

# Comprehensive Annual Financial Report

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## Fiscal Year Ending June 30, 2013



Downtown Roseville entrance sign on Riverside Ave.

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**CITY OF ROSEVILLE, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2013**

**Prepared by  
FINANCE DEPARTMENT**

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**CITY OF ROSEVILLE, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2013**

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December 23, 2013

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

This document, the Comprehensive Annual Financial Report (CAFR) of the City of Roseville, is for the fiscal year ended June 30, 2013. The report was prepared by the Finance Department in conjunction with the City's independent auditors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The data, as presented, is accurate in all material aspects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The organization of the financial report follows the guidelines set forth by the Government Finance Officers' Association (GFOA) of the United States and Canada.

The report is divided into three sections:

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

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

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

## THE REPORTING ENTITY AND ITS SERVICES

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

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

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

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

## ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2013 continued improving. Overall, general fund revenues were higher than 2012 as sales taxes were the largest increase. Property taxes were up and development revenues were up slightly. Overall, general fund revenues reflected a sharp recovery from the recession. Housing starts, including multi-family, were up and commercial development increased over the previous year.

The City continued efforts to reduce costs in order to match total revenues to expenses. General fund expenses were lower than revenues for the year as a whole while increasing taxes contributed to the recovery helping to make up for decreases in indirect charges and the use of one-time money. The combination of savings from vacant positions and reductions in spending on non-personnel items were the primary savings drivers. We were also able to use carryover monies from fiscal year 2012 to avoid dipping into economic reserves.

New housing permits continued to be pulled throughout the year, totaling 679 single-family permits and 103 multi-family permits finalized through June 2013. This represents an increase from the previous year and was stronger than expected. This also accounted for a large percentage of all residential permits pulled in the Sacramento region. Commercial development increased in fiscal year 2013, adding over 70,000 of new commercial square footage to the City. Industrial and business professional development continued to struggle; however, there are significant decreases in vacancy rates throughout the non-residential sector. More activity in the non-residential sector is based on re-leasing existing, vacant space rather than building new space. Several new development proposals may change that in the near future.

The electric utility's budget improved in fiscal year 2013, reflecting reductions in power supply costs and power plant operations. The utility ended the year with a positive available resources balance; however, most of that is tied up in inventory. The revenue to expense outlook for the next several years projects the buildup of the rate stabilization fund back to policy levels, and should result in higher cash balances for the operating fund. Many of the issues that are likely to drive future rate increases will be state and federal mandates related to renewable energy and environmental concerns.

The environmental utilities (water, wastewater, and solid waste) all ended the year within or better than budgeted. These utilities have less volatile costs that allow more predictable cost structures. The water and wastewater utilities debt instruments performed well during fiscal year 2013. The water utility's debt is fixed rate; however, the wastewater utility includes a large amount of variable-rate debt. Some of the variable rate debt was converted to fixed rate debt and a portion of the variable rate debt was sold as index notes, which pay variable rate interest but do not require a letter-of-credit backing. The interest rates on this debt remained low through fiscal year 2013.

The Golf Course enterprise fund ended the year with operating revenues slightly better than operating expenses. This was partially due to the economy, but also reflective of issues with nine holes at Woodcreek Golf Course that severely impacted rounds and revenue for much of last year. The golf courses are expected to operate in a profitable manner as the City has negotiated a revised operating contract. Improvements to the golf courses are planned in the next few years to keep the appearance and overall utility of the courses up-to-date.

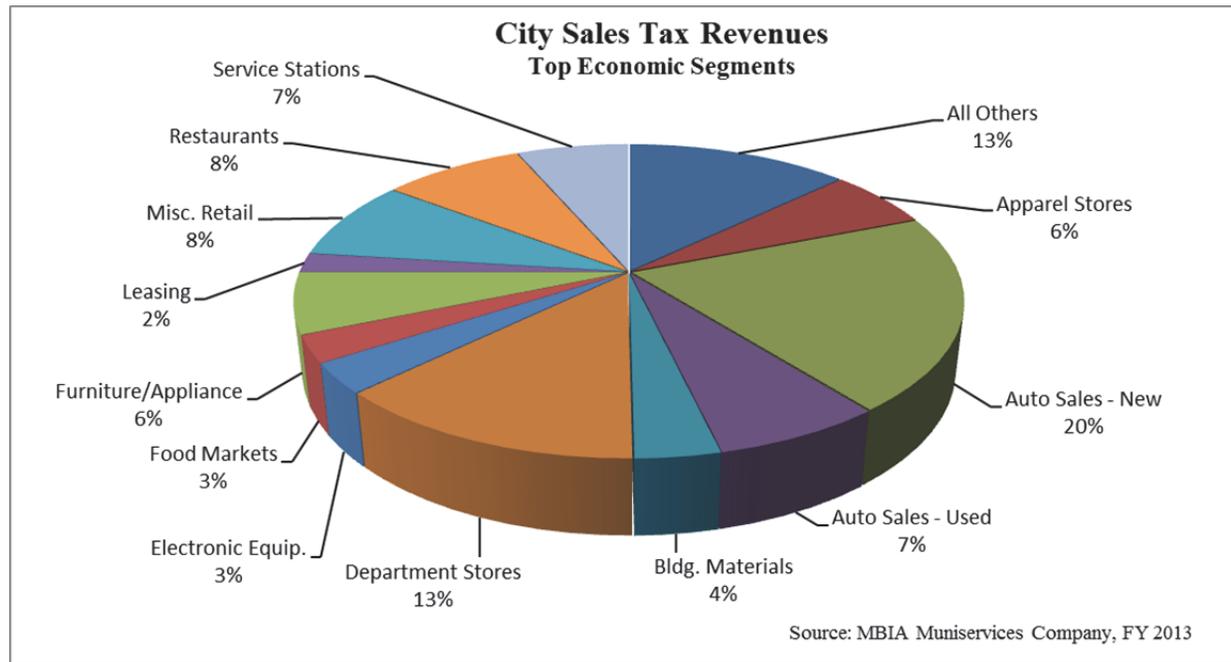
The School-Age Child Care Fund had operating revenues greater than operating expenses; however, the addition of facilities on the Johnson School Site and repayment of loans pushed total expenditures greater than revenue for the year. This program will continue to be monitored for fiscal effectiveness.

The long-term outlook for the City's economy is good. While housing starts are still down from earlier highs, new homes are still being built and sold. Office and retail vacancies remain significant, but this creates capacity for an economic recovery. Several major office vacancies have been recently filled, creating a lower vacancy rate. Sales tax is trending up and new and diverse stores continue to be attracted to the retail core of the City. New auto sales were up in fiscal year 2013 compared to fiscal year 2012. This trend appears to be continuing into fiscal year 2014. Retail hardware sales continued to be down as well due to fallout from the housing slowdown.

On a short-term basis, the City will need to continue cost-cutting measures to bring costs in line with falling revenues. Since 2007, the City has been aggressive and proactive in cutting costs and has aggressively reduced materials and supply costs, defunded approximately 80 General Fund positions through attrition through fiscal year 2012, incentivized 120 employees throughout the organization to retire, and laid off 35 permanent positions in the General Fund. The City is responding to the ongoing economic challenges and maintains a prudent approach with requests for increased budget appropriations.

## TOP SALES TAX GENERATORS BY ECONOMIC SEGMENT

The chart below provides an overview of the City's sales tax revenue by economic segment. Most sectors experienced increases over fiscal year 2012. Total sales taxes increased nearly \$4.9 million from 2012, approximately 12.7% increase. In the top ten sales tax categories, nine have experienced increases in taxable sales. New auto sales, the largest sales-tax category, were up 15 percent from last year and up 29 percent from two years ago.



The outlook for the next two years is that sales taxes are most likely to continue increasing. The City is taking a conservative approach on sales taxes in its budgeting process.

## MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2013 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- Public Works: Completed Town Square, Eureka/I-80 On-ramp widening, Fiddymont Road widening, and Fire Station #9.
- Water: Continued rehabilitation of the 22-inch Atlantic Street water pipe project and water infrastructure improvements for Downtown Specific Plan (DTSP) Phase I.
- Wastewater: Completed secondary clarifier mechanical rehabilitation, completed SCADA master plan and requested proposals to begin SCADA system replacement.
- Electric: Ongoing improvement, maintenance and rehabilitation of electric assets.
- Parks and Recreation: Completion of Heredia Park and renovations of Veterans Park parking lot, Pineschi Park, Weber play area, Silverado play area, Royer Park wooden castle structure and soccer field, Maidu softball field restroom, Lincoln Estates Park concrete slide, Aquatics Complex slide, and 11 tennis courts resurfaced.

Private development increased in fiscal year 2013. Single-family and multi-family residential increased compared to last fiscal year with 679 and 103 new units in 2013 as compared to 621 and 0, respectively in 2012. Commercial development increased over the last year with permits being issued for five new commercial projects; most notably was construction of a new DMV office, medical offices, and an addition to the Bill Santucci Justice Center. Industrial development continued to lag for 2013 with no new industrial inventory being added. The City has experienced a significant increase in permit activity which can be attributed to tenant improvements. This is evidenced by the increase in permit activity this year where 7,268 permits have been applied for, compared to 5,037 applied for last year.

<b>Development Type</b>	<b>Number of Units</b>	<b>New Square Feet Occupied</b>
Single-family residential	679	
Multi-family residential	103	
Industrial		0
Commercial		70,183
Business professional		0

The major growth areas of the Sierra Vista, Creekview, and Amoruso Ranch Specific Plan areas are located on the north and south boundaries of the West Roseville Specific Plan. Sierra Vista is annexed and fully entitled, including the Westbrook portion of the plan area adopted in June 2012. The Creekview Specific Plan, approved by the City Council in September 2012, was officially annexed April 17, 2003. A third development project, Amoruso Ranch, is in the entitlement process. Amoruso Ranch anticipates completing the entitlement process in winter 2014.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

### Category Fund Type

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

Proprietary Funds: Enterprise Funds and Internal Service Funds

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

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

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

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

### CASH MANAGEMENT

The City has a formal investment policy, which is subject to annual review and approval by the City Council. Available cash for operations and capital was invested in the State Treasurer's Local Agency Investment Fund (LAIF), corporate notes, money market funds, municipal bonds, commercial paper, and government securities. Restrictions on the maturity and percentage of the investments and categorization of credit risk are discussed in the Notes to the Basic Financial Statements. The City's portfolio is invested mainly in Federal Agency Issues and U.S. Treasury Coupons. The average annual yield was 0.576% on the City's month-end average investment balances. This compared with a return of 0.758% in the prior year. As of June 30, 2013, the yield to market of outstanding investments was 0.490%. This decrease was the result of an overall falling interest rate environment. Investment income includes changes in the fair market value of investments. Decreases in fair market value during the current year do not necessarily represent trends that will continue. The City's policy is to generally hold investments to maturity, and to limit sales of securities to those that show gains in market value.

Although positive economic news and improvements in the housing market helped boost investor confidence about the economic recovery, the City closely monitors all investments. The City has exposure to financial institutions in the form of corporate notes and negotiable CDs. Additionally, the City owns a good deal of Federal agency bonds and U.S. Treasuries. No losses have occurred in these portfolios. The table below provides a list of the City's investments at the end of June 30, 2013.

**City of Roseville  
Portfolio Summary  
June 30, 2013**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM</b>
Certificates of Deposit	1,250,000.00	1,254,288.05	1,250,000.00	0.31%	291	112	0.366
C.A.M.P.	970,730.25	970,730.25	970,730.25	0.24%	1	1	0.100
Local Agency Investment Funds	47,080,066.78	47,092,929.38	47,080,066.78	11.66%	1	1	0.244
Money Market	1,861,336.79	1,861,336.79	1,861,336.79	0.46%	1	1	0.001
Negotiable CDs	39,000,000.00	38,978,285.50	38,998,654.37	9.66%	588	494	0.489
Corporate Notes	64,320,000.00	65,045,603.18	65,106,317.18	16.13%	992	693	0.961
Commercial Paper - Interest Bearing	10,000,000.00	10,000,888.89	10,000,000.00	2.48%	185	123	0.100
Commercial Paper Disc. -Amortizing	100,000.00	99,937.50	99,924.06	0.02%	180	127	0.220
Federal Agency Coupon Securities	67,287,000.00	68,365,398.70	68,444,891.73	16.95%	1029	783	0.499
Treasury Coupon Securities	159,488,000.00	167,285,940.05	167,462,714.77	41.48%	1037	748	0.399
Municipal Bonds	2,430,000.00	2,426,881.70	2,430,000.00	0.60%	1250	978	0.788
<b>Investments</b>	<b>393,787,133.82</b>	<b>403,382,219.99</b>	<b>403,704,635.93</b>	<b>100.00%</b>	<b>835</b>	<b>612</b>	<b>0.490</b>

**LONG-TERM FINANCIAL PLANNING**

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

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

**Rate Stabilization Funds:** The Electric Department maintains a rate stabilization fund targeted at a minimum policy level of 60 percent of operating expenses. This allows the City time to react with major changes to the cost of electricity without having to impose an emergency rate increase. The City also uses this fund as a reserve for the Electric utility. Rate stabilization funds are also used in the Environmental Utilities to help ease the impacts of rate increases over a period of years.

**CIP Rehabilitation Fund:** The City has set aside approximately \$12.6 million in a CIP Rehabilitation Fund for the purpose of maintaining the City's investments in buildings and park facilities. These funds are used to provide necessary maintenance and improvements to City-owned facilities. The Council's goal is to increase this balance of this fund to keep pace with the improvements needed to maintain City facilities.

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

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

**OPEB Trust:** The City set up the Post-Retirement Fund in 2002 to begin setting aside monies to address the City's long-term liability for post-retirement health benefits. In addition to one-time monies transferred into this fund, the City has transferred 3 percent of the total cost of salaries for several years; however, the General Fund portion of this transfer was not made in fiscal year 2013. The City is in the process of reviewing its benefit levels. In fiscal year 2011, the City established an irrevocable trust and moved \$34 million of accumulated revenues into the OPEB Trust. This has increased the longer-term investment return on the funds, thus lowering the City's unfunded liability. Since inception, the trust's investments have performed at or better than its long-term return of 6.5%.

#### INDEPENDENT AUDIT

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

#### AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

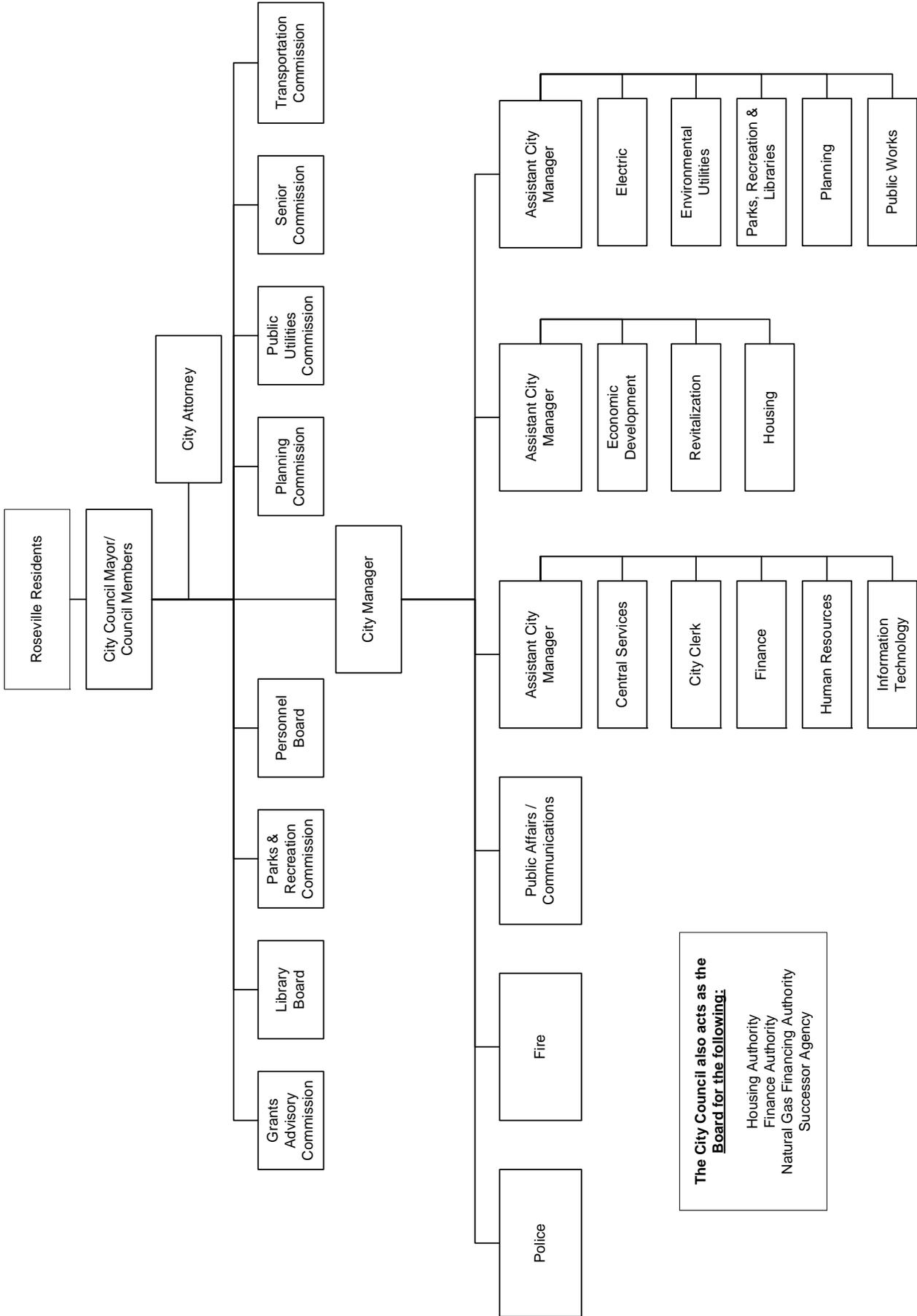
#### ACKNOWLEDGMENTS

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

Respectfully submitted,



Monty Hanks  
Finance Director



**Organizational Chart: City Wide**

**CITY OF ROSEVILLE**

**ELECTED OFFICIALS**

**JUNE 30, 2013**

Mayor  
Vice Mayor  
Council Member  
Council Member  
Council Member

Susan Rohan  
Carol Garcia  
Bonnie Gore  
Tim Herman  
Pauline Roccucci



Government Finance Officers Association

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

Presented to

**City of Roseville  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

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## INDEPENDENT AUDITOR'S REPORT

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

### *Report on Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

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

## ***Emphasis of Matters***

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2013 that affected the nomenclature of the financial statements:

*Statement 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* See Note 1B and 1F to the financial statements for relevant disclosures.

Management early-implemented the provisions of the following Governmental Accounting Standards Board Statement during the year ended June 30, 2013 that also affected the format and nomenclature of the financial statements and required a restatement of net position:

*Statement 65 – Items Previously Report as Assets and Liabilities.* See Note 1F and Note 9 to the financial statements for relevant disclosures.

As discussed in Note 8E, the City restated certain capital asset balances.

As discussed in Note 20, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Roseville Redevelopment Agency was dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Roseville Redevelopment Agency prior to the date of dissolution, including the repayment of interfund advances and loans made to the City and the Roseville Community Development Corporation, may be subject to review by the State as discussed in Note 20, but the effect of that review cannot be determined as of June 30, 2013.

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

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

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

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

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California  
December 20, 2013

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2013**

The following discussion provides readers of the City of Roseville's financial statements a narrative overview and analysis of the financial activities of the City of Roseville for the fiscal year ended June 30, 2013. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

Even though there have been signs of economic recovery, there have continued to be issues which affect Roseville, in areas such as reduced property taxes and increased retirement expenses, as it has for most of the state. The City's financial highlights are presented below:

**FISCAL YEAR 2013 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2013 include the following:

*Entity-wide:*

- The City's total net position was \$2.4 billion as of June 30, 2013. Of this total, \$1.1 billion were Governmental assets and \$1.3 billion were Business-type assets.
- Governmental revenues include program revenues of \$54.1 million and general revenues and transfers of \$110.3 million for a total of \$164.3 million.
- Governmental expenses were \$176.5 million.
- Business-type program revenues, interest revenue and miscellaneous revenues were \$291.7 million while Business-type expenses, transfers, and special items were \$308.2 million.

*Fund Level:*

- Governmental Fund balances decreased to \$194.7 million in fiscal year 2013, down \$16.9 million from the prior year.
- Governmental Fund revenues increased to \$135.8 million in 2013, up \$14.2 million from the prior year. Both sales and property taxes increased as the economy has been in an upward growth mode. Charges for services, subventions and grants, contributions from developers, and miscellaneous revenue all increased, while use of money and property continued to decline as interest rates have continued to be extremely low. Governmental Fund expenditures increased to \$164.0 million in fiscal year 2013, up \$17.1 million from the prior year. The increases were primarily due to \$15.4 million in capital outlay; \$1.5 million in general government; \$1.0 million in police; \$1.5 million in fire; \$1.4 million in parks and recreation, which was offset by \$2.3 million reduction in debt service, and a \$1.2 million reduction in community development and planning.
- Other Financing Sources provided a net of \$18.6 million in fiscal year 2013, down \$6.7 million from 2012 as project funding from the enterprise funds did not recur.

*General Fund:*

- General Fund revenues of \$97.2 million increased by \$8.0 million higher than the prior year due mostly to increased sales taxes and a refund of property tax administrative fees.
- General Fund expenditures of \$114.4 million increased \$3.5 million over the prior year -- \$1.8 million from general government, \$1.5 million from fire, \$1.0 million from police; while capital outlay declined by \$1.1 million.
- Other Financing Sources decreased \$2.1 million to \$17.0 million due to a decline in transfers from other funds.
- The General Fund balance of \$57.3 million as of June 30, 2013 decreased \$7.5 million from fiscal year 2012's fund balance of \$64.8 million.

## OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is divided into six parts:

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

### **The Basic Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

### *Fund Financial Statements*

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

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

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

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

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

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

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

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

### *Fiduciary Statements*

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

## FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

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

### *Governmental Activities*

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

	<u>2013</u>	<u>2012</u>
Cash and Investments	\$231.5	\$238.2
Other Assets	79.5	71.9
Capital Assets	851.6	848.1
<b>Total Assets</b>	<b>1,162.6</b>	<b>1,158.2</b>
Long-Term Debt Outstanding	12.8	13.3
Other Liabilities	92.4	75.4
<b>Total Liabilities</b>	<b>105.2</b>	<b>88.7</b>
Net Assets:		
Net Investment in Capital Assets	838.8	834.8
Restricted	131.4	140.3
Unrestricted	87.2	94.4
<b>Total Net Position</b>	<b>\$1,057.4</b>	<b>\$1,069.5</b>

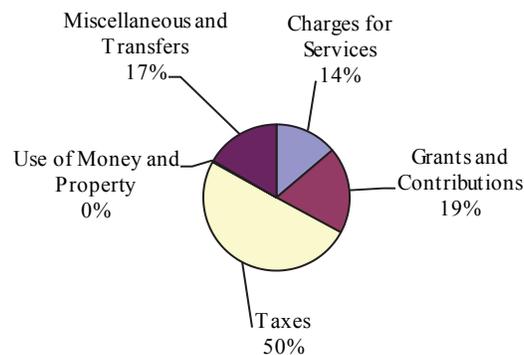
The City's governmental net position amounted to \$1.1 billion as of June 30, 2013, a decrease of \$12.1 million from fiscal year 2012. The City's net position as of June 30, 2013 comprised the following:

- Cash and investments comprised \$227.7 million in the city treasury and \$3.8 million of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.
- Receivables comprised \$16.4 million of which were current, along with developer permit receivables of \$1.6 million, internal balances of \$4.3 million, notes receivable of \$54.2 million that are due over longer periods of time, as explained in Notes 4, 5, and 6 to the financial statements.
- Capital assets of \$851.6 million, net of depreciation charges, includes all of the City's infrastructure as well as other capital assets used in governmental activities, as discussed in Note 8.
- Current liabilities—including accounts payable, accrued liabilities, and other amounts due currently—totaled \$37.8 million.
- Accrued compensated absence liabilities payable to employees of \$11.2 million, as explained in Note 1H to the financial statements.

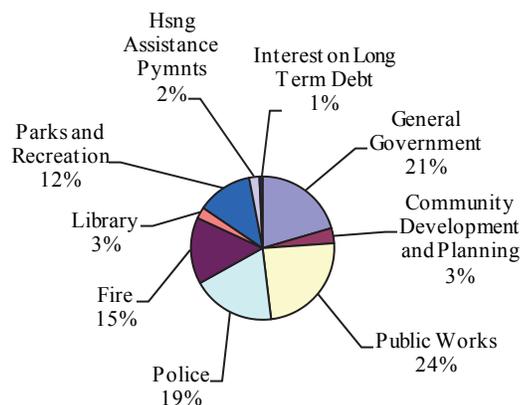
- \$33.2 million of unfunded required contributions to the Other Post-Employment Benefits (OPEB) Trust as required by GASB 45 and detailed in Note 13.
- Long-term debt of \$12.8 million, of which \$11.9 million is due in future years and \$0.9 million is due currently, as detailed in Note 9.
- Net investment in capital assets of \$838.8 million, representing the City’s investment in infrastructure and other capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- Restricted net position totaling \$131.4 million may only be used to construct specified capital projects, for debt service, or for community development projects. The restrictions on these funds cannot be changed by the City.
- Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had \$87.2 million of unrestricted net position as of June 30, 2013. While these assets are technically unrestricted, most of these assets are designated for a specific use.

### Fiscal Year 2013 Governmental Activities

#### Sources of Revenue



#### Functional Expenses



As the Sources of Revenue Chart above shows, \$82.4 million, or 50% of the City's fiscal year 2013 governmental activities revenue, came from taxes, while \$27.3 million or 17% came from transfers and miscellaneous, \$31.4 million or 19% came from grants and contributions, \$22.7 million, or 14%, came from charges for services, and the remainder came from use of money and property, as shown above.

The Functional Expenses Chart above includes only current year expenses; it does not include capital outlays, which are added to the City's capital assets. As the Chart shows, general government was \$36.2 million or 21% of total government expenses, community development and planning was \$6.0 million or 3%, public works was \$42.7 million or 24%, police was \$33.2 million or 19%, fire was \$26.6 million or 15%, parks and recreation was \$22.0 million or 12%, and other governmental programs and functions were the remaining 6%.

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

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

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
<b>Expenses</b>		
General Government	\$36.2	\$35.6
Community Development and Planning	6.0	11.6
Public Works	42.7	32.5
Police	33.2	31.3
Fire	26.6	25.3
Library	4.5	4.6
Parks and Recreation	22.0	20.2
Housing Assistance Payments	4.0	4.2
Interest on Long-Term Debt	1.3	1.0
<b>Total Expenses</b>	<b>176.5</b>	<b>166.3</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	22.7	20.6
Operating Grants and Contributions	9.6	3.0
Capital Grants and Contributions	21.8	19.8
<b>Total Program Revenues</b>	<b>54.1</b>	<b>43.4</b>
General Revenues:		
Taxes/Intergovernmental	82.4	78.5
Use of Money and Property	0.5	3.2
Miscellaneous	2.1	1.5
<b>Total General Revenues</b>	<b>85.0</b>	<b>83.2</b>
<b>Total Revenues</b>	<b>139.1</b>	<b>126.6</b>
<b>Changes in Net Position before Transfers</b>	<b>(37.4)</b>	<b>(39.7)</b>
Transfers	25.2	30.4
Extraordinary item-Successor Agency	0	34.2
<b>Change in Net Position</b>	<b>(12.2)</b>	<b>24.9</b>
<b>Net Position-Beginning</b>	<b>1,069.6</b>	<b>1,044.7</b>
<b>Net Position-Ending</b>	<b>\$1,057.4</b>	<b>\$1,069.6</b>

As the Sources of Revenue Chart and **Table 2** above show, \$54.1 million, or 38.9% of the City’s fiscal year 2013 governmental revenue, came from program revenues and \$85.0 million, or 61.1%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$22.7 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$9.6 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$21.8 million that consist mainly of street project grants, developer impact fees restricted to capital outlay.

General Revenues-Taxes/Intergovernmental showed an increase of \$3.9 million, as sales and property taxes increased, signs of an economy rebounding. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

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

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

	<u>Net (Expense)/Revenues from Services</u>	
	<u>2013</u>	<u>2012</u>
General Government	(\$31.2)	(\$30.9)
Community Development and Planning	(2.4)	(9.2)
Public Works	(24.6)	(15.4)
Police	(30.4)	(28.5)
Fire	(23.2)	(22.9)
Library	(4.1)	(4.2)
Parks and Recreation	(5.6)	(6.6)
Housing Assistance Payments	0.4	(4.2)
Interest on Long Term Debt	(1.3)	(1.0)
<b>Totals</b>	<b>(\$122.4)</b>	<b>(\$122.9)</b>

### *Business-type Activities*

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

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

	<u>2013</u>	<u>2012 (a)</u>
Cash and Investments	\$197.8	\$181.7
Other Assets	381.6	424.2
Capital Assets	1,442.1	1,460.7
<b>Total Assets</b>	<b>2,021.5</b>	<b>2,066.6</b>
Deferred Amount on Refunding	4.8	5.2
Accumulated Decrease in Fair Value of Hedging Derivatives	43.3	77.5
<b>Total Deferred Outflows of Resources</b>	<b>48.1</b>	<b>82.7</b>
Long-Term Debt Outstanding	579.9	587.9
Other Liabilities	97.8	126.1
<b>Total Liabilities</b>	<b>677.7</b>	<b>714.0</b>
Accumulated Increase in Fair Value of Hedging Derivatives	74.8	101.6
<b>Total Deferred Inflows of Resources</b>	<b>74.8</b>	<b>101.6</b>
Net Position:		
Net Investment in Capital Assets	1,046.7	1,065.7
Restricted	27.2	28.9
Unrestricted	243.2	239.1
<b>Total Net Position</b>	<b>\$1,317.1</b>	<b>\$1,333.7</b>

(a) As discussed in Notes 8E and 9 to the financial statements, 2012 amounts have been restated for the implementation of GASB Statements No. 63 and 65 and for prior developer contributions of capital assets.

The net position of business-type activities decreased to \$1.317 billion in fiscal year 2013, a decrease of \$16.6 million. Cash and investments increased by \$16.1 million. Capital assets decreased by \$18.6 million as depreciation expense exceeded current year additions. Long-term debt outstanding decreased by \$7.5 million from scheduled retirements of outstanding debt. Other assets and other liabilities decreased by \$42.6 million and \$28.3 million respectively, as the fair value of hedging derivative assets and liabilities decreased \$27.1 million and \$34.2 million, respectively, and the investment in SPWA reserves decreased \$15.7 million. Also deferred inflows decreased by \$2.7 million.

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

	Business-Type Activities	
	<u>2013</u>	<u>2012</u>
<b>Expenses</b>		
Electric Fund	\$144.2	\$145.0
Water Fund	24.6	24.3
Wastewater Fund	33.8	34.6
Solid Waste Fund	16.2	15.9
Natural Gas	26.4	26.8
Golf Course Fund	2.6	2.5
Local Transportation Fund	7.9	6.7
School-Age Child Care Fund	4.7	4.5
<b>Total Expenses</b>	<b><u>260.4</u></b>	<b><u>260.3</u></b>
<b>Revenues</b>		
<b>Program Revenues</b>		
Charges for Services	255.6	253.4
Operating Grants and	7.2	13.7
Capital Grants and Contributions	17.5	12.3
<b>Total Program Revenues</b>	<b><u>280.3</u></b>	<b><u>279.4</u></b>
<b>General Revenues</b>		
Use of Property and Money	11.2	12.7
Miscellaneous Revenues	0.2	
<b>Total Revenues</b>	<b><u>291.7</u></b>	<b><u>292.1</u></b>
<b>Change in Net Position before</b>	<b>31.3</b>	<b>31.8</b>
Transfers	(25.2)	(30.4)
Special Item	(22.7)	
<b>Changes in Net Position</b>	<b>(16.6)</b>	<b>1.4</b>
<b>Net Position-Beginning, as restated</b>	<b><u>1,333.7</u></b>	<b><u>1,332.3</u></b>
<b>Net Position-Ending</b>	<b><u><u>\$1,317.1</u></u></b>	<b><u><u>\$1,333.7</u></u></b>

Business-type program revenues, interest revenue, and miscellaneous revenues were \$291.7 million while Business-type expenses and transfers were \$285.6 million in 2013. Each program is discussed in the Proprietary Funds section below.

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

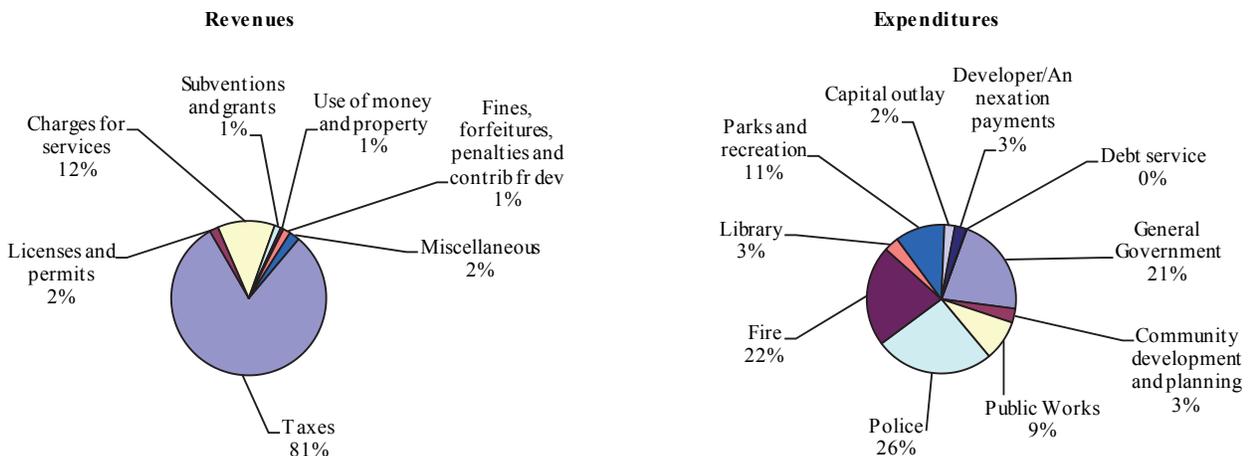
**Table 6**  
**Changes in Business-Type Net Position**  
**(in Millions)**

	<u>Net (Expense)/Revenues From Services</u>	
	<u>2013</u>	<u>2012</u>
Electric Fund	\$19.6	\$17.1
Water Fund	4.7	(0.5)
Wastewater Fund	(0.2)	0.3
Solid Waste Fund	5.7	5.3
Natural Gas	(9.9)	(10.2)
Golf Course Fund	(0.1)	0.2
Local Transportation Fund	0.0	7.1
School-Age Child Care Fund	0.1	0.2
<b>Totals</b>	<b>\$19.9</b>	<b>\$19.5</b>

***Analyses of Major Governmental Funds***

**General Fund**

**Fiscal Year 2013 General Fund Activity**



General Fund revenues increased by \$8.0 million this fiscal year. Total actual revenues were more than the final budget by \$3.6 million, with the following major breakdown:

- Taxes were more than budget by \$3.6 million, due to both sales and property taxes coming in higher as the economy has been in recovery mode;
- Charges for services and subventions and grants were less than budget by \$0.1 million and \$0.5 million, respectively;
- Licenses and permits and miscellaneous revenues were more than budget by \$0.1 million and \$0.5 million, respectively, due to an increase of development activity and reimbursements.

General Fund expenditures were \$114.4 million, an increase of \$3.5 million from the prior year. Expenditures were also \$7.2 million less than budget. The original budget was increased by a net \$9.2 million, from encumbrances and incomplete capital projects carried over from fiscal year 2012. The following is a list of the major differences:

#### Salaries and benefits

- Engineering was under budget by \$334 thousand due to unfilled positions.
- Police in aggregate was under budget by \$1.4 million due to unfilled positions.
- Fire operations were under budget by \$362 thousand due to unfilled positions.

#### Operating services and supplies

- Strategic improvements were under budget by \$245 thousand for program delays.
- Information technology-administration was under budget by \$166 thousand due to upgrade projects and training not completed.
- Building maintenance was under budget by \$200 thousand due to delays in maintenance and remodel projects.
- Economic development was under budget by \$624 thousand as a business development project was delayed.
- Specific plan projects in aggregate were delayed and were \$445 thousand under budget.
- Building plan check services were under budget by \$165 thousand.
- Police administration was under budget by \$126 thousand as contract services were delayed and utility and phone charges decreased.
- Fire operations were under budget by \$170 thousand as gear and safety equipment were not received, system maintenance and training not completed by year-end.
- Aquatics were under budget by \$128 thousand from lower utility costs and delays in system maintenance and concession purchases.
- Open space/tree maintenance was under budget by \$117 thousand as planned maintenance was delayed.

Other financing sources and uses reported net inflows of \$17.0 million in fiscal year 2013, a decrease of \$2.1 million. There was an extraordinary expenditure item of \$7.3 million as a prior year loan repayment by the former Redevelopment Agency was denied by the Department of Finance and the funds were returned to the Successor Agency.

As of June 30, 2013, the General Fund's fund balance totaled \$57.3 million, including \$24.3 million nonspendable, mostly for notes receivable, \$3.0 million assigned to various contracts, and the balance of \$29.9 million considered unassigned. Only the unassigned portion of fund balance represents available liquid resources, since the nonspendable and assigned portions is represented by non-cash assets or by open purchase orders.

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

This Fund accounts for capital expenditures on community facilities districts in the City. The purpose of these districts is to finance the construction of capital improvements within the boundaries of each district, through the contribution of Mello-Roos bond proceeds. The improvements are contributed to the City, which in turn acquires and pays for these facilities from the developers who actually construct the improvements. In fiscal year 2013 fund balance decreased by \$4.7 million. The largest projects underway in fiscal year 2013 were improvements to the Westpark, North Central, and Fiddymont developments.

## **Other Governmental Funds**

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

### ***Proprietary Funds***

#### **Electric Fund**

Net Position of the Electric Fund increased \$5.0 million in fiscal year 2013 to a total of \$254.9 million. Operating revenues were \$159.0 million, a decrease of \$1.1 million from 2012. Even though charges for services went up \$3.1 million, other revenues decreased by \$4.2 million due to remediation revenue being eliminated. Operating expenses were \$132.9 million in fiscal year 2013, a slight increase of \$320 thousand. This resulted in a net operating income of \$26.0 million. Net nonoperating expenses decreased slightly by \$560 thousand in fiscal year 2013 to \$11.0 million from \$11.6 million in fiscal year 2012. During fiscal year 2013, the City refinanced and retired the 2008 Electric System Revenue Refunding Certificates of Participation, Series A, with the 2012 Electric System Revenue Refunding Certificates of Participation. Rates are anticipated to be increased in fiscal year 2014.

Of the fund's Net Position of \$254.9 million, \$163.2 million was invested in capital assets, \$16.7 million was restricted for debt service, and \$75.0 million was unrestricted.

#### **Water Fund**

Net Position of the Water Fund increased \$2.1 million in fiscal year 2013. Operating revenues increased by \$2.9 million in fiscal year 2013 to a total of \$22.9 million, while expenses increased slightly by \$870 thousand to a total of \$22.5 million. The net result was an operating income of \$380 thousand. Rates are anticipated to be increased in fiscal year 2014. In fiscal year 2013, capital connection fees were \$5.0 million, an increase of \$1.3 million; and contributions from developers increased from almost zero in fiscal year 2012 to \$1.3 million, as development picked up in fiscal 2013. In addition, net transfers out were \$3.0 million.

As of June 30, 2013, the Fund's Net Position was \$447.6 million, of which \$386.6 million was invested in capital assets, \$4.3 million was restricted for debt service, and \$56.6 million was unrestricted as to use.

#### **Wastewater Fund**

Operating revenues decreased slightly in fiscal year 2013 \$400 thousand to a total of \$27.7 million. Operating expenses decreased to \$29.6 million, down \$680 thousand. The net result was an operating loss of \$1.9 million. Rates are anticipated to be increased in fiscal year 2014. Other items that affected net position were: connection fees of \$5.8 million; capital contributions by developers of \$3.7 million; decrease of \$3.5 million in South Placer Wastewater Authority (SPWA) reserves; net transfers out of \$4.1 million; and a special item expense due to the reallocation of the City's investment in SPWA of \$22.7 million. The reallocation was the result of a change in the SPWA funding agreement that increased the City's share of the SPWA debt from 54.17% to 61.66%, as discussed in Note 16 to the financial statements. The total decrease to net position was \$26.9 million for fiscal year 2013 to a total of \$569.8 million. As of June 30, 2013, of the Fund's Net Position, \$465.7 million was invested in capital assets, \$5.1 million restricted for debt service, and \$99.0 million was unrestricted.

### **Solid Waste Fund**

Operating revenues decreased nominally by \$530 thousand to \$21.4 million while operating expenses increased slightly by \$640 thousand in fiscal year 2013 to \$16.2 million. Net operating income was \$5.2 million. Capital impact fees were \$380 thousand. Net transfers out were \$2.8 million. As of June 30, 2013, total net position was \$20.9 million, an increase of \$2.9 million.

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

This fund was created as the financing mechanism to purchase pre-paid natural gas for the Roseville Energy Park (REP), an electric power plant, through the issuance of revenue bonds. \$184.5 million remains due in bonds payable, while the pre-paid natural gas is \$186.7 million. \$8.2 million in debt service was expensed in 2013 and interest earnings were \$10.2 million. Net position increased by \$300 thousand to \$3.0 million.

### **Golf Course Fund**

Operating revenues decreased slightly by \$240 thousand in fiscal year 2013 to \$2.5 million. Operating expenses increased slightly by \$100 thousand to \$2.3 million, for an operating income \$184 thousand. The Fund is financed in part by advances from other City funds; as a result, it has a deficit in its unrestricted net position, partially offsetting the \$10.1 million it has invested in capital assets, net of the related debt.

### **Local Transportation Fund**

Net Position of the Fund decreased slightly by \$280 thousand in fiscal year 2013. There was a \$6.9 million operating loss in fiscal year 2013, but the loss was offset by subventions and grants of \$6.8 million. As of June 30, 2013, of the Fund's Net Position of \$15.4 million, \$14.3 million was invested in capital assets and \$1.2 million was restricted for use in local transportation.

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

Net Position of the Fund remained relatively flat with a nominal decrease of \$240 thousand in fiscal year 2013 to a total of \$1.3 million. Operating revenues increased \$430 thousand while operating expenses decreased by \$370 thousand. Of the net position, \$2.1 million were invested in capital assets, which leaves a negative \$874 thousand in unrestricted net position.

