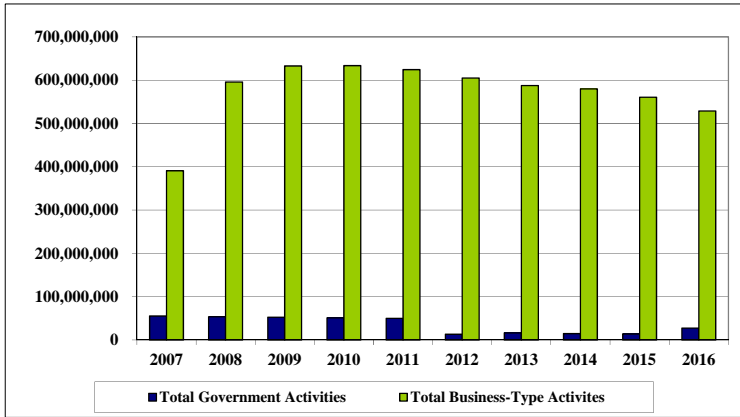
Holidays are defined as: New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

There is a hydroelectric adjustment in effect from July 2015 through June 2016.

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 | | 2015 316 Vernon Project |
| 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 | | 16,252,366 |
| 2014 | [c] | [d] | [f] | [g] | 10,670,247 | | 14,729,422 |
| 2015 | [c] | [d] | [f] | [g] | 9,874,687 | | 13,920,507 |
| 2016 | [c] | [d] | [f] | [g] | 9,060,011 | \$ 14,425,000 | 27,515,692 |

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] | 4,047 |
| 2016 | 220,365,000 | 3,538,160 | 39,915,000 | 85,932,459 | 148,875,000 | [h] | 498,625,619 | 526,141,311 | [b] | [j] |

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.

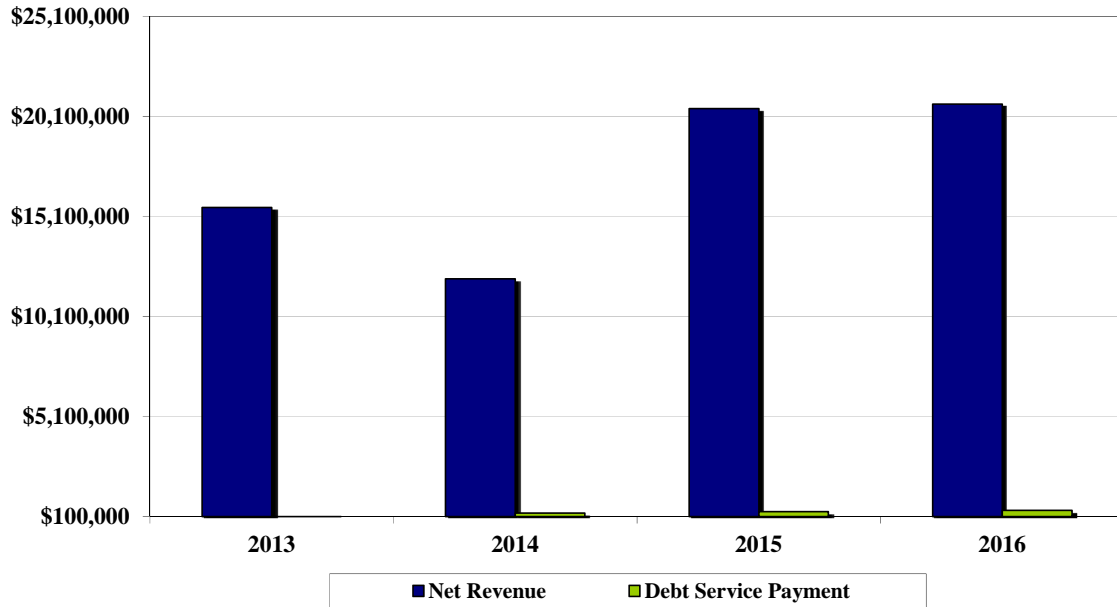
[g] Foothills Boulevard Extension to build Corp Yard ended April 1, 2007.

[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.

[j] Information is not yet available.

