

# Comprehensive Annual Financial Report

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## Fiscal Year Ending June 30, 2018



316 Vernon Street, Downtown Roseville, California



**CITY OF ROSEVILLE, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Prepared by

**FINANCE DEPARTMENT**



**CITY OF ROSEVILLE, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2018**

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December 21, 2018

Honorable Mayor and Members of the City Council:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Roseville (City) for the fiscal year ended June 30, 2018. The format and content of this CAFR complies with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB) and contains all information needed for readers to gain a reasonable understanding of the City's financial activities.

Management takes sole responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are fairly presented in conformity with generally accepted accounting principles (GAAP). The City's auditors have issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2018. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

#### THE REPORTING ENTITY AND ITS SERVICES

Roseville is a charter law city in the State of California. The City was incorporated on April 10, 1909 and operates under a Council-Manager form of government. The City's political and legislative body is the City Council and is empowered by the City's charter to formulate citywide policy, including a fiscal program, City services, and appointment of the City Manager and City Attorney. There are five City Council members who are elected at large for staggered four-year terms, and the Mayor is determined by which member received the highest number of votes in the previous election.

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

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

The CAFR includes blended component units of the Roseville Finance Authority (Finance Authority), Roseville Natural Gas Financing Authority (RNGFA), Roseville Community Development Corporation (RCDC), the City of Roseville Housing Authority (Housing Authority), and fiduciary component units of the Successor Agency to the Redevelopment Agency (Successor Agency), and the City of Roseville Other Post-Employment Benefits Trust (OPEB Trust) which constitutes a single reporting entity. The Finance Authority, the Housing Authority, RNGFA, and OPEB Trust are separate legal entities from the City, but have the same governing board. RCDC has a separate governing board, however, the board members are appointed by the City Council. The Successor Agency has a governing board determined by State law that does not report to the City Council. RNGFA, RCDC, and the OPEB Trust issue separate component unit financial statements. Separate financial statements are not issued for the Finance Authority, the Housing Authority, or the Successor Agency.

### MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2018 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- **Public Works:** The City has completed the following projects: the 2017 Arterial ADA Ramps Project; the seven story Oak Street Parking Garage; the new Fire Station #1; reconstruction of Washington Boulevard, Atkinson Street, and Hickory Street with an innovative paving material called Roller Compacted Concrete; the widening of Woodcreek Oaks Boulevard from north of Pleasant Grove Boulevard to Crimson Ridge Way; the Miner's Ravine Trail Slope Protection Project; the Harding to Royer Bike Trail Segment 3 under Folsom Road; and the Sierra Gardens Transfer Point Project where a quarter mile of Sierra Gardens Drive was reconstructed and two bus stops with bus shelters were upgraded to provide better security. The City has also begun or continued design of the following projects: Eureka/Atlantic to Westbound I-80 Onramp Widening; Hillcrest Drainage; Washington "Andora" Underpass Widening; Pleasant Grove Changeable Message Sign; Oakridge Bridge Replacement; a new traffic signal at the intersection of Junction Boulevard with Park Regency; a new traffic signal at the intersection of Vallejo Avenue with Junction Boulevard; the 2018 Residential Resurfacing Project; and the 2018 Arterial Resurfacing Project. The City continues construction of the Downtown Bridges Project.
- **Water:** The City has completed the Sunrise Avenue water main rehabilitation project, which included the replacement of 150 feet of a 24 inch water main to fix an existing leak. The final phase of the West Side Tank & Pump Station Project for the design of two 6 MG water tanks, a pumping station and crew facilities which will provide water to support growth in the western portion of the city; and destruction of three of the City's oldest wells, which have not been used for decades.
- **Wastewater:** The City finalized design work for the Pleasant Grove Wastewater Treatment Plant Expansion Project which will increase the treatment capacity by 3.5 million gallons per day to accommodate growth within the South Placer Wastewater Authority service area through 2040. The City has also finalized design work for the Pleasant Grove Energy Recovery Project, which

will utilize gas from the Pleasant Grove Wastewater Treatment Plant to create compressed natural gas to fuel the City's solid waste fleet.

- Electric: The City continued ongoing expansion of its electric distribution system to serve new customers and rehabilitation of existing electric assets to maintain reliable service.
- Parks and Recreation: The City completed the Johnson Pool ADA repairs; EJ Fiddymment Park; Waltrip Park; Kennedy Park; Stizzo Park; and has begun construction on the Astill Family, Sierra Crossing, Bev Bos, and Nela Luken Parks;

The City has experienced an overall increase in total permit activity with 6,387 permits being issued, compared to 6,226 permits issued last fiscal year. Single-family residential permits decreased slightly compared to last fiscal year with 1,007 new single family and 1 new multi-family permit issued in 2018 as compared to 1,055 and 33, respectively, in fiscal year 2017. Several new development proposals should keep single-family and multi-family permits on the rise in the near future. The number of commercial permits increased to 27, up by 7 permits, as compared to the prior year. The square footage of these buildings increased to 1,201,860 square feet from 1,026,364 square feet in the prior year. Of the new commercial permits, the largest permits were issued to Kaiser Permanente for just over 193,000 square feet for the construction of a Medical Office Building shell and core and Villa Sport Athletic Club and Spa for over 89,000 square feet of a two-story athletic facility.

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 which is currently under construction. The Creekview Specific Plan, approved by the City Council in September 2012, was annexed on April 17, 2013. The Creekview Specific Plan includes 2,011 single family and multi-family residential units and 19.3 acres for commercial development (161 acres are planned for open space, parks, a school and utility sites). The Amoruso Ranch Specific Plan (ARSP) was approved by City Council in June 2016 and annexed on December 14, 2018. The ARSP plan includes the establishment of 2,827 residential units, commercial, parks, open space and public land use designations. Development of the ARSP is dependent on the extension of infrastructure through the Creekview Specific Plan area and will require the issuance of federal wetland permits. The Campus Oaks Master Plan is a centrally located growth area and was approved in 2015. Campus Oaks is planned for 952 residential units, 240,000 square feet of commercial uses and 300,000 square feet of light industrial uses. Infrastructure construction and the development of a 396 unit multi-family development is underway within the Campus Oaks plan area.

#### LONG-TERM FINANCIAL PLANNING

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

**Operating Reserves:** The City maintains an emergency reserve in its General Fund of 10 percent of operating expenditures. The Council adopted a policy on July 11, 2018, and revised it on November 7, 2018, to increase the operating reserve target up to 25 percent of operating expenditures.

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

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

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

**OPEB Trust:** In fiscal year 2011, the City established an irrevocable trust to address the City's long-term liability for post-retirement health benefits and transferred \$34 million of accumulated resources into the OPEB Trust. The investments in the trust have performed well, achieving a return of 7.72% since inception. In fiscal year 2018, the OPEB plan assets grew to \$84.16 million. In fiscal year 2014, the City negotiated with labor groups to cap future liabilities by creating a Tier III benefit for new hires. Tier III employees are required to set aside a portion of their salary into a Retirement Health Savings account. In the long-term the OPEB unfunded liability should start decreasing with increased contributions and investment returns.

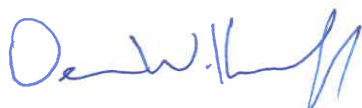
#### AWARDS AND ACKNOWLEDGMENTS

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 for its CAFR for the fiscal year ended June 30, 2017. The organization of the City's CAFR follows the guidelines set forth by GFOA. This marks the fifteenth consecutive year the City has been recognized with this award.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe this CAFR also meets the requirements of the program and we will be submitting it to GFOA to determine its eligibility for the certificate.

The Finance Department, in particular the Accounting Division, takes great pride in the preparation of the CAFR. The professionalism, commitment and effort of each employee of the Accounting Division have made this report possible. We also want to thank the other employees of the Finance Department as well as those in other City departments who contributed to the preparation of this report. Finally, we thank the Mayor and City Council for their support, interest, and integrity in directing the financial affairs of the City in a responsible, professional, and progressive manner.

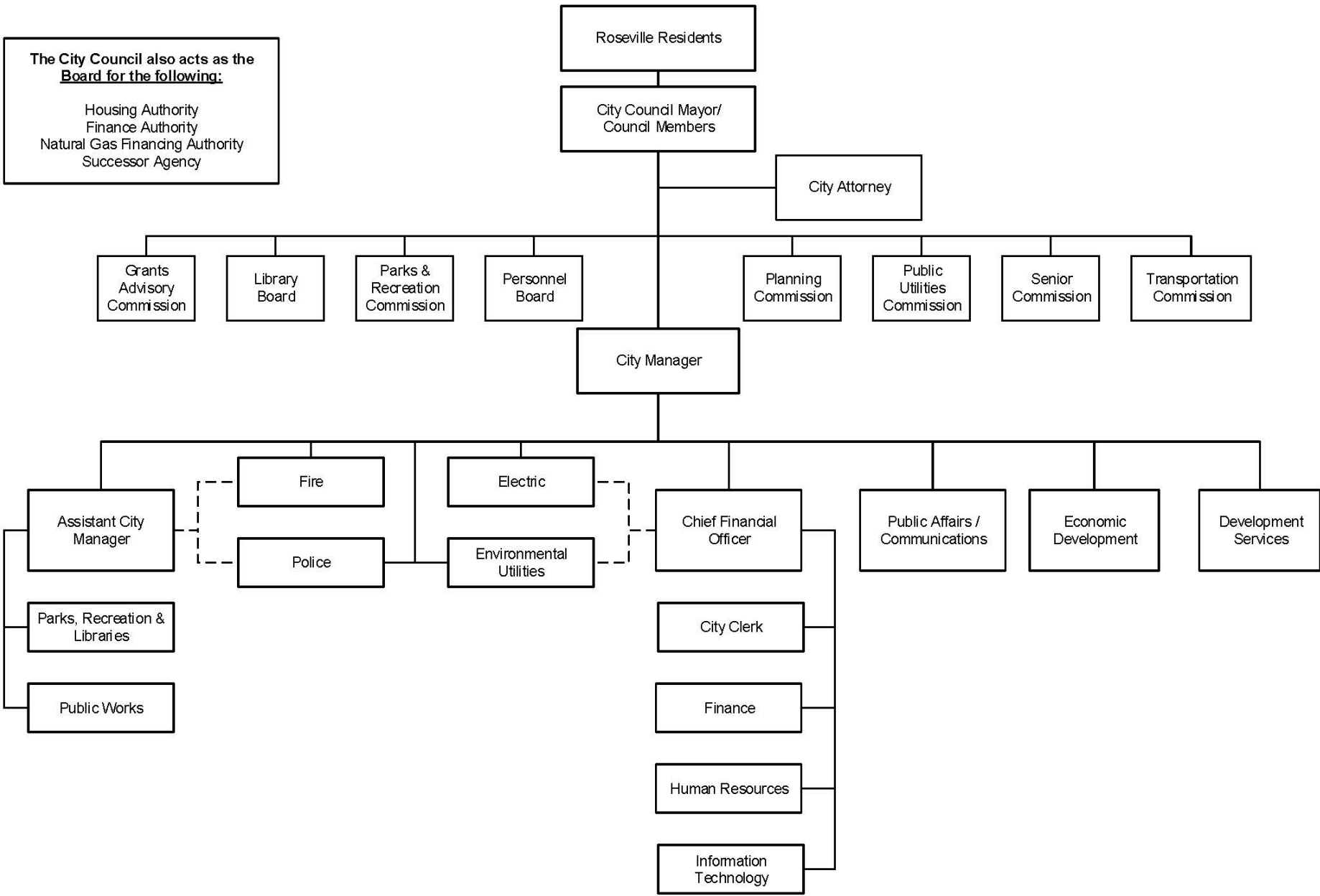
Respectfully submitted,



Dennis Kauffman, CPA  
Director of Finance



Jacquelyn Flickinger, CPA  
Controller



The City Council also acts as the Board for the following:

- Housing Authority
- Finance Authority
- Natural Gas Financing Authority
- Successor Agency

**City Wide Organization (1,148.73 FTE)**

CITY OF ROSEVILLE  
ELECTED OFFICIALS  
JUNE 30, 2018

Mayor	Susan Rohan
Vice Mayor	Bonnie Gore
Council Member	John Allard
Council Member	Scott Alvord
Council Member	Tim Herman



Government Finance Officers Association

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

Presented to

**City of Roseville  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

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

VALUE THE *difference*

## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, California, (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* and Statement No. 85, *Omnibus*, effective July 1, 2017. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the budgetary comparison information for the General Fund on pages 110 through 113, the schedule of changes in the net pension liability and related ratios on page 114, the schedule of pension contributions on page 112, schedule of changes in the net OPEB liability and related ratios on page 118, schedule of contributions to the OPEB plan on page 119, and the Modified Approach to Reporting Street Pavement Costs on page 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, 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 solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Sacramento, California  
December 21, 2018

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CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

The following discussion provides readers of the City of Roseville's (City) financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. This document should be read in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

**FISCAL YEAR 2018 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2018 include the following:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2018 by \$2,453.4 million, an increase of \$93.6 million or 3.8 percent from the prior year.
- The City's governmental funds reported a combined fund balance of \$224.7 million. Unassigned fund balances comprise \$32.7 million of this total, or 14.5% of the combined fund balance, which is available for use at the discretion of the City.

**OVERVIEW OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL STATEMENT**

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

- Introductory section, including the letter of transmittal, list of City elected officials, and the City's organization chart.
- Financial section, including the independent auditors' report, management's discussion and analysis, and the basic financial statements.
- Supplemental Information section, including the required supplementary information and supplemental information.
- Statistical section, including a number of tables and graphs on unaudited data depicting 10 years of financial history about the City and information on its overlapping governmental debt.

The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

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

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**Government-wide Financial Statements**

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

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

- *Governmental Activities:* Most of the City's basic services are considered to be governmental activities. These services are supported by general City revenues such as taxes, and by specific program revenues such as user fees and charges.
- *Business-type Activities:* The City's enterprise activities of electric, water, wastewater, solid waste, natural gas, local transportation, and school-age child care are reported in this area. Unlike governmental activities, these services are supported by charges paid by users based on the amount of the service they use.

**Fund Financial Statements**

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

The City has three types of fund financial statements:

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

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS**

This analysis focuses on the City's net position and changes of its governmental and business-type activities for the fiscal year ending June 30, 2018.

**Statement of Net Position - Primary Government**  
**As of June 30, 2018 and 2017**  
(in millions)

	Governmental Activities		Business-type Activities		Government-wide Activities	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>						
Cash and investments	\$ 259.3	\$ 255.0	\$ 378.2	\$ 337.8	\$ 637.5	\$ 592.8
Other assets	89.1	88.7	399.4	397.9	488.5	486.6
Capital assets	946.7	990.7	1,527.3	1,513.1	2,474.0	2,503.9
<b>Total Assets</b>	<u><b>1,295.2</b></u>	<u><b>1,334.4</b></u>	<u><b>2,304.9</b></u>	<u><b>2,248.8</b></u>	<u><b>3,600.1</b></u>	<u><b>3,583.3</b></u>
<b>Deferred Outflows of Resources</b>	<u><b>55.7</b></u>	<u><b>44.0</b></u>	<u><b>58.2</b></u>	<u><b>50.9</b></u>	<u><b>113.9</b></u>	<u><b>95.0</b></u>
<b>Liabilities</b>						
Long-term debt outstanding	28.8	27.3	497.8	504.8	526.6	532.1
Other liabilities	358.4	292.9	231.0	182.4	589.4	475.3
<b>Total Liabilities</b>	<u><b>387.2</b></u>	<u><b>320.2</b></u>	<u><b>728.7</b></u>	<u><b>687.2</b></u>	<u><b>1,116.0</b></u>	<u><b>1,007.4</b></u>
<b>Deferred Inflows of Resources</b>	<u><b>28.1</b></u>	<u><b>9.2</b></u>	<u><b>116.6</b></u>	<u><b>114.6</b></u>	<u><b>144.6</b></u>	<u><b>123.8</b></u>
<b>Net Position</b>						
Net investment in capital assets	930.4	963.4	1,174.5	1,164.4	2,104.8	2,127.9
Restricted	130.8	128.5	48.7	35.6	179.5	164.1
Unrestricted	(125.5)	(42.9)	294.6	298.0	169.1	255.1
<b>Total Net Position</b>	<u><b>\$ 935.6</b></u>	<u><b>\$ 1,049.0</b></u>	<u><b>\$ 1,517.8</b></u>	<u><b>\$ 1,498.0</b></u>	<u><b>\$ 2,453.4</b></u>	<u><b>\$ 2,547.0</b></u>

The largest portion of the City's net position is recorded in the net investment in capital asset category of \$2,104.8 million. This category reports capital assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its citizens.

The restricted portion of the City's net position of \$179.5 million represents resources that are restricted for use by external sources. The remaining net position of \$169.1 million is unrestricted and can be used to meet the ongoing obligations of the City.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**Governmental Activities**

**Government Activities – Net Position**

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

**Statement of Net Position - Governmental Activities**  
**As of June 30, 2018 and 2017**  
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b>Assets</b>			
Cash and investments	\$ 259.3	\$ 255.0	\$ 4.3
Other assets	89.1	88.7	0.4
Capital assets	946.7	990.7	(44.0)
<b>Total Assets</b>	<u>1,295.2</u>	<u>1,334.4</u>	<u>(39.2)</u>
<b>Deferred Outflows of Resources</b>	<u>55.7</u>	<u>44.0</u>	<u>11.7</u>
<b>Liabilities</b>			
Long-term debt outstanding	28.8	27.3	1.5
Other liabilities	358.4	292.9	65.5
<b>Total Liabilities</b>	<u>387.2</u>	<u>320.2</u>	<u>67.0</u>
<b>Deferred Inflows of Resources</b>	<u>28.1</u>	<u>9.2</u>	<u>18.9</u>
<b>Net Position</b>			
Net investment in capital assets	930.4	963.4	(33.0)
Restricted	130.8	128.5	2.3
Unrestricted	(125.5)	(42.9)	(82.6)
<b>Total Net Position</b>	<u>\$ 935.6</u>	<u>\$ 1,049.0</u>	<u>\$ (113.4)</u>

Note: Prior-year adjustments recorded in the current year have not been reflected in the prior-year column.

The City's governmental activities net position decreased by \$113.4 million to \$935.6 million as of June 30, 2018, primarily due to the following:

- Capital assets net of depreciation decreased by \$44.0 million primarily due to accumulated depreciation on parks and landscaping. The City had used the modified approach with respect to its parks and landscaping in the past. This change in accounting treatment was implemented as a prior period adjustment, bringing the net book value of all assets current.
- Other liabilities increased by \$65.5 million primarily due to the City's implementation of GASB 75, which increased liabilities by \$45.2 million by adding a net OPEB liability where a net OPEB obligation was previously reported. The net OPEB liability is the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the OPEB plan's fiduciary net position. The net pension obligation also increased by \$13.4 million.



CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**Changes in Net Position - Governmental Activities**  
**For the Years Ended June 30, 2018 and 2017**  
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 39.4	\$ 34.4	\$ 5.0
Operating grants and contributions	17.2	21.0	(3.8)
Capital grants and contributions	27.8	35.5	(7.7)
<b>Total Program Revenues</b>	<b>84.4</b>	<b>91.0</b>	<b>(6.6)</b>
<b>General Revenues</b>			
Taxes	106.1	101.8	4.4
Use of money and property	2.0	0.7	1.3
Miscellaneous	10.1	18.7	(8.6)
<b>Total General Revenues</b>	<b>118.3</b>	<b>121.1</b>	<b>(2.9)</b>
<b>Total Revenues</b>	<b>202.7</b>	<b>212.1</b>	<b>(9.4)</b>
<b>Expenses</b>			
General government	19.8	23.5	(3.7)
Development and operations	25.2	22.4	2.8
Public works	21.3	15.5	5.8
Police	46.7	28.0	18.7
Fire	38.3	21.9	16.5
Library	5.9	3.4	2.5
Parks and recreation	28.8	19.3	9.6
Housing assistance payments	4.2	4.2	0.0
Interest on long-term debt	4.8	4.3	0.5
<b>Total Expenses</b>	<b>195.1</b>	<b>142.4</b>	<b>52.7</b>
<b>Changes in Net Position before Transfers</b>	<b>7.5</b>	<b>69.8</b>	<b>(62.2)</b>
Transfers	16.7	20.7	(3.9)
<b>Changes in Net Position after Transfers</b>	<b>24.3</b>	<b>90.4</b>	<b>(66.1)</b>
<b>Net Position-Beginning, as Restated</b>	<b>911.3</b>	<b>958.6</b>	<b>(47.3)</b>
<b>Net Position-Ending</b>	<b>\$ 935.6</b>	<b>\$ 1,049.0</b>	<b>\$ (113.4)</b>

Note: Prior-period adjustments recorded in the current year have not been reflected in the 2017 column.

Program revenues are comprised of charges for services of \$39.4 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$17.2 million of operating grants and contributions which include housing, and police grants; and capital grants and contributions of \$27.8 million that consist mainly of street project grants and developer impact fees restricted to capital outlay.

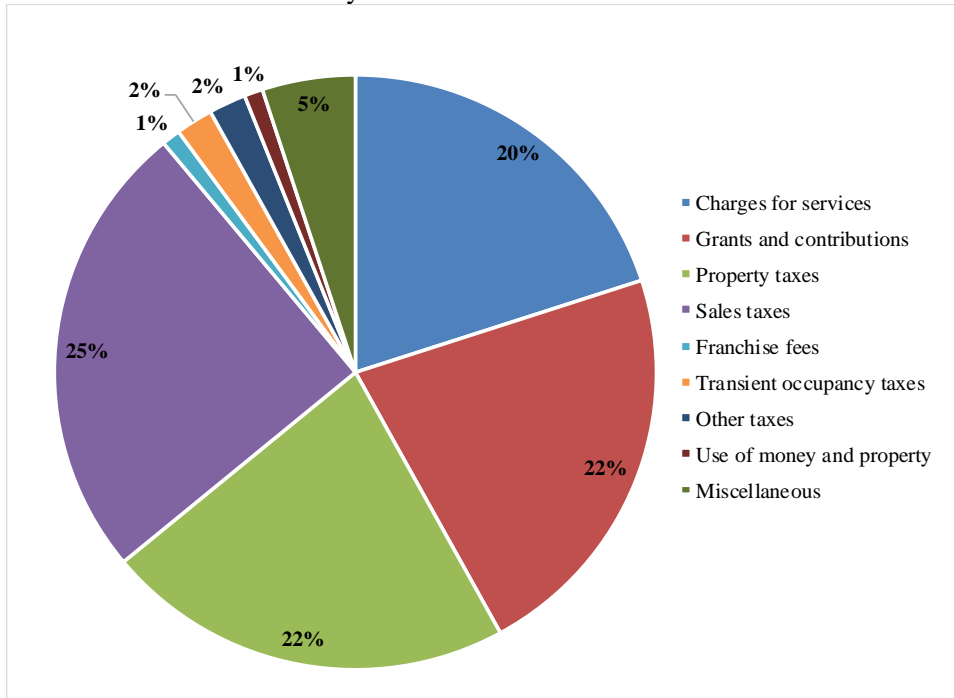
General revenues were mainly comprised of property and sales taxes totaling \$95.4 million. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

Total expenses increased by \$52.7 million primarily due to an increase in expense in police and fire of \$35.2 million and increase in expense in park and recreation and public works of \$15.4 million which were primarily caused by changes in the way the City recorded transactions related to reimbursed expenditures. These transactions were previously reported as transfers.

CITY OF ROSEVILLE  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2018

**Governmental Activities – Revenues by Source**

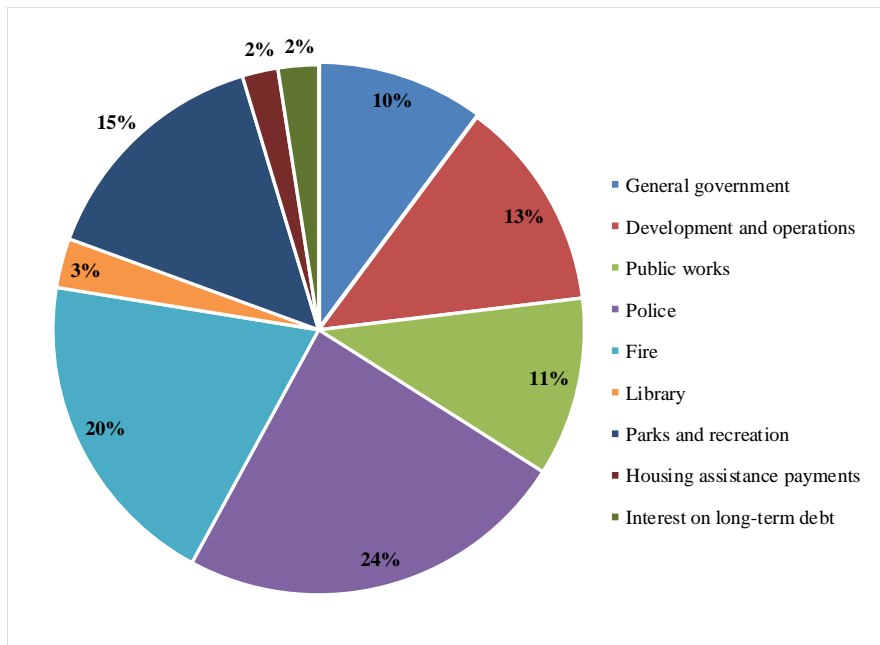
The chart below describes the revenues by source for Governmental Activities.



As the revenues chart reflects, 42% (\$84.4 million) of the City's fiscal year 2018 governmental activities revenue came from program revenues and 58% (\$118.3 million) came from general revenues such as taxes, interest, and miscellaneous revenues.

**Governmental Activities – Functional Expenses**

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



CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

Capital outlay is excluded from functional expenses as those expenses are added to the City's capital assets. As the chart reflects, police was 24% (\$46.6 million) of total governmental activities expenses; fire was 20% (\$38.3 million); parks and recreation was 15% (\$28.8 million); development and operations was 13% (\$25.2 million); public works was 11% (\$21.3 million); general government was 10% (\$19.8 million); and the remainder was for other governmental programs and function, as shown above.

**Business-type Activities**

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

**Statement of Net Position - Business-type Activities**  
**As of June 30, 2018 and 2017**  
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b>Assets</b>			
Cash and investments	\$ 378.2	\$ 337.8	\$ 40.4
Other assets	399.4	397.9	1.5
Capital assets	1,527.3	1,513.1	14.2
<b>Total Assets</b>	<b><u>2,304.9</u></b>	<b><u>2,248.8</u></b>	<b><u>56.1</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>58.2</u></b>	<b><u>50.9</u></b>	<b><u>7.3</u></b>
<b>Liabilities</b>			
Long-term debt outstanding	497.8	504.8	(7.0)
Other liabilities	231.0	182.4	48.6
<b>Total Liabilities</b>	<b><u>728.7</u></b>	<b><u>687.2</u></b>	<b><u>41.5</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>116.6</u></b>	<b><u>114.6</u></b>	<b><u>2.0</u></b>
<b>Net Position</b>			
Net investment in capital assets	1,174.5	1,164.4	10.1
Restricted	48.7	35.6	13.1
Unrestricted	294.6	298.0	(3.4)
<b>Total Net Position</b>	<b><u>\$ 1,517.8</u></b>	<b><u>\$ 1,498.0</u></b>	<b><u>\$ 19.8</u></b>

The net position of business-type activities amounted to \$1,517.8 million in fiscal year 2018, an increase of \$19.8 million from fiscal year 2017. The City's business-type activities net position increased due to the following:

- Cash and investments increased by \$40.4 million and capital assets increased by \$14.2 million.
- Long-term debt outstanding decreased by \$7.0 million due to scheduled retirements of outstanding debt. Other liabilities increased by \$48.6 million primarily due to the City's implementation of GASB 75, which increased liabilities by \$46.6 million by adding a net OPEB liability where a net OPEB obligation was previously reported. The net pension liability also increased by \$23.2 million. These increases were offset by decreases of \$9.4 million and \$4.8 million in unearned revenue and accrued liabilities.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**Changes in Net Position - Business-type Activities**  
**For the Years Ended June 30, 2018 and 2017**  
(in millions)

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 285.9	\$ 281.6	\$ 4.3
Operating grants and contributions	12.6	10.6	2.0
Capital grants and contributions	76.7	61.0	15.7
<b>Total Program Revenues</b>	<u>375.2</u>	<u>353.3</u>	<u>21.9</u>
<b>General Revenues</b>			
Use of property and money	8.8	8.9	(0.1)
Miscellaneous	(0.5)	-	(0.5)
<b>Total General Revenues</b>	<u>8.3</u>	<u>8.9</u>	<u>(0.7)</u>
<b>Total Revenues</b>	<u>383.5</u>	<u>362.2</u>	<u>21.2</u>
<b>Expenses</b>			
Electric	148.8	151.0	(2.2)
Water	31.8	30.1	1.7
Wastewater	45.5	40.4	5.2
Solid waste	22.0	18.3	3.7
Natural gas	24.2	24.7	(0.5)
Golf course	-	2.5	(2.5)
Local transportation	9.9	8.2	1.7
School-age child care	7.9	5.8	2.1
<b>Total Expenses</b>	<u>290.1</u>	<u>280.9</u>	<u>9.2</u>
<b>Change in Net Position before Transfers</b>	<u>93.4</u>	<u>81.4</u>	<u>12.0</u>
Transfers	(16.7)	(20.7)	3.9
<b>Changes in Net Position after Transfers</b>	<u>76.7</u>	<u>60.7</u>	<u>16.0</u>
<b>Net Position-Beginning, as Restated</b>	<u>1,441.1</u>	<u>1,437.3</u>	<u>3.8</u>
<b>Net Position-Ending</b>	<u>\$ 1,517.8</u>	<u>\$ 1,498.0</u>	<u>\$ 19.7</u>

Note: Prior-period adjustments recorded in the current year have not been reflected in the 2017 column.

Business-type program revenues and general revenues were \$382.5 million while business-type expenses and transfers out were \$305.8 million in 2018. Major-enterprise fund activity is discussed in the Proprietary Funds section below.

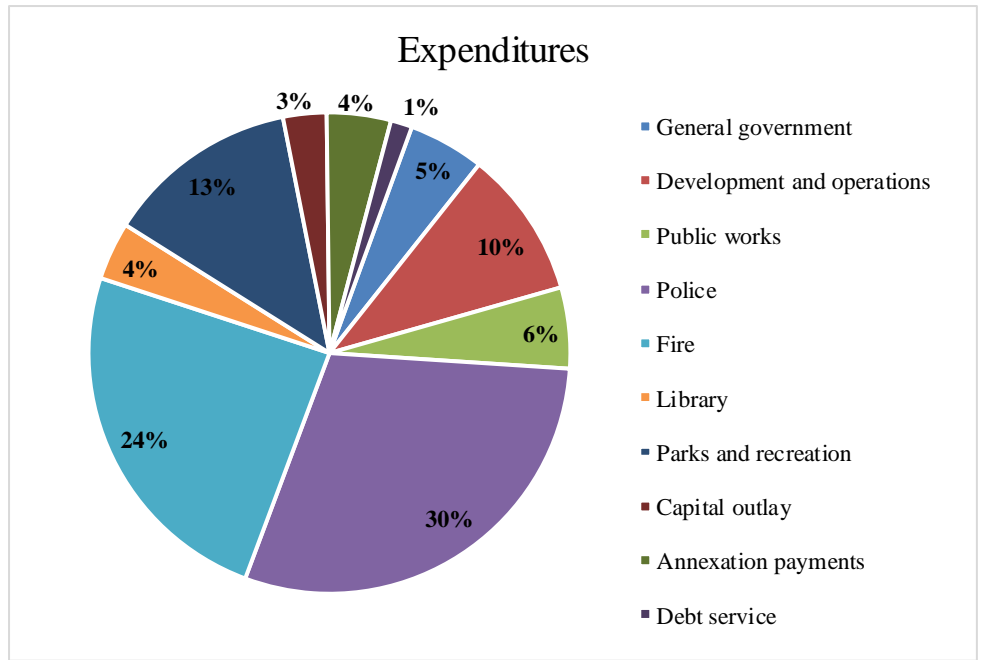
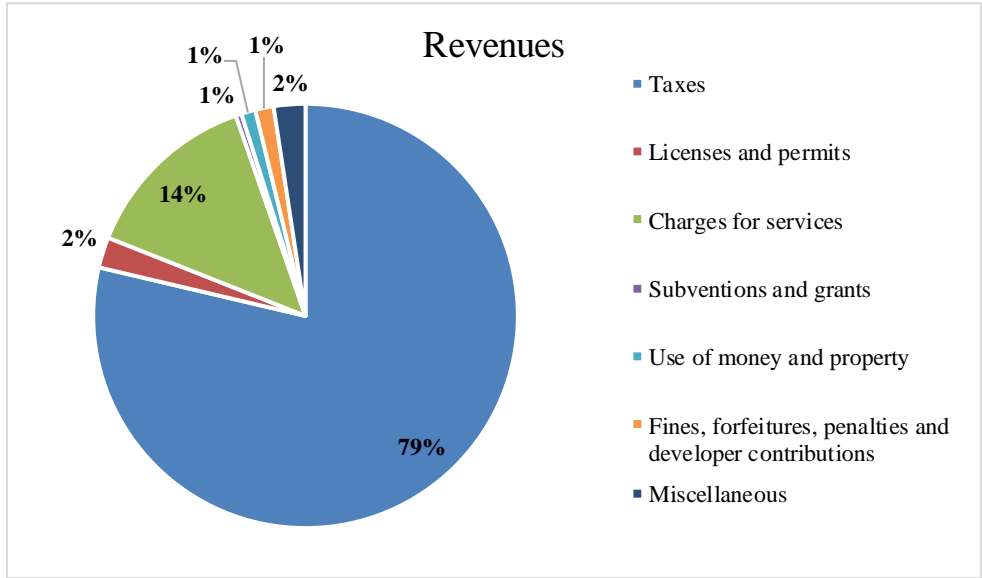
**FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

**Governmental Funds**

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

CITY OF ROSEVILLE  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2018

*General Fund*



General Fund revenues increased by \$4.4 million from the prior year, primarily due to increases in taxes of \$3.8 million and increases in charges for services of \$0.5 million. Total actual revenues were less than the final budget by \$6.4 million, with the following major breakdown:

- Taxes were less than budget by \$2.0 million, primarily due to delays in distributing sales tax revenue by the California Department of Tax and Fee Administration.
- Licenses and permits were more than budget by \$0.5 million.
- Charges for services were less than budget by \$4.5 million.
- Subventions and grants were less than budget by \$0.4 million.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

General Fund expenditures decreased by \$9.3 million from the prior year, primarily due to the decrease in general government by \$19.6 million, caused by the creation of the new Information Technology and Facility Maintenance internal service fund, which moved expenses previously reported in the General Fund. This decrease was offset by increases in police of \$4.1 million, fire of \$2.3 million, parks and recreation of \$2.0 million, library of \$1.1 million and annexation payments of \$1.0 million. Total expenditures were \$7.6 million less than budget. The original budget was increased by a net \$7.3 million. Development and Operations expenditures were \$5.9 million under budget primarily due to certain full cost/consolidated development-related projects not being completed by the end of the fiscal year.