## CAPITAL ASSETS

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

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

	Balance at June 30, 2013	Balance at June 30, 2012
<b>Governmental Activities</b>		
Land	\$27.1	\$25.8
Streets (modified)	282.7	251.8
Parks (modified)	89.3	85.3
Landscaping (modified)	45.1	44.9
Construction in Progress	42.3	96.5
Buildings	126.6	126.4
Improvements	6.6	6.6
Equipment	73.9	72.3
Bike Paths	8.5	8.5
Bridges	65.3	56.5
Culverts	20.7	20.2
Curb, Gutter, Sidewalk, & Median Curbs	151.1	145.4
Drain Inlets	21.2	20.8
Flood Control Improvements	20.2	20.0
Soundwall	36.1	31.6
Stormdrains	77.8	72.7
Traffic Signals	42.6	33.3
Less: Accumulated Depreciation	(285.5)	(270.5)
<b>Governmental Activity Capital Assets, Net</b>	<b>\$851.6</b>	<b>\$848.1</b>
	Balance at June 30, 2013	Restated Balance at June 30, 2012
<b>Business-Type Activities</b>		
Land	\$16.5	\$16.5
Landscaping (modified)	0.6	0.6
Construction in Progress	21.8	13.6
Buildings	26.7	26.2
Improvements	16.4	17.1
Machinery and Equipment	26.8	24.6
Bike Paths	4.1	4.1
Bridges	1.7	1.7
Culverts, drains, curbs	0.3	0.3
Curb, gutter, sidewalk, and median curbs	0.1	0.1
Flood control improvements	8.8	8.8
Plant and Substations	354.4	352.3
Distribution	1,194.8	1,187.2
Generation	202.0	200.9
Less: Accumulated Depreciation	(432.9)	(393.3)
<b>Business-Type Activity Capital Assets, Net</b>	<b>\$1,442.1</b>	<b>\$1,460.7</b>

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

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

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

At June 30, 2013, the City's streets averaged 7.8 PQI for arterial and collector roadways and 7.4 PQI for residential roadways. The City expended \$5.0 million on preservation of its streets in fiscal year 2013, compared to the budgeted amount of \$5.2, and plans to spend \$4.6 million in fiscal year 2014.

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

At June 30, 2013, the City's parks and landscaping averaged 3 GMI. The City expended \$4.9 million on preservation of its parks and landscaping in fiscal year 2013, compared to the budget of \$4.8 million, and plans to spend \$5.0 million in fiscal year 2014.

## **DEBT ADMINISTRATION**

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

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

	<u>Balance at June 30, 2013</u>	<u>Balance at June 30, 2012</u>
<b>Governmental Activity Debt:</b>		
<b>Certificates of Participation:</b>		
2003A Public Facilities Bond, 2.0%-5.0%, due 8/1/25		\$13.19
<b>Lease:</b>		
2012 Public Facilities Refunding, 2.15%, due 8/1/25	\$11.55	
<b>Installment Purchase Obligations:</b>		
Equipment	0.04	0.13
Land	1.19	
	<u>12.78</u>	<u>13.32</u>
<b>Total Governmental Activity Debt:</b>	<b><u>12.78</u></b>	<b><u>13.32</u></b>

	Balance at June 30, 2013	Balance at June 30, 2012
<b>Business-type Activity Debt:</b>		
<b>Certificates of Participation:</b>		
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	\$37.43	\$37.82
Less deferred amount on refunding	(0.51)	(0.53)
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	40.16	43.62
Add deferred bond premium cost	2.62	2.73
2008 Electric System Revenue, Series A, Variable Rate, due 2/1/35		90.00
2009 Electric System Revenue Refunding, 2.0-5.25%, due 2/1/24	20.84	22.35
Add deferred bond premium cost	0.29	0.32
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.00	
2003B Golf Course Refunding, 2.0-5.0%, due 8/1/23		5.60
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	44.70	46.66
Add deferred bond premium cost	1.93	2.07
Total Certificates of Participation	<u>237.46</u>	<u>250.64</u>
<b>Revenue Bonds:</b>		
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	174.20	181.87
Add deferred bond premium cost	10.30	11.04
2010 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/37	55.21	55.54
Add: deferred bond premium cost	2.46	2.56
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series A, variable rate, due 11/1/35		16.34
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series B variable rate, due 11/1/35		16.34
2011 Refunding Wastewater Revenue Bonds, Series C		
1.00-5.25%, due 11/1/25	37.80	34.86
Add: deferred bond premium cost	2.63	2.48
2011 Refunding Wastewater Revenue Bonds, Series D		
variable rate (SIFMA rate plus 0.83%), due 11/1/14	18.50	16.25
2013 Refunding Wastewater Revenue Bonds		
variable rate, due 11/1/35	36.58	
Total Revenue Bonds	<u>337.68</u>	<u>337.28</u>
<b>Lease:</b>		
2012 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	4.78	
<b>Total Business-type Activity Debt:</b>	<u><u>\$579.92</u></u>	<u><u>\$587.92</u></u>

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

Community facilities districts and assessment districts in different parts of the City have also issued debt to finance infrastructure and facilities construction in their respective districts. As of June 30, 2013, a total of \$340.8 million in community facilities district and assessment district debt was outstanding, representing fourteen issues by community facilities districts and one issue by assessment districts. This debt is secured only by special tax liens and assessments on the real property in the district issuing the debt and is not the City's responsibility; however, the City does act as the agent in the collection and remittance of special taxes and assessments for these Districts. Further detail on this debt may be found in Note 9 to the financial statements.

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

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

**CITY OF ROSEVILLE**

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

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

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

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

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

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

CITY OF ROSEVILLE  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments in City Treasury (Note 3)	\$227,660,294	\$167,533,571	\$395,193,865
Restricted cash and investments with fiscal agents (Note 3)	3,772,060	30,280,880	34,052,940
Receivables:			
Taxes	1,756,273		1,756,273
Accounts, net of allowance for doubtful accounts	1,827,419	34,446,225	36,273,644
Accrued interest	4,346,651	647,326	4,993,977
Due from other government agencies	8,507,844	4,759,344	13,267,188
Internal balances (Note 4D)	4,317,809	(4,317,809)	
Prepays	93,385	2,630,331	2,723,716
Developer permit fees receivable (Note 6)	1,606,038	86,876	1,692,914
Notes receivable (Note 5)	54,203,678		54,203,678
Notes receivable from NCPA (Note 15B)		55,404	55,404
Inventories (Note 11)	1,977,681	8,558,769	10,536,450
Land held for resale (Note 7B)	886,671		886,671
Prepaid purchased gas (Note 19)		186,720,473	186,720,473
Investment in NCPA reserves (Note 15)		3,385,917	3,385,917
Investment in SPWA reserves (Note 16)		69,749,795	69,749,795
Derivative at fair value-asset (Note 10A)		74,846,313	74,846,313
Capital assets (Note 8):			
Capital assets not being depreciated	486,476,329	38,887,899	525,364,228
Capital assets being depreciated, net	365,155,254	1,403,212,304	1,768,367,558
<b>Total assets</b>	<b>1,162,587,386</b>	<b>2,021,483,618</b>	<b>3,184,071,004</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding (Note 9)		4,844,164	4,844,164
Accumulated decrease in fair value of hedging derivatives (Notes 9P and 10A)		43,348,650	43,348,650
<b>Total deferred outflows of resources</b>		<b>48,192,814</b>	<b>48,192,814</b>
<b>LIABILITIES</b>			
Accounts payable	5,681,000	13,120,110	18,801,110
Accrued liabilities	7,333,223	13,119,666	20,452,889
Due to other governments	21,420,414	795,618	22,216,032
Deposits	2,737,287	6,277,200	9,014,487
Unearned revenues	652,384	11,265,624	11,918,008
Derivative at fair value-liability (Notes 9P and 10A)		43,348,650	43,348,650
Landfill closure and post closure liability (Note 17):			
Due in more than one year		2,615,565	2,615,565
Net OPEB obligation (Note 13):			
Due in more than one year	33,246,786		33,246,786
Compensated absences (Note 1H):			
Due within one year	3,993,330	2,570,595	6,563,925
Due in more than one year	7,773,600	4,720,004	12,493,604
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	1,473,299		1,473,299
Due in more than one year	8,123,010		8,123,010
Long-term liabilities (Note 9):			
Due within one year	921,748	18,444,153	19,365,901
Due in more than one year	11,861,569	561,471,588	573,333,157
<b>Total liabilities</b>	<b>105,217,650</b>	<b>677,748,773</b>	<b>782,966,423</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated increase in fair value of hedging derivatives (Note 10A)		74,846,313	74,846,313
<b>NET POSITION (Note 11):</b>			
Net investment in capital assets	838,848,266	1,046,687,207	1,885,535,473
Restricted for:			
Capital projects:			
Expendable	102,783,353		102,783,353
Nonexpendable	17,617,205		17,617,205
Debt service	144,978	26,045,203	26,190,181
Community development projects	10,826,992		10,826,992
Local transportation		1,172,155	1,172,155
<b>Total restricted</b>	<b>131,372,528</b>	<b>27,217,358</b>	<b>158,589,886</b>
Unrestricted	87,148,942	243,176,781	330,325,723
<b>Total net position</b>	<b>\$1,057,369,736</b>	<b>\$1,317,081,346</b>	<b>\$2,374,451,082</b>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities:</b>							
General government	\$36,146,055	\$2,650,873	\$31,686	\$2,284,700	(\$31,178,796)		(\$31,178,796)
Community development and planning	6,070,940	1,691,318	1,818,805	106,069	(2,454,748)		(2,454,748)
Public works	42,655,128	3,124,557	150,223	14,821,706	(24,558,642)		(24,558,642)
Police	33,163,354	1,504,357	1,215,095		(30,443,902)		(30,443,902)
Fire	26,611,217	821,543	1,654,189	912,985	(23,222,500)		(23,222,500)
Library	4,537,528	297,467	88,946		(4,151,115)		(4,151,115)
Parks and recreation	22,032,310	12,574,853	204,754	3,661,926	(5,590,777)		(5,590,777)
Housing assistance payments	4,049,279		4,445,702		396,423		396,423
Interest on long-term debt	1,274,294				(1,274,294)		(1,274,294)
<b>Total Governmental Activities</b>	<b>176,540,105</b>	<b>22,664,968</b>	<b>9,609,400</b>	<b>21,787,386</b>	<b>(122,478,351)</b>		<b>(122,478,351)</b>
<b>Business-type Activities:</b>							
Electric	144,141,500	159,002,035	9,410	4,760,985		\$19,630,930	19,630,930
Water	24,569,405	22,899,867	50,374	6,366,042		4,746,878	4,746,878
Wastewater	33,820,510	27,693,272		5,968,120		(159,118)	(159,118)
Solid Waste	16,173,643	21,437,536	67,130	384,614		5,715,637	5,715,637
Natural Gas	26,383,130	16,530,605				(9,852,525)	(9,852,525)
Golf Course	2,617,733	2,460,509				(157,224)	(157,224)
Local Transportation	7,909,058	1,075,864	6,786,021	21,473		(25,700)	(25,700)
School-Age Child Care	4,691,235	4,475,225	262,187			46,177	46,177
<b>Total Business-type Activities</b>	<b>260,306,214</b>	<b>255,574,913</b>	<b>7,175,122</b>	<b>17,501,234</b>		<b>19,945,055</b>	<b>19,945,055</b>
<b>Total</b>	<b>\$436,846,319</b>	<b>\$278,239,881</b>	<b>\$16,784,522</b>	<b>\$39,288,620</b>	<b>(122,478,351)</b>	<b>19,945,055</b>	<b>(102,533,296)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					31,075,967		31,075,967
Sales taxes					43,002,643		43,002,643
Franchise taxes					1,874,700		1,874,700
Other taxes					6,465,560		6,465,560
Use of money and property					533,505	11,245,022	11,778,527
Miscellaneous revenues					2,113,638	150,119	2,263,757
Transfers					25,212,344	(25,212,344)	
Special Item (Note 16)							
Reallocation of investment in SPWA						(22,715,022)	(22,715,022)
<b>Total general revenues, special item and transfers</b>					<b>110,278,357</b>	<b>(36,532,225)</b>	<b>73,746,132</b>
<b>Change in net position</b>					<b>(12,199,994)</b>	<b>(16,587,170)</b>	<b>(28,787,164)</b>
<b>Net position-Beginning, as restated (Notes 8E and 9)</b>					<b>1,069,569,730</b>	<b>1,333,668,516</b>	<b>2,403,238,246</b>
<b>Net position-Ending</b>					<b>\$1,057,369,736</b>	<b>\$1,317,081,346</b>	<b>\$2,374,451,082</b>

See accompanying notes to basic financial statements

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

The funds described below were determined to be Major Funds by the City in fiscal 2013. Individual non-major funds may be found in the Supplemental Section.

**GENERAL FUND**

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

**COMMUNITY FACILITIES DISTRICT PROJECTS CAPITAL PROJECTS FUND**

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

CITY OF ROSEVILLE  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2013

	General	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments in City Treasury (Note 3)	\$45,396,988	\$9,748,996	\$123,941,026	\$179,087,010
Restricted cash and investments with fiscal agents (Note 3)		1,663,229	2,108,831	3,772,060
Receivables:				
Taxes	1,756,273			1,756,273
Accounts	1,578,611		248,652	1,827,263
Accrued interest	1,978,004	21,076	1,954,364	3,953,444
Due from other government agencies	6,793,783		1,697,103	8,490,886
Due from other funds (Note 4B)	91,067		100,000	191,067
Advances to other funds (Note 4C)	1,530,951		3,995,054	5,526,005
Prepays	93,385			93,385
Developer permit fees receivable (Note 6)	197,700	996	1,407,342	1,606,038
Notes receivable (Note 5)	23,826,961		29,547,516	53,374,477
Inventories (Note 11)	429,985		776,181	1,206,166
Land held for resale (Note 7B)			886,671	886,671
	<u>\$83,673,708</u>	<u>\$11,434,297</u>	<u>\$166,662,740</u>	<u>\$261,770,745</u>
<b>LIABILITIES</b>				
Accounts payable	\$1,997,737	\$42,051	\$3,025,087	\$5,064,875
Accrued liabilities	3,666,675		3,751,499	7,418,174
Due to other funds (Note 4B)	64,328		638,417	702,745
Due to other government agencies	7,329,129		14,091,285	21,420,414
Advances from other funds (Note 4C)		5,000,000	3,018,022	8,018,022
Unearned revenue	487,816		164,568	652,384
Deposits	2,130,154		607,133	2,737,287
	<u>15,675,839</u>	<u>5,042,051</u>	<u>25,296,011</u>	<u>46,013,901</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue (Note 1F)	<u>10,687,138</u>		<u>10,386,033</u>	<u>21,073,171</u>
<b>FUND BALANCES (Note 11)</b>				
Nonspendable	24,350,331		17,691,169	42,041,500
Restricted		6,392,246	99,706,832	106,099,078
Committed			2,290,938	2,290,938
Assigned	3,002,686		12,625,416	15,628,102
Unassigned	29,957,714		(1,333,659)	28,624,055
	<u>57,310,731</u>	<u>6,392,246</u>	<u>130,980,696</u>	<u>194,683,673</u>
<b>TOTAL FUND BALANCES</b>	<u>\$57,310,731</u>	<u>\$6,392,246</u>	<u>\$130,980,696</u>	<u>\$194,683,673</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$83,673,708</u>	<u>\$11,434,297</u>	<u>\$166,662,740</u>	<u>\$261,770,745</u>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
 Reconciliation of  
 GOVERNMENTAL FUNDS -- FUND BALANCE  
 with the Governmental Activities  
 NET POSITION  
 JUNE 30, 2013

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$194,683,673

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 839,739,797

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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

Cash and investments	48,573,284
Accounts receivable	156
Accrued interest	3,112,451
Due from other government agencies	16,958
Notes receivable	829,201
Inventories	771,515
Capital assets	11,891,786
Accounts payable	(616,125)
Accrued liabilities	(76,600)
Self-insurance claims payable	(9,596,309)
Compensated absences	(365,865)
Net OPEB obligation	(33,246,786)
Internal balances	7,321,504

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities. 18,353,927

LONG-TERM ASSETS AND LIABILITIES

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

Long-term debt	(12,783,317)
Interest payable and other accrued liabilities, included in accrued liabilities	(19,542)
Non-current portion of compensated absences	(11,219,972)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$1,057,369,736

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	General	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$78,283,027		\$7,338,962	\$85,621,989
Licenses and permits	1,805,452			1,805,452
Charges for services	11,572,161		9,041,034	20,613,195
Subventions and grants	1,312,131		15,995,091	17,307,222
Use of money and property	566,910	\$30,183	1,295,374	1,892,467
Fines, forfeitures and penalties	989,221		458,536	1,447,757
Contributions from developers and others	497,997	1,261,806	1,913,286	3,673,089
Miscellaneous revenues	2,148,834	91,163	1,169,785	3,409,782
<b>Total Revenues</b>	<b>97,175,733</b>	<b>1,383,152</b>	<b>37,212,068</b>	<b>135,770,953</b>
<b>EXPENDITURES</b>				
Current:				
General government	24,608,740		606,860	25,215,600
Community development and planning	3,457,097		2,638,867	6,095,964
Public works	10,124,648		621,841	10,746,489
Public safety:				
Police	29,626,998		11,542	29,638,540
Fire	24,997,829		43,358	25,041,187
Library	3,680,610		45,550	3,726,160
Parks and recreation	12,310,921		7,360,149	19,671,070
Housing assistance payments			4,049,279	4,049,279
Capital outlay	2,592,255	6,037,379	26,249,574	34,879,208
Payments under development agreements (Note 7A)	567,619			567,619
Annexation payments	2,302,077			2,302,077
Debt service (Note 9):				
Principal retirement	82,821		720,000	802,821
Interest and fiscal charges	19,268		1,197,963	1,217,231
<b>Total Expenditures</b>	<b>114,370,883</b>	<b>6,037,379</b>	<b>43,544,983</b>	<b>163,953,245</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(17,195,150)</b>	<b>(4,654,227)</b>	<b>(6,332,915)</b>	<b>(28,182,292)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	121,505		37,977	159,482
Issuance of debt (Note 9)			11,549,031	11,549,031
Payment to bond escrow agent			(12,756,326)	(12,756,326)
Transfers in (Note 4A)	26,043,596		12,778,214	38,821,810
Transfers (out) (Note 4A)	(9,132,770)	(5,955)	(10,008,291)	(19,147,016)
<b>Total Other Financing Sources (Uses)</b>	<b>17,032,331</b>	<b>(5,955)</b>	<b>1,600,605</b>	<b>18,626,981</b>
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	<b>(162,819)</b>	<b>(4,660,182)</b>	<b>(4,732,310)</b>	<b>(9,555,311)</b>
<b>EXTRAORDINARY ITEM (Note 5F)</b>				
Increase in loan to the Successor Agency	(7,304,420)			(7,304,420)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(7,467,239)</b>	<b>(4,660,182)</b>	<b>(4,732,310)</b>	<b>(16,859,731)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>64,777,970</b>	<b>11,052,428</b>	<b>135,713,006</b>	<b>211,543,404</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$57,310,731</b>	<b>\$6,392,246</b>	<b>\$130,980,696</b>	<b>\$194,683,673</b>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2013

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$16,859,731)

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

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay and other capitalized expenditures are therefore added back to fund balance	34,879,208
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(3,091,632)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,198,026 which has already been allocated to serviced funds.)	(15,740,683)
Capital assets acquired under capital lease are added to fund balance	1,191,322
Contributions of infrastructure and improvements by developers are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands.	2,838,884
Loss on retirement of capital assets is deducted from fund balance	(17,184,197)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

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

Repayment of debt principal is added back to fund balance	802,821
Proceeds from the issuance of debt are deducted from fund balance	(11,549,031)
Issuance of capital lease is deducted from fund balance	(1,191,322)
Payment to bond escrow agent is added to fund balance	12,756,326
Loss on refunding is deducted from fund balance	(286,326)

ACCRUAL OF NON-CURRENT ITEMS

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

Long-term compensated absences	21,376
Interest payable and accrued liabilities, included in accrued liabilities	229,263
Unavailable revenues	9,179,978

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>(8,196,250)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (\$12,199,994)

See accompanying notes to basic financial statements

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## **MAJOR PROPRIETARY FUNDS**

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

The City has identified the funds below as major proprietary funds in fiscal 2013.

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

### **ELECTRIC FUND**

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

### **WATER FUND**

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

### **WASTEWATER FUND**

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

### **SOLID WASTE FUND**

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

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

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

### **GOLF COURSE FUND**

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

### **LOCAL TRANSPORTATION FUND**

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

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

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

CITY OF ROSEVILLE  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013

	Business-type Activities-Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
ASSETS					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$52,269,386	\$52,056,273	\$33,734,999	\$18,027,774	\$22,227
Restricted cash and investments with fiscal agents (Note 3)	16,621,617	4,975,659			8,683,508
Receivables:					
Accounts, net of allowance for doubtful accounts	23,004,310	4,239,002	3,777,787	2,722,053	
Accrued interest	209,076	221,893	107,092	55,122	20
Due from other government agencies	9,410	56,131	2,184,150		
Prepays	2,472,353	157,978			
Notes receivable					
Due from other funds (Note 4B)			170,215		
Inventories (Note 11)	8,032,824	332,211	56,754	136,980	
Total Current Assets	<u>102,618,976</u>	<u>62,039,147</u>	<u>40,030,997</u>	<u>20,941,929</u>	<u>8,705,755</u>
Noncurrent Assets:					
Developer permit fees receivable (Note 6)	26,908	7,763	52,205		
Notes receivable from NCPA (Note 15B)	55,404				
Prepaid purchased gas (Note 19)					186,720,473
Investment in NCPA reserves (Note 15)	3,385,917				
Investment in SPWA reserves (Note 16)			69,749,795		
Advances to other funds (Note 4C)		2,000,000	224,621		
Derivative at fair value-asset (Notes 9 and 10)	92,171				74,754,142
Capital assets (Note 8):					
Land and construction in progress	15,089,612	4,403,437	10,999,209	363,173	
Capital assets being depreciated, net	396,587,311	428,842,185	550,192,791	4,301,978	
Total Noncurrent Assets	<u>415,237,323</u>	<u>435,253,385</u>	<u>631,218,621</u>	<u>4,665,151</u>	<u>261,474,615</u>
Total Assets	<u>517,856,299</u>	<u>497,292,532</u>	<u>671,249,618</u>	<u>25,607,080</u>	<u>270,180,370</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding (Note 9)	4,325,095	519,069			
Accumulated decrease in fair value of hedging derivatives (Notes 9 and 10)	36,304,054		7,044,596		
Total Deferred Outflows of Resources	<u>40,629,149</u>	<u>519,069</u>	<u>7,044,596</u>		
LIABILITIES					
Current Liabilities:					
Accounts payable	8,373,587	1,137,620	2,257,442	568,610	1,200
Accrued liabilities	4,807,243	1,031,306	1,461,738	269,548	3,266,250
Due to other government agencies	4,264		791,354		
Due to other funds (Note 4B)				105,887	
Current portion of compensated absences (Note 1H)	1,064,538	491,178	461,121	384,711	
Current portion of long-term debt (Note 9)	5,930,000	2,065,000	1,988,535		8,030,000
Deposits	1,608,733	14,500			4,640,000
Unearned revenue	869,137				
Self-insurance claims payable (Note 14)					
Total Current Liabilities	<u>22,657,502</u>	<u>4,739,604</u>	<u>6,960,190</u>	<u>1,328,756</u>	<u>15,937,450</u>
Long-Term Liabilities:					
Advances from other funds (Note 4C)				224,621	
Long-term debt, non-current portion (Note 9)	242,565,732	44,566,417	93,521,734		176,472,745
Landfill closure and post closure liability (Note 17)				2,615,565	
Compensated absences (Note 1H)	2,003,196	925,921	965,351	488,480	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14):					
Derivative at fair value-liability (Notes 9 and 10)	36,304,054		7,044,596		
Total Long-Term Liabilities	<u>280,872,982</u>	<u>45,492,338</u>	<u>101,531,681</u>	<u>3,328,666</u>	<u>176,472,745</u>
Total Liabilities	<u>303,530,484</u>	<u>50,231,942</u>	<u>108,491,871</u>	<u>4,657,422</u>	<u>192,410,195</u>
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives (Notes 9 and 10)	92,171				74,754,142
NET POSITION (Note 11)					
Net investment in capital assets	163,181,191	386,614,205	465,681,731	4,665,151	
Restricted for debt service	16,655,896	4,315,500	5,073,807		
Restricted for local transportation					
Unrestricted	75,025,706	56,649,954	99,046,805	16,284,507	3,016,033
Total Net Position	<u>\$254,862,793</u>	<u>\$447,579,659</u>	<u>\$569,802,343</u>	<u>\$20,949,658</u>	<u>\$3,016,033</u>

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

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$1,453,090	\$9,969,564	\$258	\$167,533,571	\$48,573,284
96			30,280,880	
244,009	21,532	437,532	34,446,225	156
21,017	33,066	40	647,326	3,112,451
	2,445,802	63,851	4,759,344	16,958
			2,630,331	
			170,215	829,201
			8,558,769	2,131,378
				771,515
<u>1,718,212</u>	<u>12,469,964</u>	<u>501,681</u>	<u>249,026,661</u>	<u>55,434,943</u>
			86,876	
			55,404	
			186,720,473	
			3,385,917	
			69,749,795	
			2,224,621	3,999,370
			74,846,313	
6,007,666	2,024,802		38,887,899	
<u>8,905,018</u>	<u>12,250,242</u>	<u>2,132,779</u>	<u>1,403,212,304</u>	<u>11,891,786</u>
<u>14,912,684</u>	<u>14,275,044</u>	<u>2,132,779</u>	<u>1,779,169,602</u>	<u>15,891,156</u>
<u>16,630,896</u>	<u>26,745,008</u>	<u>2,634,460</u>	<u>2,028,196,263</u>	<u>71,326,099</u>
			4,844,164	
			43,348,650	
			48,192,814	
81,841	662,090	37,720	13,120,110	616,125
2,081,105	58,781	143,695	13,119,666	76,600
			795,618	
127,000		414,935	647,822	1,142,093
	56,509	112,538	2,570,595	
430,618		13,817	18,444,153	
	150		6,277,200	
	10,396,487		11,265,624	
				1,473,299
<u>2,720,564</u>	<u>11,174,017</u>	<u>722,705</u>	<u>66,240,788</u>	<u>3,308,117</u>
2,877,000		440,000	3,541,621	190,353
4,344,960			561,471,588	
			2,615,565	
	123,792	213,264	4,720,004	365,865
				33,246,786
				8,123,010
			43,348,650	
<u>7,221,960</u>	<u>123,792</u>	<u>653,264</u>	<u>615,697,428</u>	<u>41,926,014</u>
<u>9,942,524</u>	<u>11,297,809</u>	<u>1,375,969</u>	<u>681,938,216</u>	<u>45,234,131</u>
			74,846,313	
10,137,106	14,275,044	2,132,779	1,046,687,207	11,891,786
	1,172,155		26,045,203	
(3,448,734)		(874,288)	1,172,155	
			245,699,983	14,200,182
<u>\$6,688,372</u>	<u>\$15,447,199</u>	<u>\$1,258,491</u>	<u>1,319,604,548</u>	<u>\$26,091,968</u>
			(2,523,202)	
Net position business-type activities			<u>\$1,317,081,346</u>	

CITY OF ROSEVILLE  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>OPERATING REVENUES</b>					
Charges for services	\$156,986,018	\$22,588,904	\$26,607,394	\$20,943,369	\$16,528,511
Other	2,016,017	310,963	1,085,878	494,167	2,094
Total Operating Revenues	<u>159,002,035</u>	<u>22,899,867</u>	<u>27,693,272</u>	<u>21,437,536</u>	<u>16,530,605</u>
<b>OPERATING EXPENSES</b>					
Power supply	96,313,782				
Operations	15,254,411	11,888,463	17,391,130	15,345,686	18,133,391
Administration	3,489,763	2,632,510	648,376	605,220	7,005
Depreciation and amortization	17,900,593	7,999,349	11,551,194	294,930	
Claims expense					
Total Operating Expenses	<u>132,958,549</u>	<u>22,520,322</u>	<u>29,590,700</u>	<u>16,245,836</u>	<u>18,140,396</u>
Operating Income (Loss)	<u>26,043,486</u>	<u>379,545</u>	<u>(1,897,428)</u>	<u>5,191,700</u>	<u>(1,609,791)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and rents revenue	368,482	433,404	154,598	76,553	10,180,626
Interest and fiscal charges (expense)	(11,283,869)	(2,158,933)	(4,278,778)	(15,541)	(8,242,734)
Subventions and grants	9,410	50,374		67,130	
Cost of issuance	(184,904)		(121,265)		
Gain from sale of property	15,081		117,154	8,144	
Increase (decrease) in NCPA reserves	45,844				
Increase (decrease) in SPWA reserves			(3,517,446)		
Net Nonoperating Revenues (Expenses)	<u>(11,029,956)</u>	<u>(1,675,155)</u>	<u>(7,645,737)</u>	<u>136,286</u>	<u>1,937,892</u>
Income (Loss) Before Contributions and Transfers	15,013,530	(1,295,610)	(9,543,165)	5,327,986	328,101
<b>Contributions</b>					
Capital contributions - connection/impact fees	1,563,615	5,016,183	5,758,055	384,614	
Contributions in aid of construction	1,163,514				
Capital contributions from developers	1,988,012	1,349,859	3,727,511		
Transfers in (Note 4A)		1,655,439	311,053	10,000	
Transfers (out) (Note 4A)	(14,744,102)	(4,612,430)	(4,426,641)	(2,792,791)	(25,372)
Change in net position before special item	4,984,569	2,113,441	(4,173,187)	2,929,809	302,729
<b>Special Item (Note 16)</b>					
Reallocation of investment in SPWA			(22,715,022)		
Change in net position	4,984,569	2,113,441	(26,888,209)	2,929,809	302,729
Total net position-beginning, as restated (Notes 8E and 9)	<u>249,878,224</u>	<u>445,466,218</u>	<u>596,690,552</u>	<u>18,019,849</u>	<u>2,713,304</u>
Total net position-ending	<u>\$254,862,793</u>	<u>\$447,579,659</u>	<u>\$569,802,343</u>	<u>\$20,949,658</u>	<u>\$3,016,033</u>

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

See accompanying notes to basic financial statements

<u>Golf Course</u>	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$2,460,509	\$972,666	\$4,255,157	\$251,342,528	\$12,109,883
	103,198	220,068	4,232,385	9,053,029
<u>2,460,509</u>	<u>1,075,864</u>	<u>4,475,225</u>	<u>255,574,913</u>	<u>21,162,912</u>
			96,313,782	
1,887,773	5,720,393	4,652,044	90,273,291	27,455,956
	557,993		7,940,867	
388,601	1,720,787	66,869	39,922,323	3,198,026
				3,724,409
<u>2,276,374</u>	<u>7,999,173</u>	<u>4,718,913</u>	<u>234,450,263</u>	<u>34,378,391</u>
<u>184,135</u>	<u>(6,923,309)</u>	<u>(243,688)</u>	<u>21,124,650</u>	<u>(13,215,479)</u>
(9,994)	38,807	2,546	11,245,022	256,727
(286,567)		(2,016)	(26,268,438)	
	6,786,021	262,187	7,175,122	
(56,392)			(362,561)	
	9,740		150,119	
			45,844	
			(3,517,446)	
<u>(352,953)</u>	<u>6,834,568</u>	<u>262,717</u>	<u>(11,532,338)</u>	<u>256,727</u>
(168,818)	(88,741)	19,029	9,592,312	(12,958,752)
	21,473		21,473	
			12,722,467	
			1,163,514	
			7,065,382	
	42,434		2,018,926	7,036,670
<u>(120,513)</u>	<u>(252,103)</u>	<u>(257,318)</u>	<u>(27,231,270)</u>	<u>(1,499,120)</u>
(289,331)	(276,937)	(238,289)	5,352,804	(7,421,202)
			(22,715,022)	
<u>(289,331)</u>	<u>(276,937)</u>	<u>(238,289)</u>	<u>(17,362,218)</u>	<u>(7,421,202)</u>
<u>6,977,703</u>	<u>15,724,136</u>	<u>1,496,780</u>		<u>33,513,170</u>
<u>\$6,688,372</u>	<u>\$15,447,199</u>	<u>\$1,258,491</u>		<u>\$26,091,968</u>
			<u>775,048</u>	
Change in net position of business-type activities			<u>(\$16,587,170)</u>	

CITY OF ROSEVILLE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$154,723,567	\$22,506,468	\$26,413,743	\$20,609,368	\$16,528,511
Payments to suppliers	(97,156,000)	(6,057,796)	(10,111,281)	(11,464,425)	(10,075,878)
Payments to employees	(16,062,600)	(7,868,674)	(5,882,215)	(5,051,439)	
Payments to OPEB trust					
Claims paid					
Other receipts	<u>2,016,017</u>	<u>310,963</u>	<u>1,085,878</u>	<u>494,167</u>	<u>2,094</u>
Net Cash Flows from Operating Activities	<u>43,520,984</u>	<u>8,890,961</u>	<u>11,506,125</u>	<u>4,587,671</u>	<u>6,454,727</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Subventions and grants	1,203	287,475		67,130	
(Increase) decrease in due from other funds			(4,081)		
Increase (decrease) in due to other funds				4,082	
(Increase) decrease in advance to other funds		(2,000,000)	170,215		
Increase (decrease) in advances from other funds				(105,887)	
Transfers in		1,655,439	311,053	10,000	
Transfers (out)	<u>(14,744,102)</u>	<u>(4,612,430)</u>	<u>(4,426,641)</u>	<u>(2,792,791)</u>	<u>(25,372)</u>
Cash Flows from Noncapital Financing Activities	<u>(14,742,899)</u>	<u>(4,669,516)</u>	<u>(3,949,454)</u>	<u>(2,817,466)</u>	<u>(25,372)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	1,163,514				
Acquisition and construction of capital assets	(5,854,993)	(4,064,031)	(3,592,431)	(222,697)	
Proceeds from sale of capital assets	15,081		117,154	8,144	
Transfer of connection fees to SPWA			(5,302,232)		
Change in restricted assets	22,698		2,369,684		
Issuance of debt	90,000,000		36,582,878		
Issuance costs	(184,904)		(121,265)		
Principal payments on capital debt	(95,690,000)	(1,965,000)	(34,552,516)		(7,675,000)
Interest paid on capital debt	(11,283,869)	(2,158,933)	(4,278,778)	(15,541)	(8,978,644)
Connection/impact fees	<u>1,563,615</u>	<u>5,016,183</u>	<u>5,758,055</u>	<u>384,614</u>	
Cash Flows from Capital and Related Financing Activities	<u>(20,248,858)</u>	<u>(3,171,781)</u>	<u>(3,019,451)</u>	<u>154,520</u>	<u>(16,653,644)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and rents received	316,197	374,471	132,596	63,624	10,180,660
Receipts from sale of (payment to acquire) equity instruments, net	<u>305,353</u>	<u>(1,155)</u>			<u>39,613</u>
Cash Flows from Investing Activities	<u>621,550</u>	<u>373,316</u>	<u>132,596</u>	<u>63,624</u>	<u>10,220,273</u>
Net increase (decrease) in cash and cash equivalents	9,150,777	1,422,980	4,669,816	1,988,349	(4,016)
Cash and investments at beginning of period	<u>43,118,609</u>	<u>50,633,293</u>	<u>29,065,183</u>	<u>16,039,425</u>	<u>26,243</u>
Cash and investments at end of period	<u><u>\$52,269,386</u></u>	<u><u>\$52,056,273</u></u>	<u><u>\$33,734,999</u></u>	<u><u>\$18,027,774</u></u>	<u><u>\$22,227</u></u>
<b>NONCASH TRANSACTIONS:</b>					
Contribution of capital assets from developers	<u>\$1,988,012</u>	<u>\$1,349,859</u>	<u>\$3,727,511</u>		
Retirement of capital assets	<u>(\$688,162)</u>		<u>(\$841,183)</u>		
Increase in long-term debt due to change in SPWA participation			<u>(\$7,410,294)</u>		
Amortization of bond premium	<u>\$242,627</u>	<u>\$137,959</u>	<u>\$201,973</u>		
Amortization of deferred amount on refunding	<u>(\$279,537)</u>	<u>(\$37,076)</u>			<u>\$735,910</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$26,043,486	\$379,545	(\$1,897,428)	\$5,191,700	(\$1,609,791)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	17,900,593	7,999,349	11,551,194	294,930	
Retirement of capital assets	688,162		841,183		
Change in assets and liabilities:					
Receivables, net	(1,999,671)	(84,936)	(193,651)	(301,438)	
Inventories	355,764	(31,180)	(34,186)	(64,368)	
Prepays	(2,472,353)	(157,978)			
Prepays purchased gas					8,207,591
Net OPEB obligations					
Accounts and other payables	3,380,852	786,161	1,239,013	(500,590)	(143,073)
Unearned revenue	<u>(375,849)</u>			<u>(32,563)</u>	
Cash Flows from Noncapital Financing Activities	<u><u>\$43,520,984</u></u>	<u><u>\$8,890,961</u></u>	<u><u>\$11,506,125</u></u>	<u><u>\$4,587,671</u></u>	<u><u>\$6,454,727</u></u>

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,529,706 (1,832,002)	\$1,969,391 (4,892,596) (1,005,078)	\$4,252,929 (541,993) (3,926,836)	\$249,533,683 (142,131,971) (39,796,842)	\$12,120,568 (9,476,498) (5,369,915) (5,131,475) (2,071,396) 9,053,029
<u>697,704</u>	<u>553,231</u> <u>(3,375,052)</u>	<u>220,068</u> <u>4,168</u>	<u>4,682,418</u> <u>72,287,288</u>	<u>9,053,029</u> <u>(875,687)</u>
	6,543,749	244,747	7,144,304 (4,081)	24,403
		(243,919)	(239,837)	121,352
(127,000)		240,000	(1,829,785)	
	42,434		7,113	7,036,670
(120,513)	(252,103)	(257,318)	2,018,926	(1,499,120)
<u>(247,513)</u>	<u>6,334,080</u>	<u>(16,490)</u>	<u>(20,134,630)</u>	<u>5,683,305</u>
	21,473		1,184,987	
1	(2,983,537)	(1)	(16,717,689)	(3,787,419)
	9,740		150,119	
			(5,302,232)	
			2,392,382	
4,775,578			131,358,456	
(56,392)			(362,561)	
(5,600,000)			(145,482,516)	
(364,080)		(2,016)	(27,081,861)	
			12,722,467	
<u>(1,244,893)</u>	<u>(2,952,324)</u>	<u>(2,017)</u>	<u>(47,138,448)</u>	<u>(3,787,419)</u>
(13,461)	35,904	2,552	11,092,543	219,594
<u>625,080</u>			<u>968,891</u>	
611,619	35,904	2,552	12,061,434	219,594
(183,083)	42,608	(11,787)	17,075,644	1,239,793
1,636,173	9,926,956	12,045	150,457,927	47,333,491
<u>\$1,453,090</u>	<u>\$9,969,564</u>	<u>\$258</u>	<u>\$167,533,571</u>	<u>\$48,573,284</u>
			\$7,065,382	
	<u>(\$450,033)</u>	<u>(\$190,939)</u>	<u>(\$2,170,317)</u>	<u>(\$7,245)</u>
			<u>(\$7,410,294)</u>	
			\$582,559	
			\$419,297	
\$184,135	(\$6,923,309)	(\$243,688)	\$21,124,650	(\$13,215,479)
388,601	1,720,787	66,869	39,922,323	3,198,026
	450,033	190,939	2,170,317	7,245
69,197	(17,128)	19,756	(2,507,871)	172,243
			226,030	
			(2,630,331)	
			8,207,591	
55,771	380,667	(17,861)	5,180,940	7,705,056
	1,013,898	(11,847)	593,639	1,257,222
<u>\$697,704</u>	<u>(\$3,375,052)</u>	<u>\$4,168</u>	<u>\$72,287,288</u>	<u>(\$875,687)</u>

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

Fiduciary funds are presented separately from the Government-wide and Fund financial statements. The City had the following types of fiduciary funds in Fiscal 2013:

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

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

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

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

CITY OF ROSEVILLE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013

	Retiree Health Plan Trust Fund	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments in Treasury (Note 3)		\$5,252,832	\$124,291,246
Restricted cash and investments with fiscal agents (Note 3)		5,955,371	39,319,806
OPEB Plan Assets (Note 13F)	\$41,641,477		
Accounts receivable		64	216,436
Taxes receivable		3,103	289,190
Accrued interest receivable		184,645	568,193
Permit fees receivable			979,458
Due from other government agencies		7,304,420	1,525,246
Developer permit fees receivable		378	
Notes receivable (Note 20B)		5,089,106	
Land held for resale (Note 20C)		5,419,762	
Capital Assets (Note 20D):			
Land		1,762,188	
	41,641,477	30,971,869	\$167,189,575
LIABILITIES			
Accounts payable	12,818	1,836,401	\$996,852
Accrued liabilities		574,563	575,405
Due to other government agencies			13,122
Due to member agencies			107,988,991
Due to bondholders			56,327,402
Due to others			1,287,803
Long-term liabilities (Note 20E):			
Due within one year		592,238	
Due in more than one year		65,333,117	
	12,818	68,336,319	\$167,189,575
NET POSITION			
Held in trust for retiree health plan benefits	\$41,628,659		
Held in trust for private purposes or for other governments		(\$37,364,450)	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Retiree Health Plan Trust Fund</u>	<u>Private-Purpose Trust Funds</u>
ADDITIONS		
Property taxes		\$3,416,590
Contributions from the City	\$6,715,115	
Subventions and grants		13,541
Investment income	4,079,303	201,090
Other revenues		<u>10,642</u>
Total Additions	<u>10,794,418</u>	<u>3,641,863</u>
DEDUCTIONS		
General government		44,216
Community services		286,122
Retiree health plan benefits	5,252,219	
Pass-through payments and payment to County Auditor-Controller (Note 20)		4,231,128
Debt service:		
Interest and fiscal charges		<u>1,805,719</u>
Total Deductions	<u>5,252,219</u>	<u>6,367,185</u>
Change in Net Position	5,542,199	(2,725,322)
Net Position - Beginning of Year	<u>36,086,460</u>	<u>(34,639,128)</u>
Net Position - End of Year	<u>\$41,628,659</u>	<u>(\$37,364,450)</u>

See accompanying notes to basic financial statements

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**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

**A. Reporting Entity**

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**B. Basis of Presentation**

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

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

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**C. Major Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

The City also reports the following fund types:

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

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

**D. Basis of Accounting**

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

Unavailable revenue was comprised of the following at June 30, 2013:

	Due from Other Government Agencies	Interest Receivable	Loans Receivable	Total
General Fund		\$1,851,767	\$8,835,371	\$10,687,138
Nonmajor Governmental Funds	\$50,798	1,277,973	9,057,262	10,386,033
	<u>\$50,798</u>	<u>\$3,129,740</u>	<u>\$17,892,633</u>	<u>\$21,073,171</u>

**G. Property Tax**

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

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

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

**H. Compensated Absences**

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

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$11,592,492	\$6,881,671	\$18,474,163
Additions	3,986,675	1,679,861	5,666,536
Payments	<u>(3,812,237)</u>	<u>(1,270,933)</u>	<u>(5,083,170)</u>
Ending Balance	<u>\$11,766,930</u>	<u>\$7,290,599</u>	<u>\$19,057,529</u>
Current Portion	<u>\$3,993,330</u>	<u>\$2,570,595</u>	<u>\$6,563,925</u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

**I. Inventories**

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

**J. Recategorized Funds**

The Public Facilities, Park Development, Pleasant Grove Drain Basin and Traffic Mitigation Funds previously reported as Special Revenue Funds have been recategorized and are now reported as Capital Projects Funds.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budgeting Procedures**

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

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a minute order and ordinance.
4. The City Manager or designee is authorized to apply prudent monitoring procedures to assure that actual expenditures/expenses of the City do not exceed the appropriations at the major summary categories (salaries and benefits, operating services and supplies, and capital outlay) by organization key within each department in conformance with the adopted policies set by the City Council. Capital Improvement Projects, including annual projects, may not exceed budget at the total project level. Additional appropriations or interfund transfers not included in the original budget ordinance require approval by the City Council.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

5. Expenditures may not legally exceed budgeted appropriations at the organization key level by major summary category within each fund.
6. Formal budgetary integration is employed as a management control device during the year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. Budgets are adopted for all governmental funds, except the FEMA Special Revenue Fund and the Roseville Aquatics Complex Maintenance Permanent Fund. In addition, the Community Facilities District Projects, Building, South Placer Animal Control Shelter, Public Facilities, Park Development, Pleasant Grove Drain Basin, Traffic Mitigation and General Capital Improvement Projects Rehabilitation Capital Projects Funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

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

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

**C. *Encumbrances***

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

**NOTE 3 - CASH AND INVESTMENTS**

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**A. Classification**

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

Cash and investments in City Treasury	\$395,193,865
Restricted cash and investments with fiscal agents	<u>34,052,940</u>
Total City cash and investments with primary government	429,246,805
Cash and investments in Fiduciary Funds (Separate statement)	<u>174,819,255</u>
Total Cash and Investments	<u><u>\$604,066,060</u></u>

Cash and investments as of June 30, 2013, consist of the following:

Cash in bank and on hand	\$42,320,231
Investments	<u>561,745,829</u>
Total Cash and Investments	<u><u>\$604,066,060</u></u>

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

- (A) In specified fund accounts where liquidity is not the primary investment objective, the maximum maturity can be up to ten years with granted express authority by the City Council. Such investments cannot be made less than three months following the approval of extended investment terms. All longer-term investments must be Federal Treasury or Agency securities. The specified fund accounts are:
- Citizens Benefit Permanent Fund
  - Roseville Aquatics Complex Maintenance Permanent Fund
  - Endowment Private-purpose Trust Fund
  - All future trust and/or endowment funds established by the City with no anticipated use of principal
- (B) Eligible Commercial Paper may not represent more than 10% of the outstanding paper of an issuing corporation.
- (C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Currently, the City does not participate in any Forward Delivery Agreements. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority, the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**C. Investments Authorized by Debt Agreements**

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**D. Interest Rate Risk**

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

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

	Remaining Maturity (in Months)				Total
	12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months	
U.S. Government Securities	\$2,959,983	\$120,911,996	\$65,109,688		\$188,981,667
Federal Agency Securities	10,969,129	28,721,722	54,054,157		93,745,008
Corporate Notes	14,635,194	22,655,850	35,761,427		73,052,471
Forward Delivery Agreement	4,604,895				4,604,895
Forward Purchase Agreement	4,042,578				4,042,578
Commercial Paper	10,100,826				10,100,826
Guaranteed Investment Contracts				\$6,368,599	6,368,599
Municipal Bonds			2,426,882		2,426,882
Money Market Mutual					
Funds (U.S. Securities)	6,463,037				6,463,037
Local Agency Investment Fund	72,142,994				72,142,994
California Asset Management Pool	55,089,652				55,089,652
Certificates of Deposit	12,258,909	32,468,311			44,727,220
<b>Total Investments</b>	<b>\$193,267,197</b>	<b>\$204,757,879</b>	<b>\$157,352,154</b>	<b>\$6,368,599</b>	<b>\$561,745,829</b>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2013 the fair value was \$19,705 more than the City's cost. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2013, these investments matured in an average of 278 days.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2013, the fair value approximated is the City's cost, and these investments had an average maturity of 37 days.

