

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



Downtown Roundabout, Roseville, California



CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

Prepared by

FINANCE DEPARTMENT

**CITY OF ROSEVILLE, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2017**

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December 22, 2017

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, 2017. 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, 2017. 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 U.S. Office of Management and Budget Uniform Guidance 2 CFR Part 200.

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 on April 10, 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 assist the City Council in formulating 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, Youth Sports Coalition, and the Community Priorities Advisory Committee.

Roseville is a full-service City providing a full range of municipal utilities and services. These services include: police; fire; economic development and housing; parks, recreation and libraries; planning; building and public facility inspection; engineering; streets; electric; water, wastewater and solid waste utilities; 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), and the City of Roseville Housing Authority (Housing Authority), and fiduciary component units of the Successor Agency to the Redevelopment Agency (Successor Agency) and the City of Roseville Other Post-Employment Benefits Trust (OPEB Trust) which constitutes a single reporting entity. The Finance Authority, the Housing Authority, RNGFA, and OPEB Trust 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, RCDC, and the OPEB Trust issue component unit financial statements. Separate financial statements are not issued for the Finance Authority, the Housing Authority, or the Successor Agency.

MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2017 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 completed the following projects: the 2015 Arterial Resurfacing Project, the replacement of the Industrial Avenue Bridge over Pleasant Grove Creek, and the Roseville Road "s-curve" reconstruction. The City has begun or continued design of the following projects: Eureka/Atlantic to Westbound I-80 Onramp Widening, Hillcrest Drainage, Washington "Andora" Underpass Widening, Pleasant Grove Changeable Message Sign, Miner's Ravine Trail Slope Protection, Downtown Bridges, Harding to Royer Bike Trail Segment 3, Sierra Gardens Transfer Point, Oakridge Bridge Replacement, and 2017 Arterial Resurfacing projects. The City has begun or continues construction of Fire Station #1, Oak Street Parking Garage, Roller Compacted Concrete Project, Louis/Orlando Transfer Station, 2017 Arterial Ramp Upgrade, and Woodcreek Oaks Widening projects.

- **Water:** The City completed the first phase of the West Side Tank and Pump Station Project construction and will start the design for phase two construction in early 2018. The City met the June 2017 deadline for formation of a Groundwater Sustainability Agency in West Placer County in compliance with the State Sustainable Groundwater Management Act. The City entered into a memorandum of agreement with the City of Lincoln, Placer County Water Agency, Nevada Irrigation District and Placer County with participation by California American Water Company.
- **Wastewater:** The City finished design for improvements at the Dry Creek Wastewater Treatment Plant (WWTP) Nitrate plus Nitrite Reduction and Cogeneration Projects and are soliciting proposals from construction contractors to construct improvements. Final design work for the Pleasant Grove WWTP Expansion and Energy Recover Projects is nearly complete. Construction for these projects is expected to begin in the first half of 2018. New SCADA system installation and testing is nearly complete at the Pleasant Grove WWTP and will soon begin at the Dry Creek WWTP.
- **Electric:** The City continued ongoing expansion of its electric distribution system to serve new customers and rehabilitation of existing electric assets to maintain reliable service.
- **Parks and Recreation:** The City completed the Johnson Pool ADA repairs, EJ Fiddymont Park, Waltrip Park, Kennedy Park, and Stizzo Park.

The City has experienced an overall increase in total permit activity with 5,854 permits being issued, compared to 4,931 permits issued last fiscal year. Single-family residential permits increased compared to last fiscal year with 1,055 new single family and 33 new multi-family permits issued in 2017 as compared to 850 and 0, respectively, in fiscal year 2016. Several new development proposals should keep single-family and multi-family permits on the rise in the near future. The number of commercial permits increased to 20, up by 10 permits, as compared to the prior year. The square footage of these buildings increased to 1,026,364 square feet from only 89,996 square feet in the prior year. Of the new commercial permits, the largest permits were issued to McKesson Pharmaceutical for just over 303,000 square feet and Adventist Health for almost 282,000 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 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). The HP Campus rezone project was approved by Council on August 5, 2015. The 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 the fiscal year 2018. 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.

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 Funds, Water, Wastewater, and Solid Waste, 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.

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 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 7.67% since inception. In fiscal year 2017, the OPEB plan assets grew to \$72.69 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 are 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, 2016. 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. We believe this CAFR also meets the requirements of the program and we will be submitting it to the GFOA to determine its eligibility for the certificate.

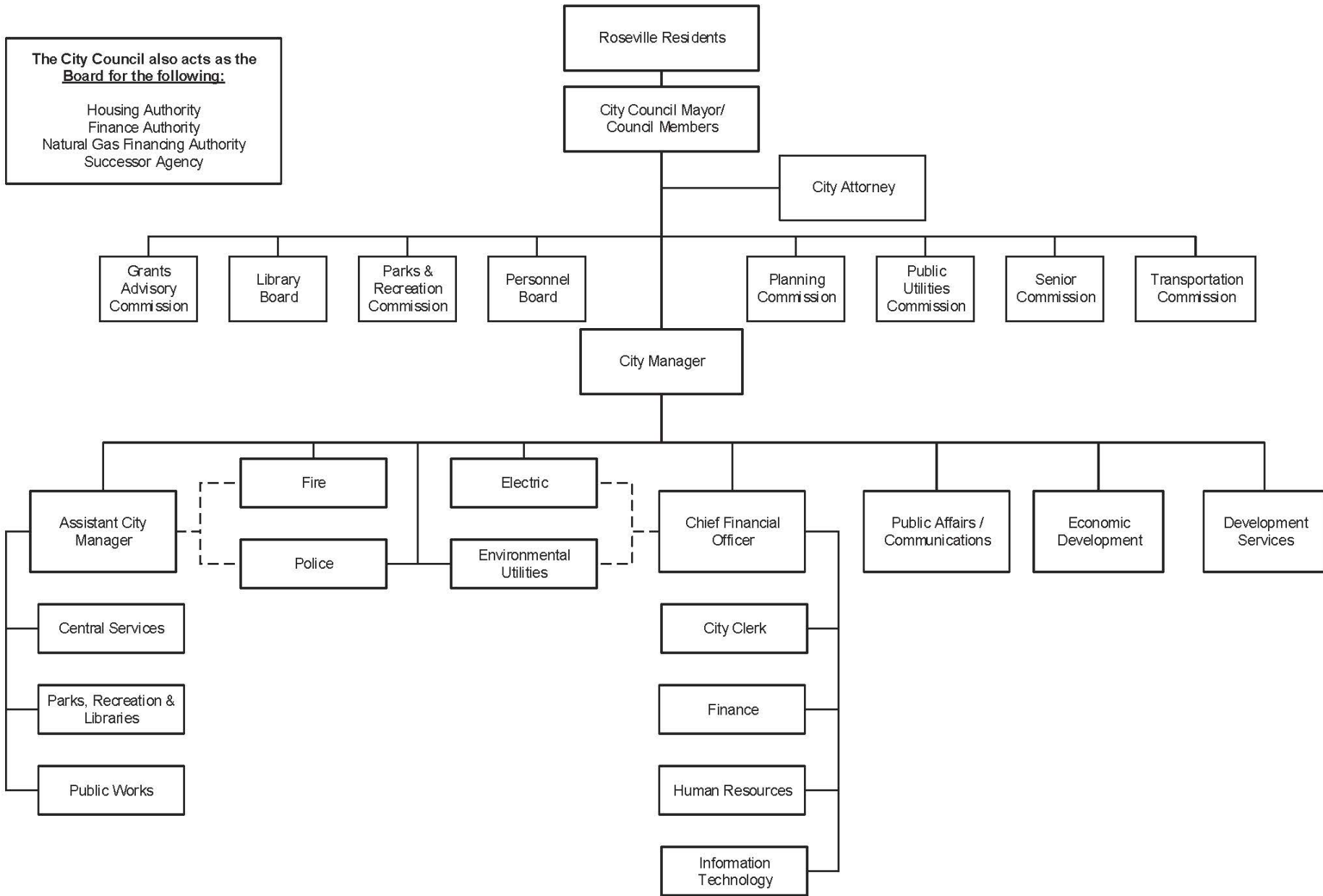
ACKNOWLEDGMENTS

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



Dennis Kauffman
Director of Finance



City Wide Organization (1,147.48 FTE)

CITY OF ROSEVILLE
ELECTED OFFICIALS
JUNE 30, 2017

Mayor
Vice Mayor
Council Member
Council Member
Council Member

Susan Rohan
Bonnie Gore
John Allard
Scott Alvord
Tim Herman



Government Finance Officers Association

**Certificate of
Achievement
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**City of Roseville
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

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, 2017, 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, 2017, 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective July 1, 2016. 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 107 through 110, the schedule of changes in the net pension liability and related ratios on page 111, the schedule of pension contributions on page 112 the Modified Approach to Reporting Street Pavement Costs and Parks and Landscaping Costs on pages 113 and 114, and the schedule of funding progress on page 115 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 22, 2017, 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 22, 2017

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CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. This document should be read in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

FISCAL YEAR 2017 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2017 include the following:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2017 by \$2,547.0 million.
- The City's governmental funds reported a combined fund balance of \$239.1 million. Unassigned fund balances comprise \$39.0 million of this total, or 16.3% of the combined fund balance, which is available for use at the discretion of the City.

OVERVIEW OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL STATEMENT

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

- Introductory section, including the letter of transmittal, list of City elected officials, and the City's organization chart.
- Financial section, including the independent auditors' report, management's discussion and analysis, and the basic financial statements.
- Supplemental Information section, including the required supplementary information and supplemental information.
- 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 government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions for the City's pension plans along with the Schedule of Funding Progress for the City's other post-employment benefit plan, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's non-major governmental funds, non-major enterprise funds, internal service funds, private purpose trust funds, agency funds, each of which is presented in a column in the basic financial statements.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Government-wide Financial Statements

The government-wide statements report information about the City using accounting methods like those used by private-sector companies. The statement of net position includes all the City's assets and liabilities, as well as any deferred outflows or inflows of resources. The statement of activities includes all current year revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year.

The government-wide financial statements of the City present information about the following:

- *Governmental Activities:* Most 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.
- *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.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole.

The City has three types of fund financial statements:

- *Governmental funds:* Governmental fund statements provide information about the general government services such as police, fire and public works were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statements.
- *Proprietary funds:* Proprietary fund statements provide information about the services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services.
- *Fiduciary funds:* Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee or fiduciary. It is also responsible for other assets, reported in an investment trust fund, which because of trust agreements, can be used only for the trust beneficiaries. The City elected to serve as the successor agency for its former redevelopment agency which was dissolved by state law. The successor agency activity is accounted for in a private purpose trust fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

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, 2017.

**Statement of Net Position - Primary Government
As of June 30, 2017 and 2016
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Cash and investments	\$ 255.0	\$ 264.4	\$ 337.8	\$ 296.3	\$ 592.8	\$ 560.7
Other assets	88.7	87.6	397.9	401.8	486.6	489.4
Capital assets	990.7	903.4	1,513.1	1,518.2	2,503.9	2,421.6
Total Assets	<u>1,334.4</u>	<u>1,255.4</u>	<u>2,248.8</u>	<u>2,216.3</u>	<u>3,583.3</u>	<u>3,471.7</u>
Deferred Outflows of Resources	<u>44.0</u>	<u>18.5</u>	<u>50.9</u>	<u>48.7</u>	<u>95.0</u>	<u>67.2</u>
Liabilities						
Long-term debt outstanding	27.3	28.4	504.8	524.3	532.1	552.7
Other liabilities	292.9	277.3	182.4	179.5	475.3	456.8
Total Liabilities	<u>320.2</u>	<u>305.7</u>	<u>687.2</u>	<u>703.8</u>	<u>1,007.4</u>	<u>1,009.5</u>
Deferred Inflows of Resources	<u>9.2</u>	<u>15.2</u>	<u>114.6</u>	<u>116.1</u>	<u>123.8</u>	<u>131.3</u>
Net Position						
Net investment in capital assets	963.4	875.0	1,164.4	1,156.7	2,127.9	2,031.7
Restricted	128.5	171.6	35.6	33.3	164.1	204.9
Unrestricted	(42.9)	(93.6)	298.0	255.1	255.1	161.5
Total Net Position	<u>\$ 1,049.0</u>	<u>\$ 953.0</u>	<u>\$ 1,498.0</u>	<u>\$ 1,445.1</u>	<u>\$ 2,547.0</u>	<u>\$ 2,398.1</u>

The largest portion of the City's net position is recorded in the net investment in capital assets category of \$2,127.9 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 \$164.1 million represents resources that are restricted for use by external sources. The remaining net position of \$255.1 million is unrestricted and can be used to meet the ongoing obligations of the City.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Governmental Activities

Government Activities – Net Position

This analysis focuses 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.

Statement of Net Position - Governmental Activities
As of June 30, 2017 and 2016
(in millions)

	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>
Assets			
Cash and investments	\$ 255.0	\$ 264.4	\$ (9.4)
Other assets	88.7	87.6	1.1
Capital assets	990.7	903.4	87.3
Total Assets	<u>1,334.4</u>	<u>1,255.4</u>	<u>79.0</u>
Deferred Outflows of Resources	<u>44.0</u>	<u>18.5</u>	<u>25.5</u>
Liabilities			
Long-term debt outstanding	27.3	28.4	(1.1)
Other liabilities	292.9	277.3	15.6
Total Liabilities	<u>320.2</u>	<u>305.7</u>	<u>14.5</u>
Deferred Inflows of Resources	<u>9.2</u>	<u>15.2</u>	<u>(6.0)</u>
Net Position			
Net investment in capital assets	963.4	875.0	88.4
Restricted	128.5	171.6	(43.1)
Unrestricted	(42.9)	(93.6)	50.7
Total Net Position	<u>\$ 1,049.0</u>	<u>\$ 953.0</u>	<u>\$ 96.0</u>

The City's governmental net position increased by \$96.0 million to \$1,049.0 million as of June 30, 2017. The City's net position increased primarily due to the following:

- Capital assets net of depreciation increased by \$87.3 million due to asset additions primarily due to completion of the 316 Vernon Street Office Building, new streets, and dedicated Park land and Open Space in the West Roseville Specific Plan and East Roseville Specific Plan areas.
- Other liabilities increased \$15.6 million primarily due to an increase of \$32.3 million in net pension obligation and decreases of \$12.6 million and \$4.1 in due to other governments and accrued liabilities, respectively.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Changes in Net Position - Governmental Activities
For the Years Ended June 30, 2017 and 2016
(in millions)

	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>
Revenues			
Program Revenues			
Charges for services	\$ 34.4	\$ 29.4	\$ 5.0
Operating grants and contributions	21.0	18.7	2.3
Capital grants and contributions	35.5	38.6	(3.1)
Total Program Revenues	91.0	86.7	4.3
General Revenues			
Taxes	101.8	100.9	0.9
Use of money and property	0.7	3.1	(2.4)
Miscellaneous	18.7	0.2	18.5
Total General Revenues	121.1	104.2	16.9
Total Revenues	212.1	190.9	21.2
Expenses			
General government	23.5	24.2	(0.7)
Development and operations	22.4	21.7	0.7
Public works	15.5	12.8	2.7
Police	28.0	34.2	(6.2)
Fire	21.9	28.3	(6.4)
Library	3.4	4.7	(1.3)
Parks and recreation	19.3	21.3	(2.0)
Housing assistance payments	4.2	4.1	0.1
Interest on long-term debt	4.3	1.1	3.2
Total Expenses	142.4	152.4	(10.0)
Changes in Net Position before Transfers	69.8	38.5	31.3
Transfers	20.7	24.9	(4.2)
Changes in Net Position after Transfers	90.4	63.4	27.0
Net Position-Beginning, as Restated	958.6	889.6	69.0
Net Position-Ending	\$ 1,049.0	\$ 953.0	\$ 96.0

Program revenues were comprised of charges for services of \$34.4 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$21.0 million of operating grants and contributions which include housing, police, and grants; and capital grants and contributions of \$35.5 million that consist mainly of street project grants and developer impact fees restricted to capital outlay.

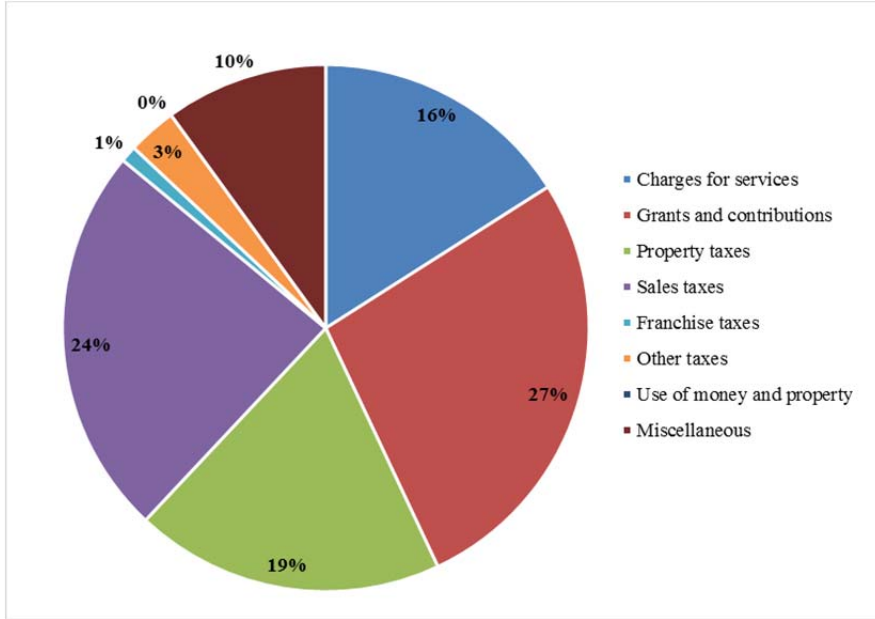
General revenues were mainly comprised of property and sales taxes totaling \$92.3 million and revenue for the Mercy Housing project and proceeds from bonds for developer reimbursements for authorized facilities totaling \$11.7 included in miscellaneous revenues. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

Total expenses decreased by \$10.0 million primarily due to decreases in pension expense in police and fire of \$12.6 million offset by an increase of \$3.2 million in interest on long-term debt.

CITY OF ROSEVILLE
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2017

Governmental Activities – Revenues by Source

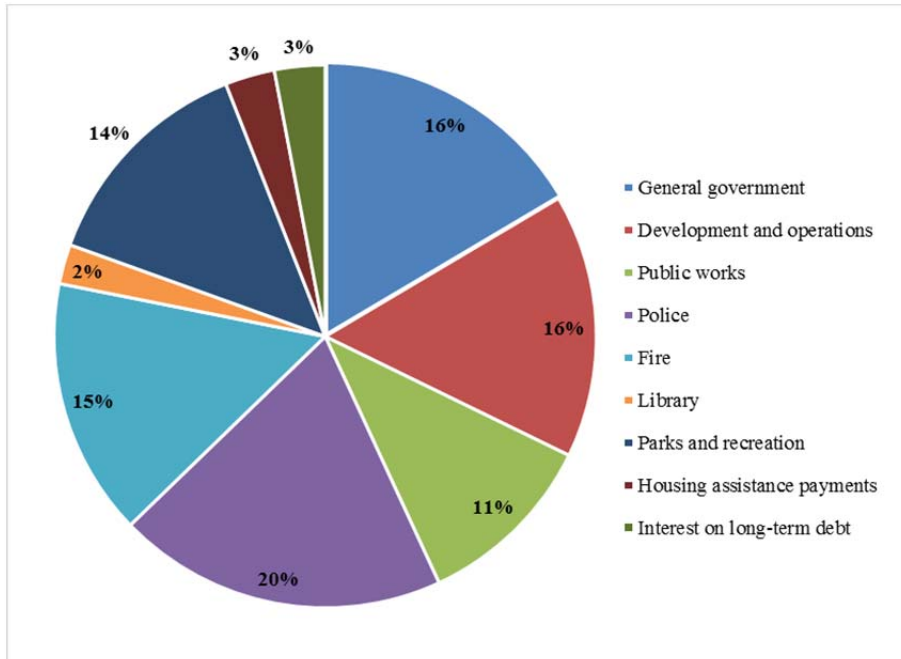
The chart below describes the revenues by source for Governmental Activities.



As the revenues chart reflects, \$91.0 million, or 43% of the City's fiscal year 2017 governmental revenue came from program revenues and \$121.1 million, or 57%, came from general revenues such as taxes, interest and miscellaneous revenues.

Governmental Activities – Functional Expenses

The functional expenses chart below includes only current year expenses for governmental activities.



CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Capital outlay is excluded from functional expenses as these expenses are added to the City's capital assets. As the chart reflects, general government was \$23.5 million or 16% of total governmental activities expenses; development and operations was \$22.4 million or 16%; public works was \$15.5 million or 11%; police was \$28.0 million or 20%; fire was \$21.9 million or 15%; parks and recreation was \$19.3 million or 14%; and the remainder was for other governmental programs and functions, as shown above.

Business-type Activities

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

Statement of Net Position - Business-type Activities
As of June 30, 2017 and 2016
(in millions)

	2017	2016	Increase/ Decrease
Assets			
Cash and investments	\$ 337.8	\$ 296.3	\$ 41.5
Other assets	397.9	401.8	(3.9)
Capital assets	1,513.1	1,518.2	(5.1)
Total Assets	2,248.8	2,216.3	32.5
 Deferred Outflows of Resources	 50.9	 48.7	 2.2
 Liabilities			
Long-term debt outstanding	504.8	524.3	(19.5)
Other liabilities	182.4	179.5	2.9
Total Liabilities	687.2	703.8	(16.6)
 Deferred Inflows of Resources	 114.6	 116.1	 (1.5)
 Net Position			
Net investment in capital assets	1,164.4	1,156.7	7.7
Restricted	35.6	33.3	2.3
Unrestricted	298.0	255.1	42.9
Total Net Position	\$ 1,498.0	\$ 1,445.1	\$ 52.9

The net position of business-type activities amounted to \$1,498.0 million in fiscal year 2017, an increase of \$52.9 million from fiscal year 2016. The City's business-type activities net position increased due to the following:

- Cash and investments increased by \$41.5 million and capital assets decreased by \$5.0 million.
- Long-term debt outstanding decreased by \$19.5 million from debt refundings and scheduled retirements of outstanding debt.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Changes in Net Position - Business-type Activities
For the Years Ended June 30, 2017 and 2016
(in millions)

	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>
Revenues			
Program Revenues			
Charges for services	\$ 281.6	\$ 272.4	\$ 9.2
Operating grants and contributions	10.6	5.9	4.7
Capital grants and contributions	61.0	55.8	5.2
Total Program Revenues	<u>353.3</u>	<u>334.1</u>	<u>19.2</u>
General Revenues			
Use of property and money	8.9	12.1	(3.2)
Total Revenues	<u>362.2</u>	<u>346.2</u>	<u>16.0</u>
Expenses			
Electric	151.0	141.8	9.2
Water	30.1	26.7	3.4
Wastewater	40.4	34.6	5.8
Solid waste	18.3	17.8	0.5
Natural gas	24.7	25.2	(0.5)
Golf course	2.5	2.5	(0.0)
Local transportation	8.2	8.0	0.2
School-age child care	5.8	5.3	0.5
Total Expenses	<u>280.9</u>	<u>261.9</u>	<u>19.0</u>
Change in Net Position before Transfers	<u>81.4</u>	<u>84.3</u>	<u>(2.9)</u>
Transfers	(20.7)	(27.7)	7.0
Changes in Net Position after Transfers	<u>60.7</u>	<u>56.6</u>	<u>4.1</u>
Net Position-Beginning, as Restated	<u>1,437.3</u>	<u>1,325.9</u>	<u>111.4</u>
Net Position-Ending	<u>\$ 1,498.0</u>	<u>\$ 1,382.5</u>	<u>\$ 115.5</u>

Business-type program revenues and interest revenue were \$362.2 million while business-type expenses and transfers out were \$301.6 million in 2017. Major-enterprise fund activity is discussed in the Proprietary Funds section below.

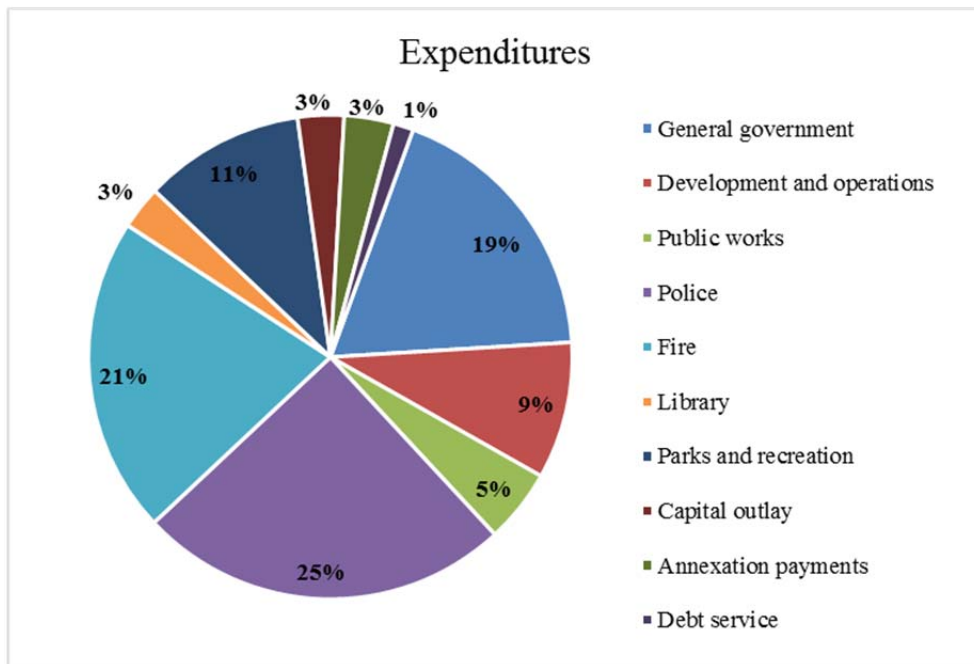
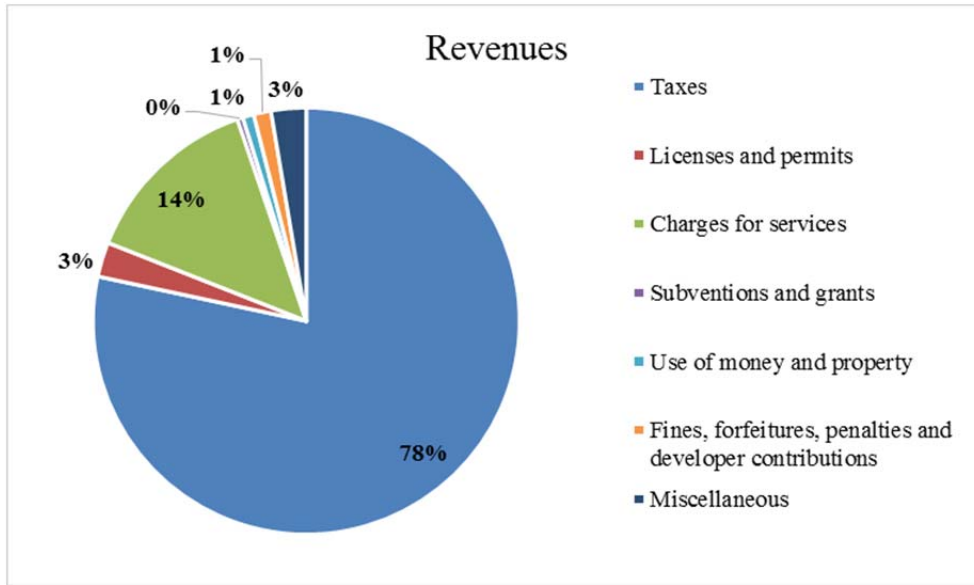
FINANCIAL ANALYSIS OF THE FUND STATEMENTS

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources.

CITY OF ROSEVILLE
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2017

General Fund



General Fund revenues increased by \$3.0 million from the prior year, primarily due to increases in taxes of \$1.1 million and increases in charges for services of \$0.9 million. Total actual revenues were less than the final budget by \$1.2 million, with the following major breakdown:

- Taxes were more than budget by \$0.7 million.
- Licenses and permits were more than budget by \$0.6 million.
- Charges for services were less than budget by \$1.4 million.
- Contributions from developers were less than budget by \$1.4 million.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

General Fund expenditures increased by \$7.5 million from the prior year, primarily due to increases in police of \$1.2 million, fire of \$1.6 million and debt service of \$1.5 million. Total expenditures were \$6.7 million less than budget. The original budget was increased by a net \$5.5 million. The following is a list of the major expenditure variances from the final budget:

- General Government operating services and supplies were \$1.6 million under budget due to the litigation reserve and certain contracts and services not being expended.
- Development and Operations operating services and supplies were \$3.8 million under budget primarily due to certain full cost/consolidated billing projects not being completed by the end of the fiscal year.

As of June 30, 2017, the General Fund's fund balance totaled \$60.6 million, including \$14.2 million nonspendable primarily for notes receivable; \$0.7 committed primarily for parks; \$4.5 million assigned to various contracts; and the balance of \$41.1 million considered unassigned. Only the unassigned portion of fund balance represents available liquid resources, since the nonspendable, committed and assigned portions of the fund balance is represented by non-cash assets, contracts, or open purchase orders.

Non-Major Governmental Funds

These funds are presented in the basic financial statements as non-major governmental funds. They are individually presented as supplemental information.

Proprietary Funds

Electric Fund

Net position of the Electric Fund increased \$22.5 million in fiscal year 2017 in comparison to a \$35.6 million increase in 2016 primarily due to decreases in operating expenses of \$10.2 million and transfers in of \$8.5 million for Electric owned vehicles previously included in the Automotive Fund. As of June 30, 2017, the fund's net position was \$341.5 million, of which \$205.8 million was the net investment in capital assets; \$16.1 million was restricted for debt service; \$9.2 million was restricted for the benefit of rate payers; and \$110.3 million was unrestricted as to use.

Water Fund

Net position of the Water Fund increased \$18.2 million in fiscal year 2017, primarily due to increases in charges for services for rate changes and new development and additional capital contributions. As of June 30, 2017, the fund's net position was \$510.1 million, of which \$438.8 million was the net investment in capital assets; \$4.1 million was restricted for debt service; and \$67.2 million was unrestricted as to use.

Wastewater Fund

Net position of the Wastewater Fund increased \$17.5 million in fiscal year 2017, primarily due to increases in charges for services for rate changes. As of June 30, 2017, the fund's net position was \$602.8 million of which \$487.0 million was the net investment in capital assets; \$4.8 million was restricted for debt service; and \$100.9 million was unrestricted as to use.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Solid Waste Fund

Net Position of the Solid Waste Fund increased \$1.4 million in fiscal year 2017, primarily due to increases in charges for services. As of June 30, 2017, the fund's net position was \$17.6 million, of which \$2.2 million was the net investment in capital assets and \$15.4 million was unrestricted as to use.

Roseville Natural Gas Financing Authority

This fund was created as the financing mechanism to purchase prepaid natural gas for the Roseville Energy Park, an electric power plant, through the issuance of revenue bonds. \$146.9 million remains due in bonds payable, while the prepaid natural gas was \$149.2 million. Net position of the Roseville Natural Gas Financing Authority Fund increased \$0.1 million in fiscal year 2017 to \$3.9 million which is unrestricted as to use.

Non-Major Enterprise Funds

These funds are presented in the basic financial statements as non-major enterprise funds. They are individually presented as supplemental information.

CAPITAL ASSETS

The City records the cost of its infrastructure assets and computes the amount of accumulated depreciation for these assets based on their original acquisition dates. Infrastructure includes roads, bridges, signals and similar assets used by the entire population. The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in table below:

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Capital Assets
As of June 30, 2017 and 2016
(in millions)

	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>
Governmental Activities			
Land	\$ 38.8	\$ 56.6	\$ (17.8)
Streets (modified approach)	319.2	305.5	13.7
Parks (modified approach)	156.2	98.2	58.0
Landscaping (modified approach)	52.3	47.6	4.7
Construction in progress	52.0	47.8	4.2
Buildings	159.2	133.7	25.5
Improvements	11.3	8.1	3.2
Equipment	68.5	82.3	(13.8)
Bike paths	9.8	9.0	0.8
Bridges	71.1	70.5	0.6
Culverts	20.7	20.7	0.0
Curb, gutter, sidewalk, and median curbs	166.1	161.8	4.3
Drain inlets	21.8	21.6	0.2
Flood control improvements	20.6	20.4	0.2
Soundwall	40.6	36.8	3.8
Storm drains	93.7	88.5	5.2
Less: accumulated depreciation	<u>(311.4)</u>	<u>(305.7)</u>	<u>(5.7)</u>
Governmental Activities Capital Assets, Net	<u>\$ 990.7</u>	<u>\$ 903.4</u>	<u>\$ 87.3</u>
	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>
Business-Type Activities			
Land	\$ 17.1	\$ 17.0	\$ 0.1
Landscaping (modified approach)	0.6	0.6	
Construction in progress	40.8	51.8	(11.0)
Buildings	27.4	26.9	0.5
Improvements	18.8	18.8	0.0
Machinery and equipment	34.8	29.2	5.6
Bike paths	5.4	5.4	(0.0)
Bridges	1.7	1.7	0.0
Culverts	0.4	0.4	(0.0)
Curb, gutter, sidewalk, and median curbs	0.5	0.5	(0.0)
Flood control improvements	8.9	8.8	0.1
Traffic signals	50.1	49.1	1.0
Plant and substations	366.2	362.9	3.3
Distribution	1,376.4	1,332.5	43.9
Generation	202.8	202.8	0.0
Less: accumulated depreciation	<u>(638.8)</u>	<u>(590.3)</u>	<u>(48.5)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,513.1</u>	<u>\$ 1,518.1</u>	<u>\$ (5.0)</u>

Detail on capital assets, current year additions, construction in progress and depreciable lives can be found in Note 7 to the financial statements.

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

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. 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's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 71 and residential roadways at an average PQI of 68. This policy allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed.

At June 30, 2017, the City's streets averaged 72 PQI for arterial and collector roadways and 69 PQI for residential roadways. The City expended \$11.9 million on preservation of its streets in fiscal year 2017, compared to the budgeted amount of \$14.4 million.

The City uses a computerized grounds management system to track the condition levels of each of the parks and landscaping. The City's policy based on current funding is to maintain parks and landscaping at an average Ground Management Index (GMI) of Level 3. This rating allows for moderate maintenance and is the recommended level for most organizations.