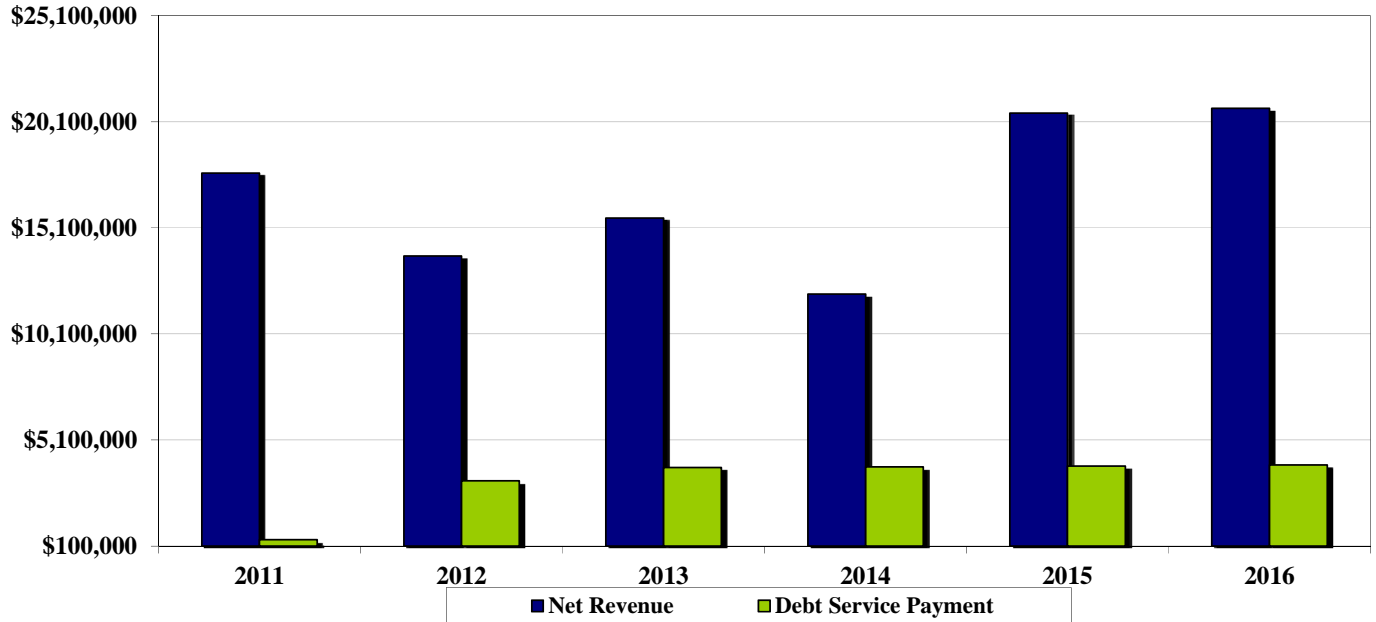
Sources: *The City's Comprehensive Annual Financial Reports*
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS
Last Four Fiscal Years ⁽¹⁾**



| 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 |
| 2016 | 40,133,217 | 19,398,212 | 20,735,005 | | 406,694 | 406,694 | 50.98 |

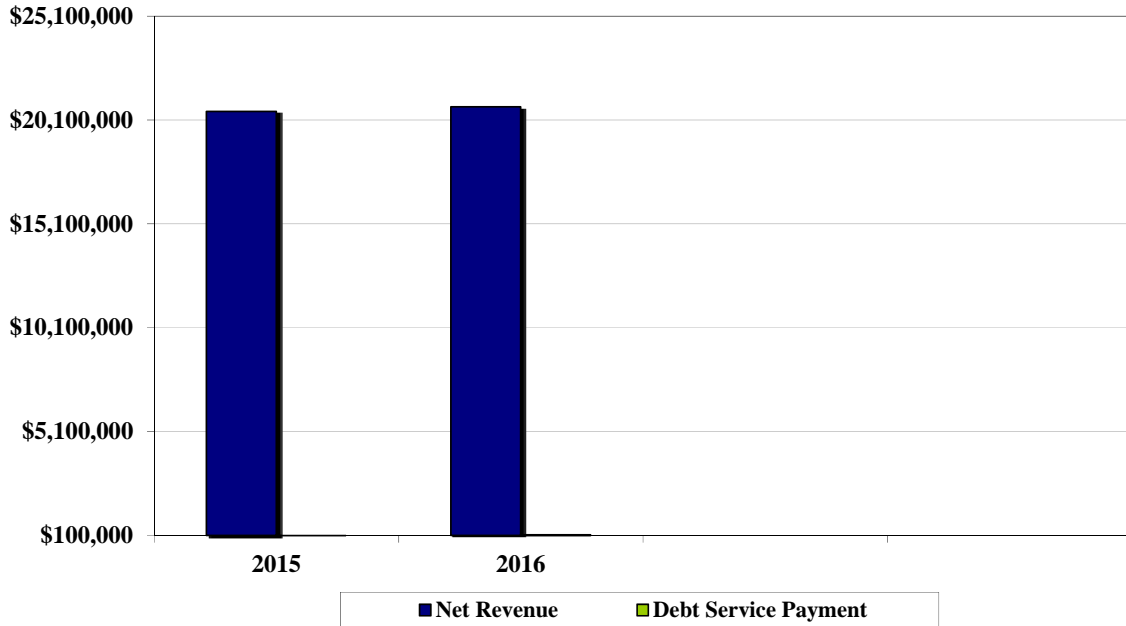
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C
Last Six Fiscal Years ⁽¹⁾**



| 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 |
| 2016 | 40,133,217 | 19,398,212 | 20,735,005 | 2,287,586 | 1,638,543 | 3,926,129 | 5.28 |