Money market mutual funds were available for withdrawal on demand and at June 30, 2013 and had an average maturity of 57 days for the Dreyfus U.S. Treasury Money Market Fund and 47 days for the First American Money Market Fund.

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2013, for each investment type as provided by Standard and Poor's investment rating system:

	AAA/AAAm	AA+/AA/AA-	A+/A/A-	A-1+/A-1	Total
<b>Investments:</b>					
Federal Agency Securities		\$93,745,008			\$93,745,008
Corporate Notes		44,790,003	\$28,262,468		73,052,471
Forward Delivery Agreement		4,604,895			4,604,895
Forward Purchase Agreement		4,042,578			4,042,578
Municipal Bonds	\$2,230,954	195,928			2,426,882
California Asset Management Pool	55,089,652				55,089,652
Money Market Mutual Funds					
(U.S. Securities)	6,463,037				6,463,037
Commercial Paper				\$10,100,826	10,100,826
Guaranteed Investment Contracts		6,368,599			6,368,599
Certificates of Deposit		9,951,692		33,521,240	43,472,932
Totals	<u>\$63,783,643</u>	<u>\$163,698,703</u>	<u>\$28,262,468</u>	<u>\$43,622,066</u>	299,366,880
<b>Exempt from Credit Rate Disclosure:</b>					
U.S. Government Securities					188,981,667
<b>Not Rated:</b>					
Local Agency Investment Fund					72,142,994
Certificates of Deposit					1,254,288
Total Investments					<u>\$561,745,829</u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**F. Concentration of Credit Risk**

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, California Local Agency Investment Fund, and California Asset Management Pool, that represent 5% or more of total Entity-wide investments are as follows at June 30, 2013:

Issuer	Investment Type	Amount
Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$43,391,191
Federal National Mortgage Association	Federal Agency Securities	46,238,448

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2013:

Fund	Issuer	Investment Type	Amount
<b>Major Enterprise Funds:</b>			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$4,042,578
Water	FSA Security Assurance	Investment Agreement	4,217,863

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Transfers Among Funds**

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2013, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
<b>General Fund</b>	Non-Major Governmental Funds	\$5,600,794 (A),(B),(C),(D)
	Electric Enterprise Fund	11,816,681 (B),(C),(E)
	Water Enterprise Fund	3,043,180 (A),(C)
	Wastewater Enterprise Fund	2,045,347 (A),(C)
	Solid Waste Enterprise Fund	1,554,641 (A),(C)
	Roseville Natural Gas Financing Authority Enterprise Fund	25,372 (A)
	Golf Course Enterprise Fund	112,552 (B),(E)
	Local Transportation Enterprise Fund	235,231 (A)
	School-Age Child Care Enterprise Fund	242,628 (A)
	Internal Service Funds	1,367,170 (B),(E)
	<b>Non-Major Governmental Funds</b>	General Fund
Community Facilities District Capital Projects Fund		594 (B),(E)
Non-Major Governmental Funds		4,317,574 (B),(D),(E)
Electric Enterprise Fund		2,063,895 (E)
Water Enterprise Fund		800,223 (B),(C),(E)
Solid Waste Enterprise Fund		358,220 (C),(E)
Wastewater Enterprise Fund		733,925 (B)
<b>Water Enterprise Fund</b>	Non-Major Governmental Funds	
	Solid Waste Enterprise Fund	576,506 (A)
	Wastewater Enterprise Fund	1,078,933 (A)
<b>Wastewater Enterprise Fund</b>	Water Enterprise Fund	297,813 (B)
	Solid Waste Enterprise Fund	13,240 (B)
<b>Solid Waste Enterprise Fund</b>	Non-Major Governmental Funds	10,000 (B),(D)
<b>Local Transportation Enterprise Fund</b>	Community Facilities District Capital Projects Fund	5,361 (E)
	Non-Major Governmental Funds	37,073 (A)
<b>Internal Service Funds</b>	General Fund	4,628,987 (E)
	Non-Major Governmental Funds	42,850 (D),(E)
	Electric Enterprise Fund	863,526 (E)
	Water Enterprise Fund	471,214 (E)
	Wastewater Enterprise Fund	568,436 (E)
	Solid Waste Enterprise Fund	290,184 (E)
	Golf Course Enterprise Fund	7,961 (E)
	Local Transportation Enterprise Fund	16,872 (E)
	School-Age Child Care Enterprise Fund	14,690 (E)
	Internal Service Funds	131,950 (A)
Total Interfund Transfers		<u>\$47,877,406</u>

- (A) To fund operations or indirect costs
- (B) To fund various projects and/or pay debt service
- (C) To transfer in lieu franchise fees or fund indirect costs or capital projects
- (D) To transfer FEMA reimbursement back to funds that incurred the original costs
- (E) To pay for indirect costs

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**B. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2013, interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount	
<b>General Fund</b>	Traffic Safety Special Revenue Fund	\$91,067	(A)
<b>Capital Projects Fund:</b>			
Public Facilities	Technology Fee Replacement Special Revenue Fund	100,000	(B)
<b>Enterprise Funds:</b>			
Wastewater	General Fund	64,328	(B)
Wastewater	Solid Waste Enterprise Fund	105,887	(B)
<b>Internal Service Funds:</b>			
Automotive Replacement	Community Development Block Grant/HOME Special Revenue Fund	200,054	(A)
Automotive Replacement	Fire Facilities Special Revenue Fund	234,353	(B)
Automotive Replacement	Utility Exploration Center Special Revenue Fund	12,943	(A)
Automotive Replacement	Golf Course Enterprise Fund	127,000	(B)
Automotive Replacement	School-Age Child Care Enterprise Fund	60,000	(B)
Automotive Replacement	School-Age Child Care Enterprise Fund	354,935	(A)
Automotive Replacement	Automotive Services Internal Service Fund	942,093	(A) (B)
Workers Compensation	Unemployment Insurance Internal Service Fund	200,000	(B)
		<u>\$2,492,660</u>	

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

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

**C. Long-Term Interfund Advances**

At June 30, 2013, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount
<b>Special Revenue Funds:</b>		
Fire Facilities	Automotive Replacement Internal Service Fund	\$492,017
Roseville Community Development Corporation	General Fund	1,530,951
Roseville Community Development Corporation	Affordable Housing Special Revenue Fund	500,000
Technology Fee Replacement	Public Facilities Capital Projects Fund	495,054
<b>Capital Projects Funds:</b>		
Community Facilities Districts	Pleasant Grove Drainage Basin Capital Projects Fund	3,000,000
	Water Enterprise Fund	2,000,000
<b>Enterprise Funds:</b>		
Solid Waste	Wastewater Enterprise Fund	224,621
Golf Course	Automotive Replacement Internal Service Fund	2,877,000
School-Age Child Care	Automotive Replacement Internal Service Fund	440,000
<b>Internal Service Fund:</b>		
Unemployment Reserve	Workers' Compensation Internal Service Fund	190,353
		<u>\$11,749,996</u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

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

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

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

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

**D. Internal Balances**

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 5 - NOTES RECEIVABLE**

The City and former Redevelopment Agency engage in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms. With the dissolution of the Redevelopment Agency as discussed in Note 20, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the housing loans of the Redevelopment Agency and a Successor Agency assumed the non-housing loans as of February 1, 2012. Although these notes are expected to be repaid in full, their balances have been offset in the fund financial statements by unavailable revenue, due to other government agencies or fund balance as they are not expected to be repaid during fiscal year 2013. These notes receivable comprised the following at June 30, 2013:

Flood Loan Notes	\$6,633
Housing Rehabilitation and Affordable Housing Notes	14,308,562
First Time Home-Buyer Notes	8,198,098
Housing Elevation Notes	15,000
Roseville Community Development Corporation Notes	2,635,754
Successor Agency	<u>29,039,631</u>
Total	<u><u>\$54,203,678</u></u>

**A. Notes Receivable**

The City has provided loans to various homeowners and businesses for rehabilitation due to flood damage. The maximum loan amount is \$5,000 carrying various interest rates and payment dates. Although these notes are expected to be repaid in full, their balance has been offset by nonspendable fund balance. The balance of these notes receivable at June 30, 2013 was \$6,633.

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

The City and Agency engage in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to home-owners or developers who agree to spend these funds in accordance with the City's or Agency's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset with the liability, Due to Other Government Agencies, as they are not expected to be repaid during fiscal year 2013 and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including affordable housing notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund as discussed in Note 20. The balance of the notes receivable arising from these programs at June 30, 2013, was \$14,308,562.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

The City and the Agency engage in a first time home-buyer program designed to encourage home ownership among low-income persons. Under this program, grants or loans are provided at no interest and are due upon sale or transfer of the property. These loans have been offset by due to other governments and unavailable revenue as they are not expected to be repaid during fiscal year 2013, 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, 2013, was \$8,198,098.

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

In fiscal 1997, the Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Grant Program funds to be used for residential home elevation projects in the City at a maximum of \$5,000 per household, with the total federal share not to exceed \$1,493,096. The City provides matching funds to each eligible household at a maximum of \$5,000 in the form of a zero percent, deferred loan payable upon sale, change of title or change of use (See Note 5A above). As of June 30, 2013, eleven loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$15,000.

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

As of June 30, 2012, the Corporation purchased properties located at 240 Vernon Street and 242-246 Vernon Street on behalf of 240 Vernon Street LLC and 242-246 Vernon Street LLC in the amount of \$602,435 and \$541,047, respectively. Both of these purchases have been recorded as a Notes Receivable from each of the LLCs. The cost of the properties is expected to be paid back to the Corporation when the properties are sold or through a monthly rental agreement. The outstanding balance of the loans at June 30, 2012 was \$1,123,254

On February 22, 2012, the Corporation entered into a loan agreement with Innova Vernon LP for costs associated with fees, improvements, modifications, upgrades and equipment for the purpose of operating a restaurant called "*Sammy's Rockin' Island Bar and Grill*" at the property referred to as *238 Vernon Street*. The total loan is for \$1,512,500 and will be disbursed per a *Funding Release Schedule*. The Loan will be repaid over sixty-six months beginning with the nineteenth month after the date of the Note. Interest at 4% will accrue and be capitalized to the principal. A balloon payment comprised of accrued interest and principal will be paid on or before the *Maturity Date* (7 years after the *Date of the Note*). As of June 30, 2013, \$1,512,500 had been disbursed.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**F. Successor Agency Loans**

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

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

The balance of the advances, including principal and accrued interest, was \$25,603,129 as of January 31, 2012. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is based upon whether the Successor Agency to the Redevelopment Agency receives a Finding of Completion from the State as discussed in Note 20. In addition, the interest rate on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception of each loan. Therefore the loan balances were adjusted to reflect the revised interest rate during fiscal year 2012. During fiscal year 2013, the State Department of Finance denied this repayment and required the return of \$7,304,420 to the Successor Agency. The General Fund returned the cash to the Successor Agency during fiscal year 2013 and recorded the payment as an extraordinary item and increased the balance of the loans receivable. The principal balance of the loans as of June 30, 2013 is \$28,549,529. Accrued interest on the loans as of June 30, 2013 is \$3,555,724 and has been included in accrued interest receivable.

In addition, during the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Roseville Redevelopment Project Area Fund and the Roseville Flood Control Project Area to borrow \$558,381 and \$258,455, respectively, from the Low and Moderate Income Housing Fund to assist in making the Agency's fiscal year 2009-10 SERAF payment. These loans do not bear interest and were repayable in five equal annual installments, and were required to be repaid prior to June 30, 2015. The balance of the loans as of June 30, 2013 totaled \$490,102.

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

**NOTE 6 – DEVELOPER PERMIT FEES RECEIVABLE**

The City has entered into a number of agreements with developers to defer permit fees for various projects within the City. The terms of these agreements call for various interest rates and payment dates. Although these fees are expected to be repaid in full, their balance has been offset by unavailable revenue in governmental funds, as they are not expected to be repaid early enough to be treated as a current asset. The long-term portion of these receivables at June 30, 2013, was \$163,073 which has been classified as developer permit fees receivable, and the short-term portion of these receivables, which totaled \$26,102 at June 30, 2013, is included in accounts receivable.

In response to the state wide slowdown of the housing market, the City has also established a Single Family Residential Fee Deferral Program which offers deferred payment of permit fees for new single-family residences. The deferred fees will be paid to the City (1) prior to the final building inspection on the home; or (2) at close of escrow or within a year of the deed of trust being recorded whichever occurs first. As of June 30, 2013, these deferred fees were \$1,529,841.

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

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

**A. *Galleria at Roseville***

In fiscal 2001, the City entered into a lease agreement with the Galleria at Roseville regional mall. The purpose of this agreement was to share revenue with the mall developers based on the generation of certain levels of sales tax. The Developer agreed to construct the mall, along with water and storm sewer mains, a bike trail, pedestrian walks, landscaping, parking areas and infrastructure improvements to surrounding streets. The mall opened for business in August 2000 and the term of the revenue sharing agreement commenced on that date. The remaining portion of sales tax revenues to be returned approximated to \$2,814,415 at June 30, 2013. The agreement terminates in 2017, regardless of whether this amount has been returned; after that date all future sales tax revenues remain with the City. During fiscal year 2013, payments made to the developer under the agreement totaled \$567,619.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**B. Land held for Resale**

The former Redevelopment Agency purchased 304 Washington Boulevard in June 2011. The 304 Washington Boulevard parcel will be developed by a private developer into 71 Mixed Use residential units with commercial and parking on the first floor. With the dissolution of the Redevelopment Agency as discussed in Note 20, the City, as housing successor, assumed the low and moderate income housing set-aside-funded assets of the Redevelopment Agency as of February 1, 2012, including 304 Washington Boulevard. As of June 30, 2013, the total carrying value of the housing property held by the City amounted to \$861,245. The property is held for resale in the future.

In fiscal year 2013, the Roseville Community Development Corporation purchased a vacant lot for \$25,426 for future development along the Vernon Street corridor.

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

**NOTE 8 – CAPITAL ASSETS**

**A. Policies**

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**B. Capital Asset Additions and Retirements**

Capital assets at June 30 comprise:

	Balance at June 30, 2012	Additions	Retirements	Transfers	Balance at June 30, 2013
<i>Governmental activities</i>					
Capital assets not being depreciated:					
Land	\$25,838,639	\$1,211,322			\$27,049,961
Streets (modified)	251,781,385	1,080,890		\$29,806,983	282,669,258
Parks (modified)	85,296,698	1,398,457		2,636,891	89,332,046
Landscaping (modified)	44,927,282	89,044	(\$7,653)	80,170	45,088,843
Construction in progress	96,498,138	27,156,563	(17,154,443)	(64,164,037)	42,336,221
Total capital assets not being depreciated	504,342,142	30,936,276	(17,162,096)	(31,639,993)	486,476,329
Capital assets being depreciated:					
Buildings	126,447,323			189,058	126,636,381
Improvements	6,637,436				6,637,436
Equipment	72,275,314	5,484,183	(4,037,536)	178,283	73,900,244
Bike paths	8,484,971				8,484,971
Bridges	56,529,847			8,771,881	65,301,728
Culverts	20,206,079			517,735	20,723,814
Curb, gutter, sidewalk, and median curbs	145,420,065	212,837		5,494,054	151,126,956
Drain inlets	20,752,050	195,926		218,255	21,166,231
Flood control improvements	20,007,644			216,941	20,224,585
Soundwall	31,569,614			4,492,878	36,062,492
Stormdrains	72,713,379	2,568,328		2,475,303	77,757,010
Traffic signals	33,333,369	207,651		9,085,605	42,626,625
Total capital assets being depreciated	614,377,091	8,668,925	(4,037,536)	31,639,993	650,648,473
Less accumulated depreciation for:					
Buildings	(45,704,079)	(3,131,071)			(48,835,150)
Improvements	(1,687,261)	(161,381)			(1,848,642)
Equipment	(53,294,911)	(5,438,993)	4,008,190		(54,725,714)
Bike paths	(5,850,580)	(333,510)			(6,184,090)
Bridges	(8,949,549)	(676,843)			(9,626,392)
Culverts	(5,002,901)	(272,866)			(5,275,767)
Curb, gutter, sidewalk, and median curbs	(100,782,904)	(4,696,618)			(105,479,522)
Drain inlets	(7,767,078)	(419,183)			(8,186,261)
Flood control improvements	(2,699,012)	(268,215)			(2,967,227)
Soundwall	(8,434,018)	(966,173)			(9,400,191)
Stormdrains	(13,405,346)	(1,003,136)			(14,408,482)
Traffic signals	(16,985,061)	(1,570,720)			(18,555,781)
Total accumulated depreciation	(270,562,700)	(18,938,709)	4,008,190		(285,493,219)
Net capital assets being depreciated	343,814,391	(10,269,784)	(29,346)	31,639,993	365,155,254
Governmental activity capital assets, net	\$848,156,533	\$20,666,492	(\$17,191,442)		\$851,631,583

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

	Balance at June 30, 2012 (As Restated)	Additions	Retirements	Transfers	Balance at June 30, 2013
<b><i>Business-type activities</i></b>					
Capital assets, not being depreciated:					
Land	\$16,514,858				\$16,514,858
Landscaping (modified)	576,843				576,843
Streets (modified)	24,914				24,914
Construction in progress	13,602,027	\$13,622,854	(\$567,474)	(\$4,886,123)	21,771,284
Total capital assets not being depreciated	30,718,642	13,622,854	(567,474)	(4,886,123)	38,887,899
Capital assets, being depreciated:					
Buildings	26,201,337		(215,142)	672,568	26,658,763
Improvements	17,068,378			(655,899)	16,412,479
Machinery and equipment	24,589,417	2,573,977	(377,831)	(16,669)	26,768,894
Bike paths	4,078,094				4,078,094
Bridges	1,702,403				1,702,403
Culverts	305,328				305,328
Curb, gutter, sidewalk, and median curbs	110,989				110,989
Drain inlets	24,663				24,663
Flood control improvements	8,830,439				8,830,439
Storm drains	38,069				38,069
Plants and substations	352,271,728			2,162,927	354,434,655
Distribution	1,187,202,202	7,552,108	(1,616,091)	1,630,235	1,194,768,454
Generation	200,882,798	34,129		1,092,961	202,009,888
Total capital assets being depreciated	1,823,305,845	10,160,214	(2,209,064)	4,886,123	1,836,143,118
Less accumulated depreciation for:					
Buildings	(6,918,216)	(659,351)	24,203	(75,664)	(7,629,028)
Improvements	(5,388,948)	(439,802)		58,995	(5,769,755)
Machinery and equipment	(14,701,549)	(2,053,671)	323,729	16,669	(16,414,822)
Bike paths	(1,016,826)	(201,570)			(1,218,396)
Bridges	(66,205)	(18,916)			(85,121)
Culverts	(17,855)	(4,071)			(21,926)
Curb, gutter, sidewalk, and median curbs	(6,487)	(5,549)			(12,036)
Drain inlets	(3,356)	(493)			(3,849)
Flood control improvements	(58,870)	(117,739)			(176,609)
Storm drains	(3,655)	(508)			(4,163)
Plants and substations	(93,256,022)	(8,018,060)			(101,274,082)
Distribution	(225,425,410)	(17,999,528)	258,289		(243,166,649)
Generation	(46,485,370)	(10,669,008)			(57,154,378)
Total accumulated depreciation	(393,348,769)	(40,188,266)	606,221		(432,930,814)
Net capital assets being depreciated	1,429,957,076	(30,028,052)	(1,602,843)	4,886,123	1,403,212,304
Business-type activity capital assets, net	\$1,460,675,718	(\$16,405,198)	(\$2,170,317)		\$1,442,100,203

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**C. Depreciation Allocation**

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

***Governmental Activities***

General government	\$1,481,065
Community development and planning	488,951
Public works	11,416,627
Police	803,214
Fire	610,048
Library	574,739
Parks and recreation	366,039
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	3,198,026
<b>Total Governmental Activities</b>	<b><u><u>\$18,938,709</u></u></b>

***Business-Type Activities***

Electric	\$17,863,681
Water	8,100,231
Wastewater	11,753,167
Solid Waste	294,930
Golf Course	388,601
Local Transportation	1,720,787
School-age Child Care	66,869
<b>Total Business-Type Activities</b>	<b><u><u>\$40,188,266</u></u></b>

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

The City has elected to use the modified approach discussed above with respect to its roads. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.8, instead of providing depreciation. During fiscal 2013 the City expended \$4,980,690 to preserve its roads. The City estimates that it will be required to expend approximately \$4,570,018 in fiscal 2014 to maintain its roads at this condition level.

The City has also elected to use the modified approach with respect to its parks and landscaping. The City's policy based on current funding is to maintain the parks and landscape at an average Ground Management Index (GMI) of Level 3, instead of providing depreciation. During fiscal 2013 the City expended \$4,868,908 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$5,012,552 in fiscal 2014 to maintain its parks at this condition level.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**E.      *Restatement of Capital Assets***

During the fiscal year ended June 30, 2013, the City determined that developer contributions of distribution capital assets in the Wastewater Enterprise Fund had been understated in the amount of \$11,348,697, net of accumulated depreciation, and that buildings in the School Age Childcare Enterprise Fund had been understated in the amount of \$1,171,724, net of accumulated depreciation. Therefore, the beginning balances of Capital Assets and Net Position of the respective Funds have been increased and restated in those amounts as of July 1, 2012.

**NOTE 9 - LONG-TERM DEBT**

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

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

The deferred charge on refunding was previously reported as a component of the long-term debt balance. With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, the balance of deferred charge on refunding is to be reported as an asset or liability, as applicable. Another provision of GASB Statement No. 65 requires that bond issuance costs, other than prepaid insurance, be expensed in the year incurred. As a result of the implementation, bond issuance costs as of July 1, 2012 in the amounts of \$1,676,644, \$566,982 and \$167,505, in the Electric, Wastewater and Golf Enterprise Funds, respectively, have been removed and net position of the funds has been reduced and restated in those amounts.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**A. Current Year Transactions and Balances**

	Balance		Additions	Retirements	Balance	
	Original Issue Amount	June 30, 2012 (As restated)			June 30, 2013	Current Portion
<b>Governmental Activity Debt:</b>						
<b>Certificates of Participation:</b>						
2003A Public Facilities Refunding, 2.0%-5.0%, due 8/1/25	\$18,275,000	\$13,190,000		\$13,190,000		
<b>Lease:</b>						
2012 Public Facilities Refunding, 2.15%, due 8/1/25	11,549,031		\$11,549,031		\$11,549,031	\$878,784
<b>Installment Purchase Obligations:</b>						
Equipment	2,239,765	125,785		82,821	42,964	42,964
Land (Fulcrum Property)	1,191,322		1,191,322		1,191,322	
<b>Total Governmental Activity Debt:</b>	<b>\$33,255,118</b>	<b>\$13,315,785</b>	<b>\$12,740,353</b>	<b>\$13,272,821</b>	<b>\$12,783,317</b>	<b>\$921,748</b>
<b>Business-type Activity Debt:</b>						
<b>Certificates of Participation:</b>						
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	\$39,940,000	\$37,825,000		\$395,000	\$37,430,000	\$405,000
Less: deferred bond discount	(728,254)	(534,053)		(24,275)	(509,778)	
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	43,615,000		3,450,000	40,165,000	3,625,000
Add: deferred bond premium cost	3,528,055	2,731,398		113,808	2,617,590	
2008 Electric System Revenue, Series A variable rate, due 2/1/35	90,000,000	90,000,000		90,000,000		
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24	27,010,000	22,350,000		1,515,000	20,835,000	1,545,000
Add: deferred bond premium cost	396,611	317,288		26,441	290,847	
2012 Electric System Revenue Refunding variable rate, due 2/1/35	90,000,000		\$90,000,000		90,000,000	
2003B Golf Course Refunding, 2.0%-5.0%, due 8/1/23	8,240,000	5,600,000		5,600,000		
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53,695,000	46,665,000		1,965,000	44,700,000	2,065,000
Add: deferred bond premium cost	2,759,170	2,069,376		137,959	1,931,417	
<b>Total Certificates of Participation</b>	<b>367,740,582</b>	<b>250,639,009</b>	<b>90,000,000</b>	<b>103,178,933</b>	<b>237,460,076</b>	<b>7,640,000</b>
<b>Revenue Bonds:</b>						
2007 Gas Revenue Bonds 4.00-5.00%, due 2/15/28	209,350,000	181,875,000		7,675,000	174,200,000	8,030,000
Add: deferred bond premium cost	15,454,116	11,038,655		735,910	10,302,745	
2010 Electric System Revenue Refunding 2.00%-5.00%, due 2/1/37	55,845,000	55,540,000		330,000	55,210,000	355,000
Add: deferred bond premium cost	2,764,207	2,559,451		102,378	2,457,073	
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series A variable rate, due 11/1/35	16,340,380	16,340,380		16,340,380		
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series B variable rate, due 11/1/35	16,337,672	16,337,672		16,337,672		
2011 Refunding Wastewater Revenue Bonds, Series C 1.00-5.25%, due 11/1/25	36,315,568	34,858,395	4,819,815	1,874,464	37,803,746	1,988,535
Add: deferred bond premium cost	2,839,017	2,484,139	343,479	201,973	2,625,645	
2011 Refunding Wastewater Revenue Bonds, Series D variable rate (SIFMA rate plus 0.83%), due 11/1/14	16,251,000	16,251,000	2,247,000		18,498,000	
2013 Refunding Wastewater Revenue Bonds variable rate, due 11/1/35	36,582,878		36,582,878		36,582,878	
<b>Total Revenue Bonds</b>	<b>408,079,838</b>	<b>337,284,692</b>	<b>43,993,172</b>	<b>43,597,777</b>	<b>337,680,087</b>	<b>10,373,535</b>
<b>Lease:</b>						
2012 Public Facilities Refunding (Golf Course), 2.15%, due 8/1/25	4,775,578		4,775,578		4,775,578	430,618
<b>Total Business-type Activity Debt:</b>	<b>\$780,595,998</b>	<b>\$587,923,701</b>	<b>\$138,768,750</b>	<b>\$146,776,710</b>	<b>\$579,915,741</b>	<b>\$18,444,153</b>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**B. 2003A Public Facilities Refunding Certificates of Participation (COP's)**

On July 17, 2003, the City issued \$18,275,000 of Public Facilities Refunding COPs to advance refund the outstanding 1993 Public Facilities COP's. The COP's are repayable from the any source of available funds of the City which includes the General Fund. Principal payments were payable annually and interest payments were due semi-annually on February 1 and August 1 through 2025. The COP's were refunded and retired by the 2012 Public Facilities Refunding Lease.

**C. 2012 Public Facilities Refunding Lease**

On June 1, 2013, the City entered into a Lease and Sublease Agreement in the amount of \$16,324,609 to refund the outstanding 2003A Public Facilities Refunding Certificates of Participation (2003A COPs) and the 2003B Golf Course Refunding Certificates of Participation (2003B COPs). The refunding of the 2003A COPs reduces the total debt service payments over 13 years by \$1,477,987 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,482,732. The refunding of the 2003B COPs reduces the total debt service payments over 11 years by \$756,555 and to obtain an economic gain of \$754,811. 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.

**D. Installment Purchase Obligations**

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

Fulcrum Property Corporation purchased commercial property for the development of a conference center and subsequently assigned the commercial property to the City, and the City assumed all of Fulcrum's rights and obligations to the property, including the associated installment purchase obligation. The installment purchase obligation is due in a lump sum of \$1,191,322, plus simple interest of 5% per year from December 21, 2012 to December 31, 2016, and the outstanding principal and interest is due on December 31, 2016. Fulcrum has the option to purchase a portion of the property and for this, Fulcrum is to pay the City \$10,000 on or before each December 31 during the option term which ends December 31, 2016, or \$70,000 if terminated earlier. The option consideration is non-refundable, and is not applied to the purchase price.

**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 COP's are repayable from net revenue of the Electric Utility System. The COP's 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.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

The Series A COPs bear interest at 3.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2008 through 2023.

***G. 2008 Electric System Revenue Refunding Certificates of Participation Series A and Electric System Revenue Refunding Certificates of Participation Series B***

On May 12, 2008, the City issued variable rate Certificates of Participation (COP's) Series A and B in the original principal amounts of \$90,000,000, and \$64,500,000, respectively. The Series B COPs were refinanced by the 2010 Electric System Revenue Refunding Bonds, discussed in Note 9I below.

The Series 2008A Bonds were issued to refund the remaining outstanding balance of the 2005 Electric System Revenue Certificates of Participation, Series B.

The Series A COPs were issued as variable rate securities with interest calculated weekly. The rate fluctuates according to the market conditions, but is capped at 12%. However, the City entered into a 27-year interest rate swap agreement for the entire amount of the Series A COP's. The combination of the variable rate Series A COPs and a floating rate swap creates synthetic fixed-rate debt for the City. Principal payments were due annually on February 1 beginning February 1, 2023 through 2035. The Series A COPs were refinanced in fiscal year 2013 by the 2012 Electric System Revenue Refunding Certificates of Participation, as discussed in Note 9J below.

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

***I. 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, discussed above in Note 9 F.

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

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

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

The COPs were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Trust Agreement to mean a per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of (a) the Applicable Spread (initially 0.625%, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus (b) the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5%). The LIBOR Index is defined as the London interbank offered rate for U.S. dollar deposits for a one-month period, as reported on Reuters Screen LIBOR01 Page or any successor thereto, which will be that one-month LIBOR rate in effect two London Business Days prior to the LIBOR Index Reset Date, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. The interest rate of the COPs cannot exceed 12% per year and may be converted by the City into a daily rate, weekly rate, commercial paper rate or index rate, subject to certain conditions defined in the Trust agreement. The interest rate at June 30, 2013 was 0.765%.

The City originally entered into a 27-year interest rate swap agreement for the entire amount of the 2008A COPs, and the interest rate swap agreement remains outstanding after the refunding, but the notional amount of the swap is based on the notional amount of the 2008A COPs. The combination of the variable rate COPs and a floating rate swap creates synthetic fixed-rate debt for the City. The synthetic fixed rate for the COPs was 3.971% at June 30, 2013. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035.

As of June 30, 2013, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COP's, 2005 Electric System Revenue COP's, 2009 Electric System Revenue Refunding COP's, 2010 Electric System Revenue Refunding Revenue Bonds and 2012 Electric System Revenue Refunding COPs was \$404,051,370. 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 2013, net revenues amount to \$33,781,411 which represent coverage of 193% over the \$17,483,647 in debt service.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**K. 2003B Golf Course Refunding Certificates of Participation**

On July 17, 2003, the City issued \$8,240,000 of Golf Course Refunding COPs, the proceeds of which are to be used to advance refund the outstanding 1993 Golf Course COP's. The COP's are repayable from the any source of available funds of the City which includes the General Fund. Interest payments were due semi-annually on February 1 and August 1. Principal payments were due annually on August 1 through 2024. The COPs were refunded by the 2012 Public Facilities Refunding lease discussed in 9C above.

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

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

As of June 30, 2013, the total principal and interest remaining to be paid on the bonds was \$63,228,507. 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 2013 net revenues amounted to \$10,317,340 which represented coverage of 258% over the \$3,999,604 in debt service.

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

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

Principal payments are due annually commencing on February 15, 2009 through 2028 and interest is payable semiannually on February 15 and August 15, commencing August 15, 2007. As of June 30, 2013, the total principal and interest to be paid on the bonds was \$251,838,995. For fiscal year 2013, net revenues amounted to \$26,709,137 which represented coverage of 1.60% over the \$16,653,644 in debt service.

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

Interest rates on the Series 2011D Bonds will be a per annum rate equal to the Adjusted SIFMA Rate (the sum of the SIFMA Index Rate and an additional interest rate of 0.832%), applied on the basis of the actual number of days in the applicable Interest Period divided by 365 or 366, as applicable. "SIFMA Index" is defined under the Indenture to mean the SIFMA Municipal Swap Index (formerly The Bond Market Association Municipal Swap Index), a seven-day high-grade market index composed of selected tax-exempt variable-rate demand obligations meeting specific criteria. The SIFMA Index is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Index is not available, there will be used in its place such index as the Trustee, following consultation with the Authority and the Calculation Agent, as applicable for the applicable Interest Rate Period, from time to time determines most closely approximates the SIFMA Index. The interest rate at June 30, 2013 was 0.892%

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

On April 1, 2013, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2013, in the original principal amount of \$59,330,000. The City's share of this obligation was determined to be 61.66%. The 2013 Bonds were issued to refund the remaining outstanding balance of the 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A and B. The refunding reduces the total debt service payments over 23 years by \$10,250,750 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$8,280,943. The 2011A and 2011B Bonds were called on April 1, 2013.

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, 2013 was 0.761%. The Bonds are subject to mandatory redemption annually beginning November 1, 2029 through 2035.

The Authority originally entered into a 19 year interest rate swap agreement for the entire amount of the 2008B Bonds, and as part of the issuance of the 2011 ABCD Bonds, the swap agreement was amended and remains in effect, but the notional amount of the swap is based on the notional amount of the 2008 B Bonds. The interest rate swap agreement remains outstanding after the refunding and issuance of the 2013 Bonds, and the notional amount of the swap continues to be based on the notional amount of the 2008B Bonds. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the 2011 C and 2013 Bonds at June 30, 2013 was 4.05%.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

As of June 30, 2013, the total principal and interest remaining to be paid on the 2011 Series C, 2011 Series D Bonds and the 2013 Bonds was \$135,086,526. 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 2013, \$6,151,669 in debt service was paid from the Rate Stabilization Account.

**P. 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, 2013, are included below. The swap agreements contain scheduled reductions to the outstanding notional amount that are expected to follow scheduled reductions in the associated bond issues.

Related Bond Issue	Notional Amount	Effective Date	Counterparty	Credit Rating	Fixed Rate Paid	Variable Rate Received	Termination Date
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)	\$36,000,000	5/13/2008	Bank of America, N.A.	A	3.364%	70.5% of 1m LIBOR	2/1/2035
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)	54,000,000	5/13/2008	Morgan Stanley Capital Services Inc.	A-	3.321%	70.5% of 1m LIBOR	2/1/2035
2011 Refunding Wastewater Revenue Bonds, series C and D and 2013 Refunding Wastewater Revenue Bonds (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B)	50,961,990 (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>\$140,961,990</u>						

(A) The Authority's swap agreement is based on the notional amount of \$82,650,000 related to the 2008B Bonds. The City's share of these underlying Bonds is 61.66%, or \$50,961,990. 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.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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.

*Fair value.* Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. Fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by each swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. As of June 30, 2013, the fair value of the swaps were not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2013	2012
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)		
Bank of America N.A.	(\$5,503,837)	(\$9,492,812)
Morgan Stanley Capital Services Inc.	(7,952,467)	(13,898,939)
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>(7,044,596)</u>	<u>(8,898,587)</u>
	<u>(\$20,500,900)</u>	<u>(\$32,290,338)</u>

(A) The Authority's swap agreement is based on the notional amount of \$82,650,000 equivalent to the notional balance on the 2008B Bonds. The City's share of these underlying Bonds was 61.66%, or \$50,961,990. Only the City's portion of the fair value of the swap agreement is shown above, since the City is only obligated for that portion of the Authority's 2011 and 2013 bonds.

*Credit risk.* The City would be exposed to credit risk on the outstanding swaps if the swaps had positive fair values. These amounts may increase if interest rates increase in the future. However, if interest rates decline and fair values of the swaps were to become negative, the City would no longer be exposed to credit risk. The City will be exposed to interest rate risk only if a counterparty to a swap defaults or if the swap is terminated.

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

*Swap payments and associated debt.* Using rates as of June 30, 2013, 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, 2013:

For the Year Ending June 30	Variable-Rate and Fixed Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2014	\$1,988,535	\$3,264,653	\$4,302,510	\$9,555,698
2015	20,631,436	3,061,545	4,225,246	27,918,227
2016	2,287,586	2,901,291	4,145,164	9,334,041
2017	2,457,151	2,787,945	4,062,412	9,307,508
2018	2,635,965	2,660,616	3,976,398	9,272,979
2019 - 2023	21,227,232	11,022,798	18,411,955	50,661,985
2024 - 2028	40,748,841	6,148,278	12,714,643	59,611,762
2029 - 2033	75,892,994	3,592,783	5,902,342	85,388,119
2034 - 2036	51,597,762	499,941	595,771	52,693,474
<b>Totals</b>	<b>\$219,467,502</b>	<b>\$35,939,850</b>	<b>\$58,336,441</b>	<b>\$313,743,793</b>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

***Q. Debt Service Requirements***

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

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$921,748	\$203,063	\$18,444,153	\$24,197,727
2015	795,562	284,700	37,775,565	23,307,819
2016	2,005,995	267,493	20,245,257	22,334,069
2017	831,485	190,321	21,317,141	21,359,319
2018	846,038	172,366	22,372,190	20,321,674
2019 - 2023	4,473,864	575,962	130,500,039	83,977,695
2024 - 2028	2,908,625	105,022	152,312,979	49,373,704
2029 - 2033			80,926,497	22,658,309
2034 - 2037			76,306,381	7,157,912
<b>Total</b>	<b>\$12,783,317</b>	<b>\$1,798,927</b>	<b>560,200,202</b>	<b>\$274,688,228</b>
<b>Reconciliation of long-term debt</b>				
			(509,778)	
			20,225,317	
			<b>\$579,915,741</b>	

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**R. *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, 2013, is as follows:

North Roseville Community Facilities District #1	\$15,030,000
North Central Roseville Community Facilities District #1, Series 2010	17,000,000
Woodcreek West Community Facilities District #1, Series 2005	16,590,000
Stone Point Community Facilities District # 1	8,970,000
Fiddymont Ranch Community Facilities District # 1	76,160,000
Westpark Community Facilities District # 1	75,290,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	30,510,000
Stone Point Community Facilities District #5, Series 2006	5,170,000
Diamond Creek Community Facilities District #1, Series 2007	6,940,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	37,565,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	8,800,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,200,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	2,285,000
Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012	21,000,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	8,290,000
Total	<u><u>\$340,800,000</u></u>

**NOTE 10 – DERIVATIVE INSTRUMENTS**

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2013.