As of June 30, 2018, the General Fund's fund balance totaled \$55.5 million, including \$13.2 million nonspendable primarily for notes receivable; \$3.9 million assigned to various contracts; and the balance of \$38.4 million considered unassigned. Only the unassigned portion of fund balance represents available resources, since the nonspendable and assigned portions of the fund balance is represented by non-cash assets, contracts, or open purchase orders. The unassigned fund balance includes the City's emergency reserve, litigation reserve, and strategic improvement fund.

*Non-Major Governmental Funds*

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

**Proprietary Funds**

*Electric Fund*

Net position of the Electric Fund increased \$29.1 million in fiscal year 2018 primarily due to an increase in cash and investments of \$26.0 million and a decrease in long-term debt of \$7.7 million due to new and refunding debt. As of June 30, 2018, the fund's net position was \$351.8 million, of which \$215.3 million was invested in capital assets; \$16.1 million was restricted for debt service; \$14.5 million was restricted for the sustainable energy program; and \$105.9 million was unrestricted as to use.

*Water Fund*

Net position of the Water Fund increased \$28.7 million in fiscal year 2018, primarily due to increases in charges for services for rate changes and new development and additional capital contributions. As of June 30, 2018, the fund's net position was \$530.0 million, of which \$452.8 million was invested in capital assets; \$4.1 million was restricted for debt service; and \$73.1 million was unrestricted as to use.

*Wastewater Fund*

Net position of the Wastewater Fund increased \$14.9 million in fiscal year 2018, primarily due to increases in capital contribution from developers and governmental activities and decrease in transfer out. As of June 30, 2018, the fund's net position was \$609.6 million of which \$480.6 million was invested in capital assets; \$5.3 million was restricted for debt service; and \$123.7 million was unrestricted as to use.

*Solid Waste Fund*

Net Position of the Solid Waste Fund increased by \$2.8 million in fiscal year 2018, primarily due to decreases in transfers out. As of June 30, 2018, the fund's net position was \$11.4 million, of which \$4.0 million was invested in capital assets and \$7.4 million was unrestricted as to use.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

*Roseville Natural Gas Financing Authority*

This fund was created as the financing mechanism to purchase prepaid natural gas for the Roseville Energy Park, an electric power plant, through the issuance of revenue bonds. \$136.4 million remains due in bonds payable, while the prepaid natural gas was \$138.5 million. Net position of the Roseville Natural Gas Financing Authority Fund in fiscal year 2018 was \$3.9 million which is unrestricted as to use.

*Non-Major Enterprise Funds*

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

**CAPITAL ASSETS**

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 below:

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b>Governmental Activities</b>			
Land	\$ 128.4	\$ 38.8	\$ 89.6
Streets (modified approach)	331.2	319.2	11.9
Parks	83.4	156.2	(72.8)
Landscaping	53.9	52.3	1.6
Construction in progress	35.4	52.0	(16.6)
Buildings	190.9	159.2	31.7
Improvements	21.7	11.3	10.5
Equipment	67.7	68.5	(0.8)
Bike paths	9.8	9.8	0.0
Bridges	73.2	71.1	2.2
Culverts	20.7	20.7	0.0
Curb, gutter, sidewalk, and median curbs	173.0	166.1	6.9
Drain inlets	22.0	21.8	0.2
Flood control improvements	20.6	20.6	0.0
Soundwall	41.3	40.6	0.7
Storm drains	99.8	93.7	6.1
Less: accumulated depreciation	(426.5)	(311.4)	(115.2)
<b>Governmental Activity Capital Assets, Net</b>	<b><u>\$ 946.7</u></b>	<b><u>\$ 990.7</u></b>	<b><u>\$ (44.0)</u></b>
	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b>Business-Type Activities</b>			
Land	\$ 12.0	\$ 17.1	\$ (5.1)
Landscaping	1.5	0.6	0.9
Construction in progress	41.6	40.8	0.7
Buildings	22.9	27.4	(4.5)
Improvements	10.0	18.8	(8.8)
Machinery and equipment	43.2	34.8	8.4
Bike paths	5.6	5.4	0.2
Bridges	1.7	1.7	0.0
Culverts	0.4	0.4	0.0
Curb, gutter, sidewalk, and median curbs	0.5	0.5	0.0
Flood control improvements	8.9	8.9	0.0
Traffic signals	52.6	50.1	2.5
Plant and substations	372.5	366.2	6.3
Distribution	1,424.1	1,376.4	47.7
Generation	203.1	202.8	0.2
Less: accumulated depreciation	(673.4)	(638.8)	(34.6)
<b>Business-Type Activity Capital Assets, Net</b>	<b><u>\$ 1,527.3</u></b>	<b><u>\$ 1,513.1</u></b>	<b><u>\$ 14.1</u></b>

Note: Prior-year adjustments recorded in the current year have not been reflected in the prior-year column.



CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

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

The City depreciates all its capital assets over their estimated useful lives, except for streets which are reported using the modified approach. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. The modified approach requires the City to employ an asset management system that maintains a current inventory of these assets, estimates annual costs to maintain them, and assesses the condition of the assets in a replicable way.

The City uses a computerized pavement management system to track the condition levels of each of the street sections. The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 70. This policy allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed.

At June 30, 2018, the City's streets averaged 72 PQI for arterial and collector roadways and 70 PQI for residential roadways. The City expended \$5.2 million on preservation of its streets in fiscal year 2018, compared to the budgeted amount of \$3.5 million.

#### **DEBT ADMINISTRATION**

The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note 8 to the financial statements. As of June 30, 2018 the City's debt comprised:

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**Outstanding Debt**  
**As of June 30, 2018 and 2017**  
**(in millions)**

	<u>2018</u>	<u>2017</u>	<u>Increase/ Decrease</u>
<b><u>Governmental Activity Debt</u></b>			
<b>Lease</b>			
2013 Public Facilities Refunding, 2.15%, due 8/1/25	\$ 10.1	\$ 11.4	\$ (1.3)
2015 316 Vernon Street Project, 2.00%-5.00%, due 2/1/34	13.9	14.2	(0.3)
Add: deferred debt premium	0.8	0.8	
<b>Capital Lease Obligations</b>			
<b>Equipment</b>			
<b>Loans</b>			
Successor Agency	4.0	4.0	
<b>Total Governmental Activity Debt</b>	<b><u>\$ 28.8</u></b>	<b><u>\$ 30.4</u></b>	<b><u>\$ (1.6)</u></b>
<b><u>Business-type Activity Debt</u></b>			
<b>Certificates of Participation</b>			
2009 Electric System Revenue Refunding, 2.00%-5.25%, due 2/1/24	\$ 3.0	\$ 4.7	\$ (1.7)
Add deferred bond premium		0.1	(0.1)
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.0	90.0	
2015 Water Utility Revenue Refunding, 2.00%-5.00%, due 12/1/29	35.3	37.7	(2.4)
Add deferred bond premium	5.6	6.0	(0.4)
Total Certificates of Participation	<b><u>133.9</u></b>	<b><u>138.5</u></b>	<b><u>(4.6)</u></b>
<b>Revenue Bonds</b>			
<b>2007 Gas Revenue Bonds</b>			
4.00%-5.00%, due 2/15/28	129.7	139.5	(9.8)
Add: deferred bond premium	6.6	7.4	(0.8)
<b>2010 Electric System Revenue Refunding</b>			
2.00%-5.00%, due 2/1/37	1.1	1.6	(0.5)
Add: deferred bond premium			
<b>2013 Electric System Revenue Refunding</b>			
2.00%-5.00%, due 2/1/29	34.9	39.4	(4.5)
Add: deferred bond premium	4.1	4.4	(0.3)
<b>2011 Refunding Wastewater Revenue Bonds, Series C</b>			
1.00%-5.25%, due 11/1/25	9.1	28.9	(19.8)
Add: deferred bond premium	0.5	1.8	(1.3)
<b>2013 Refunding Wastewater Revenue Bonds</b>			
variable rate, due 11/1/35	36.5	36.5	
<b>2014 Refunding Wastewater Revenue Bonds</b>			
variable rate, due 6/30/30	-	18.0	(18.0)
<b>2014 Refunding Electric System Revenue Bonds</b>			
5.00%, due 2/1/34	16.5	16.5	
Add: deferred bond premium	1.7	1.8	(0.1)
<b>2017A Electric System Revenue Refunding</b>			
3.0%-5.00%, due 2/1/37	56.2	56.2	
Add: deferred bond premium	4.6	4.9	(0.3)
<b>2017B Taxable Electric System Revenue Refunding</b>			
1.03%-2.41%, due 2/1/22	6.1	6.3	(0.2)
<b>2017 Wastewater Revenue Bonds</b>			
5.00%, due 11/1/37	46.1		46.1
Add: deferred bond premium	10.1		10.1
Total Revenue Bonds	<b><u>363.8</u></b>	<b><u>363.2</u></b>	<b><u>0.6</u></b>
<b>Total Business-type Activity Debt</b>	<b><u>\$ 497.7</u></b>	<b><u>\$ 501.7</u></b>	<b><u>\$ (4.0)</u></b>

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018

**ECONOMIC CONDITION, OUTLOOK AND ACTIVITY**

The economic condition of the City in fiscal year 2018 continued to improve. Overall, General Fund revenues increased from the prior year. The City continued its approach on the budgeting philosophy for the General Fund to more closely reflect anticipated expenses, leaving less unallocated at the end of the fiscal year. With the unspent funds, a General Fund Contingency, in addition to the General Fund's operating reserve, was created to allow more flexibility to address unanticipated needs that arise during the year.

The electric utility's count of customers grew 2.1% in fiscal year 2018. Energy sales and operating revenue increased 1% and 2% respectively from the prior year. Operating expenses decreased 2.7% from the prior year and non-operating expenses increased by 22% from last year. The revenue to expense outlook for the next several years forecasts revenue meeting expenses. Anticipated new development will add residential and commercial customers. Issues that may impact future rates include state and federal mandates related to renewable energy and environmental concern as well as increasing distributed generation throughout the customer base.

The environmental utilities (water, wastewater, and solid waste) ended the year with positive changes in their net position. The water and waste water utilities debt instrument performed well during fiscal year 2018. The water utility debt is fixed rate; however, the wastewater utility includes a large amount of variable rate debt. The interest rates on this debt remained low through fiscal year 2018. In fiscal year 2019, water, waste water and solid waste rates increased in total by approximately 5.5%.

The long-term outlook for the City's economy is promising. Building is continuing to increase for single family homes. New auto sales continued to increase compared to the prior year as the City continues to be a leader in the state.

On short-term basis, the City will need to continue controlling costs and payroll expansion to ensure operating revenues exceed operating expenses. In fiscal year 2018, the City continued with the five year funding plan to address unfunded liabilities associated with OPEB and the deferred maintenance and replacement of critical assets by increasing contribution to the respective funds. CalPERS costs increased, as expected, and are projected to continue to increase in future years.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

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## **BASIC FINANCIAL STATEMENTS**

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

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

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

The City's Governmental Activities include the activities of its General Fund, along with the Special Revenue, Capital Projects, Debt Service, and Permanent Funds. Since the City's Internal Service Funds predominately service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business Type Activities include activities of the 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 Governmental Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments in City Treasury	\$ 255,604,713	\$ 343,137,673	\$ 598,742,386
Restricted cash and investments with fiscal agents	3,719,843	35,053,633	38,773,476
Receivables:			
Accounts, net of allowance for doubtful accounts	7,303,300	36,691,151	43,994,451
Accrued interest	5,571,994	1,753,097	7,325,091
Due from other government agencies	20,195,416	2,502,096	22,697,512
Internal balances	772,219	(772,219)	-
Prepaid items and other assets	503,666	2,560,206	3,063,872
Developer permit fees receivable	942,718	-	942,718
Notes receivable	51,720,658	74,408	51,795,066
Inventories	1,246,575	12,071,978	13,318,553
Land held for resale	861,245	-	861,245
Prepaid purchased gas	-	138,536,341	138,536,341
Investment in NCPA reserves	-	3,572,168	3,572,168
Investment in SPWA reserves	-	97,650,641	97,650,641
Derivative at fair value	-	104,772,039	104,772,039
Capital assets:			
Capital assets not being depreciated	494,929,394	54,290,217	549,219,611
Capital assets being depreciated, net	451,781,161	1,472,996,290	1,924,777,451
Total Assets	<u>1,295,152,902</u>	<u>2,304,889,719</u>	<u>3,600,042,621</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	-	8,579,464	8,579,464
Accumulated decrease in fair value of hedging derivative	-	11,932,027	11,932,027
Deferred outflows related to OPEB	6,259,000	3,228,000	9,487,000
Deferred outflows related to pensions	49,463,081	34,485,621	83,948,702
Total Deferred Outflows of Resources	<u>55,722,081</u>	<u>58,225,112</u>	<u>113,947,193</u>
<b>LIABILITIES</b>			
Accounts payable	7,272,552	15,282,372	22,554,924
Accrued liabilities	5,253,781	7,230,556	12,484,337
Due to other governments	628,326	3,300,553	3,928,879
Deposits	5,679,515	6,950,977	12,630,492
Unearned revenues	1,233,659	7,635,537	8,869,196
Derivative at fair value	-	11,932,027	11,932,027
Compensated absences:			
Due within one year	5,006,275	3,069,230	8,075,505
Due in more than one year	12,305,314	5,349,210	17,654,524
Self-insurance claims payable and litigation settlement:			
Due within one year	1,964,425	-	1,964,425
Due in more than one year	8,676,162	-	8,676,162
Other long-term liabilities:			
Due within one year	1,561,381	22,670,194	24,231,575
Due in more than one year	27,242,831	475,091,620	502,334,451
Long-term liabilities due in more than one year:			
Landfill closure and post closure liability	-	1,586,800	1,586,800
Net OPEB liability	96,161,360	46,627,000	142,788,360
Net pension liability	214,249,551	122,008,762	336,258,313
Total Liabilities	<u>387,235,132</u>	<u>728,734,838</u>	<u>1,115,969,970</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated increase in fair value of hedging derivatives	-	104,772,039	104,772,039
Deferred inflows related to OPEB	17,573,000	8,777,000	26,350,000
Deferred inflows related to pensions	10,494,172	3,014,563	13,508,735
Total Deferred Inflows of Resources	<u>28,067,172</u>	<u>116,563,602</u>	<u>144,630,774</u>
<b>NET POSITION</b>			
Net investment in capital assets	930,356,095	1,174,477,350	2,104,833,445
Restricted for:			
Capital projects	100,908,246	-	100,908,246
Nonexpendable endowments	16,916,061	-	16,916,061
Debt service	102,758	34,238,887	34,341,645
Community development projects	12,859,847	-	12,859,847
Global warming prevention (AB 32)	-	14,478,131	14,478,131
Total Restricted	<u>130,786,912</u>	<u>48,717,018</u>	<u>179,503,930</u>
Unrestricted	(125,570,328)	294,622,023	169,051,695
Total Net Position	<u>\$ 935,572,679</u>	<u>\$ 1,517,816,391</u>	<u>\$ 2,453,389,070</u>

See accompanying notes to basic financial statements.



**CITY OF ROSEVILLE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

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	\$ 19,793,110	\$ 5,688,733	\$ 1,303,170	\$ 305,219	\$ (12,495,988)	\$ -	\$ (12,495,988)
Development and operations	25,227,066	12,440,599	8,839,478	5,555,324	1,608,335	-	1,608,335
Public works	21,316,464	158,610	742,169	12,402,738	(8,012,947)	-	(8,012,947)
Police	46,653,023	1,473,504	976,386	-	(44,203,133)	-	(44,203,133)
Fire	38,336,994	2,138,165	450,891	-	(35,747,938)	-	(35,747,938)
Library	5,888,252	18,561	75,803	-	(5,793,888)	-	(5,793,888)
Parks and recreation	28,848,599	17,469,661	60,225	9,511,144	(1,807,569)	-	(1,807,569)
Housing assistance payments	4,248,895	-	4,772,617	-	523,722	-	523,722
Interest on long-term debt	4,798,427	-	-	-	(4,798,427)	-	(4,798,427)
<b>Total Governmental Activities</b>	<b>195,110,830</b>	<b>39,387,833</b>	<b>17,220,739</b>	<b>27,774,425</b>	<b>(110,727,833)</b>	<b>-</b>	<b>(110,727,833)</b>
<b>Business-type Activities:</b>							
Electric	149,337,786	168,559,762	-	19,481,813	-	38,703,789	38,703,789
Water	32,296,706	31,624,951	269,353	28,827,211	-	28,424,809	28,424,809
Wastewater	45,984,028	37,426,508	-	28,191,521	-	19,634,001	19,634,001
Solid Waste	22,628,907	24,257,746	36,649	1,209,177	-	2,874,665	2,874,665
Natural Gas	24,217,677	16,528,513	-	-	-	(7,689,164)	(7,689,164)
Local Transportation	9,895,357	1,138,726	11,883,034	-	-	3,126,403	3,126,403
School-Age Child Care	7,866,178	6,396,920	425,789	1,114,831	-	71,362	71,362
<b>Total Business-Type Activities</b>	<b>292,226,639</b>	<b>285,933,126</b>	<b>12,614,825</b>	<b>78,824,553</b>	<b>-</b>	<b>85,145,865</b>	<b>85,145,865</b>
<b>Total</b>	<b>\$ 487,337,469</b>	<b>\$ 325,320,959</b>	<b>\$ 29,835,564</b>	<b>\$ 106,598,978</b>	<b>(110,727,833)</b>	<b>85,145,865</b>	<b>(25,581,968)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes				44,646,475	-		44,646,475
Sales taxes				50,710,102	-		50,710,102
Franchise fees				2,363,377	-		2,363,377
Transient occupancy taxes				3,534,479	-		3,534,479
Other taxes				4,854,967	-		4,854,967
Use of money and property				2,008,801	8,829,420		10,838,221
Miscellaneous revenues				10,143,729	-		10,143,729
Gain (loss) on sale of capital assets				3,522	(548,308)		(544,786)
Transfers				16,710,815	(16,710,815)		-
<b>Total General Revenues and Transfers</b>				<b>134,976,267</b>	<b>(8,429,703)</b>		<b>126,546,564</b>
<b>Change in Net Position</b>				<b>24,248,434</b>	<b>76,716,162</b>		<b>100,964,596</b>
<b>Net Position - Beginning, as Restated</b>				<b>911,324,245</b>	<b>1,441,100,229</b>		<b>2,352,424,474</b>
<b>Net Position - Ending</b>				<b>\$ 935,572,679</b>	<b>\$ 1,517,816,391</b>		<b>\$ 2,453,389,070</b>

See accompanying notes to basic financial statements.

## **FUND FINANCIAL STATEMENTS**

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

The fund described below was determined to be major a fund by the City in fiscal year 2018. Individual non-major funds may be found in the supplemental information section.

### **GENERAL FUND**

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

**CITY OF ROSEVILLE, CALIFORNIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2018**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>			
Cash and investments in City Treasury	\$ 28,954,332	\$ 173,331,184	\$ 202,285,516
Restricted cash and investments with fiscal agents	-	3,719,843	3,719,843
Receivables:			
Accounts	1,527,559	5,735,382	7,262,941
Accrued interest	813,580	2,249,339	3,062,919
Due from other government agencies	11,105,698	9,072,289	20,177,987
Due from other funds	1,999,599	95,054	2,094,653
Advances to other funds	8,571,032	-	8,571,032
Prepays	86,897	8,602	95,499
Developer permit fees receivable	469,067	473,651	942,718
Notes receivable	12,862,373	38,194,924	51,057,297
Inventories	232,394	-	232,394
Land held for resale	-	861,245	861,245
<b>Total Assets</b>	<b>\$ 66,622,531</b>	<b>\$ 233,741,513</b>	<b>\$ 300,364,044</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 1,828,483	\$ 4,596,768	\$ 6,425,251
Accrued liabilities	2,187,203	2,501,255	4,688,458
Due to other funds	-	2,254,999	2,254,999
Due to other government agencies	249	628,077	628,326
Advances from other funds	-	11,346,557	11,346,557
Unearned revenue	664,772	568,887	1,233,659
Deposits	5,031,039	648,476	5,679,515
<b>Total Liabilities</b>	<b>9,711,746</b>	<b>22,545,019</b>	<b>32,256,765</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	1,451,111	41,979,539	43,430,650
<b>FUND BALANCES:</b>			
Nonspendable	13,181,664	16,916,061	30,097,725
Restricted	-	144,792,470	144,792,470
Assigned	3,925,021	13,236,513	17,161,534
Unassigned	38,352,989	(5,728,089)	32,624,900
<b>Total Fund Balances</b>	<b>55,459,674</b>	<b>169,216,955</b>	<b>224,676,629</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 66,622,531</b>	<b>\$ 233,741,513</b>	<b>\$ 300,364,044</b>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 224,676,629

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

**CAPITAL ASSETS**

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds 814,538,632

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal service funds are used to charge the costs of certain activities such as insurance, post employment benefits, facility maintenance, and information technology. The net position of the internal service funds are therefore included in governmental activities in the statement of net position. 172,231,654

**LONG-TERM LIABILITIES**

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

Long-term debt	(28,804,212)
Interest payable	(497,164)
Compensated absences	(15,471,686)
Net OPEB liability	(96,161,360)
Net pension liability	(193,333,163)

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows related to pensions	36,238,663
Deferred inflows related to pensions	(9,961,964)
Deferred outflows related to OPEB	6,259,000
Deferred inflows related to OPEB	(17,573,000)
Unavailable revenue in the governmental funds is revenue in the governmental activities	43,430,650

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 935,572,679

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 101,478,273	\$ 10,360,415	\$ 111,838,688
Licenses and permits	3,001,719	-	3,001,719
Charges for services	17,605,164	26,936,696	44,541,860
Subventions and grants	578,650	12,347,327	12,925,977
Use of money and property	1,386,080	12,194,869	13,580,949
Fines, forfeitures and penalties	959,460	439,827	1,399,287
Contributions from developers and others	852,398	1,408,443	2,260,841
Miscellaneous revenues	3,069,092	2,953,132	6,022,224
<b>Total Revenues</b>	<b>128,930,836</b>	<b>66,640,709</b>	<b>195,571,545</b>
<b>EXPENDITURES</b>			
Current:			
General government	6,839,494	8,456,581	15,296,075
Development and operations	13,336,075	3,099,636	16,435,711
Public works	7,301,468	837,061	8,138,529
Public safety:			
Police	39,780,048	36,976	39,817,024
Fire	32,678,771	10,694	32,689,465
Library	5,224,590	-	5,224,590
Parks and recreation	17,375,837	8,107,671	25,483,508
Housing assistance payments	-	4,248,895	4,248,895
Annexation payments	5,775,035	-	5,775,035
Capital outlay	3,919,194	45,633,880	49,553,074
Debt service:			
Principal retirement	1,096,038	436,279	1,532,317
Interest and fiscal charges	830,518	4,117,805	4,948,323
<b>Total Expenditures</b>	<b>134,157,068</b>	<b>74,985,478</b>	<b>209,142,546</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,226,232)</b>	<b>(8,344,769)</b>	<b>(13,571,001)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	13,517,024	15,022,312	28,539,336
Transfers out	(13,407,406)	(10,694,915)	(24,102,321)
<b>Total Other Financing Sources (Uses)</b>	<b>109,618</b>	<b>4,327,397</b>	<b>4,437,015</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(5,116,614)</b>	<b>(4,017,372)</b>	<b>(9,133,986)</b>
<b>FUND BALANCES - BEGINNING OF YEAR, AS RESTATED</b>	<b>60,576,288</b>	<b>173,234,327</b>	<b>233,810,615</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 55,459,674</b>	<b>\$ 169,216,955</b>	<b>\$ 224,676,629</b>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
RECONCILIATION OF THE  
NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS  
TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(9,133,986)
<p>Amounts reported for governmental activities in the statement of activities are different from those reported in the Governmental funds because of the following:</p>		
<b>CAPITAL ASSETS TRANSACTIONS</b>		
Governmental funds report capital outlays as expenditures		49,553,074
Equipment and furniture recorded at the function level		1,773,768
In the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense (net of depreciation on internal service fund capital assets of \$6,612,194)		(17,482,085)
<b>LONG TERM DEBT TRANSACTIONS</b>		
<p>Issuance of debt and repayment of principal is an other financing source and expenditure, respectively, in the governmental funds but in the statement of net position the transactions increase and reduce long term liabilities</p>		
Payment of debt principal		1,532,317
Amortization of premium		73,041
<b>PENSION RELATED ITEMS</b>		
<p>Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts</p>		
		(4,890,141)
<b>OPEB RELATED ITEMS</b>		
<p>Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in net OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represent the net change in OPEB related amounts</p>		
		(536,986)
<b>ACCRUAL OF NON-CURRENT ITEMS</b>		
<p>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):</p>		
Compensated absences		(247,843)
Interest payable		76,855
<b>UNAVAILABLE REVENUES</b>		
<p>Revenue and other resources not available to liabilities of the current period are not recognized in governmental funds. Revenue in the statement of activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues - unavailable revenues at the end of the year were less than beginning unavailable revenues by this amount.</p>		
		7,076,904
<b>ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY</b>		
<p>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.</p>		
Change in Net Position - All Internal Service Funds		(3,546,484)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<u><u>24,248,434</u></u>

See accompanying notes to basic financial statements.

## **PROPRIETARY FUNDS**

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

The City has identified the funds below as major enterprise funds in fiscal year 2018.

### **ELECTRIC FUND**

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

### **WATER FUND**

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

### **WASTEWATER FUND**

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

### **SOLID WASTE FUND**

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

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

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

### **INTERNAL SERVICE FUNDS**

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>ASSETS:</b>					
Current Assets:					
Cash and investments in City Treasury	\$ 160,909,670	\$ 87,750,779	\$ 60,708,866	\$ 26,058,376	\$ 45,633
Restricted cash and investments with fiscal agents	16,546,046	9,770,032	-	-	8,737,555
Receivables:					
Accounts, net of allowance for doubtful accounts	20,861,252	6,341,655	6,501,500	2,786,343	113
Accrued interest	851,461	432,176	295,691	128,180	283
Due from other government agencies	-	268,158	515,802	-	-
Prepays	2,560,206	-	-	-	-
Notes receivable	-	74,408	-	-	-
Due from other funds	-	-	-	-	-
Inventories	11,294,704	489,237	114,079	173,958	-
<b>Total Current Assets</b>	<b>213,023,339</b>	<b>105,126,445</b>	<b>68,135,938</b>	<b>29,146,857</b>	<b>8,783,584</b>
Non-Current Assets:					
Prepaid purchased gas	-	-	-	-	138,536,341
Investment in NCPA reserves	3,572,168	-	-	-	-
Investment in SPWA reserves	-	-	97,650,641	-	-
Advances to other funds	-	-	-	-	-
Derivative at fair value	-	-	-	-	104,772,039
Capital assets (Note 8):					
Land and construction in progress	11,616,011	8,189,521	28,444,568	904,007	-
Capital assets being depreciated, net	415,270,465	483,412,134	554,564,946	3,082,178	-
<b>Total Non-Current Assets</b>	<b>430,458,644</b>	<b>491,601,655</b>	<b>680,660,155</b>	<b>3,986,185</b>	<b>243,308,380</b>
<b>Total Assets</b>	<b>643,481,983</b>	<b>596,728,100</b>	<b>748,796,093</b>	<b>33,133,042</b>	<b>252,091,964</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred charge on refunding	6,534,542	2,044,922	-	-	-
Accumulated decrease in fair value of hedging derivatives	11,041,086	-	890,941	-	-
Deferred outflows related to OPEB	1,111,000	572,000	681,000	543,000	-
Deferred outflows related to pensions	16,274,644	5,221,265	5,020,526	2,941,354	-
<b>Total Deferred outflows of resources</b>	<b>34,961,272</b>	<b>7,838,187</b>	<b>6,592,467</b>	<b>3,484,354</b>	<b>-</b>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable	9,389,072	904,706	3,415,979	762,904	6,654
Accrued liabilities	3,189,237	425,095	886,727	177,609	2,432,813
Due to other government agencies	17,219	-	3,283,334	-	-
Due to other funds	-	-	-	-	-
Current portion of compensated absences	1,422,980	577,681	554,258	255,798	-
Current portion of long-term debt	7,130,000	2,435,000	2,830,194	-	10,275,000
Deposits	2,281,152	58,000	-	-	4,611,690
Unearned revenue	3,194,645	-	-	-	-
Self-insurance claims payable	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>26,624,305</b>	<b>4,400,482</b>	<b>10,970,492</b>	<b>1,196,311</b>	<b>17,326,157</b>
Long-term liabilities:					
Advances from other funds	-	-	-	-	-
Long-term debt, non-current portion	211,006,805	38,438,572	99,548,050	-	126,098,193
Landfill closure and post closure liability	-	-	-	1,586,800	-
Compensated absences	2,317,161	987,997	1,137,286	477,437	-
Self-insurance claims payable	-	-	-	-	-
Derivative at fair value	11,041,086	-	890,941	-	-
Net OPEB liability	15,897,000	7,747,000	9,179,000	8,277,000	-
Net pension liability	55,319,523	20,904,349	21,663,328	12,037,289	-
<b>Total Long-Term Liabilities</b>	<b>295,581,575</b>	<b>68,077,918</b>	<b>132,418,605</b>	<b>22,378,526</b>	<b>126,098,193</b>
<b>Total Liabilities</b>	<b>322,205,880</b>	<b>72,478,400</b>	<b>143,389,097</b>	<b>23,574,837</b>	<b>143,424,350</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Accumulated increase in fair value of hedging derivatives	-	-	-	-	104,772,039
Deferred inflows related to OPEB	3,119,000	1,542,000	1,887,000	1,384,000	-
Deferred inflows related to pensions	1,363,763	554,586	477,953	264,061	-
<b>Total Deferred inflows of resources</b>	<b>4,482,763</b>	<b>2,096,586</b>	<b>2,364,953</b>	<b>1,648,061</b>	<b>104,772,039</b>
<b>NET POSITION:</b>					
Net investment in capital assets	215,284,213	452,773,005	480,631,270	3,986,185	-
Restricted for debt service	16,099,600	4,134,075	5,267,657	-	8,737,555
Restricted for sustainable energy programs (AB 32)	14,478,131	-	-	-	-
Unrestricted	105,892,668	73,084,221	123,735,583	7,408,313	(4,841,980)
<b>TOTAL NET POSITION</b>	<b>\$ 351,754,612</b>	<b>\$ 529,991,301</b>	<b>\$ 609,634,510</b>	<b>\$ 11,394,498</b>	<b>\$ 3,895,575</b>

See accompanying notes to basic financial statements.