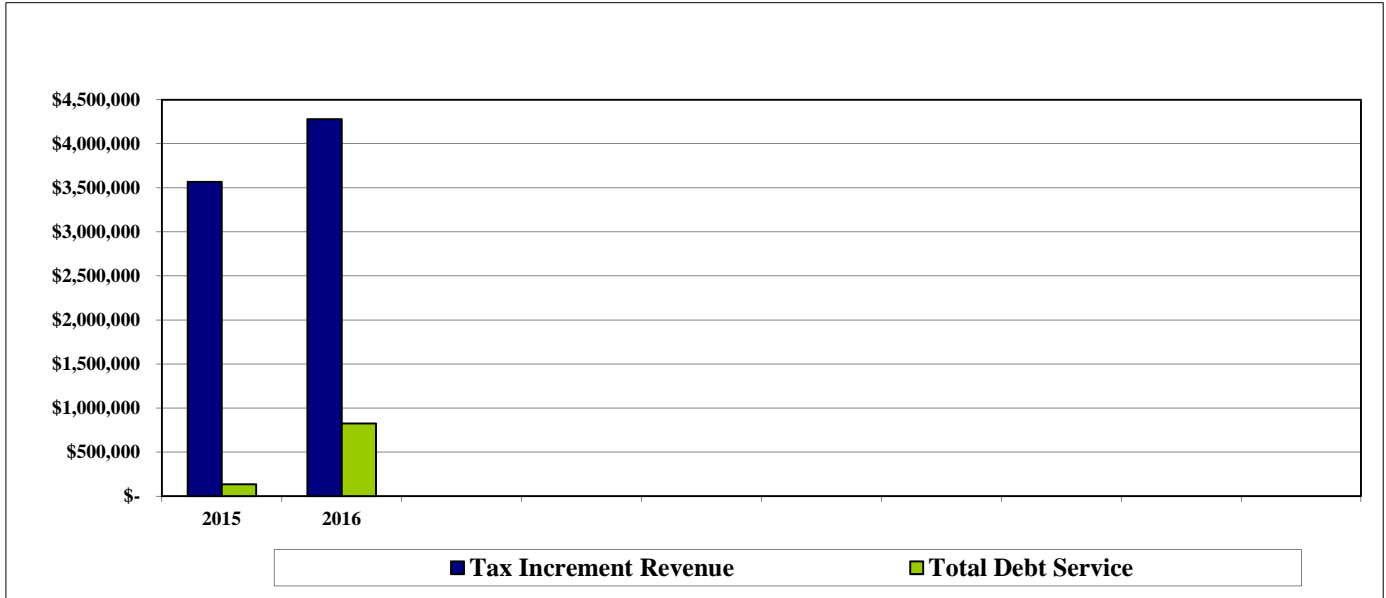
- Notes: (1) Ten years of data are not available due to the bonds being issued on April 7, 2011
(2) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(3) Includes all Wastewater Operating Expenses less Depreciation and Interest

**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2014 WASTEWATER REVENUE REFUNDING BONDS
Last Two Fiscal Years ⁽¹⁾**



| 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 |
| 2016 | 40,133,217 | 19,398,212 | 20,735,005 | | 131,649 | 131,649 | 157.50 |

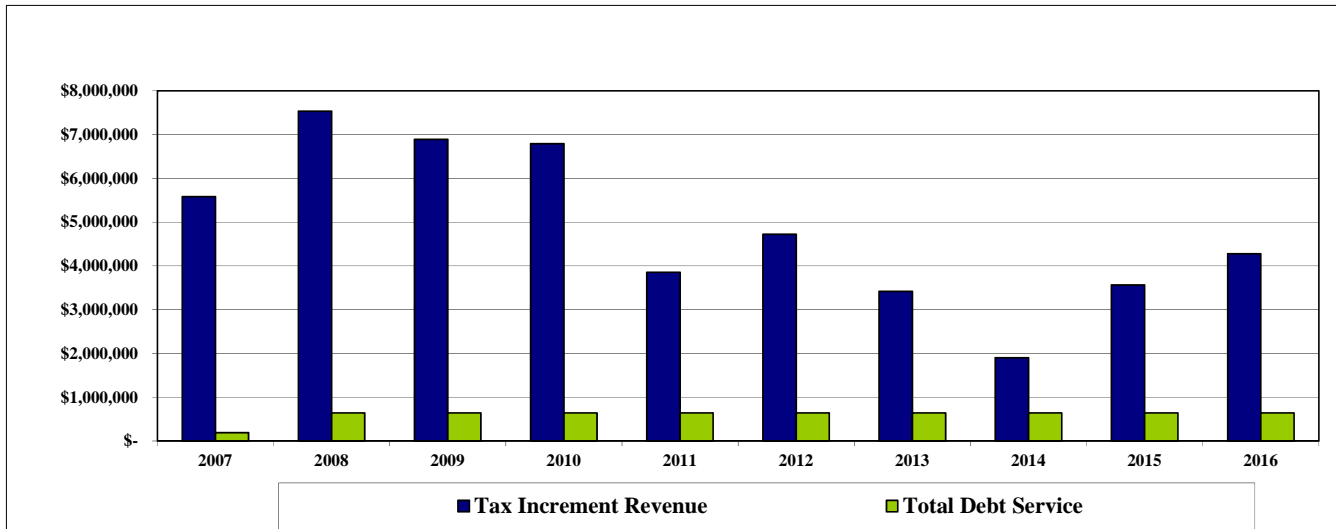
**CITY OF ROSEVILLE
2014 REDEVELOPMENT TAX ALLOCATION BONDS
Last Two Fiscal Years**



| 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 |
| 2016 | 4,277,172 (c) | \$ 435,000 | 390,688 | \$825,688 | 10,305,000 | 0.05 |

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

CITY OF ROSEVILLE
2006A REDEVELOPMENT TAX ALLOCATION BONDS
Last Ten Fiscal Years ^(c)



| Fiscal Year | Tax Increment Revenue | Debt Service Requirements | | | Principal Outstanding | Coverage |
|-------------|-----------------------|---------------------------|--------------|--------------------|-----------------------|----------|
| | | Principal Payment | Interest Due | Total Debt Service | | |
| 2007 | \$5,581,407 (a) | | \$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 |
| 2016 | 4,277,172 (d) | | 640,625 | 640,625 (d) | 13,155,000 | 0.07 |