At June 30, 2017, the City's parks and landscaping averaged Level 3 GMI. The City expended \$5.7 million on preservation of its parks and landscaping 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 8 to the financial statements. As of June 30, 2017 the City's debt comprised:

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Outstanding Debt
As of June 30, 2017 and 2016
(in millions)

	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>
<u>Governmental Activities Debt</u>			
Lease			
2013 Public Facilities Refunding, 2.15%, due 8/1/25	\$ 8.3	\$ 9.1	\$ (0.8)
2015 316 Vernon Street Project, 2.00%-5.00%, due 2/1/34	14.2	14.4	(0.2)
Add: deferred debt premium	0.8	0.8	
Capital Lease Obligations			
Equipment		0.1	(0.1)
Loans			
Successor Agency	4.0	4.0	
Total Governmental Activities Debt	<u>\$ 27.3</u>	<u>\$ 28.4</u>	<u>\$ (1.1)</u>
<u>Business-type Activities Debt</u>			
Certificates of Participation			
2009 Electric System Revenue Refunding, 2.00%-5.25%, due 2/1/24	\$ 4.7	\$ 16.1	\$ (11.4)
Add deferred bond premium	0.1	0.2	(0.1)
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.0	90.0	
2015 Water Utility Revenue Refunding, 2.00%-5.00%, due 12/1/29	37.7	39.9	(2.2)
Add deferred bond premium	6.0	6.4	(0.4)
Total Certificates of Participation	<u>138.5</u>	<u>152.6</u>	<u>(14.1)</u>
Revenue Bonds			
2007 Gas Revenue Bonds			
4.00%-5.00%, due 2/15/28	139.5	148.9	(9.4)
Add: deferred bond premium	7.4	8.1	(0.7)
2010 Electric System Revenue Refunding			
2.00%-5.00%, due 2/1/37	1.6	54.1	(52.5)
Add: deferred bond premium		2.1	(2.1)
2013 Electric System Revenue Refunding			
2.00%-5.00%, due 2/1/29	39.4	43.8	(4.4)
Add: deferred bond premium	4.4	4.8	(0.4)
2011 Refunding Wastewater Revenue Bonds, Series C			
1.00%-5.25%, due 11/1/25	28.9	31.4	(2.5)
Add: deferred bond premium	1.8	2.0	(0.2)
2013 Refunding Wastewater Revenue Bonds			
variable rate, due 11/1/35	36.5	36.5	
2014 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	1.8	1.9	(0.1)
2017A Electric System Revenue Refunding			
3.0%-5.00%, due 2/1/37	56.2		
Add: deferred bond premium	4.9		
2017B Taxable Electric System Revenue Refunding			
1.03%-2.41%, due 2/1/22	6.3		6.3
Total Revenue Bonds	<u>363.2</u>	<u>368.1</u>	<u>(66.0)</u>
Lease			
2013 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	3.1	3.5	(0.4)
Total Business-type Activities Debt	<u>\$ 504.8</u>	<u>\$ 524.2</u>	<u>\$ (80.5)</u>

CITY OF ROSEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2017 continued 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 1.6% in fiscal year 2017. Energy sales decreased 1% from the prior year, as did corresponding operating revenues. Operating expenses increased slightly and non-operating expenses decreased slightly 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. In fiscal year 2018, electric rates will be restructured by increasing the monthly base rate charges and decreasing the energy consumption charges.

The environmental utilities (water, wastewater, and solid waste) ended the year with positive changes in their net position. The water and wastewater utilities debt instruments performed well during fiscal year 2017. The water utility's debt is 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 2017. In fiscal year 2018, water, wastewater, and solid waste rates increased in total by approximately of 5.4%.

The long-term outlook for the City's economy is promising. Building is continuing to increase for single family homes. This is indicated in the 24% increase in residential single family permits over fiscal year 2016. Sales tax increased from fiscal year 2016. The City anticipates that sales tax should begin to level out over the next few years. New auto sales continued to increase compared to the prior fiscal year, and continues to be a leader in the state.

On a short-term basis, the City will need to continue controlling costs and payroll expansion to ensure operating revenues exceed operating expenses. In fiscal year 2017, 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. CalPERS costs increased, as expected, and are projected to increase in future years as well, as a result of the CalPERS' decision to reduce the discount rate to 7%.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide citizens, taxpayers, customers, 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, Debt Service, and Permanent Funds. Since the City's Internal Service Funds predominately 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. 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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury	\$ 241,248,023	\$ 303,195,284	\$ 544,443,307
Restricted cash and investments with fiscal agents	13,762,829	34,576,561	48,339,390
Receivables:			
Taxes	2,008,925		2,008,925
Accounts, net of allowance for doubtful accounts	6,243,688	37,058,260	43,301,948
Accrued interest	4,964,083	1,333,672	6,297,755
Due from other government agencies	19,985,760	6,779,095	26,764,855
Internal balances	4,051,930	(4,051,930)	
Prepays	1,517,625	2,383,562	3,901,187
Developer permit fees receivable	476,554		476,554
Notes receivable	47,466,601	81,703	47,548,304
Inventories	1,154,591	11,428,362	12,582,953
Land held for resale	861,245		861,245
Prepaid purchased gas		149,206,977	149,206,977
Investment in NCPA reserves		4,553,244	4,553,244
Investment in SPWA reserves		77,176,911	77,176,911
Derivative at fair value		111,955,168	111,955,168
Capital assets:			
Capital assets not being depreciated	618,541,399	58,550,842	677,092,241
Capital assets being depreciated, net	372,161,426	1,454,596,714	1,826,758,140
Total Assets	<u>1,334,444,679</u>	<u>2,248,824,425</u>	<u>3,583,269,104</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		9,177,605	9,177,605
Accumulated decrease in fair value of hedging derivative		20,854,386	20,854,386
Deferred outflows related to pensions	44,006,757	20,919,689	64,926,446
Total Deferred Outflows of Resources	<u>44,006,757</u>	<u>50,951,680</u>	<u>94,958,437</u>
LIABILITIES			
Accounts payable	6,161,656	11,815,487	17,977,143
Accrued liabilities	2,688,212	12,034,075	14,722,287
Due to other governments	596,090	4,514,398	5,110,488
Deposits	4,836,629	7,215,404	12,052,033
Unearned revenues	873,536	17,049,844	17,923,380
Derivative at fair value		20,854,386	20,854,386
Compensated absences:			
Due within one year	4,952,902	2,964,021	7,916,923
Due in more than one year	11,808,320	5,370,003	17,178,323
Self-insurance claims payable and litigation settlement:			
Due within one year	1,913,047		1,913,047
Due in more than one year	7,237,725		7,237,725
Long-term liabilities due in more than one year:			
Landfill closure and post closure liability		1,759,437	1,759,437
Net OPEB obligation	50,971,148		50,971,148
Net pension liability	200,873,011	98,849,243	299,722,254
Other long-term liabilities:			
Due within one year	1,112,435	22,082,189	23,194,624
Due in more than one year	26,173,964	482,689,808	508,863,772
Total Liabilities	<u>320,198,675</u>	<u>687,198,295</u>	<u>1,007,396,970</u>
DEFERRED INFLOWS OF RESOURCES			
Accumulated increase in fair value of hedging derivatives		111,955,168	111,955,168
Deferred inflows related to pensions	9,233,688	2,597,389	11,831,077
Total Deferred Inflows of Resources	<u>9,233,688</u>	<u>114,552,557</u>	<u>123,786,245</u>
NET POSITION			
Net investment in capital assets	<u>963,416,426</u>	<u>1,164,442,267</u>	<u>2,127,858,693</u>
Restricted for:			
Capital projects	98,202,972		
Expendable endowments	421,922		421,922
Nonexpendable endowments	16,964,800		16,964,800
Debt service	285,678	25,063,657	25,349,335
Community development projects	12,625,081		12,625,081
Local transportation		1,320,377	1,320,377
Total Restricted	<u>128,500,453</u>	<u>35,568,403</u>	<u>65,865,884</u>
Unrestricted	<u>(42,897,806)</u>	<u>298,014,583</u>	<u>255,116,777</u>
Total Net Position	<u>\$ 1,049,019,073</u>	<u>\$ 1,498,025,253</u>	<u>\$ 2,547,044,326</u>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 23,477,949	\$ 5,153,373	\$ 1,077,974	\$ 3,735,985	\$ (13,510,617)		\$ (13,510,617)
Development and operations	22,387,337	10,370,206	12,808,160	53,883	844,912		844,912
Public works	15,499,737	518,117	229,033	20,663,266	5,910,679		5,910,679
Police	27,989,234	1,322,994	1,285,018		(25,381,222)		(25,381,222)
Fire	21,870,763	2,377,309	431,707	1,561,102	(17,500,645)		(17,500,645)
Library	3,356,937	24,085	88,084		(3,244,768)		(3,244,768)
Parks & recreation	19,273,481	14,657,957	204,456	9,509,274	5,098,206		5,098,206
Housing assistance payments	4,216,417		4,908,945		692,528		692,528
Interest on long-term debt	4,285,329				(4,285,329)		(4,285,329)
Total Governmental Activities	142,357,184	34,424,041	21,033,377	35,523,510	(51,376,256)		(51,376,256)
Business-type Activities:							
Electric	150,984,130	166,006,839		13,338,124		\$ 28,360,833	28,360,833
Water	30,074,999	27,983,419	53,881	22,958,850		20,921,151	20,921,151
Wastewater	40,370,531	39,000,990		23,997,503		22,627,962	22,627,962
Solid Waste	18,307,460	23,111,497	70,876	732,324		5,607,237	5,607,237
Natural Gas	24,685,497	16,528,513				(8,156,984)	(8,156,984)
Golf Course	2,466,928	1,931,550				(535,378)	(535,378)
Local Transportation	8,195,699	1,396,957	10,191,675			3,392,933	3,392,933
School-Age Child Care	5,794,022	5,680,237	324,413			210,628	210,628
Total Business-Type Activities	280,879,266	281,640,002	10,640,845	61,026,801		72,428,382	72,428,382
Total	\$ 423,236,450	\$ 316,064,043	\$ 31,674,222	\$ 96,550,311	(51,376,256)	72,428,382	21,052,126
General Revenues:							
Taxes:							
Property taxes					40,689,765		40,689,765
Sales taxes					51,646,625		51,646,625
Franchise taxes					2,310,192		2,310,192
Other taxes					7,104,703		7,104,703
Use of money and property					674,516	8,940,537	9,615,053
Miscellaneous revenues					18,688,013		18,688,013
Gain on sale of capital assets					25,137		25,137
Transfers					20,662,506	(20,662,506)	
Total General Revenues and Transfers					141,801,457	(11,721,969)	130,079,488
Change in Net Position					90,425,201	60,706,413	151,131,614
Net Position - Beginning, as Restated					958,593,872	1,437,318,840	2,395,912,712
Net Position - Ending					\$ 1,049,019,073	\$ 1,498,025,253	\$ 2,547,044,326

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 funds described below were determined to be major funds by the City in fiscal year 2017. 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, 2017**

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and investments in City Treasury	\$ 30,137,660	\$ 165,769,322	\$ 195,906,982
Restricted cash and investments with fiscal agents		13,762,829	13,762,829
Receivables:			
Taxes	2,008,925		2,008,925
Accounts	1,700,994	4,492,908	6,193,902
Accrued interest	744,302	1,775,778	2,520,080
Due from other government agencies	10,150,579	9,826,925	19,977,504
Due from other funds	1,805,664	100,000	1,905,664
Advances to other funds	10,112,088	95,054	10,207,142
Prepays	84,393		84,393
Developer permit fees receivable	237,111	239,443	476,554
Notes receivable	13,764,621	33,038,619	46,803,240
Inventories	373,831		373,831
Land held for resale		861,245	861,245
	<u>71,120,168</u>	<u>229,962,123</u>	<u>301,082,291</u>
Total Assets	<u>\$ 71,120,168</u>	<u>\$ 229,962,123</u>	<u>\$ 301,082,291</u>
LIABILITIES:			
Accounts payable	\$ 2,623,408	\$ 2,931,722	\$ 5,555,130
Accrued liabilities	2,016,508	52,942	2,069,450
Due to other funds		888,080	888,080
Due to other government agencies	43,939	552,151	596,090
Advances from other funds		10,774,013	10,774,013
Unearned revenue	592,914	280,622	873,536
Deposits	4,118,467	718,162	4,836,629
	<u>9,395,236</u>	<u>16,197,692</u>	<u>25,592,928</u>
Total Liabilities	<u>9,395,236</u>	<u>16,197,692</u>	<u>25,592,928</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue	1,148,644	35,205,102	36,353,746
	<u>1,148,644</u>	<u>35,205,102</u>	<u>36,353,746</u>
FUND BALANCES:			
Nonspendable	14,222,845	16,964,800	31,187,645
Restricted		147,157,295	147,157,295
Committed	727,155	147,222	874,377
Assigned	4,510,525	16,369,206	20,879,731
Unassigned	41,115,763	(2,079,194)	39,036,569
	<u>60,576,288</u>	<u>178,559,329</u>	<u>239,135,617</u>
Total Fund Balances	<u>60,576,288</u>	<u>178,559,329</u>	<u>239,135,617</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 71,120,168</u>	<u>\$ 229,962,123</u>	<u>\$ 301,082,291</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, 2017**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 239,135,617
<p>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:</p>	
CAPITAL ASSETS	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	973,386,016
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.	6,555,201
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	(27,286,399)
Interest payable	(574,019)
Compensated absences	(16,384,766)
Net pension liability	(196,279,614)
DEFERRED OUTFLOWS/INFLOWS OF RESOURCES	
Deferred outflows related to pensions	43,163,556
Deferred inflows related to pensions	(9,050,265)
Unavailable revenue in the governmental funds is revenue in the governmental activities	36,353,746
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,049,019,073

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, 2017**

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 97,631,472	\$ 9,251,128	\$ 106,882,600
Licenses and permits	3,268,160		3,268,160
Charges for services	17,163,588	19,106,473	36,270,061
Subventions and grants	535,818	17,278,563	17,814,381
Use of money and property	1,048,480	7,014,546	8,063,026
Fines, forfeitures and penalties	898,594	333,395	1,231,989
Contributions from developers and others	737,999	1,518,675	2,256,674
Miscellaneous revenues	3,312,181	21,487,422	24,799,603
Total Revenues	124,596,292	75,990,202	200,586,494
EXPENDITURES			
Current:			
General government	26,493,784	5,000,276	31,494,060
Development and operations	13,133,453	8,859,403	21,992,856
Public works	7,052,325	7,876	7,060,201
Public safety:			
Police	35,725,260	60,531	35,785,791
Fire	30,357,023		30,357,023
Library	4,155,157		4,155,157
Parks and recreation	15,425,753	6,025,920	21,451,673
Housing assistance payments		4,216,417	4,216,417
Capital outlay	4,426,200	54,832,278	59,258,478
Annexation payments	4,734,193		4,734,193
Debt service:			
Principal retirement	1,081,412	17,097	1,098,509
Interest and fiscal charges	848,120	3,373,526	4,221,646
Total Expenditures	143,432,680	82,393,324	225,826,004
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(18,836,388)	(6,403,122)	(25,239,510)
OTHER FINANCING SOURCES (USES)			
Transfers in	27,337,649	16,026,448	43,364,097
Transfers out	(13,209,711)	(9,991,890)	(23,201,601)
Total Other Financing Sources (Uses)	14,127,938	6,034,558	20,162,496
NET CHANGES IN FUND BALANCES	(4,708,450)	(368,564)	(5,077,014)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	65,284,738	178,927,893	244,212,631
FUND BALANCES - END OF YEAR	\$ 60,576,288	\$ 178,559,329	\$ 239,135,617

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, 2017**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(5,077,014)
Amounts reported for governmental activities in the statement of activities are different because:		
CAPITAL ASSETS TRANSACTIONS		
Governmental funds report capital outlays as expenditures		59,258,478
Non-capitalized capital outlay expenditures are reclassified to various governmental activities		45,164,766
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		1,098,509
Amortization of premium		27,768
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		
		(806,161)
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		113,582
Deferred inflows of resources- Unavailable revenues		11,533,385
Interest payable		(91,451)
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY		
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with governmental activities, because they service those activities.		
Change in Net Position - All Internal Service Funds		<u>(6,111,671)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>90,425,201</u></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 enterprise funds in fiscal year 2017.

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, 2017**

	Business-Type Activities - Enterprise Funds			
	Electric	Water	Wastewater	Solid Waste
ASSETS:				
Current Assets:				
Cash and investments in City Treasury	\$ 134,917,277	\$ 72,017,116	\$ 58,392,043	\$ 24,235,179
Restricted cash and investments with fiscal agents	16,361,849	9,512,530		
Receivables:				
Accounts, net of allowance for doubtful accounts	21,618,187	6,241,212	5,790,575	2,816,102
Accrued interest	591,136	347,423	211,085	97,276
Due from other government agencies		91,497	42,932	6,001
Prepays	2,383,562			
Notes receivable		81,703		
Due from other funds				
Inventories	10,791,444	473,167	127,578	36,173
Total Current Assets	186,663,455	88,764,648	64,564,213	27,190,731
Non-Current Assets:				
Prepaid purchased gas				
Investment in NCPA reserves	4,553,244			
Investment in SPWA reserves			77,176,911	
Advances to other funds				
Derivative at fair value				
Capital assets (Note 8):				
Land and construction in progress	17,049,152	6,124,448	23,249,517	501,111
Capital assets being depreciated, net	407,632,412	474,130,244	549,038,156	1,711,181
Total Non-Current Assets	429,234,808	480,254,692	649,464,584	2,212,292
Total Assets	615,898,263	569,019,340	714,028,797	29,403,023
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	6,962,273	2,215,332		
Accumulated decrease in fair value of hedging derivatives	16,283,629		4,570,757	
Deferred outflows related to pensions	10,384,822	2,770,077	3,295,778	1,974,100
Total Deferred outflows of resources	33,630,724	4,985,409	7,866,535	1,974,100
LIABILITIES:				
Current Liabilities:				
Accounts payable	8,378,950	564,210	1,045,393	690,474
Accrued liabilities	2,970,803	682,421	3,217,607	216,709
Due to other government agencies	3,362		4,511,036	
Due to other funds				
Current portion of compensated absences	1,399,717	581,015	535,513	244,414
Current portion of long-term debt	6,915,000	2,330,000	2,635,965	
Deposits	2,557,154	36,500		
Unearned revenue	1,987,528			
Self-insurance claims payable				
Total Current Liabilities	24,212,514	4,194,146	11,945,514	1,151,597
Long-term liabilities:				
Advances from other funds				
Long-term debt, non-current portion	218,886,123	41,335,537	82,657,098	
Landfill closure and post closure liability				1,759,437
Compensated absences	2,370,816	1,047,848	1,123,581	423,209
Net OPEB obligation				
Self-insurance claims payable				
Derivative at fair value	16,283,629		4,570,757	
Net pension liability	45,137,479	16,842,343	18,353,050	10,207,481
Total Long-Term Liabilities	282,678,047	59,225,728	106,704,486	12,390,127
Total Liabilities	306,890,561	63,419,874	118,650,000	13,541,724
DEFERRED INFLOWS OF RESOURCES:				
Accumulated increase in fair value of hedging derivatives				
Deferred inflows related to pensions	1,186,044	442,554	482,249	268,215
Total Deferred inflows of resources	1,186,044	442,554	482,249	268,215
NET POSITION:				
Net investment in capital assets	205,842,714	438,804,487	486,994,610	2,212,292
Restricted for debt service	16,099,600	4,134,075	4,829,982	
Restricted for local transportation				
Restricted for the benefit of rate payers (AB 32)	9,184,369			
Unrestricted	110,325,699	67,203,759	110,938,491	15,354,892
Total Net Position	\$ 341,452,382	\$ 510,142,321	\$ 602,763,083	\$ 17,567,184

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds		Non-Major Enterprise Funds Total	Totals	Governmental Activities
Roseville Natural Gas Financing Authority	Internal Service Funds			
\$ 76,561	\$ 13,557,108	\$ 303,195,284	\$ 45,341,041	
8,702,182		34,576,561		
	592,184	37,058,260	49,786	
286	86,466	1,333,672	2,444,003	
	6,638,665	6,779,095	8,256	
		2,383,562	1,433,232	
		81,703	663,361	
		11,428,362	210,346	
			780,760	
<u>8,779,029</u>	<u>20,874,423</u>	<u>396,836,499</u>	<u>50,930,785</u>	
149,206,977		149,206,977		
		4,553,244		
		77,176,911	3,390,871	
111,955,168		111,955,168		
	11,626,614	58,550,842	824,285	
	22,084,721	1,454,596,714	16,492,524	
<u>261,162,145</u>	<u>33,711,335</u>	<u>1,856,039,856</u>	<u>20,707,680</u>	
<u>269,941,174</u>	<u>54,585,758</u>	<u>2,252,876,355</u>	<u>71,638,465</u>	
		9,177,605		
		20,854,386		
	2,494,912	20,919,689	843,201	
	2,494,912	50,951,680	843,201	
2,317	1,134,143	11,815,487	606,526	
2,616,188	2,330,347	12,034,075	44,743	
		4,514,398		
	1,227,930	1,227,930		
	203,362	2,964,021	138,371	
9,780,000	421,224	22,082,189		
4,621,690	60	7,215,404		
	15,062,316	17,049,844		
			1,913,047	
<u>17,020,195</u>	<u>20,379,382</u>	<u>78,903,348</u>	<u>2,702,687</u>	
	2,824,000	2,824,000		
137,109,103	2,701,947	482,689,808		
		1,759,437		
	404,549	5,370,003	238,085	
			50,971,148	
			7,237,725	
	8,308,890	20,854,386		
		98,849,243	4,593,397	
<u>137,109,103</u>	<u>14,239,386</u>	<u>612,346,877</u>	<u>63,040,355</u>	
<u>154,129,298</u>	<u>34,618,768</u>	<u>691,250,225</u>	<u>65,743,042</u>	
111,955,168		111,955,168		
	218,327	2,597,389	183,423	
<u>111,955,168</u>	<u>218,327</u>	<u>114,552,557</u>	<u>183,423</u>	
	30,588,164	1,164,442,267	17,316,809	
		25,063,657		
	1,320,377	1,320,377		
		9,184,369		
3,856,708	(9,664,966)	298,014,583	(10,761,608)	
<u>\$ 3,856,708</u>	<u>\$ 22,243,575</u>	<u>\$ 1,498,025,253</u>	<u>\$ 6,555,201</u>	

**CITY OF ROSEVILLE, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds			
	Electric	Water	Wastewater	Solid Waste
OPERATING REVENUES				
Charges for services	\$ 161,328,622	\$ 27,635,884	\$ 38,961,014	\$ 22,407,794
Other	4,678,217	347,535	39,976	703,703
Total Operating Revenues	<u>166,006,839</u>	<u>27,983,419</u>	<u>39,000,990</u>	<u>23,111,497</u>
OPERATING EXPENSES				
Power supply	81,203,587			
Operations	32,030,946	15,258,098	18,449,012	17,437,979
Administration	4,739,790	2,947,532	521,622	745,431
Depreciation and amortization	23,831,624	9,993,212	12,959,173	124,050
Claims expense				
Total Operating Expenses	<u>141,805,947</u>	<u>28,198,842</u>	<u>31,929,807</u>	<u>18,307,460</u>
Operating Income (Loss)	<u>24,200,892</u>	<u>(215,423)</u>	<u>7,071,183</u>	<u>4,804,037</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest and rents revenue	228,904	390,545	57,373	27,515
Interest and fiscal charges (expenses)	(9,485,129)	(1,874,682)	(3,490,066)	
Subventions and grants		53,881		70,876
Cost of issuance	(348,651)		(12,640)	
Gain (loss) from sale of property	(488,322)	(1,475)		
Increase (decrease) in JPA reserves	1,143,919		(4,938,018)	
Total Nonoperating Revenues (Expenses)	<u>(8,949,279)</u>	<u>(1,431,731)</u>	<u>(8,383,351)</u>	<u>98,391</u>
Income (Loss) Before Contributions and Transfers	15,251,613	(1,647,154)	(1,312,168)	4,902,428
Contributions				
Capital contributions - connection/impact fees	2,064,156	8,716,171	13,696,224	691,473
Contributions in aid of construction	3,469,534			
Capital contributions from developers and governmental activities	7,804,434	14,242,679	10,301,279	40,851
Transfers in	8,537,744	3,570,461	1,805,939	10,000
Transfers out	(14,671,760)	(6,714,708)	(6,941,692)	(4,473,314)
Change in net position	22,455,721	18,167,449	17,549,582	1,171,438
Total Net Position - Beginning, As Restated	<u>318,996,661</u>	<u>491,974,872</u>	<u>585,213,501</u>	<u>16,395,746</u>
Total Net Position - Ending	<u>\$ 341,452,382</u>	<u>\$ 510,142,321</u>	<u>\$ 602,763,083</u>	<u>\$ 17,567,184</u>

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds		Governmental Activities- Internal Service Funds	
Roseville Natural Gas Financing Authority	Non-Major Enterprise Funds Total	Totals	
\$ 16,528,513	\$ 8,396,331	\$ 275,258,158	\$ 12,301,360
	612,413	6,381,844	13,361,285
<u>16,528,513</u>	<u>9,008,744</u>	<u>281,640,002</u>	<u>25,662,645</u>
		81,203,587	
18,133,391	13,865,283	115,174,709	26,550,782
7,752	562,194	9,524,321	
(735,910)	1,912,091	48,084,240	4,002,564
			<u>2,114,619</u>
<u>17,405,233</u>	<u>16,339,568</u>	<u>253,986,857</u>	<u>32,667,965</u>
<u>(876,720)</u>	<u>(7,330,824)</u>	<u>27,653,145</u>	<u>(7,005,320)</u>
8,284,100	(47,900)	8,940,537	158,818
(7,280,264)	(108,775)	(22,238,916)	
	10,516,088	10,640,845	
		(361,291)	
	(8,306)	(498,103)	234,821
		<u>(3,794,099)</u>	
<u>1,003,836</u>	<u>10,351,107</u>	<u>(7,311,027)</u>	<u>393,639</u>
127,116	3,020,283	20,342,118	(6,611,681)
		25,168,024	
		3,469,534	
		32,389,243	
	147,108	14,071,252	10,240,158
	<u>(1,932,284)</u>	<u>(34,733,758)</u>	<u>(9,740,148)</u>
<u>127,116</u>	<u>1,235,107</u>	<u>60,706,413</u>	<u>(6,111,671)</u>
<u>3,729,592</u>	<u>21,008,468</u>	<u>1,437,318,840</u>	<u>12,666,872</u>
<u>\$ 3,856,708</u>	<u>\$ 22,243,575</u>	<u>\$ 1,498,025,253</u>	<u>\$ 6,555,201</u>

**CITY OF ROSEVILLE, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds			
	Electric	Water	Wastewater	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 162,582,597	\$ 26,419,491	\$ 38,061,812	\$ 22,321,842
Payments to suppliers	(100,421,671)	(8,471,497)	(12,624,045)	(11,106,492)
Payments to employees	(20,593,517)	(10,210,019)	(5,900,274)	(7,521,315)
Payments to OPEB trust				
Claims paid				
Other receipts	4,678,221	347,535	39,976	703,703
Net Cash provided by/(used for) Operating Activities	<u>46,245,630</u>	<u>8,085,510</u>	<u>19,577,469</u>	<u>4,397,738</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Subventions and grants		171,136	675,967	64,875
Increase/decrease in due from other funds				
Increase/decrease in due to other funds				
Increase/decrease in advance to other funds				
Increase/decrease in advances from other funds				
Transfers in	5,682,829	3,570,461.0	1,805,939.0	10,000.0
Transfers out	(14,671,760)	(6,714,708)	(6,941,692)	(4,473,314)
Net cash provided by/(used for) Noncapital Financing Activities	<u>(8,988,931)</u>	<u>(2,973,111)</u>	<u>(4,459,786)</u>	<u>(4,398,439)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	3,469,534	22,958,850	27,506,046	732,324
Acquisition and construction of capital assets	(10,389,670)	(14,895,455)	(17,179,145)	(52,816)
Change in restricted assets	668,120	(165,334)		
Issuance of debt	62,475,000			
Debt issuance premium	5,069,937			
Deferred charges on refunding		170,410		
Proceeds from sale of capital assets	8,263	(1,475)		
Issuance costs	(348,651)		(12,640)	
Principal payments on capital debt	(71,179,934)	(2,716,964)	(2,659,123)	
Interest paid on capital debt	(9,485,128)	(1,874,682)	(3,490,066)	
Issuance of notes receivable		(81,703)		
Connection/impact fees	2,064,156			
Net cash provided by/(used for) Capital and Related Financing Activities	<u>(17,648,373)</u>	<u>3,393,647</u>	<u>4,165,072</u>	<u>679,508</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rents received	(50,772)	187,154	(57,757)	(22,543)
Investment in JPA Reserves			(9,731,590)	
Net cash provided by/(used for) Investing Activities	<u>(50,772)</u>	<u>187,154</u>	<u>(9,789,347)</u>	<u>(22,543)</u>
Net increase (decrease) in cash and cash equivalents	19,557,554	8,693,200	9,493,408	656,264
Cash and investments at beginning of period	115,359,723	63,323,916	48,898,635	23,578,915
Cash and investments at end of period	<u>\$ 134,917,277</u>	<u>\$ 72,017,116</u>	<u>\$ 58,392,043</u>	<u>\$ 24,235,179</u>
Reconciliation of Operating Income (Loss)				
to Net Cash provided by/(used for) Operating Activities:				
Operating Income (Loss)	\$ 24,200,892	\$ (215,423)	\$ 7,071,183	\$ 4,804,037
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and amortization	23,831,624	9,993,212	12,959,173	124,050
Retirement of capital assets				
Pension expense	(107,798)	(417,205)	(214,629)	70,905
Change in Assets and Liabilities:				
Receivables, net	1,806,668	(1,208,393)	(899,202)	(50,612)
Inventories	(550,644)	(46,097)	(54,589)	17,251
Prepays	(374,775)			
Prepaid purchased gas				
Net OPEB obligation				
Accounts payable and other liabilities	(1,767,858)	(20,584)	715,533	(532,553)
Unearned revenue	(792,479)			(35,340)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 46,245,630</u>	<u>\$ 8,085,510</u>	<u>\$ 19,577,469</u>	<u>\$ 4,397,738</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING TRANSACTIONS				
Capital assets transferred from governmental activities	<u>\$ 3,287,189</u>	<u>\$ 222,029</u>	<u>\$ 220,703</u>	<u>\$ 40,851</u>
Contributions of capital assets from developers	<u>\$ 7,372,160</u>	<u>\$ 14,020,650</u>	<u>\$ 10,080,576</u>	
Amortization of bond premium	<u>\$ 2,979,934</u>	<u>\$ 461,964</u>	<u>\$ 201,975</u>	
Amortization of deferred amount on refunding	<u>\$ (3,402,963)</u>	<u>\$ (170,410)</u>		

See accompanying notes to basic financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds	
Roseville Natural Gas Financing Authority	Non-Major Enterprise Funds Total	Totals	
\$ 16,528,513 (8,189,377)	\$ 8,435,383 (6,953,641) (6,578,766)	\$ 274,349,638 (147,766,723) (50,803,891)	\$ 12,642,683 (6,175,461) (4,767,023) (14,213,245) (2,039,271) 13,361,285
<u>8,339,136</u>	<u>(4,710,514)</u>	<u>81,934,969</u>	<u>(1,191,032)</u>
	13,284,381	14,196,359	15,845
	1,049,561	1,049,561	366,251
	(177,000)	(177,000)	(146,860)
	147,108	11,216,337	210,345
	<u>(1,932,284)</u>	<u>(34,733,758)</u>	<u>10,240,158</u>
<u>-</u>	<u>12,371,766</u>	<u>(8,448,501)</u>	<u>945,591</u>
		54,666,754	
	(3,565,047)	(46,082,133)	(1,727,871)
8,732		511,518	
		62,475,000	
		5,069,937	
		170,410	
		6,788	
		(361,291)	
(9,345,000)	(414,990)	(86,316,011)	
(7,280,264)	(113,682)	(22,243,822)	
		(81,703)	
		<u>2,064,156</u>	
<u>(16,616,532)</u>	<u>(4,093,719)</u>	<u>(30,120,397)</u>	<u>(1,727,871)</u>
8,283,929	(94,740)	8,245,271	62,600
		<u>(9,731,590)</u>	
<u>8,283,929</u>	<u>(94,740)</u>	<u>(1,486,319)</u>	<u>62,600</u>
6,533	3,472,793	41,879,752	(1,910,712)
<u>70,028</u>	<u>10,084,315</u>	<u>261,315,532</u>	<u>47,251,753</u>
\$ 76,561	\$ 13,557,108	\$ 303,195,284	\$ 45,341,041
\$ (876,720)	(7,330,824)	\$ 27,653,145	\$ (7,005,320)
(735,910)	1,912,091	48,084,240	4,002,564
	(73,554)	(742,281)	(552)
	(25,751)	(377,290)	341,323
		(634,079)	(46,469)
		(374,775)	266,488
10,125,501		10,125,501	
(173,735)	807,524	(971,673)	1,337,939
		<u>(827,819)</u>	<u>(87,005)</u>
<u>\$ 8,339,136</u>	<u>\$ (4,710,514)</u>	<u>\$ 81,934,969</u>	<u>\$ (1,191,032)</u>
		<u>\$ 3,770,772</u>	
		<u>\$ 31,473,386</u>	
\$ 735,910		\$ 4,379,783	
		<u>\$ (3,573,373)</u>	

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 2017:

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, 2017

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds	Agency Funds
ASSETS:			
Cash and investments in City Treasury		\$ 7,368,752	\$ 142,586,476
Restricted cash and investments with fiscal agents		238,103	36,206,666
OPEB Plan Assets:			
Domestic equity funds	\$ 43,072,995		
Fixed income securities	26,596,826		
Real estate partnership	2,631,242		
Cash equivalents	396,172		
Accounts receivable			4,498,293
Taxes receivable			860,879
Accrued interest receivable	145	501,369	503,159
Due from other government agencies			182,754
Notes receivable		4,177,337	
Capital Assets:			
Land		74,369	
Total Assets	72,697,380	12,359,930	\$ 184,838,227
LIABILITIES:			
Accounts payable	33,754		\$ 6,995,827
Accrued liabilities		905,918	872,192
Due to other government agencies			240,906
Due to member agencies			125,188,575
Due to bondholders			49,805,308
Due to others			1,735,419
Long-term liabilities:			
Due in one year		2,001,466	
Due in more than one year		50,570,633	
Total Liabilities	33,754	53,478,017	\$ 184,838,227
NET POSITION (DEFICIT):			
Held in trust for retiree health plan benefits	\$ 72,663,626		
Held in trust for private purposes or for other governments		\$ (41,118,087)	

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, 2017**

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds
ADDITIONS		
Property taxes, net of pass through payments		\$ 4,846,548
Contributions from the City	\$ 12,129,300	
Investment income	6,832,238	414,670
Total Additions	18,961,538	5,261,218
DEDUCTIONS		
General government		34,495
Community services		288,769
Retiree health plan benefits	7,069,985	
Interest and fiscal charges		10,791,494
Total Deductions	7,069,985	11,114,758
CHANGE IN NET POSITION	11,891,553	(5,853,540)
NET POSITION		
Net Position (Deficit) - Beginning	60,772,073	(35,264,547)
Net Position (Deficit) - Ending	\$ 72,663,626	\$ (41,118,087)

See accompanying notes to basic financial statements.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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. The City's component units which are described below are all blended.

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

The **City of Roseville Housing Authority** is a separate government entity whose purpose is to assist with the housing for the City's low and moderate income residents. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Housing Authority Housing Choice Voucher 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, 2017

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.

The **Successor Agency to the Redevelopment Agency of the City of Roseville (Successor Agency)** is a separate government entity which was created after the dissolution of the City of Roseville Redevelopment Agency (RDA) to serve as a custodian for assets and to wind down the affairs of the RDA. The City was designated to serve as the Successor Agency subject to control of an Oversight Board. The Oversight Board is comprised of seven members of the local agencies that serve the RDA project area: two appointed by the mayor, two by the County of Placer, one by the Placer County Superintendent of Schools, one by the Chancellor of Sierra Community College and one by the Cities of Rocklin and Newcastle and the Hold Hill Cemetery District. The financial activities of the Successor Agency are included in the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund.

Financial statements for the Roseville Natural Gas Financing Authority and the Roseville Community Development Corporation, and the City of Roseville Other Post-Employment Benefits Trust 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 the Successor Agency are not issued.

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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, excluding 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 governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds in the supplemental section.

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 funds 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, 2017

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 the City.

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 the City.

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 the City.

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 the City.