	2013 Change in Fair Value		Fair Value, End of Fiscal Year 2013	
	Classification	Amount	Classification	Amount
<b>Effective Cash Flow Hedges</b>				
<b>Electric Fund</b>				
Pay Fix SWAP, Natural Gas	Deferred Outflow	\$22,418,129	Derivative	<u>(\$22,847,750)</u>
Receive Fixed SWAP, Electric	Deferred Inflow	92,171	Derivative	<u>\$92,171</u>
<b>Roseville Natural Gas Financing Authority</b>				
Pay Fixed SWAP, Natural Gas	Deferred Inflow	(\$2,431,676)	Derivative	\$20,099,009
Receive Fixed SWAP, Natural Gas	Deferred Inflow	(24,374,329)	Derivative	<u>54,655,133</u>
				<u>\$74,754,142</u>

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

The objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2013, 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, 2013 are summarized in the table below:

Type and Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty	Counterparty Rating
<b>Forward Contracts, Gas:</b>						
Hedge Cash Flows on PG&E citygate Gas	\$990,000	8/1/2012	3/31/2014	Pay \$6.63; Receive NGI PG&E citygate price	BP Corporation	BBB+
Hedge Cash Flows on PG&E citygate Gas	183,000	8/1/2012	9/30/2013	Pay \$5.67; Receive NGI PG&E citygate price	ConocoPhillips	A
Hedge Cash Flows on PG&E citygate Gas	828,000	10/1/2012	12/31/2013	Pay \$4.81; Receive NGI PG&E citygate price	J. Aron & Company	A-
Hedge Cash Flows on PG&E citygate Gas	1,087,500	8/1/2012	3/31/2014	Pay \$5.10; Receive NGI PG&E citygate price	J.P. Morgan Ventures Energy Corporation	A
Hedge Cash Flows on PG&E citygate Gas	3,515,000	1/1/2013	2/28/2014	Pay \$4.98; Receive NGI PG&E citygate price	Macquarie Energy	A
Hedge Cash Flows on PG&E citygate Gas	367,000	8/1/2012	12/31/2013	Pay \$5.37; Receive NGI PG&E citygate price	Powerex Corporation	AAA
Hedge Cash Flows on PG&E citygate Gas	6,424,000	8/1/2012	5/31/2014	Pay \$6.52; Receive NGI PG&E citygate price	Shell Energy North America	A-
Hedge Cash Flows on NP15 Power	36,600	5/1/2014	5/31/2014	Pay \$34.59; Receive NP15 price	Shell Energy North America	A
<b>Commodity Swaps, Gas:</b>						
Prepayment 20-year supply of Natural Gas	34,513,500	1/1/2008	12/31/2027	Pay index minus 0.68; Receive NGI	Merrill Lynch	A+
Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas	From 76,000 to 372,000 per month	1/24/2007	1/25/2028	Pay NGI PG&E citygate price; Receive \$7.7224 per MMBtu	JPMorgan Chase Bank, NA	A

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

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

**A. *Net Position***

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

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

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

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

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

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Director, and may be changed at the discretion of the City Council or the Finance Director. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

Detailed classifications of the City's Fund Balances, as of June 30, 2013, are below:

Fund Balance Classifications	General Fund	Capital Projects		Total
		Community Facilities District Projects	Other Governmental Funds	
<b>Nonspendable:</b>				
Items not in spendable form:				
Prepaid expenses	\$93,385			\$93,385
Notes receivable	23,826,961			23,826,961
Inventories	429,985		\$776,181	1,206,166
Subtotal	24,350,331		776,181	25,126,512
Amounts required to be maintained intact:				
Permanent funds			16,914,988	16,914,988
<b>Total Nonspendable Fund Balances</b>	<b>24,350,331</b>		<b>17,691,169</b>	<b>42,041,500</b>
<b>Restricted for:</b>				
Community facilities districts		\$6,392,246		6,392,246
Debt service			144,978	144,978
Lighting and landscaping			9,519,456	9,519,456
Street projects			11,320,381	11,320,381
Affordable housing			5,483,482	5,483,482
Library services and projects			471,718	471,718
Public safety services and projects			3,870,025	3,870,025
Bike trail/open space maintenance			978,389	978,389
Animal control shelter			572,870	572,870
Traffic projects			19,721,605	19,721,605
Public facilities			11,988,870	11,988,870
Park development			23,053,888	23,053,888
Pleasant Grove drain basin			8,425,592	8,425,592
Tree propagation			2,607,918	2,607,918
Community development block grant and HOME programs			(14,612)	(14,612)
Aquatics Complex Maintenance			24,913	24,913
Citizens' Benefits			677,304	677,304
Other capital projects			860,055	860,055
<b>Total Restricted Fund Balances</b>		<b>6,392,246</b>	<b>99,706,832</b>	<b>106,099,078</b>
<b>Committed to:</b>				
Utility exploration center			66,779	66,779
Park services and projects			407,251	407,251
Building projects			1,816,908	1,816,908
<b>Total Committed Fund Balances</b>			<b>2,290,938</b>	<b>2,290,938</b>
<b>Assigned to:</b>				
Information systems upgrades and improvements	174,441			174,441
Annual park repairs	126,765			126,765
Building maintenance	110,437			110,437
Police patrol supplies	119,992			119,992
Fire operations and supplies	166,091			166,091
Economic development	586,966			586,966
Plan check and inspection	100,221			100,221
Various contracts	1,617,773			1,617,773
Building and general rehabilitation projects			12,625,416	12,625,416
<b>Total Assigned Fund Balances</b>	<b>3,002,686</b>		<b>12,625,416</b>	<b>15,628,102</b>
<b>Unassigned:</b>				
General fund	29,957,714			29,957,714
Other governmental fund deficit residuals			(1,333,659)	(1,333,659)
<b>Total Unassigned Fund Balances</b>	<b>29,957,714</b>		<b>(1,333,659)</b>	<b>28,624,055</b>
<b>Total Fund Balances</b>	<b>\$57,310,731</b>	<b>\$6,392,246</b>	<b>\$130,980,696</b>	<b>\$194,683,673</b>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**C. *Economic Reserves***

The Ordinance adopting the City's annual budget requires the City to implement and maintain fund balances of approximately 10% of General Fund and Utility Fund operating expenditures for economic uncertainties. As of June 30, 2013, the General Fund Reserve for Economic Uncertainties, which is reported within the unassigned fund balance of the General Fund, had a balance of \$9,598,800. As of June 30, 2013, the Utility Fund Economic Uncertainties balances, which are reported within the unrestricted net position of the Electric, Water, Wastewater and Solid Waste Enterprise Funds had balances of \$14,174,500, \$2,005,200, \$2,832,800, and \$2,000,000, respectively.

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

The Community Development Block Grant/HOME Special Revenue Fund had a deficit fund balance at June 30, 2013 of \$14,612. Future grant revenues are expected to eliminate this deficit.

The Roseville Community Development Corporation Special Revenue Fund had a deficit fund balance at June 30, 2013 of \$904,548. Future contributions and revenues are expected to eliminate this deficit.

The Technology Replacement Special Revenue Fund had a deficit fund balance at June 30, 2013 of \$429,111. Future permit fees are expected to offset this deficit.

The Automotive Services Internal Service Fund had deficit net position at June 30, 2013 of \$688,836. Rental Rates will be evaluated in future years.

The Unemployment Reserve Internal Service Fund had deficit net position at June 30, 2013 of \$225,417. Increasing future premium amounts and reducing loan payment amounts are expected to eliminate this deficit.

The Post Retirement Internal Service Fund had deficit net position at June 30, 2013 of \$30,774,587. Future increases in contribution rates will eliminate this deficit.

The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund had deficit net position at June 30, 2013 of \$39,828,848. Future tax revenues are expected to eliminate this deficit.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 12 - PENSION PLAN**

**CALPERS Safety and Miscellaneous Employees Plans**

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service; one year of credited service is equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2013, are summarized as follows:

	<u>Safety</u>	
	Prior to January 1, 2013	After January 1, 2013
Hire Date		
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of annual salary	3%	2.0% - 2.7%
Required employee contribution rates	9%	12.25%
Required employer contribution rates	31.298%	31.298%
	<u>Safety</u>	
Actuarially required contributions	\$10,101,015	
	<u>Miscellaneous</u>	
	Prior to January 1, 2013	After January 1, 2013
Hire Date		
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of annual salary	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	20.230%	20.230%
	<u>Miscellaneous</u>	
Actuarially required contributions	\$18,063,140	

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The City uses actuarially determined percentages of payroll to calculate and pay contributions to CalPERS. The City paid 100% of the contributions required by CALPERS, for the years ended June 30, 2013, 2012 and 2011. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CalPERS, for the last three fiscal years were as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<i><b>Safety Plan</b></i>			
June 30, 2011	\$8,841,881	100%	\$0
June 30, 2012	10,027,631	100%	0
June 30, 2013	10,101,015	100%	0
<i><b>Miscellaneous Plan</b></i>			
June 30, 2011	\$14,791,010	100%	0
June 30, 2012	18,065,353	100%	0
June 30, 2013	18,063,140	100%	0

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

*Safety Plan (3% @ 50):*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2010	\$176,319,541	\$133,291,736	\$43,027,805	75.6%	\$23,685,286	181.665%
2011	196,208,635	145,495,984	50,712,651	74.2%	22,222,636	228.203%
2012	213,420,106	157,246,641	56,173,465	73.7%	23,542,236	238.607%

*Miscellaneous Plan (2.7% @ 55):*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2010	\$367,490,532	\$261,053,910	\$106,436,622	71.0%	\$63,122,632	168.619%
2011	403,899,989	281,366,830	122,533,159	69.7%	62,355,851	196.506%
2012	429,218,174	302,337,115	126,881,059	70.4%	63,780,598	198.934%

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 13 – POST-EMPLOYMENT BENEFITS**

**A. Plan Provisions**

The City provides medical benefits to substantially all retirees under the City of Roseville Other Post Employment Benefit Plan, a sole employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. The Plan does not issue separate financial statements. As of June 30, 2013, there were 525 participants receiving these health care benefits.

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

■ Eligibility	<ul style="list-style-type: none"> <li>Service or disability retirement from City (or 5 years City service if hired after January 1, 2004)</li> </ul>																																	
■ Benefit	<p style="text-align: center;"><u>Hired before January 1, 2004 (a)</u></p> <ul style="list-style-type: none"> <li>City paid premium, subject to the following caps:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Group</th> <th style="text-align: center;">2013</th> </tr> </thead> <tbody> <tr> <td>Management/Confidential</td> <td style="text-align: right;">\$1,116.75</td> </tr> <tr> <td>Stationary Engineers Local 39</td> <td style="text-align: right;">1,284.00</td> </tr> <tr> <td>Roseville Police Association</td> <td style="text-align: right;">1,088.50</td> </tr> <tr> <td>Roseville Police Officers Association</td> <td style="text-align: right;">1,162.62</td> </tr> <tr> <td>Roseville Firefighters Association</td> <td style="text-align: right;">1,200.00</td> </tr> <tr> <td>International Brotherhood of Electrical Workers</td> <td style="text-align: right;">1,200.00</td> </tr> </tbody> </table> <p>(a) January 1, 2005 for Police Officers Association and Local 39</p>	Group	2013	Management/Confidential	\$1,116.75	Stationary Engineers Local 39	1,284.00	Roseville Police Association	1,088.50	Roseville Police Officers Association	1,162.62	Roseville Firefighters Association	1,200.00	International Brotherhood of Electrical Workers	1,200.00	<p style="text-align: center;"><u>Hired after January 1, 2004 (a)</u></p> <ul style="list-style-type: none"> <li>100/90 formula, subject to vesting schedule:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">CalPERS Service</th> <th colspan="2" style="text-align: center;">Vesting</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 to 20 years</td> <td style="text-align: center;">50% to 100%</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>100/90 formula rates:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2012</th> <th style="text-align: center;">2013</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: right;">\$566</td> <td style="text-align: right;">\$566</td> </tr> <tr> <td>Two-Party</td> <td style="text-align: right;">1,074</td> <td style="text-align: right;">1,074</td> </tr> <tr> <td>Family</td> <td style="text-align: right;">1,382</td> <td style="text-align: right;">1,382</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Five years City service required</li> </ul>	CalPERS Service	Vesting		10 to 20 years	50% to 100%			2012	2013	Single	\$566	\$566	Two-Party	1,074	1,074	Family	1,382	1,382
Group	2013																																	
Management/Confidential	\$1,116.75																																	
Stationary Engineers Local 39	1,284.00																																	
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	2012	2013																																
Single	\$566	\$566																																
Two-Party	1,074	1,074																																
Family	1,382	1,382																																
■ Dental, Vision and Life	<ul style="list-style-type: none"> <li>None</li> </ul>																																	
■ Surviving Spouse Continuation	<ul style="list-style-type: none"> <li>Retiree medical benefit continues to surviving spouse if retiree elects CalPERS survivor annuity.</li> </ul>																																	

**B. Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a June 30, 2011, 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 9.00% to 9.40% in 2013 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 30 year amortization period with 26 years remaining.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 13 – 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
6/30/2011	\$9,273,292	\$38,457,645	415%	\$15,409,215
6/30/2012	15,104,848	4,972,333	33%	25,541,730
6/30/2013	15,317,140	7,612,084	50%	33,246,786

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	(Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2007	\$0	164,567,000	(\$164,567,000)	0.00%	\$80,302,000	-204.94%
6/30/2009	34,000,000	180,097,000	(146,097,000)	18.88%	80,664,000	-181.12%
6/30/2011	34,626,000	176,733,000	(142,107,000)	19.59%	74,535,000	-190.66%

**D. Funding Progress and Funded Status**

During the fiscal year ended June 30, 2013, the City has recorded a Net OPEB Obligation in the Post Retirement Internal Service Fund, representing the difference between the ARC and actual contributions, as presented below:

Annual required contribution	\$15,995,000
Interest on net OPEB obligation	1,660,212
Adjustment to annual required contribution	<u>(2,338,072)</u>
Annual OPEB cost	15,317,140
Contributions:	
Pay-as-you-go premiums	(5,131,475)
Contribution to the Trust	<u>(2,480,609)</u>
Change in net OPEB obligation	7,705,056
Net OPEB obligation at June 30, 2012	<u>25,541,730</u>
<b>Net OPEB Obligation at June 30, 2013</b>	<b><u><u>\$33,246,786</u></u></b>
Percentage of annual OPEB cost contributed	<u><u>50%</u></u>

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

**F. *Retiree Health Plan Assets***

At June 30, 2013, the Plan reported assets available for benefits of \$41,641,477. The composition of these assets at June 30, 2013, is shown below. For actuarial purposes, the value of the Plan's assets was determined to be fair value.

Domestic Equity	\$15,622,248
International Equity	8,661,477
REITs	1,202,545
Fixed Income Securities	16,058,592
Cash Equivalent	96,615
Assets available for benefits at June 30, 2013	\$41,641,477

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 14 - RISK MANAGEMENT**

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

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

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

**A. Risk Coverage**

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

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

**General Liability Coverage**

The City has a self-insured retention (SIR) of \$500,000 per claim up to a \$40,000,000 limit. The City's premium was \$423,865 with an additional \$1,625 charge to reflect the fees to access CSRM Risk Control Online Services. The total premium cost to the City was \$425,490.

**Property Coverage**

CJPRMA has purchased commercial insurance against property damage. The City has a self-insured retention (SIR) of \$25,000 per claim up to a \$300,000,000 limit. The City's premium for coverage is \$241,608.

**Boiler and Machinery Coverage**

CJPRMA has purchased commercial insurance against boiler and machinery claims. The City has a self-insured retention (SIR) of \$5,000 per claim up to a \$21,250,000 limit. The annual premium paid was \$31,058.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**Roseville Energy Park Property Coverage**

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

**Fiduciary Coverage**

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

**Workers' Compensation**

The City is 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 statutory limit. The City has a self-insured retention of \$350,000 per claim. The City's premium of \$492,772 was for current year coverage, plus \$26,106 towards a 1998-99 assessment. The total premium charge to the City was \$518,878.

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

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

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

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>2013</u>	<u>2012</u>
Claims liability, beginning of year	\$6,309,143	\$5,853,000
Current year claims	2,363,000	2,335,000
Change in prior year claims	127,859	(725,327)
Claims paid, current year claims	(331,860)	(331,063)
Claims paid, prior year claims	<u>(764,438)</u>	<u>(822,467)</u>
Claims liability, end of year	<u>\$7,703,704</u>	<u>\$6,309,143</u>
Current claims liabilities	<u>\$924,444</u>	<u>\$757,097</u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 14 - RISK MANAGEMENT (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:

	2013	2012
Claims liability, beginning of year	\$1,555,904	\$1,792,000
Current year claims	1,119,000	755,000
Change in prior year claims	2,549,950	175,876
Claims paid, current year claims	(105,869)	(83,354)
Claims paid, prior year claims	(3,226,380)	(1,083,618)
Claims liability, end of year	\$1,892,605	\$1,555,904
Current claims liabilities	\$548,855	\$451,212

**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**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

During the year ended June 30, 2013, the City incurred expenses totaling \$9,115,663 for purchased power and assessments and prepaid assets paid to NCPA.

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

	June 30, 2013
General Operating Reserve (including advances)	\$1,503,041
Associated Member Services (including advances)	82,641
Purchased Power and Transmission	21,954
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	734,813
Calaveras Hydroelectric Project	881,554
Combustion Turbine Project No. 2	161,914
	\$3,385,917

The General Operating Reserve represents the City's portion of funds which resulted from the settlement with third parties of issues with financial consequences and reconciliations of several 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 has left them with NCPA as a reserve against these contingencies identified by NCPA.

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

**B. Projects**

***Geothermal Projects***

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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. 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, 2013, the book value of this Project's plant, equipment and other assets was \$103,560,994 while its long-term debt totaled \$44,638,207 and other liabilities totaled \$34,233,065. The City's share of the Project's long-term debt amounted to \$3,518,830 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, 2013, the City was owed \$55,404.

***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, 2013, the book value of this Project's plant, equipment and other assets was \$412,763,311 while its long-term debt totaled \$364,437,666 and other liabilities totaled \$19,286,461. The City's share of the Project's long-term debt amounted to \$43,732,520 at that date.

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

At June 30, 2013, the book value of this Project's plant, equipment and other assets was \$53,496,340, while its long-term debt totaled \$50,198,898 and other liabilities totaled \$1,318,846. The City's share of the Project's long-term debt amounted to \$18,322,598 at that date.

**C. NCPA Financial Information**

NCPA's financial statements can be obtained from NCPA, 180 Cirby Way, Roseville, CA 95678.

**NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY**

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

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

During the year ended June 30, 2013, the City paid \$5,510,747 to SPWA based on connection fees collected during the fiscal year.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

The City records its share of income and expenses from SPWA in the Wastewater Enterprise Fund and these changes are reflected in the Statement of Revenues, Expenses and Changes in Net Position. The members of the SPWA entered into an Amended and Restated Funding Agreement and a Reallocation and Repayment Agreement effective October 1, 2012. The Amended and Restated Funding Agreement changed the proportionate shares of each member for the cost allocations and the City’s share was increased to 61.66%. As a result, the City’s investment in SPWA reserves and obligations increased by \$30,125,316 and \$7,410,294, respectively, and the net of \$22,715,022 has been reported as a special item. The City’s investment in SPWA Reserves at June 30, 2013, was \$69,749,795.

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

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

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the Roseville sanitary landfill site, which is closed, through the year 2024. Accordingly, the City has recorded a liability and expense in the Enterprise Solid Waste Fund for the estimated postclosure care cost. The recorded amount is based on applicable state and local laws and regulations concerning closure and postclosure care. If additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may result in increased charges to future landfill users or the usage of future tax revenues. During fiscal year 2013, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$2,753,558
Deductions	<u>(137,993)</u>
Ending Balance	<u><u>\$2,615,565</u></u>

**NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES**

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

Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 15. The City’s estimated share of such debt outstanding at June 30, 2013, was \$65,753,948. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**B. Federal and State Grant Programs**

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

**C. Litigation**

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

**D. Encumbrances**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end may be reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2013, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:	
General Fund	\$3,002,686
Community Facilities Districts Projects	11,787
Non-Major Governmental Funds	13,955,992
Total Encumbrances	\$16,970,465

**E. Other Commitments**

The City had the following outstanding significant commitments at June 30, 2013:

Projects	(in millions)
REP long-term service agreement	\$19.0 - 43.0
Net power purchase contracts	46.0
Natural Gas Forward Obligations	78.5

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

**A. *Prepaid Gas Agreement***

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

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

As of June 30, 2013, prepaid gas under this agreement amounted to \$186,720,473.

**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, 2013.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**C. *Supply Agreement***

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

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

**D. *Commodity Swap Agreement***

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

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

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

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

**A. *REDEVELOPMENT DISSOLUTION***

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

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

With the dissolution of the Redevelopment Agency, pass-through payments to affected taxing entities become the responsibility of the County. However, the County had remitted pass-through payment funding to the Successor Agency, and during fiscal year 2013 the Successor Agency made pass-through payments of \$446,470.

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 are 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 as discussed in Note 20E below, and the Successor Agency had unencumbered balances of \$1,831,499, which was remitted to the County in August 2013 and has been reported as an accrued liability as of June 30, 2013.

Cash and investments of the Successor Agency as of June 30, 2012 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2013.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

***B. NOTES RECEIVABLE***

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners, developers or others who agreed to expend these funds in accordance with the Agency's terms. The balances of the notes receivable were \$5,089,106 at June 30, 2012.

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 Department of Finance has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City contends that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation were not reversed in the current fiscal year and remain in the Corporation as of June 30, 2013. The Successor Agency has requested a "meet and confer" with the Department of Finance regarding the issue, which is currently in process.

***C. LAND HELD FOR REDEVELOPMENT***

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

***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, 2013 were comprised of land in the amount of \$1,762,188.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 20 – 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, 2012	Additions	Retirements	Balance June 30, 2013	Current Portion
<b>Tax Allocation Bonds:</b>					
2002 Redevelopment Project Tax Allocation Bonds, 3%-5.14%, due 9/1/33	\$11,955,000		\$340,000	\$11,615,000	\$355,000
2006 Redevelopment Project Tax Allocation Bonds, Series A 4.5%-5.00%, due 9/1/40	13,155,000			13,155,000	
2006 Redevelopment Project Taxable Tax Allocation Bonds, Series A-T 5.31%-5.90%, due 9/1/28	2,680,000		105,000	2,575,000	110,000
2006 Redevelopment Project Taxable Tax Allocation Housing Bonds, Series H-T 5.31%-6.07%, due 9/1/40	6,070,000		85,000	5,985,000	90,000
Total Tax Allocation Bonds	33,860,000		530,000	33,330,000	555,000
<b>Advances from the City of Roseville</b>					
Loans from the City	24,772,384	\$7,332,869		32,105,253	37,238
SERAF Loans from the Housing Successor	490,102			490,102	
<b>Total</b>	<u>\$59,122,486</u>	<u>\$7,332,869</u>	<u>\$530,000</u>	<u>\$65,925,355</u>	<u>\$592,238</u>

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**2. Debt Service Requirements**

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

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$555,000	\$1,710,555
2015	580,000	1,682,920
2016	610,000	1,652,969
2017	635,000	1,621,289
2018	670,000	1,587,184
2019 - 2023	3,920,000	7,349,131
2024 - 2028	5,080,000	6,154,919
2029 - 2033	6,585,000	4,626,074
2034 - 2038	8,480,000	2,679,606
2039 - 2041	6,215,000	461,349
Total	<u>\$33,330,000</u>	<u>\$29,525,996</u>

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

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

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

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

The pledge of all future tax increment revenue ends upon repayment of the \$62,855,996 remaining debt service on the bonds which is scheduled to occur in fiscal year 2040. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed and housing set-aside amounts are no longer required, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. The Successor Agency only receives the funds necessary to fulfill its approved obligations. In fiscal year 2013, total taxes received by the Successor Agency were \$3,416,590, which represented coverage of 1.46 of the \$2,335,719 of debt service.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

**5.     *Loans from the City***

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

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

These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is based upon whether the Successor Agency receives a Finding of Completion from the State. In addition, the interest rate on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception of each loan. The balance of the loans, including principal and accrued interest, as of June 30, 2013 is \$32,105,253.

In addition, during the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Roseville Redevelopment Project Area Fund and the Roseville Flood Control Project Area to borrow \$558,381 and \$258,455, respectively, from the Agency's Low and Moderate Income Housing Fund to assist in making the Agency's fiscal year 2009-10 SERAF payment. These loans do not bear interest and were repayable in five equal annual installments, and were required to be repaid prior to June 30, 2015. The City assumed the housing assets of the Agency, and the loans are now payable to the City's Low and Moderate Income Housing Assets Special Revenue Fund. The balance of the loans as of June 30, 2013 totaled \$490,102.

**CITY OF ROSEVILLE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

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

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

**F. STATE APPROVAL OF ENFORCEABLE OBLIGATIONS**

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

**NOTE 21 – SUBSEQUENT EVENTS**

***Electric System Revenue Refunding Bonds, Series 2013***

On November 14, 2013, the Roseville Finance Authority issued the Electric System Revenue Refunding Bonds, Series 2013, in the principal amount not to exceed \$48,780,000 to refund a portion of the 2004 Electric System Revenue and 2005 Electric System Revenue, Series A, Certificates of Participation.

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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$72,347,423	\$74,673,223	\$78,283,027	\$3,609,804
Licenses and permits	1,482,200	1,692,200	1,805,452	113,252
Charges for services	9,800,682	11,712,947	11,572,161	(140,786)
Subventions and grants	832,441	1,816,810	1,312,131	(504,679)
Use of money and property	540,007	530,007	566,910	36,903
Fines, forfeitures and penalties	1,012,050	982,700	989,221	6,521
Contributions from developers	530,000	500,000	497,997	(2,003)
Miscellaneous revenues	1,750,786	1,651,917	2,148,834	496,917
<b>TOTAL REVENUES</b>	<b>88,295,589</b>	<b>93,559,804</b>	<b>97,175,733</b>	<b>3,615,929</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>Salaries And Benefits</b>				
<b>General Government</b>				
City Council	37,717	38,317	38,239	78
City Manager - Administration	578,851	582,864	582,849	15
Communications-Government Relations	699,616	672,855	642,032	30,823
City Attorney	1,387,296	1,348,164	1,347,027	1,137
Human Resources-Admin	1,114,422	1,180,722	1,180,717	5
Risk Mgmt - Administration	132,834	138,721	133,294	5,427
IT Administration	511,598	486,923	470,400	16,523
IT-Data Center	578,050	563,412	551,729	11,683
IT-Communications	810,795	757,250	742,907	14,343
IT-Public Safety	419,723	303,394	300,415	2,979
IT-GIS/Web	552,541	583,032	569,270	13,762
IT-Customer Service	733,799	750,822	741,191	9,631
IT-Applications	787,851	759,029	751,489	7,540
City Clerk - Administration	660,002	675,412	675,368	44
Central Services - Administration	480,556	482,511	482,315	196
Purchasing	376,342	379,802	378,782	1,020
Central Stores	173,052	178,549	178,544	5
Building Maintenance	699,786	701,415	700,046	1,369
Janitorial	524,428	551,665	551,640	25
Finance Administration	515,544	537,175	527,104	10,071
Budget	375,611	370,014	350,068	19,946
Payroll	402,176	403,678	400,085	3,593
Licensing	83,093	87,094	86,101	993
Cash Management	183,686	190,991	187,110	3,881
Util Billing & Services-Field Services	837,981	887,900	878,257	9,643
Util Billing & Services - Billing	521,773	520,495	490,504	29,991
Util Billing & Services-Services	902,800	871,143	871,034	109
Gen Acct - Administration	255,744	261,765	254,824	6,941
Gen Acct - Accounts Payable	388,336	409,196	406,771	2,425
Gen Acct - Accounting	366,016	369,672	338,287	31,385
Community Events		2		2
Neighborhood Services	98,234	104,591	104,580	11
Economic Development	534,443	438,799	376,482	62,317
Utility Billing and Services		71,868	57,939	13,929
<b>Community Development And Planning</b>				
Development & Operations-Admin	810,197	954,504	954,647	(143)
Housing Admin	120,727	204,487	204,397	90
Planning	1,535,157	1,693,734	1,688,462	5,272

(Continued)

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public Works - Administration	62,127	284,141	279,431	4,710
Building Inspection	2,146,667	2,227,726	2,129,552	98,174
Engineering	3,099,900	3,118,886	2,785,377	333,509
Flood Alert	115,571	121,284	120,562	722
Streets - Administration	653,426	466,842	456,789	10,053
Street Drainage	154,605	190,130	190,087	43
Paving	992,744	1,126,427	1,126,064	363
Street Signs	234,980	260,001	259,996	5
Street Markings	320,636	327,022	303,431	23,591
Public Safety				
Police				
Police - Administration	1,605,647	1,658,531	1,601,532	56,999
Records-Property	1,132,961	1,125,470	1,017,725	107,745
Jail	1,061,449	902,274	782,855	119,419
Police Communications	2,520,153	2,567,223	2,461,234	105,989
Community Services	1,242,872	1,254,691	1,171,458	83,233
Patrol	12,714,066	13,311,457	12,942,669	368,788
Investigations	3,804,990	4,005,125	3,830,729	174,396
Animal Control	296,302	296,386	248,125	48,261
Police Traffic	2,070,690	2,108,327	1,788,444	319,883
Fire				
Fire - Administration	798,710	822,522	812,182	10,340
Fire Prevention	1,353,767	1,387,689	1,288,264	99,425
Fire Operations	18,340,203	20,483,090	20,120,900	362,190
Fire Training	232,635	288,109	267,490	20,619
Library				
Library - Admin/Tech Services	813,737	830,385	814,332	16,053
Library-Public Services	2,004,550	1,979,265	1,912,068	67,197
Maidu Museum-Historic Site	310,160	329,167	327,399	1,768
Parks And Recreation				
Parks & Rec - Administration	1,051,873	1,058,791	1,011,411	47,380
Park Development	283,074	286,477	274,726	11,751
Adult Sports	252,995	237,417	215,148	22,269
Youth Sports				
Adult & Senior Activities	140,544	127,835	113,272	14,563
Youth & Teen Services	179,365	175,861	156,739	19,122
Youth Classes	387,201	363,848	331,456	32,392
Maidu Community Center/Sports Courts	259,775	263,385	233,177	30,208
Roseville Sports Center	573,652	559,665	510,095	49,570
Aquatics	1,035,954	1,050,614	1,043,117	7,497
Park Operations - Admin	707,182	637,595	629,557	8,038
Open Space/Tree Maintenance	578,899	527,084	459,682	67,402
Parks - Maintenance	2,114,075	2,254,963	2,195,237	59,726
Community Special Events	81,798	78,172	74,518	3,654
Town Square	99,392	96,417	86,140	10,277
Operating Services And Supplies				
General Government				
City Council	268,014	279,915	260,201	19,714
Community Grants	30,000	45,117	25,793	19,324
Strategic Improvements	122,160	1,888,111	1,643,050	245,061
City Manager - Administration	66,259	113,332	96,688	16,644
Conference Center Dr-Parcel 40a				
Communications-Government Relations		102,684	39,507	63,177
City Attorney	104,378	185,478	185,476	2
Human Resources-Admin	379,063	396,004	332,776	63,228
Risk Mgmt - Administration	13,214	13,214	6,642	6,572
IT Administration	278,937	475,015	308,791	166,224
IT-Data Center	682,734	800,920	728,028	72,892
IT-Communications	301,899	369,899	332,136	37,763
IT-Public Safety	6,834	6,834	6,834	

(Continued)

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
IT-GIS/Web	7,384	7,384	7,280	104
IT-Customer Service	323,834	354,053	325,555	28,498
IT-Applications	261,434	284,426	247,683	36,743
City Clerk - Administration	94,876	96,876	61,550	35,326
Elections	121,500	121,500	91,167	30,333
Central Services - Administration	19,947	20,969	16,574	4,395
Purchasing	18,200	20,201	19,742	459
Central Stores	70,441	68,965	57,796	11,169
Obsolete/Surplus Matl & Supp		1,476	1,475	1
Building Maintenance	1,394,973	1,574,928	1,376,297	198,631
Janitorial	394,055	417,559	404,408	13,151
Finance Administration	74,472	101,203	90,760	10,443
Budget	41,004	51,404	23,753	27,651
Payroll	14,013	26,002	17,792	8,210
Licensing	34,761	39,761	35,575	4,186
Cash Management	117,979	132,770	95,961	36,809
Utility Billing & Services - Admin	1,454	1,504	1,484	20
Utility Billing & Services-Field Services	131,964	131,464	116,820	14,644
Utility Billing & Services - Billing	810,915	812,350	812,348	2
Utility Billing & Services-Services	30,720	30,720	28,810	1,910
General Accounting - Administration	120,444	131,264	109,330	21,934
General Accounting - Accounts Payable	14,953	18,033	14,480	3,553
General Accounting - Accounting	8,238	9,238	6,428	2,810
Community Events				
Neighborhood Services	6,347	6,347	4,018	2,329
Economic Development	81,900	952,331	328,332	623,999
Community Development And Planning				
Development & Operations-Admin	205,161	84,299	84,298	1
Permit Center	8,500	8,500	7,937	563
Housing Admin	72,881	80,172	53,924	26,248
Planning	93,221	123,227	119,594	3,633
Sierra Vista Specific Plan	30,000	13,000	8,806	4,194
Creekview Specific Plan	15,000	40,000	39,190	810
Downtown Vernon/Historic Old Town	4,705	4,705	4,705	
Amoruso/Brookfield	180,000	315,000	103,318	211,682
Westbrook-SVSP	10,000	15,000	9,869	5,131
Planning-Full Cost Projects	60,000	401,198	177,950	223,248
Public Works				
Public Works - Administration	6,613	7,363	7,120	243
Building Inspection	227,705	587,705	549,362	38,343
Engineering	232,925	237,425	172,749	64,676
Flood Alert	50,486	53,312	49,480	3,832
Streets - Administration	90,498	93,605	93,365	240
Street Drainage	241,380	242,078	201,211	40,867
Paving	964,717	985,767	930,864	54,903
Street Signs	150,787	156,186	138,000	18,186
Street Markings	252,815	260,519	230,718	29,801
Traffic Study Dep/Consultant			65,517	(65,517)
Bldg Plan Check Services		200,000	34,578	165,422
Floodplain Management			395	(395)
Public Safety				
Police				
Police - Administration	805,265	833,065	706,980	126,085
Records-Property	91,086	91,086	66,838	24,248
Jail	84,145	84,145	74,246	9,899
Police Communications	124,271	132,271	110,318	21,953
Community Services	50,983	41,525	36,567	4,958
Patrol	537,359	605,950	539,505	66,445
Investigations	107,112	108,112	69,225	38,887
Animal Control	513,839	681,438	649,381	32,057
Police Traffic	43,118	43,102	37,850	5,252
Police - vehicles	1,750,031	1,584,231	1,491,317	92,914

(Continued)

CITY OF ROSEVILLE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire				
Fire - Administration	85,813	85,813	82,951	2,862
Fire Prevention	178,390	199,342	113,395	85,947
Fire Operations	2,011,726	2,168,760	1,998,481	170,279
Fire Training	110,377	110,377	100,567	9,810
Fire Services	182,377	182,377	125,328	57,049
Emergency Preparedness	98,325	110,160	88,271	21,889
Library				
Library - Admin/Tech Services	238,778	304,310	277,965	26,345
Library-Public Services	264,112	282,308	271,870	10,438
Maidu Museum-Historic Site	97,412	93,412	76,976	16,436
Parks And Recreation				
Parks & Rec - Administration	192,391	212,144	183,601	28,543
Park Development	25,607	77,617	65,422	12,195
Adult Sports	161,149	154,624	138,163	16,461
Adult & Senior Activities	55,934	28,134	25,370	2,764
Youth & Teen Services	57,227	57,227	56,643	584
Youth Classes	139,078	155,078	150,668	4,410
Maidu Community Center/Sports Courts	68,512	68,512	63,087	5,425
Roseville Sports Center	235,101	247,057	229,670	17,387
Aquatics	634,673	737,605	609,455	128,150
Park Operations - Admin	80,108	80,108	68,450	11,658
Open Space/Tree Maintenance	434,207	545,044	427,832	117,212
Parks - Maintenance	2,801,744	2,908,772	2,828,041	80,731
Community Special Events	87,069	172,399	96,762	75,637
Town Square	101,998	101,998	33,482	68,516
Payments under development agreements	567,619	567,619	567,619	
Annexation payments	2,250,000	2,302,100	2,302,077	23
Debt service:				
Principal retirement	84,805	90,080	82,821	7,259
Interest and fiscal charges	16,750	16,927	19,268	(2,341)
<b>TOTAL EXPENDITURES</b>	<b>109,770,073</b>	<b>118,965,402</b>	<b>111,778,628</b>	<b>7,186,774</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(21,474,484)</b>	<b>(25,405,598)</b>	<b>(14,602,895)</b>	<b>10,802,703</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property			121,505	121,505
Transfers in	25,577,315	30,324,574	26,043,596	(4,280,978)
Transfers (out)	(7,158,705)	(11,568,053)	(9,132,770)	2,435,283
<b>Total Other Financing Sources (Uses)</b>	<b>18,418,610</b>	<b>18,756,521</b>	<b>17,032,331</b>	<b>(1,724,190)</b>
<b>NET CHANGE IN FUND BALANCE BEFORE EXTRAORDINARY ITEM</b>	<b>(3,055,874)</b>	<b>(6,649,077)</b>	<b>2,429,436</b>	<b>9,078,513</b>
<b>EXTRAORDINARY ITEM</b>				
Return of funds to Successor Agency			(7,304,420)	(7,304,420)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$3,055,874)</b>	<b>(\$6,649,077)</b>	<b>(4,874,984)</b>	<b>\$1,774,093</b>
Adjustment to budgetary basis:				
Capital outlay			2,592,255	
Fund balance at beginning of year			64,777,970	
Fund balance at end of year			<b>\$57,310,731</b>	

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

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

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

**Street Pavement**

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

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

The City’s maintenance costs are budgeted to be \$4,570,018 in fiscal 2014. The Pavement Quality Index (PQI) for the City’s street pavement for the last ten years is as follows:

Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/Collector	Residential		
03/04	7.6	7.6	\$5,733,500	\$2,925,909
04/05	7.5	7.9	6,499,729	4,284,993
05/06	7.5	7.9	7,794,196	7,213,261
06/07	7.7	8.0	5,521,428	10,289,440
07/08	7.9	8.0	5,929,683	5,641,810
08/09	7.8	7.9	4,728,208	4,749,229
09/10	8.2	7.9	4,736,644	6,044,401
10/11	8.3	7.8	4,241,928	6,426,462
11/12	8.3	7.8	5,489,639	5,149,814
12/13	7.8	7.4	5,185,511	4,980,690
13/14	8.1	7.0	4,570,018	N/A

**REQUIRED SUPPLEMENTARY INFORMATION (Continued)**

The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.4. This rating allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$4,980,690 for street preservation in fiscal 2013.

**Parks and Landscaping**

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

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

The City's maintenance costs are budgeted to be \$5,012,552 in fiscal 2014. The Ground Management Index (GMI) for the City's parks and landscaping maintenance for the last ten years is as follows:

<b>Fiscal Year</b>	<b>GMI (Level) Parks and Landscaping</b>	<b>Maintenance Budget</b>	<b>Actual Maintenance</b>
03/04	2	\$3,946,547	\$3,648,683
04/05	2	4,349,147	3,879,242
05/06	2	4,633,558	4,309,606
06/07	2	5,111,124	5,028,402
07/08	2	5,309,367	5,314,121
08/09	3	5,019,740	4,445,082
09/10	3	4,483,608	4,154,376
10/11	3	4,651,367	4,435,937
11/12	3	4,764,762	4,766,512
12/13	3	4,853,428	4,868,908
13/14	3	5,012,552	N/A

The City's policy based on current funding is to maintain parks and landscape at an average Ground Management Index (GMI) of Level 3. This rating allows for moderate maintenance and is the recommended level for most organizations. The City expended \$4,868,908 for maintenance for fiscal 2013.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Miscellaneous Library Fund.** To account for an adult literacy program for the Library.

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

**Miscellaneous Park Fund.** To account for donations and revenues for Park and Recreation facilities and youth sports, and the Olympus Pointe Sculpture Park maintenance.

**Storm Water Management Fund.** To accumulate expenditures for future storm water mandates.

**Traffic Signal Fund.** To account for traffic signal coordination and maintenance funded by developers and the Electric Fund.

**Bike Trail/Open Space Maintenance Fund.** To account for the accumulation of funding for the maintenance of the City's bike trails and open spaces.

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

**Low/Mod Income Housing Asset Fund.** To account for the activities related to the assets assumed by the City as Housing Successor to the housing activities of the former Redevelopment Agency of the City of Roseville.

**Technology Replacement Fund.** To account for the activities related to the City's permit system funded by a 3% technology fee on permits.

#### **DEBT SERVICE FUND**

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Roseville Finance Authority Fund.** To account for the accumulation of resources from lease payments and the payment of long-term debt incurred by the Finance Authority.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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

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

**Public Facilities Fund.** To account for fees applied to new construction and expended for the development of public facilities for which it creates a need.

**Park Development Fund.** To account for collection fees applied to new construction and expended for neighborhood and community park and recreation facilities.

**Pleasant Grove Drain Basin Fund.** To account for collection of fees applied to new construction and expended for mitigation of developmental impacts on the Pleasant Grove watershed.

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

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

**PERMANENT FUNDS**

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

**Roseville Aquatics Complex Maintenance Fund.** A permanent fund established to account for contribution from the High School District. Only the interest earnings can be spent on helping maintain the Aquatics Complex.

**Citizens' Benefit Fund.** A permanent fund established to account for the proceeds from the sale of any municipally owned Hospital and interest earnings expended for improving the quality of life for the citizens of the City of Roseville.