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

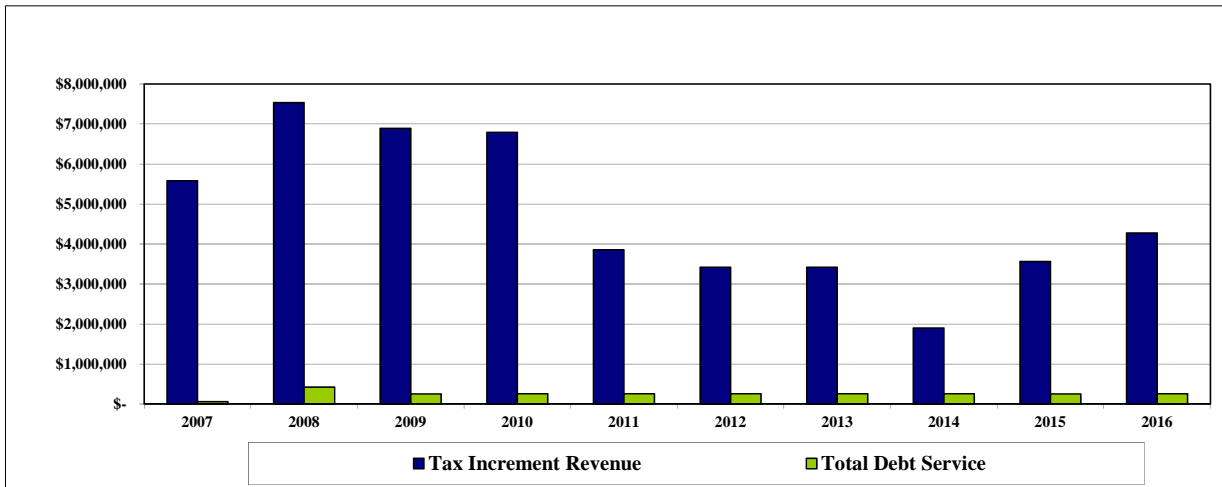
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

(c) Bond issued November 14, 2006

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

CITY OF ROSEVILLE
2006AT REDEVELOPMENT TAX ALLOCATION BONDS
Last Ten Fiscal Years ^(c)



| Fiscal Year | Tax Increment Revenue | Debt Service Requirements | | | Principal Outstanding | Coverage |
|-------------|-----------------------|---------------------------|--------------|--------------------|-----------------------|----------|
| | | Principal Payment | Interest Due | Total Debt Service | | |
| 2007 | \$5,581,407 (a) | | \$56,168 | \$56,168 | \$3,285,000 | 0.99 |
| 2008 | 7,535,590 (a) | \$240,000 | 182,605 | 422,605 | 3,045,000 | 0.18 |
| 2009 | 6,888,510 (a) | 80,000 | 174,109 | 254,109 | 2,965,000 | 0.27 |
| 2010 | 6,792,567 (a) | 90,000 | 169,596 | 259,596 | 2,875,000 | 0.26 |
| 2011 | 3,853,172 (a) | 95,000 | 164,684 | 259,684 | 2,780,000 | 0.15 |
| 2012 | 3,419,138 (a)(b) | 100,000 | 159,507 | 259,507 (b) | 2,680,000 | 0.13 |
| 2013 | 3,416,590 (d) | 105,000 | 154,064 | 259,064 (d) | 2,575,000 | 0.13 |
| 2014 | 1,900,108 (d) | 110,000 | 148,356 | 258,356 (d) | 2,465,000 | 0.07 |
| 2015 | 3,566,262 (d) | 115,000 | 139,781 | 254,781 (d) | 2,350,000 | 0.14 |
| 2016 | 4,277,172 (d) | 125,000 | 132,504 | 257,504 (d) | 2,225,000 | 0.17 |

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

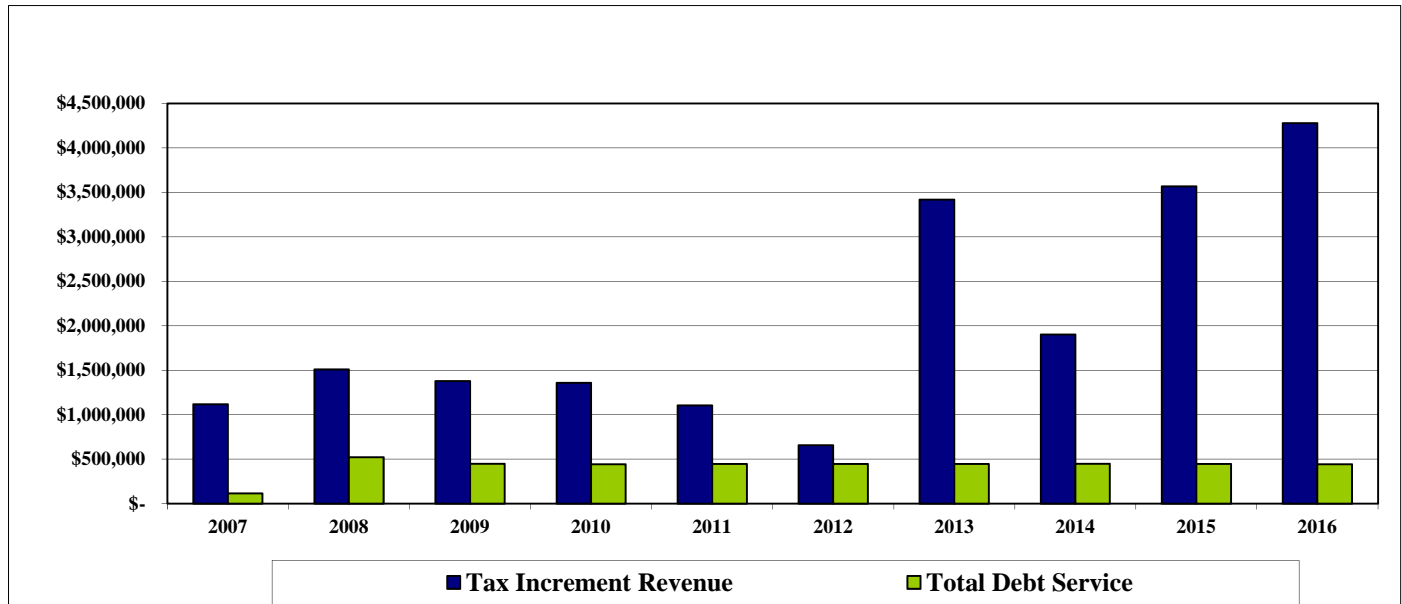
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