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, workers’ compensation, general liability, unemployment reserve, vision, dental, section 125, and post retirement; 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 powers authorities, Dry Creek Drainage Basin, County Capital Facilities Fee, South Placer Wastewater Authority, Special Sewer Benefit Areas, South Placer County Tourism Business Improvement District (SPCTBID), South Placer County Safe Kids Coalition, South Placer Regional Traffic Fee, City/County Traffic Mitigation Fund, Placer County Air Pollution Control Fund, Sierra College Boulevard Fund, and 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, 2017

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 subject 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 subject 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. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized costs. All other investments are stated at fair market value. For purposes of reporting cash flows, the City considers each fund's share in the cash and investments pool to be cash and cash equivalents.

F. 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 at acquisition value.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. *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 or fund balance that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category on the government-wide and proprietary fund statements of net position. They are the deferred charge on refunding, accumulated decrease in fair value of hedging derivatives, and deferred outflows related to pensions. 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 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 or fund balance that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of these items reported in the government-wide and proprietary fund statements of net position including the accumulated increase in fair value of hedging derivatives and the deferred inflows related to pensions and unavailable revenues reported in the governmental funds balance sheet. 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 are described in Note 12.

In the governmental funds balance sheet, the *unavailable revenue* category arises only under a modified accrual basis of accounting. When amounts have been earned, but have not been received within the availability period, these amounts are deferred and recognized as revenue in the period that the amounts become available.

H. *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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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	\$ 16,852,478	\$ 8,780,068	\$ 25,632,546
Additions	4,855,948	1,150,860	6,006,808
Payments	(4,947,204)	(1,596,904)	(6,544,108)
Ending Balance	<u>\$ 16,761,222</u>	<u>\$ 8,334,024</u>	<u>\$ 25,095,246</u>
Current Portion	<u>\$ 4,952,902</u>	<u>\$ 2,964,021</u>	<u>\$ 7,916,923</u>

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

J. 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.

K. 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.

L. 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

N. Fair Value Measurement

The City 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.

O. 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.

P. Fund Balance

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:

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance (Continued)

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.

Q. Capital Assets

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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Capital Assets (Continued)

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

	<u>Useful Lives</u>	<u>Capitalization Thresholds</u>
Buildings	20-40 years	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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. New Accounting Pronouncements

Effective in this Fiscal Year

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, and Statement No. 50, *Pension Disclosures*. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. The City has implemented the requirements of this Statement as of July 1, 2016.

Effective in Future Fiscal Years

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. The City has not determined its effect 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.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018. The City has not determined the effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. The City has not determined the effect on the financial statements.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The City has not determined the effect on the financial statements.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. New Accounting Pronouncements (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for reporting periods beginning after June 15, 2017. The City has not determined the effect on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019. The City has not determined the effect on the financial statements.

NOTE 2 – 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, 2017

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

A. Classification

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

Cash and investments in City Treasury	\$ 544,443,307
Restricted cash and investments with fiscal agents	<u>48,339,390</u>
Total City cash and investments with primary government	592,782,697
Fiduciary Funds (separate statement)	
Cash and investments in City Treasury	149,955,228
Restricted cash and investments with fiscal agents	<u>36,444,769</u>
Total Cash and Investments	<u><u>\$ 779,182,694</u></u>

Cash and investments as of June 30, 2017, consist of the following:

Cash in bank and on hand	\$ 37,198,594
Investments	<u>741,984,100</u>
Total Cash and Investments	<u><u>\$ 779,182,694</u></u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 2 – 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:

- City Pool, subject to 25%
- Citizens Benefit Permanent Fund
- Roseville Aquatics Complex Maintenance Permanent Fund
- Endowment Private-Purpose Trust Fund
- OPEB 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 which may be obtained by contacting the City finance department at 311 Vernon Street, Roseville, California 95678.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 2 – 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
Guaranteed Investment Contracts	N/A	None

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 2 – 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.

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 Agency Securities	\$ 285,664,167	\$ 29,869,250	\$ 105,027,721	\$ 11,761,600	\$ 432,322,737
Forward Delivery Agreement	4,038,656				4,038,656
Corporate Notes	26,080,536	13,324,928	134,717,850		174,123,314
Municipal Bonds	100,022				100,022
Money Market Mutual Funds	55,574,324				55,574,324
Guaranteed Investment Contracts (GIC)				6,068,862	6,068,862
Negotiable CD's	9,569,195				9,569,195
Local Agency Investment Fund	58,017,776				58,017,776
California Asset Management Pool	2,169,214				2,169,214
Total	<u>\$ 441,213,890</u>	<u>\$ 43,194,178</u>	<u>\$ 239,745,571</u>	<u>\$ 17,830,462</u>	<u>\$ 741,984,100</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. 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, 2017, these investments matured in an average of 194 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 (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, 2017, the fair value approximated is the City’s cost, and these investments had an average maturity of 49 days.

Money market mutual funds were available for withdrawal on demand and at June 30, 2017 and had an average maturity of 17 days for the Dreyfus U.S. Treasury Money Market Fund and 34 days for the First American Money Market Fund.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 2 – 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, 2017, for each investment type as provided by Standard and Poor’s investment rating system:

	<u>AAA / AAAm</u>	<u>AA+ / AA / AA-</u>	<u>A+ / A / A-</u>	<u>Total</u>
Investments:				
Federal Agency Securities		\$ 431,879,228		\$ 431,879,228
Forward Purchase Agreement		4,038,656		4,038,656
Corporate Notes	\$ 1,459,109	70,146,344	\$ 102,517,861	174,123,314
Municipal Bonds		100,022		100,022
California Asset Management Program	2,169,214			2,169,214
Supranational	443,509			443,509
Total	<u>\$ 4,071,832</u>	<u>\$ 506,164,250</u>	<u>\$ 102,517,861</u>	612,753,943
Not Rated:				
Local Agency Investment Fund				58,017,776
Money Market Mutual Funds				55,574,324
Certificates of Deposit				9,569,195
Guaranteed Investment Contracts				6,068,862
Total Investments				<u>\$ 741,984,100</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, 2017:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Home Loan Bank	Federal agency securities	\$ 118,930,694
Federal Home Loan Mortgage Corporation	Federal agency securities	154,391,843
Federal National Mortgage Association	Federal agency securities	146,460,996

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2017:

<u>Fund</u>	<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Major Enterprise Funds:			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$ 4,038,656
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, 2017

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

G. Fair Value Measurements

The City’s 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, 2017:

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)
Federal Agency Securities	\$ 431,879,228		\$ 431,879,228	
Corporate (MTN) Securities	174,123,314		174,123,314	
Negotiated Certificates of Deposit	9,569,195		8,815,793	\$ 753,402
Foreign (Supra National) Securities	443,509		443,509	
Municipal Securities	100,022		100,022	
Forward Purchase Agreement	4,038,656			4,038,656
Mutual Funds	55,574,324		55,574,324	
Total Investments at fair value	675,728,248	\$ -	\$ 670,936,190	\$ 4,792,058
Investments Measured at Amortized Cost				
Guaranteed Investment Contracts (GICs)	6,068,862			
Investments with uncategorized inputs				
Local Agency Investment Fund	58,017,776			
California Asset Management Program	2,169,214			
Total Investments Measured uncategorized	60,186,990			
Total Investments	\$ 741,984,100			

The City held two types of investments that are measured using Level 3 inputs: Negotiated Certificates of Deposit and a Forward Purchase Agreement. Both items are valued utilizing discounted cash flows approach.

Deposits and withdrawals in governmental investment pools, such as LAIF and CAMP Investment Pools, are made on the basis of \$1 and not fair value. Accordingly, the City’s measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 – INTERFUND TRANSACTIONS

A. Transfers Among Funds

With City Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2017, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Non-Major Governmental Funds	\$ 5,923,241	(A), (B), (C)
	Electric Enterprise Fund	11,980,825	(A), (B), (C)
	Water Enterprise Fund	3,387,787	(A), (B)
	Wastewater Enterprise Fund	2,487,806	(A), (B)
	Solid Waste Enterprise Fund	1,847,772	(A), (B)
	Non-Major Enterprise Funds	651,956	(A), (B)
	Internal Service Funds	1,058,262	(A), (B)
Non-Major Governmental Funds	General Fund	7,091,159	(A), (B)
	Non-Major Governmental Funds	3,968,697	(A), (B)
	Electric Enterprise Fund	1,037,229	(A), (B)
	Water Enterprise Fund	1,174,589	(A), (B), (C)
	Wastewater Enterprise Fund	1,135,805	(A), (B), (C)
	Solid Waste Enterprise Fund	688,980	(A), (B), (C)
	Non-Major Enterprise Funds	925,223	(B)
	Internal Service Funds	4,766	(B)
Electric Enterprise Fund	General Fund	130,000	(A)
	Internal Service Fund	8,407,744	(D)
Water Enterprise Fund	Non-Major Governmental Funds	5,293	(A), (B)
	Electric Enterprise Fund	303,649	(A)
	Wastewater Enterprise Fund	2,382,288	(A)
	Solid Waste Enterprise Fund	879,231	(A)
Wastewater Enterprise Fund	General Fund	130,000	(B)
	Water Enterprise Fund	1,289,400	(B)
	Solid Waste Enterprise Fund	386,539	(A)
Solid Waste Enterprise Fund	Water Enterprise Fund	10,000	(B)
Non-Major Enterprise Funds	General Fund	89,271	(A)
	Non-Major Governmental Funds	57,837	
Internal Service Funds	General Fund	5,769,281	(A)
	Non-Major Governmental Funds	36,822	(A)
	Electric Enterprise Fund	1,350,057	(A)
	Water Enterprise Fund	852,932	(A)
	Wastewater Enterprise Fund	935,793	(A)
	Solid Waste Enterprise Fund	670,792	(A)
	Non-Major Enterprise Funds	355,105	(A)
	Internal Service Funds	269,376	(A)
Total Interfund Transfers		<u>\$ 67,675,507</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
- (D) To transfer Electric Vehicles previously included in the Automotive Fund

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 – 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, 2017, interfund balances comprised the following:

Due to Other Funds	Due From Other Funds	Amount	
Public Facilities Fund	General Fund	\$ 409,041	(A)
Fire Facilities Fund		345,000	(A)
South Placer Animal Control Shelter Fund		693	(B)
Golf Course Fund		1,050,930	(B)
Technology Fee Replacement Fund	Public Facilities Fund	100,000	(A)
School Age Child Care Fund	Automotive Fund	50,000	(A)
Golf Course Fund		127,000	(A)
Public Facilities Fund		33,346	(A)
		<u>\$ 2,116,010</u>	

(A) Current portion of the advances mentioned in 3C below.

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

C. Long-Term Interfund Advances

At June 30, 2017, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount of Advance
<i>Governmental Funds</i>		
Special Revenue Funds:		
Roseville Community Development Corporation	General Fund	\$ 1,530,951
Downtown Parking Fund	General Fund	3,519,764
Fire Facilities Fund	General Fund	1,380,000
Public Facilities Fund	General Fund	3,681,373
Technology Replacement Fund	Public Facilities Fund	95,054
Capital Projects Fund:		
Public Facilities Fund	Automotive Fund	566,871
<i>Enterprise Funds</i>		
Golf Course Fund	Automotive Fund	2,369,000
School-Age Child Care Fund	Automotive Fund	455,000
	Total	<u>\$ 13,598,013</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 – 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 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.

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 two advances. The first advance was made in 2013 and will be repaid over a 6 year period beginning in 2017. A second 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, 2017

NOTE 4 – 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, 2017:

Flood Loan Notes	\$ 6,633
Water Meter Notes Receivable	81,703
Tenant Improvement Notes Receivable	341,303
Housing Rehabilitation and Affordable Housing Notes	16,136,143
First Time Home-Buyer Notes	10,277,048
Housing Elevation Notes	10,000
Due From Successor Agency	20,695,474
Total	\$ 47,548,304

A. Flood Loan Notes Receivable

The City has provided notes to various homeowners and businesses for rehabilitation due to flood damage. The maximum note amount is \$5,000 carrying various interest rates and payment dates. The balance of these notes receivable at June 30, 2017 was \$6,633.

B. Water Meter Notes Receivable

The City entered into an agreement with Stonesfair Management for Water Meter Installations at Windscape Apartments. The original note amount is payable in 120 monthly installments. The balance of note at June 30, 2017 was \$81,703.

C. Tenant Improvement Notes Receivable

The City entered into a tenant improvement notes receivable with the Sierra Joint Community College District for overages in their Tenant Improvement allowance for the 316 Vernon Street Office Building Project. The original note amount was for \$128,141 payable in 120 monthly installments. The balance of note at June 30, 2017 was \$123,868.

The City entered into a lease agreement with a Tenant at 238 Vernon. The First Amendment to the lease dated March 23, 2017 resulted in a note receivable to the City in the original amount of \$250,000 and a transfer of capital assets with a book value of \$242,650 to the Tenant. Additionally, the Tenant received a credit of \$26,042 for its funding of tenant improvements. Payments of \$2,174 are due monthly with the final payment scheduled in October 2025. There is no stated interest rate in the agreement. The balance of the note at June 30, 2017 is \$217,435.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 4 – NOTES RECEIVABLE (CONTINUED)

D. 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 notes 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 notes are expected to be repaid in full, their balance has been offset with the liability, unavailable revenue, 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. The balance of the notes receivable arising from these programs at June 30, 2017, was \$16,136,143.

E. 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 are provided at no interest and are due upon sale or transfer of the property. Although these notes are expected to be repaid in full, their balance has been offset with the liability, unavailable revenue, 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 \$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 \$10,277,048.

F. 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 provided 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. As of June 30, 2017, two notes funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$10,000.

G. Successor Agency Loans

Prior to July 1, 2011, the former Redevelopment Agency had received various advances from various City funds. These advances bore 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.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the balance of the obligation to repay the advances in the amount of \$25,603,129 for principal and accrued interest and recorded a notes payable to the Low and Moderate Income Housing Asset Fund equal to twenty percent of the balance of the notes. During fiscal year 2013, the State Department of Finance denied the prepaid advance 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. The Successor Agency received its Finding of Completion in August 2013 determining that notes are enforceable obligations.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 4 – NOTES RECEIVABLE (CONTINUED)

G. Successor Agency Loans (Continued)

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 notes 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.

During fiscal year 2014, the Department of Finance clarified how the interest is to be calculated on each note to the Successor Agency. The City recalculated the interest due on the notes using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. The principal balance of the notes as of June 30, 2017 is \$20,695,474. Accrued interest on the notes as of June 30, 2017 is \$619,191 and has been included in accrued interest receivable.

NOTE 5 – 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. 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 receivable was valued at \$476,554 at June 30, 2017.

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, 2017, was \$10,643,737.

NOTE 6 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR RESALE

A. Development Agreements

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.

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 19, 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, 2017, the total fair value of the housing property held by the City amounted to \$861,245. These properties are held at fair value

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 – CAPITAL ASSETS

A. Capital Asset Additions, Retirements and Transfers

Capital asset activity for the year ended June 30, 2017, was as follows:

	Restated Balance at June 30, 2016	Additions	Retirements	Transfers	Balance at June 30, 2017
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 56,612,431	\$ 98,851		\$ (17,938,500)	\$ 38,772,782
Streets (modified)	305,458,923	4,748,886		9,037,656	319,245,465
Parks (modified)	98,208,978	39,781,069		18,237,950	156,227,997
Landscaping (modified)	47,553,642	749,699		4,024,798	52,328,139
Construction in progress	45,956,951	57,237,984	\$ (2,139,786)	(49,088,133)	51,967,016
Total capital assets not being depreciated	<u>553,790,925</u>	<u>102,616,489</u>	<u>(2,139,786)</u>	<u>(35,726,229)</u>	<u>618,541,399</u>
Capital assets, being depreciated:					
Buildings	133,742,597	1,453,554	(138,953)	24,172,382	159,229,580
Improvements	8,150,224	141,926		2,964,694	11,256,844
Vehicles & Equipment	83,020,568	4,680,174	(10,009,525)	(9,168,429)	68,522,788
Bike paths	9,044,060	771,660		22,317	9,838,037
Bridges	70,479,950			588,159	71,068,109
Culverts	20,746,285				20,746,285
Curb, gutter, sidewalk, and median curbs	161,814,303	1,777,994		2,503,828	166,096,125
Drain inlets	21,596,433			243,568	21,840,001
Flood control improvements	20,444,797			180,583	20,625,380
Soundwall	36,763,541	672,350		3,164,366	40,600,257
Storm drains	88,451,116	2,374,715		2,881,354	93,707,185
Total capital assets being depreciated	<u>654,253,874</u>	<u>11,872,373</u>	<u>(10,148,478)</u>	<u>27,552,822</u>	<u>683,530,591</u>
Less accumulated depreciation for:					
Buildings	(57,891,677)	(3,506,388)		(160,712)	(61,558,777)
Improvements	(2,451,845)	(419,991)		(1,510,786)	(4,382,622)
Vehicles & Equipment	(57,389,314)	(5,464,241)	9,010,873	6,074,132	(47,768,550)
Bike paths	(7,062,652)	(264,715)			(7,327,367)
Bridges	(11,942,220)	(786,922)			(12,729,142)
Culverts	(6,105,168)	(276,618)			(6,381,786)
Curb, gutter, sidewalk, and median curbs	(119,749,676)	(4,841,715)			(124,591,391)
Drain inlets	(9,471,094)	(437,520)			(9,908,614)
Flood control improvements	(3,780,614)	(278,549)			(4,059,163)
Soundwall	(12,522,687)	(1,175,168)			(13,697,855)
Storm Drains	(17,728,170)	(1,235,728)			(18,963,898)
Total accumulated depreciation	<u>(306,095,117)</u>	<u>(18,687,555)</u>	<u>9,010,873</u>	<u>4,402,634</u>	<u>(311,369,165)</u>
Net capital assets being depreciated	<u>348,158,757</u>	<u>(6,815,183)</u>	<u>(1,137,605)</u>	<u>31,955,456</u>	<u>372,161,426</u>
Governmental activities capital assets, net	<u>\$ 901,949,682</u>	<u>\$ 95,801,306</u>	<u>\$ (3,277,391)</u>	<u>\$ (3,770,773)</u>	<u>\$ 990,702,825</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

	Restated Balance at June 30, 2016	Additions	Retirements	Transfers	Balance at June 30, 2017
<i>Business-type activities</i>					
Capital assets, not being depreciated:					
Land	\$ 17,035,347			\$ 74,030	\$ 17,109,377
Landscaping (modified)	576,843				576,843
Streets (modified)	24,914				24,914
Construction in progress	42,950,109	\$ 22,136,251	\$ (5,977,878)	(18,268,774)	40,839,708
Total capital assets not being depreciated	<u>60,587,213</u>	<u>22,136,251</u>	<u>(5,977,878)</u>	<u>(18,194,744)</u>	<u>58,550,842</u>
Capital assets, being depreciated:					
Buildings	26,934,013			481,014	27,415,027
Improvements	18,749,374	53,571	(34,513)	33,634	18,802,066
Vehicles & Equipment	26,804,779	2,504,587	(1,710,929)	7,183,255	34,781,692
Bike paths	5,385,455				5,385,455
Bridges	1,702,403				1,702,403
Culverts	356,961				356,961
Curb, gutter, sidewalk, and median curbs	463,996				463,996
Drain inlets	29,863				29,863
Flood control improvements	8,830,439				8,830,439
Storm drains	59,117				59,117
Traffic signals	49,049,530	1,056,466			50,105,996
Plants and substations	362,935,961		(664,633)	3,975,413	366,246,741
Distribution	1,332,411,758	30,617,189	(1,299,384)	14,694,835	1,376,424,398
Generation	202,826,487				202,826,487
Total capital assets being depreciated	<u>2,036,540,136</u>	<u>34,231,813</u>	<u>(3,709,459)</u>	<u>26,368,151</u>	<u>2,093,430,641</u>
Less accumulated depreciation for:					
Buildings	(9,592,260)	(673,346)		(202,733)	(10,468,339)
Improvements	(7,598,426)	(514,876)	20,357	(33,634)	(8,126,579)
Vehicles & Equipment	(18,288,822)	(2,729,904)	1,705,407	(4,166,267)	(23,479,586)
Bike paths	(1,875,911)	(266,939)			(2,142,850)
Bridges	(141,867)	(18,916)			(160,783)
Culverts	(35,171)	(4,760)			(39,931)
Curb, gutter, sidewalk, and median curbs	(55,161)	(23,198)			(78,359)
Drain inlets	(5,485)	(598)			(6,083)
Flood control improvements	(529,826)	(117,739)			(647,565)
Storm drains	(6,106)	(788)			(6,894)
Traffic signals	(25,707,556)	(1,990,724)			(27,698,280)
Plants and substations	(125,442,160)	(8,609,287)	556,844		(133,494,603)
Distribution	(309,403,358)	(23,906,433)	914,635		(332,395,156)
Generation	(89,311,160)	(10,777,759)			(100,088,919)
Total accumulated depreciation	<u>(587,993,269)</u>	<u>(49,635,267)</u>	<u>3,197,243</u>	<u>(4,402,634)</u>	<u>(638,833,927)</u>
Net capital assets being depreciated	<u>1,448,546,867</u>	<u>(15,403,454)</u>	<u>(512,216)</u>	<u>21,965,517</u>	<u>1,454,596,714</u>
Business-type activities capital assets, net	<u>\$ 1,509,134,080</u>	<u>\$ 6,732,797</u>	<u>\$ (6,490,094)</u>	<u>\$ 3,770,773</u>	<u>\$ 1,513,147,556</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 – 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	\$	1,623,460
Development & Operations		639,791
Public Works		9,972,823
Police		781,203
Fire		554,337
Library		444,667
Parks and recreation		668,709
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		4,002,564
Total Governmental Activities	\$	<u>18,687,555</u>

Business-Type Activities

Electric	\$	24,153,212
Water		10,284,766
Wastewater		13,161,146
Solid Waste		124,050
Golf Course		391,873
Local Transportation		1,450,534
School-age Child Care		69,686
Total Business-Type Activities	\$	<u>49,635,267</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 71 and residential roadways at an average PQI of 68, instead of providing depreciation. During fiscal year 2017 the City expended \$11,893,473 to preserve its roads. The City estimates that it will be required to expend approximately \$3,491,659 in fiscal year 2018 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 standards service level 3 by using service level standards using a combination of frequencies and outcomes based on National Park and Recreation Association maintenance management practices, instead of providing depreciation. During fiscal year 2017 the City expended \$5,670,408 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$5,550,761 in fiscal year 2018 to maintain its parks at this condition level.

NOTE 8 – 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources 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, 2016	Additions	Retirements	Balance June 30, 2017	Current Portion
Governmental Activities Debt:						
Lease:						
2013 Public Facilities Refunding 2.15%, due 8/1/25	\$ 11,549,031	\$ 9,060,011		\$ (831,484)	\$ 8,228,527	\$ 846,038
2015 316 Vernon Street Project 2.00%-5.25%, due 2/1/34 Add: debt premium	14,425,000	14,425,000 862,056		(215,000) (27,808)	14,210,000 834,248	250,000
Capital Lease Obligations:						
Equipment	104,580	34,928		(34,928)		
Loans:						
Successor Agency	4,071,383	4,030,681		(17,057)	4,013,624	16,397
Total Governmental Activities Debt	\$ 30,149,994	\$ 28,412,676	\$ -	\$ (1,126,277)	\$ 27,286,399	\$ 1,112,435
Business-Type Activities Debt:						
Certificates of Participation						
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34 Less: bond discount	\$ 39,940,000	\$ 5,000			\$ 5,000	
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24 Add: bond premium	27,010,000 396,611	16,050,000 211,524		\$ (11,300,000) (159,086)	4,750,000 52,438	\$ 1,740,000
2012 Electric System Revenue Refunding variable rate, due 2/1/35	90,000,000	90,000,000			90,000,000	
2015 Water Utility Revenue Refunding 2.00%-5.00%, due 12/1/29 Add: bond premium	42,565,000 6,899,891	39,915,000 6,467,501		(2,255,000) (461,964)	37,660,000 6,005,537	2,330,000
Total Certificates of Participation	206,083,248	152,649,025	-	(14,176,050)	138,472,975	4,070,000
Revenue Bonds						
2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/28 Add: bond premium	209,350,000 15,454,116	148,875,000 8,095,014		(9,345,000) (735,910)	139,530,000 7,359,104	9,780,000
2010 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/37 Add: bond premium	55,845,000 2,764,207	54,075,000 2,149,939		(52,555,000) (2,104,242)	1,520,000 45,697	470,000
2013 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/29 Add: bond premium	48,780,000 5,899,513	43,750,000 4,793,353		(4,345,000) (368,720)	39,405,000 4,424,633	4,515,000
2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25 Add: bond premium	36,315,568 2,839,017	31,394,189 2,019,727		(2,457,151) (201,973)	28,937,038 1,817,754	2,635,965
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: bond premium	16,485,000	16,485,000 1,916,303		(106,460)	16,485,000 1,809,843	
2017A Electric System Revenue Refunding 3.0%-5.00%, due 2/1/37 Add: bond premium	56,210,000 5,069,937		\$ 56,210,000 5,069,937	(241,425)	56,210,000 4,828,512	
2017B Taxable Electric System Revenue Refunding 1.03%-2.41%, due 2/1/22	6,265,000		6,265,000		6,265,000	190,000
Total Revenue Bonds	515,815,628	368,091,795	67,544,937	(72,460,880)	363,175,852	17,590,965
Lease:						
2013 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	4,775,578	3,538,160		(414,990)	3,123,170	421,224
Total Business-Type Activities Debt:	\$ 726,674,454	\$ 524,278,980	\$ 67,544,937	\$ (87,051,920)	\$ 504,771,997	\$ 22,082,189

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – 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, 2017 was \$8,228,527 in governmental activities and \$3,123,170 in the Golf Course Enterprise Fund.

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. The amount outstanding as of June 30, 2017 was \$14,210,000.

D. Loans from the Successor Agency

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

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, 2017.

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, 2017 the note bears interest of 1.978% with interest accrued of \$500,305. The principal amount outstanding as of June 30, 2017 was \$3,469,049.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

D. Loans from the Successor Agency (Continued)

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, 2017 is \$544,575.

E. 2004 Electric System Revenue Certificates of Participation

On July 1, 2004, the City issued \$39,940,000 of Certificates of Participation to finance capital improvements to the City's Electric System. The COPs are repayable from net revenue of the Electric Utility System. The COPs bear interest at 3.00% - 5.25% and are due semi-annually on February 1 and August 1 of each year beginning February 1, 2005. Principal payments are due annually on February 1 through February 2034. The COPs were partially refunded by the 2013 Electric System Revenue Refunding Bonds as discussed in Note 9I below. In August 2014, the 2004 Electric System Revenue Certificates of Participation were partially refunded by the 2014 Electric System Revenue Refunding Bonds leaving a PAR amount of \$5,000.

F. 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. In February 2017, the 2009 Electric System Revenue Refunding Certificates of Participation were partially refunded by the 2017 A and 2017 B Electric System Revenue Refunding Bonds as discussed in Note 8R and Note 8S. Principal payments are due annually through fiscal year 2020. The balance outstanding as of June 30, 2017 is \$4,750,000.

G. 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. In February 2017, the 2010 Electric System Revenue Refunding Bonds were partially refunded by the 2017 A and 2017 B Electric System Revenue Refunding Bonds as discussed in Note 8P and Note 8Q. Principal payments are due annually on February 1 through 2020. The balance outstanding as of June 30, 2017 is \$1,520,000.

H. 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

H. 2012 Electric System Revenue Refunding Certificates of Participation (Continued)

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, 2017 was 0.739%.

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 2.119% at June 30, 2017. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035.

I. 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.

As of June 30, 2017, 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, the 2014 Electric System Revenue Refunding bonds, the 2017A Electric System Revenue Refunding bonds and the 2017B Electric System Revenue Refunding bonds was \$214,640,000. 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 2017, net revenues amount to \$41,784,606 which represents coverage of 262% over the \$15,911,966 in debt service.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

J. 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, 2017, the total principal and interest to be paid on the bonds was \$184,820,000. For fiscal year 2017, net revenues amounted to \$24,804,863 which represented coverage of 149% over the \$16,613,531 in debt service.

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

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

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B. During fiscal year 2013, the 2011A and 2011B Bonds were refunded by the 2013 South Placer Wastewater Authority Refunding Wastewater Bonds. During fiscal year 2015, the 2011D Bonds were refunded by the Wastewater Revenue Refunding Bonds, Series 2014.

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

L. 2013 South Placer Wastewater Authority Refunding Revenue Bonds

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

L. 2013 South Placer Wastewater Authority Refunding Revenue Bonds (Continued)

The 2013 Bonds were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Indenture to mean the per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of the Applicable Spread (initially 0.625%, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5%). The interest rate of the Bonds cannot exceed 12% per year and may be converted by the Authority into a Daily Rate, a Weekly Rate, a Long-Term Rate, a Commercial Paper Rate, or a subsequent Index Rate, subject to certain conditions defined in the Indenture. The interest rate at June 30, 2017 was 1.291%. 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, 2017 was 4.824%.

M. South Placer Wastewater Authority Revenue Refunding Bonds, Series 2014

On August 7, 2014, the South Placer Wastewater Authority issued the Wastewater Revenue Refunding Bonds, Series 2014, in the amount of \$29,120,000 to refund the Authority's Wastewater Revenue Refunding Bonds, Series 2011D. The City's share of the obligation is 61.66%, or \$17,955,392.

The 2014 Bonds were issued as SIFMA Index Bonds and the interest rate is the rate of the SIFMA index, adjusted weekly, plus a spread of .33%. The SIFMA Municipal Swap Index, represents a seven-day high-grade market index composed of selected tax-exempt variable-rate demand obligations meeting specific criteria. The SIFMA Index is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Index is not available, there will be used in its place such index as the Trustee, following consultation with the Authority and the Calculation Agent, as applicable for the applicable Interest Rate Period, from time to time determines most closely approximates the SIFMA Index. SIFMA Index Rate is defined as the 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 2014 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

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

As of June 30, 2017, the total principal and interest remaining to be paid on the 2011 Series C, the 2013 Bonds and the 2014 Bonds was \$102,532,426. 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 2017, \$5,747,905 in debt service was paid from the Rate Stabilization Account.

N. 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.

O. 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.

As of June 30, 2017, the total principal and interest remaining to be paid on the bonds was \$50,078,350. 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 2017 net revenues amounted to \$14,209,358 which represented coverage of 345% over the \$4,123,192 in debt service.

P. 2017A Electric System Revenue Refunding Bonds

On February 8, 2017, the City issued Revenue Bonds in the original principal amount of \$56,210,000. The Bonds were issued to refund a portion of the 2009 Electric System Revenue Refunding Certificates of Participation and the 2010 Electric System Revenue Refunding Bonds. The Revenue Bonds bear interest at 3.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually on February 1 through 2037. The balance outstanding as of June 30, 2017 is \$56,210,000.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Q. 2017B Taxable Electric System Revenue Refunding Bonds

On February 8, 2017, the City issued Taxable Revenue Bonds in the original principal amount of \$6,265,000. The Bonds were issued to refund a portion of the 2009 Electric System Revenue Refunding Certificates of Participation and the 2010 Electric System Revenue Refunding Bonds. The Revenue Bonds bear interest at 1.03%-2.41% 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, 2017 is \$6,265,000.

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, 2017, 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)	39,940,265 ^(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>\$ 129,940,265</u>						

(A) The Authority's swap agreement is based on the notional amount of \$64,775,000 related to the 2008B Bonds. The City's share of these underlying Bonds is 61.66%, or \$39,940,265. 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, 2017

NOTE 8 – 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, 2017, the fair value of the swaps was not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2017	2016
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A) Bank of America N.A. Morgan Stanley Capital Services Inc.	\$ (6,407,766) (9,378,282) <u>(15,786,048)</u>	\$ (10,211,595) (15,036,848) <u>(25,248,443)</u>
2011 Refunding Wastewater Revenue Bonds, series C and D and 2013 Refunding Wastewater Revenue Bonds (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B) (A)	<u>(4,570,757)</u>	<u>(7,105,783)</u>
	<u>\$ (20,356,805)</u>	<u>\$ (32,354,226)</u>

(A) The Authority's swap agreement is based on the notional amount of \$64,775,000 equivalent to the notional balance on the 2008B Bonds. The City's share of these underlying Bonds was 61.66%, or \$39,940,265. 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, 2013 and 2014 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, 2017

NOTE 8 – 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 Refunding Wastewater Revenue Bonds, the 2013 Refunding Wastewater Revenue Bonds and the 2014 Revenue Refunding 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 2013 Bonds mature on November 1, 2035 and the 2014 Bonds mature November 1, 2029.

Swap payments and associated debt. Using rates as of June 30, 2017, 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, 2017:

For the Year Ending June 30	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2018		\$ 1,224,157	\$ 4,203,315	\$ 5,427,472
2019		1,224,157	4,107,405	5,331,562
2020		1,224,157	4,007,857	5,232,014
2021		1,224,157	3,904,837	5,128,994
2022		1,224,157	3,798,013	5,022,170
2023-2027	\$ 36,723,587	5,545,456	6,495,867	48,764,910
2028-2032	60,116,629	3,419,297	7,128,815	70,664,741
2033-2036	47,698,054	734,884	1,293,544	49,726,482
Totals	\$ 144,538,270	\$ 15,820,422	\$ 34,939,653	\$ 195,298,345

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
2018	\$ 1,111,134	\$ 887,381	\$ 22,082,189	\$ 17,478,017
2019	1,131,803	859,600	23,099,771	16,513,836
2020	1,160,454	829,924	24,291,848	15,387,985
2021	1,187,260	798,068	25,583,355	14,545,034
2022	1,568,986	763,870	26,799,977	13,043,758
2023-2027	7,714,894	3,126,207	155,645,353	46,766,496
2028-2032	3,532,620	2,321,858	106,972,933	21,847,260
2033-2037	2,650,000	1,763,963	93,953,057	10,864,217
2038-2042	3,230,000	1,162,631		
2043-2046	3,165,000	326,125		
Totals	26,452,151	\$ 12,839,626	478,428,481	\$ 156,446,603
Reconciliation of long-term debt				
Add deferred bond premium	834,248		26,343,516	
Net long-term debt	\$ 27,286,399		\$ 504,771,997	

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – LONG-TERM DEBT (CONTINUED)

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, 2017, is as follows:

North Central Roseville Community Facilities District #1, Series 2010	\$ 3,415,000
Stone Point Community Facilities District #1	6,420,000
Fiddymont Ranch Community Facilities District #1, Series 2017	45,845,000
Fiddymont Ranch Community Facilities District #5, Series 2017	23,845,000
Roseville Finance Authority Revenue Bonds, Series 2016	18,555,000
Stone Point Community Facilities District #5, Series 2006	4,915,000
Diamond Creek Community Facilities District #1, Series 2007	6,640,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	32,350,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	7,595,000
Fountains Community Facilities District No. 1 Special Tax Bonds Series 2016	11,405,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	520,000
Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012	11,520,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	7,445,000
Westbrook Community Facilities District #1 Special Tax Bonds, Series 2014	14,305,000
Woodcreek West Community Facilities District #1 Refunding Bonds, Series 2015	13,005,000
North Roseville Community Facilities District #1 Refunding Bonds, Series 2015	9,235,000
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>\$ 307,875,000</u>

NOTE 9 – 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 9 – DERIVATIVE INSTRUMENTS (CONTINUED)

A. Summary of Notional Amounts and Fair Values (Continued)

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2017.