Business-Type Activities Enterprise Funds		Governmental Activities	
Non-Major Enterprise Funds		Internal Service Funds	
Total	Totals		
\$ 7,664,349	\$ 343,137,673	\$ 53,319,197	
-	35,053,633	-	
200,288	36,691,151	40,359	
45,306	1,753,097	2,509,075	
1,718,136	2,502,096	17,429	
-	2,560,206	408,167	
-	74,408	663,361	
-	-	217,565	
-	12,071,978	1,014,181	
<u>9,628,079</u>	<u>433,844,242</u>	<u>58,189,334</u>	
-	138,536,341	-	
-	3,572,168	-	
-	97,650,641	-	
-	-	3,490,525	
-	104,772,039	-	
5,136,110	54,290,217	2,086,375	
<u>16,666,567</u>	<u>1,472,996,290</u>	<u>130,085,548</u>	
<u>21,802,677</u>	<u>1,871,817,696</u>	<u>135,662,448</u>	
<u>31,430,756</u>	<u>2,305,661,938</u>	<u>193,851,782</u>	
-	8,579,464	-	
-	11,932,027	-	
321,000	3,228,000	-	
<u>5,027,832</u>	<u>34,485,621</u>	<u>13,224,418</u>	
<u>5,348,832</u>	<u>58,225,112</u>	<u>13,224,418</u>	
803,057	15,282,372	847,301	
119,075	7,230,556	68,159	
-	3,300,553	-	
57,219	57,219	-	
258,513	3,069,230	565,273	
-	22,670,194	-	
135	6,950,977	-	
4,440,892	7,635,537	-	
-	-	1,964,425	
<u>5,678,891</u>	<u>66,196,638</u>	<u>3,445,158</u>	
715,000	715,000	-	
-	475,091,620	-	
-	1,586,800	-	
429,329	5,349,210	1,274,630	
-	-	8,676,162	
-	11,932,027	-	
5,527,000	46,627,000	-	
<u>12,084,273</u>	<u>122,008,762</u>	<u>20,916,388</u>	
<u>18,755,602</u>	<u>663,310,419</u>	<u>30,867,180</u>	
<u>24,434,493</u>	<u>729,507,057</u>	<u>34,312,338</u>	
-	104,772,039	-	
845,000	8,777,000	-	
354,200	3,014,563	532,208	
<u>1,199,200</u>	<u>116,563,602</u>	<u>532,208</u>	
21,802,677	1,174,477,350	132,171,923	
-	34,238,887	-	
-	14,478,131	-	
<u>(10,656,782)</u>	<u>294,622,023</u>	<u>40,059,731</u>	
<u>\$ 11,145,895</u>	<u>\$ 1,517,816,391</u>	<u>\$ 172,231,654</u>	

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>OPERATING REVENUES</b>					
Charges for services	\$ 162,413,939	\$ 31,275,177	\$ 37,408,766	\$ 23,906,399	\$ 16,528,513
Other	6,145,823	349,774	17,742	351,347	-
Total Operating Revenues	<u>168,559,762</u>	<u>31,624,951</u>	<u>37,426,508</u>	<u>24,257,746</u>	<u>16,528,513</u>
<b>OPERATING EXPENSES</b>					
Power supply	77,089,666	-	-	-	18,133,391
Operations	26,754,694	16,201,098	22,415,377	20,193,679	-
Administration	12,431,539	4,834,880	2,901,690	2,252,927	6,908
Depreciation and amortization	22,323,696	9,179,485	11,809,368	182,301	(735,910)
Claims expense	-	-	-	-	-
Total Operating Expenses	<u>138,599,595</u>	<u>30,215,463</u>	<u>37,126,435</u>	<u>22,628,907</u>	<u>17,404,389</u>
Operating Income (Loss)	<u>29,960,167</u>	<u>1,409,488</u>	<u>300.073</u>	<u>1,628,839</u>	<u>(875,876)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest and rents revenue	336,679	561,830	54,738	41,280	7,728,031
Interest and fiscal charges (expenses)	(9,757,115)	(2,081,243)	(3,917,719)	-	(6,813,288)
Subventions and grants	-	269,353	-	36,649	-
Cost of issuance	-	-	(448,275)	-	-
Gain (loss) from sale of property	(496,657)	(13,937)	(20,185)	(13,937)	-
Increase (decrease) in JPA reserves	(981,076)	-	(4,491,599)	-	-
Total Nonoperating Revenues (Expenses)	<u>(10,898,169)</u>	<u>(1,263,997)</u>	<u>(8,823,040)</u>	<u>63,992</u>	<u>914,743</u>
Income (Loss) Before Contributions and Transfers	19,061,998	145,491	(8,522,967)	1,692,831	38,867
Capital contributions - connection/impact fees	1,901,491	11,092,510	12,195,509	625,264	-
Contributions in aid of construction	4,359,161	-	-	-	-
Capital contributions from developers and governmental activities	13,221,161	17,734,701	15,996,012	583,913	-
Transfers in	32,802	2,454,105	856,970	1,552,101	-
Transfers out	<u>(9,433,383)</u>	<u>(2,724,827)</u>	<u>(5,601,147)</u>	<u>(1,601,795)</u>	<u>-</u>
Change in net position	29,143,230	28,701,980	14,924,377	2,852,314	38,867
<b>TOTAL NET POSITION - BEGINNING AS RESTATED</b>	<u>322,611,382</u>	<u>501,289,321</u>	<u>594,710,133</u>	<u>8,542,184</u>	<u>3,856,708</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 351,754,612</u>	<u>\$ 529,991,301</u>	<u>\$ 609,634,510</u>	<u>\$ 11,394,498</u>	<u>\$ 3,895,575</u>

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds		Governmental Activities- Internal Service Funds	
Non-Major Enterprise Funds Total	Totals		
\$ 7,090,061	\$ 278,622,855	\$ 42,338,208	
445,585	7,310,271	-	
<u>7,535,646</u>	<u>285,933,126</u>	<u>42,338,208</u>	
-	95,223,057	-	
13,865,751	99,430,599	46,199,222	
2,290,684	24,718,628	-	
1,598,585	44,357,525	8,128,368	
-	-	4,227,860	
<u>17,755,020</u>	<u>263,729,809</u>	<u>58,555,450</u>	
<u>(10,219,374)</u>	<u>22,203,317</u>	<u>(16,217,242)</u>	
106,862	8,829,420	147,693	
(6,515)	(22,575,880)	-	
12,308,823	12,614,825	-	
-	(448,275)	-	
(3,592)	(548,308)	249,265	
-	(5,472,675)	-	
<u>12,405,578</u>	<u>(7,600,893)</u>	<u>396,958</u>	
2,186,204	14,602,424	(15,820,284)	
-	25,814,774	-	
-	4,359,161	-	
1,114,831	48,650,618	-	
131,212	5,027,190	12,703,525	
<u>(2,376,853)</u>	<u>(21,738,005)</u>	<u>(429,725)</u>	
1,055,394	76,716,162	(3,546,484)	
<u>10,090,501</u>	<u>1,441,100,229</u>	<u>175,778,138</u>	
<u>\$ 11,145,895</u>	<u>\$ 1,517,816,391</u>	<u>\$ 172,231,654</u>	

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2018**

	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	\$ 164,115,846	\$ 31,196,234	\$ 36,697,841	\$ 23,936,158	\$ 16,518,686
Payments to suppliers	(83,167,133)	(5,948,167)	(15,665,374)	(14,138,897)	(7,648,701)
Payments to employees	(27,928,701)	(12,972,157)	(7,771,470)	(6,983,871)	-
Payments to OPEB trust	-	-	-	-	-
Claims paid	-	-	-	-	-
Other receipts	6,145,823	349,774	17,742	351,347	-
Net Cash provided by/(used for) Operating Activities	<u>59,165,835</u>	<u>12,625,684</u>	<u>13,278,739</u>	<u>3,164,737</u>	<u>8,869,985</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Subventions and grants	-	92,692	-	42,650	-
Increase/decrease in due from other funds	-	-	-	-	-
Increase/decrease in due to other funds	-	-	-	-	-
Increase/decrease in advance to other funds	-	-	-	-	-
Increase/decrease in advances from other funds	-	-	-	-	-
Transfers in	32,802	2,454,105	856,970	1,552,101	-
Transfers out	(9,433,383)	(2,724,827)	(5,601,147)	(1,601,795)	-
Net cash provided by/(used for) Noncapital Financing Activities	<u>(9,400,581)</u>	<u>(178,030)</u>	<u>(4,744,177)</u>	<u>(7,044)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	4,359,189	-	-	-	-
Acquisition and construction of capital assets	(14,724,216)	(3,330,579)	(8,706,296)	(1,970,131)	-
Change in restricted assets	(184,197)	(257,502)	-	-	(35,373)
Issuance of debt	-	-	19,654,231	-	-
Debt issuances	-	-	-	-	-
Deferred charges on refunding	427,731	170,410	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Issuance costs	-	-	(448,275)	-	-
Principal payments on capital debt	(7,664,318)	(2,791,965)	-	-	(9,780,000)
Interest paid on capital debt	(8,945,971)	(2,081,243)	(3,917,719)	-	(6,813,288)
Issuance of notes receivable	-	7,295	-	-	-
Connection/impact fees	1,901,491	11,092,516	12,195,517	625,259	-
Net cash provided by/(used for) Capital and Related Financing Activities	<u>(24,830,291)</u>	<u>2,808,932</u>	<u>18,777,458</u>	<u>(1,344,872)</u>	<u>(16,628,661)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and rents received	76,354	477,077	(29,868)	10,376	7,727,748
Investment in JPA Reserves	981,076	-	(24,965,329)	-	-
Net cash provided by/(used for) Investing Activities	<u>1,057,430</u>	<u>477,077</u>	<u>(24,995,197)</u>	<u>10,376</u>	<u>7,727,748</u>
Net increase (decrease) in cash and cash equivalents	25,992,393	15,733,663	2,316,823	1,823,197	(30,928)
Cash and investments at beginning of period	134,917,277	72,017,116	58,392,043	24,235,179	76,561
Cash and investments at end of period	<u>\$ 160,909,670</u>	<u>\$ 87,750,779</u>	<u>\$ 60,708,866</u>	<u>\$ 26,058,376</u>	<u>\$ 45,633</u>

See accompanying notes to basic financial statements.

Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
Non-Major Enterprise Funds Total	Totals	
\$ 7,072,336	\$ 279,537,101	\$ 40,444,712
(12,425,172)	(138,993,444)	(11,372,745)
(2,386,728)	(58,042,927)	(11,749,019)
-	-	(14,620,323)
-	-	(5,591,211)
449,289	7,313,975	1,905,062
(7,290,275)	89,814,705	(983,524)
7,601,728	7,737,070	(8,003)
(13,870)	(13,870)	488,257
-	-	(453,015)
-	-	(99,654)
(40,000)	(40,000)	-
431,212	5,327,190	12,703,525
(2,376,853)	(21,738,005)	(429,726)
5,602,217	(8,727,615)	12,201,384
-	4,359,189	-
(4,326,378)	(33,057,600)	(3,321,504)
-	(477,072)	-
-	19,654,231	-
-	-	-
-	598,141	-
-	-	-
-	(448,275)	-
-	(20,236,283)	-
-	(21,758,221)	-
-	7,295	-
-	25,814,783	-
(4,326,378)	(25,543,812)	(3,321,504)
121,677	8,383,364	81,800
-	(23,984,253)	-
121,677	(15,600,889)	81,800
(5,892,759)	39,942,389	7,978,156
13,557,108	303,195,284	45,341,041
\$ 7,664,349	\$ 343,137,673	\$ 53,319,197

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
Reconciliation of Operating Income (Loss) to Net Cash provided by/(used for) Operating Activities:					
Operating Income (Loss)	\$ 29,960,167	\$ 1,409,488	\$ 300,073	\$ 1,628,839	\$ (875,876)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and amortization	22,323,696	9,179,485	11,809,368	182,301	(735,910)
OPEB expense	(386,000)	(136,000)	2,576,529	841,000	-
Pension expense	4,469,941	1,722,850	(1,232,295)	858,400	-
Change in Assets and Liabilities:					
Receivables, net	756,935	(100,443)	(710,925)	29,759	173
Inventories	(503,260)	(16,070)	13,499	(137,785)	-
Prepays	(176,644)	-	-	-	-
Prepaid purchased gas	-	-	-	-	10,670,636
Accounts payable and other liabilities	1,513,883	566,374	522,490	(237,777)	(189,038)
Unearned revenue	1,207,117	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 59,165,835</u>	<u>\$ 12,625,684</u>	<u>\$ 13,278,739</u>	<u>\$ 3,164,737</u>	<u>\$ 8,869,985</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING TRANSACTIONS					
Capital assets transferred from governmental activities	<u>\$ 3,745,649</u>	<u>\$ 528,230</u>	<u>\$ 450,342</u>	<u>\$ 583,912</u>	
Contributions of capital assets from developers	<u>\$ 9,408,910</u>	<u>\$ 17,206,470</u>	<u>\$ 15,545,670</u>		
Amortization of bond premium	<u>\$ 749,319</u>	<u>\$ 461,964</u>	<u>\$ 1,875,636</u>		<u>\$ 735,910</u>
Amortization of deferred amount on refunding	<u>\$ (427,731)</u>	<u>\$ (170,410)</u>			

See accompanying notes to basic financial statements.

Business-Type Activities - Enterprise Funds Non-Major Enterprise Funds Total	Totals	Governmental Activities- Internal Service Funds
\$ (10,219,374)	\$ 22,203,317	\$ (16,217,242)
1,598,585	44,357,525	8,128,368
1,119,278	4,014,807	-
432,058	6,250,954	4,290,559
(1,792)	(26,293)	9,086
-	(643,616)	(233,429)
-	(176,644)	982,604
-	10,670,636	-
(219,030)	1,956,902	2,056,530
-	1,207,117	-
<u>\$ (7,290,275)</u>	<u>\$ 89,814,705</u>	<u>\$ (983,524)</u>

<u>\$ 90,338</u>	<u>\$ 5,398,471</u>
	<u>\$ 42,161,050</u>
	<u>\$ 3,822,829</u>
	<u>\$ (598,141)</u>

**CITY OF ROSEVILLE, CALIFORNIA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

**FIDUCIARY FUNDS**

Fiduciary funds are presented separately from the Government-wide and Fund financial statements. The City had the following types of fiduciary funds in fiscal year 2018:

*Other Post-Employment Benefits Trust Fund* is used to account for assets held by the City as a trustee agent for the members and beneficiaries of other post-employment benefit plan.

*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.



**CITY OF ROSEVILLE, CALIFORNIA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2018**

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>			
Cash and investments in City Treasury	\$ -	\$ 5,358,742	\$ 152,535,472
Restricted cash and investments with fiscal agents	-	241,540	58,773,566
OPEB Plan Assets:			
Domestic equity funds	49,100,387	-	-
Fixed income securities	31,220,354	-	-
Real estate partnership	3,049,009	-	-
Cash equivalents	786,665	-	-
Accounts receivable	-	-	2,977,546
Taxes receivable	-	-	12,828,614
Accrued interest receivable	419	571,617	635,348
Due from other government agencies	-	-	893,027
Notes receivable	-	4,152,359	-
Capital Assets:			
Land	-	74,369	-
	<u>84,156,834</u>	<u>10,398,627</u>	<u>\$ 228,643,573</u>
<b>LIABILITIES:</b>			
Accounts payable	37,194	5	\$ 4,656,451
Accrued liabilities	-	937,652	851,147
Due to other government agencies	-	-	13,122
Due to member agencies	-	-	161,965,146
Due to bondholders	-	-	56,913,696
Due to others	-	-	4,244,011
Long-term liabilities:			
Due in one year	-	2,036,284	-
Due in more than one year	-	48,505,724	-
	<u>37,194</u>	<u>51,479,665</u>	<u>\$ 228,643,573</u>
<b>NET POSITION (DEFICIT):</b>			
Restricted for OPEB	<u>\$ 84,119,640</u>		
Held in trust for private purposes or for other governments		<u>\$ (41,081,038)</u>	

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds
<b>ADDITIONS</b>		
Property taxes, net of pass through payments	\$ -	\$ 3,377,428
Contributions from the City	14,213,477	-
Investment income	5,902,312	155,841
Total Additions	20,115,789	3,533,269
<b>DEDUCTIONS</b>		
General government	-	25,684
Community services	-	169,006
Retiree health plan benefits	8,449,000	-
Administrative expense	210,775	-
Interest and fiscal charges	-	3,301,530
Total Deductions	8,659,775	3,496,220
<b>CHANGE IN NET POSITION</b>	11,456,014	37,049
<b>NET POSITION</b>		
NET POSITION (DEFICIT) - BEGINNING	72,663,626	(41,118,087)
NET POSITION (DEFICIT) - ENDING	\$ 84,119,640	\$ (41,081,038)

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

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

**A. Reporting Entity**

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

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**A. Reporting Entity (Continued)**

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

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

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

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

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

Financial statements for the Roseville Natural Gas Financing Authority and the Roseville Community Development Corporation, and the City of Roseville Other Post-Employment Benefits Trust may be obtained from the City of Roseville at 311 Vernon Street, Roseville, California, 95678. Separate financial statements for the Roseville Finance Authority, Roseville Housing Authority, and the Successor Agency are not issued.

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***B. Basis of Presentation***

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Certain indirect costs are included in the program expense reported for individual functions and activities. Indirect cost charges appear on the fund summaries that are paying for the services and reduce the expenditures of the departments providing the services on the fund summary for the General Fund. The purpose is to ensure that the General Fund is reimbursed for the services that it is providing throughout the City

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

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

***C. Major Funds***

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**C. Major Funds (Continued)**

**General Fund** – This is used as the main operating governmental fund of the City to account for 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.

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

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

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

**Wastewater Fund** – This fund accounts for all financial transactions relating to the City’s wastewater collection and treatment. Services are on a user charge basis to residents and business owners located in the City.

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

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

The City also reports the following funds:

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

**Fiduciary Funds** – These funds account for assets held by the City as an agent for various functions. The Endowment Private-Purpose Trust Fund is used to account for assets held by the City as an agent for various endowment funds for the benefits of certain private-purpose trust funds. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The Other Post-Employment Benefits Trust Fund accounts for the accumulation of resources to be used for retiree medical benefit payments at appropriate amounts and times in the future. The Agency Funds are used to account for assets held by the City as an agency for certain special assessment districts in the City, the City’s payroll revolving fund, various joint powers authorities, Dry Creek Drainage Basin, County Capital Facilities Fee, South Placer Wastewater Authority, Special Sewer Benefit Areas, South Placer County Tourism Business Improvement District (SPCTBID), South Placer County Safe Kids Coalition, South Placer Regional Traffic Fee, City/County Traffic Mitigation Fund, Placer County Air Pollution Control Fund, Sierra College Boulevard Fund, and other programs for the benefits of parties outside of the City. The financial activities of these funds are excluded from the government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***D. Basis of Accounting***

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

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within one hundred twenty (120) days after year-end with the exception of property taxes which is considered available if collected within sixty (60) days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

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

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

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

***E. Cash, Cash Equivalents, and Investments***

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

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

Revenues are recognized based on services rendered to customers. All residential and commercial utility customers are billed once per month. There are twenty-three billing cycles per month which include all types of customers, based on their location within the City. Revenues for services provided but not billed at the end of a fiscal year are accrued. Contributions of cash or assets to proprietary funds from state and federal agencies, developers and others are recorded as revenue at acquisition value.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category on the government-wide and proprietary fund statements of net position. They are the deferred charge on refunding, accumulated decrease in fair value of hedging derivatives, deferred outflows related to the net OPEB liability, and deferred outflows related to pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The accumulated decrease in fair value of hedging derivatives represents the change in fair value for the City's derivative liabilities that have been determined to be effective. The deferred outflows related to pensions and OPEB are described in Note 11 and Note 12 respectively.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of these items reported in the government-wide and proprietary fund statements of net position including the accumulated increase in fair value of hedging derivatives, the deferred inflows related to pensions, the deferred inflows related to the net OPEB liability, and unavailable revenues reported in the governmental funds balance sheet. The accumulated increase in fair value of hedging derivatives represents the change in fair value for the City's derivative assets that have been determined to be effective. The deferred inflows related to pensions and OPEB are described in Note 11 and 12 respectively.

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

***H. Property Tax***

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

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

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



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***I. Compensated Absences***

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

The changes in compensated absence balances were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 16,761,222	\$ 8,334,024	\$ 25,095,246
Additions	5,553,410	1,721,176	7,274,586
Payments	(5,003,043)	(1,636,760)	(6,639,803)
Ending Balance	<u>\$ 17,311,589</u>	<u>\$ 8,418,440</u>	<u>\$ 25,730,029</u>
Current Portion	<u>\$ 5,006,275</u>	<u>\$ 3,069,230</u>	<u>\$ 8,075,505</u>

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

***J. Inventories***

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

***K. Prepaid Items***

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

***L. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***M. Pensions***

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

***N. Postemployment Benefits Other Than Pensions (OPEB)***

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

***O. Fair Value Measurement***

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

***P. Net Position***

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

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***Q. Fund Balance***

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

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

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

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

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

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

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

***R. Capital Assets***

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**R. Capital Assets (Continued)**

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

	<u>Useful Lives</u>	<u>Capitalization Thresholds</u>
Buildings	20-40 years	no threshold
Improvements	40 years	no threshold
Machinery and Equipment	3-20 years	5,000
Bike Paths	20 years	no threshold
Bridges	90 years	no threshold
Culverts	75 years	no threshold
Curb, Gutter, Sidewalks and Median Curbs	20 years	no threshold
Drain Inlets	50 years	no threshold
Flood Control Improvements	75 years	no threshold
Soundwalls	35 years	no threshold
Stormdrains	75 years	no threshold
Traffic Signals	20 years	no threshold
Plants and Substations:		
Electric	10-120 years	no threshold
Sewer	15-60 years	no threshold
Water	15-75 years	no threshold
Distribution Systems:		
Electric	7-100 years	no threshold
Sewer	75 years	no threshold
Water	75 years	no threshold
Electric Generation	10-40 years	no threshold
Parks	25 years	no threshold
Landscaping	12 years	no threshold

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

**S. New Accounting Pronouncements**

Effective in this Fiscal Year

**GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. The City has implemented the requirements of this Statement as of July 1, 2017.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

**GASB Statement No. 85** – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The City has implemented the requirements of this Statement as of July 1, 2017.

Effective in Future Fiscal Year

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

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

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

**GASB Statement No. 88** – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. The City has not determined the effect on the Program's financial statements.

**GASB Statement No. 89** – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2019. The City has not determined the effect on the Program's financial statements.

**GASB Statement No. 90** – In September 2018, the GASB issues Statement No. 90, *Majority Equity Interests*, an amendment of GASB Statements No. 14 and No. 61. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018. The City has not determined the effect on the Program's financial statements.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS**

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

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

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

**A. Classification**

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

Cash and investments in City Treasury	\$ 598,742,386
Restricted cash and investments with fiscal agents	<u>38,773,476</u>
Total City cash and investments with primary government	637,515,862
Fiduciary Funds (separate statement)	
Cash and investments in City Treasury	157,894,214
Restricted cash and investments with fiscal agents	<u>59,015,106</u>
Total Cash and Investments	<u><u>\$ 854,425,182</u></u>

Cash and investments as of June 30, 2018, consist of the following:

Cash in bank and on hand	\$ 27,014,006
Investments	<u>827,411,176</u>
Total Cash and Investments	<u><u>\$ 854,425,182</u></u>

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

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

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations (A)	5 Years	None	None	None
U.S. Agency Securities (A)	5 Years	None	None	None
Forward Delivery Agreements	N/A	A	None	None
Local Agency Bonds	5 Years	None	None	None
Repurchase Agreements	30 days	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	10% (B)
Medium-Term Notes	5 Years	A	30%	None
Collateralized Time Deposits	5 Years	None	30%	None
Negotiable Certificates of Deposit	5 Years	A	30%	None
Local Agency Investment Fund	N/A	None	None	\$65 million/account
Insured Saving Accounts	N/A	None	None	None
Money Market Mutual Funds	N/A	None	20%	10%
Shares in a California Common Law Trust	N/A	None	None	None
Interest Rate Swaps (C)	N/A	None	None	None
Supranationals	5 Years	AA-	30%	None
Mortgage Pass-Through Securities	5 Years	AA	20%	None

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

- City Pool, subject to 25%
- Citizens Benefit Permanent Fund
- Roseville Aquatics Complex Maintenance Permanent Fund
- Endowment Private-Purpose Trust Fund
- OPEB Trust Fund
- All future trust and/or endowment funds established by the City with no anticipated use of principal

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

(C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority (Authority), the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority which may be obtained by contacting the City Finance Department at 311 Vernon Street, Roseville, California 95678.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

***C. Investments Authorized by Debt Agreements***

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

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	N/A	None
Lawful Investments	N/A	None
Investment Agreements	N/A	A+ to AA
Local Agency Investment Fund	N/A	None
Placer County Investment Pool	N/A	None
Supranationals	N/A	None
Mortgage Pass-Through Securities	N/A	None



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**D. Interest Rate Risk**

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

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

	Remaining Maturity (in Months)				Total
	12 months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	
Federal Agency Securities	\$ 35,020,813	\$ 61,630,509	\$ 267,017,510	\$ 134,612,890	\$ 498,281,722
Forward Purchase Agreement	4,042,626	-	-	-	4,042,626
Medium-Term Notes	7,232,265	16,788,140	171,750,988	-	195,771,393
Money Market Mutual Funds	63,123,822	-	-	-	63,123,822
Supra-National Agency	-	-	4,932,050	-	4,932,050
Guaranteed Investment Contracts (GIC)	-	-	-	6,068,862	6,068,862
Local Agency Investment Fund	52,960,218	-	-	-	52,960,218
California Asset Management Pool	2,230,483	-	-	-	2,230,483
Total	<u>\$ 164,610,227</u>	<u>\$ 78,418,649</u>	<u>\$ 443,700,548</u>	<u>\$ 140,681,752</u>	<u>\$ 827,411,176</u>

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2018 the fair value was \$63,278 less 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, 2018, these investments matured in an average of 193 days. LAIF is not registered with the Securities and Exchange Commission and is not rated.

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2018, the fair value approximated is the City’s cost, and these investments had an average maturity of 35 days. CAMP is not registered with the Securities and Exchange Commission and is not rated.

Money market mutual funds were available for withdrawal on demand and at June 30, 2018 and had an average maturity of 17 days for the Dreyfus U.S. Treasury Money Market Fund and 20 days for the First American Money Market Fund.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

***E. Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2018, for each investment type as provided by Standard and Poor’s investment rating system:

	<u>AAA / AAAm</u>	<u>AA+ / AA / AA-</u>	<u>BBB+</u>	<u>Total</u>
<b><i>Investments:</i></b>				
Federal Agency Securities	\$ -	\$ 498,281,722	\$ -	\$ 498,281,722
Forward Purchase Agreement	-	4,042,626	-	4,042,626
Medium-Term Notes	2,230,483	192,940,834	600,076	195,771,393
California Asset Management Program	2,230,483	-	-	2,230,483
Supranational	4,932,050	-	-	4,932,050
Total	<u>\$ 9,393,016</u>	<u>\$ 695,265,182</u>	<u>\$ 600,076</u>	<u>705,258,274</u>
<b><i>Not Rated:</i></b>				
Local Agency Investment Fund				52,960,218
Money Market Mutual Funds				63,123,822
Guaranteed Investment Contracts				6,068,862
Total Investments				<u>\$ 827,411,176</u>

***F. Concentration of Credit Risk***

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, and investment pools that represent 5 percent or more of total entity-wide investments are as follows at June 30, 2018:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Farm Credit Bank	Federal agency securities	\$ 36,257,568
Federal Home Loan Bank	Federal agency securities	116,667,470
Federal Home Loan Mortgage Corporation	Federal agency securities	212,186,050
Federal National Mortgage Association	Federal agency securities	89,857,516

Investments in any one issuer that represent 5 percent or more of total investments by individual funds were as follows at June 30, 2018:

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**G. Fair Value Measurements**

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

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

The Pool has the following recurring fair value measurements as of June 30, 2018:

Investments at fair value	Amount	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Securities	\$ 498,281,722	\$ 498,281,722	\$ -
Corporate (MTN) Securities	195,771,393	195,771,393	-
Foreign (Supra National) Securities	4,932,050	4,932,050	-
Forward Purchase Agreement	4,042,626	-	4,042,626
Mutual Funds	63,123,822	63,123,822	-
Total Investments at fair value	<u>766,151,613</u>	<u>\$ 762,108,987</u>	<u>\$ 4,042,626</u>
Investments Measured at Amortized Cost			
Guaranteed Investment Contracts (GICs)	<u>6,068,862</u>		
Investments with uncategorized inputs			
Local Agency Investment Fund	52,960,218		
California Asset Management Program	<u>2,230,483</u>		
Total Investments Measured uncategorized	<u>55,190,701</u>		
Total Investments	<u>\$ 827,411,176</u>		

The City has a forward purchase agreement that is measured using level 3 inputs. This item is valued using the discounted cash flows approach.

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 3 – INTERFUND TRANSACTIONS**

**A. Transfers Among Funds**

With City Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2018, were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
General fund	State gasoline tax fund	\$ 20,340 (B)
	Landscaping and lighting and services districts fund	3,122,339 (A)
	Grants fund	100,000 (A)
	Development impact fund	2,009,598 (A), (B)
	General fund capital projects fund	158,359 (B)
	Roadway fund	1,212,226 (B)
	Electric fund	6,754,115 (B), (C)
	Solid waste fund	6,854 (B)
	Wastewater fund	54,319 (B)
	Water fund	54,666 (B)
	Automotive fund	<u>24,208 (B)</u>
	Total general fund	13,517,024
	Technology replacement fund	General fund
Open space fund	Landscaping and lighting and services districts fund	535,587 (A)
Traffic mitigation fund	State gasoline tax fund	225,625 (B)
	Landscaping and lighting and services districts fund	15,058 (B)
	Roadway fund	1,247 (B)
	Local transportation fund	<u>27,371 (B)</u>
	Total traffic mitigation fund	269,301
Development impact fund	General fund	444 (B)
	Landscaping and lighting and services districts fund	124,649 (B)
	General fund capital projects fund	88,758 (B)
	RFA capital fund	7,017 (B)
	Local transportation fund	<u>297,070 (B)</u>
	Total development impact fund	517,938
Roadway fund	General fund	13,768 (B)
	State gasoline tax fund	41,646 (B)
	Development impact fund	553,440 (B)
	Traffic mitigation fund	126,106 (B)
	Water fund	736,102 (B)
	Wastewater fund	669,800 (B)
	Solid waste fund	294,100 (B)
	Local transportation fund	<u>917,240 (B)</u>
	Total roadway fund	3,352,202
	Community facilities districts projects fund	General fund
Development impact fund		500,000 (B)
Traffic mitigation fund		<u>1,108,444 (B)</u>
Total community facilities districts projects fund		3,208,444

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)**

**A. Transfers Among Funds (Continued)**

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
General fund capital projects fund	General fund	3,228,342 (B)
	State gasoline tax fund	7,256 (B)
	Landscaping and lighting and services districts fund	22,599 (B)
	Grants fund	882 (B)
	Development impact fund	50,768 (B)
	Roadway fund	1,259 (B)
	Traffic mitigation fund	2,035 (B)
	Open space fund	1,613 (B)
	Low / Mod Income Housing Asset	708 (B)
	Golf fund	11,877 (B)
	Affordable housing fund	1,497 (B)
	Community facilities district projects fund	8,025 (B)
	General liability fund	27,799 (B)
	Automotive fund	81,038 (B)
	Worker's compensation fund	15,763 (B)
	Electric fund	1,210,382 (B)
	Water fund	507,541 (B)
	Wastewater fund	426,916 (B)
	Solid waste fund	580,956 (B)
	Local transportation fund	839,179 (B)
School-Age childcare fund	<u>90,388 (B)</u>	
	Total general fund capital projects fund	7,116,823
Electric fund	Automotive fund	32,802 (B)
Water fund	State gasoline tax fund	4,069 (B)
	Solid waste fund	159,669 (A)
	Wastewater fund	<u>2,290,367 (E)</u>
		Total water fund
Wastewater fund	Water fund	715,072 (B)
	Solid waste fund	<u>141,898 (B)</u>
		Total wastewater fund
Solid waste fund	Water fund	10,000 (A)
	Wastewater fund	<u>1,542,101 (E)</u>
		Total solid waste fund
Local transportation fund	General fund	64,668 (A)
	Development impact fund	10,736 (A)
	Roadway fund	<u>55,808 (B)</u>
		Total nonmajor enterprise funds
General equipment replacement fund	General fund	879,782 (A), (D)
Automotive fund	General fund	71,842 (D)
	Solid waste fund	<u>62,984 (D)</u>
		Total automotive fund
Facilities fund	General fund	1,117,000 (D)
	Golf fund	10,900 (D)
	General fund capital projects fund	407,000 (D)
	Automotive fund	16,287 (D)
	Electric fund	18,603 (D)
	Wastewater fund	<u>1,633 (D)</u>
	Total facilities fund	1,571,423

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)**

**A. Transfers Among Funds (Continued)**

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
Information technology fund	General fund	804,050 (D)
	General fund capital projects fund	143,720 (D)
	Electric fund	115,801 (D)
	Water fund	62,776 (D)
	Wastewater fund	93,879 (D)
	Solid waste fund	83,512 (D)
	Local transportation fund	10,368 (D)
	School-age childcare fund	50 (D)
	Total information technology fund	<u>1,314,156</u>
	Post retirement fund	General fund
Golf fund		3,724 (D)
Facilities fund		10,797 (D)
Information technology fund		10,182 (D)
Automotive fund		210,849 (D)
Electric fund		1,334,482 (D)
Water fund		638,670 (D)
Wastewater fund		522,132 (D)
Solid waste fund		271,822 (D)
School-age childcare fund		164,284 (D)
Total post retirement fund	<u>8,803,338</u>	
Total Interfund Transfers		<u>\$ 46,270,051</u>

- (A) Transfers to fund operations
- (B) Transfers to fund various projects and/or pay debt service
- (C) Transfers to fund in-lieu franchise fees
- (D) Transfers to fund Internal Service Funds for services provided
- (E) Transfers of capital assets between Enterprise Funds

**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, 2018, interfund balances comprised the following:

<u>Due to Other Funds</u>	<u>Due From Other Funds</u>	<u>Amount</u>
<b>Governmental Funds</b>		
<b>Special Revenue Funds:</b>		
Golf course fund	Automotive fund	\$ 127,000 (A)
Technology fee replacement fund	Development impact fee fund	95,054 (C)
Golf course fund	General fund	1,590,558 (B)
<b>Capital Projects Fund:</b>		
Development impact fee fund	General fund	409,041 (A)
Development impact fee fund	Automotive fund	33,346 (A)
<b>Enterprise Funds</b>		
School-age child care fund	Automotive fund	57,219 (A)
		<u>\$ 2,312,218</u>

- (A) Current portion of the advances mentioned in 3C below.
- (B) To cover negative cash balances as of June 30.
- (C) Final payment of an advance mentioned in 3C below.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)**

**C. Long-Term Interfund Advances**

At June 30, 2018, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount of Advance
<b>Governmental Funds</b>		
<b>Special Revenue Funds:</b>		
Roseville Community Development Corporation	General fund	\$ 1,530,951
Golf course fund	Automotive fund	2,242,000
<b>Capital Projects Funds:</b>		
Development impact fee fund	General fund	7,040,081
Development impact fee fund	Automotive fund	533,525
<b>Enterprise Funds</b>		
School-age child care fund	Automotive fund	715,000
	Total	<u>\$ 12,061,557</u>

**Roseville Community Development Corporation** advance from the General Fund bears interest at the average interest rate of the City’s pooled investments plus one percent, adjusted every 5 years. Principal is deferred for the first ten years from the date of disbursement and is then payable in equal annual installments over ten years in the amount of \$153,095 beginning in fiscal year 2023 and ending in fiscal year 2032. Simple interest is deferred for the life of the loan and a lump-sum deferred interest payoff is due in fiscal year 2032. As of June 30, 2018, the accrued deferred interest not included in the advance amount in the table above is \$189,063.