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 Ten Fiscal Years ^(b)



| Fiscal Year | 20% Set Aside | Debt Service Requirements | | | Principal Outstanding | Coverage |
|-------------|---------------|---------------------------|--------------|--------------------|-----------------------|----------|
| | | Principal Payment | Interest Due | Total Debt Service | | |
| 2007 | \$1,116,281 | | \$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 |
| 2016 | 4,277,172 (d) | 100,000 | 343,650 | 443,650 (c) | 5,700,000 | 0.10 |

(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, 2016

2015-16 Assessed Valuation: \$18,620,024,727

| | Total Debt 06/30/2016 | % Applicable(1) | City's Share of Debt 6/30/2016 |
|---|--------------------------|-----------------|--------------------------------------|
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | | | |
| Roseville Joint Union High School District | \$74,101,462 | 74.679% | \$55,338,231 |
| Roseville Joint Union High School District SFID No. 1 | 4,721,433 | 96.681% | 4,564,729 |
| Center Joint Unified School District | 34,924,466 | 1.782% | 622,354 |
| Rocklin Unified School District | 61,238,305 | 0.497% | 304,354 |
| Dry Creek Joint School District | 42,601,980 | 57.781% | 24,615,850 |
| Eureka Union School District | 2,733,176 | 34.129% | 932,806 |
| Roseville City School District | 20,817,289 | 97.319% | 20,259,177 |
| City of Roseville Community Facilities Districts | 327,608,500 | 100.000% | 327,608,500 |
| California Statewide Communities Development Authority | | | |
| Assessment Districts | 8,229,921 | 100.000% | 8,229,921 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$442,475,922 |
| <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u> | | | |
| Placer County Certificates of Participation | \$33,910,000 | 29.083% | \$9,862,045 |
| Placer County Office of Education Certificates of Participation | 1,480,000 | 29.083% | 430,428 |
| Sierra Joint Community College District Certificates of Participation | 7,254,000 | 21.990% | 1,595,155 |
| Roseville Joint Union High School District Certificates of Participation | 1,100,000 | 74.679% | 821,469 |
| Center Joint Unified School District Certificates of Participation | 951,798 | 1.782% | 16,961 |
| Rocklin Unified School District Certificates of Participation | 13,880,000 | 0.497% | 68,984 |
| Eureka Union School District Certificates of Participation | 3,825,000 | 34.129% | 1,305,434 |
| Roseville City School District Certificates of Participation | 8,755,000 | 97.319% | 8,520,278 |
| Placer Mosquito and Vector Control District Certificates of Participation | 3,705,000 | 29.083% | 1,077,525 |
| City of Roseville Certificates of Participation | 27,023,174 | 100.000% | 27,023,174 |
| TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$50,721,453 |
| Less: City of Roseville supported obligation | | | \$3,596,779 |
| TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$47,124,674 |
| <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u> | \$31,585,000 | 100.000% | \$31,585,000 |
| TOTAL GROSS DIRECT DEBT | | | \$27,023,174 |
| TOTAL NET DIRECT DEBT | | | \$23,426,395 |
| TOTAL OVERLAPPING DEBT | | | \$497,759,201 |
| | | | |
| GROSS COMBINED TOTAL DEBT | | | \$524,782,375 |
| NET COMBINED TOTAL DEBT | | | \$521,185,596 |

- (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 2015-2016 Assessed Valuation:

| | |
|---|--------------|
| Total Overlapping Tax and Assessment Debt | 2.38% |
| Total Gross Direct Debt (\$27,023,174) | 0.15% |
| Total Net Direct Debt (\$23,426,395) | 0.13% |
| Gross Combined Total Debt | 2.82% |
| Net Combined Total Debt | 2.80% |

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

| | |
|--------------------------------------|-------|
| Total Overlapping Tax Increment Debt | 5.03% |
|--------------------------------------|-------|

CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2016

ASSESSED VALUATION:

| | |
|---|------------------|
| Secured property assessed value, net of exempt real property | \$17,934,186,461 |
|---|------------------|

| | |
|---|---------------|
| BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) | \$672,531,992 |
|---|---------------|