	2017 Change in Fair Value		Fair Value, End of Fiscal Year 2017		Notional	Level
	Classification	Amount	Classification	Amount		
Effective Cash Flow Hedges						
Electric Fund						
Pay Fixed SWAP, Natural Gas	Deferred Outflow	\$ (1,542,710)	Derivative	\$ (367,483)	8,687,000 mmBtu	2
Pay Fixed SWAP, Natural Gas	Deferred Outflow	199,534	Derivative	\$ (130,098)	552,000 mmBtu	2
Roseville Natural Gas Financing Authority						
Pay Fixed SWAP, Natural Gas	Deferred Inflow	\$ (485,308)	Derivative	\$ 15,538,659	34,513,500 mmBtu	2
					76,000-372,000	
Receive Fixed SWAP, Natural Gas	Deferred Inflow	1,685,860	Derivative	96,416,509	monthly mmBtu	2
				\$ 111,955,168		

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, 2017, 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, 2017 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	620,000 mmBtu	6/1/2017	3/31/2019	Pay \$3.99; Receive NGI PG&E citygate price	BP Energy	A-
Hedge Cash Flows on PG&E citygate Gas	305,000 mmBtu	11/1/2016	9/30/2017	Pay \$3.69; Receive NGI PG&E citygate price	J Aron & Company	BBB+
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+

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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 9 – DERIVATIVE INSTRUMENTS (CONTINUED)

C. Risks of Derivative Instruments (Continued)

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 10 – NET POSITION AND FUND BALANCES

A. Fund Balance and Net Position Deficits

The City reported the following deficit net position and fund balances:

The School-Age Child Care Fund had a deficit net position of at June 30, 2017 of \$2,287,074. 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, 2017 of \$447,550. The deficit is primarily a result of a loan due to the successor agency.

Downtown Parking had a deficit fund balance at June 30, 2017 of \$1,500,610. The City is expecting to eliminate this through future receipts.

South Placer Animal Control Shelter had a deficit fund balance at June 30, 2017 of \$420. The City is expecting to eliminate this through future receipts.

Roadway Capital Projects Fund had a deficit fund balance at June 30, 2017 of \$130,614. The City is expecting to eliminate this through future receipts.

The Post Retirement Internal Service Fund had deficit net position at June 30, 2017 of \$49,789,613. Future increases in contribution rates will eliminate this deficit.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 10 – NET POSITION AND FUND BALANCES

B. Classifications

Detailed classifications of the City’s Fund Balances, as of June 30, 2017, are below:

Fund Balance Classifications	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Items not in spendable form:			
Prepays	\$ 84,393		\$ 84,393
Notes receivable	13,764,621		13,764,621
Inventories	373,831		373,831
Subtotal	14,222,845		14,222,845
Amounts required to be maintained intact:			
Permanent funds		\$ 16,964,800	16,964,800
Total Nonspendable Fund Balances	14,222,845	16,964,800	31,187,645
Restricted for:			
Community facilities districts		14,973,567	14,973,567
Debt Service		285,678	285,678
Landscape and lighting		11,407,625	11,407,625
Street projects		10,286,459	10,286,459
Affordable housing		12,635,081	12,635,081
Technology replacement		699,039	699,039
Library services and projects		903,606	903,606
Public safety services and projects		5,840,509	5,840,509
Bike trail/open space maintenance		862,665	862,665
Traffic projects		33,388,213	33,388,213
Public facilities		5,234,937	5,234,937
Park development		36,811,111	36,811,111
Pleasant Grove drain basin		10,260,334	10,260,334
Tree propagation		1,604,280	1,604,280
Aquatics Complex Maintenance		15,380	15,380
Citizen's Benefits		406,542	406,542
Other capital projects		1,542,269	1,542,269
Total Restricted Fund Balances		147,157,295	147,157,295
Committed to:			
Utility exploration center	133,396		133,396
Park services and projects	593,759		593,759
Building projects		147,222	147,222
Total Committed Fund Balances	727,155	147,222	874,377
Assigned to:			
Annual construction and maintenance contracts	739,680		739,680
Information systems upgrades and improvements	191,197		191,197
Annual park and maintenance repairs	93,428		93,428
Police patrol supplies	164,247		164,247
Fire operations and supplies	68,809		68,809
Development services	2,540,934		2,540,934
Public works projects	72,595		72,595
Various contracts	639,635		639,635
Building and general rehabilitation projects		16,369,206	16,369,206
Total Assigned Fund Balances	4,510,525	16,369,206	20,879,731
Unassigned:			
General fund	41,115,763		41,115,763
Other governmental fund deficit residuals		(2,079,194)	(2,079,194)
Total Unassigned Fund Balances	41,115,763	(2,079,194)	39,036,569
Total Fund Balances	\$ 60,576,288	\$ 178,559,329	\$ 239,135,617

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 11 – 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.

The Plans’ provisions and benefits in effect at June 30, 2017, 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	39.056%	39.056%
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	24.666%	24.666%
Required employer contribution rates		

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 11 – PENSION PLAN (CONTINUED)

Employees Covered – At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	662	191
Inactive employees entitled to but not yet receiving benefits	644	70
Active employees	960	225
Total	2,266	486

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 \$19,896,723 to the miscellaneous plan and \$11,655,656 to the safety plan during the year ended June 30, 2017.

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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.65%
Mortality	Derived using CalPERS membership data

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 11 – PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

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

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

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	20%	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	1%	-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, 2017

NOTE 11 – 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
Balance at June 30, 2016	\$ 532,751,723	\$ 356,786,987	\$ 175,964,736
Changes in the year:			
Service Cost	\$ 12,872,902		\$ 12,872,902
Interest on the total pension liability	40,468,522		40,468,522
Differences between expected and actual experience	316,698		316,698
Plan to Plan Resource Movement		\$ (386)	386
Contribution - employer		17,491,938	(17,491,938)
Contribution - employee		6,323,610	(6,323,610)
Projected earnings on investments		27,323,028	(27,323,028)
Differences between projected and actual earnings on plan investments		(25,447,499)	25,447,499
Benefit payments, including refunds of employee contributions	(21,009,168)	(21,009,168)	
Administrative expenses		(217,443)	217,443
Net changes	32,648,954	4,464,080	28,184,874
Balance at June 30, 2017	\$ 565,400,677	\$ 361,251,067	\$ 204,149,610
 <i>Safety Plan:</i>			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2016	\$ 264,152,805	\$ 187,300,145	\$ 76,852,660
Changes in the year:			
Service Cost	\$ 7,764,644		\$ 7,764,644
Interest on the total pension liability	20,340,470		20,340,470
Differences between expected and actual experience	3,415,651		3,415,651
Contribution - employer		\$ 9,590,596	(9,590,596)
Contribution - employee		2,418,065	(2,418,065)
Projected earnings on investments		14,354,043	(14,354,043)
Differences between projected and actual earnings on plan investments		(13,447,773)	13,447,773
Benefit payments, including refunds of employee contributions	(11,124,582)	(11,124,582)	
Administrative expenses		(114,150)	114,150
Net changes	20,396,183	1,676,199	18,719,984
Balance at June 30, 2017	\$ 284,548,988	\$ 188,976,344	\$ 95,572,644
 Totals of both miscellaneous and safety plans	\$ 849,949,665	\$ 550,227,411	\$ 299,722,254

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 11 – 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	\$ 282,335,837	\$ 138,443,822	\$ 420,779,659
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 204,149,610	\$ 95,572,644	\$ 299,722,254
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 139,505,624	\$ 60,796,512	\$ 200,302,136

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, 2017, the City recognized pension expense of \$19,998,585 in the Miscellaneous Plan and \$11,987,280 in the Safety Plan. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 19,896,723	
Changes of assumptions		\$ 4,724,373
Differences between expected and actual experience	235,493	875,409
Net difference between projected and actual earnings on plan investments	19,811,102	
Total	<u>\$ 39,943,318</u>	<u>\$ 5,599,782</u>
	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 11,655,656	
Changes of assumptions		\$ 3,382,254
Differences between expected and actual experience	2,816,414	2,849,041
Net difference between projected and actual earnings on plan investments	10,511,058	
Total	<u>\$ 24,983,128</u>	<u>\$ 6,231,295</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 11 – PENSION PLAN (CONTINUED)

The amount of \$19,896,723 in the miscellaneous plan and \$11,655,656 in the safety plan 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	Miscellaneous	Safety
2018	\$ 85,970	\$ 540,124
2019	380,693	540,123
2020	8,890,651	3,619,527
2021	5,089,499	1,976,937
2022	-	419,466
	\$ 14,446,813	\$ 7,096,177

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 12 – POST-EMPLOYMENT BENEFITS

A. Plan Description

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 financial statements can be obtained by contacting the City of Roseville Finance Division at 311 Vernon Street, Roseville, California 95678. As of June 30, 2017, 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)	
Benefit	Tier 1	Tier 2
	Hired prior to January 1, 2004	
	City paid premium, subject to the following caps:	
	Group	2017
	Management/Confidential	\$ 1,296
	Roseville Police Association	1,296
	Roseville Firefighters Association	1,296
	International Brotherhood of Electrical Workers	1,296
	Hired prior to January 1, 2005	
	City paid premium, subject to the following caps:	
Group	2017	
Stationary Engineers Local 39	\$ 1,296	
Roseville Police Officers Association	1,296	
Benefit (continued)	Tier 3 RFF	Tier 2
	Hired after January 1, 2012 and before August 15, 2015	
	\$720/month - subject to Tier 2 vesting schedule based on City Service	
	Employees contribute percent of payroll to the City Trust starting 2012:	
	Years of City Service	Payroll %
	1	1%
	2	2%
	3	3%
	4	4%
	5+	5%
Benefit (continued)	Tier 3 Non-RFF	Tier 2
	Hired on or after January 1, 2014 (c)	
	Stationary Engineers Local 39	
	Management/Confidential	
	International Brotherhood of Electrical Workers	
	Roseville Police Officers Association	
	Hired on or after October 1, 2013 (c)	
	Roseville Police Association	
	PEMHCA minimum	
	Roseville Health Savings Account: Employees contribute percent of payroll to health savings account	
Years of City Service	Payroll %	
1	1%	
2	2%	
3	3%	
4	4%	
5+	5%	
City contribution of \$100/month after 5 years City Service		
10 years of City Service required		
Non-Represented	Eligible for PEMHCA minimum only	
	Dental, Vision and Life	
	None	
	Surviving Spouse	
	Retiree medical benefit continues to surviving spouse if retire elects CalPERS survivor annuity.	
	Continuation	
	(a) Age 52 for Miscellaneous PEPRA employees.	
	(b) City must pay at least the PEMHCA minimum	
	(c) Eligible for PEMHCA minimum only	

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 12 – 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.

During the fiscal year ended June 30, 2017, 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)	\$	16,740,000
Interest on net OPEB obligation		3,226,159
Adjustment to annual required contribution		<u>(4,910,920)</u>
Annual OPEB cost		15,055,239
Contributions:		
Pay-as-you-go premiums		(8,474,935)
Contribution to Trust		<u>(5,242,340)</u>
Total contributions		(13,717,275)
Change in net OPEB obligation		1,337,964
Net OPEB obligation at June 30, 2016		<u>49,633,184</u>
 Net OPEB Obligation at June 30, 2017	 \$	 <u><u>50,971,148</u></u>
 Percentage of annual OPEB cost contributed		 <u><u>91%</u></u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 12 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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
6/30/2015	\$ 14,092,818	\$ 8,994,201	64%	\$ 44,461,929
6/30/2016	16,643,000	11,471,000	69%	49,633,184
6/30/2017	15,055,239	13,717,275	91%	50,971,148

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%

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 Post Retirement internal service fund.

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST

A. Plan Description

Plan administration –The City of Roseville Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan that is used to provide postemployment benefits other than pensions (OPEB), including medical, dental and vision insurance benefits to eligible retirees. Management of the plan is vested with the Trust Investment Review Committee (Committee). The Committee consists of nine members appointed by the City Manager. It includes one member from each of the city of Roseville’s employee labor bargaining groups (5), one retiree, one investment professional, the city Human Resource Director, and the City Treasurer. The City has delegated authority of the OPEB trust to PFM Asset Management LLC (PFM), per the trust agreement. Upon signing the agreement, PFM has been deemed to have executed the Trust and during the term of this Agreement, PFM further agreed to serve as a discretionary trustee, with fiduciary oversight and authority over the operations and management of the Trust.

Plan membership – At June 30, 2017, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	666
Inactive employees entitled to but not yet receiving benefits	42
Active employees	1,252
Total	1,960

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)

A. Plan Description (Continued)

Benefits Provided – The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan. Benefit provisions are established and may be amended by City labor agreements, which are approved by the City Council.

Contributions – The contribution requirements of plan members and the City are established and may be amended by the City Council. The Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2017, the City contributed \$13,717,275 to the plan, for current premiums. Plan members receiving benefits contributed \$0.

B. 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.

	Target Allocation	Expected Real Rate of Return
Mutual Funds - Equity	45%	28%
Mutual Funds - Fixed Income	50%	17%
REITs	5.0%	2.5%
	100%	

Rate of return – For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 9.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)

C. Net OPEB Liability of The City

The components of the net OPEB liability of the City at June 30, 2017, were as follows:

Total OPEB Liability	\$ 232,271,000
Plan fiduciary net position	<u>(72,663,626)</u>
City's net OPEB liability	<u><u>\$ 159,607,374</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.28%

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuations as of June 30, 2017, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.50%
Investment Rate of Return	6.50%
General Inflation	3.0%
Retirement Age	Varies by bargaining unit
Mortality	CalPERS 1997-2011 Experience Study
Mortality Improvement	ultimate improvement rates in 2022

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 (see the discussion of the Plan's investment policy).

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current discount rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability	\$ 195,554,000	\$ 159,574,000	\$ 130,612,000

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 4%)	Healthcare Cost Trend Rates (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Net OPEB Liability	\$ 124,127,000	\$ 159,574,000	\$ 204,376,000

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.

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 \$703,317.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 14 – RISK MANAGEMENT (CONTINUED)

A. Risk Coverage (Continued)

Property Coverage

CJPRMA has purchased commercial insurance against property damage, boiler and machinery claims. The City has a SIR of \$25,000 per claim up to a \$400,000,000 limit. The City’s premium for coverage is \$217,418.

Roseville Energy Park Property Coverage

The City purchased commercial property insurance specifically to cover the Roseville Energy Park. The City has a SIR of \$250,000 per claim up to a \$200,000,000 limit. The City’s premium for coverage is \$369,668.

Fiduciary Coverage

The City purchased fiduciary insurance specifically to cover the OPEB Trust. The SIR 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 SIR of \$500,000 per claim. The total premium charged to the City was \$604,079.

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.

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

	<u>2017</u>	<u>2016</u>
Claims liability, beginning of year	\$ 7,448,942	\$ 8,096,298
Current year claims	2,252,000	2,867,000
Change in prior year claims	(942,708)	(1,527,352)
Claims paid, current year claims	(391,222)	(514,941)
Claims paid, prior year claims	<u>(1,396,244)</u>	<u>(1,472,063)</u>
Claims liability, end of year	<u>\$ 6,970,768</u>	<u>\$ 7,448,942</u>
Current claims liabilities	<u>\$ 1,324,446</u>	<u>\$ 1,400,094</u>

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 14 – RISK MANAGEMENT (CONTINUED)

B. Insurance Internal Service Funds (Continued)

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:

	2017	2016
Claims liability, beginning of year	\$ 1,821,283	\$ 2,046,933
Current year claims	877,000	1,200,000
Change in prior year claims	(266,474)	(652,172)
Claims paid, current year claims	(112,090)	(94,651)
Claims paid, prior year claims	(139,715)	(678,827)
Claims liability, end of year	\$ 2,180,004	\$ 1,821,283
Current claims liabilities	\$ 588,601	\$ 660,351

Claims have not exceeded coverage during the last three years.

NOTE 15 – NORTHERN CALIFORNIA POWER AGENCY (NCPA)

A. General

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

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

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

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

A. General (Continued)

During the year ended June 30, 2017, the City incurred expenses totaling \$7,349,647 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, 2017
General operating reserve (including advances)	\$ 1,510,616
Associated member services (including advances)	76,879
Undivided equity interest, at cost, in certain NCPA power projects:	
Geothermal projects	1,030,712
Calveras hydroelectric project	1,655,590
Combustion turbine project no. 2	279,447
	\$ 4,553,244

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

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

B. Projects

Geothermal Projects

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

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, when compared to local investor-owned utility rates, while meeting all electric system obligations including those to NCPA. In March 2009, NCPA issued \$35,610,000 Geothermal Project Number 3 Revenue Bonds (2009 Series A). The proceeds were used to finance and operate the two NCPA 110 MW geothermal steam powered generating plants, Plant Number 1 and Plant Number 2. In 2012, NCPA issued \$12,910,000 in bonds for Plant Number 1 turbine upgrades. The City is obligated to pay its contractual share of 7.883% of the operating costs and debt service until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2017, the book value of this Project's plant, equipment and other assets was \$90,776,615 while its long-term debt totaled \$32,765,001 and other liabilities totaled \$44,938,357. The City's share of the Project's long-term debt amounted to \$2,897,791 at that date.

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of the NCPA main office building located in Roseville. The expansion is included as part of the Geothermal Projects funded by the bonds mentioned above. The City will recover its 7.883% share of the cost of the expansion which was \$204,958, with a 5% return on the investment over a ten year period. As of June 30, 2017, the City paid in full.

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, 2017, the book value of this Project's plant, equipment and other assets was \$412,237,290, while its long-term debt totaled \$354,298,371, and other liabilities totaled \$44,142,333. The City's share of the Project's long-term debt amounted to \$36,912,642 at that date.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

B. Projects (Continued)

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

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

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

At June 30, 2017, the book value of this Project's plant, equipment and other assets was \$41,211,265, while its long-term debt totaled \$38,163,048 and other liabilities totaled \$2,282,609. The City's share of the Project's long-term debt amounted to \$13,929,513 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, 2017

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. On August 13, 2014, the Series 2011D SIFMA Index Bonds were refunded into the Series 2014 SIFMA Index Bonds in the principal amount of \$29,120,000. The three agencies are responsible for the repayment of all the 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 8.

During the year ended June 30, 2017, the City paid \$13,234,296 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, 2017, was \$77,176,911.

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, 2017

NOTE 16 – 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 2017, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$	1,999,776
Deductions		(240,339)
Ending Balance	\$	1,759,437

NOTE 17 – COMMITMENTS AND CONTINGENT LIABILITIES

A. *NCPA, Transmission Agency of Northern California, 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 14. The City’s estimated share of such debt outstanding at June 30, 2017, was \$53,425,020. 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.

The City is a member of the Transmission Agency of Northern California (TANC), a joint powers agency. The City is entitled to 2.1119% of TANC’s share of transfer capability in the California-Oregon Transmission Project (approximately 29.35MW). The City is responsible for a share of debt service on debt issued by TANC under a take-or-pay agreement, approximately \$400,000 annually through 2039. The City’s estimated share of debt outstanding at June 30, 2017, was \$4,829,498.

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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 17 – COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

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.

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 re-appropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2017, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:	
General Fund	\$ 4,598,646
Non-Major Governmental Funds	26,771,247
Total Encumbrances	\$ 31,369,893

E. *Other Commitments*

The City had the following outstanding significant commitments at June 30, 2017:

Projects	(in millions)
Roseville Energy Park long-term service agreement	\$ 29.5
Net power purchase contracts	36.1
Natural Gas Forward Obligations	77.6
Renewable power purchase obligations	60.3

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 18 – 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 former City of Roseville Redevelopment Agency formed the Roseville Natural Gas Financing Authority (Authority) for the purpose of acquiring, financing and supplying natural gas to the City. Summarized below are various agreements entered into by the Authority to achieve its purpose.

A. *Prepaid Gas Agreement*

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

The agreement provides for payments to be made by the Gas Supplier if it fails to deliver the daily contract quantities and may be terminated by the Authority in the event of non-performance by the Supplier. The Agreement will automatically terminate if there is a termination of the Commodity Swap (See Note 18 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, 2017, the book value of prepaid gas under this agreement amounted to \$149,206,977.

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, 2017.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 18 – GAS SUPPLY ACQUISITIONS AND RESALE (CONTINUED)

C. Supply Agreement

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

D. Commodity Swap Agreement

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

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

Detail of the commodity swap agreement is discussed in Note 9.

NOTE 19 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

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

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

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

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

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

**NOTE 19 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

A. Redevelopment Dissolution (Continued)

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

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

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

B. Cash and Investments

Cash and investments of the Successor Agency as of June 30, 2017 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, 2017.

C. 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 \$4,177,337 at June 30, 2017.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

**NOTE 19 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

C. Notes Receivable (Continued)

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

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

The State Controller's Office, but not the State Department of Finance, has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to the dissolution were not reversed in the current fiscal year and remain as payable from the Corporation as of June 30, 2017.

Also included in the notes receivable above are two loans to one owner of two commercial businesses on Vernon Street for tenant improvements. These loans were made in 2011 by the former Redevelopment Agency and were assumed by the Successor Agency. The balance of the two loans as of June 30, 2017 was \$708,288.

D. Capital Assets

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

Capital assets as of June 30, 2017 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, 2017

**NOTE 19 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

E. Long-Term Obligations

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

1. Tax Allocation Bonds and Loans

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

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	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	2,225,000		(2,225,000)		
2006 Redevelopment Project Taxable Tax Allocation Housing Bonds, Series H-T 5.31%-6.07%, due 9/1/40	5,700,000		(5,700,000)		
2014 Redevelopment Project Taxable Tax Allocation 2.00%-5.00%, due 9/1/33	10,305,000		(435,000)	\$ 9,870,000	\$ 445,000
Add: bond premium	515,250		(28,625)	486,625	
2016-T Redevelopment Project Taxable Tax Allocation 2.00%-5.00%, due 9/1/40		\$ 21,520,000		21,520,000	340,000
Total Tax Allocation Bonds	31,900,250	21,520,000	(21,543,625)	31,876,625	785,000
Advances from the City of Roseville					
Loans from the City	22,218,977		(1,523,503)	20,695,474	1,216,466
Total	\$ 54,119,227	\$ 21,520,000	\$ (23,067,128)	\$ 52,572,099	\$ 2,001,466

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
2018	\$ 785,000	\$ 1,196,884
2019	860,000	1,088,671
2020	895,000	1,060,098
2021	920,000	1,034,358
2022	940,000	1,007,433
2023-2027	5,190,000	4,574,121
2028-2032	6,250,000	3,614,510
2033-2037	9,720,000	2,452,525
2038-2041	5,830,000	790,430
Total	\$ 31,390,000	\$ 16,819,030

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

**NOTE 19 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

E. Long-Term Obligations (Continued)

3. 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. These bonds were refunded through the issuance of the 2016-T bonds on July 19, 2016.

4. 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.

5. 2016-T Roseville Redevelopment Project Tax Allocation Bonds

On July 19, 2016, the Roseville Successor Agency issued the Series 2016-T Refunding Bonds, in the amount of \$21,520,000 for the purpose of refunding the 2006 Series A, 2006 Series A-T and 2006 Series H-T Tax Allocation Bonds. The Bonds bear interest at rates ranging from 1.021% to 4.066%. 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, 2017 through September 1, 2040.

6. Loans from the City

Prior to July 1, 2011, the former Redevelopment Agency had received various advances from various City funds. These advances bore 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.

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

**NOTE 19 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(CONTINUED)**

E. Long-Term Obligations (Continued)

6. Loans from the City (Continued)

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the balance of the obligation to repay the advances in the amount of \$25,603,129 for principal and accrued interest and recorded a notes payable to the Low and Moderate Income Housing Asset Fund equal to twenty percent of the balance of the notes. During fiscal year 2013, the State Department of Finance denied the prepaid advance 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. The Successor Agency received its Finding of Completion in August 2013 determining that notes are enforceable obligations.

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 notes 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.

During fiscal year 2014, the Department of Finance clarified how the interest is to be calculated on each note to the Successor Agency. The City recalculated the interest due on the notes using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. The principal balance of the notes as of June 30, 2017 is \$20,695,474. Accrued interest on the notes as of June 30, 2017 is \$619,191.

NOTE 20 – RESTATEMENT

A. Capital Asset Adjustments

The beginning net position of the Electric, Water, Wastewater, Solid Waste, and Automotive Funds have been restated to properly account for a large project that was completed however not properly placed in service and to remove residential garbage cans that were previously capitalized under the capitalization threshold.

B. Loan Adjustments

The beginning net position of the General Fund, State Gasoline Tax Fund, Low/Mod Income Housing Asset Fund, and Automotive Funds have been restated to adjust unavailable revenue previously recorded to offset loans from the Successor to the Redevelopment Agency and properly record the twenty percent of the outstanding loan balances at the time of the Redevelopment Agency dissolution that need to be repaid to the Low/Mod Income Housing Asset Fund in accordance with AB1484 Section 31491.4(C).

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 20 – RESTATEMENT (CONTINUED)

C. Fund Reclassifications

The City reclassified certain funds for more appropriate presentation in the financial statements. The beginning fund balance of the Stormwater, Miscellaneous Fire, Miscellaneous Library, and Miscellaneous Park Funds have been reclassified into the General Fund. The beginning fund balance of the Miscellaneous Police Fund has been reclassified into the Police Evidence (new fund) and General Fund. The beginning fund balance of the Law Enforcement Block Grants and Community Development Block Grant/HOME Funds have been reclassified into the Grants Fund. The beginning net position of the Utility Exploration Center Fund has been reclassified to the Water Fund. In addition, the Roadway Fund has been reclassified from a Special Revenue to a Capital Project Fund, Miscellaneous General Government Fund has been renamed as the Cable TV Peg Fund and the Automotive Services and Automotive Replacement Funds have been combined into a single Automotive Fund. The amounts from the Internal Service Funds that were previously combined with the business-type activities were transferred to the Governmental Activities as these amounts were determined to be primarily related to the governmental funds.

Net Position/Fund Balance as of June 30, 2017 have been restated as follows:

	Beginning Net Position/Fund Balance (as previously reported)	Loan Adjustments	Capital Asset Adjustments	Fund Reclassifications	Beginning Net Position/Fund Balance (restated)
Government Wide:					
Governmental Activities	\$ 952,973,464	\$ 7,147,249	\$ (1,430,706)	\$ (96,135)	\$ 958,593,872
Business-type Activities	1,446,214,849		(8,992,144)	96,135	1,437,318,840
Governmental Funds:					
General	60,577,457	3,579,712		1,127,569	65,284,738
State Gasoline Tax	11,276,513	(584,725)			10,691,788
Low/Mod Income Housing Asset	1,745,714	4,345,095			6,090,809
Grants				593,729	593,729
Police Evidence				162,997	162,997
Affordable Housing	5,497,431	(29,888)		98,799	5,566,342
Stormwater	314,583			(314,583)	
Home Improvement	98,799			(98,799)	
Law Enforcement Block Grants	249,670			(249,670)	
Community Development Block					
Grant/HOME	165,600			(165,600)	
Miscellaneous Fire	27,469			(27,469)	
Miscellaneous Library	248,968			(248,968)	
Miscellaneous Police	341,456			(341,456)	
Miscellaneous Park	508,516			(508,516)	
Utility Exploration Center	96,135			(96,135)	
Roseville Financing Authority					
Debt Service Fund	827,834			(658,361)	169,473
RFA Capital Projects Fund				658,361	658,361
Enterprise Funds:					
Electric	322,313,153		(3,316,492)		318,996,661
Water	493,460,017		(1,581,280)	96,135	491,974,872
Wastewater	587,311,942		(2,098,441)		585,213,501
Solid Waste	18,391,677		(1,995,931)		16,395,746
Internal Service Funds:					
Automotive		(165,840)	(375,945)	53,248,992	52,707,207
Automotive Services	(2,981,831)			2,981,831	
Automotive Replacement	56,230,823			(56,230,823)	
Central Stores	28,033			(28,033)	

CITY OF ROSEVILLE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 21 – SUBSEQUENT EVENTS

On July 12, 2017, the Roseville Financing Authority issued Refunding Bonds Series 2017A in the amount of \$30,820,000. The purpose of the issuance is to refund the 2007 Revenue Bonds, Series A and B.

On July 27, 2017, the Roseville Financing Authority issued Refunding Bonds Series 2017B on behalf of Stone Point Community Facilities District No 1-2003 and Stone Point Community Facilities District No. 50-2006 in the amount of \$10,420,000. The purpose of the issuance is to refund the community facilities districts' outstanding bonds.

On September 28, 2017, the South Placer Wastewater Authority issued bonds in the amount of \$74,780,000. These bonds were issued to finance the expansion and construction of the wastewater treatment plant.

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
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 97,185,175	\$ 96,902,860	\$ 97,631,472	\$ 728,612
Licenses and permits	2,434,850	2,646,550	3,268,160	621,610
Charges for services	16,991,724	18,521,293	17,163,588	(1,357,705)
Subventions and grants	729,708	1,063,261	535,818	(527,443)
Use of money and property	1,281,373	1,281,373	1,048,480	(232,893)
Fines, forfeitures and penalties	867,700	867,700	898,594	30,894
Contribution from developers	1,100,000	2,100,000	737,999	(1,362,001)
Miscellaneous revenues	1,691,255	2,429,743	3,312,181	882,438
TOTAL REVENUES	122,281,785	125,812,780	124,596,292	(1,216,488)
EXPENDITURES:				
Current:				
Salaries and Benefits				
General Government				
City Council	36,600	38,824	38,824	
City Manager - Administration	1,074,495	1,005,253	1,005,253	
Communications - Government Relations	654,093	644,537	644,537	
City Attorney	1,646,892	1,676,578	1,676,578	
Human Resources - Administration	1,285,724	1,297,710	1,297,710	
Risk Mgmt - Administration	105,251	59,000	59,000	
IT Administration	1,047,748	990,937	990,937	
IT - Data Center	529,685	523,109	523,109	
IT - Communications	1,079,003	1,212,110	1,212,110	
IT - Public Safety	830,493	738,546	738,546	
IT - GIS/Web	557,243	547,725	547,725	
IT - Customer Service	843,987	798,063	798,063	
IT - Applications	606,201	591,206	591,206	
City Clerk - Administration	806,237	797,382	797,382	
Central Services - Administration	512,308	521,102	521,102	
Purchasing	645,841	534,588	534,588	
Central Stores	262,943	289,752	289,752	
Building Maintenance	1,062,126	1,021,155	1,021,155	
Janitorial	504,911	477,473	477,473	
Finance Administration	515,990	450,157	450,157	
Budget	604,543	604,685	604,685	
Payroll	663,455	629,715	629,715	
Accounts Payable	406,331	426,187	426,187	
Cash management	264,228	256,449	256,449	
Util Billing & Services - Admin	202,170	(63,583)	(63,583)	
Util Billing & Services - Field Services	972,990	774,921	774,921	
Util Billing & Services - Billing	540,648	376,105	376,105	
Util Billing & Services - Services	1,349,441	1,236,533	1,236,533	
Gen Acct - Administration	445,510	327,279	327,279	
Gen Acct - Accounting	441,540	327,389	327,389	
Development & Operations				
Development & Operations - Admin	554,683	552,841	552,841	
Housing Admin	133,998	130,694	130,693	1
Economic Development & Housing	453,043	466,062	466,062	
Planning	1,344,981	1,241,932	1,241,931	1
Development Services - Admin	692,841	727,843	727,843	
Development Services - Permit Center	1,283,743	1,147,072	1,147,070	2
Development Services - Building Inspection	1,914,137	1,704,472	1,704,472	
Development Services - Code Enforcement	534,594	485,043	485,042	1
Development Services - Engineering	1,395,294	1,504,203	1,504,203	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public Works - Administration	\$ 336,792	\$ 332,338	\$ 332,338	
Engineering	1,871,979	1,549,938	1,549,938	
Flood Alert	137,759	44,839	44,839	
Streets - Administration	720,096	704,446	704,445	\$ 1
Street Drainage	172,941	203,868	203,867	1
Paving	1,317,036	1,256,064	1,256,064	
Street Signs	291,733	293,762	293,762	
Street Markings	322,938	189,287	189,286	1
Storm Water Management EU	505,218	496,327	460,903	35,424
Public Safety				
Police				
Police - Administration	2,228,143	2,253,396	2,251,301	2,095
Records - Property	1,812,777	1,746,154	1,745,887	267
Police Communications	3,017,439	2,879,614	2,879,527	87
Community Services	1,874,137	2,280,865	2,280,552	313
Patrol	15,910,981	14,593,298	14,543,317	49,981
Investigations	4,191,572	4,266,658	4,266,658	
Animal Control	307,975	314,625	314,624	1
Police Traffic	1,408,180	1,506,436	1,506,235	201
Fire				
Fire - Administration	696,395	557,161	557,161	
Fire Prevention	1,555,679	1,554,377	1,554,377	
Fire Operations	21,803,677	23,827,569	23,825,742	1,827
Fire Training	418,491	471,593	471,592	1
Fire Logistics	551,072	574,830	574,518	312
Emergency Preparedness	232,909	240,033	240,033	
Library				
Library - Admin/Tech Services	3,016,518	2,939,185	2,939,184	1
Maidu Museum - Historic Site	423,117	364,773	364,772	1
Parks and Recreation				
Parks & Rec - Administration	1,225,959	1,147,837	1,147,837	
Park Development	435,076	428,358	428,358	
Adult Sports	235,391	233,168	233,168	
Adult & Senior Activities	177,912	176,170	176,169	1
Cultural Arts & Entertainment	50,081	50,356	50,355	1
Youth & Teen Services	216,243	196,521	196,520	1
Youth Classes	399,127	400,171	400,171	
Community Special Events	134,517	130,673	130,673	
Maidu Park	285,224	284,890	284,890	
Mahany Park	650,761	610,576	610,575	1
Town Square	203,875	191,228	191,228	
Aquatics	1,468,105	1,425,899	1,425,899	
Park Operations - Admin	744,924	732,537	732,536	1
Open Space/Tree Maintenance	744,693	747,719	545,265	202,454
Parks - Maintenance	2,729,396	2,685,625	2,685,625	
Operating Services and Supplies				
General Government				
City Council	358,022	378,642	302,712	75,930
Community Contributions	53,500	69,508	37,668	31,840
Strategic Improvements	60,000	160,000	12,035	147,965
City Manager - Administration	50,358	86,455	73,679	12,776
Public Affairs/Communication	70,075	96,699	78,151	18,548
City Attorney	174,795	209,675	147,327	62,348
Litigation Reserve	250,000	250,000		250,000
Human Resources - Admin	474,150	565,736	453,354	112,382
Risk Mgmt - Administration	341,785	345,637	197,636	148,001
IT Administration	632,295	708,876	622,152	86,724
IT - Data Center	133,120	177,733	122,802	54,931
IT - Communication	536,377	554,039	505,622	48,417