**Golf Course** advance from the Automotive Fund bears interest at the prior fiscal year’s average interest rate of the City’s pooled investments. Principal is paid annually in the amount of \$127,000 with the final principal payment in fiscal year 2037. Simple interest is deferred for the life of the loan and a lump-sum deferred interest payoff is due in fiscal year 2037. As of June 30, 2018 the accrued deferred interest payable not included in the advance amount in the table above is \$2,197,113.

**Development Impact Fee** has two advances from the General Fund that bears interest at the prior fiscal year’s average interest rate of the City’s pooled investments. The first advance has principal payments of \$942,566 and interest are being paid over the period beginning in fiscal year 2018 and ending in fiscal year 2028. The second advance has principal and interest that are deferred until fiscal year 2022. Deferred interest is added to the principal balance annually as incurred. Beginning in fiscal year 2022, principal of \$533,525 and interest are payable over seven years with final payment in fiscal year 2028.

**Development Impact Fee** advance from the Automotive Fund bears interest at the prior fiscal year’s average interest rate of the City’s pooled investments plus one-half percent. Interest only payments were made the first three years of the advance beginning in fiscal year 2015. Principal payments of \$33,345 and interest are being paid over an 18 year term beginning in fiscal year 2018 and ending in fiscal year 2035.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 3 – INTERFUND TRANSACTIONS (CONTINUED)**

**C. Long-Term Interfund Advances (Continued)**

**School-Age Child Care** advance from the Automotive Fund bears interest at the prior fiscal year’s average interest rate of the City’s pooled investments. In fiscal year 2018 two prior advances and one new \$300,000 advance were consolidated into one total advance. Principal and interest payments are being paid over a 15 year term beginning in fiscal year 2018 and ending in fiscal year 2032. Principal amount repayments are as follows: \$50,000 for fiscal year 2018, \$57,219 for fiscal 2019, and \$55,000 thereafter.

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

**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.

**NOTE 4 – NOTES RECEIVABLE**

The City engages in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City’s terms. Although these notes are expected to be repaid in full, their balances have been offset in the fund financial statements by unavailable revenue, due to other government agencies or fund balance. Notes receivable were comprised of the following at June 30, 2018:

Flood Loan Notes	\$ 6,633
Housing Elevation Notes	10,000
Water Meter Notes Receivable	74,408
Tenant Improvement Notes Receivable	302,591
Flood Control Loan	601,397
First Time Home-Buyer Notes	11,811,208
Due From Successor Agency	19,327,573
Housing Rehabilitation and Affordable Housing Notes	19,661,256
Total	\$ 51,795,066

**A. Flood Loan Notes Receivable**

The City has provided notes to various homeowners and businesses for rehabilitation due to flood damage. The maximum note amount is \$5,000 carrying various interest rates and payment dates. The balance of these notes receivable at June 30, 2018 was \$6,663.



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 4 – NOTES RECEIVABLE (CONTINUED)**

***B. Housing Elevation Notes Receivable***

In fiscal year 1997, the Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Grant Program funds to be used for residential home elevation projects in the City at a maximum of \$5,000 per household, with the total federal share not to exceed \$1,493,096. The City provided matching funds to each eligible household at a maximum of \$5,000 in the form of a zero percent, deferred loan payable upon sale, change of title or change of use. As of June 30, 2018, two notes funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$10,000.

***C. Water Meter Notes Receivable***

The City entered into an agreement with Stonesfair Management for Water Meter Installations at Windscape Apartments. The original note amount is payable in 120 monthly installments. The balance of note at June 30, 2018 was \$74,408.

***D. Tenant Improvement Notes Receivable***

The City entered into a tenant improvement notes receivable with the Sierra Joint Community College District for overages in their Tenant Improvement allowance for the 316 Vernon Street Office Building Project. The original note amount was for \$128,141 payable in 120 monthly installments. The balance of note at June 30, 2018 was \$114,793.

The City entered into a lease agreement with a Tenant at 238 Vernon. The First Amendment to the lease dated March 23, 2017 resulted in a note receivable to the City in the original amount of \$250,000 and a transfer of capital assets with a book value of \$242,650 to the Tenant. Additionally, the Tenant received a credit of \$26,042 for its funding of tenant improvements. Payments of \$2,174 are due monthly with the final payment scheduled in October 2025. There is no stated interest rate in the agreement. The balance of the note at June 30, 2018 is \$187,798.

***E. Flood Control Loan***

On May 10, 2017, the City entered into an agreement with the Placer County Flood Control and Water Conservation District to fund the Antelope Creek Flood Control project with a loan to be paid back with future development fees. The loan bears simple interest based on the Construction Cost Index. As of June 30, 2018, the balance of the loan was \$601,397.

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

The City engages in a first time home-buyer program designed to encourage home ownership among low-income persons. Under this program, grants are provided at no interest and are due upon sale or transfer of the property. Although these notes are expected to be repaid in full, their balance has been offset with the with a deferred inflow of resources, as they are not expected to be repaid during the next fiscal year and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including \$1,657,453 in First Time Home Buyer notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund as discussed in Note 20. The balance of the notes receivable arising from this program at June 30, 2018, was \$11,811,208.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 4 – NOTES RECEIVABLE (CONTINUED)**

***G. Successor Agency Loans***

Prior to July 1, 2011, the former Redevelopment Agency had received various advances from various City funds. These advances bore interest at the average interest rate of the City's pooled investments. Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the balance of the obligation to repay the advances in the amount of \$25,603,129 for principal and accrued interest and recorded a notes payable to the Low and Moderate Income Housing Asset Fund equal to twenty percent of the balance of the notes. During fiscal year 2013, the State Department of Finance denied the prepaid advance and required the return of \$7,309,447 to the Successor Agency. The General Fund returned the cash to the Successor Agency during fiscal year 2013. The Successor Agency received its Finding of Completion in August 2013 determining that notes are enforceable obligations.

During fiscal year 2014, the Successor Agency completed its Long-Range Property Management Plan which was approved by the Department of Finance in May 2014 and as a result, the Successor Agency transferred land that was designated for governmental use to the City in the amount of \$7,107,581. As a result of the transfer, the City cancelled the notes that had been made to the former Redevelopment Agency for the purchase of those properties, including accrued interest, in the amount of \$5,902,331.

During fiscal year 2014, the Department of Finance clarified how the interest is to be calculated on each note to the Successor Agency. The City recalculated the interest due on the notes using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. The principal balance of the notes as of June 30, 2018 is \$19,327,573. Accrued interest on the notes as of June 30, 2018 is \$570,887 and has been included in accrued interest receivable.

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

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or notes are provided under favorable terms to home-owners or developers who agree to spend these funds in accordance with the City's or Agency's terms. Although these notes are expected to be repaid in full, their balance has been offset with a deferred inflow of resources as they are not expected to be repaid during the next fiscal year and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including affordable housing notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund. The balance of the notes receivable arising from these programs at June 30, 2018, was \$19,661,256.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 5 – DEVELOPER PERMIT FEES RECEIVABLE**

The City has entered into a number of agreements with developers to defer permit fees for various projects within the City. Although these fees are expected to be repaid in full, their balance has been offset by unavailable revenue in governmental funds, as they are not expected to be repaid early enough to be reported as a current asset. The receivable was valued at \$942,718 at June 30, 2018.

The City has also operates a Single Family Residential Fee Deferral Program which offers deferred payment of permit fees for new single-family residences. The deferred fees will be paid to the City (1) prior to the final building inspection on the home; or (2) at close of escrow or within a year of the deed of trust being recorded whichever occurs first. The balance of the permit fees that have been deferred at June 30, 2018, was \$6,787,672, which has been recorded with accounts receivables.

**NOTE 6 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR RESALE**

**A. *Development Agreements***

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

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

The former Redevelopment Agency purchased 304 Washington Boulevard in June 2011. The 304 Washington Boulevard parcel will be developed by a private developer into 71 Mixed Use residential units with commercial and parking on the first floor. With the dissolution of the Redevelopment Agency as discussed in Note 19, the City, as housing successor, assumed the low and moderate income housing set-aside-funded assets of the former Redevelopment Agency as of February 1, 2012, including 304 Washington Boulevard. As of June 30, 2018, the total fair value of the housing property held by the City amounted to \$861,245. These properties are held at fair value.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 7 – CAPITAL ASSETS**

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

Capital asset activity for the year ended June 30, 2018, was as follows:

	Restated Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 128,143,707	\$ 13,300	\$ (200,192)	\$ 444,667	\$ 128,401,482
Streets (modified)	319,245,465	8,049,000	-	3,879,894	331,174,359
Construction in progress	51,967,016	30,644,101	-	(47,257,564)	35,353,553
Total capital assets not being depreciated	<u>499,356,188</u>	<u>38,706,401</u>	<u>(200,192)</u>	<u>(42,933,003)</u>	<u>494,929,394</u>
Capital assets, being depreciated:					
Buildings	165,036,397	-	(517,726)	26,376,422	190,895,093
Improvements	21,749,053	-	(92,296)	56,403	21,713,160
Vehicles & Equipment	68,522,788	2,703,431	(4,147,771)	658,570	67,737,018
Parks	72,864,738	7,695,812	-	2,856,605	83,417,155
Landscaping	52,328,139	308,878	-	1,265,030	53,902,047
Bike paths	9,838,037	-	-	-	9,838,037
Bridges	71,068,109	-	-	2,164,867	73,232,976
Culverts	20,746,285	-	-	-	20,746,285
Curb, gutter, sidewalk, and median curbs	166,096,125	4,390,751	-	2,553,789	173,040,665
Drain inlets	21,840,001	-	-	187,153	22,027,154
Flood control improvements	20,625,380	-	-	14,470	20,639,850
Soundwall	40,600,257	78,000	-	659,763	41,338,020
Storm drains	93,707,185	5,616,248	-	450,151	99,773,584
Traffic Signals	-	1,009,145	-	(1,009,145)	-
Total capital assets being depreciated	<u>825,022,494</u>	<u>21,802,265</u>	<u>(4,757,793)</u>	<u>36,234,078</u>	<u>878,301,044</u>
Less accumulated depreciation for:					
Buildings	(64,675,706)	(4,009,299)	80,186	1,480	(68,603,339)
Improvements	(10,088,154)	(597,935)	92,296	-	(10,593,793)
Vehicles & Equipment	(47,768,550)	(5,598,878)	4,145,344	210,376	(49,011,708)
Parks	(45,316,909)	(2,427,198)	-	-	(47,744,107)
Landscaping	(41,446,751)	(2,184,991)	-	-	(43,631,742)
Bike paths	(7,327,367)	(262,292)	-	-	(7,589,659)
Bridges	(12,729,142)	(795,659)	-	-	(13,524,801)
Culverts	(6,381,786)	(276,617)	-	-	(6,658,403)
Curb, gutter, sidewalk, and median curbs	(124,591,391)	(4,770,495)	-	-	(129,361,886)
Drain inlets	(9,908,614)	(438,895)	-	-	(10,347,509)
Flood control improvements	(4,059,163)	(275,053)	-	-	(4,334,216)
Soundwall	(13,697,855)	(1,167,207)	-	-	(14,865,062)
Storm Drains	(18,963,898)	(1,289,760)	-	-	(20,253,658)
Total accumulated depreciation	<u>(406,955,286)</u>	<u>(24,094,279)</u>	<u>4,317,826</u>	<u>211,856</u>	<u>(426,519,883)</u>
Net capital assets being depreciated	<u>418,067,208</u>	<u>(2,292,014)</u>	<u>(439,967)</u>	<u>36,445,934</u>	<u>451,781,161</u>
Governmental activities capital assets, net	<u>\$917,423,396</u>	<u>\$ 36,414,387</u>	<u>\$ (640,159)</u>	<u>\$ (6,487,069)</u>	<u>\$ 946,710,555</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

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

	Restated Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
<b><i>Business-type activities</i></b>					
Capital assets, not being depreciated:					
Land	\$ 11,101,711	\$ 333,232	\$ -	590,169	\$ 12,025,112
Streets (modified)	24,914	-	-	675,580	700,494
Construction in progress	39,615,232	24,770,899	-	(22,821,520)	41,564,611
Total capital assets not being depreciated	<u>50,741,857</u>	<u>25,104,131</u>	<u>-</u>	<u>(21,555,771)</u>	<u>54,290,217</u>
Capital assets, being depreciated:					
Buildings	21,608,210	-	-	1,314,241	22,922,451
Improvements	8,309,857	-	(10,261)	1,740,447	10,040,043
Vehicles & Equipment	34,781,692	1,657,887	(3,469,665)	10,247,248	43,217,162
Landscaping	576,843	-	-	247,980	824,823
Bike paths	5,385,455	-	-	233,416	5,618,871
Bridges	1,702,403	-	-	-	1,702,403
Culverts	356,961	-	-	-	356,961
Curb, gutter, sidewalk, and median curbs	463,996	-	-	-	463,996
Drain inlets	29,863	-	-	34,095	63,958
Flood control improvements	8,830,439	-	-	-	8,830,439
Storm drains	59,117	-	-	26,843	85,960
Traffic signals	50,105,996	-	-	2,487,736	52,593,732
Plants and substations	366,246,741	-	(301,644)	6,577,118	372,522,215
Distribution	1,376,424,398	43,176,150	(570,749)	5,096,820	1,424,126,619
Generation	202,826,487	-	-	248,377	203,074,864
Total capital assets being depreciated	<u>2,077,708,458</u>	<u>44,834,037</u>	<u>(4,352,319)</u>	<u>28,254,321</u>	<u>2,146,444,497</u>
Less accumulated depreciation for:					
Buildings	(7,351,410)	(537,546)	-	-	(7,888,956)
Improvements	(2,421,047)	(267,057)	8,789	(8,110)	(2,687,425)
Vehicles & Equipment	(23,479,586)	(3,312,576)	3,289,444	(224,634)	(23,727,352)
Landscaping	(564,540)	(24,624)	-	-	(589,164)
Bike paths	(2,142,850)	(267,710)	-	-	(2,410,560)
Bridges	(160,783)	(18,915)	-	-	(179,698)
Culverts	(39,931)	(4,760)	-	-	(44,691)
Curb, gutter, sidewalk, and median curbs	(78,359)	(23,201)	-	-	(101,560)
Drain inlets	(6,083)	(654)	-	-	(6,737)
Flood control improvements	(647,565)	(117,740)	-	-	(765,305)
Storm drains	(6,894)	(818)	-	-	(7,712)
Traffic signals	(27,698,280)	(2,006,366)	-	-	(29,704,646)
Plants and substations	(133,494,603)	(8,247,563)	166,558	39,848	(141,535,760)
Distribution	(332,395,156)	(20,783,958)	269,652	(18,585)	(352,928,047)
Generation	(100,088,919)	(10,781,675)	-	-	(110,870,594)
Total accumulated depreciation	<u>(630,576,006)</u>	<u>(46,395,163)</u>	<u>3,734,443</u>	<u>(211,481)</u>	<u>(673,448,207)</u>
Net capital assets being depreciated	<u>1,447,132,452</u>	<u>(1,561,126)</u>	<u>(617,876)</u>	<u>28,042,840</u>	<u>1,472,996,290</u>
Business-type activities capital assets, net	<u>\$ 1,497,874,309</u>	<u>\$ 23,543,005</u>	<u>\$ (617,876)</u>	<u>\$ 6,487,069</u>	<u>\$ 1,527,286,507</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

**C. Depreciation Allocation**

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

***Governmental Activities***

General Government	\$ 1,027,022
Development & Operations	428,539
Public Works	9,672,712
Police	362,512
Fire	269,571
Library	16,338
Parks and recreation	5,705,391
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	6,612,194
<b>Total Governmental Activities</b>	<b>\$ 24,094,279</b>

***Business-Type Activities***

Electric	\$ 22,645,284
Water	9,471,040
Wastewater	12,497,955
Solid Waste	182,301
Local Transportation	1,528,897
School-age Child Care	69,686
<b>Total Business-Type Activities</b>	<b>\$ 46,395,163</b>

**D. Streets Covered By the Modified Approach**

The City has elected to use the modified approach with respect to its roads. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 70, instead of providing depreciation. During fiscal year 2018 the City expended \$5,154,352 to preserve its roads. The City estimates that it will be required to expend approximately \$3,136,162 in fiscal year 2019 to maintain its roads at this condition level.

**NOTE 8 – LONG-TERM DEBT**

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

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

**A. Current Year Transactions and Balances**

	Original Issue Amount	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
<b>Governmental Activities Debt:</b>						
<b>Lease:</b>						
2013 Public Facilities Refunding 2.15%, due 8/1/25	\$ 16,324,609	\$ 11,351,697	\$ -	\$ (1,267,262)	\$ 10,084,435	\$ 1,289,316
2015 316 Vernon Street Project 2.00%-5.25%, due 2/1/34	14,425,000	14,210,000	-	(250,000)	13,960,000	255,000
Add: debt premium	-	834,248	-	(55,616)	778,632	-
<b>Loans:</b>						
Successor Agency	4,072,574	4,013,624	-	(32,479)	3,981,145	17,065
<b>Total Governmental Activities Debt</b>	<b>\$ 34,822,183</b>	<b>\$ 30,409,569</b>	<b>\$ -</b>	<b>\$ (1,605,357)</b>	<b>\$ 28,804,212</b>	<b>\$ 1,561,381</b>
<b>Business-Type Activities Debt:</b>						
<b>Certificates of Participation</b>						
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	\$ 39,940,000	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -
Less: bond discount	(728,254)	-	-	-	-	-
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24	27,010,000	4,750,000	-	(1,740,000)	3,010,000	1,795,000
Add: bond premium	396,611	52,438	-	(17,480)	34,958	-
2012 Electric System Revenue Refunding variable rate, due 2/1/35	90,000,000	90,000,000	-	-	90,000,000	-
2015 Water Utility Revenue Refunding 2.00%-5.00%, due 12/1/30	42,565,000	37,660,000	-	(2,330,000)	35,330,000	2,435,000
Add: bond premium	6,899,891	6,005,537	-	(461,964)	5,543,573	-
Total Certificates of Participation	<u>206,083,248</u>	<u>138,472,975</u>	<u>-</u>	<u>(4,549,444)</u>	<u>133,923,531</u>	<u>4,230,000</u>
<b>Revenue Bonds</b>						
2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/20	209,350,000	139,530,000	-	(9,780,000)	129,750,000	10,275,000
Add: bond premium	15,454,116	7,359,104	-	(735,910)	6,623,194	-
2010 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/37	55,845,000	1,520,000	-	(470,000)	1,050,000	505,000
Add: bond premium	2,764,207	45,697	-	(15,232)	30,465	-
2013 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/29	48,780,000	39,405,000	-	(4,515,000)	34,890,000	4,695,000
Add: bond premium	5,899,513	4,424,633	-	(368,720)	4,055,913	-
2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25	36,315,568	28,937,038	-	(19,811,358)	9,125,680	2,830,194
Add: bond premium	2,839,017	1,817,754	-	(1,344,724)	473,030	-
2013 Refunding Wastewater Revenue Bonds variable rate, due 11/1/35	36,582,878	36,582,878	-	-	36,582,878	-
2014 Refunding Wastewater Revenue Bonds variable rate, due 6/30/30	17,955,392	17,955,392	-	(17,955,392)	-	-
2014 Refunding Electric System Revenue Bonds 5%, due 2/1/34	16,485,000	16,485,000	-	-	16,485,000	-
Add: bond premium	2,129,224	1,809,843	-	(106,461)	1,703,382	-
2017A Electric System Revenue Refunding 3.0%-5.00%, due 2/1/37	56,210,000	56,210,000	-	-	56,210,000	-
Add: bond premium	5,069,937	4,828,512	-	(241,426)	4,587,086	-
2017B Taxable Electric System Revenue Refunding 1.03%-2.41%, due 2/1/22	6,265,000	6,265,000	-	(190,000)	6,075,000	135,000
2017 Wastewater Revenue Bonds 5.00%, due 11/1/37	46,109,348	-	46,109,348	-	46,109,348	-
Add: bond premium	10,618,219	-	10,618,219	(530,912)	10,087,307	-
Total Revenue Bonds	<u>574,672,419</u>	<u>363,175,851</u>	<u>56,727,567</u>	<u>(56,065,135)</u>	<u>363,838,283</u>	<u>18,440,194</u>
<b>Total Business-Type Activities Debt:</b>	<b>\$ 780,755,667</b>	<b>\$ 501,648,826</b>	<b>\$ 56,727,567</b>	<b>\$ (60,614,579)</b>	<b>\$ 497,761,814</b>	<b>\$ 22,670,194</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***B. 2013 Public Facilities Refunding Lease***

On June 1, 2013, the City entered into a Lease and Sublease Agreement in the amount of \$16,324,609 to refund the outstanding 2003A Public Facilities Refunding Certificates of Participation (2003A COPs) and the 2003B Golf Course Refunding Certificates of Participation (2003B COPs). The 2003A and 2003B COPs were called on August 1, 2013. The Lease is repayable from any source of available funds of the City which includes the General Fund; however, the Golf Course Special Revenue Fund is expected to repay the portion of the lease related to the refunding of the 2003B Certificates of Participation. Principal and interest payments are payable semi-annually on February 1 and August 1 through 2025. The amount outstanding as of June 30, 2018 was \$10,084,435 in governmental activities.

***C. 2015 316 Vernon Street Project Lease***

On July 14, 2015, the Roseville Finance Authority issued the Certificates of Participation, Series 2015 (316 Vernon Street Project), in the principal amount of \$14,425,000 to fund a portion of the acquisition and construction of an office building located at 316 Vernon Street. The Lease bears interest at 2.00 percent to 5.25 percent and are due semi-annually at February 1 and August 1 of each year. The Lease is repayable from any source of legally available funds of the City, including (but not limited to) amounts held by the City in its General Fund according to the Lease Agreement in the official statement. Principal payments are due annually on August 1 through 2032. The amount outstanding as of June 30, 2018 was \$13,960,000.

***D. Loans from the Successor Agency***

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

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

The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to the dissolution of the redevelopment agency were not reversed in the current fiscal year and remain in the Corporation as of June 30, 2018.

Upon dissolution of the redevelopment agency, the note was transferred to the Successor Agency. The note accrues interest at a rate equal to the City's average interest earnings plus 1 percent, adjusted every five years. Principal and interest payments commence on June 30, 2021 and will be due annually with the final payment scheduled on June 30, 2030. As of June 30, 2018 the note bears interest of 2.288 percent with interest accrued of \$444,888. The principal amount outstanding as of June 30, 2018 was \$3,469,049.



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

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

During fiscal year 2014, the Roseville Community Development Corporation assumed a loan made by the former Redevelopment Agency of the City of Roseville to a developer in connection with the acquisition of 238 Vernon Street. The developer had been current on payments on the loan through June 2013, but defaulted on the loan when it had an outstanding balance of \$602,334. The loan bears interest of 4.00 percent and is repayable in monthly payments of \$3,103 from July 1, 2014 through August 1, 2024, with a final balloon payment of \$421,227 due on September 1, 2024. The amount outstanding at June 30, 2018 is \$512,096.

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

On July 1, 2004, the City issued \$39,940,000 of Certificates of Participation to finance capital improvements to the City's Electric System. The COPs are repayable from net revenue of the Electric Utility System. The COPs bear interest at 3.00 percent to 5.25 percent and are due semi-annually on February 1 and August 1 of each year beginning February 1, 2005. Principal payments are due annually on February 1 through February 2034. The COPs were partially refunded by the 2013 Electric System Revenue Refunding Bonds as discussed in Note 8I below. In August 2014, the 2004 Electric System Revenue Certificates of Participation were partially refunded by the 2014 Electric System Revenue Refunding Bonds leaving a par amount of \$5,000.

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

On November 24, 2009, the City issued Certificates of Participation (COPs) in the original principal amount of \$27,010,000. The COPs were issued to refinance the remaining outstanding balance of the 2002 Electric System Revenue Certificates of Participation. The COPs bear interest at 2.00 percent to 5.25 percent and are due semi-annually on February 1 and August 1 of each year. In February 2017, the 2009 Electric System Revenue Refunding Certificates of Participation were partially refunded by the 2017 A and 2017 B Electric System Revenue Refunding Bonds as discussed in Note 8P and Note 8Q. Principal payments are due annually through fiscal year 2020. The balance outstanding as of June 30, 2018 is \$3,010,000.

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

On October 21, 2010, the City issued Revenue Bonds in the original principal amount of \$55,845,000. The Bonds were issued to refinance the remaining outstanding balance of the 2008 Electric System Revenue Refunding Certificates of Participation Series B. The Revenue Bonds bear interest at 2.00 percent to 5.00 percent and are due semi-annually on February 1 and August 1 of each year. In February 2017, the 2010 Electric System Revenue Refunding Bonds were partially refunded by the 2017 A and 2017 B Electric System Revenue Refunding Bonds as discussed in Note 8P and Note 8Q. Principal payments are due annually on February 1 through 2020. The balance outstanding as of June 30, 2018 is \$1,050,000.

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

On November 7, 2012 the City issued Certificates of Participation (COPs) in the original principal amount of \$90,000,000. The COPs were issued to refund and retire the outstanding balance of the 2008A Electric System Revenue COPs.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

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

The COPs were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Trust Agreement to mean a per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of (a) the Applicable Spread (initially 0.625 percent, 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 percent). 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 percent 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, 2018 was 2.025% percent.

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 3.873 percent for the year ended June 30, 2018. The COPs are subject to mandatory prepayment annually beginning February 1, 2023 through 2035. The balance outstanding as of June 30, 2018 is \$90,000,000.

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

On November 14, 2013, the Roseville Finance Authority issued the Electric System Revenue Refunding Bonds, Series 2013, in the principal amount of \$48,780,000 to refund a portion of each of the 2004 Electric System Revenue and 2005 Electric System Revenue, Series A, Certificates of Participation. The Bonds bear interest at 2.00 percent to 5.00 percent and are due semi-annually on February 1 and August 1 of each year. The Bonds are repayable by a pledge of net revenue from the Electric System. Principal payments are due annually on February 1 through 2029. The balance outstanding as of June 30, 2018 is \$34,890,000.

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

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

Principal payments are due annually on February 15 through 2028 and interest is payable semiannually on February 15 and August 15. The balance outstanding as of June 30, 2018 is \$129,750,000. As of June 30, 2018, the total principal and interest to be paid on the bonds was \$168,063,500. For fiscal year 2018, net revenues amounted to \$24,253,790 which represented coverage of 146 percent over the \$16,753,125 in debt service.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

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

On April 7, 2011, the South Placer Wastewater Authority (Authority) issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2011A and 2011B in the original principal amounts of \$30,165,000 and \$30,160,000, respectively, and Revenue Refunding Bonds Series 2011C and 2011D (SIFMA Index Bonds) in the original principal amount of \$67,040,000 and \$30,000,000, respectively. The City's share of this obligation was determined to be 54.17 percent 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 percent and the liabilities for the 2011C and 2011D Bonds were increased \$4,819,815 and \$2,247,000, respectively.

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B. During fiscal year 2013, the 2011A and 2011B Bonds were refunded by the 2013 South Placer Wastewater Authority Refunding Wastewater Bonds. During fiscal year 2015, the 2011D Bonds were refunded by the Wastewater Revenue Refunding Bonds, Series 2014. During fiscal year 2018, the 2011C Bonds were partially refunded by the South Placer Wastewater Authority Revenue Bonds, Series 2017. The partial refunding created an economic gain of \$2,808,916, of which \$1,731,978 is attributable to the City.

The Series 2011C Bonds bear interest at 1.00 percent-5.25 percent and are due semi-annually on May 1 and November 1 of each year. The Bonds are repayable solely from the Authority Revenues. Principal payments are due annually November 1 through 2020. The balance outstanding as of June 30, 2018 is \$9,125,680.

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

On April 1, 2013, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2013, in the original principal amount of \$59,330,000. The City's share of this obligation was determined to be 61.66 percent or \$36,582,878. The 2013 Bonds were issued to refund the remaining outstanding balance of the 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A and B.

The 2013 Bonds were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Indenture to mean the per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of the Applicable Spread (initially 0.625 percent, 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 percent). The interest rate of the Bonds cannot exceed 12 percent 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, 2018 was 2.025 percent. 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, but the notional amount of the swap is based on the notional amount of the 2008 B Bonds. The interest rate swap agreement was revised in September 2017 to reduce the notional amount. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the 2011C and 2013 Bonds at June 30, 2018 was 4.094 percent for the year ended June 30, 2018. The balance outstanding as of June 30, 2018 is \$36,582,878.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

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

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

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

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

The Series 2014 Bonds are secured by a pledge of Authority Revenues, which include all amounts received by, or entitled to be received by, the Authority from the Participants (consist of the City, SPMUD and Placer County) under provisions of the Funding Agreement. The Authority Revenues generally exclude Regional Connection Fees and amount held in the Rate Stabilization Fund, unless certain conditions are met. During fiscal year 2018, the 2014 Bonds were fully refunded by the South Placer Wastewater Authority Revenue Bonds, Series 2017, which resulted in an economic gain of \$1,731,978.

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

On July 24, 2014, the Roseville Finance Authority issued Electric System Revenue Refunding Bonds, Series 2014, in the amount of \$16,485,000 to refund the 2004 Electric System Revenue Certificates of Participation. The Bonds bear interest of 5 percent. Principal payments are due annually on February 1 beginning in 2030. Interest payments are due semi-annually on each August 1 and February 1, commencing on February 1, 2015 through February 1, 2034. The balance outstanding as of June 30, 2018 is \$16,485,000.

***O. 2015 Water Utility Revenue Refunding Certificates of Participation***

On August 20, 2015, the Roseville Finance Authority issued the Water Revenue Certificates of Participation, Series 2015, in the principal amount of \$42,565,000 to refund the 2007 Water Utility Certificates of Participation. The Bonds bear interest at 2.00 percent to 5.00 percent and are due semi-annually on December 1 and June 1 of each year. The Bonds are repayable by a pledge of net revenue from the Water Utility System. Principal payments are due annually on December 1 through 2030.

As of June 30, 2018, the total principal and interest remaining to be paid on the bonds was \$45,945,550. As disclosed in the official statement, all net revenues of the Water Utility System are expected to provide coverage over debt service of 120 percent over the life of the Bonds. For fiscal year 2018 net revenues amounted to \$24,416,033 which represented coverage of 592 percent over the \$4,125,033 in debt service. The balance outstanding as of June 30, 2018 is \$35,330,000.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***P. 2017A Electric System Revenue Refunding Bonds***

On February 8, 2017, the City issued Revenue Bonds in the original principal amount of \$56,210,000. The Bonds were issued to refund a portion of the 2009 Electric System Revenue Refunding Certificates of Participation and the 2010 Electric System Revenue Refunding Bonds. The Revenue Bonds bear interest at 3.00 percent to 5.00 percent and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually on February 1 through 2037. The balance outstanding as of June 30, 2018 is \$56,210,000.

***Q. 2017B Taxable Electric System Revenue Refunding Bonds***

On February 8, 2017, the City issued Taxable Revenue Bonds in the original principal amount of \$6,265,000. The Bonds were issued to refund a portion of the 2009 Electric System Revenue Refunding Certificates of Participation and the 2010 Electric System Revenue Refunding Bonds. The Revenue Bonds bear interest at 1.03 percent to 2.41 percent and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually on February 1 through 2022. The balance outstanding as of June 30, 2018 is \$6,075,000.