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) |
|---|---------------|

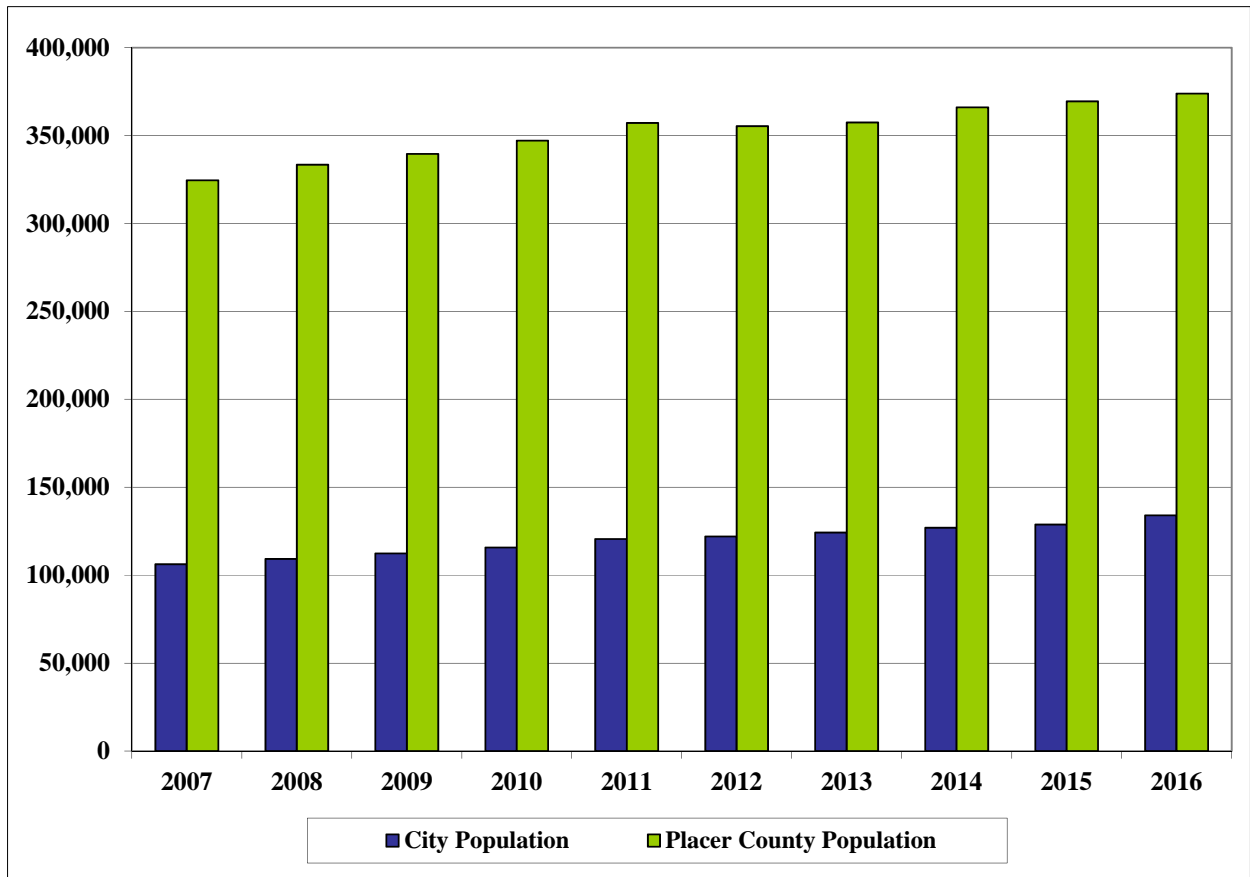
Amount of debt subject to limit

| | |
|--------------------------|---------------|
| LEGAL BONDED DEBT MARGIN | \$672,531,992 |
|--------------------------|---------------|

| 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 |
|----------------|---------------|--|-------------------------|---|
| 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 | 672,531,992 | | 672,531,992 | 0.00% |
| 2016 | 672,531,992 | | 672,531,992 | 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**



| <u>Fiscal Year</u> | <u>City of Roseville Population</u> | <u>County Total Personal Income</u> | <u>County Per Capita Personal Income</u> | <u>City of Roseville Unemployment Rate (%)</u> | <u>Placer County Population</u> | <u>City Population % of County</u> |
|--------------------|-------------------------------------|-------------------------------------|--|--|---------------------------------|------------------------------------|
| 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 | 21,182,771 | 58,000 | 6.5% | 366,000 | 34.69% |
| 2015 | 128,832 | (a) | (a) | 5.3% | 369,454 | 34.87% |
| 2016 | 134,073 | (a) | (a) | 4.5% | 373,796 | 35.87% |