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
IT - Public Safety	\$ 53,573	\$ 61,992	\$ 59,667	\$ 2,325
IT - GIS/Web	98,933	159,918	159,916	2
IT - Customer Service	333,547	398,206	358,421	39,785
IT- Application	206,124	266,143	211,336	54,807
City Clerk - Administration	76,450	93,007	92,643	364
Elections	100,000	125,435	109,378	16,057
Central Services - Administration	27,413	43,883	32,632	11,251
Purchasing	51,057	58,222	53,390	4,832
Central Stores	76,847	81,983	80,435	1,548
Building Maintenance	1,333,882	1,477,983	1,427,328	50,655
Janitorial	471,217	536,526	495,593	40,933
Finance Administration	168,288	211,766	186,697	25,069
316 Vernon	125,000	-	-	-
Budget	59,744	68,873	58,577	10,296
Payroll	52,645	251,044	50,247	200,797
Accounts Payable	23,006	33,636	33,635	1
Licensing				
Cash Management	60,263	67,789	58,346	9,443
Utility Billing & Services - Admin	3,683	7,572	7,572	
Utility Billing & Services - Field Services	134,022	161,837	138,989	22,848
Utility Billing & Services - Billing	978,193	940,833	899,480	41,353
Utility Billing & Services - Services	33,145	62,251	62,250	1
General Accounting - Administration	161,276	167,949	124,849	43,100
General Accounting - Accounts Payable				
General Accounting - Accounting	8,774	18,068	16,717	1,351
City Special Assessments	84,560	84,560	111,661	(27,101)
Development & Operations-Admin				
Merchant Parking Program	600	600		600
Development & Operations - Admin	74,992	106,583	70,756	35,827
Housing Admin	14,865	34,473	30,086	4,387
Economic Development & Housing	238,408	254,630	243,119	11,511
Planning	93,780	136,625	129,867	6,758
Development Services - Admin	56,000	64,174	47,694	16,480
Development Services - Permit Center	76,720	88,281	61,785	26,496
Development Services - Building Inspection	597,000	1,050,559	907,548	143,011
Development Services - Code Enforcement	87,506	130,112	66,287	63,825
Development Services - Engineering	172,500	234,001	163,999	70,002
Sierra Vista Specific Plan		1		1
Placer Ranch		43,159		43,159
Amoruso/Brookfield	150,000	150,000	97,577	52,423
Traffic Study	500,000	103,396	102,082	1,314
Building Plan Check Services	50,000	250,000	73,068	176,932
Development Full Cost Recovery	5,000	5,000		5,000
Planning - Full Cost Projects	3,912,750	6,339,856	3,251,682	3,088,174
Public Works				
Public Works - Administration	9,070	18,357	17,999	358
Engineering	115,354	167,034	150,907	16,127
Flood Alert	83,974	87,095	82,366	4,729
Streets - Administration	93,738	115,779	104,270	11,509
Street Drainage	330,714	368,045	343,079	24,966
Paving	860,860	907,357	815,249	92,108
Street Signs	111,810	131,363	125,739	5,624
Street Markings	127,610	145,647	145,300	347
Storm Water Management	259,009	287,779	231,974	55,805
Flood Pain Management			43	(43)

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police				
Police - Administration	\$ 824,598	\$ 899,851	\$ 845,535	\$ 54,316
Records - Property	108,781	146,623	145,051	1,572
Police Communications	105,976	189,695	186,918	2,777
Community Services	32,954	72,645	69,948	2,697
Patrol	1,086,836	1,788,845	1,715,475	73,370
Investigations	114,596	227,990	227,055	935
Animal Control	796,732	898,486	818,447	80,039
Police Traffic	45,144	89,703	87,156	2,547
Police - Vehicles	1,939,481	1,950,708	1,841,574	109,134
Fire				
Buckle-Up Baby Fund	9,500	9,500	1,609	7,891
Fire - Administration	41,985	68,341	68,235	106
Fire Prevention	110,399	216,612	209,144	7,468
Fire Operations	344,989	891,398	874,532	16,866
Fire Training	151,245	183,691	183,467	224
Fire Logistics	1,788,883	1,821,676	1,734,902	86,774
Fire Grants		5,500	5,500	
Emergency Preparedness	64,600	69,153	56,211	12,942
Library				
Harrigan Trust-Adult Literacy	20,000	20,000		
Library - Admin/Tech Services	673,801	744,465	743,713	752
Maidu Museum - Historic Site	99,737	107,963	107,488	475
Parks and Recreation				
Parks & Rec - Administration	229,760	251,815	245,290	6,525
Park Development	93,657	114,307	69,917	44,390
Adult Sports	153,199	151,624	143,800	7,824
Adult & Senior Activities	58,626	65,252	63,205	2,047
Cultural Arts & Entertainment	8,150	6,314	5,730	584
Youth & Teen Services	66,081	80,719	80,207	512
Youth Classes	169,037	180,648	171,528	9,120
Community Special Events	210,353	222,590	215,505	7,085
Maidu Community Center/Sports Courts	76,320	83,859	64,009	19,850
Mahany Park	264,516	280,236	240,005	40,231
Town Square	180,435	179,933	176,563	3,370
Aquatics	705,511	740,475	695,558	44,917
Park Operations - Admin	68,092	80,049	79,648	401
Open Space/Tree Maintenance	644,910	761,265	708,830	52,435
Parks - Maintenance	3,102,134	3,238,740	3,129,069	109,671
Annexation payments	4,300,000	4,750,000	4,734,193	15,807
Debt Service:				
Principal retirement	1,081,615	1,081,615	1,081,412	203
Interest and fiscal charges	846,480	846,480	848,120	(1,640)
TOTAL EXPENDITURES	140,280,271	145,825,361	139,006,480	6,798,881
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,998,486)	(20,012,581)	(14,410,188)	5,602,393
OTHER FINANCING SOURCES (USES)				
Transfers In	43,128,022	48,109,487	27,337,649	(20,771,838)
Transfers (Out)	(20,753,610)	(28,002,905)	(13,209,711)	14,793,194
Total Other Financing Sources (Uses)	22,374,412	20,106,582	14,127,938	(5,978,644)
NET CHANGE IN FUND BALANCE	\$ 4,375,927	\$ 94,001	(282,250)	\$ (376,251)
Adjustment to budgetary basis:				
Capital outlay			4,426,200	
FUND BALANCE - BEGINNING			65,284,738	
FUND BALANCE - ENDING			\$ 60,576,288	

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

	2015		2016		2017	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Total pension liability						
Service cost	\$ 12,410,363	\$ 7,979,496	\$ 12,377,311	\$ 7,650,925	\$ 12,872,902	\$ 7,764,644
Interest on total pension liability	35,999,301	17,970,776	38,106,634	18,851,867	40,468,522	20,340,470
Differences between expected and actual experience			(1,796,891)	(4,348,535)	316,698	3,415,651
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)	(21,009,168)	(11,124,582)
Net change in total pension liability	30,221,498	16,947,048	19,650,653	7,083,536	32,648,954	20,396,183
Total pension liability -- beginning	482,879,572	240,122,220	513,101,070	257,069,269	532,751,723	264,152,805
Total pension liability -- ending (a)	\$ 513,101,070	\$ 257,069,268	\$ 532,751,723	\$ 264,152,805	\$ 565,400,677	\$ 284,548,988
Plan fiduciary net position						
Plan to plan resource movement			\$ 3,810	\$ (26,514)	\$ (386)	
Contributions - employer	\$ 14,691,280	\$ 8,482,557	15,901,790	9,010,440	17,491,938	\$ 9,590,596
Contributions - employee	5,879,856	2,321,899	5,785,312	2,299,042	6,323,610	2,418,065
Net investment income	51,318,939	26,953,304	7,885,768	4,110,266	1,875,529	906,270
Benefit payments	(18,188,166)	(9,003,224)	(19,339,004)	(9,908,333)	(21,009,168)	(11,124,582)
Administrative expenses			(401,772)	(210,832)	(217,443)	(114,150)
Net change in fiduciary net position	53,701,909	28,754,536	9,835,904	5,274,069	4,464,080	1,676,199
Plan fiduciary net position -- beginning	293,249,174	153,271,540	346,951,083	182,026,076	356,786,987	187,300,145
Plan fiduciary net position -- ending (b)	346,951,083	182,026,076	356,786,987	187,300,145	361,251,067	188,976,344
Net pension liability -- ending (a) - (b)	\$ 166,149,987	\$ 75,043,192	\$ 175,964,736	\$ 76,852,660	\$ 204,149,610	\$ 95,572,644
Plan fiduciary net position as a percentage of the total pension liability	67.62%	70.81%	66.97%	70.91%	63.89%	66.41%
Covered payroll	\$ 67,642,462	\$ 25,304,421	\$ 70,574,246	\$ 25,172,485	\$ 74,134,013	\$ 26,276,305
Net pension liability as a percentage of covered payroll	245.63%	296.56%	249.33%	305.30%	275.38%	363.72%
Measurement date	June 30, 2014	June 30, 2014	June 30, 2015	June 30, 2015	June 30, 2016	June 30, 2016

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

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

	2015		2016		2017	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Actuarially determined contributions	\$ 15,872,491	\$ 9,015,161	\$ 17,564,085	\$ 9,409,229	\$ 19,896,723	\$ 11,655,656
Contributions in relation to the actuarially determined contribution	15,872,491	9,015,161	17,564,085	9,409,229	19,896,723	11,655,656
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 70,574,246	\$ 25,172,485	\$ 74,134,013	\$ 26,276,305	\$ 74,964,348	\$ 26,613,359
Contributions as a percentage of covered-employee payroll	22.49%	35.81%	23.69%	35.81%	26.54%	43.80%

Notes to Schedule

Valuation date:	6/30/2012	6/30/2012	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		Entry age normal cost method	
Amortization method	Level percentage of payroll		Level percentage of payroll		Level percentage of payroll	
Asset valuation method	Market value		Market value		Market value	
Inflation	2.75%		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		3.3% to 14.2% depending on age, service, and type of employment	
Discount rate	7.50%		7.65%		7.65%	
Retirement age	50-57 for Safety; 50-67 for Miscellaneous		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		Derived using CalPERS membership data	

* Fiscal year 2015 was the first year of implementation, therefore, only three 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, 2017**

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 \$3,491,659 in fiscal year 2018. 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		
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
2017	72	69	14,379,921	11,893,473

The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 71 and residential roadways at an average PQI of 68. 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 \$11,893,473 for street preservation in fiscal year 2017.

**CITY OF ROSEVILLE, CALIFORNIA
MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND
PARKS AND LANDSCAPING COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

Parks and Landscaping

The City uses maintenance service level standards along with tracking systems to oversee parks and landscape funds. Through an enterprise asset management system the department manages service requests, work orders and preventative maintenance functions to maintain the established service levels within the parks system.

The City determines the service level standards by using a combination of frequencies and outcomes. Quality assurance inspections are completed on a monthly basis to determine current conditions of the parks and landscapes that are measured against the five designated service levels. The service levels are classified into five categories: “Rushmore”- High-level maintenance (=1 on the index scale), “Yosemite”- moderate level maintenance (=2), “Sequoia” -moderate-to lower level maintenance (=3), “Mojave”- minimum level maintenance (=4), and natural area- not developed (=5). The levels are defined based on National Park and Recreation Association maintenance management practices, as well as, city staff input to determine frequencies and desired outcomes.

The City’s maintenance costs are budgeted to be \$5,550,761 in fiscal year 2018. 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)		Actual Maintenance
	Parks and Landscaping	Maintenance Budget	
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
2017	3	5,563,349	5,670,408

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 \$5,670,408 for maintenance in fiscal year 2017.

**CITY OF ROSEVILLE, CALIFORNIA
OTHER POST-EMPLOYMENT BENEFITS – SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2017**

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)%

**CITY OF ROSEVILLE, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – 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.

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.

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.

Downtown Benefit Fee Fund. To account for revenue collected for the benefit of downtown Roseville.

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.

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.

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.

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.

Traffic Signal Coordination Fund. To fund the maintenance of optimized traffic flow through signalized intersections.

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.

Grants 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 Housing Choice Voucher 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.

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.

Cable TV PEG Fund. To account for activity related to Public, Educational, and Governmental Access TV Channels.

Parks and Recreation Fee Fund. To account for recreation fee revenues for Parks and Recreation facilities.

Police Evidence Fund. To account for confiscated property and evidence funds for the Police department.

Roseville Community Development Corporation Fund. To account for revenues and expenditures of the Corporation for economic development, affordable housing and other community programs.

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.

South Placer Animal Control Shelter Fund. To account for the collection of fees for the construction of an animal shelter.

Traffic Mitigation Fund. To account for revenues and expenditures related to major roadways and related structures such as bridges or interchanges.

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.

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

Roadway Fund. To account for non-Gas Tax grants and other restricted revenues to construct and or maintain City streets.

Building Fund. To account for approved capital projects within the City funded by various fees and other sources.

General Capital Improvement Projects Rehabilitation Fund. To account for the approved rehabilitation of existing City property funded by the General Fund.

RFA Capital 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.

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.

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.

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Downtown Benefit Fee	Traffic Safety
ASSETS:				
Cash and investments	\$ 11,741,018	\$ 8,028,555	\$ 19,969	\$ 372,960
Cash with fiscal agents				
Receivables:				
Accounts receivable	152,237			5,506
Accrued interest	42,718	32,226	11	
Due from other government agencies				57,190
Due from other funds				
Advances to other funds				
Developer permit fees receivable				
Notes receivable		2,258,900		
Land held for resale				
Total Assets	<u>\$ 11,935,973</u>	<u>\$ 10,319,681</u>	<u>\$ 19,980</u>	<u>\$ 435,656</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 492,688	\$ 31,922		\$ 2,082
Accrued liabilities				
Due to other funds				
Due to other government agencies				
Advances from other funds				
Deposits	35,660	1,300		
Unearned revenue				
Total Liabilities	<u>528,348</u>	<u>33,222</u>		<u>2,082</u>
Deferred Inflows of Resources:				
Unavailable revenue				
Fund Balances:				
Nonspendable				
Restricted	11,407,625	10,286,459	\$ 19,980	433,574
Committed				
Assigned				
Unassigned				
Total Fund Balances (Deficit)	<u>11,407,625</u>	<u>10,286,459</u>	<u>19,980</u>	<u>433,574</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,935,973</u>	<u>\$ 10,319,681</u>	<u>\$ 19,980</u>	<u>\$ 435,656</u>

SPECIAL REVENUE FUNDS

Trench Cut Recovery Fund	Downtown Parking	Technology Replacement	Bike Trail/ Open Space Maintenance	Fire Facilities	Traffic Signal Coordination
\$ 149,676	\$ 2,005,990	\$ 903,353	\$ 925,679	\$ 6,920,546	\$ 2,302,452
605	13,164	92 1,289	3,906	387,618 23,459	16,900 9,327
<u>\$ 150,281</u>	<u>\$ 2,019,154</u>	<u>\$ 904,734</u>	<u>\$ 929,585</u>	<u>\$ 7,331,623</u>	<u>\$ 2,328,679</u>
		\$ 8,129 2,512 100,000	\$ 66,920	\$ 365,462 8,332 345,000	
	\$ 3,519,764	95,054		1,380,000	
	<u>3,519,764</u>	<u>205,695</u>	<u>66,920</u>	<u>2,098,794</u>	
\$ 150,281		699,039	862,665	5,232,829	\$ 2,328,679
	(1,500,610)				
<u>150,281</u>	<u>(1,500,610)</u>	<u>699,039</u>	<u>862,665</u>	<u>5,232,829</u>	<u>2,328,679</u>
<u>\$ 150,281</u>	<u>\$ 2,019,154</u>	<u>\$ 904,734</u>	<u>\$ 929,585</u>	<u>\$ 7,331,623</u>	<u>\$ 2,328,679</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017**

	SPECIAL REVENUE FUNDS			
	Tree Propagation	Air Quality Mitigation	Grants	Housing Authority Housing Choice Voucher
ASSETS:				
Cash and investments	\$ 1,599,322	\$ 371,404	\$ 1,103,935	\$ 672,421
Cash with fiscal agents				14,344
Receivables:				
Accounts receivable		15,352		
Accrued interest	6,902	1,539	3,653	
Due from other government agencies			158,552	
Due from other funds				
Advances to other funds				
Developer permit fees receivable				
Notes receivable			12,594,891	
Land held for resale				
Total Assets	<u>\$ 1,606,224</u>	<u>\$ 388,295</u>	<u>\$ 13,861,031</u>	<u>\$ 686,765</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 1,944		\$ 86,923	\$ 61,828
Accrued liabilities				19,378
Due to other funds				
Due to other government agencies				
Advances from other funds				
Deposits				
Unearned revenue			275,422	
Total Liabilities	<u>1,944</u>		<u>362,345</u>	<u>81,206</u>
Deferred Inflows of Resources:				
Unavailable revenue			12,595,080	
Fund Balances:				
Nonspendable				
Restricted	1,604,280	\$ 388,295	903,606	605,559
Committed				
Assigned				
Unassigned				
Total Fund Balances (Deficit)	<u>1,604,280</u>	<u>388,295</u>	<u>903,606</u>	<u>605,559</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,606,224</u>	<u>\$ 388,295</u>	<u>\$ 13,861,031</u>	<u>\$ 686,765</u>

SPECIAL REVENUE FUNDS

Affordable Housing	Low/Mod Income Housing Asset	Cable TV PEG	Parks and Recreation Fee	Police Evidence	Roseville Community Development Corporation
\$ 6,174,519	\$ 856,819	\$ 870,924	\$ 15,239	\$ 173,820	\$ 1,139,225
		59,162			
384,119	752,723	3,639		685	
3,253,975	14,713,418				217,435
	861,245				
<u>\$ 9,812,613</u>	<u>\$ 17,184,205</u>	<u>\$ 933,725</u>	<u>\$ 15,239</u>	<u>\$ 174,505</u>	<u>\$ 1,356,660</u>
\$ 30,000		\$ 37,665		\$ 399	\$ 27,420
316,423	\$ 235,728				
					1,530,951
					23,204
					5,200
<u>346,423</u>	<u>235,728</u>	<u>37,665</u>		<u>399</u>	<u>1,586,775</u>
<u>3,297,552</u>	<u>\$ 11,087,593</u>				<u>217,435</u>
6,168,638	5,860,884	896,060	\$ 15,239	174,106	
					(447,550)
<u>6,168,638</u>	<u>5,860,884</u>	<u>896,060</u>	<u>15,239</u>	<u>174,106</u>	<u>(447,550)</u>
<u>\$ 9,812,613</u>	<u>\$ 17,184,205</u>	<u>\$ 933,725</u>	<u>\$ 15,239</u>	<u>\$ 174,505</u>	<u>\$ 1,356,660</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017**

	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Roseville Finance Authority	South Placer Animal Control Shelter	Traffic Mitigation	Public Facilities
ASSETS:				
Cash and investments	\$ 239,584		\$ 28,545,493	\$ 8,870,870
Cash with fiscal agents	114,984			
Receivables:				
Accounts receivable		\$ 196	1,186,738	987,662
Accrued interest	565	77	102,272	53,096
Due from other government agencies			9,611,183	
Due from other funds				100,000
Advances to other funds				95,054
Developer permit fees receivable				
Notes receivable				
Land held for resale				
Total Assets	<u>\$ 355,133</u>	<u>\$ 273</u>	<u>\$ 39,445,686</u>	<u>\$ 10,106,682</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable			\$ 651,010	\$ 170,382
Accrued liabilities	\$ 11,988			10,732
Due to other funds		\$ 693		442,387
Due to other government agencies				
Advances from other funds				4,248,244
Deposits	57,467			
Unearned revenue				
Total Liabilities	<u>69,455</u>	<u>693</u>	<u>651,010</u>	<u>4,871,745</u>
Deferred Inflows of Resources:				
Unavailable revenue			7,735,142	
Fund Balances:				
Nonspendable				
Restricted	285,678		31,059,534	5,234,937
Committed				
Assigned				
Unassigned		(420)		
Total Fund Balances (Deficit)	<u>285,678</u>	<u>(420)</u>	<u>31,059,534</u>	<u>5,234,937</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 355,133</u>	<u>\$ 273</u>	<u>\$ 39,445,686</u>	<u>\$ 10,106,682</u>

CAPITAL PROJECTS FUNDS

Park Development	Pleasant Grove Drain Basin	Community Facilities District Projects	Roadway	Building	General Capital Improvement Projects Rehabilitation
\$ 35,060,708	\$ 10,231,290	\$ 1,334,133 13,633,493	\$ 44,022	\$ 176,105	\$ 16,962,275
1,681,445					
135,464	34,218	5,941	6,523	685	54,329
239,443					
<u>\$ 37,117,060</u>	<u>\$ 10,265,508</u>	<u>\$ 14,973,567</u>	<u>\$ 50,545</u>	<u>\$ 176,790</u>	<u>\$ 17,016,604</u>
\$ 33,649	\$ 5,174		\$ 181,159	\$ 29,568	\$ 647,398
<u>33,649</u>	<u>5,174</u>		<u>181,159</u>	<u>29,568</u>	<u>647,398</u>
<u>272,300</u>					
36,811,111	10,260,334	\$ 14,973,567		147,222	16,369,206
			(130,614)		
<u>36,811,111</u>	<u>10,260,334</u>	<u>14,973,567</u>	<u>(130,614)</u>	<u>147,222</u>	<u>16,369,206</u>
<u>\$ 37,117,060</u>	<u>\$ 10,265,508</u>	<u>\$ 14,973,567</u>	<u>\$ 50,545</u>	<u>\$ 176,790</u>	<u>\$ 17,016,604</u>

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**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017**

	CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		Total Non-Major Governmental Funds			
	RFA Capital Projects		Citizens' Benefit	Roseville Aquatics Complex Maintenance				
ASSETS:								
Cash and investments	\$	72,406	\$	17,272,680	\$	611,930	\$	165,769,322
Cash with fiscal agents		8						13,762,829
Receivables:								
Accounts receivable								4,492,908
Accrued interest			99,193	3,450				1,775,778
Due from other government agencies								9,826,925
Due from other funds								100,000
Advances to other funds								95,054
Developer permit fees receivable								239,443
Notes receivable								33,038,619
Land held for resale								861,245
Total Assets	\$	72,414	\$	17,371,873	\$	615,380	\$	229,962,123
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Accounts payable								\$ 2,931,722
Accrued liabilities								52,942
Due to other funds								888,080
Due to other government agencies								552,151
Advances from other funds								10,774,013
Deposits			\$ 531	\$ 600,000				718,162
Unearned revenue								280,622
Total Liabilities			531	600,000				16,197,692
Deferred Inflows of Resources:								
Unavailable revenue								35,205,102
Fund Balances:								
Nonspendable			16,964,800					16,964,800
Restricted	\$	72,414	406,542	15,380				147,157,295
Committed								147,222
Assigned								16,369,206
Unassigned								(2,079,194)
Total Fund Balances (Deficit)		72,414	17,371,342	15,380				178,559,329
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	72,414	\$ 17,371,873	\$ 615,380	\$	229,962,123		

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Downtown Benefit Fee	Traffic Safety
REVENUES:				
Taxes	\$ 9,251,128			
Charges for services			\$ 20,000	
Subventions and grants		\$ 2,571,665		
Use of money and property	7,089	12,945	(20)	
Fines, forfeitures and penalties				\$ 318,156
Contributions from developers and others				
Miscellaneous revenues				
Total Revenues	<u>9,258,217</u>	<u>2,584,610</u>	<u>19,980</u>	<u>318,156</u>
EXPENDITURES:				
Current:				
General government				
Development and operations				
Public works		6,634		
Public safety:				
Police				
Parks and recreation	5,138,191			
Housing assistance payments				
Capital outlay		2,247,875		
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>5,138,191</u>	<u>2,254,509</u>		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,120,026</u>	<u>330,101</u>	<u>19,980</u>	<u>318,156</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out	<u>(3,325,995)</u>	<u>(735,430)</u>		
Total Other Financing Sources (Uses)	<u>(3,325,995)</u>	<u>(735,430)</u>		
Net change in fund balance	794,031	(405,329)	19,980	318,156
Fund Balances (Deficit) - Beginning, as restated	<u>10,613,594</u>	<u>10,691,788</u>		<u>115,418</u>
Fund Balances - Ending	<u>\$ 11,407,625</u>	<u>\$ 10,286,459</u>	<u>\$ 19,980</u>	<u>\$ 433,574</u>

SPECIAL REVENUE FUNDS

Trench Cut Recovery Fund	Downtown Parking	Technology Replacement	Bike Trail/ Open Space Maintenance	Fire Facilities	Traffic Signal Coordination
\$ 3,758		\$ 595,453		\$ 1,624,028	\$ 2,570
143	\$ 6,931	497	\$ 239	4,431	2,349
					62,863
			34,495		
<u>3,901</u>	<u>6,931</u>	<u>595,950</u>	<u>34,734</u>	<u>1,628,459</u>	<u>67,782</u>
		87,819			
	44,759	44,914			1,141
			715,029		
		36,035		1,263,750	
				8,331	
	<u>44,759</u>	<u>168,768</u>	<u>715,029</u>	<u>1,272,081</u>	<u>1,141</u>
<u>3,901</u>	<u>(37,828)</u>	<u>427,182</u>	<u>(680,295)</u>	<u>356,378</u>	<u>66,641</u>
		29,329	630,096		
(108)	(1,468,942)		(17,439)	(3,683)	(2,471)
(108)	(1,468,942)	29,329	612,657	(3,683)	(2,471)
3,793	(1,506,770)	456,511	(67,638)	352,695	64,170
<u>146,488</u>	<u>6,160</u>	<u>242,528</u>	<u>930,303</u>	<u>4,880,134</u>	<u>2,264,509</u>
<u>\$ 150,281</u>	<u>\$ (1,500,610)</u>	<u>\$ 699,039</u>	<u>\$ 862,665</u>	<u>\$ 5,232,829</u>	<u>\$ 2,328,679</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	SPECIAL REVENUE FUNDS			
	Tree Propagation	Air Quality Mitigation	Grants	Housing Authority Housing Choice Voucher
REVENUES:				
Taxes				
Charges for services	\$ 32,332	\$ 56,441		
Subventions and grants			\$ 855,260	\$ 4,908,945
Use of money and property	1,761	473	6,127	
Fines, forfeitures and penalties				
Contributions from developers and others				
Miscellaneous revenues	560		586,654	70,094
Total Revenues	<u>34,653</u>	<u>56,914</u>	<u>1,448,041</u>	<u>4,979,039</u>
EXPENDITURES:				
Current:				
General government				
Development and operations		2,002	608,895	636,975
Public works				
Public safety:				
Police			60,531	
Parks and recreation	159,013			
Housing assistance payments				4,216,417
Capital outlay		1,400	168,363	
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>159,013</u>	<u>3,402</u>	<u>837,789</u>	<u>4,853,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(124,360)</u>	<u>53,512</u>	<u>610,252</u>	<u>125,647</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out	(6,209)	(37,039)	(300,375)	(30,882)
Total Other Financing Sources (Uses)	<u>(6,209)</u>	<u>(37,039)</u>	<u>(300,375)</u>	<u>(30,882)</u>
Net change in fund balance	(130,569)	16,473	309,877	94,765
Fund Balances (Deficit) - Beginning, as restated	<u>1,734,849</u>	<u>371,822</u>	<u>593,729</u>	<u>510,794</u>
Fund Balances - Ending	<u>\$ 1,604,280</u>	<u>\$ 388,295</u>	<u>\$ 903,606</u>	<u>\$ 605,559</u>

SPECIAL REVENUE FUNDS

Affordable Housing	Low/Mod Income Housing Asset	Cable TV PEG	Parks and Recreation Fee	Police Evidence	Roseville Community Development Corporation
\$ 500,000					\$ 92,500
52,697	\$ 3,420	\$ 1,180		\$ 161	333,161
			\$ 15,239		
675,278	5,500				
77,957	5,789,628	232,783		10,948	49,521
<u>1,305,932</u>	<u>5,798,548</u>	<u>233,963</u>	<u>15,239</u>	<u>11,109</u>	<u>475,182</u>
		272,721			
699,970	6,028,473				413,950
					352,405
					17,097
					23,245
<u>699,970</u>	<u>6,028,473</u>	<u>272,721</u>			<u>806,697</u>
<u>605,962</u>	<u>(229,925)</u>	<u>(38,758)</u>	<u>15,239</u>	<u>11,109</u>	<u>(331,515)</u>
<u>(3,666)</u>					
<u>(3,666)</u>					
602,296	(229,925)	(38,758)	15,239	11,109	(331,515)
5,566,342	6,090,809	934,818		162,997	(116,035)
<u>\$ 6,168,638</u>	<u>\$ 5,860,884</u>	<u>\$ 896,060</u>	<u>\$ 15,239</u>	<u>\$ 174,106</u>	<u>\$ (447,550)</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Roseville Finance Authority	South Placer Animal Control Shelter	Traffic Mitigation	Public Facilities
REVENUES:				
Taxes				
Charges for services		\$ (213)	\$ 6,623,733	\$ 3,645,368
Subventions and grants			4,226,032	
Use of money and property	\$ 6,544,798	24	29,676	40,639
Fines, forfeitures and penalties				
Contributions from developers and others			775,034	
Miscellaneous revenues			2,570,210	3,053,418
Total Revenues	<u>6,544,798</u>	<u>(189)</u>	<u>14,224,685</u>	<u>6,739,425</u>
EXPENDITURES:				
Current:				
General government	3,086,643			62,747
Development and operations				
Public works			16	
Public safety:				
Police				
Parks and recreation				
Housing assistance payments				
Capital outlay			9,619,442	17,080,153
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>3,341,950</u>		<u>9,619,458</u>	<u>17,142,900</u>
6,428,593				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>116,205</u>	<u>(189)</u>	<u>4,605,227</u>	<u>(10,403,475)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in			14,382	2,288,160
Transfers out		(29,884)	(78,551)	(1,249,556)
Total Other Financing Sources (Uses)		<u>(29,884)</u>	<u>(64,169)</u>	<u>1,038,604</u>
Net change in fund balance	116,205	(30,073)	4,541,058	(9,364,871)
Fund Balances (Deficit) - Beginning, as restated	<u>169,473</u>	<u>29,653</u>	<u>26,518,476</u>	<u>14,599,808</u>
Fund Balances - Ending	<u>\$ 285,678</u>	<u>\$ (420)</u>	<u>\$ 31,059,534</u>	<u>\$ 5,234,937</u>

CAPITAL PROJECTS FUNDS

Park Development	Pleasant Grove Drain Basin	Community Facilities District Projects	Roadway	Building	General Capital Improvement Projects Rehabilitation
\$ 5,855,758	\$ 647,245				
175,000			\$ 3,949,161		
32,112	89,206	\$ 60,515	(2,392)	\$ (2,219)	\$ (3,302)
5,000		8,922,744			70,587
6,067,870	736,451	8,983,259	3,946,769	(2,219)	67,285
					1,080,632
		379,465			85
5,408	8,279				
1,550,997	108,817	12,207,265	7,884,714	308,090	2,002,972
1,556,405	117,096	12,586,730	7,884,714	308,090	3,083,689
4,511,465	619,355	(3,603,471)	(3,937,945)	(310,309)	(3,016,404)
85,548			3,232,019	273,809	9,473,105
(84,717)	(46,027)		(1,338,954)	(6,555)	(612,648)
831	(46,027)		1,893,065	267,254	8,860,457
4,512,296	573,328	(3,603,471)	(2,044,880)	(43,055)	5,844,053
32,298,815	9,687,006	18,577,038	1,914,266	190,277	10,525,153
\$ 36,811,111	\$ 10,260,334	\$ 14,973,567	\$ (130,614)	\$ 147,222	\$ 16,369,206

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**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		Total Non-Major Governmental Funds
	RFA Capital Projects	Citizens' Benefit	Roseville Aquatics Complex Maintenance		
REVENUES:					
Taxes					\$ 9,251,128
Charges for services					19,106,473
Subventions and grants					17,278,563
Use of money and property	\$ 26,812	\$ (224,941)	\$ (9,966)		7,014,546
Fines, forfeitures and penalties					333,395
Contributions from developers and others					1,518,675
Miscellaneous revenues		12,823			21,487,422
Total Revenues	26,812	(212,118)	(9,966)		75,990,202
EXPENDITURES:					
Current:					
General government		409,714			5,000,276
Development and operations					8,859,403
Public works					7,876
Public safety:					
Police					60,531
Parks and recreation					6,025,920
Housing assistance payments					4,216,417
Capital outlay					54,832,278
Debt service:					
Principal retirement					17,097
Interest and fiscal charges					3,373,526
Total Expenditures		409,714			82,393,324
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	26,812	(621,832)	(9,966)		(6,403,122)
OTHER FINANCING SOURCES (USES):					
Transfers in					16,026,448
Transfers out	(612,759)				(9,991,890)
Total Other Financing Sources (Uses)	(612,759)				6,034,558
Net change in fund balance	(585,947)	(621,832)	(9,966)		(368,564)
Fund Balances (Deficit) - Beginning, as restated	658,361	17,993,174	25,346		178,927,893
Fund Balances - Ending	\$ 72,414	\$ 17,371,342	\$ 15,380		\$ 178,559,329

**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, 2017**

	LANDSCAPE AND LIGHTING SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes	\$ 9,167,110	\$ 9,251,128	\$ 84,018			
Charges for services						
Subventions and grants				\$ 2,624,286	\$ 2,571,665	\$ (52,621)
Use of money and property	94,912	7,089	(87,823)	40,000	12,945	(27,055)
Fines, forfeitures and penalties						
Total Revenues	<u>9,262,022</u>	<u>9,258,217</u>	<u>(3,805)</u>	<u>2,664,286</u>	<u>2,584,610</u>	<u>(79,676)</u>
EXPENDITURES:						
Current:						
Operating services and supplies						
Planning						
Highway Users Tax Operations				22,377	6,634	15,743
Olympus Pointe Lld Zone A	173,165	140,622	32,543			
Olympus Pointe Lld Zone D	56,652	53,427	3,225			
Nwrld Zone A	479,967	477,701	2,266			
Nwrld Zone B	20,245	18,098	2,147			
Johnson Ranch Lld Zone A	4,199	3,838	361			
Johnson Ranch Lld Zone B	1,725	1,472	253			
Johnson Ranch Lld Zone C	2,222	1,984	238			
Johnson Ranch Lld Zone D	289	136	153			
Johnson Ranch Lld Zone E	2,792	2,522	270			
Nerlld Zone A	420,751	409,706	11,045			
Nerlld Zone B	131,986	121,357	10,629			
Nerlld Zone F	20,388	14,962	5,426			
Nerlld Zone G	13,027	9,726	3,301			
Infill Lld Zone A	19,847	14,447	5,400			
Infill Lld Zone B	26,348	11,545	14,803			
Infill Lld Zone C	35,303	12,069	23,234			
Nrcfd 2 Sd Zone A	63,858	31,665	32,193			
Nrcfd 2 Sd Zone B	90,439	62,071	28,368			
Nrcfd 2 Sd Zone C	187,242	145,847	41,395			
Nrcfd 2 Sd Zone E	17,700	13,454	4,246			
Historic District Lld	46,796	33,996	12,800			
Riverside District Lld	46,774	33,296	13,478			
Stone Point Cfd #4 (Sd)	26,276	10,548	15,728			
Infill Cfd4-Wdcrk Oaks Preser	11,422	11,299	123			
Westbrook SRV Dist CFDA	96,980	62,338	34,642			
Stoneridge Cfd #1 Srv Dist	489,269	438,986	50,283			
Stoneridge Parcel 1 Cfd #2 Sd	24,016	23,409	607			
Woodcrk West - Services District	518,786	312,087	206,699			
Crocker Ranch Services District	272,869	247,235	25,634			
Highland Res north Srv Dist	476,926	462,175	14,751			
Vernon St Lighting/Landscape	58,663	29,725	28,938			
Woodcreek East Services Dist	124,151	107,716	16,435			
Stone Point Cfd #2 Srv Dist	43,396	40,532	2,864			
Westpark Cfd #2 Services Dist	804,064	763,502	40,562			
Fiddymnt Ranch Cfd #2 Sd	806,811	765,764	41,047			
Municipal Services Cfd #3	131,998	130,209	1,789			
Longmeadow Cfd #2 Sd	102,165	91,378	10,787			
Infill Services Cfd	31,437	27,347	4,090			
Total Expenditures	<u>5,880,944</u>	<u>5,138,191</u>	<u>742,753</u>	<u>22,377</u>	<u>6,634</u>	<u>15,743</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,381,078</u>	<u>4,120,026</u>	<u>738,948</u>	<u>2,641,909</u>	<u>2,577,976</u>	<u>(63,933)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in				897,256		(897,256)
Transfers out	(3,341,068)	(3,325,995)	15,073	(740,861)	(735,430)	5,431
Total Other Financing Sources (Uses)	<u>(3,341,068)</u>	<u>(3,325,995)</u>	<u>15,073</u>	<u>156,395</u>	<u>(735,430)</u>	<u>(891,825)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 40,010</u>	<u>794,031</u>	<u>\$ 754,021</u>	<u>2,798,304</u>	<u>1,842,546</u>	<u>\$ (955,758)</u>
Adjustment to Budgetary Basis:						
Capital Outlay					(2,247,875)	
Fund Balance (Deficit) - Beginning, as restated		<u>10,613,594</u>			<u>10,691,788</u>	
Fund Balance - Ending		<u>\$ 11,407,625</u>			<u>\$ 10,286,459</u>	