***R. Electric Bonds Net Revenue Summary***

As of June 30, 2018, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COPs, 2012 Electric System Revenue Refunding COPs, 2009 Electric System Revenue Refunding COPs, 2010 Electric System Revenue Refunding Revenue Bonds, the 2013 Electric System Revenue Refunding Bonds, the 2014 Electric System Revenue Refunding bonds, the 2017A Electric System Revenue Refunding bonds and the 2017B Electric System Revenue Refunding bonds was \$284,525,817. 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 2018, net revenues amount to \$39,409,791 which represents coverage of 237% over the \$16,636,114 in debt service.

***S. South Placer Wastewater Authority Revenue Bonds, Series 2017***

On September 28, 2017, the South Placer Wastewater Authority issued Revenue Bonds, Series 2017 in the amount of \$74,780,000 to partially refund the Authority's Wastewater Revenue Refunding Bonds, Series 2011C, fully refund the Authority's Wastewater Revenue Refunding Bonds, Series 2014 and partially finance the 2017 Project, Pleasant Grove Plant improvements. The City's share of this obligation was determined to be 61.66%, or \$46,109,348. The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2021 through 2037. The City's share of the balance outstanding as of June 30, 2018 is \$46,109,348.

***T. Wastewater Bonds Net Revenue Summary***

As of June 30, 2018, the total principal and interest remaining to be paid on the 2011 Series C, the 2013 Bonds and the 2017 Bonds was \$127,516,339. 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 2018, \$5,747,905 in debt service was paid from the Rate Stabilization Account.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***U. Interest Rate Swap Agreements***

The City entered into interest rate swap agreements in connection with the 2008 Electric Revenue Certificates of Participation (COPs), Series A. In addition, the City has a 61.66 percent interest in the South Placer Wastewater Authority (SPWA) which entered into an interest rate 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, and then again with the issuance of the 2017 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, 2018, 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 (B)	Fixed Rate Paid	Variable Rate Received	Termination Date
2012 Electric System Revenue Refunding COP (based on nominal amount of 2008 Electric System Revenue COP, Series A)	\$ 36,000,000	5/13/2008	Bank of America, N.A.	A-	3.364%	70.5% of 1m LIBOR	2/1/2035
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)	54,000,000	5/13/2008	Morgan Stanley Capital Services, Inc.	BBB+	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	<u>18,963,533</u> (A)	9/6/2017	Morgan Stanley Capital Services Inc.	BBB+	3.665%	62% of 1m LIBOR plus 26 bps	11/1/2023
	<u>\$ 108,963,533</u>						

(A) The Authority's swap agreement is based on the notional amount of \$30,755,000. The City's share of the notional amount is 61.66%, or \$18,963,533. Only the City's portion of the swap agreement is shown above, since the City was only obligated for that portion of the SPWA's bonds.

(B) Credit rating by Standard & Poor's Agency

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. Hedging derivative instruments are classified as Level 2 and are valued using a discounted cash flow technique, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates (LIBOR or SIFMA). The payments are then discounted using the spot rates (LIBOR or SIFMA) implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. As of June 30, 2018, the fair value of the swaps was not in favor of the City as follows:

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

*U. Interest Rate Swap Agreements (Continued)*

Related Bond Issue	Fair Value	
	2018	2017
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)		
Bank of America N.A.	\$ (4,502,258)	\$ (6,407,766)
Morgan Stanley Capital Services Inc.	(6,538,828)	(9,378,282)
	(11,041,086)	(15,786,048)
2013 SPWA Refunding Wastewater Revenue Bonds	(890,941)	(4,570,757)
	\$ (11,932,027)	\$ (20,356,805)

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

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

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

*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 originally based on the 2008 Refunding Wastewater Revenue Bonds, Series B, associated with the 2011 C Refunding Wastewater Revenue Bonds and the 2013 Refunding Wastewater Revenue Bonds exposes the City to rollover risk because the swap terminates on November 1, 2023 while the 2011 C Bonds mature on November 1, 2025 and the 2013 Bonds mature on November 1, 2020.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

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

*Swap payments and associated debt.* Using rates as of June 30, 2018, 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, 2018:

For the Year Ending June 30	Variable-Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps, Net	
2019	\$ -	\$ 2,563,242	\$ 2,032,678	\$ 4,595,920
2020	-	2,563,242	1,965,201	4,528,443
2021	-	2,563,242	1,895,233	4,458,475
2022	-	2,563,242	1,822,665	4,385,907
2023	4,875,000	2,522,110	1,709,651	9,106,761
2024-2028	30,800,000	10,862,470	6,586,893	48,249,363
2029-2033	56,559,501	6,638,015	3,434,588	66,632,104
2034-2036	34,348,377	853,665	346,681	35,548,723
Totals	\$ 126,582,878	\$ 31,129,228	\$ 19,793,590	\$ 177,505,696

**V. Debt Service Requirements**

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

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,561,380	\$ 863,346	\$ 22,670,194	\$ 18,675,304
2020	1,595,547	824,404	23,856,755	17,558,718
2021	1,631,883	783,143	25,138,731	16,392,157
2022	1,675,185	739,341	26,189,640	15,205,032
2023	5,608,820	694,157	27,580,114	13,910,055
2024-2028	5,152,765	2,768,055	161,245,566	49,640,777
2029-2033	2,245,000	2,168,881	89,962,359	21,812,563
2034-2038	2,755,000	1,655,084	87,979,546	8,233,208
2039-2043	3,370,000	1,017,166	-	-
2044-2046	2,430,000	186,250	-	-
Totals	28,025,580	\$ 11,699,827	464,622,906	\$ 161,427,814

**Reconciliation of long-term debt**

Add deferred bond premium	778,632	33,138,908
Net long-term debt	<u>\$ 28,804,212</u>	<u>\$ 497,761,814</u>



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***W. 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, 2018, is as follows:

	<b>Maturity Date</b>	<b>Outstanding Balance</b>
Fiddymment Ranch Community Facilities District #1, Series 2017	9/1/2036	\$ 45,845,000
Fiddymment Ranch Community Facilities District #5, Series 2017	9/1/2047	23,845,000
Roseville Finance Authority Revenue Bonds, Series 2016	9/1/2027	17,050,000
Diamond Creek Community Facilities District #1, Series 2007	9/1/2037	5,775,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	9/1/2033	30,885,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	9/1/2033	7,260,000
Fountains Community Facilities District No. 1 Special Tax Bonds Series 2016	9/1/2038	11,050,000
Roseville Finance Authority Special Tax Revenue Refunding Bonds, Series 2012	9/1/2021	8,965,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	9/1/2036	7,180,000
Westbrook Community Facilities District #1 Special Tax Bonds, Series 2014	9/1/2044	14,235,000
Woodcreek West Community Facilities District #1 Refunding Bonds, Series 2015	9/1/2030	12,250,000
North Roseville Community Facilities District #1 Refunding Bonds, Series 2015	9/1/2023	8,015,000
Westpark Community Facilities District #1 Special Tax Refunding Bonds, Series 2015	9/1/2037	67,860,000
HP Campus Oaks Community Facilities District #1 Special Tax Bonds, Series 2016	9/1/2046	23,000,000
Stone Point CFD # 1 Special tax Bonds 2017	9/1/2028	5,660,000
Stone Point CFD # 5 Special tax Bonds 2017	9/1/2036	4,760,000
Crocker Ranch CFD # 1 Series 2007 Local Obligation Bonds	9/1/2033	15,035,500
Placer Valley Sports Complex and Tourism Marketing District	8/5/2037	10,250,000
	Total	<u>\$ 318,920,500</u>

**NOTE 9 – DERIVATIVE INSTRUMENTS**

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

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

The City applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred inflow or outflow of resources on the statement of net position. For the reporting period, all of the City's derivatives are considered effective hedges.

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 9 – DERIVATIVE INSTRUMENTS (CONTINUED)**

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

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2018.

	2018 Change in Fair Value		Fair Value, End of Fiscal Year 2018		Notional	Level
	Classification	Amount	Classification	Amount		
<b>Effective Cash Flow Hedges</b>						
<b>Electric Fund</b>						
Pay Fixed SWAP, Natural Gas	Deferred Outflow	\$ 1,905,508	Derivative	\$ (4,502,258)	2,282,500 mmBtu	2
Pay Fixed SWAP, Natural Gas	Deferred Outflow	2,839,454	Derivative	(6,538,828)	342,000 MWh	2
				<u>\$ (11,041,086)</u>		
<b>Roseville Natural Gas Financing Authority</b>						
Pay Fixed SWAP, Natural Gas	Deferred Inflow	\$ (1,763,186)	Derivative	\$ 13,775,473	34,513,500 mmBtu	2
					76,000-372,000	
Receive Fixed SWAP, Natural Gas	Deferred Inflow	(5,419,943)	Derivative	90,996,566	monthly mmBtu	2
				<u>\$ 104,772,039</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, 2018, 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, 2018 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	225,000 mmBtu	1/1/2019	3/31/2019	Pay \$3.75; Receive NGI PG&E citygate price	BP Energy	A-
Hedge Cash Flows on PG&E citygate Gas	1,372,500 mmBtu	7/1/2020	12/31/2021	Pay \$2.89; Receive NGI PG&E citygate price	J Aron & Company	BBB+
Hedge Cash Flows on PG&E citygate Gas	(230,000) mmBtu	10/1/2018	12/31/2018	Pay \$2.75; Receive NGI PG&E citygate price	Macquarie Energy	A
Hedge Cash Flows on PG&E citygate Gas	915,000	1/1/2020	12/31/2020	Pay \$3.13; Receive NGI PG&E citygate price	Shell Trading Risk Management	A
<b>Forward Contracts, Power:</b>						
Hedge Cash Flows on NP15 Power	219,000 MWh	1/1/2019	12/31/2019	Pay \$33.20 at NP15	Conoco Phillips	A-
Hedge Cash Flows on NP15 Power	123,200 MWh	1/1/2020	13/31/2020	Pay \$38.25 at NP15	Macquarie Energy	A
<b>Commodity Swaps, Gas:</b>						
Prepayment 20-year supply of Natural Gas	\$ 34,513,500.00	1/1/2008	12/31/2027	Pay index minus 0.68; Receive NGI	Merrill Lynch	A
Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas	From 76,000 to 372,000 mmBtu per month	1/24/2007	1/25/2028	Pay NGI PG&E citygate price; Receive \$7.7224 per MMBtu	JPMorgan Chase Bank, NA	A+

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 9 – 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 10 – NET POSITION AND FUND BALANCES**

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

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

The School-Age Child Care Fund had a deficit net position of at June 30, 2018 of \$8,358,135. The City is evaluating the operations of this fund to ensure that service rates are sufficient to cover operations.

The Golf Fund had a deficit fund balance as of June 30, 2018 of \$5,728,089. The City is expecting to eliminate this deficit with future program revenues.

The Information Technology Fund had deficit net position at June 30, 2018 of \$693,163. The City is expecting to eliminate this deficit through future internal service rates.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 10 – NET POSITION AND FUND BALANCES (CONTINUED)**

**B. Classifications**

Detailed classifications of the City’s Fund Balances, as of June 30, 2018, are below:

Fund Balance Classifications	General Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>			
Items not in spendable form:			
Prepays	\$ 86,897	\$ -	\$ 86,897
Notes receivable	12,862,373	-	12,862,373
Inventories	232,394	-	232,394
Subtotal	13,181,664	-	13,181,664
Amounts required to be maintained intact:			
Permanent funds	-	16,916,061	16,916,061
<b>Total Nonspendable Fund Balances</b>	<b>13,181,664</b>	<b>16,916,061</b>	<b>30,097,725</b>
<b>Restricted for:</b>			
Community facilities districts	-	10,368,291	10,368,291
Debt service	-	102,758	102,758
Landscape and lighting	-	12,520,230	12,520,230
Street projects	-	15,646,205	15,646,205
Affordable housing	-	12,859,847	12,859,847
Technology replacement	-	1,145,346	1,145,346
Local access television	-	1,100,040	1,100,040
Public safety services and projects	-	987,845	987,845
Open space maintenance	-	621,015	621,015
Traffic projects	-	28,606,153	28,606,153
Federal grant programs	-	801,964	801,964
Wildlife preservation	-	1,090,679	1,090,679
Community development	-	159,614	159,614
Tree propagation	-	2,120,037	2,120,037
Aquatics complex maintenance	-	6,560	6,560
Other capital projects	-	56,655,886	56,655,886
<b>Total Restricted Fund Balances</b>	<b>-</b>	<b>144,792,470</b>	<b>144,792,470</b>
<b>Assigned to:</b>			
Annual construction and maintenance contracts	163,274	-	163,274
Information systems upgrades and improvements	255,827	-	255,827
Annual park and maintenance repairs	159,267	-	159,267
Police patrol supplies	50,398	-	50,398
Fire operations and supplies	77,633	-	77,633
Development services	2,504,966	-	2,504,966
Public works projects	118,282	-	118,282
Various contracts	595,374	-	595,374
Building and general rehabilitation projects	-	13,236,513	13,236,513
<b>Total Assigned Fund Balances</b>	<b>3,925,021</b>	<b>13,236,513</b>	<b>17,161,534</b>
<b>Unassigned:</b>			
General fund	38,352,989	-	38,352,989
Other governmental fund deficit residuals	-	(5,728,089)	(5,728,089)
<b>Total Unassigned Fund Balances</b>	<b>38,352,989</b>	<b>(5,728,089)</b>	<b>32,624,900</b>
<b>Total Fund Balances</b>	<b>\$ 55,459,674</b>	<b>\$ 169,216,955</b>	<b>\$ 224,676,629</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 11 – PENSION PLANS**

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

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

The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Safety	
	Prior to January 1, 2013	After January 1, 2013
Hire date	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 55	50 - 57
Retirement age	3.000%	2.0% - 2.7%
Monthly benefits, as a % of annual salary	9.000%	12.250%
Required employee contribution rates	21.928% + \$5,061,099	12.250%
Required employer contribution rates		
	Miscellaneous	
	Prior to January 1, 2013	After January 1, 2013
Hire date	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 55	52 - 67
Retirement age	2.0% - 2.7%	1.0% - 2.5%
Monthly benefits, as a % of annual salary	8.000%	6.250%
Required employee contribution rates	9.999% + \$12,112,439	6.250%
Required employer contribution rates		

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 11 – PENSION PLANS (CONTINUED)**

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	996	196
Inactive employees entitled to but not yet receiving benefits	696	71
Active employees	696	235
Total	2,388	502

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The City made contributions of \$18,499,075 to the miscellaneous plan and \$11,936,348 to the safety plan during the year ended June 30, 2018.

**Net Pension Liability**

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS membership data

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

(2) Net of pension plan investment and administrative expenses, includes inflation

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 11 – PENSION PLANS (CONTINUED)**

**Net Pension Liability (Continued)**

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Changes of assumptions – During the measurement year ended June 30, 2017, the accounting discount rate was lowered from 7.65 percent to 7.15 percent.

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

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

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

Asset Class	Target Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive Assets	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
Total	<u>100%</u>		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 11 – PENSION PLANS (CONTINUED)**

**Discount rate** - The discount rate used to measure the total pension liability was 7.15 percent for each plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the district's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability*

The changes in the Net Pension Liability for each Plan as of the measurement date of June 30, 2017 follows:

*Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at June 30, 2017</b>	\$ 565,400,677	\$ 361,251,067	\$ 204,149,610
<b>Changes in the year:</b>			
Service Cost	14,861,538	-	14,861,538
Interest on the total pension liability	42,476,046	-	42,476,046
Changes in Assumptions	36,462,156	-	36,462,156
Differences between expected and actual experience	(3,545,559)	-	(3,545,559)
Plan to Plan Resource Movement	-	7,316	(7,316)
Contribution - employer	-	19,450,887	(19,450,887)
Contribution - employee	-	6,168,110	(6,168,110)
Projected earnings on investments	-	25,831,214	(25,831,214)
Differences between projected and actual earnings on plan investments	-	14,875,455	(14,875,455)
Benefit payments, including refunds of employee contributions	(23,354,942)	(23,354,942)	-
Administrative expenses	-	(533,363)	533,363
<b>Net changes</b>	<u>66,899,239</u>	<u>42,444,677</u>	<u>24,454,562</u>
<b>Balance at June 30, 2018</b>	<u>\$ 632,299,916</u>	<u>\$ 403,695,744</u>	<u>\$ 228,604,172</u>

*Safety Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at June 30, 2017</b>	\$ 284,548,988	\$ 188,976,344	\$ 95,572,644
<b>Changes in the year:</b>			
Service Cost	9,405,915	-	9,405,915
Interest on the total pension liability	21,361,661	-	21,361,661
Changes of Assumptions	19,842,134	-	19,842,134
Differences between expected and actual experience	(4,417,042)	-	(4,417,042)
Contribution - employer	-	10,566,516	(10,566,516)
Contribution - employee	-	2,577,887	(2,577,887)
Projected earnings on investments	-	13,546,974	(13,546,974)
Differences between projected and actual earnings on plan investments	-	7,698,805	(7,698,805)
Benefit payments, including refunds of employee contributions	(11,825,080)	(11,825,080)	-
Administrative expenses	-	(279,011)	279,011
<b>Net changes</b>	<u>34,367,588</u>	<u>22,286,091</u>	<u>12,081,497</u>
<b>Balance at June 30, 2018</b>	<u>\$ 318,916,576</u>	<u>\$ 211,262,435</u>	<u>\$ 107,654,141</u>
<b>Totals of both miscellaneous and safety plans</b>	<u>\$ 951,216,492</u>	<u>\$ 614,958,179</u>	<u>\$ 336,258,313</u>



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 11 – PENSION PLANS (CONTINUED)**

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 317,860,601	\$ 157,295,003	\$ 475,155,604
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 228,604,172	\$ 107,654,141	\$ 336,258,313
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 155,013,477	\$ 67,544,884	\$ 222,558,361

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

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

For the year ended June 30, 2018, the City recognized pension expense of \$14,451,240 in the Miscellaneous Plan and \$4,740,221 in the Safety Plan. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 18,499,075	\$ -
Changes of assumptions	27,112,885	(2,237,861)
Differences between expected and actual experience	154,288	(3,051,109)
Net difference between projected and actual earnings on plan investments	4,958,720	-
Total	<u>\$ 50,724,968</u>	<u>\$ (5,288,970)</u>

	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 11,936,348	\$ -
Changes of assumptions	16,298,896	(2,492,187)
Differences between expected and actual experience	2,217,177	(5,727,578)
Net difference between projected and actual earnings on plan investments	2,771,313	-
Total	<u>\$ 33,223,734</u>	<u>\$ (8,219,765)</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 11 – PENSION PLANS (CONTINUED)**

The amount of \$18,499,075 in the miscellaneous plan and \$11,936,348 in the safety plan reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	Miscellaneous	Safety
2018	\$ 5,845,755	\$ 1,754,842
2019	14,355,713	4,834,246
2020	9,710,546	3,191,656
2021	(2,975,091)	1,634,185
2022	-	1,652,692
	\$ 26,936,923	\$ 13,067,621

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description*

The City provides medical benefits to substantially all retirees under the City of Roseville Retiree Healthcare Plan (Plan), a sole employer defined benefit healthcare plan administered by the Trust Investment Review Committee. The City is responsible for establishing and amending the funding policy of the Plan. The Plan financial statements can be obtained at [www.roseville.ca.us](http://www.roseville.ca.us) or by contacting the City of Roseville Accounting Division at 311 Vernon Street, Roseville, California 95678.

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

*Employees Covered By Benefit Terms* – As of June 30, 2018, the following employees were covered by the benefit terms:

	Number of Covered Participants
Inactive employees currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	43
Active employees	1,258
Total	2,027

*Contributions* – The contribution requirements of plan members and the City are established and may be amended by the City Council. The City Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2018, the City contributed \$14,213,477 to the Plan. Plan members receiving benefits contributed \$0.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***Net OPEB Liability***

The City’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

*Actuarial Assumptions* – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Contribution Policy	Pre-Funded with pay-go plus a percent of pay which varies by employee group
Discount Rate	6.25% at June 30, 2018
Expected Long-Term Rate of Return	Same as discount rate - expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Mortality Improvement	Mortality projected fully generational with Scal MP-17
Salary Increases	Aggregate 3% Merit - 6/30/2016 CalPERS assumptions
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation	Tier 1: 100% Tier 2 & Tier 3 RFF: 80% at 50% of cap to 100% at 100% of cap Tier 3 Non-RFF & Tier 4: 60%

Changes of assumptions – During measurement year ended June 30, 2018, the discount rate was reduced from 6.5 percent to 6.25 percent.

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

<b>Asset Class Component</b>	<b>Target Allocation</b>	<b>Expected Real Rate of Return<sup>1</sup></b>
Mutual Funds-Equity	45%	4.80%
Mutual Funds-Fixed Income	50%	1.50%
REITs	5%	3.80%
	100%	

(1) Assumed long-term rate of inflation: 2.75%

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Net OPEB Liability (Continued)*

*Discount rate.* The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes In Net OPEB Liability*

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
<b>Balance at June 30, 2017 (in '000s)</b>	\$ 232,271	\$ 72,664	\$ 159,607
Service Cost	6,665	-	6,665
Interest	15,256	-	15,256
Actual vs expected experience	(29,958)	-	(29,958)
Assumption changes	11,123	-	11,123
Contributions - employer*	-	14,213	(14,213)
Net investment income	-	5,903	(5,903)
Benefit payments	(8,449)	(8,449)	-
Administrative expenses	-	(211)	211
Net changes	(5,363)	11,456	(16,819)
<b>Balance at June 30, 2018</b>	<b>\$ 226,908</b>	<b>\$ 84,120</b>	<b>\$ 142,788</b>

\*Contributions to trust of \$5,764,477 plus \$6,947,000 cash benefit payments and \$1,502,000 implied subsidy benefit payments by the City.

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates* – The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25 percent) or 1 percentage point higher (7.25 percent) than the current discount rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (in 000's)	\$ 177,267	\$ 142,788	\$ 114,867

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates* – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6 percent decreasing to 4 percent) or 1 percentage point higher (8 percent decreasing to 6 percent) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 4%)	Current Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Net OPEB Liability (in 000's)	\$ 118,692	\$ 142,788	\$ 166,296

*OPEB plan fiduciary net position* – Detailed information about the Plan’s fiduciary net position is available in the separately issued City of Roseville Other Post-Employment Benefits Trust financial report.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2018, the City recognized OPEB expense of \$40,000. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 25,552,000
Changes in assumptions	9,487,000	-
Net difference between projected and actual earnings on plan investments	-	798,000
Total	\$ 9,487,000	\$ 26,350,000

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ (2,970,000)
2020	(2,970,000)
2021	(2,970,000)
2022	(2,968,000)
2023	(2,770,000)
Thereafter	(2,215,000)
	\$ (16,863,000)

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST**

***Plan Description***

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

*Plan membership* – At June 30, 2018, the Plan membership consisted of the following:

	Number of Covered Participants
Inactive employees currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	43
Active employees	1,258
Total	2,027

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

*Contributions* – The contribution requirements of plan members and the City are established and may be amended by the City Council. The Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2018, the City contributed \$14,213,477 to the plan, for current premiums. Plan members receiving benefits contributed \$0.

***Investments Authorized for the Other Post-Employment Benefits Trust Fund***

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 13 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)**

*Investments Authorized for the Other Post-Employment Benefits Trust Fund (Continued)*

<u>Asset Class Component</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return<sup>1</sup></u>
Mutual Funds-Equity	45%	4.80%
Mutual Funds-Fixed Income	50%	1.50%
REITs	5%	3.80%
	<u>100%</u>	

(1) Assumed long-term rate of inflation: 2.75%

*Rate of return* – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 8.07 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

*Net OPEB Liability of The City*

The components of the net OPEB liability of the City at June 30, 2018, were as follows (in 000's):

Total OPEB Liability	\$	226,908
Plan fiduciary net position		(84,120)
City's net OPEB liability	<u>\$</u>	<u>142,788</u>
Plan fiduciary net position as a percentage of the total OPEB liability		37.07%

*Actuarial assumptions* – The total OPEB liability was determined by an actuarial valuations as of June 30, 2018, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Contribution Policy	Pre-Funded with pay-go plus a percent of pay which varies by employee group
Discount Rate	6.25% at June 30, 2018
Expected Long-Term Rate of Return	Same as discount rate - expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-17
Salary Increases	Aggregate 3% Merit - 6/30/2016 CalPERS assumptions
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation	Tier 1: 100% Tier 2 & Tier 3 RFF: 80% at 50% of cap to 100% at 100% of cap Tier 3 Non-RFF & Tier 4: 60%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 (see the discussion of the Plan's investment policy).



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current discount rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (in 000's)	\$ 177,267	\$ 142,788	\$ 114,867

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

	1% Decrease (6% decreasing to 4%)	Current Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Net OPEB Liability (in 000's)	\$ 118,692	\$ 142,788	\$ 166,296

**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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**A. Risk Coverage**

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

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

**General Liability Coverage**

The City has a self-insured retention (SIR) of \$500,000 per claim up to a \$40,000,000 limit. The City's premium was \$829,689.

**Property Coverage**

CJPRMA has purchased commercial insurance against property damage, boiler and machinery claims. The City has a SIR of \$25,000 per claim up to a \$400,000,000 limit. The City's premium for coverage is \$293,404.

**Roseville Energy Park Property Coverage**

The City purchased commercial property insurance specifically to cover the Roseville Energy Park. The City has a SIR of \$250,000 per claim up to a \$200,000,000 limit. The City's premium for coverage is \$479,435.

**Fiduciary Coverage**

The City purchased fiduciary insurance specifically to cover the OPEB Trust. The SIR is \$25,000 per claim up to a \$3,000,000 limit. The City's premium for coverage is \$36,120.

**Workers' Compensation**

The City is also a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to \$5,000,000 and has excess coverage through CSAC-EIA up to the statutory limit. The City has a SIR of \$500,000 per claim. The total premium charged to the City was \$678,275.

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

**B. Insurance Internal Service Funds**

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***B. Insurance Internal Service Funds (Continued)***

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

	2018	2017
Claims liability, beginning of year	\$ 6,970,768	\$ 7,448,942
Current year claims	2,731,000	2,252,000
Change in prior year claims	870,926	(942,708)
Claims paid, current year claims	(409,357)	(391,222)
Claims paid, prior year claims	(1,978,711)	(1,396,244)
Claims liability, end of year	\$ 8,184,626	\$ 6,970,768
Current claims liabilities	\$ 1,473,233	\$ 1,324,446

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:

	2018	2017
Claims liability, beginning of year	\$ 2,180,004	\$ 1,821,283
Current year claims	1,448,000	877,000
Change in prior year claims	(241,695)	(266,474)
Claims paid, current year claims	(100,987)	(112,090)
Claims paid, prior year claims	(829,361)	(139,715)
Claims liability, end of year	\$ 2,455,961	\$ 2,180,004
Current claims liabilities	\$ 491,192	\$ 588,601

Claims have not exceeded coverage during the last three years.

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

***A. General***

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**A. General (Continued)**

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

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

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

During the year ended June 30, 2018, the City incurred expenses totaling \$5,442,947 for purchased power, regulatory and legislature assessments, association dues and prepaid assets paid to NCPA.

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

	June 30, 2018
General operating reserve (including advances)	\$ 1,507,316
Associated member services (including advances)	88,930
Undivided equity interest, at cost, in certain NCPA power projects:	
Geothermal projects	940,308
Calveras hydroelectric project	886,405
Combustion turbine project no. 2	149,209
	\$ 3,572,168

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**A. General (Continued)**

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

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

**B. Projects**

***Geothermal Projects***

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

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, when compared to local investor-owned utility rates, while meeting all electric system obligations including those to NCPA. In March 2009, NCPA issued \$35,610,000 Geothermal Project Number 3 Revenue Bonds (2009 Series A). The proceeds were used to finance and operate the two NCPA 110 MW geothermal steam powered generating plants, Plant Number 1 and Plant Number 2. In 2012, NCPA issued \$12,910,000 in bonds for Plant Number 1 turbine upgrades. The City is obligated to pay its contractual share of 7.883 percent of the operating costs and debt service until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2018, the book value of this Project's plant, equipment and other assets was \$86,782,442 while its long-term debt totaled \$28,770,001 and other liabilities totaled \$46,088,743. The City's share of the Project's long-term debt amounted to \$2,267,939 at that date.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of the NCPA main office building located in Roseville. The expansion is included as part of the Geothermal Projects funded by the bonds mentioned above. The City will recover its 7.883 percent share of the cost of the expansion which was \$204,958, with a 5 percent return on the investment over a ten year period. As of June 30, 2018, the City paid in full.

***Calaveras Hydroelectric Project***

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project and to finance its construction. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. Under its power purchase agreement with NCPA, the City is obligated to pay 12% of this Project's debt service and operating costs. In March 2018, NCPA refunded a portion of the outstanding Revenue Bonds with the \$70,215,000 2018 Hydroelectric Project Number One Revenue Bonds. At June 30, 2018 the book value of this Project's plant, equipment and other assets was \$378,334,239 while its long-term debt totaled \$331,266,780 and other liabilities totaled \$39,680,751. The City's share of the Project's long-term debt amounted to \$34,546,274 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 percent 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 percent of the natural gas purchase contract.

At June 30, 2018, the book value of this Project's plant, equipment and other assets was \$36,821,263, while its long-term debt totaled \$34,222,527 and other liabilities totaled \$2,189,945. The City's share of the Project's long-term debt amounted to \$12,491,222 at that date.

***C. NCPA Financial Information***

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY**

The City is a member of the South Placer Wastewater Authority (SPWA), a joint powers agency which operates under a joint powers agreement among three public agencies, the City of Roseville, South Placer Municipal Utility District and Placer County. The purpose of SPWA is to provide for the planning, financing, acquisition, construction and operation of the Regional Wastewater Facilities. Under the terms of the amended and restated funding agreement, effective October 1, 2012, the City will own and operate the Regional Wastewater Facilities and 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.

Under the terms of the Reallocation and Repayment Agreement, effective October 1, 2012, the three agencies are responsible for the repayment of all the revenue bonds. As of June 30, 2018, the City’s share of this obligation is 61.66%. This portion of the debt was recorded on the City’s financial statements, as discussed in Note 8.

During the year ended June 30, 2018, the City paid \$12,295,625 to SPWA based on connection fees collected during the fiscal year.

The City records its share of income and expenses from SPWA in the Wastewater Enterprise Fund and these changes are reflected in the Statement of Revenues, Expenses and Changes in Net Position. The City’s investment in SPWA Reserves at June 30, 2018, was \$97,650,641, which includes the City’s rate stabilization fund balance of \$74,974,077.

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 2018, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$	1,759,437
Deductions		<u>(172,637)</u>
Ending Balance	\$	<u>1,586,800</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES**

**A. *NCPA, Transmission Agency of Northern California, and Western Area Power Administration***

Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 15. The City's estimated share of such debt outstanding at June 30, 2018, was \$47,203,813. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

The City is a member of the Transmission Agency of Northern California (TANC), a joint powers agency. The City is entitled to 2.1119 percent of TANC's share of transfer capability in the California-Oregon Transmission Project (approximately 29.35MW). The City is responsible for a share of debt service on debt issued by TANC under a take-or-pay agreement, approximately \$400,000 annually through 2039. The City's estimated share of debt outstanding at June 30, 2018, was \$4,627,197.

In addition, the City has a long-term obligation to the United States Department of Energy, Western Area Power Administration, for 4.58533 percent 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 \$4 million annually for the term of this contract. The City receives approximately 155,000 MWh of energy per year under average hydro and storage conditions.

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

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

**C. *Litigation***

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



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***D. Encumbrances***

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end may be re-appropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2018, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:		
General Fund	\$	3,936,296
Non-Major Governmental Funds		20,441,587
Total Encumbrances	\$	24,377,883

***E. Other Commitments***

The City had the following outstanding significant commitments at June 30, 2018:

Projects	(in millions)
Roseville Energy Park long-term service agreement	\$ 27.0
Net power purchase contracts	58.6
Natural Gas Forward Obligations	61.4
Renewable power purchase obligations	50.3
Transit Services	14.3
Wastewater treatment plant expansion	12.6

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

**A. *Prepaid Gas Agreement***

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

The agreement provides for payments to be made by the Gas Supplier if it fails to deliver the daily contract quantities and may be terminated by the Authority in the event of non-performance by the Supplier. The Agreement will automatically terminate if there is a termination of the Commodity Swap (See Note 19 D) 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, 2018, the book value of prepaid gas under this agreement amounted to \$138,536,341.

**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, 2018.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

***C. Supply Agreement***

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

***D. Commodity Swap Agreement***

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

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

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

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

***A. Redevelopment Dissolution***

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

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

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

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

***B. Cash and Investments***

Cash and investments of the Successor Agency as of June 30, 2018 are included in the pooled cash and investments discussed in Note 3.

***C. Notes Receivable***

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners, developers or others who agreed to expend these funds in accordance with the Agency's terms. The balances of the notes receivable were \$4,152,359 at June 30, 2018.

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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

**C. Notes Receivable (Continued)**

The State Controller’s Office, but not the State Department of Finance, has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City continues to contend that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation prior to the dissolution were not reversed in the current fiscal year and remain as payable from the Corporation as of June 30, 2018.

Also included in the notes receivable above are two loans to one owner of two commercial businesses on Vernon Street for tenant improvements. These loans were made in 2011 by the former Redevelopment Agency and were assumed by the Successor Agency. The balance of the two loans as of June 30, 2018 was \$683,310.