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
ASSETS					
Cash and investments in City Treasury	\$9,721,592	\$7,397,966	\$79,735	\$208,658	
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	168,132				
Accrued interest	19,713	893,828	433	710	
Due from other government agencies					\$92,326
Due from other funds					
Advances to other funds					
Developer permit fees receivable					
Notes receivable		3,900,000	29,888		
Inventories					
Land held for resale					
<b>Total Assets</b>	<b><u>\$9,909,437</u></b>	<b><u>\$12,191,794</u></b>	<b><u>\$110,056</u></b>	<b><u>\$209,368</u></b>	<b><u>\$92,326</u></b>
LIABILITIES					
Accounts payable	\$388,302	\$3,936		\$9,416	\$1,259
Accrued liabilities					
Due to other funds					91,067
Due to other government agencies					
Advances from other funds					
Deposits	1,679				
Unearned revenue					
<b>Total Liabilities</b>	<b><u>389,981</u></b>	<b><u>3,936</u></b>		<b><u>9,416</u></b>	<b><u>92,326</u></b>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue		867,477			
FUND BALANCES					
Nonspendable					
Restricted	9,519,456	11,320,381	\$110,056	199,952	
Committed					
Assigned					
Unassigned					
<b>TOTAL FUND BALANCES</b>	<b><u>9,519,456</u></b>	<b><u>11,320,381</u></b>	<b><u>110,056</u></b>	<b><u>199,952</u></b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$9,909,437</u></b>	<b><u>\$12,191,794</u></b>	<b><u>\$110,056</u></b>	<b><u>\$209,368</u></b>	<b><u>\$92,326</u></b>

SPECIAL REVENUE FUNDS

Trench Cut Recovery Fund	Law Enforcement Block Grants	Fire Facilities	Utility Exploration Center	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME
\$105,152	\$103,597	\$4,079,538	\$96,791	\$2,619,426	\$238,165	
338	739 96,283	17,337	27	6,588 10,029 100,000	704	237,510
		149,565			5,905	13,710,974
<u>\$105,490</u>	<u>\$200,619</u>	<u>\$4,246,440</u>	<u>\$96,818</u>	<u>\$2,736,043</u>	<u>\$244,774</u>	<u>\$13,948,484</u>
		\$3,702	\$3,783	\$128,125		\$47,251
		234,353	13,313			4,817
		492,017	12,943			200,054
						13,710,974
	<u>\$164,568</u>					
	<u>164,568</u>	<u>730,072</u>	<u>30,039</u>	<u>128,125</u>		<u>13,963,096</u>
\$105,490	36,051	3,516,368	66,779	2,607,918	\$244,774	(14,612)
<u>105,490</u>	<u>36,051</u>	<u>3,516,368</u>	<u>66,779</u>	<u>2,607,918</u>	<u>244,774</u>	<u>(14,612)</u>
<u>\$105,490</u>	<u>\$200,619</u>	<u>\$4,246,440</u>	<u>\$96,818</u>	<u>\$2,736,043</u>	<u>\$244,774</u>	<u>\$13,948,484</u>

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	SPECIAL REVENUE FUNDS				
	Housing Authority Section 8	Affordable Housing	Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library
ASSETS					
Cash and investments in City Treasury	\$590,421	\$3,454,270	\$31,065	\$456,930	\$270,850
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	701			54,536	
Accrued interest		192,810	114	1,311	916
Due from other government agencies	3,675				
Due from other funds					
Advances to other funds		500,000			
Developer permit fees receivable					
Notes receivable		3,833,173			
Inventories					
Land held for resale					
<b>Total Assets</b>	<b>\$594,797</b>	<b>\$7,980,253</b>	<b>\$31,179</b>	<b>\$512,777</b>	<b>\$271,766</b>
LIABILITIES					
Accounts payable	\$18,435	\$4,900		\$2,986	
Accrued liabilities	81,558				
Due to other funds					
Due to other government agencies		380,311			
Advances from other funds					
Deposits					
Unearned revenue					
	<b>99,993</b>	<b>385,211</b>		<b>2,986</b>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue		4,109,636			
FUND BALANCES					
Nonspendable					
Restricted	494,804	3,485,406	\$31,179	509,791	\$271,766
Committed					
Assigned					
Unassigned					
<b>TOTAL FUND BALANCES</b>	<b>494,804</b>	<b>3,485,406</b>	<b>31,179</b>	<b>509,791</b>	<b>271,766</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$594,797</b>	<b>\$7,980,253</b>	<b>\$31,179</b>	<b>\$512,777</b>	<b>\$271,766</b>

SPECIAL REVENUE FUNDS

Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	Bike Trail/ Open Space Maintenance	Roseville Community Development Corporation	Low/Mod Income Housing Asset
\$285,728	\$405,976	\$16,060	\$2,760,366	\$1,003,054	\$2,026,457	\$41,805
872	1,275		4,102 11,284	3,228	82,715	\$410,561
			2,982 776,181		2,635,754	5,437,727
					25,426	861,245
<u>\$286,600</u>	<u>\$407,251</u>	<u>\$16,060</u>	<u>\$3,554,915</u>	<u>\$1,006,282</u>	<u>\$4,770,352</u>	<u>\$6,751,338</u>
\$173		\$2,776 13,284	\$20,619 41,378	\$27,893	\$53,334 3,585,161	
					2,030,951 5,454	
<u>173</u>		<u>16,060</u>	<u>61,997</u>	<u>27,893</u>	<u>5,674,900</u>	
						<u>\$5,358,122</u>
\$286,427	\$407,251		776,181 2,716,737	978,389		1,393,216
					(904,548)	
<u>286,427</u>	<u>407,251</u>		<u>3,492,918</u>	<u>978,389</u>	<u>(904,548)</u>	<u>1,393,216</u>
<u>\$286,600</u>	<u>\$407,251</u>	<u>\$16,060</u>	<u>\$3,554,915</u>	<u>\$1,006,282</u>	<u>\$4,770,352</u>	<u>\$6,751,338</u>

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2013

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Technology Replacement	Roseville Finance Authority	Building	South Placer Animal Control Shelter	Public Facilities
<b>ASSETS</b>					
Cash and investments in City Treasury	\$214,727	\$74,592	\$2,057,288	\$547,889	\$12,201,029
Restricted cash and investments with fiscal agents		82,374			
Receivables:					
Accounts					
Accrued interest	992		5,822	1,597	41,834
Due from other government agencies					
Due from other funds					100,000
Advances to other funds					495,054
Developer permit fees receivable				23,384	345,214
Notes receivable					
Inventories					
Land held for resale					
<b>Total Assets</b>	<b>\$215,719</b>	<b>\$156,966</b>	<b>\$2,063,110</b>	<b>\$572,870</b>	<b>\$13,183,131</b>
<b>LIABILITIES</b>					
Accounts payable	\$49,776		\$246,202		\$1,194,261
Accrued liabilities		\$11,988			
Due to other funds	100,000				
Due to other government agencies					
Advances from other funds	495,054				
Deposits					
Unearned revenue					
<b>Total Liabilities</b>	<b>644,830</b>	<b>11,988</b>	<b>246,202</b>		<b>1,194,261</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue					
<b>FUND EQUITY</b>					
Nonspendable					
Restricted		144,978		\$572,870	11,988,870
Committed			1,816,908		
Assigned					
Unassigned	(429,111)				
<b>TOTAL FUND BALANCES</b>	<b>(429,111)</b>	<b>144,978</b>	<b>1,816,908</b>	<b>572,870</b>	<b>11,988,870</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$215,719</b>	<b>\$156,966</b>	<b>\$2,063,110</b>	<b>\$572,870</b>	<b>\$13,183,131</b>

CAPITAL PROJECTS FUNDS				PERMANENT FUNDS		Total Nonmajor Governmental Funds
Park Development	Pleasant Grove Drain Basin	Traffic Mitigation	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	
\$22,780,968	\$5,399,659	\$15,959,021	\$12,583,780	\$624,452	\$17,530,476	\$123,941,026 2,108,831
		14,593				248,652
73,078	25,933	48,678	45,209	461	61,816	1,954,364
		1,167,309				1,697,103
	3,000,000					100,000
503,872		376,420				3,995,054
						1,407,342
						29,547,516
						776,181
						886,671
<u>\$23,357,918</u>	<u>\$8,425,592</u>	<u>\$17,566,021</u>	<u>\$12,628,989</u>	<u>\$624,913</u>	<u>\$17,592,292</u>	<u>\$166,662,740</u>
\$304,030		\$510,355	\$3,573			\$3,025,087
						3,751,499
						638,417
						14,091,285
						3,018,022
				\$600,000		607,133
						164,568
<u>304,030</u>		<u>510,355</u>	<u>3,573</u>	<u>600,000</u>		<u>25,296,011</u>
		50,798				10,386,033
23,053,888	\$8,425,592	17,004,868		24,913	\$16,914,988 677,304	17,691,169 99,706,832
			\$12,625,416			2,290,938
						12,625,416
						(1,333,659)
<u>23,053,888</u>	<u>8,425,592</u>	<u>17,004,868</u>	<u>12,625,416</u>	<u>24,913</u>	<u>17,592,292</u>	<u>130,980,696</u>
<u>\$23,357,918</u>	<u>\$8,425,592</u>	<u>\$17,566,021</u>	<u>\$12,628,989</u>	<u>\$624,913</u>	<u>\$17,592,292</u>	<u>\$166,662,740</u>

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
<b>REVENUES</b>					
Taxes	\$6,468,606				
Charges for services		\$748			
Subventions and grants		4,749,961			
Use of money and property	24,869	39,135	\$426	\$808	
Fines, forfeitures and penalties					\$451,866
Contributions from developers and others	1,785,800				
Miscellaneous revenues	9,738			11,580	
<b>Total Revenues</b>	<b>8,289,013</b>	<b>4,789,844</b>	<b>426</b>	<b>12,388</b>	<b>451,866</b>
<b>EXPENDITURES</b>					
Current:					
General government					
Community development and planning					
Public works					
Public safety:					
Fire					
Police					
Library				35,550	
Parks and recreation	4,314,422				
Housing assistance payments					
Capital outlay		4,912,857		49,075	
Debt service:					
Principal retirement					
Interest and fiscal charges	97,771				
<b>Total Expenditures</b>	<b>4,412,193</b>	<b>4,912,857</b>		<b>84,625</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,876,820</b>	<b>(123,013)</b>	<b>426</b>	<b>(72,237)</b>	<b>451,866</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of property					
Issuance of debt					
Payment to bond escrow					
Transfers in		2,200,000			
Transfers (out)	(2,117,006)	(2,984,065)	(135,747)	(3,610)	(451,866)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,117,006)</b>	<b>(784,065)</b>	<b>(135,747)</b>	<b>(3,610)</b>	<b>(451,866)</b>
Net change in fund balances	1,759,814	(907,078)	(135,321)	(75,847)	
Fund balances (deficits) at the beginning of the year	7,759,642	12,227,459	245,377	275,799	
Fund balances (deficits) at the end of year	<u>\$9,519,456</u>	<u>\$11,320,381</u>	<u>\$110,056</u>	<u>\$199,952</u>	

SPECIAL REVENUE FUNDS

Trench Cut Recovery	Law Enforcement Block Grants	Fire Facilities	Utility Exploration Center	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME
		\$870,356				
\$28,759		15,576	\$18,763	\$42,598	\$42,854	
	\$204,150	216,000		100,000		\$583,211
\$459	990	21,575	11	12,585	922	6,210
			21,273	15,256		353,818
29,218	205,140	1,123,507	40,047	170,439	43,776	943,239
						973,001
		10,196	400,381	609,225		
		345,401		228,828		
		17,414				
		373,011	400,381	838,053		973,001
29,218	205,140	750,496	(360,334)	(667,614)	43,776	(29,762)
		30,000				
(49)	(169,532)	(2,489,450)	377,673 (28,694)	(106,888)	(125)	7,540 (52,754)
(49)	(169,532)	(2,459,450)	348,979	(106,888)	(125)	(45,214)
29,169	35,608	(1,708,954)	(11,355)	(774,502)	43,651	(74,976)
76,321	443	5,225,322	78,134	3,382,420	201,123	60,364
\$105,490	\$36,051	\$3,516,368	\$66,779	\$2,607,918	\$244,774	(\$14,612)

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS				
	Housing Authority Section 8	Affordable Housing	Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library
<b>REVENUES</b>					
Taxes					
Charges for services					
Subventions and grants	\$4,445,702				
Use of money and property	6	(\$15,908)	\$151	\$1,789	\$1,193
Fines, forfeitures and penalties			6,570		
Contributions from developers and others		94,916			
Miscellaneous revenues	84,641	128,196		237,237	
<b>Total Revenues</b>	<b>4,530,349</b>	<b>207,204</b>	<b>6,721</b>	<b>239,026</b>	<b>1,193</b>
<b>EXPENDITURES</b>					
Current:					
General government				101,995	
Community development and planning	582,516	598,374			
Public works					
Public safety:					
Fire					
Police			11,542		
Library					10,000
Parks and recreation					
Housing assistance payments	4,049,279				
Capital outlay				1,360	
Debt service:					
Principal retirement					
Interest and fiscal charges					
<b>Total Expenditures</b>	<b>4,631,795</b>	<b>598,374</b>	<b>11,542</b>	<b>103,355</b>	<b>10,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(101,446)</b>	<b>(391,170)</b>	<b>(4,821)</b>	<b>135,671</b>	<b>(8,807)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of property					
Issuance of debt					
Payment to escrow					
Transfers in					
Transfers (out)	(57,824)	(55,742)			
<b>Total Other Financing Sources (Uses)</b>	<b>(57,824)</b>	<b>(55,742)</b>			
<b>Net change in fund balances</b>	<b>(159,270)</b>	<b>(446,912)</b>	<b>(4,821)</b>	<b>135,671</b>	<b>(8,807)</b>
Fund balances (deficits) at the beginning of the year	654,074	3,932,318	36,000	374,120	280,573
Fund balances (deficits) at the end of year	<u>\$494,804</u>	<u>\$3,485,406</u>	<u>\$31,179</u>	<u>\$509,791</u>	<u>\$271,766</u>

SPECIAL REVENUE FUNDS

Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	Bike Trail/ Open Space Maintenance	Roseville Community Development Corporation	Low/Mod Income Housing Asset
	\$46,640	\$23	\$7,642		168,000	
\$10,857	1,707	(14)	15,958	\$3,808	\$98,716	\$8,947
		100	32,570			
74,621	38,596	100	27,542	30,675	12,008	80,128
86,609	86,943	209	83,712	34,483	278,724	89,075
					484,976	
		564,018	12,381			
43,358						
10,834		6,970	1,419,460	523,704		46,745
		53,395	277,455			
54,192		624,383	1,709,296	523,704	484,976	46,745
32,417	86,943	(624,174)	(1,625,584)	(489,221)	(206,252)	42,330
			4,397	3,580		
		672,233	1,878,590	514,468		
	(34,288)	(33,805)	(167,247)	(35,214)		
	(34,288)	638,428	1,715,740	482,834		
32,417	52,655	14,254	90,156	(6,387)	(206,252)	42,330
254,010	354,596	(14,254)	3,402,762	984,776	(698,296)	1,350,886
\$286,427	\$407,251		\$3,492,918	\$978,389	(\$904,548)	\$1,393,216

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
	Technology Replacement	Roseville Finance Authority	Building	South Placer Animal Control Shelter	Public Facilities
<b>REVENUES</b>					
Taxes					
Charges for services				\$122,480	\$1,950,461
Subventions and grants					
Use of money and property	\$1,703	\$386,529	\$7,488	2,143	54,586
Fines, forfeitures and penalties					
Contributions from developers and others					
Miscellaneous revenues					8,640
<b>Total Revenues</b>	<b>1,703</b>	<b>386,529</b>	<b>7,488</b>	<b>124,623</b>	<b>2,013,687</b>
<b>EXPENDITURES</b>					
Current:					
General government					
Community development and planning					
Public works					
Public safety:					
Fire					
Police					
Library					
Parks and recreation					7,226
Housing assistance payments					
Capital outlay	218,287		2,701,408		5,198,895
Debt service:					
Principal retirement		720,000			
Interest and fiscal charges		1,082,778			
<b>Total Expenditures</b>	<b>218,287</b>	<b>1,802,778</b>	<b>2,701,408</b>		<b>5,206,121</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(216,584)</b>	<b>(1,416,249)</b>	<b>(2,693,920)</b>	<b>124,623</b>	<b>(3,192,434)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of property					
Issuance of debt		11,549,031			
Payment to escrow		(12,756,326)			
Transfers in		1,238,198	2,701,408		1,793,888
Transfers (out)			(6,494)		(7,935)
<b>Total Other Financing Sources (Uses)</b>		<b>30,903</b>	<b>2,694,914</b>		<b>1,785,953</b>
<b>Net change in fund balances</b>	<b>(216,584)</b>	<b>(1,385,346)</b>	<b>994</b>	<b>124,623</b>	<b>(1,406,481)</b>
<b>Fund balances (deficits) at the beginning of the year</b>	<b>(212,527)</b>	<b>1,530,324</b>	<b>1,815,914</b>	<b>448,247</b>	<b>13,395,351</b>
<b>Fund balances (deficits) at the end of year</b>	<b>(\$429,111)</b>	<b>\$144,978</b>	<b>\$1,816,908</b>	<b>\$572,870</b>	<b>\$11,988,870</b>

CAPITAL PROJECTS FUNDS			PERMANENT FUNDS			Total Nonmajor Governmental Funds
Park Development	Pleasant Grove Drain Basin	Traffic Mitigation	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	
						\$7,338,962
\$3,547,782	\$444,652	\$2,772,056				9,041,034
		5,517,210				15,995,091
290,938	143,917	64,989	\$58,000	\$1,160	\$58,447	1,295,374
						458,536
						1,913,286
5,316		12,474			17,946	1,169,785
3,844,036	588,569	8,366,729	58,000	1,160	76,393	37,212,068
					504,865	606,860
						2,638,867
		45,442				621,841
						43,358
						11,542
						45,550
10,986						7,360,149
2,000,974	6,519	9,248,573	1,006,547			4,049,279
						26,249,574
						720,000
						1,197,963
2,011,960	6,519	9,294,015	1,006,547		504,865	43,544,983
1,832,076	582,050	(927,286)	(948,547)	1,160	(428,472)	(6,332,915)
						37,977
						11,549,031
						(12,756,326)
85,772		1,308,444				12,778,214
(37,180)	(4,613)	(129,944)	(898,219)			(10,008,291)
48,592	(4,613)	1,178,500	(898,219)			1,600,605
1,880,668	577,437	251,214	(1,846,766)	1,160	(428,472)	(4,732,310)
21,173,220	7,848,155	16,753,654	14,472,182	23,753	18,020,764	135,713,006
\$23,053,888	\$8,425,592	\$17,004,868	\$12,625,416	\$24,913	\$17,592,292	\$130,980,696

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes	\$7,071,867	\$6,468,606	(\$603,261)			
Charges for services					\$748	\$748
Subventions and grants				\$3,396,974	4,749,961	1,352,987
Use of money and property	35,675	24,869	(10,806)	42,764	39,135	(3,629)
Fines, forfeitures and penalties						
Contributions from developers		1,785,800	1,785,800			
Miscellaneous revenues		9,738	9,738	2,343,160		(2,343,160)
<b>Total Revenues</b>	<b>7,107,542</b>	<b>8,289,013</b>	<b>1,181,471</b>	<b>5,782,898</b>	<b>4,789,844</b>	<b>(993,054)</b>
<b>EXPENDITURES</b>						
Current:						
Operating services and supplies						
Planning						
Home Improvement						
Main Library - Library Fund						
Parks And Recreation						
Olympus Pointe Lld Zone A	160,519	153,913	6,606			
Olympus Pointe Lld Zone D	50,324	39,825	10,499			
Nwrld Zone A	402,549	402,205	344			
Nwrld Zone B	17,539	15,996	1,543			
Johnson Ranch Lld Zone A	2,758	2,610	148			
Johnson Ranch Lld Zone B	1,799	1,729	70			
Johnson Ranch Lld Zone C	1,442	1,284	158			
Johnson Ranch Lld Zone D	88	3	85			
Johnson Ranch Lld Zone E	1,724	1,721	3			
Ncrld Zone A	347,272	343,691	3,581			
Ncrld Zone B	108,300	89,723	18,577			
Ncrld Zone F	17,472	12,499	4,973			
Ncrld Zone G	11,940	9,795	2,145			
Infill Lld Zone A	12,231	5,259	6,972			
Infill Lld Zone B	11,792	5,989	5,803			
Infill Lld Zone C	13,819	4,910	8,909			
Nrcfd 2 Sd Zone A	43,739	32,210	11,529			
Nrcfd 2 Sd Zone B	57,903	55,496	2,407			
Nrcfd 2 Sd Zone C	138,611	136,297	2,314			
Historic District Lld	26,903	20,298	6,605			
Riverside District Lld	19,865	18,868	997			
Stone Point Cfd #4 (Sd)	7,204	6,926	278			
Infill Cfd4-Wderk Oaks Preser	10,626	10,476	150			
Stoneridge Cfd #1 Srv Dist	410,758	357,998	52,760			
Stoneridge Parcel 1 Cfd #2 Sd	21,515	19,574	1,941			
Wooderk West - Services District	311,454	274,744	36,710			
Crocker Ranch Services District	216,101	214,089	2,012			
Highland Res North Srv Dist	430,857	443,628	(12,771)			
Vernon St Lighting/Landscape	26,369	21,308	5,061			
Woodcreek East Services Dist	133,889	126,524	7,365			
Stone Point Cfd #2 Srv Dist	35,531	32,240	3,291			
Westpark Cfd #2 Services Dist	540,130	523,621	16,509			
Fiddymnt Ranch Cfd #2 Sd	571,281	560,551	10,730			
Municipal Services Cfd #3	20,203	19,925	278			
Longmeadow Cfd #2 Sd	48,111	43,999	4,112			
Infill Services Cfd	28,891	25,102	3,789			
NWRSP-Landscaping and Lighting District	400,000	279,396	120,604			
Gas Tax Operating Expenditures				11,600		11,600
Debt service:						
Interest and fiscal charges						
	113,703	97,771	15,932			
<b>Total Expenditures</b>	<b>4,775,212</b>	<b>4,412,193</b>	<b>363,019</b>	<b>11,600</b>		<b>11,600</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,332,330</b>	<b>3,876,820</b>	<b>1,544,490</b>	<b>5,771,298</b>	<b>4,789,844</b>	<b>(981,454)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	1,785,800		(1,785,800)			
Transfers in				2,258,446	2,200,000	(58,446)
Transfers (out)	(2,335,560)	(2,117,006)	218,554	(3,019,022)	(2,984,065)	34,957
<b>Total Other Financing Sources (Uses)</b>	<b>(549,760)</b>	<b>(2,117,006)</b>	<b>(1,567,246)</b>	<b>(760,576)</b>	<b>(784,065)</b>	<b>(23,489)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$1,782,570</b>	<b>1,759,814</b>	<b>(\$22,756)</b>	<b>\$5,010,722</b>	<b>4,005,779</b>	<b>(\$1,004,943)</b>
Adjustment to budgetary basis						
Capital outlay						
					(4,912,857)	
Fund balances (deficits) at beginning of year		7,759,642			12,227,459	
Fund balances (deficits) at end of year		\$9,519,456			\$11,320,381	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,774	\$426	(\$1,348)	1,817	808	(1,009)	\$310,000	\$451,866	\$141,866
			1,500	11,580	10,080			
<u>1,774</u>	<u>426</u>	<u>(1,348)</u>	<u>3,317</u>	<u>12,388</u>	<u>9,071</u>	<u>310,000</u>	<u>451,866</u>	<u>141,866</u>
110,000		110,000	42,855	35,550	7,305			
<u>110,000</u>		<u>110,000</u>	<u>42,855</u>	<u>35,550</u>	<u>7,305</u>			
(108,226)	426	108,652	(39,538)	(23,162)	16,376	310,000	451,866	141,866
<u>(135,747)</u>	<u>(135,747)</u>		<u>(3,610)</u>	<u>(3,610)</u>		<u>(310,000)</u>	<u>(451,866)</u>	<u>(141,866)</u>
<u>(135,747)</u>	<u>(135,747)</u>		<u>(3,610)</u>	<u>(3,610)</u>		<u>(310,000)</u>	<u>(451,866)</u>	<u>(141,866)</u>
<u>(\$243,973)</u>	<u>(135,321)</u>	<u>\$108,652</u>	<u>(\$43,148)</u>	<u>(26,772)</u>	<u>\$16,376</u>			
				(49,075)				
	<u>245,377</u>			<u>275,799</u>				
	<u>\$110,056</u>			<u>\$199,952</u>				

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	TRENCH CUT RECOVERY			LAW ENFORCEMENT BLOCK GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes						
Charges for services		\$28,759	\$28,759			
Subventions and grants				\$100,000	\$204,150	\$104,150
Use of money and property	\$478	459	(19)	907	990	83
Miscellaneous revenues						
Total Revenues	478	29,218	28,740	100,907	205,140	104,233
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits						
Parks And Recreation						
Utility Exploration Center						
Fire Tax Equipment						
Operating services and supplies						
Parks And Recreation						
Utility Exploration Center						
RUEC School Tour Annual						
Public Buildings - Fire Facilities						
Native Tree Projects						
Non-Native Tree Projects						
Debt service:						
Interest and fiscal charges						
Total Expenditures						
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	478	29,218	28,740	100,907	205,140	104,233
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of property						
Transfers in						
Transfers (out)	(49)	(49)		(100,144)	(169,532)	(69,388)
Total Other Financing Sources (Uses)	(49)	(49)		(100,144)	(169,532)	(69,388)
<b>NET CHANGE IN FUND BALANCES</b>	\$429	29,169	\$28,740	\$763	35,608	\$34,845
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year		76,321			443	
Fund balances (deficits) at end of year		\$105,490			\$36,051	

FIRE FACILITIES			UTILITY EXPLORATION CENTER			TREE PROPAGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$570,000	\$870,356	\$300,356						
15,500	15,576	76	\$10,500	\$18,763	\$8,263	\$9,200	\$42,598	\$33,398
216,000	216,000					100,000	100,000	
40,528	21,575	(18,953)	440	11	(429)	23,246	12,585	(10,661)
			56,000	21,273	(34,727)		15,256	15,256
<u>842,028</u>	<u>1,123,507</u>	<u>281,479</u>	<u>66,940</u>	<u>40,047</u>	<u>(26,893)</u>	<u>132,446</u>	<u>170,439</u>	<u>37,993</u>
			353,343	315,269	38,074			
16,220	9,827	6,393		4,975	(4,975)			
			133,480	78,053	55,427			
			15,000	2,084	12,916			
	369	(369)				716,007	531,096	184,911
						136,995	78,129	58,866
<u>17,414</u>	<u>17,414</u>							
<u>33,634</u>	<u>27,610</u>	<u>6,024</u>	<u>501,823</u>	<u>400,381</u>	<u>101,442</u>	<u>853,002</u>	<u>609,225</u>	<u>243,777</u>
<u>808,394</u>	<u>1,095,897</u>	<u>287,503</u>	<u>(434,883)</u>	<u>(360,334)</u>	<u>74,549</u>	<u>(720,556)</u>	<u>(438,786)</u>	<u>281,770</u>
	30,000	30,000						
(4,305,501)	(2,489,450)	1,816,051	767,652	377,673	(389,979)	(106,888)	(106,888)	
			(28,694)	(28,694)				
(4,305,501)	(2,459,450)	1,846,051	738,958	348,979	(389,979)	(106,888)	(106,888)	
<u>(\$3,497,107)</u>	<u>(1,363,553)</u>	<u>\$2,133,554</u>	<u>\$304,075</u>	<u>(11,355)</u>	<u>(\$315,430)</u>	<u>(\$827,444)</u>	<u>(545,674)</u>	<u>\$281,770</u>
	(345,401)						(228,828)	
	<u>5,225,322</u>			<u>78,134</u>			<u>3,382,420</u>	
	<u>\$3,516,368</u>			<u>\$66,779</u>			<u>\$2,607,918</u>	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	AIR QUALITY MITIGATION			COMMUNITY DEVELOPMENT BLOCK GRANT / HOME		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services	\$33,000	\$42,854	\$9,854			
Subventions and grants				\$1,418,000	\$583,211	(\$834,789)
Use of money and property	1,098	922	(176)		6,210	6,210
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues				400,000	353,818	(46,182)
<b>Total Revenues</b>	<b>34,098</b>	<b>43,776</b>	<b>9,678</b>	<b>1,818,000</b>	<b>943,239</b>	<b>(874,761)</b>
EXPENDITURES						
Current:						
Salaries and benefits						
Planning						
CDBG				96,677	90,546	6,131
Affordable Housing						
Housing Authority						
Operating services and supplies						
Planning						
Rehabilitation Account				400,000	207,078	192,922
CDBG				549,618	291,823	257,795
Home Program				669,739	383,554	286,185
Cal/Home				50,000		50,000
Housing Trust Fund						
Affordable Housing						
Housing Authority						
Public Safety:						
Fire						
Fire Museum Donation Fund						
Buckle Up Baby Fund						
Parks And Recreation						
Air Quality Mitigation	15,385		15,385			
Housing assistance payments						
<b>Total Expenditures</b>	<b>15,385</b>		<b>15,385</b>	<b>1,766,034</b>	<b>973,001</b>	<b>793,033</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,713	43,776	25,063	51,966	(29,762)	(81,728)
OTHER FINANCING SOURCES (USES)						
Transfers in				14,210	7,540	(6,670)
Transfers (out)	(125)	(125)		(59,424)	(52,754)	6,670
<b>Total Other Financing Sources (Uses)</b>	<b>(125)</b>	<b>(125)</b>		<b>(45,214)</b>	<b>(45,214)</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$18,588</b>	<b>43,651</b>	<b>\$25,063</b>	<b>\$6,752</b>	<b>(74,976)</b>	<b>(\$81,728)</b>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year		201,123			60,364	
Fund balances (deficits) at end of year		\$244,774			(\$14,612)	

HOUSING AUTHORITY SECTION 8			AFFORDABLE HOUSING			MISCELLANEOUS FIRE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$4,558,858	\$4,445,702 6	(\$113,156) 6	\$22,808	(\$15,908)	(\$38,716)	\$230	\$151	(\$79)
			44,000	94,916	50,916	15,000	6,570	(8,430)
25,600	84,641	59,041	10,000	128,196	118,196	10,000		(10,000)
<u>4,584,458</u>	<u>4,530,349</u>	<u>(54,109)</u>	<u>76,808</u>	<u>207,204</u>	<u>130,396</u>	<u>25,230</u>	<u>6,721</u>	<u>(18,509)</u>
			737	737				
526,400	476,315	50,085						
			190,000	40,776	149,224			
57,687	106,201	(48,514)	813,056	556,861	256,195			
						2,119	2,119	
						17,981	9,423	8,558
<u>4,014,889</u>	<u>4,049,279</u>	<u>(34,390)</u>						
<u>4,598,976</u>	<u>4,631,795</u>	<u>(32,819)</u>	<u>1,003,793</u>	<u>598,374</u>	<u>405,419</u>	<u>20,100</u>	<u>11,542</u>	<u>8,558</u>
<u>(14,518)</u>	<u>(101,446)</u>	<u>(86,928)</u>	<u>(926,985)</u>	<u>(391,170)</u>	<u>535,815</u>	<u>5,130</u>	<u>(4,821)</u>	<u>(9,951)</u>
<u>(57,824)</u>	<u>(57,824)</u>		<u>(55,742)</u>	<u>(55,742)</u>				
<u>(57,824)</u>	<u>(57,824)</u>		<u>(55,742)</u>	<u>(55,742)</u>				
<u>(\$72,342)</u>	<u>(159,270)</u>	<u>(\$86,928)</u>	<u>(\$982,727)</u>	<u>(446,912)</u>	<u>\$535,815</u>	<u>\$5,130</u>	<u>(4,821)</u>	<u>(\$9,951)</u>
	<u>654,074</u>			<u>3,932,318</u>			<u>36,000</u>	
	<u>\$494,804</u>			<u>\$3,485,406</u>			<u>\$31,179</u>	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>MISCELLANEOUS GENERAL GOVERNMENT</u>			<u>MISCELLANEOUS LIBRARY</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>						
Charges for services						
Subventions and grants						
Use of money and property	\$1,469	\$1,789	\$320	\$1,784	\$1,193	(\$591)
Miscellaneous revenues	<u>168,320</u>	<u>237,237</u>	<u>68,917</u>			
<b>Total Revenues</b>	<u>169,789</u>	<u>239,026</u>	<u>69,237</u>	<u>1,784</u>	<u>1,193</u>	<u>(591)</u>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits						
Public Works						
Storm Water Management Program						
Operating services and supplies						
General Government						
Cable Tv Peg Funds	256,585	101,995	154,590			
Public Works						
Storm Water Management Program						
Public Safety:						
Police						
Forfeited Property						
Police Evidence Funds						
Library						
Harrigan Trust-Adult Literacy				10,000	10,000	
Parks And Recreation						
Air Quality Mitigation						
Federal Asset Seizure Acct						
Environmental Utility Proj-Stormwater						
Grants	<u>50,000</u>	<u>1,360</u>	<u>48,640</u>			
<b>Total Expenditures</b>	<u>306,585</u>	<u>103,355</u>	<u>203,230</u>	<u>10,000</u>	<u>10,000</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(136,796)</u>	<u>135,671</u>	<u>272,467</u>	<u>(8,216)</u>	<u>(8,807)</u>	<u>(591)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers (out)						
<b>Total Other Financing Sources (Uses)</b>						
<b>NET CHANGE IN FUND BALANCES</b>	<u>(136,796)</u>	<u>135,671</u>	<u>\$272,467</u>	<u>(\$8,216)</u>	<u>(8,807)</u>	<u>(\$591)</u>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of year		<u>374,120</u>			<u>280,573</u>	
Fund balances (deficits) at end of year		<u>\$509,791</u>			<u>\$271,766</u>	

MISCELLANEOUS POLICE			MISCELLANEOUS PARK			STORM WATER MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$41,500	\$46,640	\$5,140		\$23	\$23
\$5,918	\$10,857	\$4,939				\$314,717		(314,717)
1,502	1,131	(371)	2,072	1,707	(365)	95	(14)	(109)
37,378	74,621	37,243		38,596	38,596		200	200
44,798	86,609	41,811	43,572	86,943	43,371	314,812	209	(314,603)
						334,997	335,364	(367)
						350,526	228,654	121,872
63,139	43,358	19,781						
1		1						
13,000	10,834	2,166					6,970	(6,970)
76,140	54,192	21,948				685,523	570,988	114,535
(31,342)	32,417	63,759	43,572	86,943	43,371	(370,711)	(570,779)	(200,068)
			(66,000)	(34,288)	31,712	593,765	672,233	78,468
						(33,805)	(33,805)	
			(66,000)	(34,288)	31,712	559,960	638,428	78,468
(\$31,342)	32,417	\$63,759	(\$22,428)	52,655	\$75,083	\$189,249	67,649	(\$121,600)
							(53,395)	
	254,010			354,596			(14,254)	
	\$286,427			\$407,251				

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	TRAFFIC SIGNAL			BIKE TRAIL/OPEN SPACE MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Charges for services	\$5,000	\$7,642	\$2,642			
Subventions and grants						
Use of money and property	18,047	15,958	(2,089)	\$6,433	\$3,808	(\$2,625)
Contributions from developers	24,000	32,570	8,570			
Miscellaneous revenues		27,542	27,542		30,675	30,675
<b>Total Revenues</b>	<b>47,047</b>	<b>83,712</b>	<b>36,665</b>	<b>6,433</b>	<b>34,483</b>	<b>28,050</b>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits						
Planning						
Roseville Community Development Corporation						
Parks And Recreation						
Traffic Signals	976,939	951,340	25,599			
Operating services and supplies						
Planning						
Roseville Community Development Corporation						
Public Works						
Traffic Signal Maintenance Fd		12,381	(12,381)			
Parks and Recreation						
Traffic Signals	498,817	468,071	30,746			
Traffic Signal Maintenance/Upgrades		49	(49)			
Bike Trail Maintenance				90,109	54,182	35,927
Open Space Maintenance				635,825	469,522	166,303
Low & Moderate Income Housing Successor Agency						
<b>Total Expenditures</b>	<b>1,475,756</b>	<b>1,431,841</b>	<b>43,915</b>	<b>725,934</b>	<b>523,704</b>	<b>202,230</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,428,709)</b>	<b>(1,348,129)</b>	<b>80,580</b>	<b>(719,501)</b>	<b>(489,221)</b>	<b>230,280</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of property		4,397	4,397		3,580	3,580
Transfers in	1,878,590	1,878,590		545,262	514,468	(30,794)
Transfers (out)	(169,138)	(167,247)	1,891	(32,596)	(35,214)	(2,618)
<b>Total Other Financing Sources (Uses)</b>	<b>1,709,452</b>	<b>1,715,740</b>	<b>6,288</b>	<b>512,666</b>	<b>482,834</b>	<b>(29,832)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$280,743</b>	<b>367,611</b>	<b>\$86,868</b>	<b>(\$206,835)</b>	<b>(6,387)</b>	<b>\$200,448</b>
Adjustment to budgetary basis						
Capital outlay		(277,455)				
Fund balances (deficits) at beginning of year		3,402,762			984,776	
Fund balances (deficits) at end of year		<u>\$3,492,918</u>			<u>\$978,389</u>	

ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION			LOW/MOD INCOME HOUSING ASSET			TECHNOLOGY REPLACEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$188,000	\$168,000	(\$20,000)						
120,000	98,716	(21,284)	\$1,000	\$8,947	\$7,947	\$1,882	\$1,703	(\$179)
12,000	12,008	8	20,500	80,128	59,628			
320,000	278,724	(41,276)	21,500	89,075	67,575	1,882	1,703	(179)
237,150	272,372	(35,222)						
729,666	212,604	517,062						
			78,468	46,745	31,723			
966,816	484,976	481,840	78,468	46,745	31,723			
(646,816)	(206,252)	440,564	(56,968)	42,330	99,298	1,882	1,703	(179)
			60,532		(60,532)			
			60,532		(60,532)			
<u>(646,816)</u>	<u>(206,252)</u>	<u>\$440,564</u>	<u>\$3,564</u>	42,330	<u>\$38,766</u>	<u>\$1,882</u>	1,703	<u>(179)</u>
							(218,287)	
	<u>(698,296)</u>			<u>1,350,886</u>			<u>(212,527)</u>	
	<u><u>(\$904,548)</u></u>			<u><u>\$1,393,216</u></u>			<u><u>(\$429,111)</u></u>	

(Continued)

CITY OF ROSEVILLE  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ROSEVILLE FINANCE AUTHORITY			CITIZENS' BENEFIT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Use of money and property		\$386,529	\$386,529	\$209,608	\$58,447	(\$151,161)
Miscellaneous revenues				13,933	17,946	4,013
Total Revenues		<u>386,529</u>	<u>386,529</u>	<u>223,541</u>	<u>76,393</u>	<u>(147,148)</u>
EXPENDITURES						
Current:						
Operating services and supplies						
General government						
Citizens Benefit				514,365	504,865	9,500
Debt service:						
Principal retirement	720,000	720,000				
Interest and fiscal charges	584,533	1,082,778	(498,245)			
Total Expenditures	<u>1,304,533</u>	<u>1,802,778</u>	<u>(498,245)</u>	<u>514,365</u>	<u>504,865</u>	<u>9,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,304,533)</u>	<u>(1,416,249)</u>	<u>(111,716)</u>	<u>(290,824)</u>	<u>(428,472)</u>	<u>(137,648)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt		11,549,031	11,549,031			
Payment to escrow		(12,756,326)	(12,756,326)			
Transfers in	1,304,533	1,238,198	(66,335)			
Total Other Financing Sources (Uses)	<u>1,304,533</u>	<u>30,903</u>	<u>(1,273,630)</u>			
NET CHANGE IN FUND BALANCES		<u>(1,385,346)</u>	<u>(\$1,385,346)</u>	<u>(\$290,824)</u>	<u>(428,472)</u>	<u>(\$137,648)</u>
Fund balances (deficits) at beginning of year		<u>1,530,324</u>			<u>18,020,764</u>	
Fund balances (deficits) at end of year		<u>\$144,978</u>			<u>\$17,592,292</u>	

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

Financial reporting standards require that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**Automotive Services Fund.** To account for the maintenance of vehicles used by City departments. Funds are received by means of a rental fee charged to the various departments.

**Automotive Replacement Fund.** To accumulate resources and account for the purchase of vehicles used by City departments. The source of revenue for this fund is replacement fees charged to City vehicles.

**Workers' Compensation Fund.** To account for the City's self-insurance program for Workers' Compensation benefits and for the administration of various preventative programs.

**General Liability Fund.** To account for the cost of claims and administrative costs of the City's self-insured general liability program.

**Unemployment Reserve Fund.** To account for State and Federal mandated unemployment insurance benefits for employees.

**Vision Fund.** To account for the City's insurance program for Vision benefits.

**Dental Fund.** To account for the City's insurance program for Dental benefits.

**Section 125 Fund.** To account for the assets and liabilities of the employer's flexible benefits plan established under Internal Revenue Code Section 125.

**Post Retirement Fund.** To account for the contributions and benefits paid in relation to accrued employee retirement compensation.

**Central Stores Fund.** To account for stores inventory that gets allocated out at year-end to the General Fund and Enterprise Funds.