DOWNTOWN BENEFIT FEE			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$ 20,000	\$ 20,000			
	(20)	(20)	\$ 210,000	\$ 318,156	\$ 108,156
	<u>19,980</u>	<u>19,980</u>	<u>210,000</u>	<u>318,156</u>	<u>108,156</u>

	<u>19,980</u>	<u>19,980</u>	<u>210,000</u>	<u>318,156</u>	<u>108,156</u>
			(210,000)		210,000
			(210,000)		210,000
	<u>19,980</u>	<u>\$ 19,980</u>	<u>\$ -</u>	<u>318,156</u>	<u>\$ 318,156</u>
	<u>-</u>			<u>115,418</u>	
	<u>\$ 19,980</u>			<u>\$ 433,574</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, 2017**

	TRENCH CUT RECOVERY		
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Charges for services	\$ 5,000	\$ 3,758	\$ (1,242)
Use of money and property	1,814	143	(1,671)
Total Revenues	6,814	3,901	(2,913)
EXPENDITURES:			
Current:			
General Government			
Planning			
Operating services and supplies			
Development and Operations			
Capital outlay			
Debt Service:			
Interest and fiscal charges			
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,814	3,901	(2,913)
OTHER FINANCING SOURCES (USES):			
Proceeds from the sale of property			
Transfers in			
Transfers out	(108)	(108)	
Total Other Financing Sources (Uses)	(108)	(108)	
NET CHANGE IN FUND BALANCE	\$ 6,706	3,793	\$ (2,913)
Adjustment to Budgetary Basis:			
Capital Outlay			
Fund Balance (Deficit) - Beginning		146,488	
Fund Balance - Ending		\$ 150,281	

DOWNTOWN PARKING			TECHNOLOGY REPLACEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 111	6,931	6,820	\$ 570,000	\$ 595,453	\$ 25,453
111	6,931	6,820	2,549	497	(2,052)
			572,549	595,950	23,401
				87,819	(87,819)
	44,759	(44,759)	435,000	44,914	390,086
				36,035	(36,035)
			2,650		2,650
-	44,759	(44,759)	437,650	168,768	268,882
111	(37,828)	(37,939)	134,899	427,182	292,283
1,500,000		(1,500,000)	65,230	29,329	(35,901)
(3,467,137)	(1,468,942)	1,998,195	(100,000)		100,000
(1,967,137)	(1,468,942)	498,195	(34,770)	29,329	64,099
\$ (1,967,026)	(1,506,770)	\$ 460,256	\$ 100,129	456,511	\$ 356,382
	6,160			242,528	
	\$ (1,500,610)			\$ 699,039	

(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, 2017**

	BIKE TRAIL / OPEN SPACE MAINTENANCE			FIRE FACILITIES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Charges for services				\$ 1,250,000	\$ 1,624,028	374,028
Subventions and grants						
Use of money and property						
Contributions from developers	\$ 9,388	\$ 239	\$ (9,149)	53,328	4,431	(48,897)
Miscellaneous revenues		34,495	34,495			
Total Revenues	<u>9,388</u>	<u>34,734</u>	<u>25,346</u>	<u>1,303,328</u>	<u>1,628,459</u>	<u>325,131</u>
EXPENDITURES:						
Current:						
Operating services and supplies						
Parks and Recreation						
Native Tree Projects						
Non-Native Tree Projects						
Facilities Rehab Project						
Bike Trail Maintenance	767,350	715,029	52,321			
Total Expenditures	<u>767,350</u>	<u>715,029</u>	<u>52,321</u>	<u>471</u>	<u>8,331</u>	<u>(7,860)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(757,962)</u>	<u>(680,295)</u>	<u>77,667</u>	<u>1,302,857</u>	<u>1,620,128</u>	<u>317,271</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from the sale of property						
Transfers in	664,605	630,096	(34,509)	2,050,000		(2,050,000)
Transfers out	(17,439)	(17,439)		(20,817)	(3,683)	17,134
Total Other Financing Sources (Uses)	<u>647,166</u>	<u>612,657</u>	<u>(34,509)</u>	<u>2,029,183</u>	<u>(3,683)</u>	<u>(2,032,866)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (110,796)</u>	<u>(67,638)</u>	<u>\$ 43,158</u>	<u>\$ 3,332,040</u>	<u>1,616,445</u>	<u>\$ (1,715,595)</u>
Adjustment to Budgetary Basis:						
Capital Outlay					(1,263,750)	
Fund Balance (Deficit) - Beginning		930,303			4,880,134	
Fund Balance - Ending		<u>\$ 862,665</u>			<u>\$ 5,232,829</u>	

TRAFFIC SIGNAL COORDINATION			TREE PROPOGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$ 2,570	\$ 2,570	\$ 25,000	\$ 32,332	\$ 7,332
\$ 27,018	2,349	(24,669)	22,539	1,761	(20,778)
50,000	62,863	12,863		560	560
<u>77,018</u>	<u>67,782</u>	<u>(9,236)</u>	<u>47,539</u>	<u>34,653</u>	<u>(12,886)</u>
	1,141	(1,141)	246,300	91,104	155,196
	1,141	(1,141)	233,575	67,909	165,666
	<u>1,141</u>	<u>(1,141)</u>	<u>479,875</u>	<u>159,013</u>	<u>320,862</u>
<u>77,018</u>	<u>66,641</u>	<u>(10,377)</u>	<u>(432,336)</u>	<u>(124,360)</u>	<u>307,976</u>
(2,471)	(2,471)		(6,290)	(6,209)	81
(2,471)	(2,471)		(6,290)	(6,209)	81
<u>\$ 74,547</u>	<u>64,170</u>	<u>\$ (10,377)</u>	<u>\$ (438,626)</u>	<u>(130,569)</u>	<u>\$ 308,057</u>
	2,264,509			1,734,849	
	<u>\$ 2,328,679</u>			<u>\$ 1,604,280</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, 2017**

	AIR QUALITY MITIGATION			GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Charges for services	\$ 60,000	\$ 56,441	\$ (3,559)			
Subventions and grants				\$ 1,580,929	\$ 855,260	\$ (725,669)
Use of money and property	3,941	473	(3,468)	16,052	6,127	(9,925)
Contributions from developers						
Miscellaneous revenues				454,440	586,654	132,214
Total Revenues	<u>63,941</u>	<u>56,914</u>	<u>(7,027)</u>	<u>2,051,421</u>	<u>1,448,041</u>	<u>(603,380)</u>
EXPENDITURES:						
Current:						
Salaries and benefits						
Planning						
Housing Authority						
Operating services and supplies						
Planning						
Air Quality Mitigation	4,500	2,002	2,498		(90,208)	90,208
Rehabilitation Account				300,000		300,000
CDBG				830,311	343,537	486,774
HOME Program				634,937	192,138	442,799
Cal/Home				124,000	81,460	42,540
Begin Program				123,400	81,968	41,432
Housing Trsut Fund						
Home Improvement						
Affordable Housing						
Low & Moderate Income Housing						
Public safety:						
Police						
Forfeited property				62,681	60,531	2,150
Police evidence funds				7,788		7,788
Housing Assistance Payments						
Total Expenditures	<u>4,500</u>	<u>2,002</u>	<u>2,498</u>	<u>2,083,117</u>	<u>669,426</u>	<u>1,413,691</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>59,441</u>	<u>54,912</u>	<u>(4,529)</u>	<u>(31,696)</u>	<u>778,615</u>	<u>810,311</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(38,217)	(37,039)	1,178	(300,375)	(300,375)	
Total Other Financing Sources (Uses)	<u>(38,217)</u>	<u>(37,039)</u>	<u>1,178</u>	<u>(300,375)</u>	<u>(300,375)</u>	
NET CHANGE IN FUND BALANCE	<u>\$ 21,224</u>	<u>17,873</u>	<u>\$ (3,351)</u>	<u>\$ (332,071)</u>	<u>478,240</u>	<u>\$ 810,311</u>
Adjustment to Budgetary Basis:						
Capital Outlay		(1,400)			(168,363)	
Fund Balance (Deficit) - Beginning, as restated		<u>371,822</u>			<u>593,729</u>	
Fund Balance - Ending		<u>\$ 388,295</u>			<u>\$ 903,606</u>	

HOUSING AUTHORITY HOUSING CHOICE VOUCHERS			AFFORDABLE HOUSING			HOUSING SUCCESSOR FUND / LOW/MOD INCOME HOUSING ASSET		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 5,298,238	\$ 4,908,945	\$ (389,293)	\$ 500,000	\$ 500,000		\$ 9,900	\$ 3,420	\$ (6,480)
22		(22)	85,050	52,697	\$ (32,353)	5,500	5,500	
	70,094	70,094	474,864	675,278	200,414	5,993,927	5,789,628	(204,299)
5,298,260	4,979,039	(319,221)	1,177,871	1,305,932	128,061	6,009,327	5,798,548	(210,779)
	636,975	(636,975)						
			761,000	500,400	260,600			
			63,000	44,549	18,451			
			339,763	155,021	184,742	6,085,496	6,028,473	57,023
	4,216,417	(4,216,417)						
	4,853,392	(4,853,392)	1,163,763	699,970	463,793	6,085,496	6,028,473	57,023
5,298,260	125,647	(5,172,613)	14,108	605,962	591,854	(76,169)	(229,925)	(153,756)
	(30,882)	(30,882)	(3,666)	(3,666)				
	(30,882)	(30,882)	(3,666)	(3,666)				
\$ 5,298,260	94,765	\$ (5,203,495)	\$ 10,442	602,296	\$ 591,854	\$ (76,169)	(229,925)	\$ (153,756)
	510,794			5,566,342			6,090,809	
	\$ 605,559			\$ 6,168,638			\$ 5,860,884	

(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, 2017**

	CABLE TV PEG			PARKS AND RECREATION FEE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Subventions and grants						
Use of money and property	\$ 9,694	\$ 1,180	\$ (8,514)			
Fines and forfeitures				\$ 15,239		15,239
Miscellaneous revenues	205,160	232,783	27,623			
Total Revenues	<u>214,854</u>	<u>233,963</u>	<u>19,109</u>		<u>15,239</u>	<u>15,239</u>
EXPENDITURES:						
Current:						
Operating services and supplies						
General Government						
Cable TV Peg Funds	375,778	272,721	103,057			
Special Districts						
Public Safety:						
Police						
Forfeited property						
Planning:						
Roseville Community						
Development Corporation						
Debt Service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>375,778</u>	<u>272,721</u>	<u>103,057</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(160,924)</u>	<u>(38,758)</u>	<u>122,166</u>		<u>15,239</u>	<u>15,239</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCE	<u>\$ (160,924)</u>	<u>(38,758)</u>	<u>\$ 122,166</u>		<u>15,239</u>	<u>\$ 15,239</u>
Adjustment to Budgetary Basis:						
Capital Outlay						
Fund Balance (Deficit) - Beginning, as restated		<u>934,818</u>				
Fund Balance - Ending		<u>\$ 896,060</u>			<u>\$ 15,239</u>	

POLICE EVIDENCE			ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION			ROSEVILLE FINANCING AUTHORITY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 2,047	\$ 161	(1,886)	\$ 200,000	\$ 92,500	\$ (107,500)	\$ 11,442,671	\$ 6,544,798	\$ (4,897,873)
15,000	10,948	(4,052)	335,690	333,161	(2,529)			
17,047	11,109	(5,938)	1,000	49,521	48,521	11,442,671	6,544,798	(4,897,873)
			536,690	475,182	(61,508)			
						7,111,485	3,086,643	4,024,842
1		1	619,980	413,950	206,030			
			15,755	17,097	(1,342)			
			120,383	23,245	97,138	4,878,185	3,341,950	1,536,235
1	-	1	756,118	454,292	301,826	11,989,670	6,428,593	5,561,077
17,046	11,109	(5,937)	(219,428)	20,890	240,318	(546,999)	116,205	663,204
						3,075,902		(3,075,902)
						3,075,902		(3,075,902)
\$ 17,046	11,109	\$ (5,937)	\$ (219,428)	20,890	\$ 240,318	\$ 2,528,903	116,205	\$ (2,412,698)
				(352,405)				
	162,997			(116,035)			169,473	
	\$ 174,106			\$ (447,550)			\$ 285,678	

(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, 2017**

	CITIZENS BENEFIT			ROSEVILLE AQUATICS COMPLEX MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Subventions and grants						
Use of money and property	\$ 450,710	\$ (224,941)	\$ (675,651)		\$ (9,966)	\$ (9,966)
Miscellaneous revenues	250,000	12,823	(237,177)			
Total Revenues	<u>700,710</u>	<u>(212,118)</u>	<u>(912,828)</u>		<u>(9,966)</u>	<u>(9,966)</u>
EXPENDITURES:						
Current:						
Roadway operations						
Operating services and supplies						
General government						
Special Districts						
Citizens benefits	428,852	409,714	19,138			
Debt Service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	<u>428,852</u>	<u>409,714</u>	<u>19,138</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>271,858</u>	<u>(621,832)</u>	<u>(893,690)</u>		<u>(9,966)</u>	<u>(9,966)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	(364)		364			
Total Other Financing Sources (Uses)	<u>(364)</u>		<u>364</u>			
NET CHANGE IN FUND BALANCE	<u>\$ 271,494</u>	<u>(621,832)</u>	<u>\$ (893,326)</u>		<u>(9,966)</u>	<u>\$ (9,966)</u>
Adjustment to Budgetary Basis:						
Capital Outlay						
Fund Balance (Deficit) - Beginning		<u>17,993,174</u>			<u>25,346</u>	
Fund Balance - Ending		<u>\$ 17,371,342</u>			<u>\$ 15,380</u>	

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, 2017

	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		\$ 12,910,620	\$ 646,488	\$ 13,557,108
Receivables:				
Accounts, net of allowance for doubtful accounts	\$ 415,204	43,760	133,220	592,184
Accrued interest	26,302	57,353	2,811	86,466
Due from other government agencies		6,567,437	71,228	6,638,665
Total Current Assets	441,506	19,579,170	853,747	20,874,423
Non-Current Assets:				
Land and construction in progress	6,007,666	5,618,948		11,626,614
Capital assets being depreciated, net	7,476,565	12,555,266	2,052,890	22,084,721
Total Non-Current Assets	13,484,231	18,174,214	2,052,890	33,711,335
Total Assets	13,925,737	37,753,384	2,906,637	54,585,758
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions		559,019	1,935,893	2,494,912
Total Deferred outflows of resources		559,019	1,935,893	2,494,912
LIABILITIES:				
Current Liabilities:				
Accounts payable	26,688	1,054,612	52,843	1,134,143
Accrued liabilities	2,192,890	35,827	101,630	2,330,347
Due to other funds	1,177,930		50,000	1,227,930
Current portion of compensated absences		64,035	139,327	203,362
Current portion of long-term debt	421,224			421,224
Deposits		60		60
Unearned revenue		15,038,810	23,506	15,062,316
Total Current Liabilities	3,818,732	16,193,344	367,306	20,379,382
Long-term liabilities:				
Advances from other funds	2,369,000		455,000	2,824,000
Long-term debt, non-current portion	2,701,947			2,701,947
Compensated absences		131,252	273,297	404,549
Net pension liability		2,429,381	5,879,509	8,308,890
Total Long-Term Liabilities	5,070,947	2,560,633	6,607,806	14,239,386
Total Liabilities	8,889,679	18,753,977	6,975,112	34,618,768
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions		63,835	154,492	218,327
Total Deferred inflows of resources		63,835	154,492	218,327
NET POSITION:				
Net investment in capital assets	10,361,060	18,174,214	2,052,890	30,588,164
Restricted for local transportation		1,320,377		1,320,377
Unrestricted	(5,325,002)		(4,339,964)	(9,664,966)
Total Net Position (Deficit)	\$ 5,036,058	\$ 19,494,591	\$ (2,287,074)	\$ 22,243,575

**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, 2017**

	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	\$ 1,925,550	\$ 1,016,447	\$ 5,454,334	\$ 8,396,331
Other	6,000	380,510	225,903	612,413
Total Operating Revenues	<u>1,931,550</u>	<u>1,396,957</u>	<u>5,680,237</u>	<u>9,008,744</u>
OPERATING EXPENSES				
Operations	1,972,784	6,409,689	5,482,810	13,865,283
Administration		327,171	235,023	562,194
Depreciation and amortization	391,873	1,450,533	69,685	1,912,091
Total Operating Expenses	<u>2,364,657</u>	<u>8,187,393</u>	<u>5,787,518</u>	<u>16,339,568</u>
Operating Income (Loss)	<u>(433,107)</u>	<u>(6,790,436)</u>	<u>(107,281)</u>	<u>(7,330,824)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest and rents revenue	(79,467)	28,781	2,786	(47,900)
Interest and fiscal charges (expenses)	(102,271)		(6,504)	(108,775)
Subventions and grants		10,191,675	324,413	10,516,088
Gain (loss) from sale of property		(8,306)		(8,306)
Total Nonoperating Revenues (Expenses)	<u>(181,738)</u>	<u>10,212,150</u>	<u>320,695</u>	<u>10,351,107</u>
Income (Loss) Before Contributions and Transfers	(614,845)	3,421,714	213,414	3,020,283
Transfer in		147,108		147,108
Transfer out	(93,389)	(1,395,993)	(442,902)	(1,932,284)
Change in net position	<u>(708,234)</u>	<u>2,172,829</u>	<u>(229,488)</u>	<u>1,235,107</u>
Total Net Position (Deficit) - Beginning	<u>5,744,292</u>	<u>17,321,762</u>	<u>(2,057,586)</u>	<u>21,008,468</u>
Total Net Position (Deficit) - Ending	<u>\$ 5,036,058</u>	<u>\$ 19,494,591</u>	<u>\$ (2,287,074)</u>	<u>\$ 22,243,575</u>

**CITY OF ROSEVILLE, CALIFORNIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	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	\$ 1,722,745	\$ 1,108,499	\$ 5,604,139	\$ 8,435,383
Payments to suppliers	(1,936,760)	(4,407,101)	(609,780)	(6,953,641)
Payments to employees		(1,579,128)	(4,999,638)	(6,578,766)
Other receipts	6,000	380,510		386,510
Net Cash provided by/(used for) Operating Activities	<u>(208,015)</u>	<u>(4,497,220)</u>	<u>(5,279)</u>	<u>(4,710,514)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Subventions and grants		12,734,065	550,316	13,284,381
Transfers from other funds for short-term cash borrowings	1,019,561		30,000	1,049,561
Payments to other funds for long-term cash borrowings	(127,000)		(50,000)	(177,000)
Transfers in		147,108		147,108
Transfers out	(93,389)	(1,395,993)	(442,902)	(1,932,284)
Net cash provided by/(used for) Noncapital Financing Activities	<u>799,172</u>	<u>11,485,180</u>	<u>87,414</u>	<u>12,371,766</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets		(3,565,047)		(3,565,047)
Principal payments on capital debt	(414,990)			(414,990)
Interest paid on capital debt	(102,271)		(11,411)	(113,682)
Net cash provided by/(used for) Capital and Related Financing Activities	<u>(517,261)</u>	<u>(3,565,047)</u>	<u>(11,411)</u>	<u>(4,093,719)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rents received	(91,122)	(6,404)	2,786	(94,740)
Net cash provided by/(used for) Investing Activities	<u>(91,122)</u>	<u>(6,404)</u>	<u>2,786</u>	<u>(94,740)</u>
Net increase (decrease) in cash and cash equivalents	(17,226)	3,416,509	73,510	3,472,793
Cash and investments at beginning of period	17,226	9,494,111	572,978	10,084,315
Cash and investments at end of period	<u>\$ -</u>	<u>\$ 12,910,620</u>	<u>\$ 646,488</u>	<u>\$ 13,557,108</u>
Reconciliation of Operating Income (Loss)				
to Net Cash provided by/(used for) Operating Activities:				
Operating Income (Loss)	\$ (433,107)	\$ (6,790,436)	\$ (107,281)	\$ (7,330,824)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and amortization	391,873	1,450,533	69,685	1,912,091
Pension expense		(67,780)	(5,774)	(73,554)
Change in Assets and Liabilities:				
Receivables, Net	(202,805)	(7,788)	184,842	(25,751)
Accounts payable and other liabilities	36,024	918,251	(146,751)	807,524
Net Cash Provided by (Used for) Operating Activities	<u>\$ (208,015)</u>	<u>\$ (4,497,220)</u>	<u>\$ (5,279)</u>	<u>\$ (4,710,514)</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 Fund. To account for the maintenance and replacement of vehicles used by City departments. Funds are received by means of a rental fee charged to the various departments.

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.

**CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017**

	Automotive	Self Insurance Funds	
		Workers' Compensation	General Liability
ASSETS			
Current Assets:			
Cash and Investments in City Treasury	\$ 25,230,468	\$ 11,936,006	\$ 4,986,209
Receivables:			
Accounts	42,607	2,223	993
Accrued interest	2,369,188	46,974	17,697
Due from other government agencies	8,256		
Due from other funds	210,346		
Prepays	1,200,169		
Notes receivable	663,361		
Inventories	780,760		
Total Current Assets	30,505,155	11,985,203	5,004,899
Non Current Assets:			
Advances to other funds	3,390,871		
Capital assets:			
Construction in progress	824,285		
Capital assets being depreciated, net	16,492,524		
Total Assets	51,212,835	11,985,203	5,004,899
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	712,203	83,048	47,950
LIABILITIES			
Current Liabilities:			
Accounts payable	406,477	2,537	49,234
Accrued liabilities	37,902	3,549	3,292
Compensated Absences	116,272	11,613	10,486
Self-insurance claims payable		1,324,446	588,601
Total Current Liabilities	560,651	1,342,145	651,613
Non-Current Liabilities:			
Compensated absences	199,071	21,511	17,503
Net OPEB obligation			
Self-insurance claims payable		5,646,322	1,591,403
Net pension liability	3,794,787	429,383	369,227
Total Liabilities	4,554,509	7,439,361	2,629,746
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	152,292	11,757	19,374
NET POSITION			
Net investment in capital assets	17,316,809		
Unrestricted	29,901,428	4,617,133	2,403,729
Total Net Position (Deficit)	\$ 47,218,237	\$ 4,617,133	\$ 2,403,729

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Total
\$ 907,311	\$ 289,051	\$ 743,882	\$ 68,769	\$ 1,179,345	\$ 45,341,041
	349	3,406	208		49,786
3,776	1,170	2,789	219	2,190	2,444,003
					8,256
					210,346
		169,800	63,263		1,433,232
					663,361
					780,760
911,087	290,570	919,877	132,459	1,181,535	50,930,785
					3,390,871
					824,285
					16,492,524
911,087	290,570	919,877	132,459	1,181,535	71,638,465
					843,201
		137,417	10,861		606,526
					44,743
					138,371
					1,913,047
		137,417	10,861		2,702,687
					238,085
				50,971,148	50,971,148
					7,237,725
					4,593,397
		137,417	10,861	50,971,148	65,743,042
					183,423
911,087	290,570	782,460	121,598	(49,789,613)	17,316,809
					(10,761,608)
\$ 911,087	\$ 290,570	\$ 782,460	\$ 121,598	\$ (49,789,613)	\$ 6,555,201

**CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	Self Insurance Funds		
	Automotive	Workers' Compensation	General Liability
OPERATING REVENUES			
Charges for services	\$ 12,301,311	\$ 49	
Other	98,930	3,953,811	\$ 2,816,140
Total Operating Revenues	<u>12,400,241</u>	<u>3,953,860</u>	<u>2,816,140</u>
OPERATING EXPENSES			
Operations and maintenance	6,194,471	3,154,015	1,241,224
Depreciation and amortization	4,002,564		
Claims expense		(478,174)	839,461
Total Operating Expenses	<u>10,197,035</u>	<u>2,675,841</u>	<u>2,080,685</u>
Operating Income (Loss)	<u>2,203,206</u>	<u>1,278,019</u>	<u>735,455</u>
NON-OPERATING REVENUE (EXPENSES)			
Interest and rents revenue	135,237	12,407	4,849
Gain (loss) on disposal	234,821		
Total Non-Operating Revenue	<u>370,058</u>	<u>12,407</u>	<u>4,849</u>
Income (Loss) Before Contributions and transfers	<u>2,573,264</u>	<u>1,290,426</u>	<u>740,304</u>
Transfers In	1,307,993		
Transfers Out	(9,370,227)	(144,810)	(176,930)
Changes in Net Position	<u>(5,488,970)</u>	<u>1,145,616</u>	<u>563,374</u>
Net Position (Deficit) - Beginning, as Restated	<u>52,707,207</u>	<u>3,471,517</u>	<u>1,840,355</u>
Net Position - Ending	<u>\$ 47,218,237</u>	<u>\$ 4,617,133</u>	<u>\$ 2,403,729</u>

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Total
					\$ 12,301,360
\$ 157,117	\$ 160,921	\$ 1,495,429	\$ 423,439	\$ 4,255,498	13,361,285
157,117	160,921	1,495,429	423,439	4,255,498	25,662,645
111,758	163,294	134,836		15,551,184	26,550,782
		1,357,684	395,648		4,002,564
					2,114,619
111,758	163,294	1,492,520	395,648	15,551,184	32,667,965
45,359	(2,373)	2,909	27,791	(11,295,686)	(7,005,320)
1,507	314	653	109	3,742	158,818
					234,821
1,507	314	653	109	3,742	393,639
46,866	(2,059)	3,562	27,900	(11,291,944)	(6,611,681)
(7,408)	(1,632)	(2,618)	(633)	8,932,165	10,240,158
				(35,890)	(9,740,148)
39,458	(3,691)	944	27,267	(2,395,669)	(6,111,671)
871,629	294,261	781,516	94,331	(47,393,944)	12,666,872
\$ 911,087	\$ 290,570	\$ 782,460	\$ 121,598	\$ (49,789,613)	\$ 6,555,201

**CITY OF ROSEVILLE, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	Self Insurance Funds		
	Automotive	Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 12,449,548	\$ 195,983	\$ (993)
Payments to suppliers	(3,713,811)	(1,201,776)	(847,434)
Payments to employees	(2,171,991)	(227,521)	(614,179)
Payments to OPEB trust			
Claims paid		(1,787,466)	(251,805)
Other receipts (payments)	98,930	3,953,811	2,816,140
Net Cash Provided by (Used for) Operating Activities	<u>6,662,676</u>	<u>933,031</u>	<u>1,101,729</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Payments from other governmental agencies	15,845		
Receipt of payments on notes receivables	366,251		
Increase (decrease) in due to other funds	(146,860)		
Increase (decrease) in advances to other funds	210,345		
Transfer in	1,307,993		
Transfer out	(9,370,227)	(144,810)	(176,930)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(7,616,653)</u>	<u>(144,810)</u>	<u>(176,930)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets, net	(1,727,871)		
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	69,130	(6,757)	(2,367)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,612,718)	781,464	922,432
Cash and Investments at Beginning of Period	27,843,186	11,154,542	4,063,777
Cash and Investments at End of Period	<u>\$ 25,230,468</u>	<u>\$ 11,936,006</u>	<u>\$ 4,986,209</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 2,203,206	\$ 1,278,019	\$ 735,455
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	4,002,564		
Pension expense	(1,342)	817	(27)
Change in Assets and Liabilities:			
Receivables, Net	148,237	195,934	(993)
Prepays	266,488		
Inventories	(46,469)		
Net OPEB obligation			
Accounts payable and other liabilities	89,992	(541,739)	367,294
Net Cash Provided by (Used for) Operating Activities	<u>\$ 6,662,676</u>	<u>\$ 933,031</u>	<u>\$ 1,101,729</u>

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Total
	\$ (215)	\$ (1,432)	\$ (208)		\$ 12,642,683
\$ (111,758)	(163,294)	(130,632)	(5,706)	\$ (1,050)	(6,175,461)
		(1,357,684)	(395,648)		(4,767,023)
				(14,213,245)	(14,213,245)
					(2,039,271)
<u>157,117</u>	<u>160,921</u>	<u>1,495,429</u>	<u>423,439</u>	<u>4,255,498</u>	<u>13,361,285</u>
<u>45,359</u>	<u>(2,588)</u>	<u>5,681</u>	<u>21,877</u>	<u>(9,958,797)</u>	<u>(1,191,032)</u>
					15,845
					366,251
					(146,860)
					210,345
				8,932,165	10,240,158
<u>(7,408)</u>	<u>(1,632)</u>	<u>(2,618)</u>	<u>(633)</u>	<u>(35,890)</u>	<u>(9,740,148)</u>
<u>(7,408)</u>	<u>(1,632)</u>	<u>(2,618)</u>	<u>(633)</u>	<u>8,896,275</u>	<u>945,591</u>
					<u>(1,727,871)</u>
<u>(819)</u>	<u>(215)</u>	<u>(488)</u>	<u>(36)</u>	<u>4,152</u>	<u>62,600</u>
37,132	(4,435)	2,575	21,208	(1,058,370)	(1,910,712)
<u>870,179</u>	<u>293,486</u>	<u>741,307</u>	<u>47,561</u>	<u>2,237,715</u>	<u>47,251,753</u>
<u>\$ 907,311</u>	<u>\$ 289,051</u>	<u>\$ 743,882</u>	<u>\$ 68,769</u>	<u>\$ 1,179,345</u>	<u>\$ 45,341,041</u>
\$ 45,359	\$ (2,373)	\$ 2,909	\$ 27,791	\$ (11,295,686)	\$ (7,005,320)
					4,002,564
					(552)
	(215)	(1,432)	(208)		341,323
					266,488
					(46,469)
				1,337,939	1,337,939
		4,204	(5,706)	(1,050)	(87,005)
<u>\$ 45,359</u>	<u>\$ (2,588)</u>	<u>\$ 5,681</u>	<u>\$ 21,877</u>	<u>\$ (9,958,797)</u>	<u>\$ (1,191,032)</u>

PRIVATE-PURPOSE TRUST FUNDS

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

Endowment Private-Purpose Trust Fund. To account for trust arrangements under which principal and income benefit private organizations.

Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. 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 FIDUCIARY NET POSITION
JUNE 30, 2017**

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
ASSETS:			
Cash and investments in Treasury	\$ 1,882,324	\$ 5,486,428	\$ 7,368,752
Restricted cash and investments with fiscal agents		238,103	238,103
Accrued interest receivable	8,818	492,551	501,369
Notes receivable		4,177,337	4,177,337
Capital assets:			
Land		74,369	74,369
Total Assets	<u>1,891,142</u>	<u>10,468,788</u>	<u>12,359,930</u>
LIABILITIES:			
Accrued liabilities		905,918	905,918
Long-term liabilities:			
Due in one year		2,001,466	2,001,466
Due in more than one year		50,570,633	50,570,633
Total Liabilities		<u>53,478,017</u>	<u>53,478,017</u>
NET POSITION (DEFICIT)			
Held in trust for private purposes or for other governments	<u>\$ 1,891,142</u>	<u>\$ (43,009,229)</u>	<u>\$ (41,118,087)</u>

**CITY OF ROSEVILLE, CALIFORNIA
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
ADDITIONS			
Property taxes		\$ 4,846,548	\$ 4,846,548
Investment income	\$ 757	413,913	414,670
Total Additions	757	5,260,461	5,261,218
DEDUCTIONS			
General government	34,495		34,495
Community services		288,769	288,769
Debt service:			
Interest and fiscal charges		10,791,494	10,791,494
Total Liabilities	34,495	11,080,263	11,114,758
Change in net position	(33,738)	(5,819,802)	(5,853,540)
Net Position (Deficit) - Beginning	1,924,880	(37,189,427)	(35,264,547)
Net Position (Deficit) - Ending	\$ 1,891,142	\$ (43,009,229)	\$ (41,118,087)

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.

Placer 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.

Special Assessment Collection Fees

To account for fees collected for Placer County's administration of the City's Special Assessments.

WRSP Reimbursements

To account for developer reimbursements in the West Roseville Specific Plan.

Sierra Vista Reimbursements

To account for developer reimbursements in the Sierra Vista Specific Plan.

HP Campus Oaks Reimbursements

To account for developer reimbursements in the HP Campus Oaks Specific Plan

Downtown Roseville PBID

To account for fees collected for the benefit of downtown Roseville.