**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, 2018 were comprised of land in the amount of \$74,369.

**E. Long-Term Obligations**

The Successor Agency assumed the long-term debt and loans of the Redevelopment Agency as of February 1, 2012. 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, 2017	Reductions	Balance June 30, 2018	Current Portion
<b>Tax Allocation Bonds:</b>				
2014 Redevelopment Project Taxable Tax Allocation				
2.00%-5.00%, due 9/1/33	\$ 9,870,000	\$ (445,000)	\$ 9,425,000	\$ 465,000
Add: bond premium	486,625	(28,625)	458,000	-
2016-T Redevelopment Project Taxable Tax Allocation				
1.02%-4.066%, due 9/1/40	21,520,000	(340,000)	21,180,000	395,000
Total Tax Allocation Bonds	31,876,625	(813,625)	31,063,000	860,000
Loans from the City	20,695,474	(1,216,466)	19,479,008	1,176,284
<b>Total</b>	<b>\$ 52,572,099</b>	<b>\$ (2,030,091)</b>	<b>\$ 50,542,008</b>	<b>\$ 2,036,284</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

***1. Debt Service Requirements***

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

For the Year Ending June 30	Principal	Interest
2019	\$ 860,000	\$ 1,086,259
2020	895,000	1,057,078
2021	920,000	1,031,246
2022	940,000	1,003,447
2023	975,000	973,811
2024-2028	5,370,000	4,368,053
2029-2033	6,495,000	3,356,934
2034-2038	8,320,000	2,014,716
2039-2041	5,830,000	361,874
Total	\$ 30,605,000	\$ 15,253,418

***2. 2014 Roseville Redevelopment Project Tax Allocation Refunding Bonds***

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

***3. 2016-T Roseville Redevelopment Project Tax Allocation Bonds***

On July 19, 2016, the Roseville Successor Agency issued the Series 2016-T Refunding Bonds, in the amount of \$21,520,000 for the purpose of refunding the 2006 Series A, 2006 Series A-T and 2006 Series H-T Tax Allocation Bonds. The Bonds bear interest at rates ranging from 1.021 percent to 4.066 percent. Principal payments are due annually on September 1. Interest payments are due semi-annually on each September 1 and March 1, commencing on September 1, 2017 through September 1, 2040.

***4. Loans from the City***

Prior to July 1, 2011, the former Redevelopment Agency had received various advances from various City funds. These advances bore interest at the average interest rate of the City’s pooled investments. Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

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

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

***4. Loans from the City (Continued)***

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the balance of the obligation to repay the advances in the amount of \$25,603,129 for principal and accrued interest and recorded a notes payable to the Low and Moderate Income Housing Asset Fund equal to twenty percent of the balance of the notes. During fiscal year 2013, the State Department of Finance denied the prepaid advance and required the return of \$7,309,447 to the Successor Agency. The General Fund returned the cash to the Successor Agency during fiscal year 2013. The Successor Agency received its Finding of Completion in August 2013 determining that notes are enforceable obligations.

During fiscal year 2014, the Successor Agency completed its Long-Range Property Management Plan which was approved by the Department of Finance in May 2014 and as a result, the Successor Agency transferred land that was designated for governmental use to the City in the amount of \$7,107,581. As a result of the transfer, the City cancelled the notes that had been made to the former Redevelopment Agency for the purchase of those properties, including accrued interest, in the amount of \$5,902,331.

During fiscal year 2014, the Department of Finance clarified how the interest is to be calculated on each note to the Successor Agency. The City recalculated the interest due on the notes using the revised guidance and as a result the interest receivable was reduced by \$3,030,067. The principal balance of the notes as of June 30, 2018 is \$19,479,008. Accrued interest on the notes as of June 30, 2018 is \$570,887.

**NOTE 21 – RESTATEMENT**

***A. Adoption of New Accounting Standard***

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. The net position of the Governmental Activities, Electric, Water, Wastewater, Solid Waste, Local Transportation, School-Age Child Care, and Post-Retirement Funds were restated as a result of the implementation of this accounting standard.

***B. Capital Asset & Accounts Payable Adjustments***

The beginning net position of the Electric Fund and Local Transportation Fund have been restated to properly record accumulated depreciation for a large project that was completed however not properly placed in service and to move parks and landscaping from nondepreciable to depreciable assets and record accumulated depreciation on those assets. Additionally, the City implemented a new method of accounting for permits due and payable to outside entities. The City removed the payable accrual for permits that had been deferred.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 21 – RESTATEMENT (Continued)**

***C. Fund Reclassifications***

The City reclassified certain funds for more appropriate presentation in the financial statements.

The beginning fund balance of the Downtown Benefit Fee, Downtown Parking, Fire Facilities, Air Quality Mitigation, South Placer Animal Control Shelter, Public Facilities, Park Development, and Pleasant Grove Drain Basin Funds were reclassified into a new capital project fund called the Development Impact Fund. The beginning fund balance of the General Capital Improvement Projects Rehabilitation, Parks and Recreation Fee, and Building Funds have been reclassified into a new capital project fund called the General Fund Capital Projects Fund.

The beginning balance of the Bike Trail/Open Space Maintenance Fund is being reclassified so that the activities related to Bike Trails will be reported in the new Development Impact Fund, and the activities related to Open Space will be reported in a new special revenue fund called the Open Space Fund. A separate component was allocated to the Al Johnson Wildlife Fund.

Certain activities previously reported in the general fund have been removed from the general fund and reclassified as internal service funds. The beginning net position of these funds have been restated and will be reported as the Facilities and Information Technology Internal Service Funds.

The Golf Course Fund, which was previously reported as an enterprise fund, was reclassified to a special revenue fund. Long-term debt and capital assets of this fund were moved to governmental activities and the fund balance of this fund was restated to account for this change.



**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**NOTE 21 – RESTATEMENT (CONTINUED)**

**C. Fund Reclassifications (Continued)**

Net Position/Fund Balance as of June 30, 2018 have been restated as follows:

	Beginning Net Position/Fund Balance (as previously reported)	GASB 75	Payable & Capital Asset Adjustments	Fund Reclassifications	Beginning Net Position/Fund Balance (restated)
<b>Government Wide:</b>					
Governmental Activities	\$ 1,049,019,073	\$ (55,967,226)	\$ (86,763,660)	\$ 5,036,058	\$ 911,324,245
Business-type Activities	1,498,025,253	(52,669,000)	780,034	(5,036,058)	1,441,100,229
Development Impact Fund	-	-	-	60,581,186	60,581,186
Downtown Benefit Fee	19,980	-	-	(19,980)	-
Downtown Parking	(1,500,610)	-	-	1,500,610	-
Fire Facilities	5,232,829	-	-	(5,232,829)	-
Air Quality Mitigation	388,295	-	-	(388,295)	-
South Placer Animal Control Shelter	(420)	-	-	420	-
Public Facilities	5,234,937	-	-	(5,234,937)	-
Park Development	36,811,111	-	-	(36,811,111)	-
Pleasant Grove Drain Basin	10,260,334	-	-	(10,260,334)	-
Traffic Signal Coordination	2,328,679	-	-	(2,328,679)	-
Traffic Mitigation	31,059,534	-	-	(2,569,400)	28,490,134
General Fund Capital Projects	-	-	-	16,537,491	16,537,491
General Capital Improvement Projects Rehabilitation	16,369,206	-	-	(16,369,206)	-
Parks and Recreation Fee	15,239	-	-	(15,239)	-
Building	147,222	-	-	(147,222)	-
Bike Trail/Open Space	862,665	-	-	(862,665)	-
Open Space	-	-	-	593,476	593,476
Golf	-	-	-	(5,325,002)	(5,325,002)
Al Johnson Wildlife	-	-	-	1,026,714	1,026,714
<b>Enterprise Funds:</b>					
Electric	341,452,382	(18,291,000)	(550,000)	-	322,611,382
Water	510,142,321	(8,853,000)	-	-	501,289,321
Wastewater	602,763,083	(10,622,000)	2,569,050	-	594,710,133
Solid Waste	17,567,184	(9,025,000)	-	-	8,542,184
Golf	5,036,058	-	-	(5,036,058)	-
Local Transportation	19,494,591	(1,012,000)	(1,239,016)	-	17,243,575
School-Age Child Care	(2,287,074)	(4,866,000)	-	-	(7,153,074)
Facilities Services	-	-	-	117,154,396	117,154,396
Information Technology	-	-	-	1,097,393	1,097,393
Post Retirement	(49,789,613)	50,971,148	-	-	1,181,535

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 100,697,525	\$ 103,494,881	\$ 101,478,273	\$ (2,016,608)
Licenses and permits	2,510,200	2,514,200	3,001,719	487,519
Charges for services	18,210,829	22,072,768	17,605,164	(4,467,604)
Subventions and grants	425,935	971,717	578,650	(393,067)
Use of money and property	1,543,000	1,621,905	1,386,080	(235,825)
Fines, forfeitures and penalties	869,900	869,900	959,460	89,560
Contribution from developers	945,000	1,004,360	852,398	(151,962)
Miscellaneous revenues	1,997,040	2,751,796	3,069,092	317,296
<b>TOTAL REVENUES</b>	<b>127,199,429</b>	<b>135,301,527</b>	<b>128,930,836</b>	<b>(6,370,691)</b>
<b>EXPENDITURES:</b>				
Current:				
Salaries and Benefits				
General Government				
City Council	38,152	37,114	37,113	1
City Manager - Administration	936,826	1,116,432	1,106,431	10,001
Communications - Government Relations	633,490	660,839	660,831	8
City Attorney	1,707,355	1,756,971	1,756,971	-
Human Resources - Administration	1,328,540	1,181,007	1,180,978	29
Risk Management - Administration	-	2,576	2,576	-
City Clerk - Administration	831,608	820,201	820,122	79
Central Services - Administration	505,153	476,334	476,265	69
Purchasing	596,017	540,738	540,717	21
Central Stores	297,020	308,807	308,796	11
Finance Administration	700,500	433,430	433,388	42
Budget	597,721	478,537	478,531	6
Payroll	665,890	495,093	495,088	5
Accounts Payable	411,578	373,754	373,725	29
Cash management	276,315	285,716	285,709	7
Gen Acct - Accounting	873,549	707,544	707,542	2
Development & Operations				
Development & Operations - Admin	438,021	378,073	378,068	5
Housing Admin	165,661	173,731	173,731	-
Economic Development & Housing	589,983	582,905	582,905	-
Planning	1,269,060	1,261,578	1,261,574	4
Development Services - Admin	727,205	711,055	711,053	2
Development Services - Permit Center	1,330,379	1,008,184	1,008,176	8
Development Services - Building Inspection	1,926,046	2,178,225	2,178,229	(4)
Development Services - Code Enforcement	536,369	543,470	543,467	3
Development Services - Engineering	1,460,817	1,385,769	1,385,761	8
Public Works				
Public Works - Administration	333,461	349,759	349,758	1
Engineering	1,696,697	1,618,963	1,618,962	1
Flood Alert	-	13,900	13,851	49
Streets - Administration	737,998	711,136	711,127	9
Street Drainage	262,139	217,266	217,318	(52)
Paving	1,269,140	1,424,339	1,424,339	-
Street Signs	198,250	308,020	308,019	1
Street Markings	260,531	108,482	108,479	3
Storm Water Management EU	487,208	487,208	422,657	64,551
Public Safety				
Police				
Police - Administration	2,273,108	2,255,671	2,255,595	76
Records - Property	1,886,256	1,831,018	1,831,018	-
Police Communications	3,082,222	3,049,219	3,049,215	4
Community Services	1,184,446	1,601,716	1,601,714	2
Social Services Unit	1,375,553	1,238,137	1,238,125	12
Patrol	14,907,833	16,123,238	16,113,666	9,572
Investigations	4,199,486	3,293,564	3,293,557	7
Animal Control	315,190	305,880	305,879	1
Police Traffic	1,798,750	1,542,833	1,539,929	2,904

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
Fire				
Buckle-Up Baby Fund	\$ -	\$ 23,095	\$ 23,095	\$ -
Fire - Administration	580,919	641,719	641,712	7
Fire Prevention	1,644,470	1,679,111	1,679,109	2
Fire Operations	21,295,410	24,367,211	24,352,320	14,891
Fire Training	688,008	752,570	752,573	(3)
Fire Logistics	436,073	431,928	431,927	1
Library				
Library - Admin/Tech Services	3,000,707	2,985,241	2,985,237	4
Maidu Museum - Historic Site	390,129	301,006	301,003	3
Parks and Recreation				
Parks & Rec - Administration	1,217,214	1,231,126	1,231,126	-
Park Development	536,118	459,053	459,049	4
Adult Sports	246,302	226,703	226,702	1
Adult & Senior Activities	170,964	171,068	171,060	8
Cultural Arts & Entertainment	34,306	35,834	35,830	4
Youth & Teen Services	213,443	203,214	203,207	7
Youth Classes	438,708	418,530	418,526	4
Community Special Events	131,457	124,916	124,907	9
Maidu Park	299,952	303,426	303,422	4
Mahany Park	654,655	610,230	610,230	-
Town Square	221,615	203,133	203,125	8
Aquatics	1,563,413	1,618,699	1,618,699	-
Park Operations - Admin	971,070	721,508	721,503	5
Open Space/Tree Maintenance	754,165	763,104	763,098	6
Parks - Maintenance	2,662,901	2,622,179	2,622,174	5
Operating Services and Supplies				
General Government				
City Council	380,580	381,904	339,794	42,110
Community Contributions	40,000	40,000	20,000	20,000
Strategic Improvements	50,000	130,335	109,754	20,581
City Manager - Administration	140,807	207,657	198,360	9,297
Public Affairs/Communication	146,210	162,078	137,565	24,513
City Attorney	254,576	254,576	212,327	42,249
Litigation Reserve	250,000	250,000	-	250,000
Human Resources - Admin	627,284	627,945	504,055	123,890
Risk Mgmt - Administration	328,171	363,976	314,783	49,193
City Clerk - Administration	185,857	185,631	168,740	16,891
Elections	-	16,283	7,083	9,200
Central Services - Administration	65,450	65,450	57,716	7,734
Purchasing	96,599	109,517	100,604	8,913
Central Stores	187,570	187,570	186,682	888
Property Management - Parking Structures	291,039	271,039	266,909	4,130
Property Management - Rentals	128,576	148,576	143,485	5,091
Property Management - Rentals 316 Vernon	268,166	268,166	268,166	-
Finance Administration	384,535	409,510	405,029	4,481
Budget	125,102	201,217	201,217	-
Payroll	70,130	232,242	181,204	51,038
Accounts Payable	32,424	32,484	32,455	29
Cash Management	68,905	71,789	65,901	5,888
General Accounting - Administration	183,016	217,862	170,301	47,561
City Special Assessments	139,581	139,581	130,321	9,260
Development & Operations-Admin				
Housing Admin	105,551	105,551	103,786	1,765
Economic Development & Housing	281,404	281,404	277,079	4,325
Planning	193,314	224,927	181,537	43,390
Development Services - Admin	507,886	524,781	465,227	59,554
Development Services - Permit Center	86,432	167,787	103,068	64,719
Development Services - Building Inspection	650,283	766,675	715,853	50,822
Development Services - Code Enforcement	82,628	120,963	67,563	53,400
Development Services - Engineering	312,680	351,780	308,137	43,643
Amoruso/Brookfield	75,000	75,000	4,225	70,775
Building Plan Check Services	50,000	156,008	-	156,008
Planning - Full Cost Projects	5,442,750	8,801,289	3,439,089	5,362,200

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public Works - Administration	\$ 68,612	\$ 68,612	\$ 67,707	\$ 905
Engineering	347,313	347,913	345,214	2,699
Flood Alert	100,106	100,106	99,219	887
Streets - Administration	439,579	439,579	424,201	15,378
Street Drainage	340,864	340,864	321,298	19,566
Paving	896,551	959,551	866,233	93,318
Street Signs	115,186	115,186	112,268	2,918
Street Markings	133,655	133,655	129,724	3,931
Storm Water Management	242,477	388,557	209,661	178,896
Flood Pain Management	-	-	169,839	(169,839)
Public Safety				
Police				
Police - Administration	3,244,554	3,232,070	3,229,251	2,819
Records - Property	158,309	145,867	143,367	2,500
Police Communications	169,987	170,312	169,086	1,226
Community Services	66,460	74,219	74,217	2
Social Services	44,740	31,296	25,019	6,277
Patrol	1,603,685	1,719,833	1,717,481	2,352
Investigations	232,642	242,017	240,349	1,668
Animal Control	821,833	892,038	862,996	29,042
Police Traffic	77,383	77,383	77,376	7
Police - Vehicles	2,076,383	2,099,668	2,012,208	87,460
Fire				
Buckle-Up Baby Fund	6,000	5,092	5,339	(247)
Fire - Administration	268,813	269,526	269,526	-
Fire Prevention	160,308	225,765	209,905	15,860
Fire Operations	2,159,954	2,176,589	2,144,810	31,779
Fire Training	164,269	236,475	226,992	9,483
Fire Logistics	1,900,087	1,982,569	1,931,998	50,571
Fire Grants	-	51,152	51,150	2
Emergency Preparedness	16,340	23,067	18,926	4,141
Library				
Harrigan Trust-Adult Literacy	22,400	22,400	-	
Library - Admin/Tech Services	1,851,565	1,866,465	1,861,946	4,519
Maidu Museum - Historic Site	89,684	89,684	76,404	13,280
Parks and Recreation				
Parks & Rec - Administration	2,425,990	2,426,518	2,411,526	14,992
Park Development	42,737	89,522	32,679	56,843
Adult Sports	150,115	150,115	128,337	21,778
Adult & Senior Activities	48,478	65,166	60,463	4,703
Cultural Arts & Entertainment	6,950	6,950	2,092	4,858
Youth & Teen Services	62,275	72,275	64,220	8,055
Youth Classes	162,956	179,406	175,959	3,447
Community Special Events	196,693	188,830	167,305	21,525
Maidu Community Center/Sports Courts	68,950	68,010	51,466	16,544
Mahany Park	240,453	245,140	193,620	51,520
Town Square	173,215	176,376	149,699	26,677
Aquatics	663,440	652,815	550,889	101,926
Park Operations - Admin	58,394	79,648	51,945	27,703
Open Space/Tree Maintenance	570,820	680,346	671,295	9,051
Parks - Maintenance	3,055,089	3,126,203	3,057,160	69,043
Reimbursements:				
General Government	-	(5,213,999)	(5,213,999)	-
RFA Rentals	-	(1,833,741)	(1,833,741)	-
Development & Operations	-	(552,453)	(552,453)	-
Public Works	-	(618,406)	(618,406)	-
Fire	-	(60,611)	(60,611)	-

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and Recreation	-	(105,476)	(105,476)	-
Annexation payments	\$ 5,450,000	\$ 5,775,037	\$ 5,775,035	\$ 2
Debt Service:				
Principal retirement	1,096,040	1,096,040	1,096,038	2
Interest and fiscal charges	834,754	838,984	830,518	8,466
<b>TOTAL EXPENDITURES</b>	<b>138,623,116</b>	<b>137,884,794</b>	<b>130,237,874</b>	<b>7,624,520</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,423,687)</b>	<b>(2,583,267)</b>	<b>(1,307,038)</b>	<b>1,276,229</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	22,154,181	18,026,632	13,517,024	(4,509,608)
Transfers (Out)	(8,779,844)	(15,448,292)	(13,407,406)	2,040,886
Total Other Financing Sources (Uses)	13,374,337	2,578,340	109,618	(2,468,722)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,950,650</b>	<b>\$ (4,927)</b>	<b>(1,197,420)</b>	<b>\$ (1,192,493)</b>
Adjustment to budgetary basis:				
Capital outlay			3,919,194	
<b>FUND BALANCE - BEGINNING</b>			<b>60,576,288</b>	
<b>FUND BALANCE - ENDING</b>			<b>\$ 55,459,674</b>	

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

	2015		2016		2017	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
<b>Total pension liability</b>						
Service cost	\$ 12,410,363	\$ 7,979,496	\$ 12,377,311	\$ 7,650,925	\$ 12,872,902	\$ 7,764,644
Interest on total pension liability	35,999,301	17,970,776	38,106,634	18,851,867	40,468,522	20,340,470
Differences between expected and actual experience	-	-	(1,796,891)	(4,348,535)	316,698	3,415,651
Changes in assumptions	-	-	(9,697,397)	(5,162,388)	-	-
Benefit payments, including refunds of employee contributions	(18,188,166)	(9,003,224)	(19,339,004)	(9,908,333)	(21,009,168)	(11,124,582)
<b>Net change in total pension liability</b>	<b>30,221,498</b>	<b>16,947,048</b>	<b>19,650,653</b>	<b>7,083,536</b>	<b>32,648,954</b>	<b>20,396,183</b>
<b>Total pension liability -- beginning</b>	<b>482,879,572</b>	<b>240,122,220</b>	<b>513,101,070</b>	<b>257,069,269</b>	<b>532,751,723</b>	<b>264,152,805</b>
<b>Total pension liability -- ending (a)</b>	<b>\$ 513,101,070</b>	<b>\$ 257,069,268</b>	<b>\$ 532,751,723</b>	<b>\$ 264,152,805</b>	<b>\$ 565,400,677</b>	<b>\$ 284,548,988</b>
<b>Plan fiduciary net position</b>						
Plan to plan resource movement	\$ -	\$ -	\$ 3,810	\$ (26,514)	\$ (386)	\$ -
Contributions - employer	14,691,280	8,482,557	15,901,790	9,010,440	17,491,938	9,590,596
Contributions - employee	5,879,856	2,321,899	5,785,312	2,299,042	6,323,610	2,418,065
Net investment income	51,318,939	26,953,304	7,885,768	4,110,266	1,875,529	906,270
Benefit payments	(18,188,166)	(9,003,224)	(19,339,004)	(9,908,333)	(21,009,168)	(11,124,582)
Administrative expenses	-	-	(401,772)	(210,832)	(217,443)	(114,150)
<b>Net change in fiduciary net position</b>	<b>53,701,909</b>	<b>28,754,536</b>	<b>9,835,904</b>	<b>5,274,069</b>	<b>4,464,080</b>	<b>1,676,199</b>
<b>Plan fiduciary net position -- beginning</b>	<b>293,249,174</b>	<b>153,271,540</b>	<b>346,951,083</b>	<b>182,026,076</b>	<b>356,786,987</b>	<b>187,300,145</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$ 346,951,083</b>	<b>\$ 182,026,076</b>	<b>\$ 356,786,987</b>	<b>\$ 187,300,145</b>	<b>\$ 361,251,067</b>	<b>\$ 188,976,344</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$ 166,149,987</b>	<b>\$ 75,043,192</b>	<b>\$ 175,964,736</b>	<b>\$ 76,852,660</b>	<b>\$ 204,149,610</b>	<b>\$ 95,572,644</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	67.62%	70.81%	66.97%	70.91%	63.89%	66.41%
<b>Covered payroll</b>	\$ 67,642,462	\$ 25,304,421	\$ 70,574,246	\$ 25,172,485	\$ 74,134,013	\$ 26,276,305
<b>Net pension liability as a percentage of covered payroll</b>	245.63%	296.56%	249.33%	305.30%	275.38%	363.72%
<b>Measurement date</b>	June 30, 2014	June 30, 2014	June 30, 2015	June 30, 2015	June 30, 2016	June 30, 2016

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



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

	<b>2018</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
<b>Total pension liability</b>		
Service cost	\$ 14,861,538	\$ 9,405,915
Interest on total pension liability	42,476,046	21,361,661
Differences between expected and actual experience	(3,545,559)	(4,417,042)
Changes in assumptions	36,462,156	19,842,134
Benefit payments, including refunds of employee contributions	<u>(23,354,942)</u>	<u>(11,825,080)</u>
<b>Net change in total pension liability</b>	66,899,239	34,367,588
<b>Total pension liability -- beginning</b>	<u>565,400,677</u>	<u>284,548,988</u>
<b>Total pension liability -- ending (a)</b>	<u>\$ 632,299,916</u>	<u>\$ 318,916,576</u>
 <b>Plan fiduciary net position</b>		
Plan to plan resource movement	\$ 7,316	
Contributions - employer	19,450,887	\$ 10,566,516
Contributions - employee	6,168,110	2,577,887
Net investment income	40,706,669	21,245,779
Benefit payments	(23,354,942)	(11,825,080)
Administrative expenses	<u>(533,363)</u>	<u>(279,011)</u>
<b>Net change in fiduciary net position</b>	42,444,677	22,286,091
<b>Plan fiduciary net position -- beginning</b>	<u>361,251,067</u>	<u>188,976,344</u>
<b>Plan fiduciary net position -- ending (b)</b>	<u>\$ 403,695,744</u>	<u>\$ 211,262,435</u>
 <b>Net pension liability -- ending (a) - (b)</b>	<u>\$ 228,604,172</u>	<u>\$ 107,654,141</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	63.85%	66.24%
 <b>Covered payroll</b>	\$ 74,964,348	\$ 26,613,359
 <b>Net pension liability as a percentage of covered payroll</b>	304.95%	404.51%
 <b>Measurement date</b>	June 30, 2017	June 30, 2017

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

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

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

**Notes to Schedule**

Valuation date:	6/30/2012	6/30/2012	6/30/2013	6/30/2013	6/30/2014	6/30/2014
Methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment	3.3% to 14.2% depending on age, service, and type of employment	3.3% to 14.2% depending on age, service, and type of employment	3.3% to 14.2% depending on age, service, and type of employment	3.3% to 14.2% depending on age, service, and type of employment	3.3% to 14.2% depending on age, service, and type of employment
Discount rate	7.50%	7.50%	7.65%	7.65%	7.65%	7.65%
Retirement age	50-57 for Safety; 50-67 for Miscellaneous	50-57 for Safety; 50-67 for Miscellaneous	50-57 for Safety; 50-67 for Miscellaneous	50-57 for Safety; 50-67 for Miscellaneous	50-57 for Safety; 50-67 for Miscellaneous	50-57 for Safety; 50-67 for Miscellaneous
Mortality	Derived using CalPERS membership data	Derived using CalPERS membership data	Derived using CalPERS membership data	Derived using CalPERS membership data	Derived using CalPERS membership data	Derived using CalPERS membership data

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

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

	2018	
	Miscellaneous	Safety
Actuarially determined contributions	\$ 18,499,075	\$ 11,936,348
Contributions in relation to the actuarially determined contribution	18,499,075	11,936,348
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 77,213,278	\$ 27,411,760
Contributions as a percentage of covered-employee payroll	23.96%	43.54%

**Notes to Schedule**

Valuation date: 6/30/2015 6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment
Discount rate	7.15%
Retirement age	50-57 for Safety; 50-67 for Miscellaneous
Mortality	Derived using CalPERS membership data

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

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

	<b>2018</b>
<b>Total OPEB liability</b>	
Service cost	\$ 6,665,000
Interest on total OPEB liability	15,256,000
Differences between expected and actual experience	(29,958,000)
Changes in assumptions	11,123,000
Benefit payments, including refunds of employee contributions	(8,449,000)
<b>Net change in total OPEB liability</b>	(5,363,000)
<b>Total OPEB liability -- beginning</b>	232,271,000
<b>Total OPEB liability -- ending (a)</b>	\$ 226,908,000
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 14,213,477
Net investment income	5,902,312
Benefit payments	(8,449,000)
Administrative expenses	(210,775)
<b>Net change in fiduciary net position</b>	11,456,014
<b>Plan fiduciary net position -- beginning</b>	72,663,626
<b>Plan fiduciary net position -- ending (b)</b>	\$ 84,119,640
<b>Net OPEB liability -- ending (a) - (b)</b>	\$ 142,788,360
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	37.07%
<b>Covered payroll</b>	\$ 113,273
<b>Net OPEB liability as a percentage of covered payroll</b>	126056.84%
<b>Measurement date</b>	June 30, 2018

\* Fiscal year 2018 was the first year of implementation, therefore, only one year is shown.

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

	<b>2018</b>
Actuarially determined contributions	\$ 14,213,477
Contributions in relation to the actuarially determined contribution	14,213,477
Contribution deficiency (excess)	\$ -
 Covered payroll	 \$ 113,273,000
 Contributions as a percentage of covered- employee payroll	 12.55%

**Notes to Schedule**

Valuation date: 6/30/2017

Methods and assumptions used to determine  
contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary Increase	Aggregate of 3.00%
Discount rate	6.25%
Mortality	Derived using CalPERS membership data

\* Fiscal year 2018 was the first year of implementation, therefore, only one year is shown.

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**CITY OF ROSEVILLE, CALIFORNIA  
 MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS  
 FOR THE YEAR ENDED JUNE 30, 2018**

GASB Statement No. 34 allows the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The Modified Approach may be used if two requirements are met:

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

**Street Pavement**

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

The condition of the pavement is based on a weighted average of seven distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for pavement with perfect condition. The condition index is used to classify pavement in good or better condition (70-100), fair condition (55–69), and substandard condition (less than 55).

The City’s maintenance costs are budgeted to be \$3,136,162 in fiscal year 2019. The Pavement Quality Index (PQI) for the City’s street pavement for the last five years is as follows:

Fiscal Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/Collector	Residential		
2014	81	70	\$ 4,570,018	\$ 6,918,584
2015	72	70	6,295,490	5,009,404
2016	71	70	15,242,792	6,220,458
2017	72	69	14,379,921	11,893,473
2018	72	70	3,491,657	5,154,352

The City’s policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 70. This rating allows for minor cracking and releveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$5,154,352 for street preservation in fiscal year 2018.

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

**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budgeting Procedures**

The City follows these procedures in establishing the budgetary data:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of minute order and ordinance.
4. The City Manager or designee is authorized to apply prudent monitoring procedures to assure that actual expenditures/expenses of the City do not exceed the appropriations at the major summary categories (salaries and benefits, operating services and supplies, and capital outlay) by organization key within each fund in conformance with the adopted policies set by the City Council. Capital Improvement Projects, including annual projects, may not exceed budget at the total project level. Additional appropriations or interfund transfers not included in the original budget ordinance require approval by the City Council.
5. Expenditures may not legally exceed budgeted appropriations at the organization key level by major summary category within each fund.
6. A formal budgetary process is employed as a management control device during the year.
7. Budgets are adopted for all governmental funds. In addition, the capital projects funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

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

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

**C. Encumbrances**

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



## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

**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.

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

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

**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.

**Grants Fund.** To account for monies various housing and police grants received from federal, state, and local grantors.

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

**Affordable Housing Fund.** To account for monies received from property whose land use was changed from residential to commercial and from affordable housing agreements. These monies are then used to fund other affordable housing projects.