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
ASSETS				
Current Assets				
Cash and investments in City Treasury		\$32,891,272	\$8,132,597	\$3,585,889
Receivables:				
Accounts		156		
Accrued interest		3,067,170	26,928	10,747
Due from other government agencies	\$16,958			
Due from other funds		1,931,378	200,000	
Notes receivable		829,201		
Inventories	771,515			
	<u>788,473</u>	<u>38,719,177</u>	<u>8,359,525</u>	<u>3,596,636</u>
Total Current Assets				
Non Current Assets				
Advances to other funds		3,809,017	190,353	
Capital assets, net of accumulated depreciation	7,544	11,880,949	3,293	
	<u>796,017</u>	<u>54,409,143</u>	<u>8,553,171</u>	<u>3,596,636</u>
Total Assets				
LIABILITIES				
Current Liabilities				
Accounts payable	155,858	207,731	11,798	12,529
Accrued liabilities	70,026		3,281	3,293
Due to other funds	942,093			
Self-insurance claims payable			924,444	548,855
	<u>1,167,977</u>	<u>207,731</u>	<u>939,523</u>	<u>564,677</u>
Total Current Liabilities				
Long-term Liabilities				
Advances from other funds				
Compensated absences	316,876		40,332	8,657
Net OPEB obligations				
Self-insurance claims payable			6,779,260	1,343,750
	<u>1,484,853</u>	<u>207,731</u>	<u>7,759,115</u>	<u>1,917,084</u>
Total Liabilities				
NET POSITION				
Net investment in capital assets	7,544	11,880,949	3,293	
Unrestricted	(696,380)	42,320,463	790,763	1,679,552
	<u>(\$688,836)</u>	<u>\$54,201,412</u>	<u>\$794,056</u>	<u>\$1,679,552</u>
Total Net Position				

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
\$164,661	\$298,895	\$739,688	\$64,079	\$2,468,794	\$227,409	\$48,573,284
275	961	2,041	141	4,188		156
						3,112,451
						16,958
						2,131,378
						829,201
						771,515
<u>164,936</u>	<u>299,856</u>	<u>741,729</u>	<u>64,220</u>	<u>2,472,982</u>	<u>227,409</u>	<u>55,434,943</u>
						3,999,370
						11,891,786
<u>164,936</u>	<u>299,856</u>	<u>741,729</u>	<u>64,220</u>	<u>2,472,982</u>	<u>227,409</u>	<u>71,326,099</u>
						616,125
		28,050		783	199,376	76,600
200,000						1,142,093
						1,473,299
<u>200,000</u>		<u>28,050</u>		<u>783</u>	<u>199,376</u>	<u>3,308,117</u>
						190,353
190,353						365,865
				33,246,786		33,246,786
						8,123,010
<u>390,353</u>		<u>28,050</u>		<u>33,247,569</u>	<u>199,376</u>	<u>45,234,131</u>
						11,891,786
(225,417)	299,856	713,679	64,220	(30,774,587)	28,033	14,200,182
<u>(\$225,417)</u>	<u>\$299,856</u>	<u>\$713,679</u>	<u>\$64,220</u>	<u>(\$30,774,587)</u>	<u>\$28,033</u>	<u>\$26,091,968</u>

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>OPERATING REVENUES</b>				
Charges for services	\$7,095,456	\$5,014,398	\$29	
Other	72,179		2,781,360	\$2,146,190
Total Operating Revenues	<u>7,167,635</u>	<u>5,014,398</u>	<u>2,781,389</u>	<u>2,146,190</u>
<b>OPERATING EXPENSES</b>				
Operations	6,613,763	610,329	2,541,716	1,338,925
Depreciation and amortization	36,349	3,158,637	3,040	
Claims expense			1,394,561	641,456
Total Operating Expenses	<u>6,650,112</u>	<u>3,768,966</u>	<u>3,939,317</u>	<u>1,980,381</u>
Operating Income (Loss)	<u>517,523</u>	<u>1,245,432</u>	<u>(1,157,928)</u>	<u>165,809</u>
<b>NONOPERATING (EXPENSES)</b>				
Interest and rents revenue	26,489	181,436	29,914	12,564
Net Nonoperating Revenues (Expenses)	<u>26,489</u>	<u>181,436</u>	<u>29,914</u>	<u>12,564</u>
Income (Loss) Before Contributions and Transfers	<u>544,012</u>	<u>1,426,868</u>	<u>(1,128,014)</u>	<u>178,373</u>
Transfers in		349,593		
Transfers (out)	<u>(1,165,483)</u>	<u>(143,362)</u>	<u>(27,409)</u>	<u>(100,511)</u>
Change in Net Position	(621,471)	1,633,099	(1,155,423)	77,862
Net position (deficit) - beginning	<u>(67,365)</u>	<u>52,568,313</u>	<u>1,949,479</u>	<u>1,601,690</u>
Net position (deficit) - ending	<u><u>(\$688,836)</u></u>	<u><u>\$54,201,412</u></u>	<u><u>\$794,056</u></u>	<u><u>\$1,679,552</u></u>

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$12,109,883
\$470,021	\$150,581	\$1,427,033	\$392,470	\$1,613,195		9,053,029
470,021	150,581	1,427,033	392,470	1,613,195		21,162,912
	151,337	159,682		16,040,204		27,455,956
166,723		1,137,180	384,489			3,198,026
166,723	151,337	1,296,862	384,489	16,040,204		3,724,409
303,298	(756)	130,171	7,981	(14,427,009)		34,378,391
						(13,215,479)
381	1,202	2,660	185	1,896		256,727
381	1,202	2,660	185	1,896		256,727
303,679	446	132,831	8,166	(14,425,113)		(12,958,752)
(3,895)	(1,796)	(13,563)	(3,902)	6,687,077 (39,199)		7,036,670 (1,499,120)
299,784	(1,350)	119,268	4,264	(7,777,235)		(7,421,202)
(525,201)	301,206	594,411	59,956	(22,997,352)	\$28,033	33,513,170
(\$225,417)	\$299,856	\$713,679	\$64,220	(\$30,774,587)	\$28,033	\$26,091,968

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$7,106,297	\$5,014,242	\$29	
Payments to suppliers	(4,533,229)	(1,037,503)	(2,450,352)	(\$1,280,507)
Payments to employees	(1,879,747)		(87,475)	(86,681)
Payments to OPEB trust				
Claims paid				(304,755)
Other receipts (payments)	72,179		2,781,360	2,146,190
Net Cash Provided (Used) by Operating Activities	765,500	3,976,739	243,562	474,247
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Increase (decrease) in due to other funds	371,955	(347,552)	(100,000)	
(Increase) decrease in advances to other funds		121,352	200,000	
Transfers in		349,593		
Transfers (out)	(1,165,483)	(143,362)	(27,409)	(100,511)
Cash Flows from (Used for) Noncapital Financing Activities	(793,528)	(19,969)	72,591	(100,511)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net	(1)	(3,787,419)	1	
Cash Flows (Used for) Capital and Related Financing Activities	(1)	(3,787,419)	1	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and rents received	26,489	145,136	29,005	10,553
Cash Flows from Investing Activities	26,489	145,136	29,005	10,553
Net increase (decrease) in cash and cash equivalents	(1,540)	314,487	345,159	384,289
Cash and investments at beginning of period	1,540	32,576,785	7,787,438	3,201,600
Cash and investments at end of period		\$32,891,272	\$8,132,597	\$3,585,889
<b>NONCASH TRANSACTIONS:</b>				
Retirement of capital assets		(\$7,245)		
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$517,523	\$1,245,432	(\$1,157,928)	\$165,809
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	36,349	3,158,637	3,040	
Retirement of capital assets		7,245		
Change in assets and liabilities:				
Receivables, net	172,399	(156)		
Net OPEB obligations				
Accounts and other payables	39,229	(434,419)	1,398,450	308,438
Net cash provided by operating activities	\$765,500	\$3,976,739	\$243,562	\$474,247

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$12,120,568
	(\$151,337)	(\$159,296)			\$135,726	(9,476,498)
				(\$3,316,012)		(5,369,915)
				(5,131,475)		(5,131,475)
(\$244,972)		(1,137,180)	(\$384,489)			(2,071,396)
470,021	150,581	1,427,033	392,470	1,613,195		9,053,029
225,049	(756)	130,557	7,981	(6,834,292)	135,726	(875,687)
100,000						24,403
(200,000)						121,352
				6,687,077		7,036,670
(3,895)	(1,796)	(13,563)	(3,902)	(39,199)		(1,499,120)
(103,895)	(1,796)	(13,563)	(3,902)	6,647,878		5,683,305
						(3,787,419)
						(3,787,419)
122	1,118	2,144	169	4,858		219,594
122	1,118	2,144	169	4,858		219,594
121,276	(1,434)	119,138	4,248	(181,556)	135,726	1,239,793
43,385	300,329	620,550	59,831	2,650,350	91,683	47,333,491
\$164,661	\$298,895	\$739,688	\$64,079	\$2,468,794	\$227,409	\$48,573,284
						(\$7,245)
\$303,298	(\$756)	\$130,171	\$7,981	(\$14,427,009)		(\$13,215,479)
						3,198,026
						7,245
						172,243
				7,705,056		7,705,056
(78,249)		386		(112,339)	\$135,726	1,257,222
\$225,049	(\$756)	\$130,557	\$7,981	(\$6,834,292)	\$135,726	(\$875,687)

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## **PRIVATE-PURPOSE TRUST FUNDS**

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

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

The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Roseville.

CITY OF ROSEVILLE  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ASSETS</b>			
Cash and investments in Treasury	\$2,457,576	\$2,795,256	\$5,252,832
Restricted cash and investments with fiscal agents		5,955,371	5,955,371
Taxes receivable		64	64
Accounts receivable		3,103	3,103
Accrued interest receivable	6,444	178,201	184,645
Due from other governments		7,304,420	7,304,420
Developer permit fee receivable	378		378
Notes receivable		5,089,106	5,089,106
Land held for resale		5,419,762	5,419,762
Capital Assets:			
Land		1,762,188	1,762,188
<b>Total Assets</b>	<b>2,464,398</b>	<b>28,507,471</b>	<b>30,971,869</b>
<b>LIABILITIES</b>			
Accounts payable		1,836,401	1,836,401
Accrued liabilities		574,563	574,563
Long-term liabilities:			
Due in one year		592,238	592,238
Due in over one year		65,333,117	65,333,117
<b>Total Liabilities</b>		<b>68,336,319</b>	<b>68,336,319</b>
<b>NET POSITION(DEFICIT)</b>			
Held in trust for private purposes or for other governments	\$2,464,398	(\$39,828,848)	(\$37,364,450)

CITY OF ROSEVILLE  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ADDITIONS</b>			
Property taxes		\$3,416,590	\$3,416,590
Subventions and grants	\$13,541		13,541
Investment income	11,511	189,579	201,090
Other receipts		10,642	10,642
	<u>25,052</u>	<u>3,616,811</u>	<u>3,641,863</u>
<b>DEDUCTIONS</b>			
General government	44,216		44,216
Community services		286,122	286,122
Pass-through payments and payment to County Auditor-Controller		4,231,128	4,231,128
Debt service:			
Interest and fiscal charges		1,805,719	1,805,719
	<u>44,216</u>	<u>6,322,969</u>	<u>6,367,185</u>
Change in net position	(19,164)	(2,706,158)	(2,725,322)
Net position (deficit) - beginning of period	<u>2,483,562</u>	<u>(37,122,690)</u>	<u>(34,639,128)</u>
Net position (deficit) - end of period	<u><u>\$2,464,398</u></u>	<u><u>(\$39,828,848)</u></u>	<u><u>(\$37,364,450)</u></u>

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## AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

### **Special Assessments/Community Facility Districts (CFDs)**

These funds account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

### **Payroll Revolving Fund**

This fund accounts for the payroll deductions and contributions that are held in transit.

### **Highway 65 JPA (Bizz Johnson JPA)**

This JPA, which consists of the City, City of Rocklin and Placer County, was formed to fund interchanges off of Highway 65. The City acts as lead agency and treasurer. The fees are collected via building permits.

### **Dry Creek Drainage Basin**

Fees are collected via building permits for the Dry Creek area and submitted quarterly to Placer County for drainage mitigation.

### **County Capital Facilities Fee**

This fee was established by the County to fund future county capital facilities from development. It is collected via building permits and submitted quarterly to the County.

### **South Placer Wastewater Authority (SPWA)**

SPWA is a Joint Powers Authority comprised of the City, Placer County and South Placer Public Utilities District. The City is acting as the treasurer and construction manager. This JPA was formed to issue debt to facilitate the construction of the regional wastewater infrastructure. The agencies collect regional wastewater connection fees and submit them to SPWA which is used for debt service payments and for the future expansion of facilities.

### **Special Sewer Benefit Area #3**

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the northeast portion of the City. The reimbursements are made to various project participants.

### **Special Sewer Benefit Area #4**

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the southeast portion of the City. The reimbursements are made to Southfork Partnership.

<b>AGENCY FUNDS (Continued)</b>
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**South Placer County Tourism Business Improvement District (SPCTBID)**

All hotels in the region are assessed fees for the purpose of promoting tourism in the area. These fees are forwarded to the City quarterly and then submitted quarterly to the SPCTBID.

**South Placer County Safe Kids Coalition**

The fees are collected for and submitted to an organization in Placer County for child safety programs.

**South Placer Regional Traffic Fee**

This fee is collected via building permits and submitted quarterly to Placer County Transportation Authority to fund regional traffic mitigation.

**City/County Traffic Mitigation Fund (TMF)**

The fee is collected via building permits and submitted quarterly to Placer County to fund regional traffic mitigation due to new development.

**Placer County Air Pollution Control Fund**

The fee is collected to contribute towards construction of a future animal shelter in South Placer County.

**Sierra College Boulevard Fund**

To account for contributions to provide maintenance of bike trails and open space.

**Other**

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

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>Foothills Boulevard Special Assessment District</u>				
Taxes receivable	\$1,243	\$1,243	\$1,243	\$1,243
Total Assets	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>
Due to bondholders	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>
<u>North Roseville/Rocklin Sewer Special Assessment District</u>				
Cash and investments in City Treasury	\$11,186	\$670	\$11,837	\$19
Taxes receivable	375	362	\$375	362
Total Assets	<u>\$11,561</u>	<u>\$1,032</u>	<u>\$12,212</u>	<u>\$381</u>
Due to bondholders	<u>\$11,561</u>	<u>\$1,032</u>	<u>\$12,212</u>	<u>\$381</u>
Total Liabilities	<u>\$11,561</u>	<u>\$1,032</u>	<u>\$12,212</u>	<u>\$381</u>
<u>Champion Oaks Special Assessment District</u>				
Cash and investments in City Treasury	<u>\$19,287</u>			<u>\$19,287</u>
Due to bondholders	<u>\$19,287</u>			<u>\$19,287</u>
<u>Foothills Boulevard Extension Special Assessment District</u>				
Cash and investments in City Treasury	\$195,916	\$424	\$196,340	
Taxes receivable	5,992	6,407	5,992	\$6,407
Accrued interest receivable	15		15	
Total Assets	<u>\$201,923</u>	<u>\$6,831</u>	<u>\$202,347</u>	<u>\$6,407</u>
Due to bondholders	<u>\$201,923</u>	<u>\$6,831</u>	<u>\$202,347</u>	<u>\$6,407</u>
Total Liabilities	<u>\$201,923</u>	<u>\$6,831</u>	<u>\$202,347</u>	<u>\$6,407</u>
<u>Northeast Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$594	(\$1)	\$593	
Taxes receivable	88	106	88	\$106
Total Assets	<u>\$682</u>	<u>\$105</u>	<u>\$681</u>	<u>\$106</u>
Due to bondholders	<u>\$682</u>	<u>\$105</u>	<u>\$681</u>	<u>\$106</u>
Total Liabilities	<u>\$682</u>	<u>\$105</u>	<u>\$681</u>	<u>\$106</u>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>Northwest Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,443,111	\$885,540	\$1,280,001	\$2,048,650
Restricted cash and investments with fiscal agents	2,298,788		706,250	1,592,538
Taxes receivable	30,731	36,264	30,731	36,264
Accrued interest receivable	4,171	2,775	4,171	2,775
<b>Total Assets</b>	<b>\$4,776,801</b>	<b>\$924,579</b>	<b>\$2,021,153</b>	<b>\$3,680,227</b>
Accounts payable		\$2,200		\$2,200
Due to bondholders	\$4,776,801	922,379	\$2,021,153	3,678,027
<b>Total Liabilities</b>	<b>\$4,776,801</b>	<b>\$924,579</b>	<b>\$2,021,153</b>	<b>\$3,680,227</b>
<u>Stoneridge East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$986,372	\$722,768	\$760,300	\$948,840
Restricted cash and investments with fiscal agents	1,176,603	74		1,176,677
Taxes receivable	8,311	7,646	8,311	7,646
Accrued interest receivable	1,658	1,645	1,658	1,645
<b>Total Assets</b>	<b>\$2,172,944</b>	<b>\$732,133</b>	<b>\$770,269</b>	<b>\$2,134,808</b>
Accounts payable	\$35	\$1,950	\$35	\$1,950
Due to bondholders	2,172,909	730,183	770,234	2,132,858
<b>Total Liabilities</b>	<b>\$2,172,944</b>	<b>\$732,133</b>	<b>\$770,269</b>	<b>\$2,134,808</b>
<u>Northeast Roseville Community Facilities District #2</u>				
Cash and investments in City Treasury	\$898,616	\$318,384	\$408,929	\$808,071
Restricted cash and investments with fiscal agents	953,896		299,026	654,870
Taxes receivable	5,985	1,511	5,985	1,511
Accrued Interest receivable	1,534	923	1,534	923
<b>Total Assets</b>	<b>\$1,860,031</b>	<b>\$320,818</b>	<b>\$715,474</b>	<b>\$1,465,375</b>
Accounts payable	\$482	\$2,235	\$482	\$2,235
Due to bondholders	1,859,549	318,583	714,992	1,463,140
<b>Total Liabilities</b>	<b>\$1,860,031</b>	<b>\$320,818</b>	<b>\$715,474</b>	<b>\$1,465,375</b>
<u>North Central Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$5,149,414	\$998,450	\$2,025,094	\$4,122,770
Restricted cash and investments with fiscal agents	2,310,777	224,404		2,535,181
Taxes receivable	31,905	24,947	31,905	24,947
Accrued interest receivable	8,678	9,471	8,678	9,471
<b>Total Assets</b>	<b>\$7,500,774</b>	<b>\$1,257,272</b>	<b>\$2,065,677</b>	<b>\$6,692,369</b>
Accounts payable	\$35	\$142	\$35	\$142
Due to bondholders	\$7,500,739	1,257,130	2,065,642	6,692,227
<b>Total Liabilities</b>	<b>\$7,500,774</b>	<b>\$1,257,272</b>	<b>\$2,065,677</b>	<b>\$6,692,369</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>North Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,851,710	\$658,693	\$747,193	\$1,763,210
Restricted cash and investments with fiscal agents	1,743,959		\$975	1,742,984
Accounts receivable				
Taxes receivable	10,651	7,938	10,651	7,938
Accrued interest receivable	3,031	3,400	3,031	3,400
<b>Total Assets</b>	<b>\$3,609,351</b>	<b>\$670,031</b>	<b>\$761,850</b>	<b>\$3,517,532</b>
Accounts payable	\$71		\$71	
Due to bondholders	3,609,280	670,031	761,779	\$3,517,532
<b>Total Liabilities</b>	<b>\$3,609,351</b>	<b>\$670,031</b>	<b>\$761,850</b>	<b>\$3,517,532</b>
<u>Woodcreek West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,266,444	\$750,935	\$838,524	\$1,178,855
Restricted cash and investments with fiscal agents	1,408,573		\$5,919	1,402,654
Taxes receivable	7,722	7,449	7,722	7,449
Accrued interest receivable	2,145	2,112	2,145	2,112
<b>Total Assets</b>	<b>\$2,684,884</b>	<b>\$760,496</b>	<b>\$854,310</b>	<b>\$2,591,070</b>
Accounts payable		\$71		\$71
Accrued Liabilities	\$4,871			4,871
Due to bondholders	2,680,013	760,425	\$854,310	2,586,128
<b>Total Liabilities</b>	<b>\$2,684,884</b>	<b>\$760,496</b>	<b>\$854,310</b>	<b>\$2,591,070</b>
<u>Highland Reserve North Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,333,303	\$1,202,238	\$1,323,182	\$2,212,359
Restricted cash and investments with fiscal agents	2,544,811		\$1,627	2,543,184
Taxes receivable	11,512	11,580	11,512	11,580
Accrued interest receivable	4,217	4,011	4,217	4,011
<b>Total Assets</b>	<b>\$4,893,843</b>	<b>\$1,217,829</b>	<b>\$1,340,538</b>	<b>\$4,771,134</b>
Accounts payable	\$71	\$1,950	\$71	\$1,950
Due to bondholders	4,893,772	1,215,879	1,340,467	4,769,184
<b>Total Liabilities</b>	<b>\$4,893,843</b>	<b>\$1,217,829</b>	<b>\$1,340,538</b>	<b>\$4,771,134</b>
<u>Stoneridge Parcel 1 Community Facilities District #1</u>				
Cash and investments in City Treasury	\$154,111	\$83,920	\$94,067	\$143,964
Restricted cash and investments with fiscal agents	138,060		\$92	137,968
Taxes receivable	135	191	135	191
Accrued interest receivable	318	310	318	310
<b>Total Assets</b>	<b>\$292,624</b>	<b>\$84,421</b>	<b>\$94,612</b>	<b>\$282,433</b>
Accounts payable		\$1,950		\$1,950
Due to bondholders	\$292,624	82,471	\$94,612	280,483
<b>Total Liabilities</b>	<b>\$292,624</b>	<b>\$84,421</b>	<b>\$94,612</b>	<b>\$282,433</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>Woodcreek East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$540,179	\$236,354	\$281,489	\$495,044
Restricted cash and investments with fiscal agents	486,393		342	486,051
Taxes receivable	5,280	3,469	5,280	3,469
Accrued interest receivable	1,107	1,073	1,107	1,073
<b>Total Assets</b>	<b>\$1,032,959</b>	<b>\$240,896</b>	<b>\$288,218</b>	<b>\$985,637</b>
Accounts payable	\$1,950	\$1,950	\$1,950	\$1,950
Due to bondholders	1,031,009	238,946	286,268	983,687
<b>Total Liabilities</b>	<b>\$1,032,959</b>	<b>\$240,896</b>	<b>\$288,218</b>	<b>\$985,637</b>
<u>Stoneridge West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,069,356	\$663,840	\$589,525	\$1,143,671
Restricted cash and investments with fiscal agents	920,718		\$398	920,320
Taxes receivable	151,133	162,071	151,133	162,071
Accrued interest receivable	1,921	2,444	1,921	2,444
<b>Total Assets</b>	<b>\$2,143,128</b>	<b>\$828,355</b>	<b>\$742,977</b>	<b>\$2,228,506</b>
Accounts payable	\$71	\$1,950	\$71	\$1,950
Due to bondholders	\$2,143,057	826,405	\$742,906	2,226,556
<b>Total Liabilities</b>	<b>\$2,143,128</b>	<b>\$828,355</b>	<b>\$742,977</b>	<b>\$2,228,506</b>
<u>Crocker Ranch Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,123,189	\$1,019,538	\$1,023,266	\$1,119,461
Restricted cash and investments with fiscal agents	1,390,895		\$211	1,390,684
Taxes receivable	6,455	6,802	6,455	6,802
Accrued interest receivable	1,515	1,929	1,515	1,929
<b>Total Assets</b>	<b>\$2,522,054</b>	<b>\$1,028,269</b>	<b>\$1,031,447</b>	<b>\$2,518,876</b>
Accounts payable	\$71	\$1,985	\$71	\$1,985
Due to bondholders	\$2,521,983	1,026,284	\$1,031,376	2,516,891
<b>Total Liabilities</b>	<b>\$2,522,054</b>	<b>\$1,028,269</b>	<b>\$1,031,447</b>	<b>\$2,518,876</b>
<u>Stone Point Community Facilities District #1</u>				
Cash and investments in City Treasury	\$981,978	\$477,265	\$612,572	\$846,671
Restricted cash and investments with fiscal agents	905,441	1,588		907,029
Accrued interest receivable	2,055	1,857	2,055	1,857
<b>Total Assets</b>	<b>\$1,889,474</b>	<b>\$480,710</b>	<b>\$614,627</b>	<b>\$1,755,557</b>
Accounts payable		\$1,950		\$1,950
Due to bondholders	\$1,889,474	478,760	\$614,627	1,753,607
<b>Total Liabilities</b>	<b>\$1,889,474</b>	<b>\$480,710</b>	<b>\$614,627</b>	<b>\$1,755,557</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>Stone Point Community Facilities District #5</u>				
Cash and investments in City Treasury	\$222,926	\$342,885	\$299,340	\$266,471
Restricted cash and investments with fiscal agents	495,647		(866)	496,513
Accrued interest receivable	248	396	248	396
<b>Total Assets</b>	<b>\$718,821</b>	<b>\$343,281</b>	<b>\$298,722</b>	<b>\$763,380</b>
Accounts payable		\$1,950		\$1,950
Due to bondholders	\$718,821	341,331	\$298,722	761,430
<b>Total Liabilities</b>	<b>\$718,821</b>	<b>\$343,281</b>	<b>\$298,722</b>	<b>\$763,380</b>
<u>Westpark Community Facilities District #1</u>				
Cash and investments in City Treasury	\$3,562,249	\$4,134,452	\$4,117,148	\$3,579,553
Restricted cash and investments with fiscal agents	5,555,177	9,744		5,564,921
Taxes receivable	7,401	7,003	7,401	7,003
Accrued interest receivable	4,914	4,968	4,914	4,968
<b>Total Assets</b>	<b>\$9,129,741</b>	<b>\$4,156,167</b>	<b>\$4,129,463</b>	<b>\$9,156,445</b>
Accounts payable		\$79		\$79
Due to bondholders	\$9,129,741	4,156,088	\$4,129,463	9,156,366
<b>Total Liabilities</b>	<b>\$9,129,741</b>	<b>\$4,156,167</b>	<b>\$4,129,463</b>	<b>\$9,156,445</b>
<u>Fiddymt Ranch Community Facilities District #1</u>				
Cash and investments in City Treasury	\$3,315,552	\$3,981,298	\$4,119,906	\$3,176,944
Restricted cash and investments with fiscal agents	6,709,646		219,871	6,489,775
Taxes receivable	1,911	1,498	1,911	1,498
Accrued interest receivable	60,352	243,138	60,352	243,138
<b>Total Assets</b>	<b>\$10,087,461</b>	<b>\$4,225,934</b>	<b>\$4,402,040</b>	<b>\$9,911,355</b>
Accounts payable		\$35		\$35
Due to bondholders	10,087,461	4,225,899	4,402,040	9,911,320
<b>Total Liabilities</b>	<b>\$10,087,461</b>	<b>\$4,225,934</b>	<b>\$4,402,040</b>	<b>\$9,911,355</b>
<u>Longmeadow Community Facilities District #1</u>				
Cash and investments in City Treasury	\$410,096	\$475,296	\$584,476	\$300,916
Restricted cash and investments with fiscal agents	593,964		19,685	574,279
Taxes receivable	2,448	2,703	2,448	2,703
Accrued interest receivable	493	379	493	379
<b>Total Assets</b>	<b>\$1,007,001</b>	<b>\$478,378</b>	<b>\$607,102</b>	<b>\$878,277</b>
Accounts payable		\$2,200		\$2,200
Due to bondholders	\$1,007,001	476,178	\$607,102	876,077
<b>Total Liabilities</b>	<b>\$1,007,001</b>	<b>\$478,378</b>	<b>\$607,102</b>	<b>\$878,277</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<hr/> <b>Diamond Creek Community Facilities District #1</b> <hr/>				
Cash and investments in City Treasury	\$378,948	\$269,034	\$376,455	\$271,527
Restricted cash and investments with fiscal agents	640,556	11,324		651,880
Accrued interest receivable	714	694	714	694
<b>Total Assets</b>	<b>\$1,020,218</b>	<b>\$281,052</b>	<b>\$377,169</b>	<b>\$924,101</b>
<b>Due to bondholders</b>	<b>\$1,020,218</b>	<b>\$281,052</b>	<b>\$377,169</b>	<b>\$924,101</b>
<b>Total Liabilities</b>	<b>\$1,020,218</b>	<b>\$281,052</b>	<b>\$377,169</b>	<b>\$924,101</b>
<hr/> <b>Fountains Community Facilities District #1</b> <hr/>				
Cash and investments in City Treasury	\$426,438	\$782,530	\$775,037	\$433,931
Restricted cash and investments with fiscal agents	1,121,349		\$628	1,120,721
Accrued interest receivable	554	639	554	639
<b>Total Assets</b>	<b>\$1,548,341</b>	<b>\$783,169</b>	<b>\$776,219</b>	<b>\$1,555,291</b>
<b>Due to bondholders</b>	<b>\$1,548,341</b>	<b>\$783,169</b>	<b>\$776,219</b>	<b>\$1,555,291</b>
<b>Total Liabilities</b>	<b>\$1,548,341</b>	<b>\$783,169</b>	<b>\$776,219</b>	<b>\$1,555,291</b>
<hr/> <b>Automall Community Facilities District #1</b> <hr/>				
Cash and investments in City Treasury	\$763,609	(\$64,553)	\$185,404	\$513,652
Accrued interest receivable	749	1,421	749	1,421
<b>Total Assets</b>	<b>\$764,358</b>	<b>(\$63,132)</b>	<b>\$186,153</b>	<b>\$515,073</b>
<b>Due to bondholders</b>	<b>\$764,358</b>	<b>(\$63,132)</b>	<b>\$186,153</b>	<b>\$515,073</b>
<b>Total Liabilities</b>	<b>\$764,358</b>	<b>(\$63,132)</b>	<b>\$186,153</b>	<b>\$515,073</b>
<hr/> <b>Payroll Revolving</b> <hr/>				
Cash and investments in City Treasury	\$951,135	\$27,713		\$978,848
<b>Total Assets</b>	<b>\$951,135</b>	<b>\$27,713</b>		<b>\$978,848</b>
Accounts payable		\$5,592		\$5,592
Due to others	\$951,135	22,121		973,256
<b>Total Liabilities</b>	<b>\$951,135</b>	<b>\$27,713</b>		<b>\$978,848</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<hr/> <b>Highway 65 JPA</b> <hr/>				
Cash and investments in City Treasury	\$730,315	\$818,239	\$213,923	\$1,334,631
Accrued interest receivable	4,238	3,258	4,238	3,258
Permit fees receivable				
Due from other government agencies	99,866	94,266	99,866	94,266
<b>Total Assets</b>	<b>\$834,419</b>	<b>\$915,763</b>	<b>\$318,027</b>	<b>\$1,432,155</b>
Accounts payable	\$135	\$842	\$135	\$842
Due to member agencies	834,284	914,921	317,892	1,431,313
<b>Total Liabilities</b>	<b>\$834,419</b>	<b>\$915,763</b>	<b>\$318,027</b>	<b>\$1,432,155</b>
<hr/> <b>Dry Creek Drainage Basin</b> <hr/>				
Cash and investments in City Treasury	\$1,257	\$817		\$2,074
Accrued interest receivable	3	10	\$3	10
<b>Total Assets</b>	<b>\$1,260</b>	<b>\$827</b>	<b>\$3</b>	<b>\$2,084</b>
Accounts Payable	\$1,232	\$1,655	\$1,232	\$1,655
Due to others	28	(828)	(1,229)	429
<b>Total Liabilities</b>	<b>\$1,260</b>	<b>\$827</b>	<b>\$3</b>	<b>\$2,084</b>
<hr/> <b>County Capital Facilities Fee</b> <hr/>				
Cash and investments in City Treasury	\$425,975	\$351,388	\$346,796	\$430,567
Accrued interest receivable	754	1,160	754	1,160
<b>Total Assets</b>	<b>\$426,729</b>	<b>\$352,548</b>	<b>\$347,550</b>	<b>\$431,727</b>
Accounts payable	\$345,778	\$351,794	\$345,778	\$351,794
Due to others	80,951	754	1,772	79,933
<b>Total Liabilities</b>	<b>\$426,729</b>	<b>\$352,548</b>	<b>\$347,550</b>	<b>\$431,727</b>
<hr/> <b>South Placer Wastewater Authority</b> <hr/>				
Cash and investments in City Treasury	91,057,152	\$15,139,081	\$10,641,002	\$95,555,231
Restricted cash and investments with fiscal agents	9,804,924		873,347	8,931,577
Accounts receivable		1,654		1,654
Accrued interest receivable	213,949	278,603	213,949	278,603
Permit fees receivable	1,377,933		403,724	974,209
Due from other government agencies	802,818	1,430,980	802,818	1,430,980
<b>Total Assets</b>	<b>\$103,256,776</b>	<b>\$16,850,318</b>	<b>\$12,934,840</b>	<b>\$107,172,254</b>
Accounts payable	\$118,946	\$44,042	\$118,946	\$44,042
Accrued liabilities	560,334	570,534	560,334	570,534
Due to member agencies	102,577,496	16,235,742	12,255,560	106,557,678
<b>Total Liabilities</b>	<b>\$103,256,776</b>	<b>\$16,850,318</b>	<b>\$12,934,840</b>	<b>\$107,172,254</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>Special Sewer Benefit Area #3</u>				
Cash and investments in City Treasury	\$5,031	\$1,925		\$6,956
Accrued interest receivable	12	19	\$12	19
Permit fees receivable		5,249		5,249
<b>Total Assets</b>	<b>\$5,043</b>	<b>\$7,193</b>	<b>\$12</b>	<b>\$12,224</b>
Due to others	\$5,043	\$7,193	\$12	\$12,224
<b>Total Liabilities</b>	<b>\$5,043</b>	<b>\$7,193</b>	<b>\$12</b>	<b>\$12,224</b>
<u>Special Sewer Benefit Area #4</u>				
Cash and investments in City Treasury	\$152,329	\$589	\$1	\$152,917
Accrued interest receivable	445	506	445	506
<b>Total Assets</b>	<b>\$152,774</b>	<b>\$1,095</b>	<b>\$446</b>	<b>\$153,423</b>
Due to others	\$152,774	\$1,095	\$446	\$153,423
<b>Total Liabilities</b>	<b>\$152,774</b>	<b>\$1,095</b>	<b>\$446</b>	<b>\$153,423</b>
<u>South Placer County Tourism Business Improvement District (SPCTBID)</u>				
Cash and investments in City Treasury	\$14,230	\$214,238	\$214,700	\$13,768
Accounts receivable	189,798	214,782	189,798	214,782
Accrued interest receivable	170	248	170	248
<b>Total Assets</b>	<b>\$204,198</b>	<b>\$429,268</b>	<b>\$404,668</b>	<b>\$228,798</b>
Accounts payable	\$190,512	\$24,270		\$214,782
Due to others	13,686	\$404,998	404,668	14,016
<b>Total Liabilities</b>	<b>\$204,198</b>	<b>\$429,268</b>	<b>\$404,668</b>	<b>\$228,798</b>
<u>South Placer County Safe Kids Coalition</u>				
Cash and investments in City Treasury	\$10,451	\$5,502	\$9,389	\$6,564
Accrued interest receivable	12	30	12	30
<b>Total Assets</b>	<b>\$10,463</b>	<b>\$5,532</b>	<b>\$9,401</b>	<b>\$6,594</b>
Accounts payable	\$149	\$92	\$149	\$92
Due to others	10,314	5,440	9,252	6,502
<b>Total Liabilities</b>	<b>\$10,463</b>	<b>\$5,532</b>	<b>\$9,401</b>	<b>\$6,594</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<hr/> <b>South Placer Regional Traffic Fee</b> <hr/>				
Cash and investments in City Treasury	\$192,501	\$278,210	\$192,525	\$278,186
Accounts receivable	1,121		1,121	
Accrued interest receivable	324	622	324	622
<b>Total Assets</b>	<b>\$193,946</b>	<b>\$278,832</b>	<b>\$193,970</b>	<b>\$278,808</b>
Accounts payable	\$192,524	\$278,979	\$192,524	\$278,979
Due to others	1,422	(147)	1,446	(171)
<b>Total Liabilities</b>	<b>\$193,946</b>	<b>\$278,832</b>	<b>\$193,970</b>	<b>\$278,808</b>
<hr/> <b>City/County TMF</b> <hr/>				
Cash and investments in City Treasury	\$56,622	\$76,566	\$56,962	\$76,226
Accrued interest receivable	89	152	89	152
<b>Total Assets</b>	<b>\$56,711</b>	<b>\$76,718</b>	<b>\$57,051</b>	<b>\$76,378</b>
Accounts payable	\$56,628	\$76,477	\$56,628	\$76,477
Due to others	83	241	423	(99)
<b>Total Liabilities</b>	<b>\$56,711</b>	<b>\$76,718</b>	<b>\$57,051</b>	<b>\$76,378</b>
<hr/> <b>Placer County Air Pollution Control</b> <hr/>				
Cash and investments in City Treasury	\$26,418	\$10,325		\$36,743
<b>Total Assets</b>	<b>\$26,418</b>	<b>\$10,325</b>		<b>\$36,743</b>
Due to others	\$26,418	\$10,325		\$36,743
<b>Total Liabilities</b>	<b>\$26,418</b>	<b>\$10,325</b>		<b>\$36,743</b>
<hr/> <b>Sierra College Boulevard</b> <hr/>				
Cash and investments in City Treasury	\$13,028		\$1,481	\$11,547
<b>Total Assets</b>	<b>\$13,028</b>		<b>\$1,481</b>	<b>\$11,547</b>
Due to others	\$13,028		\$1,481	\$11,547
<b>Total Liabilities</b>	<b>\$13,028</b>		<b>\$1,481</b>	<b>\$11,547</b>

(Continued)

CITY OF ROSEVILLE  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<u>Other</u>				
Cash and investments in City Treasury	\$13,122			\$13,122
Total Assets	<u>\$13,122</u>			<u>\$13,122</u>
Due to other government agencies	\$13,122			\$13,122
Total Liabilities	<u>\$13,122</u>			<u>\$13,122</u>
<u>Total Agency Funds</u>				
Cash and investments in City Treasury	\$121,754,150	\$34,864,553	\$32,327,457	\$124,291,246
Restricted cash and investments with fiscal agents	41,200,177	247,134	2,127,505	39,319,806
Accounts receivable	190,919	216,436	190,919	216,436
Taxes receivable	289,278	289,190	289,278	289,190
Accrued interest receivable	320,385	568,193	320,385	568,193
Permit fees receivable	1,377,933	5,249	403,724	979,458
Due from other government agencies	902,684	1,525,246	902,684	1,525,246
Total Assets	<u>\$166,035,526</u>	<u>\$37,716,001</u>	<u>\$36,561,952</u>	<u>\$167,189,575</u>
Accounts payable	\$908,690	\$806,340	\$718,178	\$996,852
Accrued liabilities	565,205	570,534	560,334	575,405
Due to other government agencies	13,122			13,122
Due to member agencies	103,411,780	17,150,663	12,573,452	107,988,991
Due to bondholders	59,881,847	18,737,272	22,291,717	56,327,402
Due to others	1,254,882	451,192	418,271	1,287,803
Total Liabilities	<u>\$166,035,526</u>	<u>\$37,716,001</u>	<u>\$36,561,952</u>	<u>\$167,189,575</u>

## STATISTICAL SECTION

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

### ***Financial Trends***

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

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

### ***Revenue Capacity***

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

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

### ***Debt Capacity***

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

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage – 2013 Refunding Variable Rate Wastewater Revenue Bonds
3. Revenue Bond Coverage – 2011 Refunding Fixed Rate Wastewater Revenue Bonds – Series C
4. Revenue Bond Coverage – 2011 Refunding SIFMA Index Wastewater Revenue Bonds – Series D
5. Bonded Debt Pledged Revenue Coverage – 2002 Redevelopment Tax Allocation Bonds
6. Bonded Debt Pledged Revenue Coverage – 2006A Redevelopment Tax Allocation Bonds
7. Bonded Debt Pledged Revenue Coverage – 2006AT Redevelopment Tax Allocation Bonds
8. Bonded Debt Pledged Revenue Coverage – 2006HT Redevelopment Tax Allocation Bonds
9. Computation of Direct and Overlapping Debt
10. Computation of Legal Bonded Debt Margin

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

<b>STATISTICAL SECTION (Continued)</b>
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***Operating Information***

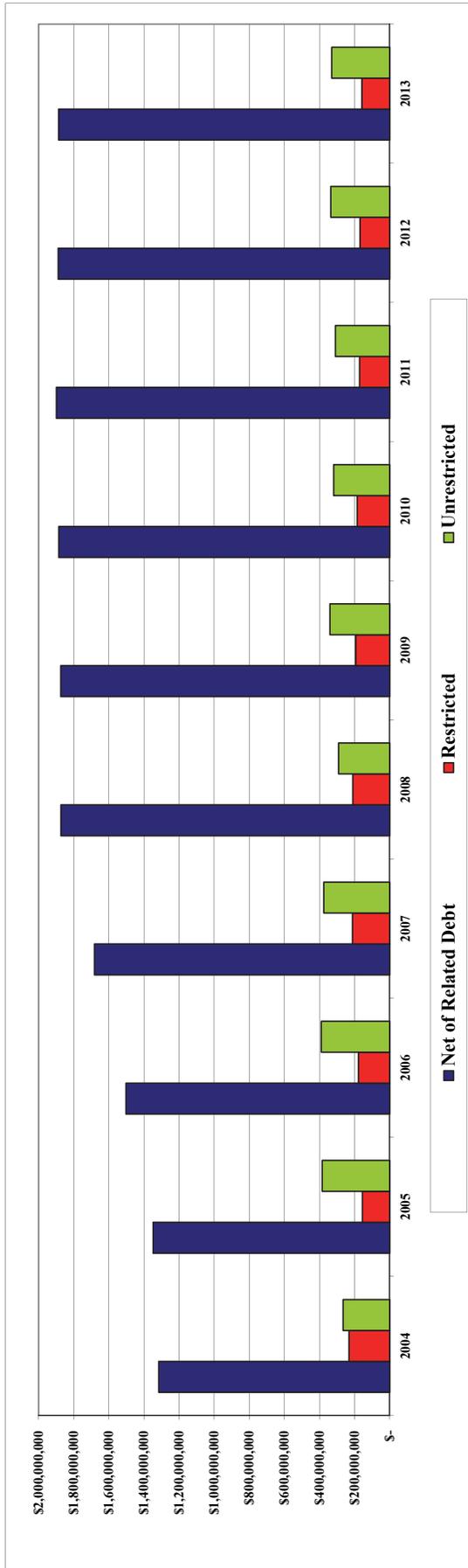
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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

***Sources***

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**CITY OF ROSEVILLE**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$540,714,647	\$579,757,919	\$664,131,414	\$742,822,158	\$775,922,473	\$809,874,186	\$821,029,885	\$827,793,866	\$834,840,748	\$838,848,266
Restricted	142,404,742	124,527,445	149,738,041	177,189,997	165,833,165	149,364,179	141,943,254	144,584,184	140,299,702	131,372,528
Unrestricted	73,230,549	89,038,317	109,395,679	107,064,085	131,434,721	114,855,293	100,170,093	84,860,426	94,429,280	87,148,942
Total governmental activities net position	\$756,349,938	\$793,323,681	\$923,265,134	\$1,027,076,240	\$1,073,190,359	\$1,074,093,658	\$1,063,143,232	\$1,057,238,476	\$1,069,569,730	\$1,057,369,736
<b>Business-type activities</b>										
Net investment in capital assets	\$774,624,921	\$767,628,987	\$838,373,690	\$938,933,934	\$1,096,922,321	\$1,063,872,692	\$1,063,903,341	\$1,070,888,251	\$1,053,701,396	\$1,046,687,207
Restricted	89,408,729	31,082,339	28,178,946	34,553,611	44,622,022	43,873,415	43,565,544	26,825,766	28,837,472	27,217,358
Unrestricted	191,964,333	295,600,560	280,399,506	268,413,147	159,481,947	223,358,784	219,151,174	224,337,296	241,020,358	243,176,781
Total business-type activities net position	\$1,055,997,983	\$1,094,311,886	\$1,146,952,142	\$1,241,900,692	\$1,301,026,290	\$1,333,104,891	\$1,326,620,059	\$1,322,051,313	\$1,323,559,226	\$1,317,081,346
<b>Primary government</b>										
Net investment in capital assets	\$1,315,339,568	\$1,347,386,906	\$1,502,505,104	\$1,681,756,092	\$1,872,844,794	\$1,873,746,878	\$1,884,933,226	\$1,898,682,117	\$1,888,542,144	\$1,885,535,473
Restricted	231,813,471	155,609,784	177,916,987	211,743,608	210,455,187	193,237,594	185,508,798	171,409,950	169,137,174	158,589,886
Unrestricted	265,194,882	384,638,877	389,795,185	375,477,232	290,916,668	340,214,077	319,321,267	309,197,722	335,449,638	330,325,723
Total primary government net position	\$1,812,347,921	\$1,887,635,567	\$2,070,217,276	\$2,268,976,932	\$2,374,216,649	\$2,407,198,549	\$2,389,763,291	\$2,379,289,789	\$2,393,128,956	\$2,374,451,082