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Special Assessments and Community Services Districts				
Cash and investments in City Treasury	\$ 24,697,735	\$ 22,979,186	\$ 26,573,070	\$ 21,103,851
Restricted cash and investments with fiscal agents	34,964,338	5,633,949	12,671,633	27,926,654
Taxes receivable	885,068	853,442	885,068	853,442
Accrued interest receivable	29,491	72,676	29,491	72,676
Total Assets	\$ 60,576,632	\$ 29,539,253	\$ 40,159,262	\$ 49,956,623
Accounts payable	\$ 2,942,821	\$ 633	\$ 2,942,821	\$ 633
Accrued Liabilities	4,871	279,166	4,871	279,166
Due to bondholders	57,628,940	29,259,454	37,211,570	49,676,824
Total Liabilities	\$ 60,576,632	\$ 29,539,253	\$ 40,159,262	\$ 49,956,623
Payroll Revolving				
Cash and investments in City Treasury	\$ 1,128,940	\$ 2,659,257	\$ 1,128,940	\$ 2,659,257
Accounts payable	\$ 1,128,940	\$ 2,659,257	\$ 1,128,940	\$ 2,659,257
Highway 65 JPA				
Cash and investments in City Treasury	\$ 2,576,892	\$ 1,179,046	\$ 739,318	\$ 3,016,620
Accrued interest receivable	4,680	11,738	4,680	11,738
Accounts receivable	487		487	
Due from other government agencies	293,448	182,754	293,448	182,754
Total Assets	\$ 2,875,507	\$ 1,373,538	\$ 1,037,933	\$ 3,211,112
Accounts payable	\$ 24,437	\$ 737,619	\$ 762,056	
Due to member agencies	2,851,070	635,919	275,877	\$ 3,211,112
Total Liabilities	\$ 2,875,507	\$ 1,373,538	\$ 1,037,933	\$ 3,211,112
Dry Creek Drainage Basin				
Cash and investments in City Treasury	\$ 47,260	\$ 70,408	\$ 47,727	\$ 69,941
Accrued interest receivable	78	158	78	158
Total Assets	\$ 47,338	\$ 70,566	\$ 47,805	\$ 70,099
Accounts payable	\$ 47,130		\$ 47,130	
Due to others	208	\$ 70,566	675	\$ 70,099
Total Liabilities	\$ 47,338	\$ 70,566	\$ 47,805	\$ 70,099
County Capital Facilities Fee				
Cash and investments in City Treasury	\$ 595,704	\$ 1,433,691	\$ 600,377	\$ 1,429,018
Accounts receivable		3,948		3,948
Accrued interest receivable	727	1,797	727	1,797
Total Assets	\$ 596,431	\$ 1,439,436	\$ 601,104	\$ 1,434,763
Accounts payable	\$ 595,535	\$ 1,434,763	\$ 595,535	\$ 1,434,763
Due to others	896	4,673	5,569	
Total Liabilities	\$ 596,431	\$ 1,439,436	\$ 601,104	\$ 1,434,763

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
South Placer Wastewater Authority				
Cash and investments in City Treasury	\$ 107,761,589	\$ 19,649,417	\$ 15,483,864	\$ 111,927,142
Restricted cash and investments with fiscal agents	8,253,714	26,298		8,280,012
Accounts receivable	1,595,200	2,534,030	1,595,200	2,534,030
Accrued interest receivable	252,760	411,785	252,760	411,785
Due from other government agencies	1,697,894		1,697,894	
Total Assets	\$ 119,561,157	\$ 22,621,530	\$ 19,029,718	\$ 123,152,969
Accounts payable	\$ 240,190	\$ 582,480	\$ 240,190	\$ 582,480
Accrued liabilities	471,711	593,026	471,711	593,026
Due to member agencies	118,849,256	21,446,024	18,317,817	121,977,463
Total Liabilities	\$ 119,561,157	\$ 22,621,530	\$ 19,029,718	\$ 123,152,969
Special Sewer Benefit Area #3				
Cash and investments in City Treasury	\$ 62	\$ 1,767		\$ 1,829
Permit fees receivable	1,751		\$ 1,751	
Total Assets	\$ 1,813	\$ 1,767	\$ 1,751	\$ 1,829
Due to others	\$ 1,814	\$ 1,829	\$ 1,814	\$ 1,829
Special Sewer Benefit Area #4				
Cash and investments in City Treasury	\$ 186,765	\$ 199	\$ 353	\$ 186,611
Accrued interest receivable	412	766	412	766
Total Assets	\$ 187,177	\$ 965	\$ 765	\$ 187,377
Due to others	\$ 187,177	\$ 965	\$ 765	\$ 187,377
South Placer County Tourism Business Improvement District (SPCTBID)				
Cash and investments in City Treasury	\$ 21,091	\$ 3,059,487	\$ 3,059,992	\$ 20,586
Accounts Receivable	688,539	1,040,242	688,539	1,040,242
Accrued interest receivable	325	779	325	779
Total Assets	\$ 709,955	\$ 4,100,508	\$ 3,748,856	\$ 1,061,607
Accounts payable		\$ 1,061,607		1,061,607
Due to others	\$ 709,955		\$ 709,955	
Total Liabilities	\$ 709,955	\$ 1,061,607	\$ 709,955	\$ 1,061,607
South Placer County Safe Kids Coalition				
Cash and investments in City Treasury	\$ 4,269			\$ 4,269
Accrued interest receivable	11	\$ 18	\$ 11	18
Total Assets	\$ 4,280	\$ 18	\$ 11	\$ 4,287
Due to others	\$ 4,280	\$ 18	\$ 11	\$ 4,287

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
South Placer Regional Traffic Fee				
Cash and investments in City Treasury	\$ 679,939	\$ 1,251,966	\$ 679,819	\$ 1,252,086
Accounts Receivable	98,150	920,073	98,150	920,073
Accrued interest receivable	516	1,565	516	1,565
Total Assets	\$ 778,605	\$ 2,173,604	\$ 778,485	\$ 2,173,724
Accounts payable	\$ 679,819	1,257,088	679,819	1,257,088
Due to others	98,786	916,516	98,666	916,636
Total Liabilities	\$ 778,605	\$ 2,173,604	\$ 778,485	\$ 2,173,724
Placer County TMF				
Cash and investments in City Treasury	\$ 20,950	\$ 64,979		\$ 85,929
Due to others	\$ 20,950	\$ 64,979		\$ 85,929
Placer County Air Pollution Control				
Cash and investments in City Treasury	\$ 36,743	\$ 51,629		\$ 88,372
Due to others	\$ 36,743	\$ 51,629		\$ 88,372
Sierra College Boulevard				
Cash and investments in City Treasury	\$ 20,400	\$ 29,025		\$ 49,425
Due to others	\$ 20,400	\$ 29,025		\$ 49,425
Special Assessment Collection Fees				
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	\$ 10,956	\$ 646	\$ 20,927
Accrued interest receivable	221	288	221	288
Total Assets	\$ 10,838	\$ 11,244	\$ 867	\$ 21,215
Due to others		\$ 9,433		9,433
Due to other governmental agencies	\$ 10,838	1,811	\$ 867	\$ 11,782
Total Liabilities	\$ 10,838	\$ 11,244	\$ 867	\$ 21,215
Sierra Vista Reimbursements				
Cash and investments in City Treasury	\$ 169,410	\$ 258,973	\$ 1,218	\$ 427,165
Accrued interest receivable	368	1,587	368	1,587
Total Assets	\$ 169,778	\$ 260,560	\$ 1,586	\$ 428,752
Due to others		\$ 212,750		\$ 212,750
Due to other governmental agencies	\$ 169,778	47,810	\$ 1,586	216,002
Total Liabilities	\$ 169,778	\$ 260,560	\$ 1,586	\$ 428,752

(Continued)

CITY OF ROSEVILLE, CALIFORNIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
HP Campus Oaks reimbursements				
Cash and investments in City Treasury		\$ 128,481		\$ 128,481
Accrued interest receivable		3		3
Total Assets		<u>\$ 128,484</u>		<u>\$ 128,484</u>
Due to bondholders		<u>\$ 128,484</u>		<u>\$ 128,484</u>
	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Downtown Roseville PBID				
Cash and investments in City Treasury	\$ (7,267)	\$ 247,517	\$ 138,405	\$ 101,845
Taxes receivable		7,437		7,437
Total Assets	<u>\$ (7,267)</u>	<u>\$ 254,954</u>	<u>\$ 138,405</u>	<u>\$ 109,282</u>
Due to others	<u>\$ (7,267)</u>	<u>\$ 254,954</u>	<u>\$ 138,405</u>	<u>\$ 109,282</u>
Total Agency Funds				
Cash and investments in City Treasury	\$ 137,964,221	\$ 53,075,984	\$ 48,453,729	\$ 142,586,476
Restricted cash and investments with fiscal agents	43,218,052	5,660,247	12,671,633	36,206,666
Accounts receivable	2,382,376	4,498,293	2,382,376	4,498,293
Taxes receivable	885,068	860,879	885,068	860,879
Accrued interest receivable	289,589	503,160	289,590	503,159
Permit fees receivable	1,751		1,751	
Due from other government agencies	1,991,342	182,754	1,991,342	182,754
Total Assets	<u>\$ 186,732,399</u>	<u>\$ 64,781,317</u>	<u>\$ 66,675,489</u>	<u>\$ 184,838,227</u>
Accounts payable	\$ 5,658,871	\$ 7,733,447	\$ 6,396,491	\$ 6,995,827
Accrued liabilities	476,582	872,192	476,582	872,192
Due to other governmental agencies	193,738	49,621	2,453	240,906
Due to member agencies	121,700,326	22,081,943	18,593,694	125,188,575
Due to bondholders	57,628,940	29,387,938	37,211,570	49,805,308
Due to others	1,073,942	1,617,337	955,860	1,735,419
Total Liabilities	<u>\$ 186,732,399</u>	<u>\$ 61,742,478</u>	<u>\$ 63,636,650</u>	<u>\$ 184,838,227</u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and electric revenue:

1. Sales Tax Revenue
2. Assessed Value and Estimated Value of Taxable Property
3. Property Tax Rates, All Direct and Overlapping Governments
4. Principal Property Tax Payers
5. Property Tax Levies and Collections
6. Electric Customers and Revenues
7. Residential Energy Prices
8. Business Energy Prices

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage – 2013 Refunding Variable Rate Wastewater Revenue Bonds
3. Revenue Bond Coverage – 2011 Refunding Fixed Rate Wastewater Revenue Bonds – Series C
4. Revenue Bond Coverage – 2014 Wastewater Revenue Refunding Bonds
5. Bonded Debt Pledged Revenue Coverage –2014 Redevelopment Tax Allocation Bonds
6. Bonded Debt Pledged Revenue Coverage –2016 Redevelopment Tax Allocation Bonds
7. 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

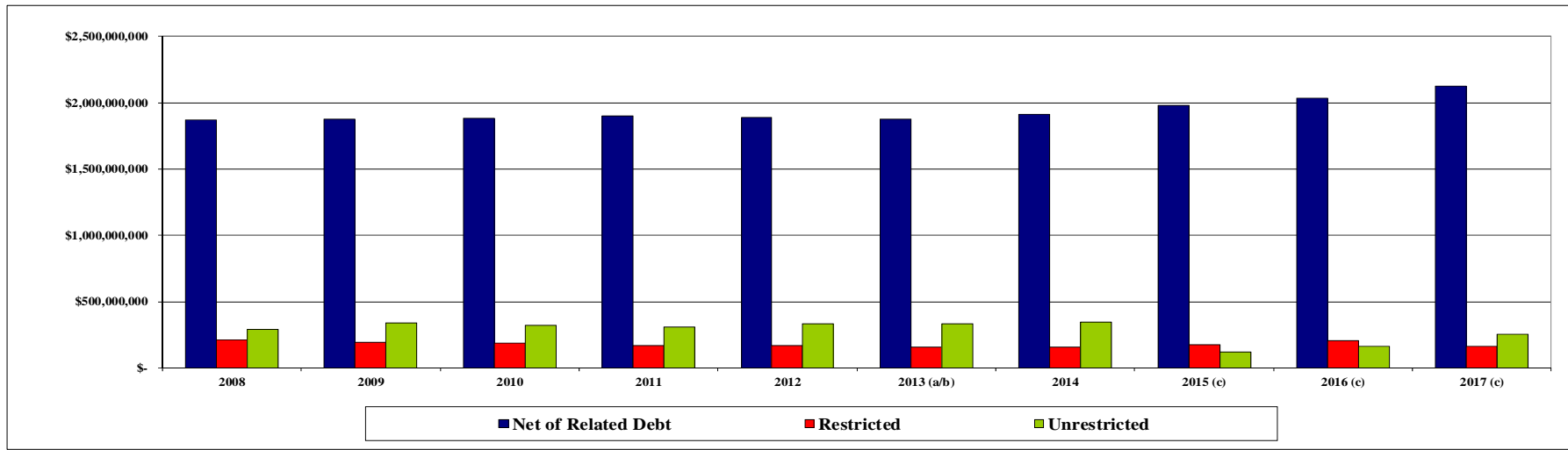
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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)**



	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013 (a/b)	2014	2015 (c)	2016 (c)	2017 (c)
Governmental activities										
Net investment in capital assets	\$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	\$963,416,426
Restricted	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	128,500,453
Unrestricted	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)	(42,897,806)
Total governmental activities net position	<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>	<u>\$1,049,019,073</u>
Business-type activities										
Net investment in capital assets	\$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	1,164,442,267
Restricted	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	35,568,403
Unrestricted	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	298,014,583
Total business-type activities net position	<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>	<u>\$1,498,025,253</u>
Primary government										
Net investment in capital assets	\$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	\$2,127,858,693
Restricted	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	\$164,068,856
Unrestricted	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	\$255,116,777
Total primary government net position	<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>	<u>\$2,547,044,326</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 fiscal year 2014; the statistics prior to 2014 have not been restated.
 (c) The City implemented the provisions of GASB Statements 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)**

	2008	2009	2010	2011	2012	2013 (a)	2014	2015 (b)	2016 (b)	2017 (b)
Expenses										
Governmental Activities:										
General Government	\$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	\$23,477,949
Development and Operations	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	22,387,337
Public Works	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	15,499,737
Police	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	27,989,234
Fire	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	21,870,763
Library	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	3,356,937
Parks and recreation	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	19,273,481
Housing assistance payments	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	4,216,417
Interest on long-term debt	6,858,207	5,847,054	7,131,216	3,181,266	999,436	1,274,294	740,975	543,336	1,170,785	4,285,329
Total Governmental Activities Expenses	\$180,389,520	\$185,838,531	\$180,289,711	\$160,096,972	\$166,333,208	\$176,540,105	\$168,835,263	\$164,647,830	\$152,369,986	\$142,357,184
Business-Type Activities:										
Electric	\$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	\$150,984,130
Water	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	30,074,999
Wastewater	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	40,370,531
Solid Waste	15,743,209	14,914,734	15,172,092	14,979,891	15,855,280	16,173,643	16,113,470	17,028,218	17,778,385	18,307,460
Natural Gas	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	24,685,497
Golf Course	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	2,466,928
Local Transportation	5,872,368	6,221,260	7,084,490	6,609,048	6,727,985	7,909,058	7,482,689	8,918,391	7,985,912	8,195,699
School-age Child Care	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	5,794,022
Total Business-Type Activities Expenses	263,703,716	270,549,198	281,435,640	255,924,324	260,208,986	260,306,214	262,626,500	256,773,447	261,823,007	280,879,266
Total Primary Government Expenses	\$444,093,236	\$456,387,729	\$461,725,351	\$416,021,296	\$426,542,194	\$436,846,319	\$431,461,763	\$421,421,277	\$414,192,993	\$423,236,450
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$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	\$5,153,373
Development and Operations	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	10,370,206
Public Works	5,843,426	3,327,869	2,841,931	2,913,603	2,919,180	3,124,557	224,389	207,635	30,618	518,117
Police	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	1,322,994
Fire	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	2,377,309
Library	272,057	230,290	216,064	228,343	339,589	297,467	332,387	137,575	128,689	24,085
Parks and recreation	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	14,657,957
Operating Grants and Contributions	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	21,033,377
Capital Grants and Contributions	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	35,523,510
Total Government Activities Program Revenues	94,188,328	57,957,914	60,944,645	44,066,405	43,440,046	54,061,754	57,951,901	72,043,249	86,722,256	90,980,928
Business-Type Activities:										
Charges for Services:										
Electric	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	166,006,839
Water	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	27,983,419
Wastewater	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	39,000,990
Solid Waste	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	23,111,497
Natural Gas	4,059,943	16,528,513	16,557,517	16,528,513	16,563,722	16,530,605	16,529,666	16,572,034	16,528,513	16,528,513
Golf Course	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	1,931,550
Local Transportation	863,606	1,184,861	861,730	949,192	974,344	1,075,864	1,141,354	1,201,224	1,177,935	1,396,957
School-age Child Care	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	5,680,237
Operating Grants and Contributions	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	10,640,845
Capital Grants and Contributions	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	61,026,801
Total Business-Type Activities Program Revenue	319,828,901	311,283,638	283,344,274	278,956,407	279,428,660	280,251,269	319,270,591	334,983,128	334,066,548	353,307,648
Total Primary Government Program Revenues	\$414,017,229	\$369,241,552	\$344,288,919	\$323,022,812	\$322,868,706	\$334,313,023	\$377,222,492	\$407,026,377	\$420,788,804	\$444,288,576
Net (Expense)/Revenue										
Governmental Activities	(\$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)	(\$51,376,256)
Business-Type Activities	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	72,428,382
Total Primary Government Net Expense	(\$30,076,007)	(\$87,146,177)	(\$117,436,432)	(\$92,998,484)	(\$103,673,488)	(\$102,533,296)	(\$54,239,271)	(\$14,394,900)	\$6,595,811	\$21,052,126

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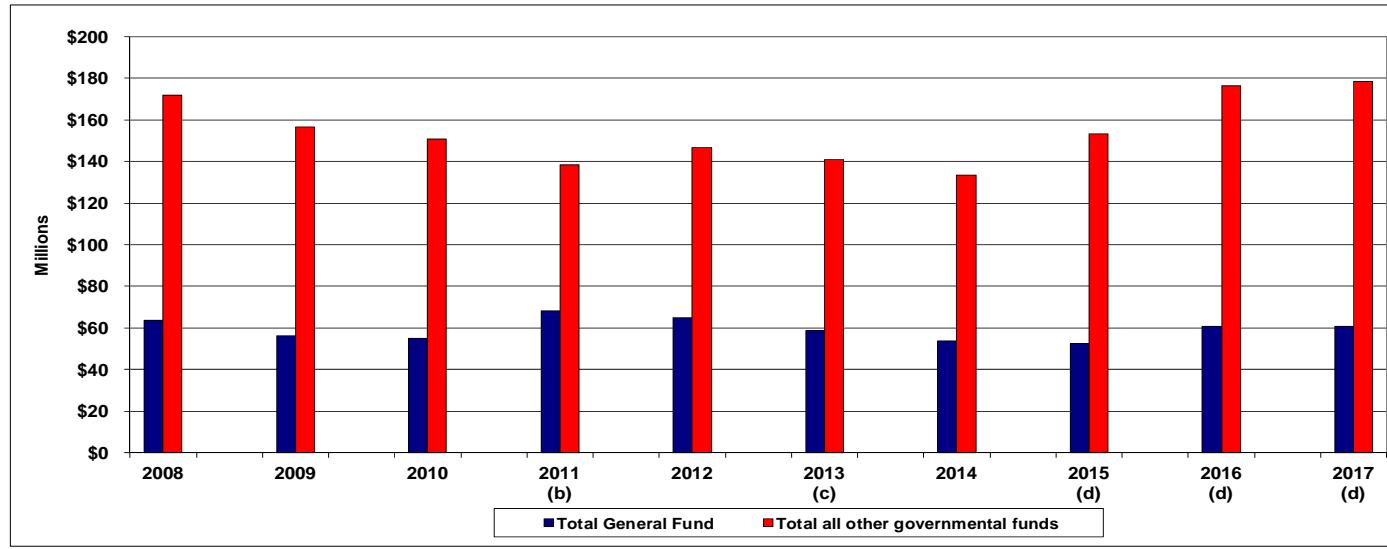
**CITY OF ROSEVILLE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013 (a)	2014	2015 (b)	2016 (b)	2017 (b)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$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	\$40,689,765
Sales taxes	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	51,646,625
Franchise taxes	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	2,310,192
Motor fuel taxes	1,985,315	1,855,462	2,909,176							
Motor vehicle in lieu (Intergovernmental- unrestricted)	471,834	373,495	332,224	523,609	122,230					
Other Taxes	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	7,104,703
Use of money and property	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	674,516
Miscellaneous revenues	887,173	4,568,055	1,934,366	1,089,608	1,511,125	2,113,638	420,959	414,279	191,255	18,688,013
Transfers	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	20,662,506
Extraordinary item:										
Gain/(Loss) from sales of capital assets							43,992	1,699,847	4,729	25,137
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	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	141,801,457
Business-Type Activities:										
Use of money and property	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	8,940,537
Miscellaneous revenues						150,119				
Transfers	(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)	(20,662,506)
Gain/(Loss) from sales of capital assets							50,252	(2,028,306)		
Special Item						(22,715,022)				
Total Business-Type Activities	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)	(11,721,969)
Total Primary Government	\$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	\$130,079,488
Change in Net Position										
Governmental Activities	\$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	\$90,425,201
Business-Type Activities	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	60,706,413
Total Primary Government	\$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	\$151,131,614

(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 Statements 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)



	Fiscal Year Ended June 30,									
	2008	2009	2010	2011 (b)	2012	2013 (c)	2014	2015 (d)	2016 (d)	2017 (d)
General Fund										
Reserved	\$10,786,244	\$13,472,640	\$13,730,063							
Unreserved	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	\$14,222,845
Committed										\$727,155
Assigned				5,328,824	2,944,900	3,002,686	2,685,359	4,510,098	3,129,479	4,510,525
Unassigned				39,068,183	44,796,255	31,488,665	38,187,768	35,469,686	45,358,414	41,115,763
Total General Fund	\$63,560,547	\$56,323,476	\$55,105,358	\$68,131,555	\$64,777,970	\$58,841,682	\$53,574,008	\$52,527,348	\$60,577,457	\$60,576,288 (a)
All Other Governmental Funds										
Reserved	\$56,547,018	\$56,058,554	\$51,548,654							
Unreserved, reported in:										
Special Revenue Funds	79,723,403	65,941,856	64,422,284							
Capital Projects	18,146,007	16,456,146	16,542,186							
Permanent Funds	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	\$16,964,800
Restricted				108,226,582	113,465,925	109,656,487	104,437,932	122,721,798	148,224,236	147,157,295
Committed				2,195,164	2,248,644	2,290,938	2,280,996	2,362,738	794,928	147,222
Assigned				14,890,220	14,472,182	12,625,416	11,304,133	11,483,003	10,525,153	16,369,206
Unassigned				(4,081,313)	(925,077)	(1,333,659)	(1,290,629)	(150,757)	(116,035)	(2,079,194)
Total all other governmental funds	\$171,912,078	\$156,522,758	\$150,866,409	\$138,642,517	\$146,765,434	\$140,930,351	\$133,672,722	\$153,381,582	\$176,393,082	\$178,559,329 (a)

(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; years prior to 2011 have not been restated to conform with the new presentation.

(c) The City restated certain balances in fiscal year 2014; the statistics prior to 2014 have not been restated.

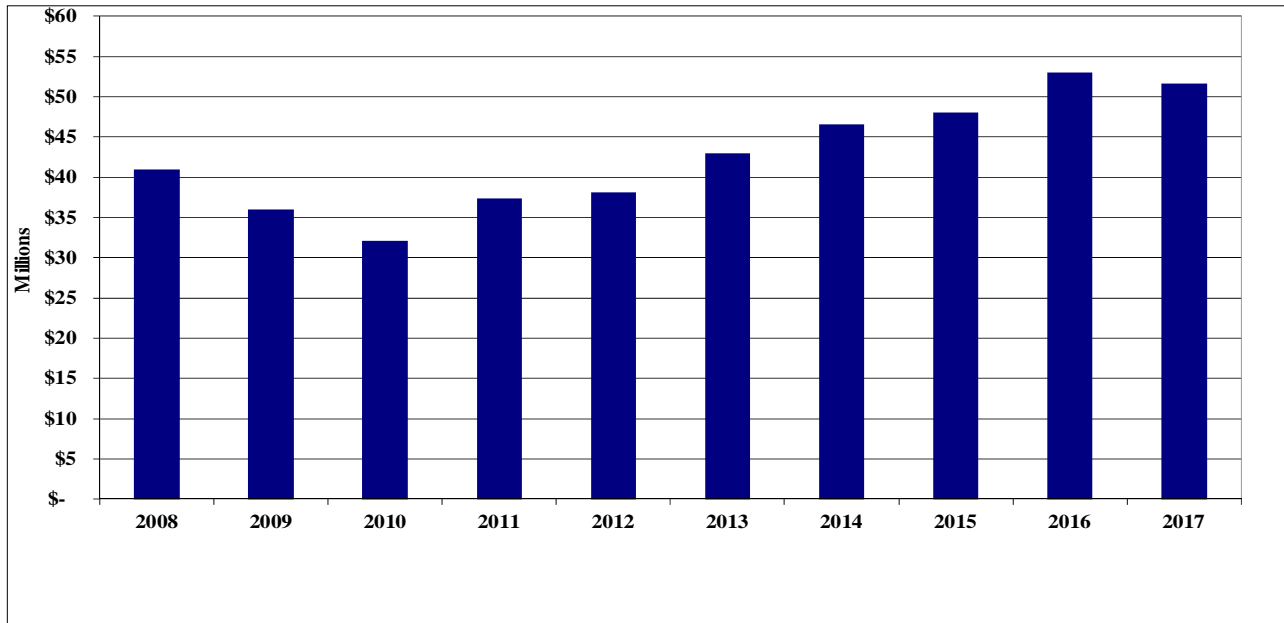
(d) The City implemented GASB Statements 68 and 71 in fiscal year 2015; years prior to 2015 have not been restated to conform with the new presentation.

CITY OF ROSEVILLE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal year ended June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$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	\$106,882,600
Licenses and permits	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	3,268,160
Charges for services	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	36,270,061
Subventions and grants	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	17,814,381
Use of money and property	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	8,063,026
Fine, forfeitures and penalties	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	1,231,989
Contributions from property owners	9,100,000									
Contributions from developers and others	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	2,256,674
Miscellaneous revenues	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	24,799,603
Total Revenues	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	200,586,494
Expenditures										
Current:										
General government	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	31,494,060
Development and operations	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	21,992,856
Public works	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	7,060,201
Public safety:										
Police	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	35,785,791
Fire	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	30,357,023
Library	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	4,155,157
Parks and recreation	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	21,451,673
Housing assistance payments	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	4,216,417
Capital outlay	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	59,258,478
Payments under development agreements	2,157,821	1,601,494	1,445,960	1,146,915	880,852	567,619	567,619	567,619	567,619	
Annexation payments	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	4,734,193
Debt service:										
Principal retirement	1,590,991	1,392,486	1,397,222	1,402,625	2,694,645	802,821	2,125,278	844,490	863,892	1,098,509
Interest and fiscal charges	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	4,221,646
Total Expenditures	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	225,826,004
Excess (deficiency) of revenues over (under) expenditures	(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)	(25,239,510)
Other Financing Sources (Uses)										
Proceeds from capital lease		385,538					43,992	104,580		
Debt issued									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	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	43,364,097
Transfers out	(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)	(23,201,601)
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)	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	20,162,496
Net Change in fund balances before special and extraordinary items	(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	(5,077,014)
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	(\$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	(\$5,077,014)
Debt service as a percentage of noncapital expenditures	5.8%	5.3%	5.7%	3.5%	3.4%	1.6% *	2.2% *	0.9% *	1.5% *	4.4%

* In FY2017, the City recalculated these percentages.

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



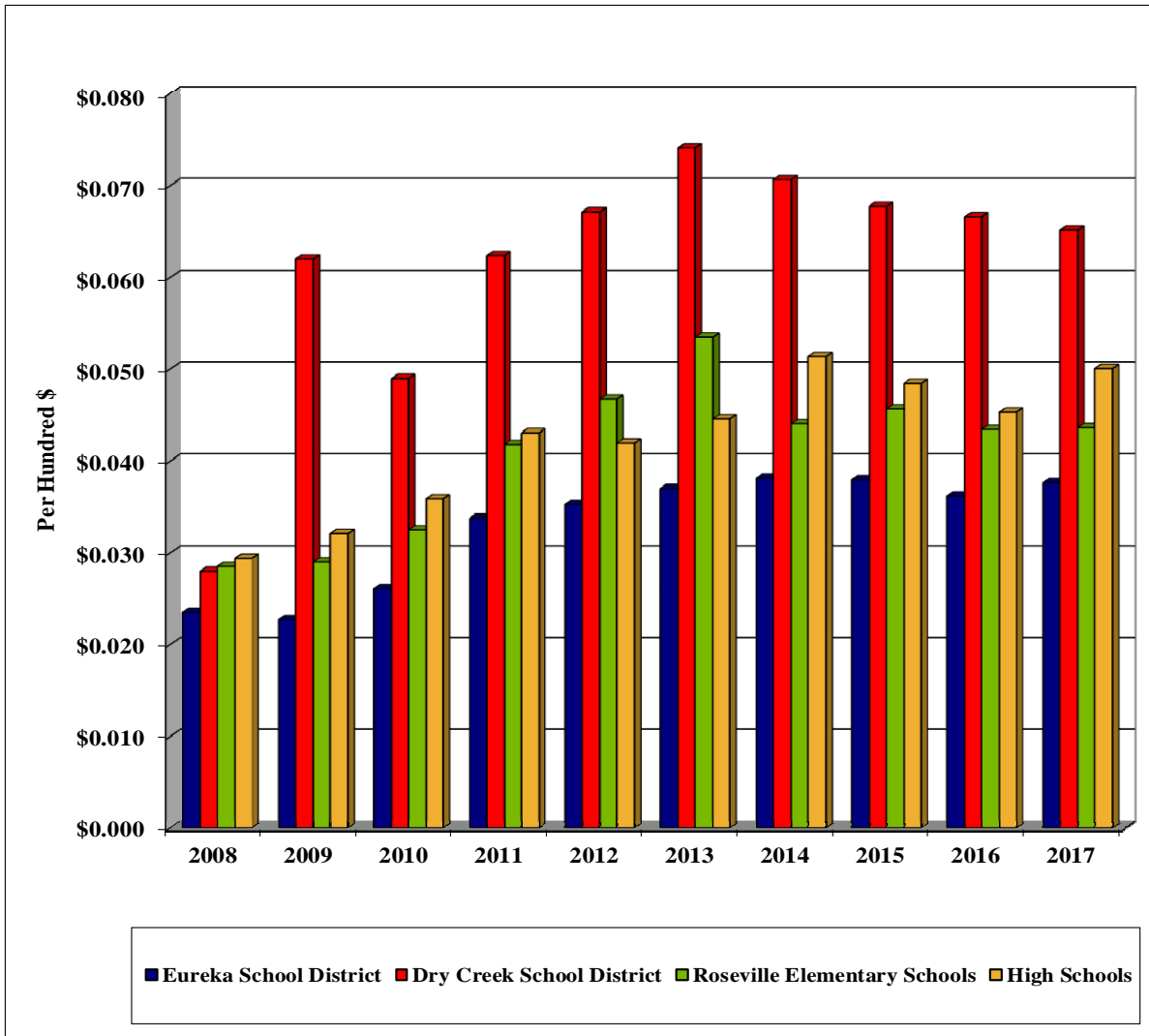
<u>Fiscal Year</u>	<u>Amount</u>
2008	\$ 40,982,384
2009	36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931
2013	43,002,643
2014	46,591,961
2015	48,094,824
2016	52,993,394
2017	51,646,625

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

	<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>	<u>2016-2017</u>
Secured										
Land	\$ 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	\$ 5,343,255,434
Structure	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	14,619,778,326
Growing Imp.										
Fixtures	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	54,816,121
Personal Property	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	173,880,661
Gross	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	20,191,730,542
Exemptions	(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)	(1,240,797,255)
Net Value	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	18,950,933,287
Unsecured										
Land	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	15,636,657
Structure	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	41,034,119
Fixtures	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	219,812,361
Personal Property	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	586,873,115
Gross	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	863,356,252
Exemptions	(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)	(114,427,098)
Net Value	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	748,929,154
Total Net										
Assessed Value (a)	<u>\$17,013,620,946</u>	<u>\$17,127,440,965</u>	<u>\$ 16,691,779,855</u>	<u>\$ 15,508,580,719</u>	<u>\$ 14,773,034,605</u>	<u>\$ 14,745,889,878</u>	<u>\$ 15,910,814,665</u>	<u>\$17,155,983,376</u>	<u>\$ 18,442,696,187</u>	<u>\$19,699,862,441</u>
Direct Tax Rate (b)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

- (a) Article XIII A, added to the California Constitution by Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:
- annual inflation up to 2%; or
 - market value at the time of ownership change; or
 - market value for new construction.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

**CITY OF ROSEVILLE
PROPERTY TAX RATES
DIRECT & OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**



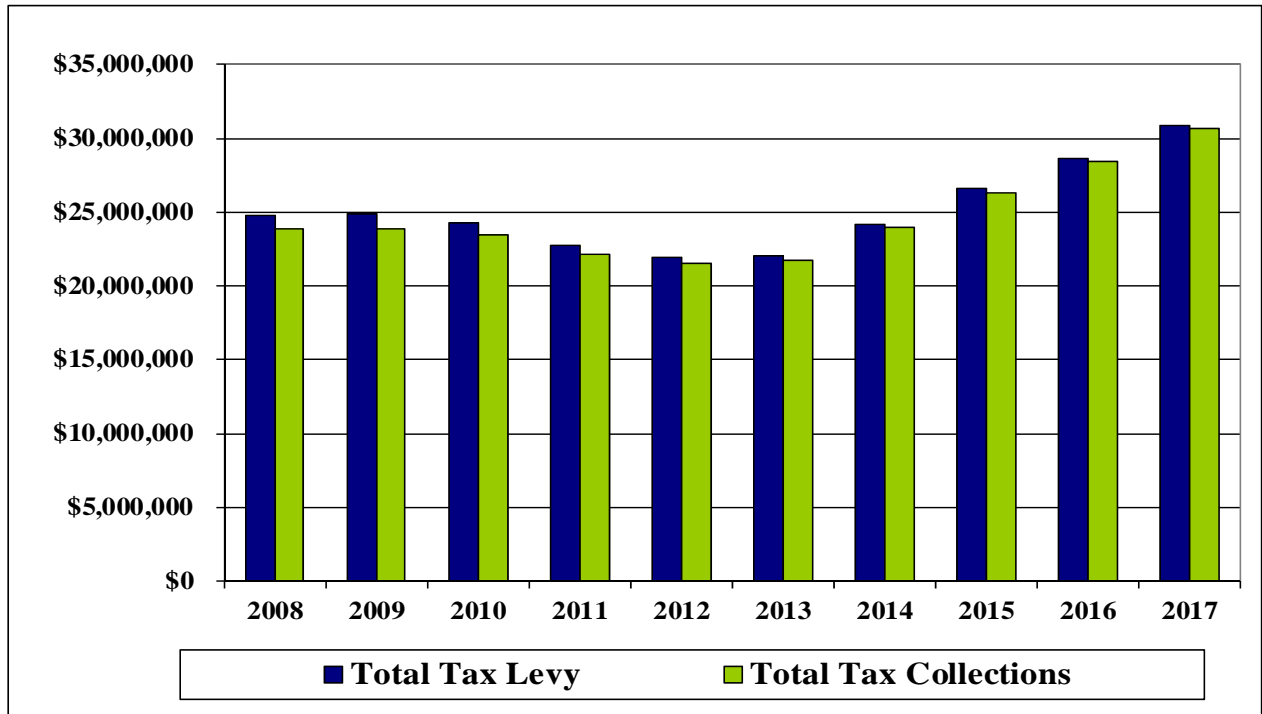
Fiscal Year	Direct Rate	Overlapping Rates				Total (a)
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	
2008	1.0000	0.0235	0.0280	0.0285	0.0294	1.0561
2009	1.0000	0.0227	0.0620	0.0290	0.0321	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	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
2017	1.0000	0.0376	0.0651	0.0436	0.0500	1.0988

(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	2017		2008		
			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	\$423,670,593	2.22%	4	202,219,035	1.21%
Hewlett Packard Enterprise Company	Industrial	2	97,641,610	0.51%	2	326,824,599	1.96%
DDR Creekside LP	Commercial	3	89,508,760	0.47%			
Walmart Stores Inc.	Commercial	4	83,120,962	0.43%	7	81,942,394	0.49%
KW Fund V - Roseville Parkway LLC	Apartments	5	83,047,776	0.43%			
Rosemeade Residential Holdings LLC	Apartments	6	81,361,976	0.43%			
BEP Roseville Investors LLC	Office Building	7	79,132,679	0.41%			
Roseville Fountains LP	Shopping Center	8	67,787,847	0.35%			
Timberpine Holdings LLC	Industrial	9	67,208,439	0.35%			
Oakmont Properties - Creekside LLC	Apartments	10	64,931,590	0.34%			
CPT Creekside Town Center LLC	Shopping Center	11	64,745,302	0.34%			
Parkway Plaza CW LLC	Office Building	12	54,030,000	0.28%			
BBC Roseville Oaks LLC	Commercial	13	51,776,715	0.27%			
W2005 Fargo Hotels Pool C Realty LP	Hotel	14	51,660,156	0.27%	6	82,008,268	0.49%
Excel Highland Reserve LLC	Shopping Center	15	47,665,424	0.25%			
Mourier Land Investment Corporation	Office Building	16	46,408,675	0.24%			
Forest Cove 388 LLC	Apartments	17	44,645,652	0.23%			
Safeway Inc.	Commercial	18	44,142,070	0.23%			
Terraces at Highland Property Owner LLC	Apartments	19	43,070,916	0.23%			
John L. Sullivan Family LP	Auto Dealership	20	41,890,033	0.22%			
PL Roseville LLC					1	354,933,092	2.13%
NEC Electronics USA Inc.					3	316,264,555	1.90%
Donahue Schriber Realty Group LP					5	96,323,620	0.58%
Kobra Properties					8	80,759,879	0.49%
NNN Parkway Corporate Plaza LLC					9	67,545,885	0.41%
SI VII LLC					10	58,680,809	0.35%
Total			\$1,627,447,175	8.51%		\$1,667,502,136	10.02%
Local Secured Assessed Valuation:			\$ 19,124,543,087			\$ 16,644,339,498	

**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
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%
2017	30,888,183	30,650,344	99.23%

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 AND REVENUES
Ten Largest Electric Customers as of June 30, 2017

Rank	Business Type (a)	kWh	Percent Total kWh	Revenue	Percent to Total Revenue
1	Manufacturing	105,370,000	8.95%	\$10,602,970	6.56%
2	Admin/Office/R&D	31,729,000	2.69%	\$3,228,376	2.00%
3	Government and Utilities	27,835,000	2.36%	\$2,931,599	1.81%
4	Medical Care	25,395,300	2.16%	\$2,817,866	1.74%
5	Medical Care	21,808,738	1.85%	\$2,505,521	1.55%
6	Retail and Property Management	17,158,174	1.46%	\$2,154,173	1.33%
7	Retail	12,820,457	1.09%	\$1,422,237	0.88%
8	Grocery	10,613,100	0.90%	\$1,357,925	0.84%
9	Logistics	8,363,495	0.71%	\$896,612	0.55%
10	Grocery	8,329,200	0.71%	\$946,106	0.59%

Electric Sales Revenue as of June 30, 2017

Residential	\$ 68,543,423
Commercial	<u>92,785,199</u>
Total	<u>\$ 161,328,622</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, 2017

Residential	
Basic Service Charge (per meter, per month)	\$26.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0931
Tier 2- greater than 500 kWh/month	\$0.1435
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029

Special Residential Rates

Electric Rate Assistance Program ⁽²⁾	
Basic Service Charge (per meter, per month)	\$22.10
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0783
Tier 2- greater than 500 kWh/month	\$0.1211
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029

Medical Support Rate Reduction ⁽³⁾	
Basic Service Charge (per meter, per month)	\$26.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0457
Tier 2- greater than 500 kWh/month	\$0.1211
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029

Senior Citizen Rate Reduction ⁽⁴⁾	
Basic Service Charge (per meter, per month)	\$22.88
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0812
Tier 2- greater than 500 kWh/month	\$0.1256
Renewable Energy Surcharge (\$/kWh)	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029

NOTES

- 1) There is no hydroelectric adjustment in effect from July 2016 through June 2017.
- 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 Finance Department at 774-5300.
This rate is 15% credit on all electric service charges.
- 3) An application must be completed for the Medical Support Rate reduction. A doctor's certification is also required. For more information or an application, please call the City of Roseville Finance Department at 774-5300. This rate is a 50% credit on the first 500 kWh per month and 15% credit for usage > 500 kWh.
- 4) Rate closed July 1, 1998. Recipients receive a 12% credit on all electric charges.