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

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

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

## NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

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

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

### 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.

### 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.

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

**Al Johnson Wildlife Area Fund.** To account for activity related to the maintenance of the AL Johnson Wildlife area.

**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 taxes against benefited properties.

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

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

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

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

## NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

### PERMANENT FUNDS

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Traffic Safety	Trench Cut Recovery Fund
<b>ASSETS:</b>				
Cash and investments	\$ 12,541,816	\$ 10,643,505	\$ 724,789	\$ 149,728
Cash with fiscal agents	-	-	-	-
Receivables:				
Accounts receivable	156,536	-	3,335	-
Accrued interest	56,590	45,574	-	759
Due from other government agencies	131,978	287,970	47,045	-
Due from other funds	-	-	-	-
Prepaid Asset	-	-	-	-
Developer permit fees receivable	-	-	-	-
Notes receivable	-	2,178,900	-	-
Land held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 12,886,920</b>	<b>\$ 13,155,949</b>	<b>\$ 775,169</b>	<b>\$ 150,487</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 337,545	\$ 19,879	\$ 2,962	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other government agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	29,145	1,300	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>366,690</b>	<b>21,179</b>	<b>2,962</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	12,520,230	13,134,770	772,207	150,487
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>12,520,230</b>	<b>13,134,770</b>	<b>772,207</b>	<b>150,487</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,886,920</b>	<b>\$ 13,155,949</b>	<b>\$ 775,169</b>	<b>\$ 150,487</b>

SPECIAL REVENUE FUNDS

Technology Replacement	Open Space	Tree Propagation	Grants	Housing Authority Housing Choice Voucher	Affordable Housing	Low/Mod Income Housing Asset
\$ 1,235,663	\$ 646,613	\$ 2,143,597	\$ 1,207,695	\$ 491,003	\$ 6,707,520	\$ 969,738
-	-	-	-	27,935	-	-
2,253	-	-	1,093,015	-	3,200	-
2,484	3,109	9,338	6,277	-	436,990	979,208
-	-	-	2,258	-	125,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,709,597	-	8,279,082	14,225,573
-	-	-	-	-	-	861,245
<u>\$ 1,240,400</u>	<u>\$ 649,722</u>	<u>\$ 2,152,935</u>	<u>\$ 15,018,842</u>	<u>\$ 518,938</u>	<u>\$ 15,551,792</u>	<u>\$ 17,035,764</u>
\$ -	\$ 28,707	\$ 32,898	\$ 66,541	\$ 95,308	\$ 135,828	\$ -
-	-	-	-	27,935	-	-
95,054	-	-	-	-	-	-
-	-	-	-	-	316,423	311,654
-	-	-	-	-	-	-
-	-	-	564,687	-	-	-
<u>95,054</u>	<u>28,707</u>	<u>32,898</u>	<u>631,228</u>	<u>123,243</u>	<u>452,251</u>	<u>311,654</u>
-	-	-	13,585,650	-	8,367,659	10,991,840
-	-	-	-	-	-	-
1,145,346	621,015	2,120,037	801,964	395,695	6,731,882	5,732,270
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,145,346</u>	<u>621,015</u>	<u>2,120,037</u>	<u>801,964</u>	<u>395,695</u>	<u>6,731,882</u>	<u>5,732,270</u>
<u>\$ 1,240,400</u>	<u>\$ 649,722</u>	<u>\$ 2,152,935</u>	<u>\$ 15,018,842</u>	<u>\$ 518,938</u>	<u>\$ 15,551,792</u>	<u>\$ 17,035,764</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Cable TV PEG	Police Evidence	Roseville Community Development Corporation	Golf
<b>ASSETS:</b>				
Cash and investments	\$ 1,009,861	\$ 214,855	\$ 1,714,497	\$ -
Cash with fiscal agents	-	-	-	-
Receivables:				
Accounts receivable	93,607	-	3,805	437,072
Accrued interest	4,619	983	-	-
Due from other government agencies	-	-	-	-
Due from other funds	-	-	-	-
Prepaid Asset	-	-	8,602	-
Developer permit fees receivable	-	-	-	-
Notes receivable	-	-	191,343	-
Land held for resale	-	-	-	-
	<u>\$ 1,108,087</u>	<u>\$ 215,838</u>	<u>\$ 1,918,247</u>	<u>\$ 437,072</u>
Total Assets				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 8,047	\$ 200	\$ 14,639	\$ 8,492
Accrued liabilities	-	-	-	2,197,111
Due to other funds	-	-	-	1,717,558
Due to other government agencies	-	-	-	-
Advances from other funds	-	-	1,530,951	2,242,000
Deposits	-	-	17,500	-
Unearned revenue	-	-	4,200	-
	<u>8,047</u>	<u>200</u>	<u>1,567,290</u>	<u>6,165,161</u>
Total Liabilities				
Deferred Inflows of Resources:				
Unavailable revenue	-	-	191,343	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,100,040	215,638	159,614	-
Assigned	-	-	-	-
Unassigned	-	-	-	(5,728,089)
	<u>1,100,040</u>	<u>215,638</u>	<u>159,614</u>	<u>(5,728,089)</u>
Total Fund Balances (Deficit)				
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,108,087</u>	<u>\$ 215,838</u>	<u>\$ 1,918,247</u>	<u>\$ 437,072</u>

DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS					
Roseville Finance Authority	Development Impact	Traffic Mitigation	Al Johnson Wildlife Area	Community Facilities District Projects	Roadway	General Fund Capital Projects
\$ 377,488	\$ 62,431,398	\$ 29,010,041	\$ 1,085,394	\$ 6,661,234	\$ 2,565,332	\$ 13,317,565
-	-	-	-	3,691,908	-	-
-	2,470,740	1,471,819	-	-	-	-
1,479	340,063	151,416	5,285	15,149	5,397	78,351
-	-	8,478,038	-	-	-	-
-	95,054	-	-	-	-	-
-	-	-	-	-	-	-
-	473,651	-	-	-	-	-
-	601,397	9,032	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 378,967</u>	<u>\$ 66,412,303</u>	<u>\$ 39,120,346</u>	<u>\$ 1,090,679</u>	<u>\$ 10,368,291</u>	<u>\$ 2,570,729</u>	<u>\$ 13,395,916</u>
\$ -	\$ 847,974	\$ 2,779,051	\$ -	\$ -	\$ 59,294	\$ 159,403
276,209	-	-	-	-	-	-
-	442,387	-	-	-	-	-
-	-	-	-	-	-	-
-	7,573,606	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>276,209</u>	<u>8,863,967</u>	<u>2,779,051</u>	<u>-</u>	<u>-</u>	<u>59,294</u>	<u>159,403</u>
-	1,107,905	7,735,142	-	-	-	-
-	-	-	-	-	-	-
102,758	56,440,431	28,606,153	1,090,679	10,368,291	2,511,435	-
-	-	-	-	-	-	13,236,513
-	-	-	-	-	-	-
<u>102,758</u>	<u>56,440,431</u>	<u>28,606,153</u>	<u>1,090,679</u>	<u>10,368,291</u>	<u>2,511,435</u>	<u>13,236,513</u>
<u>\$ 378,967</u>	<u>\$ 66,412,303</u>	<u>\$ 39,120,346</u>	<u>\$ 1,090,679</u>	<u>\$ 10,368,291</u>	<u>\$ 2,570,729</u>	<u>\$ 13,395,916</u>

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**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018**

	CAPITAL PROJECTS FUND		PERMANENT FUNDS		Total Non-Major Governmental Funds
	RFA Capital Projects	Citizens Benefit	Roseville Aquatics Complex Maintenance		
<b>ASSETS:</b>					
Cash and investments	\$ 64,620	\$ 16,814,122	\$ 603,110		\$ 173,331,184
Cash with fiscal agents	-	-	-		3,719,843
Receivables:					
Accounts receivable	-	-	-		5,735,382
Accrued interest	348	102,470	3,450		2,249,339
Due from other government agencies	-	-	-		9,072,289
Due from other funds	-	-	-		95,054
Prepaid Asset	-	-	-		8,602
Developer permit fees receivable	-	-	-		473,651
Notes receivable	-	-	-		38,194,924
Land held for resale	-	-	-		861,245
Total Assets	<u>\$ 64,968</u>	<u>\$ 16,916,592</u>	<u>\$ 606,560</u>		<u>\$ 233,741,513</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -		\$ 4,596,768
Accrued liabilities	-	-	-		2,501,255
Due to other funds	-	-	-		2,254,999
Due to other government agencies	-	-	-		628,077
Advances from other funds	-	-	-		11,346,557
Deposits	-	531	600,000		648,476
Unearned revenue	-	-	-		568,887
Total Liabilities	<u>-</u>	<u>531</u>	<u>600,000</u>		<u>22,545,019</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-		41,979,539
Fund Balances:					
Nonspendable	-	16,916,061	-		16,916,061
Restricted	64,968	-	6,560		144,792,470
Assigned	-	-	-		13,236,513
Unassigned	-	-	-		(5,728,089)
Total Fund Balances (Deficit)	<u>64,968</u>	<u>16,916,061</u>	<u>6,560</u>		<u>169,216,955</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 64,968</u>	<u>\$ 16,916,592</u>	<u>\$ 606,560</u>		<u>\$ 233,741,513</u>

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Traffic Safety	Trench Cut Recovery Fund
REVENUES:				
Taxes	\$ 10,360,415	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Subventions and grants	-	2,732,319	-	-
Use of money and property	12,674	2,861	-	318
Fines, forfeitures and penalties	-	-	338,633	-
Contributions from developers and others	-	-	-	-
Miscellaneous revenues	12,999	950,587	-	-
Total Revenues	<u>10,386,088</u>	<u>3,685,767</u>	<u>338,633</u>	<u>318</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Development and operations	-	-	-	-
Public works	-	55,735	-	112
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Parks and recreation	5,453,251	-	-	-
Housing assistance payments	-	-	-	-
Capital outlay	-	482,785	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>5,453,251</u>	<u>538,520</u>	<u>-</u>	<u>112</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,932,837</u>	<u>3,147,247</u>	<u>338,633</u>	<u>206</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(3,820,232)	(298,936)	-	-
Total Other Financing Sources (Uses)	<u>(3,820,232)</u>	<u>(298,936)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,112,605	2,848,311	338,633	206
FUND BALANCES (DEFICIT) - BEGINNING, AS RESTATED	<u>11,407,625</u>	<u>10,286,459</u>	<u>433,574</u>	<u>150,281</u>
FUND BALANCES - ENDING	<u>\$ 12,520,230</u>	<u>\$ 13,134,770</u>	<u>\$ 772,207</u>	<u>\$ 150,487</u>

SPECIAL REVENUE FUNDS

Technology Replacement	Open Space	Tree Propagation	Grants	Housing Authority Housing Choice Voucher	Affordable Housing	Low/Mod Income Housing Asset
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
516,288	-	521,678	-	-	-	-
-	-	-	645,566	4,772,617	125,000	-
(427)	1,810	468	4,308	-	61,474	6,305
-	-	-	-	-	-	-
-	-	-	-	-	574,074	-
-	800	107,768	698,393	86	36,994	183,801
<u>515,861</u>	<u>2,610</u>	<u>629,914</u>	<u>1,348,267</u>	<u>4,772,703</u>	<u>797,542</u>	<u>190,106</u>
51,969	-	-	-	-	-	-
662	-	-	1,271,814	733,672	223,223	318,012
-	-	-	-	-	-	-
-	-	-	36,976	-	-	-
-	-	-	-	-	-	-
-	509,045	114,157	-	-	-	-
-	-	-	-	4,248,895	-	-
38,940	-	-	40,237	-	9,578	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>91,571</u>	<u>509,045</u>	<u>114,157</u>	<u>1,349,027</u>	<u>4,982,567</u>	<u>232,801</u>	<u>318,012</u>
424,290	(506,435)	515,757	(760)	(209,864)	564,741	(127,906)
22,017	535,587	-	-	-	-	-
-	(1,613)	-	(100,882)	-	(1,497)	(708)
<u>22,017</u>	<u>533,974</u>	<u>-</u>	<u>(100,882)</u>	<u>-</u>	<u>(1,497)</u>	<u>(708)</u>
446,307	27,539	515,757	(101,642)	(209,864)	563,244	(128,614)
<u>699,039</u>	<u>593,476</u>	<u>1,604,280</u>	<u>903,606</u>	<u>605,559</u>	<u>6,168,638</u>	<u>5,860,884</u>
<u>\$ 1,145,346</u>	<u>\$ 621,015</u>	<u>\$ 2,120,037</u>	<u>\$ 801,964</u>	<u>\$ 395,695</u>	<u>\$ 6,731,882</u>	<u>\$ 5,732,270</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	SPECIAL REVENUE FUNDS			
	Cable TV PEG	Police Evidence	Roseville Community Development Corporation	Golf
REVENUES:				
Taxes	\$ -	\$ -		\$ -
Charges for services	-	-		2,020,420
Subventions and grants	-	-	87,000	-
Use of money and property	1,402	39	1,029,391	51,865
Fines, forfeitures and penalties	-	-		-
Contributions from developers and others	-	-		-
Miscellaneous revenues	305,219	41,493	41,124	6,000
Total Revenues	<u>306,621</u>	<u>41,532</u>	<u>1,157,515</u>	<u>2,078,285</u>
EXPENDITURES:				
Current:				
General government	102,641	-	-	-
Development and operations	-	-	502,366	-
Public works	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Parks and recreation	-	-	-	1,964,543
Housing assistance payments	-	-	-	-
Capital outlay	-	-	13,849	-
Debt service:				
Principal retirement	-	-	15,055	421,224
Interest and fiscal charges	-	-	19,081	69,104
Total Expenditures	<u>102,641</u>	<u>-</u>	<u>550,351</u>	<u>2,454,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>203,980</u>	<u>41,532</u>	<u>607,164</u>	<u>(376,586)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(26,501)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,501)</u>
Net change in fund balance	203,980	41,532	607,164	(403,087)
FUND BALANCES (DEFICIT) - BEGINNING, AS RESTATED	<u>896,060</u>	<u>174,106</u>	<u>(447,550)</u>	<u>(5,325,002)</u>
FUND BALANCES - ENDING	<u>\$ 1,100,040</u>	<u>\$ 215,638</u>	<u>\$ 159,614</u>	<u>\$ (5,728,089)</u>

DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS					
Roseville Finance Authority	Development Impact	Traffic Mitigation	Al Johnson Wildlife Area	Community Facilities District Projects	Roadway	General Fund Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	14,990,255	8,887,641	-	-	-	414
-	-	1,087,385	-	-	2,897,440	-
10,716,975	165,711	(5,476)	63,965	54,410	10,491	25,554
-	-	-	-	-	-	101,194
-	77,174	757,195	-	-	-	-
-	13,445	-	-	-	90,116	500,588
<u>10,716,975</u>	<u>15,246,585</u>	<u>10,726,745</u>	<u>63,965</u>	<u>54,410</u>	<u>2,998,047</u>	<u>627,750</u>
6,956,038	926,933	-	-	-	-	-
-	49,887	-	-	-	-	-
-	710,890	51,730	-	-	18,594	-
-	-	-	-	-	-	-
-	10,694	-	-	-	-	-
-	66,675	-	-	-	-	-
-	-	-	-	-	-	-
-	14,929,894	9,591,712	-	7,860,105	2,419,066	10,247,714
-	-	-	-	-	-	-
<u>3,943,857</u>	<u>85,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,899,895</u>	<u>16,780,736</u>	<u>9,643,442</u>	<u>-</u>	<u>7,860,105</u>	<u>2,437,660</u>	<u>10,247,714</u>
<u>(182,920)</u>	<u>(1,534,151)</u>	<u>1,083,303</u>	<u>63,965</u>	<u>(7,805,695)</u>	<u>560,387</u>	<u>(9,619,964)</u>
-	517,938	269,301	-	3,208,444	3,352,202	7,116,823
-	(3,124,542)	(1,236,585)	-	(8,025)	(1,270,540)	(797,837)
-	(2,606,604)	(967,284)	-	3,200,419	2,081,662	6,318,986
<u>(182,920)</u>	<u>(4,140,755)</u>	<u>116,019</u>	<u>63,965</u>	<u>(4,605,276)</u>	<u>2,642,049</u>	<u>(3,300,978)</u>
<u>285,678</u>	<u>60,581,186</u>	<u>28,490,134</u>	<u>1,026,714</u>	<u>14,973,567</u>	<u>(130,614)</u>	<u>16,537,491</u>
<u>\$ 102,758</u>	<u>\$ 56,440,431</u>	<u>\$ 28,606,153</u>	<u>\$ 1,090,679</u>	<u>\$ 10,368,291</u>	<u>\$ 2,511,435</u>	<u>\$ 13,236,513</u>

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**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	CAPITAL PROJECTS FUND		PERMANENT FUNDS		Total Non-Major Governmental Funds
	RFA Capital Projects	Citizens Benefit	Roseville Aquatics Complex Maintenance		
REVENUES:					
Taxes	\$ -	\$ -	\$ -		\$ 10,360,415
Charges for services	-	-	-		26,936,696
Subventions and grants	-	-	-		12,347,327
Use of money and property	(429)	-	(8,820)		12,194,869
Fines, forfeitures and penalties	-	-	-		439,827
Contributions from developers and others	-	-	-		1,408,443
Miscellaneous revenues	-	(36,281)	-		2,953,132
<b>Total Revenues</b>	<b>(429)</b>	<b>(36,281)</b>	<b>(8,820)</b>		<b>66,640,709</b>
EXPENDITURES:					
Current:					
General government	-	419,000	-		8,456,581
Development and operations	-	-	-		3,099,636
Public works	-	-	-		837,061
Public safety:					
Police	-	-	-		36,976
Fire	-	-	-		10,694
Parks and recreation	-	-	-		8,107,671
Housing assistance payments	-	-	-		4,248,895
Capital outlay	-	-	-		45,633,880
Debt service:					
Principal retirement	-	-	-		436,279
Interest and fiscal charges	-	-	-		4,117,805
<b>Total Expenditures</b>	<b>-</b>	<b>419,000</b>	<b>-</b>		<b>74,985,478</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(429)	(455,281)	(8,820)		(8,344,769)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-		15,022,312
Transfers out	(7,017)	-	-		(10,694,915)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,017)</b>	<b>-</b>	<b>-</b>		<b>4,327,397</b>
Net change in fund balance	(7,446)	(455,281)	(8,820)		(4,017,372)
FUND BALANCES (DEFICIT) - BEGINNING, AS RESTATED	72,414	17,371,342	15,380		173,234,327
FUND BALANCES - ENDING	\$ 64,968	\$ 16,916,061	\$ 6,560		\$ 169,216,955

**CITY OF ROSEVILLE, CALIFORNIA  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	LANDSCAPE AND LIGHTING SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Taxes	\$ 10,690,468	\$ 10,360,415	\$ (330,053)	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Subventions and grants	-	-	-	5,076,763	2,732,319	(2,344,444)
Use of money and property	131,435	12,674	(118,761)	92,448	2,861	(89,587)
Fines, forfeitures and penalties	-	-	-	-	-	-
Miscellaneous revenues	13,000	12,999	(1)	-	950,587	950,587
Total Revenues	<u>10,834,903</u>	<u>10,386,088</u>	<u>(448,815)</u>	<u>5,169,211</u>	<u>3,685,767</u>	<u>(1,483,444)</u>
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Planning						
Highway Users Tax Operations				40,355	55,735	(15,380)
Olympus Pointe Lld Zone A	280,736	144,260	136,476	-	-	-
Olympus Pointe Lld Zone D	61,653	59,846	1,807	-	-	-
Nwrld Zone A	492,764	482,194	10,570	-	-	-
Nwrld Zone B	20,780	18,530	2,250	-	-	-
Johnson Ranch Lld Zone A	4,308	4,238	70	-	-	-
Johnson Ranch Lld Zone B	1,775	1,775	-	-	-	-
Johnson Ranch Lld Zone C	2,245	2,242	3	-	-	-
Johnson Ranch Lld Zone D	269	197	72	-	-	-
Johnson Ranch Lld Zone E	2,885	2,916	(31)	-	-	-
Ncrld Zone A	456,336	452,668	3,668	-	-	-
Ncrld Zone B	143,336	112,432	30,904	-	-	-
Ncrld Zone F	34,739	14,845	19,894	-	-	-
Ncrld Zone G	27,309	9,995	17,314	-	-	-
Infill Lld Zone A	10,204	8,264	1,940	-	-	-
Infill Lld Zone B	8,575	5,356	3,219	-	-	-
Infill Lld Zone C	14,865	11,450	3,415	-	-	-
Nrcfd 2 Sd Zone A	49,398	29,593	19,805	-	-	-
Nrcfd 2 Sd Zone B	71,717	64,761	6,956	-	-	-
Nrcfd 2 Sd Zone C	223,770	147,030	76,740	-	-	-
Nrcfd 2 Sd Zone E	15,198	10,694	4,504	-	-	-
Historic District Lld	50,326	35,882	14,444	-	-	-
Riverside District Lld	125,344	41,796	83,548	-	-	-
Stone Point Cfd #4 (Sd)	46,979	21,068	25,911	-	-	-
Infill Cfd4-Wdcrk Oaks Preser	11,749	11,415	334	-	-	-
Westbrook SRV Dist CFDA	375,056	102,059	272,997	-	-	-
Stoneridge Cfd #1 Srv Dist	43,769	39,263	4,506	-	-	-
Stoneridge Parcel 1 Cfd #2 Sd	560,268	463,345	96,923	-	-	-
Woodcrk West - Services District	362,388	309,996	52,392	-	-	-
Crocker Ranch Services District	258,175	239,008	19,167	-	-	-
Highland Res north Srv Dist	534,885	526,076	8,809	-	-	-
Vernon St Lighting/Landscape	71,619	66,697	4,922	-	-	-
Woodcreek East Services Dist	136,834	117,936	18,898	-	-	-
Stone Point Cfd #2 Srv Dist	28,115	23,832	4,283	-	-	-
Westpark Cfd #2 Services Dist	861,177	744,055	117,122	-	-	-
Fiddymnt Ranch Cfd #2 Sd	1,031,019	812,202	218,817	-	-	-
HP Campus Oaks Cfd #2	76,293	10,742	65,551	-	-	-
Municipal Services Cfd #3	149,696	158,106	(8,410)	-	-	-
Longmeadow Cfd #2 Sd	123,192	110,622	12,570	-	-	-
Infill Services Cfd	55,342	35,865	19,477	-	-	-
Total Expenditures	<u>6,825,088</u>	<u>5,453,251</u>	<u>1,371,837</u>	<u>40,355</u>	<u>55,735</u>	<u>(15,380)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,009,815</u>	<u>4,932,837</u>	<u>923,022</u>	<u>5,128,856</u>	<u>3,630,032</u>	<u>(1,498,824)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in				891,825	-	(891,825)
Transfers out	(3,231,056)	(3,820,232)	(589,176)	(4,091,794)	(298,936)	3,792,858
Total Other Financing Sources (Uses)	<u>(3,231,056)</u>	<u>(3,820,232)</u>	<u>(589,176)</u>	<u>(3,199,969)</u>	<u>(298,936)</u>	<u>2,901,033</u>
NET CHANGE IN FUND BALANCE	<u>\$ 778,759</u>	<u>1,112,605</u>	<u>\$ 333,846</u>	<u>\$ 1,928,887</u>	<u>3,331,096</u>	<u>\$ 1,402,209</u>
Adjustment to Budgetary Basis:						
Capital Outlay					(482,785)	
FUND BALANCE (DEFICIT) - BEGINNING AS RESTATED		<u>11,407,625</u>			<u>10,286,459</u>	
FUND BALANCE - ENDING		<u>\$ 12,520,230</u>			<u>\$ 13,134,770</u>	





**CITY OF ROSEVILLE, CALIFORNIA  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	TECHNOLOGY REPLACEMENT			OPEN SPACE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for services	\$ 565,000	\$ 516,288	\$ (48,712)	\$ -	\$ -	\$ -
Subventions and grants	-	-	-	-	-	-
Use of money and property	3,554	(427)	(3,981)	5,580	1,810	(3,770)
Miscellaneous revenues	-	-	-	-	800	800
Total Revenues	<u>568,554</u>	<u>515,861</u>	<u>(52,693)</u>	<u>5,580</u>	<u>2,610</u>	<u>(2,970)</u>
<b>EXPENDITURES:</b>						
Current:						
General Government	5,029	2,512	2,517	-	-	-
Operating services and supplies						
Rehabilitation Account	-	-	-	-	-	-
CDBG	-	-	-	-	-	-
HOME Investment Partnerships	-	-	-	-	-	-
Cal/Home	-	-	-	-	-	-
Begin Program	-	-	-	-	-	-
Development and Operations	401,800	50,119	351,681	-	-	-
Parks and recreation						
Native Tree Projects	-	-	-	-	-	-
Non-native Tree Projects	-	-	-	-	-	-
Bike Trail Maintenance	-	-	-	689,414	509,045	180,369
Public safety:						
Police						
Forfeited property	-	-	-	-	-	-
Federal Asset Seizure	-	-	-	-	-	-
Total Expenditures	<u>406,829</u>	<u>52,631</u>	<u>354,198</u>	<u>689,414</u>	<u>509,045</u>	<u>180,369</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>161,725</u>	<u>463,230</u>	<u>301,505</u>	<u>(683,834)</u>	<u>(506,435)</u>	<u>177,399</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in	35,900	22,017	(13,883)	570,442	535,587	(34,855)
Transfers out	(100,000)	-	100,000	(1,613)	(1,613)	-
Total Other Financing Sources (Uses)	<u>(64,100)</u>	<u>22,017</u>	<u>86,117</u>	<u>568,829</u>	<u>533,974</u>	<u>(34,855)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 97,625</u>	<u>485,247</u>	<u>\$ 387,622</u>	<u>\$ (115,005)</u>	<u>27,539</u>	<u>\$ 142,544</u>
Adjustment to Budgetary Basis:						
Capital Outlay		(38,940)				
FUND BALANCE (DEFIFICT) - BEGINNING		<u>699,039</u>			<u>593,476</u>	
FUND BALANCE - ENDING		<u>\$ 1,145,346</u>			<u>\$ 621,015</u>	

(Continued)

TREE PROPOGATION			GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 38,000	\$ 521,678	\$ 483,678	\$ -	\$ -	\$ -
-	-	-	2,182,407	645,566	(1,536,841)
20,179	468	(19,711)	10,067	4,308	(5,759)
-	107,768	107,768	667,811	698,393	30,582
<u>58,179</u>	<u>629,914</u>	<u>571,735</u>	<u>2,860,285</u>	<u>1,348,267</u>	<u>(1,512,018)</u>
-	-	-	-	-	-
-	-	-	400,000	-	400,000
-	-	-	1,184,512	616,006	568,506
-	-	-	739,249	650,748	88,501
-	-	-	106,500	-	106,500
-	-	-	103,500	-	103,500
-	-	-	-	-	-
256,346	76,055	180,291	-	-	-
251,596	38,102	213,494	-	-	-
-	-	-	-	-	-
-	-	-	28,621	28,686	(65)
-	-	-	50,000	8,290	41,710
<u>507,942</u>	<u>114,157</u>	<u>393,785</u>	<u>2,612,382</u>	<u>1,303,730</u>	<u>1,308,652</u>
<u>(449,763)</u>	<u>515,757</u>	<u>965,520</u>	<u>247,903</u>	<u>44,537</u>	<u>(203,366)</u>
-	-	-	-	-	-
-	-	-	(100,884)	(100,882)	2
-	-	-	(100,884)	(100,882)	2
<u>\$ (449,763)</u>	<u>515,757</u>	<u>\$ 965,520</u>	<u>\$ 147,019</u>	<u>(56,345)</u>	<u>\$ (203,364)</u>
				(40,237)	
	<u>1,604,280</u>			<u>903,606</u>	
	<u>\$ 2,120,037</u>			<u>\$ 807,024</u>	

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	HOUSING AUTHORITY HOUSING CHOICE VOUCHERS			AFFORDABLE HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Subventions and grants	\$ -	\$ 4,772,617	\$ 4,772,617	\$ 430,200	\$ 125,000	\$ (305,200)
Use of money and property	-	-	-	98,744	61,474	(37,270)
Contributions from developers	-	-	-	265,000	574,074	309,074
Miscellaneous revenues	-	86	86	243,000	36,994	(206,006)
Total Revenues	-	4,772,703	4,772,703	1,036,944	797,542	(239,402)
<b>EXPENDITURES:</b>						
Current:						
Salaries and benefits						
Planning						
Housing Authority	-	733,672	(733,672)	-	-	-
Operating services and supplies						
General government	-	-	-	-	-	-
Development and operations	-	-	-	233,833	223,223	10,610
Housing assistance payments	-	4,248,895	(4,248,895)	-	-	-
Total Expenditures	-	4,982,567	(4,982,567)	233,833	223,223	10,610
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(209,864)	(209,864)	803,111	574,319	(228,792)
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(1,497)	(1,497)	-
Total Other Financing Sources (Uses)	-	-	-	(1,497)	(1,497)	-
NET CHANGE IN FUND BALANCE	\$ -	(209,864)	\$ (209,864)	\$ 801,614	572,822	\$ (228,792)
Adjustment to Budgetary Basis:					(9,578)	
Capital Outlay						
FUND BALANCE (DEFIFICT) - BEGINNING		605,559			6,168,638	
FUND BALANCE - ENDING		\$ 395,695			\$ 6,731,882	

LOW/MOD INCOME HOUSING ASSET FUND			CABLE TV PEG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,261	6,305	(7,956)	10,663	1,402	(9,261)
-	-	-	-	-	-
310,725	183,801	(126,924)	215,700	305,219	89,519
324,986	190,106	(134,880)	226,363	306,621	80,258
-	-	-	-	-	-
-	-	-	285,046	102,641	182,405
332,443	318,012	14,431	-	-	-
-	-	-	-	-	-
332,443	318,012	14,431	285,046	102,641	182,405
(7,457)	(127,906)	(120,449)	(58,683)	203,980	262,663
-	-	-	-	-	-
(708)	(708)	-	-	-	-
(708)	(708)	-	-	-	-
\$ (8,165)	(128,614)	\$ (120,449)	\$ (58,683)	203,980	\$ 262,663
	5,860,884			896,060	
	\$ 5,732,270			\$ 1,100,040	

**CITY OF ROSEVILLE, CALIFORNIA  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2018**

	POLICE EVIDENCE			ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subventions and grants	-	-	-	-	87,000	87,000
Use of money and property	1,999	39	(1,960)	-	1,029,391	1,029,391
Contributions from developers	-	-	-	-	-	-
Miscellaneous revenues	15,000	41,493	26,493	-	41,124	41,124
Total Revenues	16,999	41,532	24,533	-	1,157,515	1,157,515
<b>EXPENDITURES:</b>						
Current:						
Salaries and benefits						
Planning						
Housing Authority	-	-	-	-	-	-
Operating services and supplies						
Planning						
General government	-	-	-	-	-	-
Roseville Community Development Corporation	-	-	-	-	502,366	(502,366)
Development and operations	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Public safety:						
Fire	-	-	-	-	-	-
Cal/Home	-	-	-	-	-	-
Begin Program	-	-	-	-	-	-
Housing Trsut Fund	-	-	-	-	-	-
Home Improvement	-	-	-	-	-	-
Affordable Housing	-	-	-	-	-	-
Low & Moderate Income Housing	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	15,055	(15,055)
Interest	-	-	-	-	19,081	(19,081)
Housing Assistance Payments	-	-	-	-	-	-
Total Expenditures	-	-	-	-	536,502	(536,502)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,999	41,532	24,533	-	621,013	621,013
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 16,999	41,532	\$ 24,533	\$ -	621,013	\$ 621,013
Adjustment to Budgetary Basis:						
Capital Outlay					(13,849)	
FUND BALANCE (DEFICT) - BEGINNING		174,106			(447,550)	
FUND BALANCE - ENDING		\$ 215,638			\$ 159,614	

GOLF COURSE		
Budget	Actual	Variance Positive (Negative)
\$ 2,100,000	\$ 2,020,420	\$ (79,580)
-	-	-
77,221	51,865	(25,356)
-	-	-
-	6,000	6,000
<u>2,177,221</u>	<u>2,078,285</u>	<u>(98,936)</u>
-	-	-
-	-	-
-	-	-
-	-	-
2,049,942	1,964,543	85,399
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
421,224	421,224	-
67,635	69,104	(1,469)
-	-	-
<u>2,538,801</u>	<u>2,454,871</u>	<u>83,930</u>
<u>(361,580)</u>	<u>(376,586)</u>	<u>(15,006)</u>
154,746	-	(154,746)
<u>(360,812)</u>	<u>(26,501)</u>	<u>334,311</u>
<u>(206,066)</u>	<u>(26,501)</u>	<u>179,565</u>
<u>\$ (567,646)</u>	<u>(403,087)</u>	<u>\$ 164,559</u>
	<u>(5,325,002)</u>	
	<u>\$ (5,728,089)</u>	

**CITY OF ROSEVILLE, CALIFORNIA  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2018**

	ROSEVILLE FINANCING AUTHORITY			CITIZENS BENEFIT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Subventions and grants	\$ -	\$ -	\$ -	\$ 426,385	\$ -	\$ (426,385)
Use of money and property	<u>10,695,602</u>	<u>10,716,975</u>	<u>21,373</u>	<u>8,673</u>	<u>(36,281)</u>	<u>(44,954)</u>
Total Revenues	<u>10,695,602</u>	<u>10,716,975</u>	<u>21,373</u>	<u>435,058</u>	<u>(36,281)</u>	<u>(471,339)</u>
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies						
General Government	-	-	-	442,082	419,000	23,082
Cable TV Peg Funds	-	-	-	-	-	-
Special Districts	6,956,040	6,956,038	2	-	-	-
Debt Service:						
Interest and fiscal charges	<u>3,739,562</u>	<u>3,943,857</u>	<u>(204,295)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,695,602</u>	<u>10,899,895</u>	<u>(204,293)</u>	<u>442,082</u>	<u>419,000</u>	<u>23,082</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(182,920)</u>	<u>\$ (182,920)</u>	<u>\$ (7,024)</u>	<u>(455,281)</u>	<u>\$ (448,257)</u>
FUND BALANCE (DEFICT) - BEGINNING		<u>285,678</u>			<u>17,371,342</u>	
FUND BALANCE - ENDING		<u>\$ 102,758</u>			<u>\$ 16,916,061</u>	



## **NON-MAJOR ENTERPRISE FUNDS**

### **LOCAL TRANSPORTATION FUND**

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NON-MAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and investments in City Treasury	\$ 6,631,604	\$ 1,032,745	\$ 7,664,349
Receivables:			
Accounts, net of allowance for doubtful accounts	71,965	128,323	200,288
Accrued interest	42,538	2,768	45,306
Due from other government agencies	1,699,772	18,364	1,718,136
Total Current Assets	<u>8,445,879</u>	<u>1,182,200</u>	<u>9,628,079</u>
Non-Current Assets:			
Land and construction in progress	5,045,722	90,388	5,136,110
Capital assets being depreciated, net	14,683,363	1,983,204	16,666,567
Total Non-Current Assets	<u>19,729,085</u>	<u>2,073,592</u>	<u>21,802,677</u>
Total Assets	<u>28,174,964</u>	<u>3,255,792</u>	<u>31,430,756</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to OPEB	72,000	249,000	321,000
Deferred outflows related to pensions	1,179,234	3,848,598	5,027,832
Total Deferred outflows of resources	<u>1,251,234</u>	<u>4,097,598</u>	<u>5,348,832</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	754,670	48,387	803,057
Accrued liabilities	31,948	87,127	119,075
Due to other funds	-	57,219	57,219
Current portion of compensated absences	92,166	166,347	258,513
Current portion of long-term debt	-	-	-
Deposits	135	-	135
Unearned revenue	4,408,216	32,676	4,440,892
Total Current Liabilities	<u>5,287,135</u>	<u>391,756</u>	<u>5,678,891</u>
Long-term liabilities:			
Advances from other funds	-	715,000	715,000
Compensated absences	142,544	286,785	429,329
Net OPEB obligations	938,000	4,589,000	5,527,000
Net pension liability	3,149,508	8,934,765	12,084,273
Total Long-Term Liabilities	<u>4,230,052</u>	<u>14,525,550</u>	<u>18,755,602</u>
Total Liabilities	<u>9,517,187</u>	<u>14,917,306</u>	<u>24,434,493</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to OPEB	164,000	681,000	845,000
Deferred inflows related to pensions	240,981	113,219	354,200
Total Deferred inflows of resources	<u>404,981</u>	<u>794,219</u>	<u>1,199,200</u>
<b>NET POSITION:</b>			
Net investment in capital assets	19,729,085	2,073,592	21,802,677
Unrestricted	(225,055)	(10,431,727)	(10,656,782)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ 19,504,030</u>	<u>\$ (8,358,135)</u>	<u>\$ 11,145,895</u>

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES  
IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 934,746	\$ 6,155,315	\$ 7,090,061
Other	203,980	241,605	445,585
Total Operating Revenues	<u>1,138,726</u>	<u>6,396,920</u>	<u>7,535,646</u>
<b>OPERATING EXPENSES</b>			
Operations	7,345,539	6,520,212	13,865,751
Administration	1,020,919	1,269,765	2,290,684
Depreciation and amortization	1,528,899	69,686	1,598,585
Total Operating Expenses	<u>9,895,357</u>	<u>7,859,663</u>	<u>17,755,020</u>
Operating Income (Loss)	<u>(8,756,631)</u>	<u>(1,462,743)</u>	<u>(10,219,374)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest and rents revenue	104,120	2,742	106,862
Interest and fiscal charges (expenses)	-	(6,515)	(6,515)
Subventions and grants	11,883,034	425,789	12,308,823
Gain (loss) from sale of property	(3,592)	-	(3,592)
Total Nonoperating Revenues (Expenses)	<u>11,983,562</u>	<u>422,016</u>	<u>12,405,578</u>
Income (Loss) Before Contributions and Transfers	3,226,931	(1,040,727)	2,186,204
Capital contributions from developers and governmental activities	1,024,443	90,388	1,114,831
Transfer in	131,212	-	131,212
Transfer out	(2,122,131)	(254,722)	(2,376,853)
Change in net position	2,260,455	(1,205,061)	1,055,394
<b>TOTAL NET POSITION (DEFICIT) - BEGINNING</b>	<u>17,243,575</u>	<u>(7,153,074)</u>	<u>10,090,501</u>
<b>TOTAL NET POSITION (DEFICIT) - ENDING</b>	<u>\$ 19,504,030</u>	<u>\$ (8,358,135)</u>	<u>\$ 11,145,895</u>

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Local Transportation</u>	<u>School-Age Child Care</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 902,911	\$ 6,169,425	\$ 7,072,336
Payments to suppliers	(6,939,598)	(5,485,574)	(12,425,172)
Payments to employees	(1,374,726)	(1,012,002)	(2,386,728)
Other receipts	207,684	241,605	449,289
Net Cash provided by/(used for) Operating Activities	<u>(7,203,729)</u>	<u>(86,546)</u>	<u>(7,290,275)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Subventions and grants	6,108,635	478,653	6,587,288
Interest paid	-	(13,870)	(13,870)
Payments to other funds for long-term cash borrowings	-	(40,000)	(40,000)
Transfers in	131,212	300,000	431,212
Transfers out	(2,122,131)	(254,722)	(2,376,853)
Net cash provided by/(used for) Noncapital Financing Activities	<u>4,117,716</u>	<u>470,061</u>	<u>4,587,777</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(4,326,378)	-	(4,326,378)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and rents received	118,935	2,742	121,677
Net increase (decrease) in cash and cash equivalents	(7,293,456)	386,257	(6,907,199)
Cash and investments at beginning of period	<u>12,910,620</u>	<u>646,488</u>	<u>13,557,108</u>
Cash and investments at end of period	<u>\$ 5,617,164</u>	<u>\$ 1,032,745</u>	<u>\$ 6,649,909</u>
<b>Reconciliation of Operating Income (Loss)</b>			
to Net Cash provided by/(used for) Operating Activities:			
Operating Income (Loss)	\$ (8,756,631)	\$ (1,462,743)	\$ (10,219,374)
Adjustments to Reconcile Operating Income			
to Net Cash Provided by Operating Activities:			
Depreciation and amortization	1,528,899	69,686	1,598,585
OPEB expense	18,000	1,101,278	1,119,278
Pension expense	277,058	155,000	432,058
Change in Assets and Liabilities:			
Receivables, Net	(6,732)	4,940	(1,792)
Accounts payable and other liabilities	(264,323)	45,293	(219,030)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (7,203,729)</u>	<u>\$ (86,546)</u>	<u>\$ (7,290,275)</u>
<b>NON-CASH TRANSACTIONS:</b>			
Capital assets transferred from governmental activities		<u>\$ 90,338</u>	<u>\$ 90,338</u>

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

Financial reporting standards require that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**Automotive Fund.** To account for the maintenance and replacement of vehicles used by City departments. Funds are received by means of a rental fee charged to the various departments.