(a) Information not available

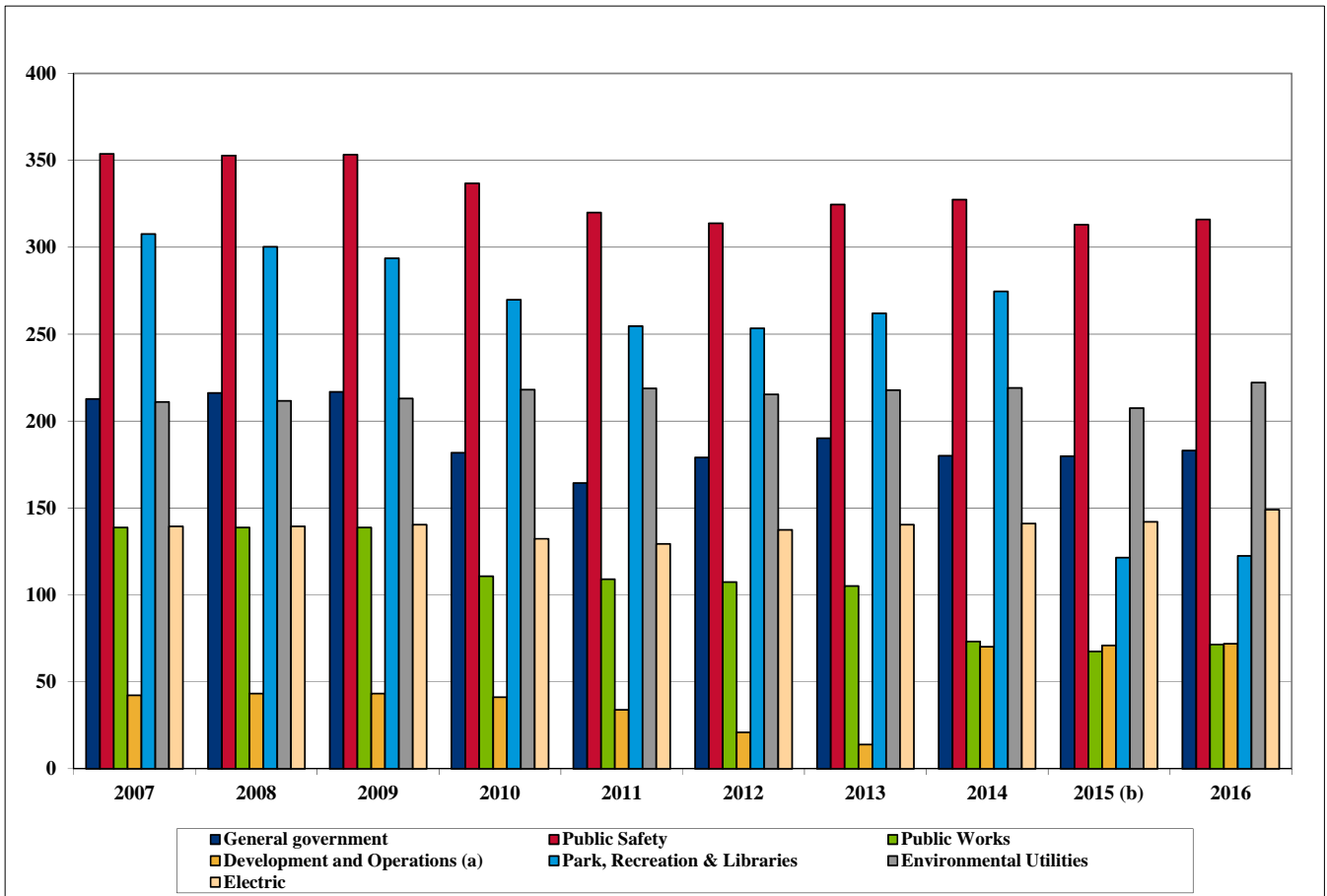
**CITY OF ROSEVILLE
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago**

| Employer | 2016 | | | 2007 | |
|---|----------------------------|-------------|---|----------------------------|-------------|
| | Number of Employees | Rank | Percentage of Total City Employees | Number of Employees | Rank |
| The Permanente Medical Group & Foundation Group | 4,988 | 1 | 6.48% | 3,289 | 2 |
| Hewlett Packard | 2,300 | 2 | 2.99% | 3,600 | 1 |
| Sutter Roseville Medical Group | 2,100 | 3 | 2.73% | 1,922 | 3 |
| Union Pacific Railroad Company | 1,150 | 4 | 1.49% | 1,500 | 4 |
| City of Roseville | 1,136 | 5 | 1.48% | 1,248 | 5 |
| Roseville Joint Union High School | 1,090 | 6 | 1.42% | 975 | 6 |
| Roseville City School District | 1,034 | 7 | 1.34% | 840 | 7 |
| PRIDE Industries | 838 | 8 | 1.09% | 800 | 9 |
| Adventist Health | 801 | 9 | 1.04% | (b) | |
| Consolidated Communications | 440 | 10 | 0.57% | (b) | |
| NEC Electronics | | | | 800 | 8 |
| Wal-Mart | | | | 796 | 10 |
| Subtotal | <u>15,877</u> | | <u>20.64%</u> | <u>15,770</u> | |
| Total Employment | <u>76,925</u> (a) | | | <u>79,000</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,

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 (b) | 2016 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Function | | | | | | | | | | |
| General government | 212.71 | 216.21 | 216.79 | 181.75 | 164.38 | 179.09 | 190.14 | 180.10 | 179.81 | 183.11 |
| Public Safety | 353.69 | 352.69 | 353.18 | 336.75 | 319.90 | 313.78 | 324.59 | 327.42 | 313.00 | 316.00 |
| Public Works | 138.77 | 138.77 | 138.77 | 110.75 | 109.03 | 107.33 | 105.17 | 73.18 | 67.50 | 71.50 |
| Development and Operations (a) | 42.25 | 43.25 | 43.25 | 41.17 | 33.98 | 21.00 | 14.00 | 70.26 | 71.00 | 72.00 |
| Park, Recreation & Libraries | 307.65 | 300.19 | 293.70 | 269.89 | 254.65 | 253.43 | 262.00 | 274.61 | 121.50 | 122.50 |
| Environmental Utilities | 211.03 | 211.59 | 213.00 | 218.09 | 218.90 | 215.32 | 217.82 | 219.14 | 207.50 | 222.25 |
| Electric | 139.46 | 139.46 | 140.46 | 132.29 | 129.33 | 137.39 | 140.36 | 141.09 | 142.00 | 149.00 |
| Total | 1,405.56 | 1,402.16 | 1,399.15 | 1,290.69 | 1,230.17 | 1,227.34 | 1,254.08 | 1,285.80 | 1,102.31 | 1,136.36 |