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$19,299,495	\$22,350,454	\$25,437,535	\$30,929,747	\$34,826,790	\$35,306,470	\$31,596,121	\$30,387,717	\$35,564,864	\$36,146,055
Community development and planning	10,370,401	10,131,568	11,893,312	13,171,347	16,004,720	16,399,001	20,004,902	13,441,264	11,625,120	6,070,940
Public Works	21,567,351	39,391,505	33,498,385	42,070,119	33,682,426	35,299,262	33,143,591	30,932,981	32,524,417	42,655,128
Police	19,351,991	22,761,768	24,500,396	27,440,631	33,717,164	36,257,952	34,190,552	31,720,789	31,262,454	33,163,354
Fire	12,768,918	15,226,498	16,435,774	20,572,207	26,372,987	27,405,634	27,543,494	25,191,924	25,282,596	26,611,217
Library	2,839,127	2,996,195	3,156,087	3,552,614	5,506,954	5,184,868	4,692,455	3,933,549	4,631,691	4,537,528
Parks and recreation	13,257,771	14,001,045	16,052,655	17,634,887	20,021,127	20,607,763	18,358,870	17,664,088	20,209,935	22,032,310
Community facilities districts										
Payments under developer agreements	2,607,608	3,093,615								
Housing assistance payments	3,127,150	3,050,762	2,974,236	3,328,656	3,399,145	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279
Interest on long-term debt	1,813,647	1,760,833	1,933,654	4,920,776	6,858,207	5,847,054	7,131,216	3,181,266	999,436	1,274,294
<b>Total Governmental Activities Expenses</b>	<b>\$107,003,459</b>	<b>\$134,764,243</b>	<b>\$135,882,034</b>	<b>\$163,620,984</b>	<b>\$180,389,520</b>	<b>\$185,838,531</b>	<b>\$180,289,711</b>	<b>\$160,096,972</b>	<b>\$166,333,208</b>	<b>\$176,540,105</b>
<b>Business-Type Activities:</b>										
Electric	\$69,630,286	\$93,061,537	\$97,101,941	\$131,224,885	\$155,579,953	\$163,739,748	\$172,512,453	\$148,271,687	\$144,985,608	\$144,141,500
Water	15,748,289	16,719,257	18,510,040	15,855,579	25,826,409	21,842,893	23,025,281	22,335,757	24,311,517	24,569,405
Wastewater	18,050,409	23,885,474	27,207,717	28,948,611	29,098,813	28,512,359	29,169,860	29,516,033	34,587,583	33,820,510
Solid Waste	11,614,060	12,749,998	14,220,731	15,182,395	15,743,209	14,914,734	15,172,092	14,979,891	15,855,280	16,173,643
Natural Gas				5,152,447	15,123,490	27,665,056	27,398,886	27,106,564	26,792,658	26,383,130
Golf Course	2,365,048	2,473,835	2,479,378	2,351,603	2,883,713	3,003,690	2,814,274	2,828,099	2,487,080	2,617,733
Local Transportation	3,768,970	4,106,631	4,415,411	5,410,630	5,872,368	6,221,260	7,084,490	6,609,048	6,727,985	7,909,058
School-age Child Care	3,824,316	4,211,285	4,430,801	4,825,366	5,575,761	4,649,458	4,258,304	4,277,245	4,461,275	4,691,235
<b>Total Business-Type Activities Expenses</b>	<b>125,001,378</b>	<b>157,208,017</b>	<b>168,366,019</b>	<b>208,951,516</b>	<b>263,703,716</b>	<b>270,549,198</b>	<b>281,435,640</b>	<b>255,924,324</b>	<b>260,208,986</b>	<b>260,306,214</b>
<b>Total Primary Government Expenses</b>	<b>\$232,004,837</b>	<b>\$291,972,260</b>	<b>\$304,248,053</b>	<b>\$372,572,500</b>	<b>\$444,093,236</b>	<b>\$456,387,729</b>	<b>\$461,725,351</b>	<b>\$416,021,296</b>	<b>\$426,542,194</b>	<b>\$436,846,319</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$1,318,112	\$1,570,571	\$3,364,921	\$3,980,445	\$2,658,458	\$3,780,716	\$2,655,834	\$2,914,657	\$2,778,080	\$2,650,873
Community development and planning	2,988,881	3,652,829	4,312,464	3,543,270	3,386,649	1,903,124	2,704,794	2,564,206	1,983,989	1,691,318
Public Works	6,612,890	6,814,277	7,959,770	9,246,666	5,843,426	3,327,869	2,841,931	2,913,603	2,919,180	3,124,557
Police	1,581,324	2,009,281	1,900,144	2,346,493	1,845,245	2,346,230	2,088,346	1,525,433	1,319,271	1,504,357
Fire	945,366	1,082,211	1,253,881	1,505,547	1,402,158	1,362,379	1,185,742	1,203,109	1,009,954	821,543
Library	136,710	162,479	188,738	235,231	272,057	230,290	216,064	228,343	339,589	297,467
Parks and recreation	5,508,574	6,224,464	7,315,217	4,167,719	9,986,005	9,728,400	9,843,940	10,057,346	10,242,291	12,574,853
Community facilities districts										
Operating Grants and Contributions	8,476,255	9,449,752	7,717,503	7,246,321	9,514,427	12,465,557	12,354,931	10,943,019	2,984,979	9,609,400
Capital Grants and Contributions	35,094,840	41,143,945	113,531,406	101,768,467	59,279,903	22,813,349	27,053,063	11,716,689	19,862,713	21,787,386
<b>Total Government Activities Program Revenues</b>	<b>62,662,952</b>	<b>72,109,809</b>	<b>147,544,044</b>	<b>134,040,159</b>	<b>94,188,328</b>	<b>57,957,914</b>	<b>60,944,645</b>	<b>44,066,405</b>	<b>43,440,046</b>	<b>54,061,754</b>
<b>Business-Type Activities:</b>										
<b>Charges for Services:</b>										
Electric	94,387,590	98,949,341	102,772,594	130,264,098	143,898,715	155,843,041	163,315,149	163,234,969	160,141,372	159,002,035
Water	11,804,088	13,163,434	13,450,264	14,938,665	16,925,351	17,765,674	17,473,099	17,967,074	19,954,068	22,899,867
Wastewater	14,739,888	16,355,694	19,025,742	22,455,645	24,014,362	27,087,117	24,961,516	30,472,704	28,088,503	27,693,272
Solid Waste	14,678,394	15,244,048	17,558,492	18,575,194	19,562,798	19,951,063	20,082,492	20,682,638	20,903,993	21,437,536
Natural Gas				4,059,943	16,528,513	16,557,517	16,528,513	16,528,513	16,563,722	16,530,605
Golf Course	2,436,735	2,564,469	2,747,851	3,162,637	3,182,357	2,953,223	2,801,963	2,415,583	2,702,741	2,460,509
Local Transportation	526,204	530,516	601,087	739,826	863,606	1,184,861	861,730	949,192	974,344	1,075,864
School-age Child Care	3,810,089	4,193,923	4,833,884	4,845,460	5,193,488	4,779,262	4,358,762	4,296,761	4,047,021	4,475,225
Operating Grants and Contributions	6,717,432	7,104,895	2,299,189	14,328,217	13,630,808	10,139,913	6,327,458	6,174,016	13,729,467	7,175,122
Capital Grants and Contributions	52,603,696	49,828,229	68,914,968	108,453,838	88,497,473	55,050,971	26,604,588	16,234,957	12,323,429	17,501,234
<b>Total Business-Type Activities Program Revenue</b>	<b>201,704,116</b>	<b>207,934,549</b>	<b>232,204,071</b>	<b>317,763,580</b>	<b>319,828,901</b>	<b>311,283,638</b>	<b>283,344,274</b>	<b>278,956,407</b>	<b>279,428,660</b>	<b>280,251,269</b>
<b>Total Primary Government Program Revenues</b>	<b>\$264,367,068</b>	<b>\$280,044,358</b>	<b>\$379,748,115</b>	<b>\$451,803,739</b>	<b>\$414,017,229</b>	<b>\$369,241,552</b>	<b>\$344,288,919</b>	<b>\$323,022,812</b>	<b>\$322,868,706</b>	<b>\$334,313,023</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$44,340,507)	(\$62,654,434)	\$11,662,010	(\$29,580,825)	(\$86,001,192)	(\$127,880,617)	(\$119,345,066)	(\$116,030,567)	(\$122,893,162)	(\$122,478,351)
Business-Type Activities	76,702,738	50,726,532	63,838,052	108,812,064	56,125,185	40,734,440	1,908,634	23,032,083	19,219,674	19,945,055
<b>Total Primary Government Net Expense</b>	<b>\$32,362,231</b>	<b>(\$11,927,902)</b>	<b>\$75,500,062</b>	<b>\$79,231,239</b>	<b>(\$29,876,007)</b>	<b>(\$87,146,177)</b>	<b>(\$117,436,432)</b>	<b>(\$92,998,484)</b>	<b>(\$103,673,488)</b>	<b>(\$102,533,296)</b>

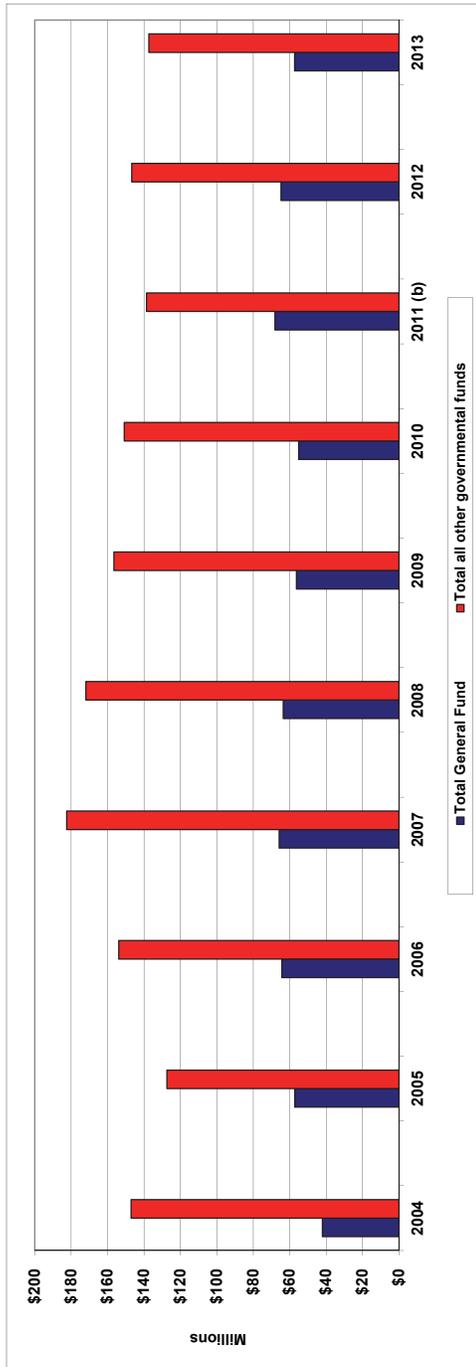
**CITY OF ROSEVILLE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

Fiscal Year Ended June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$20,101,838	\$26,548,498	\$30,867,256	\$38,737,491	\$41,066,666	\$39,688,660	\$38,102,029	\$34,721,253	\$31,758,352	\$31,075,967
Less Education Revenue Augmentation Fund Payment	(143,182)	(260,676)								
Sales taxes	38,031,918	40,973,365	42,642,034	44,772,743	40,982,384	36,024,500	32,139,544	37,332,222	38,129,931	43,002,643
Franchise taxes	954,396	1,060,903	1,267,707	1,429,155	1,607,214	930,003	1,615,166	1,735,495	1,822,869	1,874,700
Motor fuel taxes	1,775,122	1,897,211	3,116,638	1,999,542	1,855,315	1,855,462	2,909,176			
Motor vehicle in lieu (Intergovernmental- unrestricted)	4,152,209	2,123,202	710,510	565,719	471,834	373,495	332,224	523,609	122,230	
Other Taxes	2,978,450	3,671,924	3,630,534	3,529,485	3,306,271	2,974,201	2,779,885	2,936,778	6,626,071	6,465,560
Licenses and permits										
Use of money and property	2,992,312	5,631,061	8,077,599	14,208,032	16,918,766	14,048,619	4,737,938	3,645,241	3,243,932	533,505
Miscellaneous revenues	12,975	664,191	1,680,851	2,926,467	887,173	4,568,055	1,934,366	1,089,608	1,511,125	2,113,638
Transfers	15,605,538	17,318,498	23,582,576	25,223,297	24,622,443	28,320,921	23,844,312	26,144,153	30,374,582	25,212,344
Extraordinary item										
Assets transferred to/liabilities assumed by										
Successor Agency									34,223,315	
Gain/(Loss) from sales of capital assets	92,324		2,703,738							
Bond issuance premium	351,119									
Extraordinary item - litigation settlement										
<b>Total Government Activities</b>	<b>86,905,019</b>	<b>99,628,177</b>	<b>118,279,443</b>	<b>133,391,931</b>	<b>131,848,066</b>	<b>128,783,916</b>	<b>108,394,640</b>	<b>108,128,359</b>	<b>147,812,407</b>	<b>110,278,357</b>
Business-Type Activities:										
Use of money and property	1,096,493	4,487,348	10,559,581	11,359,783	27,622,856	19,665,082	15,450,846	12,812,162	12,662,821	11,245,022
Miscellaneous revenues			1,825,199							150,119
Provision for disputed SCS charges		418,521								
Transfers	(15,605,538)	(17,318,498)	(23,582,576)	(25,223,297)	(24,622,443)	(28,320,921)	(23,844,312)	(26,144,153)	(30,374,582)	(25,212,344)
Gain/(Loss) from sales of capital assets	(227,334)									
Special Item	(7,394,906)									(22,715,022)
<b>Total Business-Type Activities</b>	<b>(22,131,285)</b>	<b>(12,412,629)</b>	<b>(11,197,796)</b>	<b>(13,863,514)</b>	<b>3,000,413</b>	<b>(8,655,839)</b>	<b>(8,393,466)</b>	<b>(13,331,991)</b>	<b>(17,711,761)</b>	<b>(36,532,225)</b>
<b>Total Primary Government</b>	<b>\$64,773,734</b>	<b>\$87,215,548</b>	<b>\$107,081,647</b>	<b>\$119,528,417</b>	<b>\$134,848,479</b>	<b>\$120,128,077</b>	<b>\$100,001,174</b>	<b>\$94,796,368</b>	<b>\$130,100,646</b>	<b>\$73,746,132</b>
<b>Change in Net Position</b>										
Governmental Activities	\$42,564,512	\$36,973,743	\$129,941,453	\$103,811,106	\$45,846,874	\$903,299	(\$10,950,426)	(\$7,902,208)	\$24,919,245	(\$12,199,994)
Business-Type Activities	\$4,571,453	\$8,313,903	\$2,640,256	\$4,948,550	\$9,125,598	\$3,078,601	(\$6,484,832)	\$9,700,092	\$1,507,913	(\$16,587,170)
<b>Total Primary Government</b>	<b>\$97,135,965</b>	<b>\$75,287,646</b>	<b>\$182,581,709</b>	<b>\$198,759,656</b>	<b>\$104,972,472</b>	<b>\$32,981,900</b>	<b>(\$17,435,258)</b>	<b>\$1,797,884</b>	<b>\$26,427,158</b>	<b>(\$28,787,164)</b>

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

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



	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011 (b)	2012	2013
<b>General Fund</b>										
Reserved	\$18,414,069	\$18,449,612	\$16,669,748	\$13,421,646	\$10,786,244	\$13,472,640	\$13,730,063			
Unreserved	23,647,906	38,788,181	47,642,690	52,376,837	52,774,303	42,850,836	41,375,295			
Nonspendable								\$23,734,548	\$17,036,815	\$24,350,331
Assigned								5,328,824	2,944,900	3,002,686
Unassigned								39,068,183	44,796,255	29,957,714
<b>Total General Fund</b>	<b>\$42,061,975</b>	<b>\$57,237,793</b>	<b>\$64,312,438</b>	<b>\$65,798,483</b>	<b>\$63,560,547</b>	<b>\$56,323,476</b>	<b>\$55,105,358</b>	<b>\$68,131,555 (a)</b>	<b>\$64,777,970 (a)</b>	<b>\$57,310,731</b>
<b>All Other Governmental Funds</b>										
Reserved	\$23,989,841	\$27,132,041	\$53,194,568	\$71,775,257	\$56,547,018	\$56,058,554	\$51,548,654			
Unreserved, reported in:										
Special Revenue Funds	87,880,374	66,266,786	64,447,245	73,726,293	79,723,403	65,941,856	64,422,284			
Capital Projects	19,522,248	17,733,928	19,807,821	20,128,123	18,146,007	16,456,146	16,542,186			
Permanent Funds	15,725,381	16,318,672	16,425,999	16,833,979	17,495,650	18,066,202	18,353,285			
Nonspendable								\$17,411,864	\$17,503,760	\$17,691,169
Restricted								108,226,582	113,465,925	106,099,078
Committed								2,195,164	2,248,644	2,290,938
Assigned								14,890,220	14,472,182	12,625,416
Unassigned								(4,081,313)	(925,077)	(1,333,659)
<b>Total all other governmental funds</b>	<b>\$147,117,844</b>	<b>\$127,451,427</b>	<b>\$153,875,633</b>	<b>\$182,463,652</b>	<b>\$171,912,078</b>	<b>\$156,522,758</b>	<b>\$150,866,409</b>	<b>\$138,642,517 (a)</b>	<b>\$146,765,434 (a)</b>	<b>\$137,372,942</b>

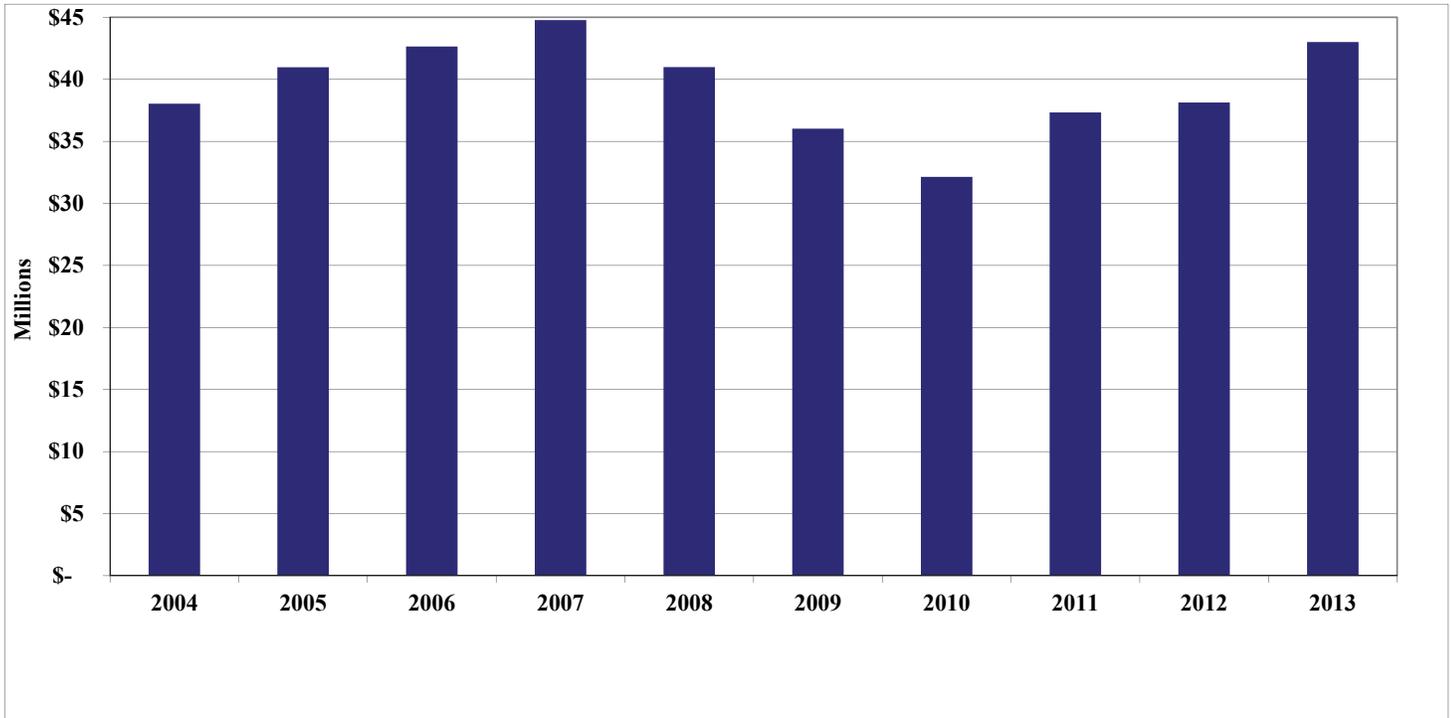
(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.  
 (b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.

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

	Fiscal year ended June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$65,815,061	\$75,900,403	\$82,770,691	\$93,500,227	\$93,457,602	\$85,601,833	\$79,623,097	\$82,023,333	\$80,584,812	\$85,621,989
Less Educational Revenue Augmentation	(143,182)	(260,676)	(323,743)							
Licenses, permits and fees	2,784,570	2,591,354	2,020,467	2,762,883	2,537,988	1,832,029	1,624,422	1,651,822	1,756,255	1,805,452
Charges for services	27,343,649	26,814,640	31,295,267	40,301,825	31,892,013	18,899,792	18,080,957	17,111,034	17,222,182	20,613,195
Subventions and grants	13,758,850	12,630,086	10,351,281	12,744,920	12,819,741	16,909,738	22,554,411	13,612,705	11,835,085	17,307,222
Use of money and property	3,455,309	4,922,685	7,784,975	16,943,196	19,198,906	16,183,845	9,528,347	3,107,947	3,271,208	1,892,467
Fine, forfeitures and penalties	1,471,716	1,803,562	1,953,405	2,358,742	2,147,695	2,283,349	2,115,882	1,829,785	1,502,408	1,447,757
Contributions from property owners	2,574,635	7,841,639	92,645,369	71,488,795	9,100,000					
Contributions from developers	2,662,371	4,373,481	3,337,645	1,591,059	2,070,716	957,680	706,385	1,483,872	2,900,578	3,673,089
Miscellaneous revenues	3,331,708	4,213,970	7,899,568	9,286,123	12,455,601	7,264,395	5,991,250	3,032,677	2,458,788	3,409,782
<b>Total Revenues</b>	<b>123,054,687</b>	<b>140,831,144</b>	<b>239,734,925</b>	<b>250,977,770</b>	<b>185,680,262</b>	<b>149,932,661</b>	<b>140,224,751</b>	<b>123,853,175</b>	<b>121,531,316</b>	<b>135,770,953</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	20,766,474	19,962,845	24,103,076	27,910,341	28,222,016	26,639,267	21,737,861	21,840,332	23,676,727	25,215,600
Community development and planning	10,807,567	9,751,722	10,888,062	11,961,479	16,710,067	13,481,274	17,310,689	10,229,425	7,303,223	6,095,964
Public works	10,956,006	10,817,148	15,396,696	16,947,884	16,228,157	16,022,025	10,700,041	11,013,467	10,597,421	10,746,489
<b>Public safety:</b>										
Police	19,051,384	21,547,825	25,567,869	28,988,754	30,498,603	30,408,122	28,564,889	27,411,509	28,650,241	29,638,540
Fire	12,602,614	13,753,902	16,915,393	20,719,718	24,352,812	24,527,743	23,349,639	23,264,497	23,573,792	25,041,187
Library	2,842,537	2,762,274	3,133,367	3,520,834	4,542,287	3,449,204	3,224,523	2,855,794	3,560,396	3,726,160
Parks and recreation	13,249,576	13,507,359	16,007,377	17,955,082	19,092,606	17,979,576	16,199,096	15,610,257	18,320,063	19,671,070
Housing assistance payments	3,127,150	3,050,762	2,974,236	3,328,656	3,399,145	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279
Capital outlay	41,149,143	58,729,356	108,314,784	125,426,074	63,142,168	49,795,093	36,534,025	20,416,652	19,529,120	34,879,208
Payments under development agreements	2,607,608	5,389,110	2,592,039	2,396,314	2,157,821	1,601,494	1,445,960	1,146,915	880,852	567,619
Annexation payments	153,085	285,335	835,780	1,810,538	2,138,963	1,959,852	2,131,802	2,045,843	2,228,371	2,302,077
<b>Debt service:</b>										
Principal repayment	1,439,690	1,264,702	941,946	1,206,803	1,590,991	1,392,486	1,397,222	1,402,625	2,694,645	802,821
Interest and fiscal charges	1,912,196	1,789,098	1,941,002	4,523,725	6,873,248	7,090,871	7,396,273	2,932,461	1,612,858	1,217,231
<b>Total Expenditures</b>	<b>140,665,030</b>	<b>162,611,438</b>	<b>229,611,627</b>	<b>266,696,202</b>	<b>218,948,884</b>	<b>197,877,534</b>	<b>173,620,530</b>	<b>143,813,171</b>	<b>146,860,404</b>	<b>163,953,245</b>
Excess (deficiency) of revenues over (under) expenditures	(17,610,343)	(21,780,294)	10,123,298	(15,718,432)	(33,268,622)	(47,944,873)	(33,395,779)	(19,959,996)	(25,329,088)	(28,182,292)
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease		147,266	2,239,765			385,538				
Proceeds from issuance of bonds				23,215,524						
Proceeds from sale of property			3,503,467		129,284	12,040	10,000			159,482
Proceeds from debt issuance	18,275,000									
Transfers in	27,934,748	26,116,934	38,439,158	54,227,228	42,487,182	53,047,351	42,615,799	44,206,780	43,818,402	38,821,810
Transfers (out)	(23,543,935)	(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)	(28,126,447)	(18,935,737)	(23,444,479)	(18,447,291)	(19,147,016)
Payment to refunded bond escrow	(18,080,000)									
Issuance of debt										11,549,031
Payment to bond escrow agent										(12,756,326)
Contributions from developers							2,831,250			
Bond issuance premium	351,119									
<b>Total other financing sources (uses)</b>	<b>4,936,932</b>	<b>17,289,695</b>	<b>23,375,553</b>	<b>45,792,496</b>	<b>20,211,867</b>	<b>25,318,482</b>	<b>26,521,312</b>	<b>20,762,301</b>	<b>25,371,111</b>	<b>18,626,981</b>
Net Change in fund balances before extraordinary item	(12,673,411)	(4,490,599)	33,498,851	30,074,064	(13,056,755)	(22,626,391)	(6,874,467)	802,305	42,023	(9,555,311)
<b>Extraordinary items</b>										
Assets transferred to/liabilities assumed by										
Successor Agency/Housing Successor									4,727,309	
Increase in loan to the Successor Agency										(7,304,420)
<b>Net Change in fund balances</b>	<b>(\$12,673,411)</b>	<b>(\$4,490,599)</b>	<b>\$33,498,851</b>	<b>\$30,074,064</b>	<b>(\$13,056,755)</b>	<b>(\$22,626,391)</b>	<b>(\$6,874,467)</b>	<b>\$802,305</b>	<b>\$4,769,332</b>	<b>(\$16,859,731)</b>
Debt service as a percentage of noncapital expenditures	3.5%	3.0%	2.5%	4.3%	5.8%	5.3%	5.7%	3.5%	3.4%	1.5%

Source: The City's Comprehensive Annual Financial Report

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



<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 38,031,918
2005	40,973,365
2006	42,642,035
2007	44,772,743
2008	40,982,384
2009	36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931
2013	43,002,643

Source: The City's Comprehensive Annual Financial Report

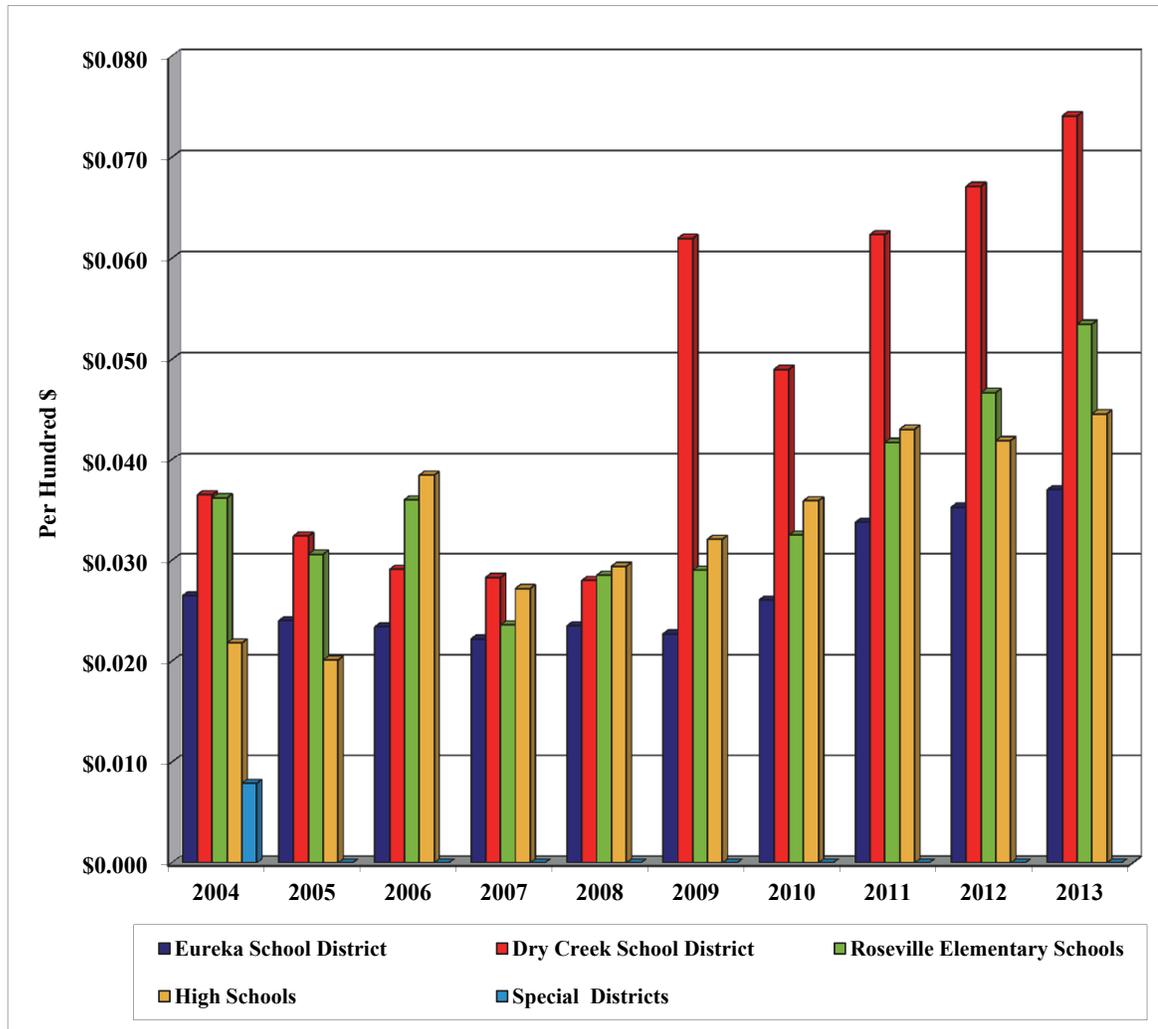
**CITY OF ROSEVILLE**  
**ASSESSMENT ROLL VALUES**  
**Last Ten Fiscal Years**

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Secured</b>										
Land	\$ 3,061,114,759	\$ 3,418,314,468	\$ 3,913,353,838	\$ 4,975,004,883	\$ 5,277,609,490	\$ 5,022,518,855	\$ 4,702,676,886	\$ 4,258,240,370	\$ 4,138,902,907	\$ 4,139,152,114
Structure	7,430,126,682	8,499,941,082	9,524,344,265	10,721,828,793	11,554,289,752	11,950,909,732	12,095,007,943	11,439,696,023	10,859,970,035	10,942,930,883
Fixtures	112,206,794	114,463,857	100,605,428	156,459,551	96,186,460	172,326,456	121,330,197	122,138,875	86,539,606	86,949,612
Growing Imp.	445,929,780	397,085,676	377,171,200	356,221,219	424,035,810	439,345,074	397,416,205	398,032,391	195,128,458	185,441,743
Personal Property	11,049,378,015	12,429,805,083	13,915,474,731	16,209,514,449	17,352,121,512	17,585,100,117	17,316,431,231	16,218,107,659	15,280,541,006	15,354,474,352
Gross	(678,676,580)	(716,288,525)	(741,780,248)	(795,302,289)	(876,567,514)	(1,037,586,092)	(1,185,170,787)	(1,271,501,002)	(1,183,664,559)	(1,216,280,788)
Exemptions	<b>10,370,701,435</b>	<b>11,713,516,558</b>	<b>13,173,694,483</b>	<b>15,414,212,160</b>	<b>16,475,553,998</b>	<b>16,547,514,025</b>	<b>16,131,260,444</b>	<b>14,946,606,657</b>	<b>14,096,876,447</b>	<b>14,138,193,564</b>
<b>Net Value</b>										
<b>Unsecured</b>										
Land	38,767,508	14,182,736	13,788,052	13,914,030	9,561,508	9,752,733	9,938,066	9,918,107	10,652,978	15,107,515
Structure	5,098,218	18,355,347	18,174,770	18,345,848	18,712,755	19,086,998	19,483,398	19,054,920	19,198,391	40,452,068
Fixtures	115,637,346	131,950,837	137,587,407	143,205,188	151,270,219	170,668,416	195,965,488	204,471,411	278,372,656	204,335,331
Personal Property	287,440,808	303,697,290	311,390,275	379,757,859	386,574,785	420,787,592	404,628,665	427,041,927	456,724,821	440,681,012
Gross	446,943,880	468,186,210	480,940,504	555,222,925	566,119,267	620,295,739	630,015,617	660,486,365	764,948,846	700,575,926
Exemptions	(5,966,951)	(9,564,930)	(17,829,447)	(25,233,403)	(28,052,319)	(40,368,799)	(69,496,206)	(98,512,303)	(88,790,688)	(92,879,612)
<b>Net Value</b>	<b>440,976,929</b>	<b>458,621,280</b>	<b>463,111,057</b>	<b>529,989,522</b>	<b>538,066,948</b>	<b>579,926,940</b>	<b>560,519,411</b>	<b>561,974,062</b>	<b>676,158,158</b>	<b>607,696,314</b>
<b>Total Net Assessed Value (a)</b>	<b>\$ 10,811,678,364</b>	<b>\$ 12,172,137,838</b>	<b>\$ 13,636,805,540</b>	<b>\$ 15,944,201,682</b>	<b>\$ 17,013,620,946</b>	<b>\$ 17,127,440,965</b>	<b>\$ 16,691,779,855</b>	<b>\$ 15,508,580,719</b>	<b>\$ 14,773,034,605</b>	<b>\$ 14,745,889,878</b>
<b>Direct Tax Rate (b)</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(a) Article XIII A, added to the California Constitution by Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:  
- annual inflation up to 2%; or  
- market value at the time of ownership change; or  
- market value for new construction.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

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



Fiscal Year	Direct Rate	Overlapping Rates					Total**
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	Special Districts	
2004	1.0000	0.0265	0.0365	0.0362	0.0218	0.0079	1.0628
2005	1.0000	0.0240	0.0324	0.0306	0.0201	N/A*	1.0491
2006	1.0000	0.0234	0.0291	0.0360	0.0384	N/A*	1.0679
2007	1.0000	0.0222	0.0283	0.0236	0.0272	N/A*	1.0519
2008	1.0000	0.0235	0.0280	0.0285	0.0294	N/A*	1.0561
2009	1.0000	0.0227	0.0620	0.0290	0.0321	N/A*	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	N/A*	1.0718
2011	1.0000	0.0338	0.0624	0.0418	0.0431	N/A*	1.0890
2012	1.0000	0.0353	0.0671	0.0467	0.0420	N/A*	1.0917
2013	1.0000	0.0370	0.0741	0.0535	0.0446	N/A*	1.0995

\* San Juan Water bond matured and paid in 2004/05

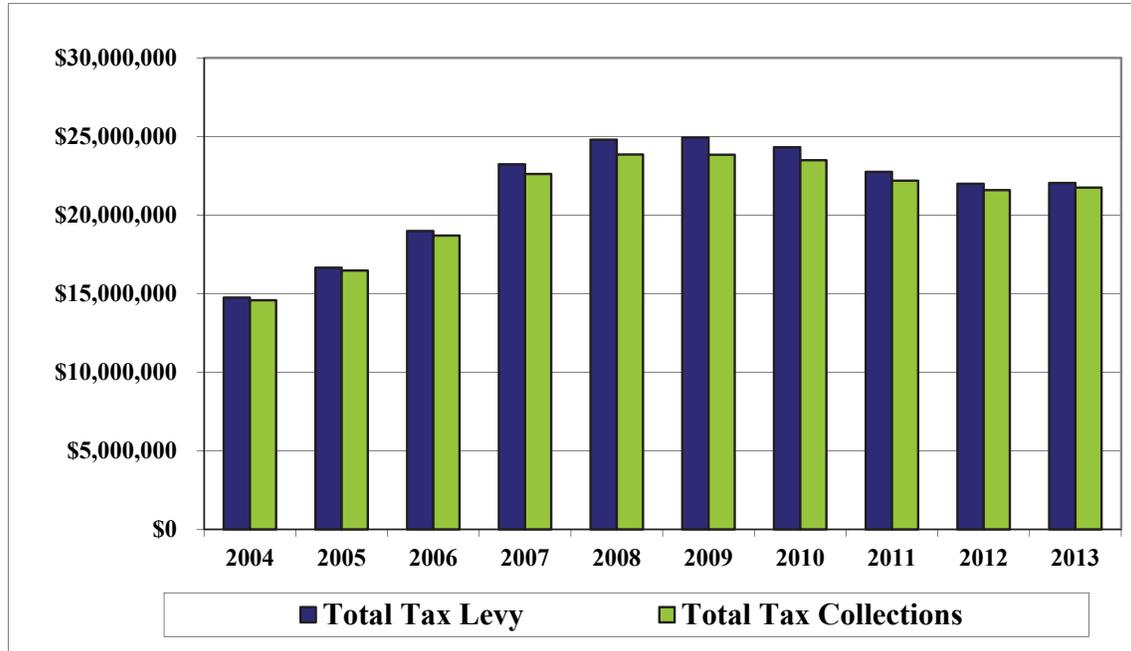
\*\* Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School

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

Property Owner	Primary Land Use	Rank	2013			2004			
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percent of Total City Taxable Assessed Value		
Roseville Shoppingtown LLC	Shopping Center	1	\$330,836,869	2.31%	3	\$ 214,981,460	2.04%		
Hewlett Packard Co.	Industrial	2	127,794,526	0.89%	2	368,032,445	3.50%		
W2005 Fargo Hotels Pool C Realty LP	Hotel	3	87,497,560	0.61%					
Slate Creek Roseville LLC	Apartments	4	78,209,289	0.55%					
Roseville Fountains LP	Shopping Center	5	63,200,078	0.44%					
CPT Creekside Town Center LLC	Shopping Center	6	60,077,000	0.42%					
UCM Caiprosemeade LLC	Apartments	7	55,892,220	0.39%					
Timberpine Holdings LLC	Industrial	8	47,500,000	0.33%					
Walmart Stores Inc.	Commercial	9	46,237,979	0.32%					
John L. Sullivan Family LP	Auto Dealership	10	44,692,023	0.31%					
Safeway Inc.	Commercial	11	38,270,033	0.27%					
Realty Associates Fund IX LP	Apartments	12	35,700,000	0.25%					
NNN Parkway Corporate Plaza LLC	Office Building	13	34,550,000	0.24%					
JB Management LP	Shopping Center	14	33,443,155	0.23%	19	29,764,333	0.28%		
Conam Highland Park LLC	Apartments	15	33,062,664	0.23%					
Rreef America REIT II Corp.	Office Building	16	32,600,000	0.23%					
Hines Summit at Douglas LP	Office Building	17	31,050,000	0.22%					
Hines Douglas Corporate Center LP	Office Building	18	31,000,000	0.22%					
Eureka Development Company LLC	Shopping Center	19	30,972,725	0.22%					
Terraces at Highland Property Owner LLC	Apartments	20	30,647,130	0.21%					
NEC Electronics USA Inc.					1	409,950,443	3.90%		
Spieker Properties					4	69,348,000	0.66%		
Creekside Center LLC					5	58,485,379	0.56%		
SI VII LLC					6	54,548,600	0.52%		
Evergreen Britanna Land Joint Venture					7	54,099,081	0.51%		
John Mourier Construction Inc.					8	52,610,666	0.50%		
Rosemead LLC					9	47,313,135	0.45%		
Demmon Haverhill Partners LP					10	44,152,510	0.42%		
Homarose LP					11	40,107,420	0.38%		
Kobra Properties					12	39,768,837	0.38%		
Nordstrom Inc.					13	36,036,923	0.34%		
Property Reserve Inc.					14	32,313,600	0.31%		
Macys West Inc.					15	32,148,014	0.31%		
Preserve at Creekside LLC					16	32,056,536	0.30%		
Lennar Renaissance Inc.					17	30,579,077	0.29%		
SMII Highland Reserve LLC					18	30,182,718	0.29%		
Autumn Oaks 200 LLC / Autumn Oaks 216 Ltd.					20	29,034,551	0.28%		
			<b>\$1,273,233,251</b>	<b>8.90%</b>				<b>\$1,705,513,728</b>	<b>16.21%</b>
<b>Local Secured Assessed Valuation:</b>			<b>\$ 14,313,557,564</b>					<b>\$ 10,522,257,652</b>	

Source: California Municipal Statistics, Inc.

**CITY OF ROSEVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2004	\$ 14,747,241	\$ 14,582,072	98.88%
2005	16,653,884	16,469,026	98.89%
2006	18,987,819	18,695,407	98.46%
2007	23,231,927	22,616,281	97.35%
2008	24,795,852	23,856,089	96.21%
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%
2011	22,749,169	22,191,814	97.55%
2012	21,991,913	21,585,063	98.15%
2013	22,044,604	21,749,207	98.66%

Notes:

Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum.

Subsequent collections are not broken out by fiscal year from the County. This information is not available.

**CITY OF ROSEVILLE  
ELECTRIC CUSTOMERS & REVENUES**

**Ten Largest Electric Customers as of 6/30/2013**

<b>Rank</b>	<b>Business Type (a)</b>	<b>kWh</b>	<b>Percent Total kWh</b>	<b>Revenue</b>	<b>Percent to Total Revenue</b>
1	Manufacturing	100,650,000	8.43%	\$9,218,211	5.93%
2	Admin/Office/R&D	41,847,000	3.50%	\$4,135,219	2.66%
3	Medical Care	31,950,088	2.68%	\$3,343,671	2.15%
4	Government and Utilities	25,882,400	2.17%	\$2,598,630	1.67%
5	Medical Care	22,300,917	1.87%	\$2,459,244	1.58%
6	Retail and Property Management	18,972,727	1.59%	\$2,330,450	1.50%
7	Telecommunications	12,335,452	1.03%	\$1,309,183	0.84%
8	Retail	11,559,932	0.97%	\$1,369,092	0.88%
9	Grocery	10,298,200	0.86%	\$1,297,871	0.84%
10	Grocery	9,621,000	0.81%	\$1,043,220	0.67%

**Electric Sales Revenue as of 06/30/2013**

Residential	\$ 66,205,815
Commercial	<u>89,227,695</u>
Total Electric Revenue	<u>\$ 155,433,509</u>

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

Source: City of Roseville Electric Department

**City of Roseville  
Residential Energy Prices  
Effective January 1, 2011**

<b>Residential</b>	
Basic Service Charge (per meter, per month)	\$10.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.1083
Tier 2- 501 to 1,000 kWh/month	\$0.1541
Tier 3- greater than 1,000 kWh/month	\$0.1756
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00000
Environmental Compliance Charge (\$/kWh) <sup>(2)</sup>	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

**Special Residential Rates**

<b>Electric Rate Assistance Program</b> <sup>(3)</sup>	
Basic Service Charge (per meter, per month)	\$8.50
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0913
Tier 2- 501 to 1,000 kWh/month	\$0.1302
Tier 3- greater than 1,000 kWh/month	\$0.1485
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00000
Environmental Compliance Charge (\$/kWh) <sup>(2)</sup>	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

<b>Medical Support Rate Reduction</b> <sup>(4)</sup>	
Basic Service Charge (per meter, per month)	\$10.00
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0516
Tier 2- 501 to 1,000 kWh/month	\$0.1302
Tier 3- greater than 1,000 kWh/month	\$0.1485
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00000
Environmental Compliance Charge (\$/kWh) <sup>(2)</sup>	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

<b>Senior Citizen Rate Reduction</b> <sup>(5)</sup>	
Basic Service Charge (per meter, per month)	\$8.80
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0947
Tier 2- 501 to 1,000 kWh/month	\$0.1350
Tier 3- greater than 1,000 kWh/month	\$0.1539
Hydroelectric Adjustment (\$/kWh) <sup>(1)</sup>	\$0.00000
Environmental Compliance Charge (\$/kWh) <sup>(2)</sup>	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

**NOTES**

- 1 There is no hydroelectric adjustment in effect through June 2013.
- 2 Customers enrolled in Roseville Electric's green energy program, Green Roseville, and pay to have 100% of their energy provided by renewable resources are exempt from the Climate Change Mitigation Charge.
- 3 An application must be submitted along with a copy of the most recent energy bill and proof of income. For complete program guidelines or to receive an application, call the City of Roseville's Housing and Redevelopment Office at 774-5270. This rate is 15% credit on all electric service charges.
- 4 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.
- 5 Rate closed July 1, 1998. Seniors receive a twelve percent credit on all electric service charges.