**CITY OF ROSEVILLE
BUSINESS ENERGY PRICES
Effective January 1, 2017**

Small General Service (GS-1) (Demand < 20 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$38.00	\$38.00
Energy Charge (\$/kWh)	\$0.0974	\$0.1131
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
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)	\$65.00	\$65.00
Demand Charge(\$/kW-month)	\$6.16	\$6.16
Energy Charge (\$/kWh)	\$0.1028	\$0.1235
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
(500 kW < Demand ≤ 1000 kW)		
Basic Service Charge (per meter, per month)	\$521.00	\$521.00
Demand Charge (\$/kW-month)	\$6.60	\$11.57
Energy Charge		
Off Peak (\$/kWh)	\$0.0682	\$0.0890
On Peak (\$/kWh)	\$0.0890	\$0.1098
Super Peak (\$/kWh)	\$0.0890	\$0.1408
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
(Demand > 1000 kW)		
Basic Service Charge (per meter, per month)	\$591.00	\$591.00
Demand Charge (\$/kW-month)	\$6.71	\$11.51
Energy Charge		
Off Peak (\$/kWh)	\$0.0674	\$0.0879
On Peak (\$/kWh)	\$0.0862	\$0.1067
Super Peak (\$/kWh)	\$0.0862	\$0.1397
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
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 no hydroelectric adjustment in effect from July 2016 through June 2017.

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.

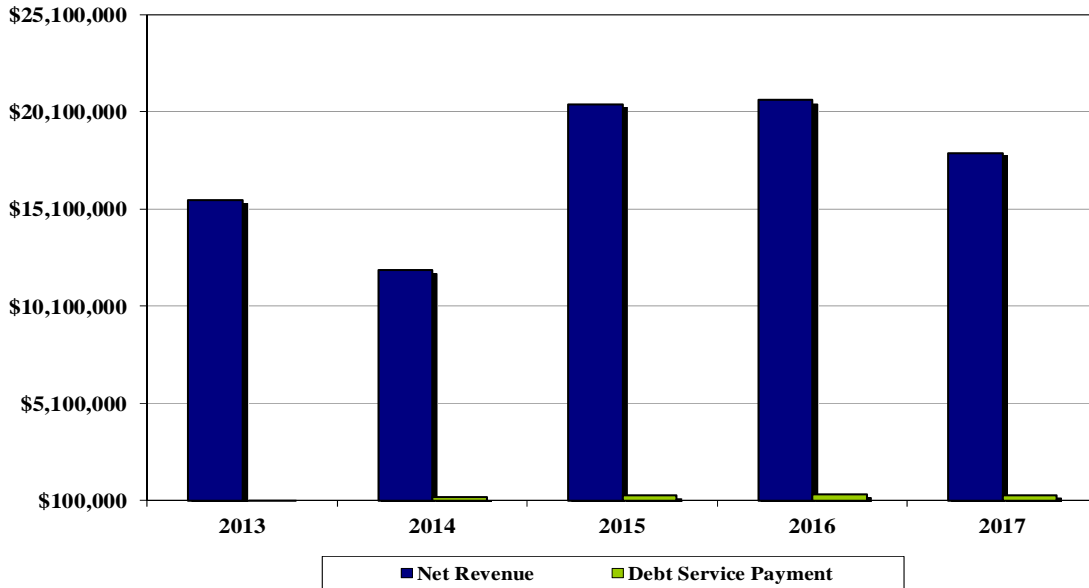
**CITY OF ROSEVILLE
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government [e]	Percentage of Placer County Total Personal Income [a]	Debt Per Capita [a]		
	Certificates of Participation [d]	Tax Allocation Bonds [c]	Installment Purchase Obligations	Capital Lease	Lease	Loans	Total Governmental Activities	Certificates of Participation	Revenue Bonds				Lease	Total Business-Type Activities
2008	\$ 15,860,000	\$ 35,745,000	\$ 2,089,716				53,694,716	\$ 333,920,156	\$ 312,904,558		\$ 646,824,714	\$ 700,519,430	4.31%	\$ 6,418
2009	15,220,000	35,305,000	2,145,277				52,670,277	328,172,879	305,144,457		633,317,336	685,987,613	4.31%	6,106
2010	14,560,000	34,845,000	1,868,055				51,273,055	326,781,578	297,365,814		624,147,392	675,420,447	4.10%	5,834
2011	13,885,000	34,365,000	1,620,430				49,870,430	257,729,721	347,327,592		605,057,313	654,927,743	3.78%	5,431
2012	13,190,000		125,785				13,315,785	250,082,864	337,284,692		587,367,556	600,683,341	3.16%	4,921
2013			1,234,286		11,549,031		12,783,317	237,460,076	337,680,087	4,775,578	579,915,741	592,699,058	2.94%	4,770
2014					10,670,247	4,059,175	14,729,422	175,923,926	380,082,084	4,344,960	560,350,970	575,080,392	2.71%	4,530
2015					69,007	9,874,685	13,989,512	150,053,467	385,334,824	3,945,831	539,334,122	553,323,634	2.61%	4,295
2016					34,928	24,347,067	28,412,676	152,649,025	368,091,795	3,538,160	524,278,980	552,691,656	[b]	4,122
2017						23,272,775	27,286,399	138,472,975	363,175,852	3,123,170	504,771,997	532,058,396	[b]	3,916

- [a] These ratios are calculated using personal income and population as shown on the Demographics and Economic Statistics schedule.
- [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] In 2013 the Certificates of Participation were refunded by the 2013 Public Facilities Refunding lease.
- [e] Long term debt was restated in fiscal year 2014; statistics prior to 2014 have not been restated.

Sources: *The City's Comprehensive Annual Financial Reports*
State of California, Department of Finance (population)
U.S. Department of Commerce, Bureau of Economic Analysis - Local Data (personal income)

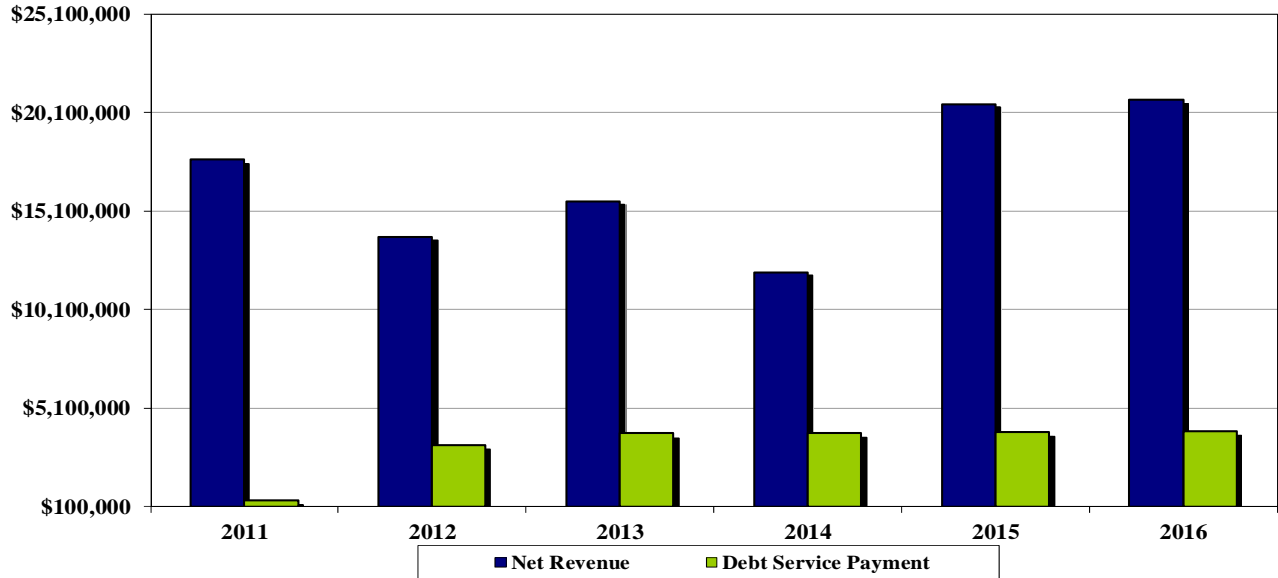
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS
Last Five Fiscal Years ⁽¹⁾**



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
2017	36,503,063	18,499,012	18,004,051		380,118	380,118	47.36

Notes: (1) Series 2013 refunded the 2011 A/B Series on April 3, 2013
(2) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(3) Includes all Wastewater Operating Expenses less Depreciation and Interest

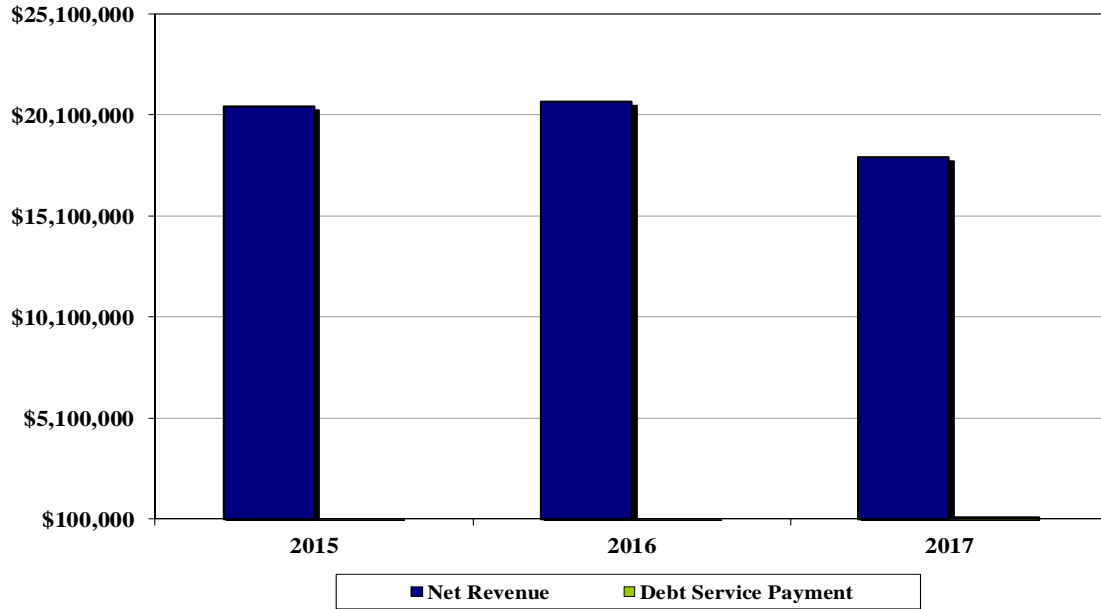
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C
Last Seven Fiscal Years ⁽¹⁾**



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
2017	36,503,063	18,499,012	18,004,051	2,457,151	1,522,026	3,979,177	4.52

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

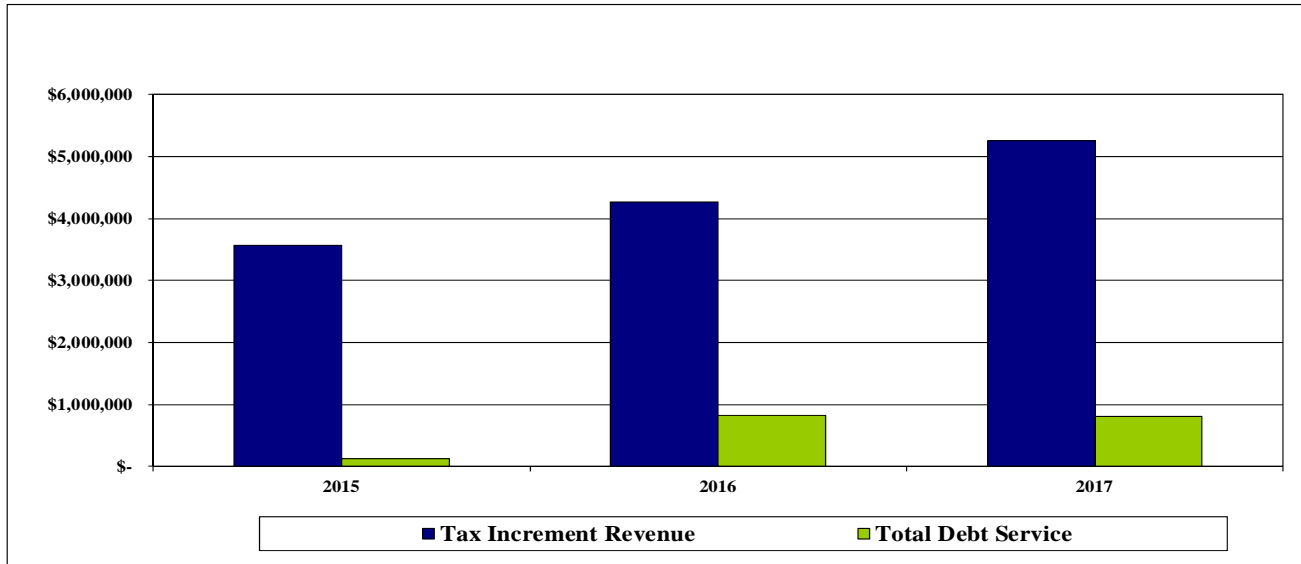
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2014 WASTEWATER REVENUE REFUNDING BONDS
Last Three Fiscal Years ⁽¹⁾**



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
2017	36,503,063	18,499,012	18,004,051		181,460	181,460	99.22

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

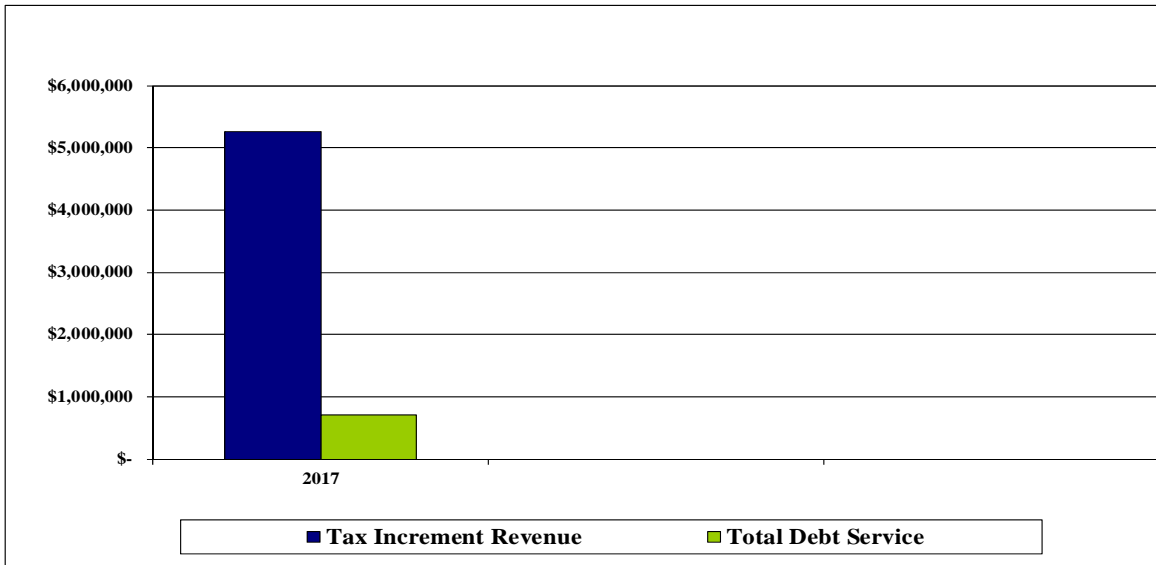
**CITY OF ROSEVILLE
2014 REDEVELOPMENT TAX ALLOCATION BONDS
Last Three Fiscal Years**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2015	\$3,566,262 (a)		\$132,646	\$132,646	\$10,740,000	0.27
2016	4,277,172 (a)	\$ 435,000	390,688	\$825,688	10,305,000	0.05
2017	5,263,766 (a)	435,000	378,363	\$813,363	9,870,000	0.06

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

**CITY OF ROSEVILLE
2016 REDEVELOPMENT TAX ALLOCATION BONDS
Last One Fiscal Year**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2017	\$5,263,766 (a)		\$703,884	\$703,884	\$21,520,000	0.07

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

CITY OF ROSEVILLE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2017

2016-17 Assessed Valuation: \$ 19,877,342,887

	Total Debt 06/30/2017	% Applicable (1)	City's Share of Debt 6/30/2017
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Roseville Joint Union High School District	\$118,078,598	75.227%	\$88,826,987
Roseville Joint Union High School District SFID No. 1	16,073,385	97.226%	15,627,509
Center Joint Unified School District	39,121,451	22.328%	8,735,038
Rocklin Unified School District	58,419,254	0.492%	287,423
Dry Creek Joint School District	36,885,334	57.601%	21,246,321
Eureka Union School District	2,105,848	34.529%	727,128
Roseville City School District	18,286,852	97.383%	17,808,285
City of Roseville Community Facilities Districts	311,948,500	100.000%	311,948,500
California Statewide Communities Development Authority Assessment Districts	8,033,787	100.000%	8,033,787
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$473,240,978
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Placer County Certificates of Participation	\$31,195,000	29.499%	\$9,202,213
Placer County Office of Education Certificates of Participation	1,300,000	29.499%	383,487
Sierra Joint Community College District Certificates of Participation	6,029,000	22.328%	1,346,155
Roseville Joint Union High School District Certificates of Participation	560,000	75.227%	421,271
Center Joint Unified School District Certificates of Participation	767,386	0.492%	3,776
Rocklin Unified School District Certificates of Participation	13,880,000	0.492%	68,290
Eureka Union School District Certificates of Participation	3,610,000	34.529%	1,246,497
Roseville City School District Certificates of Participation	7,780,000	97.383%	7,576,397
Placer Mosquito and Vector Control District Certificates of Participation	3,490,000	29.499%	1,029,515
City of Roseville Certificates of Participation	25,561,700	100.000%	25,561,700
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$46,839,301
Less: City of Roseville supported obligation			\$3,187,557
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$43,651,744
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$31,390,000	100.000%	\$31,390,000
TOTAL GROSS DIRECT DEBT			\$25,561,700
TOTAL NET DIRECT DEBT			\$22,374,143
TOTAL OVERLAPPING DEBT			\$525,908,579
GROSS COMBINED TOTAL DEBT (2)			\$551,470,279
NET COMBINED TOTAL DEBT			\$548,282,722

- (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 2016-2017 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.38%
Total Gross Direct Debt (\$25,561,700)	0.13%
Total Net Direct Debt (\$22,374,143)	0.11%
Gross Combined Total Debt	2.77%
Net Combined Total Debt	2.76%

Ratios to Redevelopment Successor Agency Incremental Valuations (\$838,263,473):

Total Overlapping Tax Increment Debt	3.74%
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CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2017

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$19,124,543,087
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$717,170,366
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$528,044,772
Less bonded debt not subject to limit	(528,044,772)

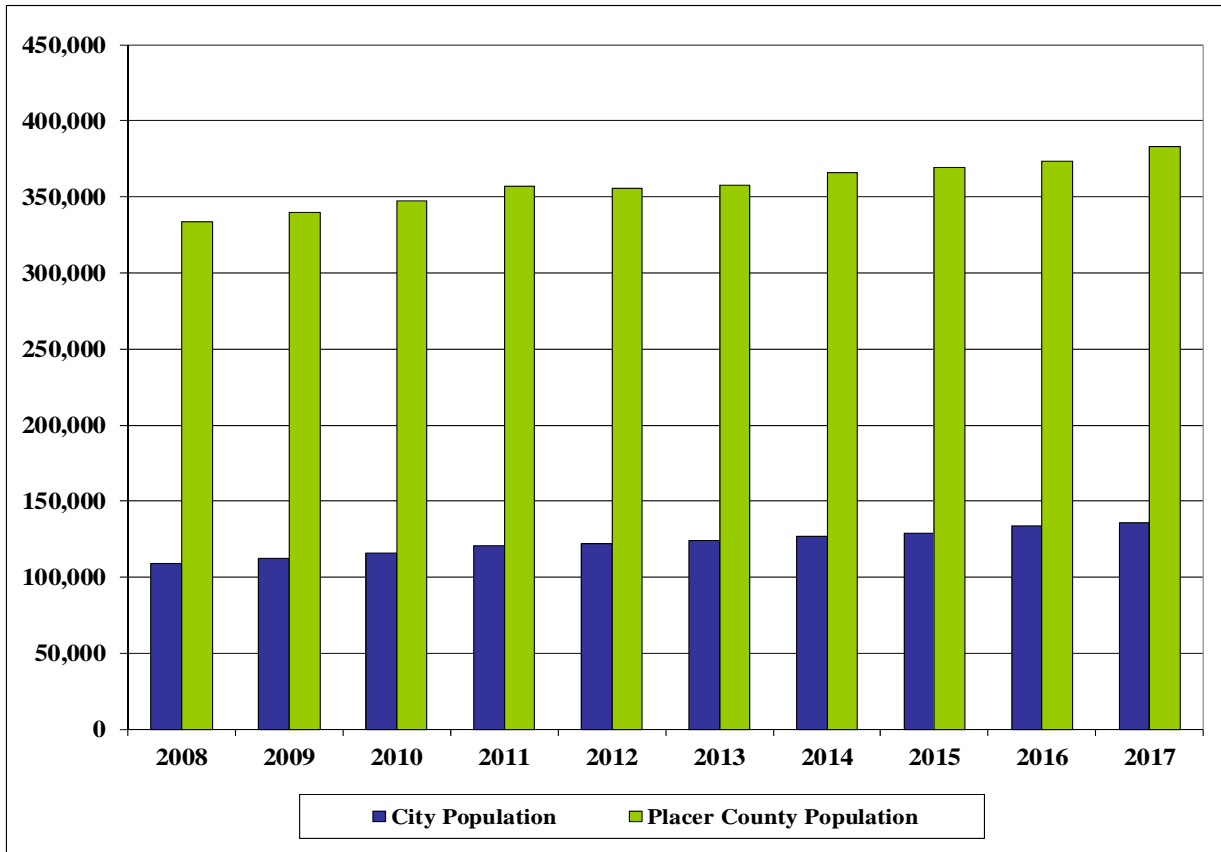
Amount of debt subject to limit	-
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LEGAL BONDED DEBT MARGIN	\$717,170,366
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2008	624,162,731		624,162,731	0.00%
2009	626,993,562		626,993,562	0.00%
2010	611,493,748		611,493,748	0.00%
2011	567,178,798		567,178,798	0.00%
2012	560,837,192		560,837,192	0.00%
2013	536,758,408		536,758,408	0.00%
2014	578,172,662		578,172,662	0.00%
2015	624,626,766		624,626,766	0.00%
2016	672,531,992		672,531,992	0.00%
2017	717,170,366		717,170,366	0.00%

(a) California Government Code, Section 43605 sets the debt limit at 15%.
The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**CITY OF ROSEVILLE
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**



Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	City of Roseville Unemployment Rate (%)	Placer County Population	City Population % of County
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	55,000	6.5%	366,000	34.69%
2015	128,832	21,240,299	57,000	5.3%	369,454	34.87%
2016	134,073	(a)	(a)	4.5%	373,796	35.87%
2017	135,868	(a)	(a)	3.8%	382,837	35.49%

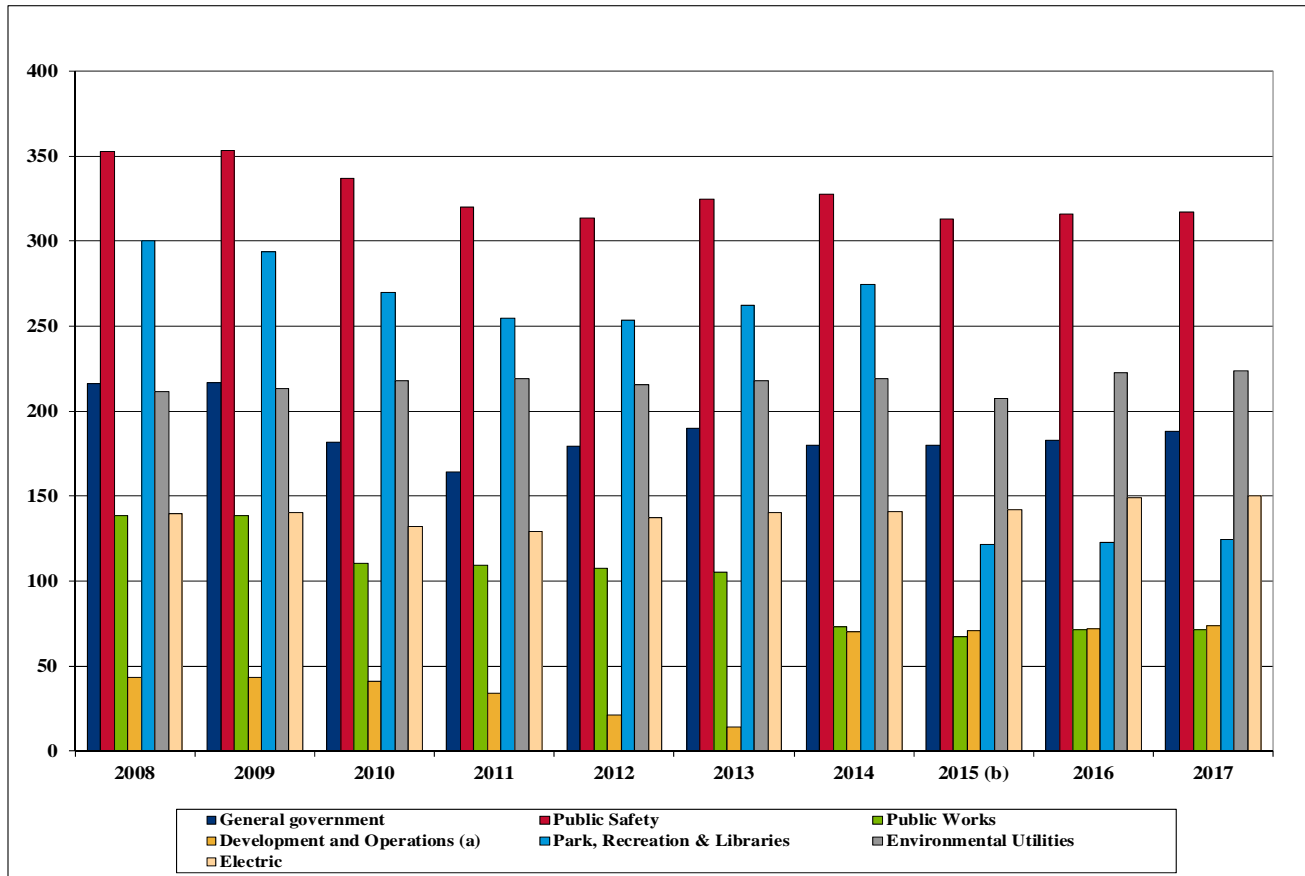
(a) Information not available

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

Employer	2017			2008	
	Number of Employees	Rank	Percentage of Total City Employees	Number of Employees	Rank
The Permanente Medical Group & Foundation Group	4,988	1	6.48%	3,428	2
Hewlett Packard	2,300	2	2.99%	3,600	1
Sutter Roseville Medical Group	2,100	3	2.73%	1,922	4
Union Pacific Railroad Company	1,150	4	1.49%	2,000	3
City of Roseville	1,149	5	1.49%	1,252	5
Roseville Joint Union High School	1,090	6	1.42%	803	8
Roseville City School District	1,034	7	1.34%	897	6
PRIDE Industries	838	8	1.09%	800	9
Adventist Health	801	9	1.04%		
Consolidated Communications	440	10	0.57%		
NEC Electronics				800	10
Wal-Mart				862	7
Subtotal	<u>15,890</u>		<u>20.66%</u>	<u>16,364</u>	
Total Employment	<u>76,925</u> (a)			<u>80,015</u>	

(a) Total Employment as used above represents the total employment of all employees located within the City limits.

CITY OF ROSEVILLE
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
Last Ten Fiscal Years



Adopted for Fiscal Year Ended June 30,

	2008	2009	2010	2011	2012	2013	2014	2015 (b)	2016	2017
Function										
General government	216.21	216.79	181.75	164.38	179.09	190.14	180.10	179.81	183.11	187.98
Public Safety	352.69	353.18	336.75	319.90	313.78	324.59	327.42	313.00	316.00	317.00
Public Works	138.77	138.77	110.75	109.03	107.33	105.17	73.18	67.50	71.50	71.50
Development and Operations (a)	43.25	43.25	41.17	33.98	21.00	14.00	70.26	71.00	72.00	74.00
Park, Recreation & Libraries	300.19	293.70	269.89	254.65	253.43	262.00	274.61	121.50	122.50	124.50
Environmental Utilities	211.59	213.00	218.09	218.90	215.32	217.82	219.14	207.50	222.25	223.75
Electric	139.46	140.46	132.29	129.33	137.39	140.36	141.09	142.00	149.00	150.00
Total	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	1,148.73

(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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	287	194	192	172	199	201	214	228	204	224
Number of medical emergencies answered	6,737	6,967	7,485	7,836	8,429	9,045	9,995	11,015	10,694	10,545
Total calls for service	9,492	8,694	9,129	9,609	10,006	10,936	12,163	13,286	12,828	16,756
Police:										
Law violations:										
Physical arrests (adult and juvenile)	5,464	5,245	4,520	5,845	4,264	4,647	4,321	3,295	2,315	1,785
Traffic citations	18,883	20,889	19,033	6,404	4,826	4,470	2,207	1,839	2,329	2,876
Public works:										
Total building permits issued	4,849	3,975	3,884	4,078	4,338	4,131	5,796	5,715	5,854	6,226
Total square feet of street maintenance performed	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	12,190,840
Park and recreation:										
Community services:										
Number of participants in cultural art classes (Note 1)	1,520	2,688	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total attendance in Youth/Adult/Senior programs			299,134	301,906	265,736	224,339	233,598	240,576	246,331	209,619
Total attendance to aquatic facilities (Note 2)	235,548	250,182	266,931	278,860	306,455	291,407	324,918	357,064	316,994	428,744
Library:										
Number of materials checked out (Note 3)	818,428	946,224	1,001,179	994,990	1,058,434	1,194,909	1,273,880	1,252,039	1,306,844	1,339,684
Water:										
Average daily consumption (in million gallons)	28.15	28.19	25.60	25.90	28.60	30.20	28.00	23.01	20.70	23.25
Number of backflow devices tested	4,679	4,728	4,895	4,965	4,558	3,862	4,520	4,854	5,093	5,183
Number of meters sold	1,917	2,268	807	497	555	770	569	824	848	1,044
Wastewater:										
Number of miles of sewer mains flushed	280	258	209	284	277	271	335	284	266	294
% of preventative work orders hours (Note 4)	43.1%	45.5%	48.0%	55%	n/a	40.2%	35.8%	41.3%	38.4%	46.4%
Solid waste:										
Tons of solid waste collected	96,265	89,512	87,446	89,125	87,336	87,946	92,101	94,308	101,794	117,594

Notes:

- 1 - No longer tracked in FY09-10. Attendance are is now tracked by Youth/Adult/Senior programs.
- 2 - Roseville Aquatics Center closed for pool repairs November 2007-January 2008.
- 3 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during winter 2008 and was replaced in April 2015.
- 4 - 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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 vehicles (Note 2)	107	106	51	49	58	61	64	67	77	91
Public works:										
Miles of streets	432	428	429	432	438	440	440	458	465	470
Number of traffic signals	154	162	165	166	167	167	167	171	175	180
Park and recreation:										
Community services:										
Golf courses (18 holes)	2	2	2	2	2	2	2	2	2	2
Parks and recreation facilities	58	61	61	63	66	68	71	72	72	74
Miles of creek	60	60	60	60	60	60	60	60	60	75
Swimming pools (Note 1)	4	4	3	3	3	3	3	3	3	3
Tennis courts	14	16	16	16	16	16	18	18	18	18
Library:										
City libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Miles of water mains	556	562	567	569	569	570	570	583	592	608
Fire hydrants	4,413	4,473	4,514	4,533	4,542	4,545	4,545	4,654	4,735	4,763
Wastewater:										
Miles of sanitary sewers	485	485	492	493	487	487	491	497	505	517
Miles of storm drain	376	373	382	348	349	351	344	353	366	372
Solid waste:										
Number of new residential refuse customers	984	800	750	522	537	768	475	601	787	822
Electric:										
Number of residential customers	44,662	45,478	46,400	47,021	47,611	48,387	49,013	49,851	50,784	51,638
Number of commercial customers	6,038	6,349	6,411	6,437	6,505	6,561	6,666	6,673	6,700	6,759

Notes:

1 - Beginning FY09-10, the swimming pool at Oakmont High School was no longer used by the City.

2 - Prior to FY16-17, the City only reported active patrol cars. In FY16-17 the City began reporting active patrol vehicles, which includes all police department vehicles that are patrolling the streets in one fashion or another, whether undercover, a community services officer, an animal control officer, or a citizen on patrol volunteer. No additional cars were purchased in FY16-17.