(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 | | | | | | | | | |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Public safety: | | | | | | | | | | |
| Fire: | | | | | | | | | | |
| Number of Haz-Mat alarms answered | 330 | 287 | 194 | 192 | 172 | 199 | 201 | 214 | 228 | 204 |
| Number of medical emergencies answered | 6,622 | 6,737 | 6,967 | 7,485 | 7,836 | 8,429 | 9,045 | 9,995 | 11,015 | 10,694 |
| Total calls for service | 10,065 | 9,492 | 8,694 | 9,129 | 9,609 | 10,006 | 10,936 | 12,163 | 13,286 | 12,828 |
| Police: | | | | | | | | | | |
| Law violations: | | | | | | | | | | |
| Physical arrests (adult and juvenile) | 7,360 | 5,464 | 5,245 | 4,520 | 5,845 | 4,264 | 4,647 | 4,321 | 3,295 | 2,315 |
| Traffic citations | 19,893 | 18,883 | 20,889 | 19,033 | 6,404 | 4,826 | 4,470 | 2,207 | 1,839 | 2,329 |
| Public works: | | | | | | | | | | |
| Total building permits issued | 4,272 | 4,849 | 3,975 | 3,884 | 4,078 | 4,338 | 4,131 | 5,796 | 5,715 | 5,854 |
| Total square feet of street maintenance performed | 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 | 3,468,666 |
| Park and recreation: | | | | | | | | | | |
| Community Services: | | | | | | | | | | |
| Number of participants in Cultural Art classes (Note 1) | 1,926 | 1,520 | 2,688 | n/a | 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 | 246,331 |
| Total attendance to aquatic facilities (Note 2) | 243,429 | 235,548 | 250,182 | 266,931 | 278,860 | 306,455 | 291,407 | 324,918 | 357,064 | 316,994 |
| Library: | | | | | | | | | | |
| Number of materials checked out (Note 3) | 685,097 | 818,428 | 946,224 | 1,001,179 | 994,990 | 1,058,434 | 1,194,909 | 1,273,880 | 1,252,039 | 1,306,844 |
| Water: | | | | | | | | | | |
| Average Daily Consumption (in gallons) | 30.43M | 28.15M | 28.19M | 25.6 M | 25.9M | 28.6M | 30.2M | 28.0M | 23.01M | 20.70 |
| Number of backflow devices tested | 4,348 | 4,679 | 4,728 | 4,895 | 4,965 | 4,558 | 3,862 | 4,520 | 4,854 | 5,093 |
| Number of meters sold | 1,031 | 1,917 | 2,268 | 807 | 497 | 555 | 770 | 569 | 824 | 848 |
| Wastewater: | | | | | | | | | | |
| Number of miles of sewer mains flushed | 218 | 280 | 258 | 209 | 284 | 277 | 271 | 335 | 284 | 266 |
| Total preventative work orders completed (Note 4) | 9,247 | n/a | 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% | 38.4% |
| Solid Waste: | | | | | | | | | | |
| Tons of solid waste collected | 100,148 | 96,265 | 89,512 | 87,446 | 89,125 | 87,336 | 87,946 | 92,101 | 94,308 | 101,794 |

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 | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Public safety: | | | | | | | | | | |
| Fire stations | 8 | 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 | 107 | 107 | 106 | 51 | 49 | 58 | 61 | 64 | 67 | 77 |
| Public works: | | | | | | | | | | |
| Miles of streets | 475 | 432 | 428 | 429 | 432 | 438 | 440 | 440 | 458 | 465 |
| Number of Traffic Signals | 150 | 154 | 162 | 165 | 166 | 167 | 167 | 167 | 171 | 175 |
| Park and recreation: | | | | | | | | | | |
| Community services: | | | | | | | | | | |
| Golf courses (18 holes) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| City parks | 56 | 58 | 61 | 61 | 63 | 66 | 68 | 71 | 72 | 72 |
| Miles of creek | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| Swimming pools (Note 1) | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Tennis courts | 12 | 14 | 16 | 16 | 16 | 16 | 16 | 18 | 18 | 18 |
| Library: | | | | | | | | | | |
| City Libraries | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Water | | | | | | | | | | |
| Miles of water mains | 540 | 556 | 562 | 567 | 569 | 569 | 570 | 570 | 583 | 592 |
| Fire hydrants | 4,278 | 4,413 | 4,473 | 4,514 | 4,533 | 4,542 | 4,545 | 4,545 | 4,654 | 4,735 |
| Wastewater | | | | | | | | | | |
| Miles of sanitary sewers | 472 | 485 | 485 | 492 | 493 | 487 | 487 | 491 | 497 | 505 |
| Miles of storm drain | 474 | 376 | 373 | 382 | 348 | 349 | 351 | 344 | 353 | 366 |
| Solid Waste: | | | | | | | | | | |
| Number of new residential refuse customers | 809 | 984 | 800 | 750 | 522 | 537 | 768 | 475 | 601 | 787 |
| Electric: | | | | | | | | | | |
| Number of residential customers | 43,793 | 44,662 | 45,478 | 46,400 | 47,021 | 47,611 | 48,387 | 49,013 | 49,851 | 50,784 |
| Number of commercial customers | 5,788 | 6,038 | 6,349 | 6,411 | 6,437 | 6,505 | 6,561 | 6,666 | 6,673 | 6,700 |

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