**City of Roseville  
Business Energy Prices  
Effective January 1, 2011**

<b>Small General Service (GS-1)</b> (Demand < 20 kW) Basic Service Charge (per meter, per month) Energy Charge (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	\$15.50 \$0.1174 \$0.00000 \$0.00500 \$0.00029
<b>Medium General Service (GS-2)</b> (20 kW < Demand ≤ 500 kW) Basic Service Charge (per meter, per month) Demand Charge(\$/kW-month) Energy Charge (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	\$42.00 \$4.48 \$0.1121 \$0.00000 \$0.00500 \$0.00029
<b>Large General Service (GS-3)</b> (500 kW < Demand ≤ 1000 kW) Basic Service Charge (per meter, per month) Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	Winter                      Summer \$315.00                      \$315.00 \$3.28                         \$11.32 \$0.0715                      \$0.0827 \$0.0921                      \$0.1100 \$0.0921                      \$0.1418 \$0.00000                      \$0.00000 \$0.00500                      \$0.00500 \$0.00029                      \$0.00029
<b>Very Large General Service (GS-4)</b> (Demand > 1000 kW) Basic Service Charge (per meter, per month) Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	Winter                      Summer \$380.00                      \$380.00 \$3.18                         \$10.96 \$0.0695                      \$0.0801 \$0.0895                      \$0.1068 \$0.0895                      \$0.1375 \$0.00000                      \$0.00000 \$0.00500                      \$0.00500 \$0.00029                      \$0.00029

Note: General Service Customers include all commercial, industrial, governmental and other non-residential customers.

Time of Use (TOU) seasons, days, hours, holidays:

Winter - bills with meter read dates October through May

Summer - bills with meter read date June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)  
All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 3:00pm AND 7:00pm to 10:00pm  
Monday through Friday (Except Holidays)

Super Peak: 3:00pm to 7:00pm Monday through Friday (Except Holidays)

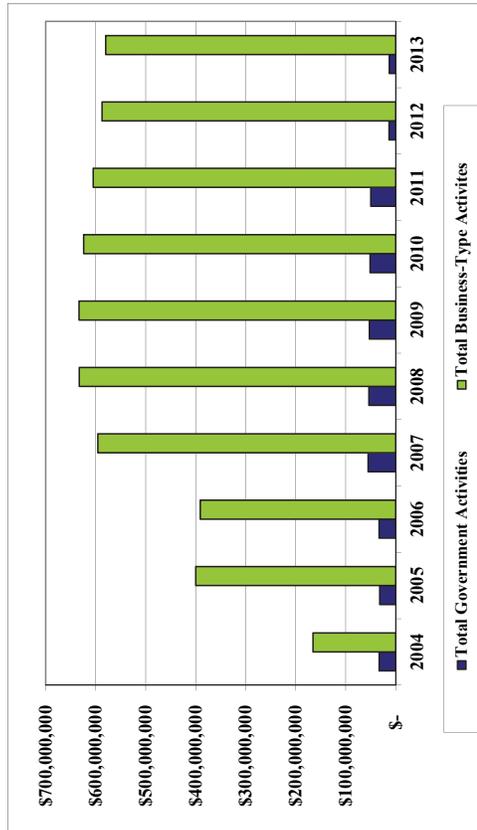
Holidays are defined as: New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

There is no hydroelectric adjustment in effect through June 2013.

The California State Energy Surcharge may change from time to time as specified in State law.

A 2% discount is available for primary service customers.

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



**Business-Type Activities**

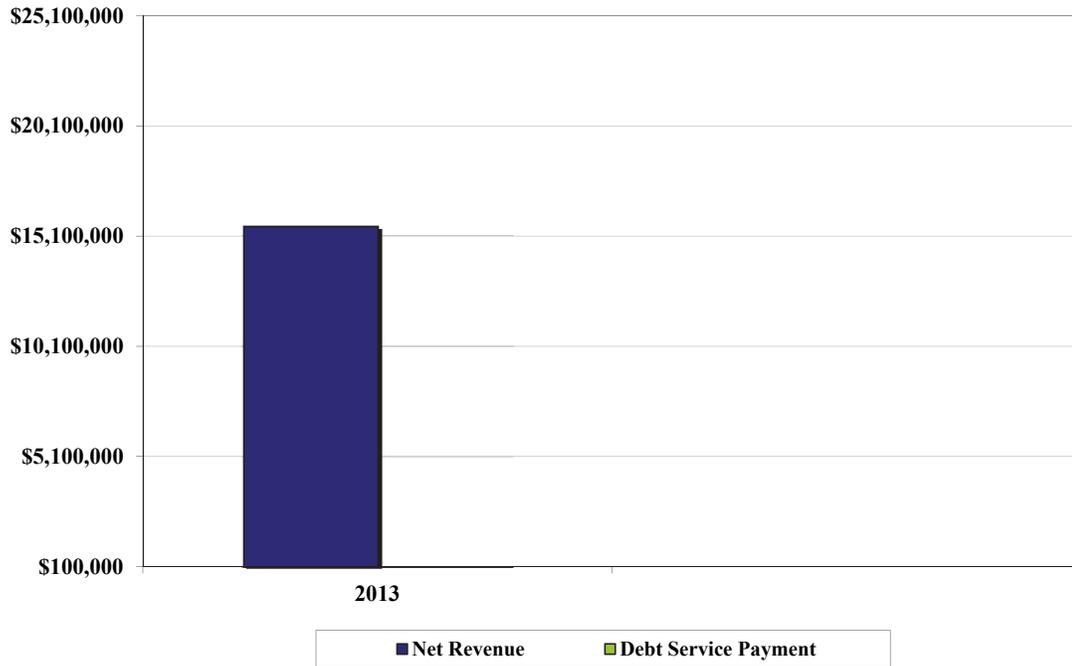
Fiscal Year	Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bond	Other Long Term Obligations
2004	\$ 35,808,204	\$ 8,240,000	\$ 27,350,000	\$ 93,738,248		\$ 192,155
2005	273,325,043	7,945,000	26,075,000	92,390,603		182,351
2006	267,326,882	7,630,000	24,740,000	90,977,962		172,056
2007	266,098,723	7,310,000	23,345,000	89,494,883	\$209,350,000	161,246
2008	271,323,395	6,985,000	55,611,761	89,572,262	209,350,000	
2009	267,662,000	6,650,000	53,860,879	89,193,072	215,951,385	
2010	268,431,581	6,310,000	52,039,997	88,800,339	208,565,475	
2011	260,127,436	5,960,000	50,149,114	87,906,198	200,914,565	
2012	254,404,084	5,600,000	48,178,231	86,271,586	192,913,655	
2013	248,495,732	4,775,578	46,631,417	95,510,269	184,502,745	

Fiscal Year	Total	Total Primary Government	Percentage of Placer County Personal Income [a]	Debt Per Capita [a]
2004	\$ 165,328,607	\$ 198,428,433	16.63%	\$ 2,054
2005	399,917,997	431,900,387	33.04%	4,226
2006	390,846,900	424,127,109	29.77%	4,053
2007	595,759,852	651,045,559	43.11%	6,127
2008	632,842,418	686,537,134	42.24%	6,290
2009	633,317,336	685,987,613	43.15%	6,106
2010	624,147,392	675,420,447	41.02%	5,834
2011	605,057,313	654,927,743	37.83%	5,431
2012	587,367,556	600,683,341	[b]	4,921
2013	579,915,741	592,699,058	[b]	4,770

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.  
[a] These ratios are calculated using personal income and population as shown on the Demographics Statistics page.  
[b] Total personal income information not available.  
[c] Tax Allocation Bonds are zero; The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.  
[d] The Certificates of Participation were refunded by the 2013 Lease.

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

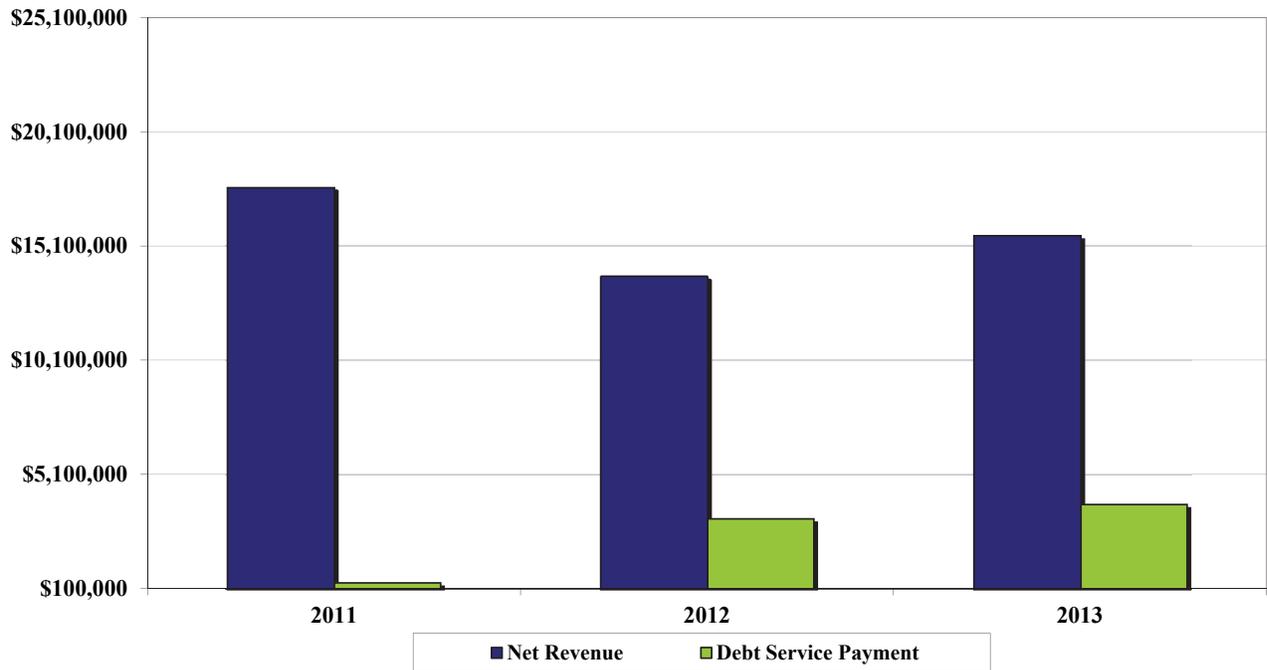
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS  
Fiscal Year 2013 (1)**



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	\$0	\$112,244	\$112,244	138.68

- 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

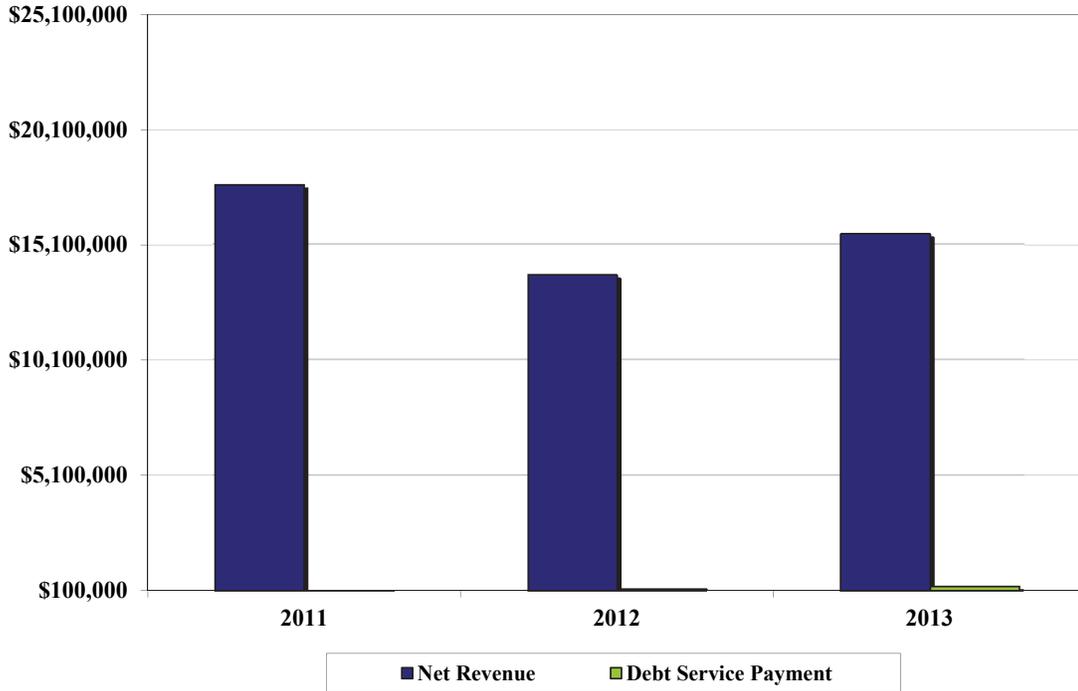
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C  
Last Three Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$400,337	\$400,337	44.17
2012	32,738,613	18,957,898	13,780,715	1,457,173	1,721,010	3,178,183	4.34
2013	33,605,925	18,039,506	15,566,419	1,874,464	1,922,096	3,796,560	4.10

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

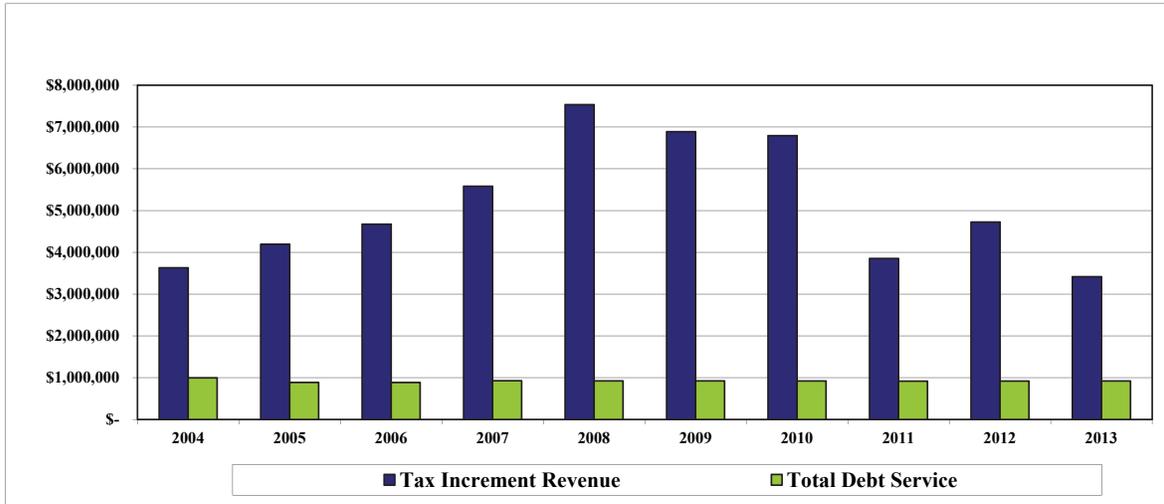
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING SIFMA INDEX WASTEWATER REVENUE BONDS SERIES D  
Last Three Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$38,820	\$38,820	455.53
2012	32,738,613	18,957,898	13,780,715	0	160,193	160,193	86.03
2013	33,605,925	18,039,506	15,566,419	0	291,218	291,218	53.45

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

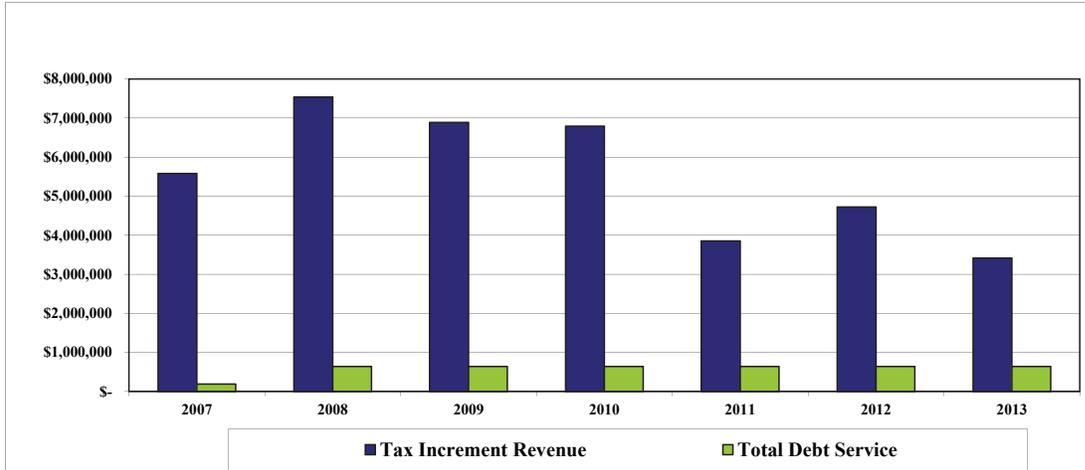
**CITY OF ROSEVILLE**  
**2002 REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Ten Fiscal Years**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements				Coverage
		Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2004	\$ 3,630,050	\$ 320,000	\$ 674,550	\$ 994,550	\$ 14,180,000	0.04
2005	4,190,987	220,000	666,450	886,450	13,960,000	0.05
2006	4,673,904	225,000	659,775	884,775	13,735,000	0.05
2007	5,581,407 (a)	275,000	651,875	926,875	13,460,000	0.06
2008	7,535,590 (a)	280,000	642,750	922,750	13,180,000	0.08
2009	6,888,510 (a)	290,000	632,125	922,125	12,890,000	0.07
2010	6,792,567 (a)	300,000	619,875	919,875	12,590,000	0.07
2011	3,853,172 (a)	310,000	607,225	917,225	12,280,000	0.04
2012	4,724,200 (a) (b)	325,000	594,050	919,050 (b)	11,955,000	0.05
2013	3,416,590 (c)	340,000	580,069	920,069 (c)	11,615,000	0.04

- (a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.
- (b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.
- (c) Amounts reported here include tax revenue and debt service of the Successor Agency.

**CITY OF ROSEVILLE**  
**2006A REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Seven Fiscal Years** (c)



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)	\$0	\$190,408	\$190,408	\$13,155,000	0.29
2008	7,535,590 (a)	0	640,625	640,625	13,155,000	0.12
2009	6,888,510 (a)	0	640,625	640,625	13,155,000	0.11
2010	6,792,567 (a)	0	640,625	640,625	13,155,000	0.11
2011	3,853,172 (a)	0	640,625	640,625	13,155,000	0.06
2012	4,724,200 (a)(b)	0	640,625	640,625 (b)	13,155,000	0.07
2013	3,416,590 (d)	0	640,625	640,625 (d)	13,155,000	0.05

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

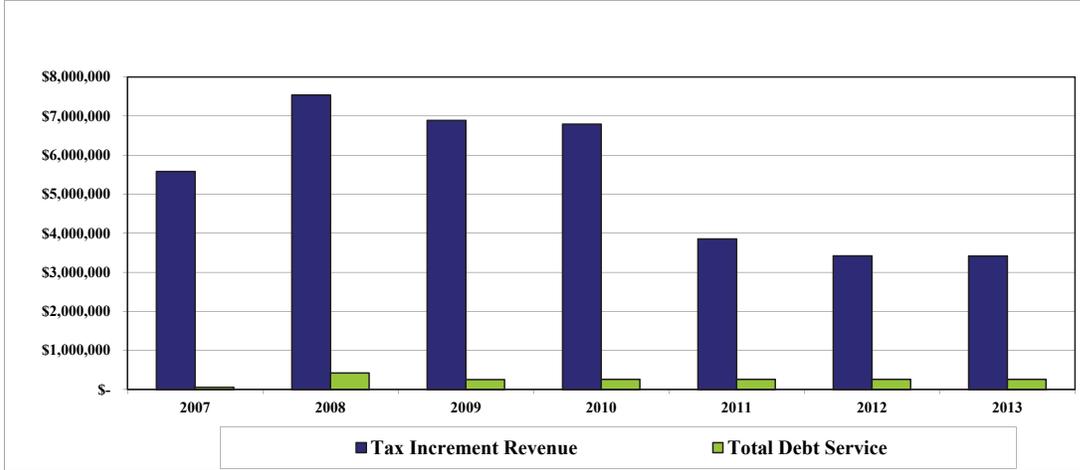
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

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

(c) Bond issued November 14, 2006

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

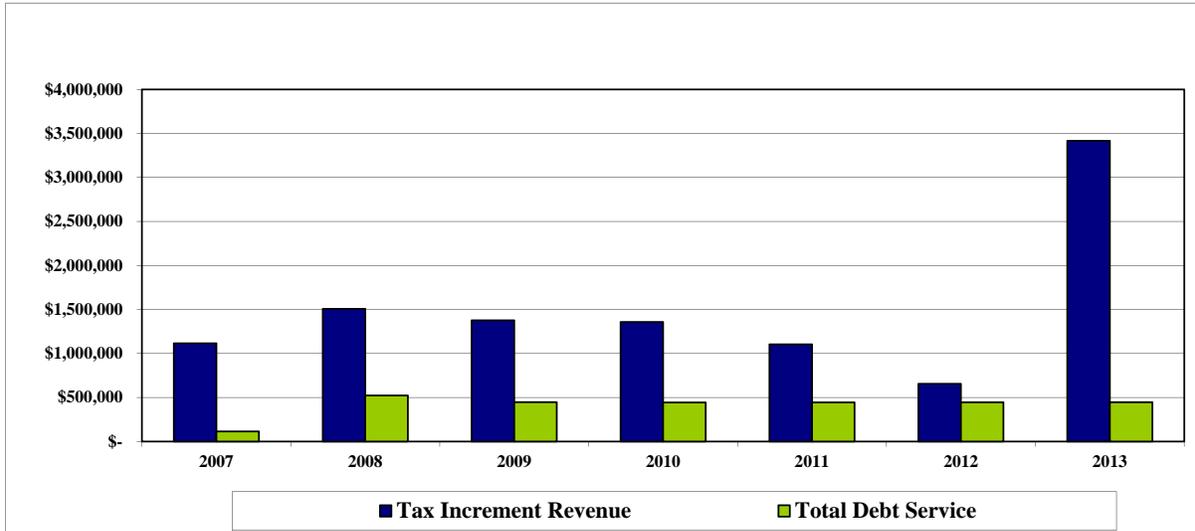
**CITY OF ROSEVILLE**  
**2006AT REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Seven Fiscal Years** (c)



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)	\$0	\$56,168	\$56,168	\$3,285,000	0.99
2008	7,535,590 (a)	240,000	182,605	422,605	3,045,000	0.18
2009	6,888,510 (a)	80,000	174,109	254,109	2,965,000	0.27
2010	6,792,567 (a)	90,000	169,596	259,596	2,875,000	0.26
2011	3,853,172 (a)	95,000	164,684	259,684	2,780,000	0.15
2012	3,419,138 (a)(b)	100,000	159,507	259,507 (b)	2,680,000	0.13
2013	3,416,590 (d)	105,000	154,064	259,064 (d)	2,575,000	0.13

- (a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.  
(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.  
Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.  
(c) Bond issued November 14, 2006  
(d) Amounts reported here include tax revenue and debt service of the Successor Agency.

**CITY OF ROSEVILLE**  
**2006HT REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Seven Fiscal Years** (b)



Fiscal Year	20% Set Aside	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$1,116,281	\$0	\$114,895	\$114,895	\$6,505,000	0.10
2008	1,507,118	140,000	382,846	522,846	6,365,000	0.03
2009	1,377,575	70,000	377,270	447,270	6,295,000	0.03
2010	1,358,641	70,000	373,553	443,553	6,225,000	0.03
2011	1,103,919	75,000	369,703	444,703	6,150,000	0.02
2012	656,429	80,000	365,588	445,588 (a)	6,070,000	0.01
2013	3,416,590 (c)	85,000	361,207	446,207 (c)	5,985,000	0.08

(a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include debt service of both the former Redevelopment Agency and the Successor Agency.

(b) Bond issued November 14, 2006

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

After January 31, 2012, the Successor Agency is no longer required to set-aside 20% of tax revenue for low and moderate income housing, but the tax revenue collected by the Successor Agency is pledged for the repayment of the 2006HT Bonds.

**CITY OF ROSEVILLE**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2013**

2012-13 Assessed Valuation: \$ 14,926,038,431

	Total Debt 6/30/2013	% Applicable [1]	City's Share of Debt 6/30/2013
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Roseville Joint Union High School District	\$ 89,038,664	74.333%	\$ 66,185,110
Roseville Joint Union High School District SFID No. 1	4,730,624	94.114%	4,452,179
Rocklin Unified School District	69,463,935	0.601%	417,478
Dry Creek Joint School District	46,496,660	58.558%	27,227,514
Eureka Union School District	4,617,368	35.860%	1,655,788
Roseville City School District	27,472,522	96.948%	26,634,061
City of Roseville Community Facilities Districts	340,303,500	100.000%	340,303,500
California Statewide Communities Development Authority Assessment Districts	14,714,238	5.225%-100%	8,798,425
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 475,674,055</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Placer County Certificates of Participation	\$ 43,720,000	28.760%	\$ 12,573,872
Placer County Office of Education Certificates of Participation	1,970,000	28.760%	566,572
Sierra Joint Community College District Certificates of Participation	10,793,000	21.274%	2,296,103
Roseville Joint Union High School District Certificates of Participation	2,620,000	74.333%	1,947,525
Rocklin Unified School District Certificates of Participation	19,380,000	0.601%	116,474
Eureka Union School District Certificates of Participation	4,390,000	35.860%	1,574,254
Roseville City School District Certificates of Participation	11,300,000	96.948%	10,955,124
Placer Mosquito and Vector Control District Certificates of Participation	4,300,000	28.760%	1,236,680
<b>City of Roseville Public Facilities Lease</b>	<b>11,549,031</b>	<b>100.000%</b>	<b>11,549,031</b>
<b>City of Roseville Installment Purchase Obligations</b>	<b>1,234,286</b>	<b>100.000%</b>	<b>1,234,286</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 44,049,921</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 12,783,317</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 540,270,659</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 553,053,976</b> (2)

(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 2012-2013 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.19%
<b>Total Direct Debt (\$12,783,317)</b>	<b>0.12%</b>
Combined Total Debt	3.74%

Source: California Municipal Statistics, Inc.

**CITY OF ROSEVILLE**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**June 30, 2013**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$14,313,557,564
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$536,758,409
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$592,699,058
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	(592,699,058)

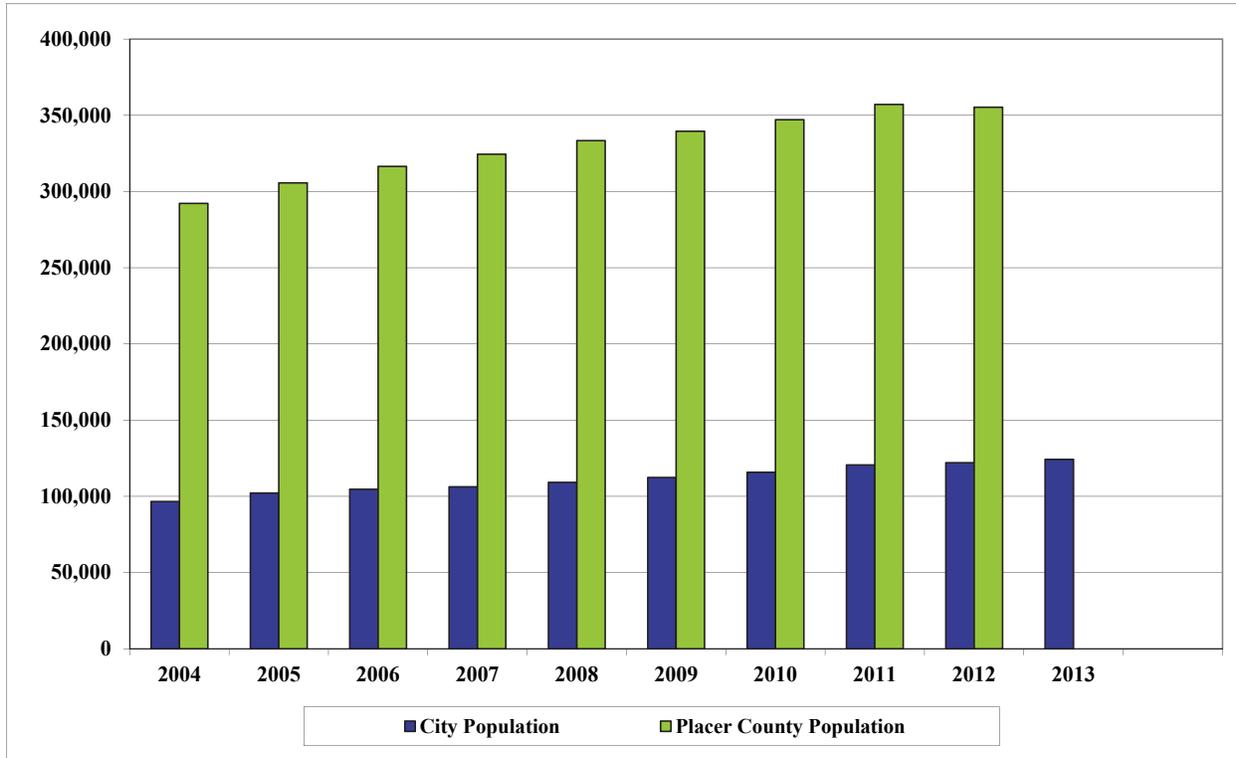
Amount of debt subject to limit	(0)
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LEGAL BONDED DEBT MARGIN	\$536,758,408
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Fiscal Year*	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2004	\$ 394,584,662	\$ 0	\$ 394,584,662	0.00%
2005	445,276,653	0	445,276,653	0.00%
2006	500,173,479	0	500,173,479	0.00%
2007	584,311,626	0	584,311,626	0.00%
2008	624,162,731	0	624,162,731	0.00%
2009	626,993,562	0	626,993,562	0.00%
2010	611,493,748	0	611,493,748	0.00%
2011	567,178,798	0	567,178,798	0.00%
2012	560,837,192	0	560,837,192	0.00%
2013	536,758,408	0	536,758,408	0.00%

(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 (a)	County Per Capita Personal Income	City of Roseville Unemployment Rate (%)	Placer County Population	City Population % of County
2004	96,600	\$ 11,933,069	\$ 38,958	4.5%	292,235	33.06%
2005	102,191	13,070,082	41,248	4.0%	305,675	33.43%
2006	104,655	14,247,775	43,937	4.2%	316,508	33.07%
2007	106,266	15,101,855	45,471	4.9%	324,495	32.75%
2008	109,154	16,252,937	47,657	6.6%	333,401	32.74%
2009	112,343	15,898,900	45,614	10.6%	339,577	33.08%
2010	115,781	16,464,986	47,012	11.3%	347,102	33.36%
2011	120,593	17,312,666	48,476	11.4%	357,138	33.77%
2012	122,060	(b)	(b)	10.0%	355,328	34.35%
2013	124,255	(b)	(b)	7.5%	(b)	(b)

(a) In thousands of dollars  
(b) Information not available

Source: Bureau of Economic Analysis  
Placer County  
State of California Department of Finance  
State of California Employment Development Department

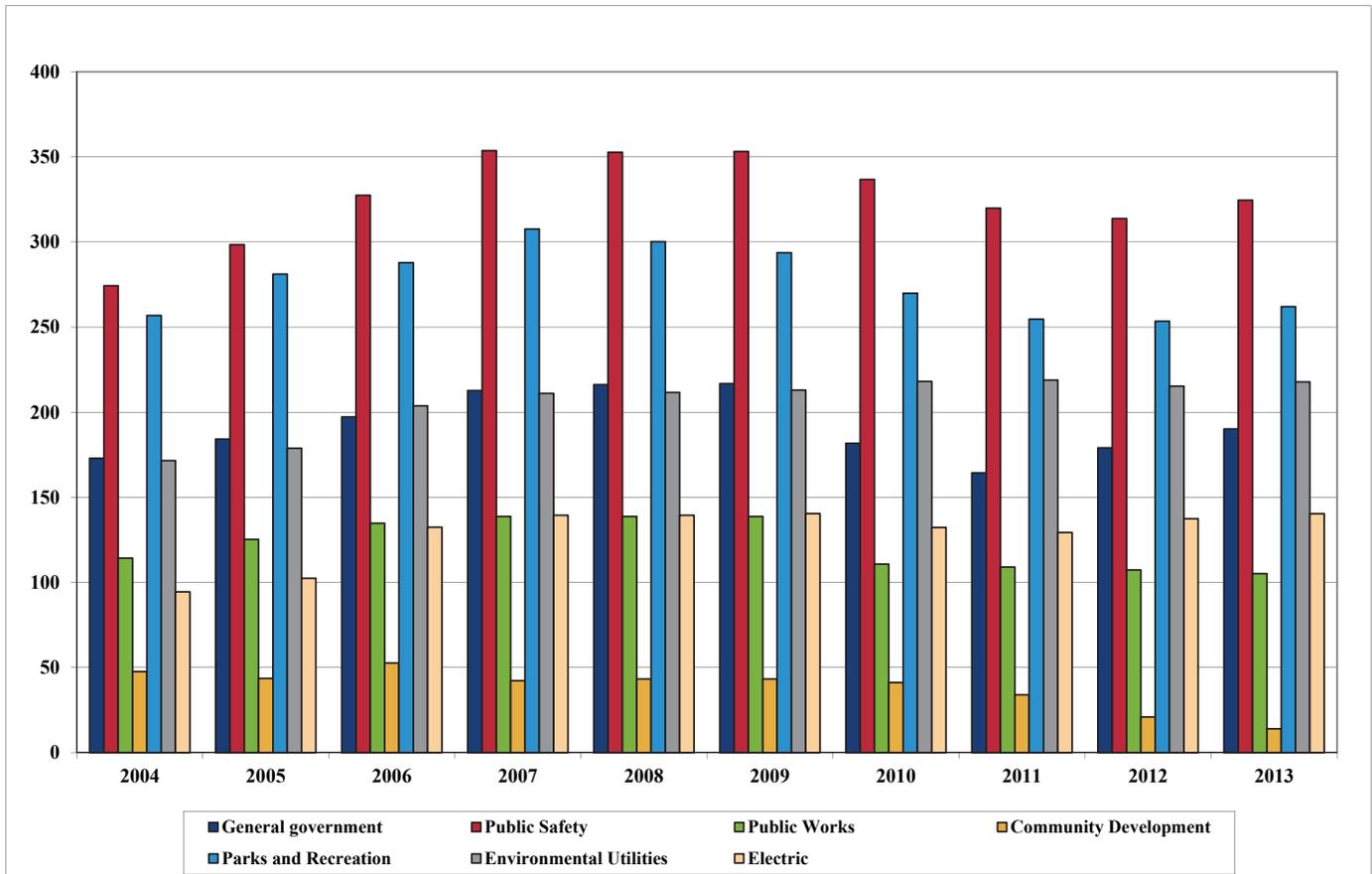
**CITY OF ROSEVILLE  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2013</b>			<b>2004</b>	
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employees</b>	<b>Number of Employees</b>	<b>Rank</b>
Kaiser Permanente	3,724	1	6.70%	3,000	2
Hewlett-Packard	3,200	2	5.75%	3,803	1
Sutter Roseville Medical Center	1,654	3	2.97%	1,800	3
Roseville Joint Union High School District	1,299	4	2.34%	982	6
City of Roseville	1,254	5	2.26%	1,046	5
Union Pacific Railroad	1,168	6	2.10%	1,294	4
PRIDE	1,021	7	1.84%	800	7
Roseville Elementart School District	929	8	1.67%		
Wal-Mart (2 stores)	790	9	1.42%		
Telefunken Semiconductors America	600	10	1.08%		
NEC Electronics				725	8
Surewest Communications				683	9
State Farm Insurance				560	10
Subtotal	<u>15,639</u>		<u>28.13%</u>	<u>14,693</u>	
Total Employment	<u>55,604</u> (a)			<u>49,886</u> (b)	

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

(b) Information not available

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



**Adopted for Fiscal Year Ended June 30,**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function</b>										
General government	172.95	184.23	197.23	212.71	216.21	216.79	181.75	164.38	179.09	190.14
Public Safety	274.24	298.43	327.46	353.69	352.69	353.18	336.75	319.90	313.78	324.59
Public Works	114.29	125.29	134.77	138.77	138.77	138.77	110.75	109.03	107.33	105.17
Community Development	47.63	43.63	52.63	42.25	43.25	43.25	41.17	33.98	21.00	14.00
Parks and Recreation	256.83	281.12	287.86	307.65	300.19	293.70	269.89	254.65	253.43	262.00
Environmental Utilities	171.57	178.82	203.74	211.03	211.59	213.00	218.09	218.90	215.32	217.82
Electric	94.46	102.46	132.46	139.46	139.46	140.46	132.29	129.33	137.39	140.36
<b>Total</b>	<b>1,131.97</b>	<b>1,213.98</b>	<b>1,336.15</b>	<b>1,405.56</b>	<b>1,402.16</b>	<b>1,399.15</b>	<b>1,290.69</b>	<b>1,230.17</b>	<b>1,227.34</b>	<b>1,254.08</b>

Source: City of Roseville Annual Budget

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function/Program</b>										
<b>Public safety:</b>										
<b>Fire:</b>										
Number of Haz-Mat alarms answered	126	134	413	330	287	194	192	172	199	201
Number of medical emergencies answered	5,234	5,228	6,458	6,622	6,737	6,967	7,485	7,836	8,429	9,045
Total Number of alarms answered	8,390	8,023	9,784	10,065	9,492	8,694	9,129	9,609	10,006	10,936
<b>Police:</b>										
<b>Law violations:</b>										
Physical arrests (adult and juvenile)	4,120	5,578	7,602	7,360	5,464	5,245	4,520	5,845	4,264	4,647
Traffic citations	11,382	15,260	18,587	19,893	18,883	20,889	19,033	6,404	4,826	4,470
<b>Public works:</b>										
Total building permits issued	5,718	4,434	5,703	4,272	4,849	3,975	3,884	4,078	4,338	4,131
Total square feet of street maintenance performed	3,174,672	9,529,760	3,763,328	7,707,910	3,853,433	7,648,976	4,501,241	4,342,272	3,375,318	4,275,981
<b>Park and recreation:</b>										
<b>Community Services:</b>										
Number of participants in Cultural Art classes	6,582	3,029	3,447	1,926	1,520	2,688	n/a	n/a	n/a	n/a Note 1
Total attendance Youth/Adult/Senior programs							299,134	301,906	265,736	86,951
Total attendance to aquatic facilities	361,104	271,377	234,542	243,429	235,548	250,182	266,931	278,860	306,455	291,407 Note 2
<b>Library:</b>										
Number of materials checked out	510,421	554,174	627,317	685,097	818,428	946,224	1,001,179	994,990	1,058,434	1,194,909 Note 3
<b>Water:</b>										
Average Daily Consumption (in gallons)	28.77M	26.82M	27.26M	30.43M	28.15M	28.19M	25.6 M	25.9M	28.6M	30.2M
Number of backflow devices tested	3,817	4,122	3,836	4,348	4,679	4,728	4,895	4,965	4,558	3,862
Number of meters sold	1,870	1,987	1,800	1,031	1,917	2,268	807	497	555	770
<b>Wastewater:</b>										
Number of miles of sewer mains flushed	419	448	427	218	280	258	209	284	277	271
Total preventative work orders completed	2,192	3,107	7,065	9,247	n/a	n/a	n/a	n/a	n/a	n/a Note 4
% of preventative work orders hours					43.1%	45.5%	48.0%	55%	n/a	40.2% Note 5
<b>Solid Waste:</b>										
Tons of solid waste collected	99,082	98,910	102,370	100,148	96,265	89,512	87,446	89,125	87,336	87,946
Number of incoming phone calls	37,943	22,684	23,672	26,870	26,491	22,340	25,369	24,538	22,898	20,732
<b>Electric:</b>										
Number of customers participating in energy efficiency and solar programs	2,124	2,793	3,123	3,663	2,949	6,333	3,477	4,188	3,443	3,731
Number of trees planted (Shade Tree Program)	836	625	621	628	842	1,106	611	680	795	457

- Notes:
- 1 - No longer tracked in FY09-10. Attendance are now tracked by Youth/Adult/Senior by programs.
  - 2 - Roseville Aquatics Center closed for pool repairs Nov 2007-Jan 2008.
  - 3 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during the winter 2008.
  - 4 - Preventative work orders are no longer tracked by the number completed. It is now tracked by the percentage of number of hours worked (effective FY07-08).
  - 5 - Data not available for FY11-12 due to change in software (Maximo) used by the City.

**CITY OF ROSEVILLE**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Public safety:										
Fire stations	6	7	7	8	8	8	8	8	8	8
Police stations	1	1	1	1	1	1	1	1	1	1
Number of Police patrol cars	75	97	110	107	107	106	51	49	58	61
Public works:										
Miles of streets	428	432	455	475	432	428	429	432	438	440
Number of Traffic Signals	133	135	141	150	154	162	165	166	167	167
Park and recreation:										
Community services:										
Golf courses (18 holes)	40	2	2	2	2	2	2	2	2	2
City parks	57	48	53	56	58	61	61	63	66	68
Miles of creek	2	57	60	60	60	60	60	60	60	60
Swimming pools (Note 1)	4	4	4	4	4	4	3	3	3	3
Tennis courts	12	12	12	12	14	16	16	16	16	16
Library:										
City Libraries	2	3	3	3	3	3	3	3	3	3
Water										
Miles of water mains	480	494	506	540	556	562	567	569	569	570
Fire hydrants	4,499	3,881	3,978	4,278	4,413	4,473	4,514	4,533	4,542	4,545
Wastewater										
Miles of sanitary sewers	600	460	447	472	485	485	492	493	487	487
Miles of storm drain	420	352	435	474	376	373	382	348	349	351
Solid Waste:										
Number of new residential refuse customers	1,490	1,062	705	809	984	800	750	522	537	768
Electric:										
Number of residential customers	40,312	41,883	43,001	43,793	44,662	45,478	46,400	47,021	47,611	48,387
Number of commercial customers	5,101	5,410	5,523	5,788	6,038	6,349	6,411	6,437	6,505	6,561

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