**Facilities Fund.** To account for building maintenance and custodial services for City departments.

**Information Technology Fund.** To account for the City's IT infrastructure and related support services.

**General Equipment Replacement Fund.** To account for the replacement of equipment for City departments.

**Post Retirement Fund.** To account for the contributions and benefits paid in relation to accrued employee retirement compensation.

**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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Automotive	Facilities	Information Technology	General Equipmnet Replacement
<b>ASSETS</b>				
Current Assets:				
Cash and Investments in City Treasury	\$ 29,508,321	\$ 1,657,624	\$ 1,194,886	\$ 926,778
Receivables:				
Accounts	19,145	8	-	-
Accrued interest	2,405,283	4,137	3,012	1,707
Due from other government agencies	17,429	-	-	-
Due from other funds	217,565	-	-	-
Prepays	-	-	175,104	-
Notes receivable	663,361	-	-	-
Inventories	833,980	180,201	-	-
Total Current Assets	<u>33,665,084</u>	<u>1,841,970</u>	<u>1,373,002</u>	<u>928,485</u>
Non Current Assets:				
Advances to other funds	3,490,525	-	-	-
Capital assets:				
Construction in progress	1,542,921	-	543,454	-
Capital assets being depreciated, net	<u>14,501,201</u>	<u>113,787,610</u>	<u>1,796,737</u>	<u>-</u>
Total Assets	<u>53,199,731</u>	<u>115,629,580</u>	<u>3,713,193</u>	<u>928,485</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pensions	<u>1,146,182</u>	<u>2,295,791</u>	<u>9,530,891</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	196,014	272,425	104,041	66,722
Accrued liabilities	41,558	10,200	6,330	-
Compensated Absences	102,180	61,099	368,033	-
Self-insurance claims payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>339,752</u>	<u>343,724</u>	<u>478,404</u>	<u>66,722</u>
Non-Current Liabilities:				
Compensated absences	208,900	207,234	792,519	-
Net OPEB liability	-	-	-	-
Self-insurance claims payable	-	-	-	-
Net pension liability	<u>4,553,822</u>	<u>2,987,738</u>	<u>12,403,486</u>	<u>-</u>
Total Liabilities	<u>5,102,474</u>	<u>3,538,696</u>	<u>13,674,409</u>	<u>66,722</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	<u>155,783</u>	<u>63,312</u>	<u>262,838</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	16,044,122	113,787,610	2,340,191	-
Unrestricted	<u>33,043,534</u>	<u>535,753</u>	<u>(3,033,354)</u>	<u>861,763</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 49,087,656</u>	<u>\$ 114,323,363</u>	<u>\$ (693,163)</u>	<u>\$ 861,763</u>

Self Insurance Funds

Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 653,858	\$ 12,126,424	\$ 5,100,291	\$ 1,036,698	\$ 286,500	\$ 735,930	\$ 91,887	\$ 53,319,197
-	2,506	18,700	-	-	-	-	40,359
-	63,287	21,508	4,679	1,454	3,648	360	2,509,075
-	-	-	-	-	-	-	17,429
-	-	-	-	-	-	-	217,565
-	-	-	-	-	169,800	63,263	408,167
-	-	-	-	-	-	-	663,361
-	-	-	-	-	-	-	1,014,181
<u>653,858</u>	<u>12,192,217</u>	<u>5,140,499</u>	<u>1,041,377</u>	<u>287,954</u>	<u>909,378</u>	<u>155,510</u>	<u>58,189,334</u>
-	-	-	-	-	-	-	3,490,525
-	-	-	-	-	-	-	2,086,375
-	-	-	-	-	-	-	130,085,548
<u>653,858</u>	<u>12,192,217</u>	<u>5,140,499</u>	<u>1,041,377</u>	<u>287,954</u>	<u>909,378</u>	<u>155,510</u>	<u>193,851,782</u>
-	182,159	69,395	-	-	-	-	13,224,418
-	-	34,231	47,085	-	112,710	14,073	847,301
-	5,931	4,140	-	-	-	-	68,159
-	20,468	13,493	-	-	-	-	565,273
-	<u>1,473,233</u>	<u>491,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,964,425</u>
-	<u>1,499,632</u>	<u>543,056</u>	<u>47,085</u>	<u>-</u>	<u>112,710</u>	<u>14,073</u>	<u>3,445,158</u>
-	35,211	30,766	-	-	-	-	1,274,630
-	-	-	-	-	-	-	-
-	6,711,393	1,964,769	-	-	-	-	8,676,162
-	<u>582,290</u>	<u>389,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,916,388</u>
-	<u>8,828,526</u>	<u>2,927,643</u>	<u>47,085</u>	<u>-</u>	<u>112,710</u>	<u>14,073</u>	<u>34,312,338</u>
-	13,190	37,085	-	-	-	-	532,208
-	-	-	-	-	-	-	132,171,923
<u>653,858</u>	<u>3,532,660</u>	<u>2,245,166</u>	<u>994,292</u>	<u>287,954</u>	<u>796,668</u>	<u>141,437</u>	<u>40,059,731</u>
<u>\$ 653,858</u>	<u>\$ 3,532,660</u>	<u>\$ 2,245,166</u>	<u>\$ 994,292</u>	<u>\$ 287,954</u>	<u>\$ 796,668</u>	<u>\$ 141,437</u>	<u>\$ 172,231,654</u>

**CITY OF ROSEVILLE, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	Automotive	Facilities	Information Technology	General Equipmnet Replacement
<b>OPERATING REVENUES</b>				
Charges for services	\$ 13,437,282	\$ 4,805,122	\$ 9,567,276	\$ 149,584
Total Operating Revenues	<u>13,437,282</u>	<u>4,805,122</u>	<u>9,567,276</u>	<u>149,584</u>
<b>OPERATING EXPENSES</b>				
Operations and maintenance	7,532,543	5,600,473	12,302,712	161,759
Depreciation and amortization	4,207,562	3,568,960	351,846	-
Claims expense	-	-	-	-
Total Operating Expenses	<u>11,740,105</u>	<u>9,169,433</u>	<u>12,654,558</u>	<u>161,759</u>
Operating Income (Loss)	<u>1,697,177</u>	<u>(4,364,311)</u>	<u>(3,087,282)</u>	<u>(12,175)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest and rents revenue	137,906	(11,919)	(7,248)	(5,844)
Gain (loss) on disposal	264,694	(15,429)	-	-
Total Non-Operating Revenue	<u>402,600</u>	<u>(27,348)</u>	<u>(7,248)</u>	<u>(5,844)</u>
Income (Loss) Before Contributions and transfers	<u>2,099,777</u>	<u>(4,391,659)</u>	<u>(3,094,530)</u>	<u>(18,019)</u>
Transfers In	134,826	1,571,423	1,314,156	879,782
Transfers Out	(365,184)	(10,797)	(10,182)	-
Changes in Net Position	1,869,419	(2,831,033)	(1,790,556)	861,763
NET POSITION (DEFICIT) - BEGINNING, AS RESTATED	<u>47,218,237</u>	<u>117,154,396</u>	<u>1,097,393</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ 49,087,656</u>	<u>\$ 114,323,363</u>	<u>\$ (693,163)</u>	<u>\$ 861,763</u>



Self Insurance Funds

Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 5,282,818	\$ 3,998,015	\$ 2,783,004	\$ 250,606	\$ 159,439	\$ 1,484,140	\$ 420,922	\$ 42,338,208
<u>5,282,818</u>	<u>3,998,015</u>	<u>2,783,004</u>	<u>250,606</u>	<u>159,439</u>	<u>1,484,140</u>	<u>420,922</u>	<u>42,338,208</u>
14,620,323	3,870,473	1,640,806	169,168	162,670	137,571	724	46,199,222
-	-	-	-	-	-	-	8,128,368
-	1,213,857	1,280,324	-	-	1,333,320	400,359	4,227,860
<u>14,620,323</u>	<u>5,084,330</u>	<u>2,921,130</u>	<u>169,168</u>	<u>162,670</u>	<u>1,470,891</u>	<u>401,083</u>	<u>58,555,450</u>
<u>(9,337,505)</u>	<u>(1,086,315)</u>	<u>(138,126)</u>	<u>81,438</u>	<u>(3,231)</u>	<u>13,249</u>	<u>19,839</u>	<u>(16,217,242)</u>
6,490	17,605	7,362	1,767	615	959	-	147,693
-	-	-	-	-	-	-	249,265
<u>6,490</u>	<u>17,605</u>	<u>7,362</u>	<u>1,767</u>	<u>615</u>	<u>959</u>	<u>-</u>	<u>396,958</u>
<u>(9,331,015)</u>	<u>(1,068,710)</u>	<u>(130,764)</u>	<u>83,205</u>	<u>(2,616)</u>	<u>14,208</u>	<u>19,839</u>	<u>(15,820,284)</u>
8,803,338	-	-	-	-	-	-	12,703,525
-	(15,763)	(27,799)	-	-	-	-	(429,725)
<u>(527,677)</u>	<u>(1,084,473)</u>	<u>(158,563)</u>	<u>83,205</u>	<u>(2,616)</u>	<u>14,208</u>	<u>19,839</u>	<u>(3,546,484)</u>
<u>1,181,535</u>	<u>4,617,133</u>	<u>2,403,729</u>	<u>911,087</u>	<u>290,570</u>	<u>782,460</u>	<u>121,598</u>	<u>175,778,138</u>
<u>\$ 653,858</u>	<u>\$ 3,532,660</u>	<u>\$ 2,245,166</u>	<u>\$ 994,292</u>	<u>\$ 287,954</u>	<u>\$ 796,668</u>	<u>\$ 141,437</u>	<u>\$ 172,231,654</u>

**CITY OF ROSEVILLE, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Automotive	Facilities	Information Technology	General Equipmnet Replacement
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 13,460,744	\$ 4,805,114	\$ 9,567,276	\$ 149,584
Payments to suppliers	(4,696,666)	(3,281,700)	(3,177,104)	(95,037)
Payments to employees	(1,789,016)	(1,410,359)	(5,662,573)	-
Payments to OPEB trust	-	-	-	-
Claims paid	-	-	-	-
Other receipts (payments)	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>6,975,062</u>	<u>113,055</u>	<u>727,599</u>	<u>54,547</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Payments from other governmental agencies	(9,173)	-	-	-
Receipt of payments on notes receivables	663,361	-	(175,104)	-
Increase (decrease) in due to other funds	(453,015)	-	-	-
Increase (decrease) in advances to other funds	(99,654)	-	-	-
Transfers in	134,826	1,571,423	1,314,156	879,782
Transfers out	<u>(365,184)</u>	<u>(10,798)</u>	<u>(10,182)</u>	<u>-</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(128,839)</u>	<u>1,560,625</u>	<u>1,128,870</u>	<u>879,782</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net	<u>(2,670,181)</u>	<u>-</u>	<u>(651,323)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	<u>101,811</u>	<u>(16,056)</u>	<u>(10,260)</u>	<u>(7,551)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,277,853	1,657,624	1,194,886	926,778
Cash and Investments at Beginning of Period	<u>25,230,468</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Investments at End of Period	<u>\$ 29,508,321</u>	<u>\$ 1,657,624</u>	<u>\$ 1,194,886</u>	<u>\$ 926,778</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ 1,697,177	\$ (4,364,311)	\$ (3,087,282)	\$ (12,175)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation	4,207,562	3,568,960	351,846	-
Pension expense	328,547	755,259	3,135,433	-
<b>Change in Assets and Liabilities:</b>				
Receivables, Net	23,462	-	-	-
Prepays	982,604	-	-	-
Inventories	(53,220)	(180,209)	-	-
Accounts payable and other liabilities	<u>(211,070)</u>	<u>333,356</u>	<u>327,602</u>	<u>66,722</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 6,975,062</u>	<u>\$ 113,055</u>	<u>\$ 727,599</u>	<u>\$ 54,547</u>

Self Insurance Funds

Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 5,282,818	\$ 3,997,732	\$ 2,765,297	\$ 250,606	\$ 159,439	\$ 3,406	\$ 2,696	\$ 40,444,712
-	(155)	-	(122,083)	-	-	-	(11,372,745)
-	(182,234)	(971,158)	-	-	(1,333,320)	(400,359)	(11,749,019)
(14,620,323)	-	-	-	-	-	-	(14,620,323)
-	(3,610,454)	(1,655,809)	-	(162,670)	(162,278)	-	(5,591,211)
-	-	-	-	-	1,484,140	420,922	1,905,062
<u>(9,337,505)</u>	<u>204,889</u>	<u>138,330</u>	<u>128,523</u>	<u>(3,231)</u>	<u>(8,052)</u>	<u>23,259</u>	<u>(983,524)</u>
-	-	-	-	1,170	-	-	(8,003)
-	-	-	-	-	-	-	488,257
-	-	-	-	-	-	-	(453,015)
-	-	-	-	-	-	-	(99,654)
8,803,338	-	-	-	-	-	-	12,703,525
-	(15,763)	(27,799)	-	-	-	-	(429,726)
<u>8,803,338</u>	<u>(15,763)</u>	<u>(27,799)</u>	<u>-</u>	<u>1,170</u>	<u>-</u>	<u>-</u>	<u>12,201,384</u>
-	-	-	-	-	-	-	(3,321,504)
<u>8,680</u>	<u>1,292</u>	<u>3,551</u>	<u>864</u>	<u>(490)</u>	<u>100</u>	<u>(141)</u>	<u>81,800</u>
(525,487)	190,418	114,082	129,387	(2,551)	(7,952)	23,118	7,978,156
<u>1,179,345</u>	<u>11,936,006</u>	<u>4,986,209</u>	<u>907,311</u>	<u>289,051</u>	<u>743,882</u>	<u>68,769</u>	<u>45,341,041</u>
<u>\$ 653,858</u>	<u>\$ 12,126,424</u>	<u>\$ 5,100,291</u>	<u>\$ 1,036,698</u>	<u>\$ 286,500</u>	<u>\$ 735,930</u>	<u>\$ 91,887</u>	<u>\$ 53,319,197</u>
\$ (9,337,505)	\$ (1,086,315)	\$ (138,126)	\$ 81,438	\$ (3,231)	\$ 13,249	\$ 19,839	\$ (16,217,242)
-	-	-	-	-	-	-	8,128,368
-	55,229	16,091	-	-	-	-	4,290,559
-	(283)	(17,707)	-	-	3,406	208	9,086
-	-	-	-	-	-	-	982,604
-	-	-	-	-	-	-	(233,429)
-	1,236,258	278,072	47,085	-	(24,707)	3,212	2,056,530
<u>\$ (9,337,505)</u>	<u>\$ 204,889</u>	<u>\$ 138,330</u>	<u>\$ 128,523</u>	<u>\$ (3,231)</u>	<u>\$ (8,052)</u>	<u>\$ 23,259</u>	<u>\$ (983,524)</u>

## **PRIVATE-PURPOSE TRUST FUNDS**

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

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

**Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund.** Established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Roseville.

**CITY OF ROSEVILLE, CALIFORNIA  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	Endowment Private-Purpose Trust	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ASSETS:</b>			
Cash and investments in Treasury	\$ 1,857,793	\$ 3,500,949	\$ 5,358,742
Restricted cash and investments with fiscal agents	-	241,540	241,540
Accrued interest receivable	9,877	561,740	571,617
Notes receivable	-	4,152,359	4,152,359
Capital assets:			
Land	-	74,369	74,369
Total Assets	<u>1,867,670</u>	<u>8,530,957</u>	<u>10,398,627</u>
<b>LIABILITIES:</b>			
Accounts payable	-	5	5
Accrued liabilities	-	937,652	937,652
Long-term liabilities:			
Due in one year	-	2,036,284	2,036,284
Due in more than one year	-	48,505,724	48,505,724
Total Liabilities	<u>-</u>	<u>51,479,665</u>	<u>51,479,665</u>
<b>NET POSITION (DEFICIT)</b>			
Held in trust for private purposes or for other governments	<u>\$ 1,867,670</u>	<u>\$ (42,948,708)</u>	<u>\$ (41,081,038)</u>

**CITY OF ROSEVILLE, CALIFORNIA  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	Endowment Private-Purpose Trust	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ADDITIONS</b>			
Property taxes	\$ -	\$ 3,377,428	\$ 3,377,428
Investment income	2,212	153,629	155,841
Total Additions	<u>2,212</u>	<u>3,531,057</u>	<u>3,533,269</u>
<b>DEDUCTIONS</b>			
General government	25,684	-	25,684
Community services	-	169,006	169,006
Debt service:			
Interest and fiscal charges	-	3,301,530	3,301,530
Total Liabilities	<u>25,684</u>	<u>3,470,536</u>	<u>3,496,220</u>
Change in net position	(23,472)	60,521	37,049
NET POSITION (DEFICIT) - BEGINNING	<u>1,891,142</u>	<u>(43,009,229)</u>	<u>(41,118,087)</u>
NET POSITION (DEFICIT) - ENDING	<u>\$ 1,867,670</u>	<u>\$ (42,948,708)</u>	<u>\$ (41,081,038)</u>

## AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

### **Special Assessments/Community Services Districts (CSDs)**

These funds account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

### **Payroll Revolving Fund**

This fund accounts for the payroll deductions and contributions that are held in transit.

### **Highway 65 JPA (Bizz Johnson JPA)**

This JPA, which consists of the City, City of Rocklin and Placer County, was formed to fund interchanges off of Highway 65. The City acts as lead agency and treasurer. The fees are collected via building permits.

### **Dry Creek Drainage Basin**

Fees are collected via building permits for the Dry Creek area and submitted quarterly to Placer County for drainage mitigation.

### **County Capital Facilities Fee**

This fee was established by the County to fund future county capital facilities from development. It is collected via building permits and submitted quarterly to the County.

### **South Placer Wastewater Authority (SPWA)**

SPWA is a Joint Powers Authority comprised of the City, Placer County and South Placer Public Utilities District. The City is acting as the treasurer and construction manager. This JPA was formed to issue debt to facilitate the construction of the regional wastewater infrastructure. The agencies collect regional wastewater connection fees and submit them to SPWA which is used for debt service payments and for the future expansion of facilities.

### **Special Sewer Benefit Area #3**

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the northeast portion of the City. The reimbursements are made to various project participants.

### **Special Sewer Benefit Area #4**

This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the southeast portion of the City. The reimbursements are made to Southfork Partnership.

## **AGENCY FUNDS (CONTINUED)**

### **South Placer County Tourism Business Improvement District (SPCTBID)**

All hotels in the region are assessed fees for the purpose of promoting tourism in the area. These fees are forwarded to the City quarterly and then submitted quarterly to the SPCTBID.

### **South Placer County Safe Kids Coalition**

The fees are collected for and submitted to an organization in Placer County for child safety programs.

### **South Placer Regional Traffic Fee**

This fee is collected via building permits and submitted quarterly to Placer County Transportation Authority to fund regional traffic mitigation.

### **Placer County Traffic Mitigation Fund (TMF)**

The fee is collected via building permits and submitted quarterly to Placer County to fund regional traffic mitigation due to new development.

### **Placer County Air Pollution Control Fund**

The fee is collected to contribute towards construction of a future animal shelter in South Placer County.

### **Sierra College Boulevard Fund**

To account for contributions to provide maintenance of bike trails and open space.

### **Special Assessment Collection Fees**

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

### **WRSP Reimbursements**

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

### **Sierra Vista Reimbursements**

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

### **HP Campus Oaks Reimbursements**

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

### **Downtown Roseville PBID**

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



**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<b>Special Assessments and Community Services Districts</b>				
Cash and investments in City Treasury	\$ 21,103,851	\$ 23,350,058	\$ 21,103,851	\$ 23,350,058
Restricted cash and investments with fiscal agents	27,926,654	20,486,773	27,926,654	20,486,773
Taxes receivable	853,442	12,821,177	853,442	12,821,177
Accrued interest receivable	72,676	91,615	72,676	91,615
Due from other government agencies	-	199,122	-	199,122
<b>Total Assets</b>	<b>\$ 49,956,623</b>	<b>\$ 56,948,745</b>	<b>\$ 49,956,623</b>	<b>\$ 56,948,745</b>
Accounts payable	\$ 633	\$ 2,549	\$ 633	\$ 2,549
Accrued Liabilities	279,166	4,871	279,166	4,871
Due to others	-	27,948	-	27,948
Due to bondholders	49,676,824	56,913,377	49,676,824	56,913,377
<b>Total Liabilities</b>	<b>\$ 49,956,623</b>	<b>\$ 56,948,745</b>	<b>\$ 49,956,623</b>	<b>\$ 56,948,745</b>
<b>Payroll Revolving</b>				
Cash and investments in City Treasury	\$ 2,659,257	\$ 2,131,367	\$ 2,659,257	\$ 2,131,367
Accounts payable	\$ 2,659,257	\$ 2,131,367	\$ 2,659,257	\$ 2,131,367
<b>Highway 65 JPA</b>				
Cash and investments in City Treasury	\$ 3,016,620	\$ 4,291,903	\$ 3,016,620	\$ 4,291,903
Accrued interest receivable	11,738	18,997	11,738	18,997
Due from other government agencies	182,754	134,300	182,754	134,300
<b>Total Assets</b>	<b>\$ 3,211,112</b>	<b>\$ 4,445,200</b>	<b>\$ 3,211,112</b>	<b>\$ 4,445,200</b>
Accounts payable	\$ -	149,588	\$ -	\$ 149,588
Due to member agencies	3,211,112	4,295,612	3,211,112	4,295,612
<b>Total Liabilities</b>	<b>\$ 3,211,112</b>	<b>\$ 4,445,200</b>	<b>\$ 3,211,112</b>	<b>\$ 4,445,200</b>
<b>Dry Creek Drainage Basin</b>				
Cash and investments in City Treasury	\$ 69,941	\$ 20,343	\$ 69,941	\$ 20,343
Accrued interest receivable	158	150	158	150
<b>Total Assets</b>	<b>\$ 70,099</b>	<b>\$ 20,493</b>	<b>\$ 70,099</b>	<b>\$ 20,493</b>
Accounts payable		\$ 20,493	\$ -	\$ 20,493
Due to others	\$ 70,099	-	70,099	-
<b>Total Liabilities</b>	<b>\$ 70,099</b>	<b>\$ 20,493</b>	<b>\$ 70,099</b>	<b>\$ 20,493</b>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<b>County Capital Facilities Fee</b>				
Cash and investments in City Treasury	\$ 1,429,018	\$ 478,479	\$ 1,429,018	\$ 478,479
Accounts receivable	3,948	2,132	3,948	2,132
Accrued interest receivable	1,797	2,847	1,797	2,847
<b>Total Assets</b>	<b>\$ 1,434,763</b>	<b>\$ 483,458</b>	<b>\$ 1,434,763</b>	<b>\$ 483,458</b>
Accounts payable	\$ 1,434,763	\$ 483,458	\$ 1,434,763	\$ 483,458
<b>South Placer Wastewater Authority</b>				
Cash and investments in City Treasury	\$ 111,927,142	\$ 119,739,998	\$ 111,927,142	\$ 119,739,998
Restricted cash and investments with fiscal agents	8,280,012	38,286,793	8,280,012	38,286,793
Accounts receivable	2,534,030	973	2,534,030	973
Accrued interest receivable	411,785	511,219	411,785	511,219
Due from other government agencies	-	556,137	-	556,137
<b>Total Assets</b>	<b>\$ 123,152,969</b>	<b>\$ 159,095,120</b>	<b>\$ 123,152,969</b>	<b>\$ 159,095,120</b>
Accounts payable	\$ 582,480	\$ 579,310	\$ 582,480	\$ 579,310
Accrued liabilities	593,026	846,276	593,026	846,276
Due to member agencies	121,977,463	157,669,534	121,977,463	157,669,534
<b>Total Liabilities</b>	<b>\$ 123,152,969</b>	<b>\$ 159,095,120</b>	<b>\$ 123,152,969</b>	<b>\$ 159,095,120</b>
<b>Special Sewer Benefit Area #3</b>				
Cash and investments in City Treasury	\$ 1,829	\$ 1,804	\$ 1,829	\$ 1,804
Accrued interest receivable	-	9	-	9
<b>Total Assets</b>	<b>\$ 1,829</b>	<b>\$ 1,813</b>	<b>\$ 1,829</b>	<b>\$ 1,813</b>
Due to others	\$ 1,829	\$ 1,813	\$ 1,829	\$ 1,813
<b>Special Sewer Benefit Area #4</b>				
Cash and investments in City Treasury	\$ 186,611	\$ 186,852	\$ 186,611	\$ 186,852
Accrued interest receivable	766	947	766	947
<b>Total Assets</b>	<b>\$ 187,377</b>	<b>\$ 187,799</b>	<b>\$ 187,377</b>	<b>\$ 187,799</b>
Due to others	\$ 187,377	\$ 187,799	\$ 187,377	\$ 187,799
<b>South Placer County Tourism Business Improvement District (SPCTBID)</b>				
Cash and investments in City Treasury	\$ 20,586	\$ 20,064	\$ 20,586	\$ 20,064
Accounts Receivable	1,040,242	1,104,799	1,040,242	1,104,799
Accrued interest receivable	779	1,257	779	1,257
<b>Total Assets</b>	<b>\$ 1,061,607</b>	<b>\$ 1,126,120</b>	<b>\$ 1,061,607</b>	<b>\$ 1,126,120</b>
Accounts payable	\$ 1,061,607	\$ 788,460	\$ 1,061,607	\$ 788,460
Due to others	-	337,660	-	337,660
<b>Total Liabilities</b>	<b>\$ 1,061,607</b>	<b>\$ 1,126,120</b>	<b>\$ 1,061,607</b>	<b>\$ 1,126,120</b>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<b>South Placer County Safe Kids Coalition</b>				
Cash and investments in City Treasury	\$ 4,269	\$ 4,274	\$ 4,269	\$ 4,274
Accrued interest receivable	18	22	18	22
Total Assets	<u>\$ 4,287</u>	<u>\$ 4,296</u>	<u>\$ 4,287</u>	<u>\$ 4,296</u>
Due to others	<u>\$ 4,287</u>	<u>\$ 4,296</u>	<u>\$ 4,287</u>	<u>\$ 4,296</u>
<b>South Placer Regional Traffic Fee</b>				
Cash and investments in City Treasury	\$ 1,252,086	\$ 373,101	\$ 1,252,086	\$ 373,101
Accounts Receivable	920,073	1,869,642	920,073	1,869,642
Accrued interest receivable	1,565	2,692	1,565	2,692
Total Assets	<u>\$ 2,173,724</u>	<u>\$ 2,245,435</u>	<u>\$ 2,173,724</u>	<u>\$ 2,245,435</u>
Accounts payable	\$ 1,257,088	\$ 501,227	\$ 1,257,088	\$ 501,227
Due to others	916,636	1,744,208	916,636	1,744,208
Total Liabilities	<u>\$ 2,173,724</u>	<u>\$ 2,245,435</u>	<u>\$ 2,173,724</u>	<u>\$ 2,245,435</u>
<b>Placer County TMF</b>				
Cash and investments in City Treasury	<u>\$ 85,929</u>	<u>\$ 173,226</u>	<u>\$ 85,929</u>	<u>\$ 173,226</u>
Due to others	<u>\$ 85,929</u>	<u>\$ 173,226</u>	<u>\$ 85,929</u>	<u>\$ 173,226</u>
<b>Placer County Air Pollution Control</b>				
Cash and investments in City Treasury	<u>\$ 88,372</u>	<u>\$ 31,379</u>	<u>\$ 88,372</u>	<u>\$ 31,379</u>
Due to others	<u>\$ 88,372</u>	<u>\$ 31,379</u>	<u>\$ 88,372</u>	<u>\$ 31,379</u>
<b>Sierra College Boulevard</b>				
Cash and investments in City Treasury	<u>\$ 49,425</u>	<u>\$ 17,550</u>	<u>\$ 49,425</u>	<u>\$ 17,550</u>
Due to others	<u>\$ 49,425</u>	<u>\$ 17,550</u>	<u>\$ 49,425</u>	<u>\$ 17,550</u>
<b>Special Assessment Collection Fees</b>				
Cash and investments in City Treasury	<u>\$ 13,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,122</u>
Due to other governmental agencies	<u>\$ 13,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,122</u>
Total Liabilities	<u>13,122</u>	<u>-</u>	<u>-</u>	<u>13,122</u>
<b>WRSP Reimbursements</b>				
Cash and investments in City Treasury	\$ 20,927	\$ 601,162	\$ 20,927	\$ 601,162
Accrued interest receivable	288	1,721	288	1,721
Total Assets	<u>\$ 21,215</u>	<u>\$ 602,883</u>	<u>\$ 21,215</u>	<u>\$ 602,883</u>
Due to others	\$ 9,433	\$ 602,883	\$ 9,433	\$ 602,883
Due to other governmental agencies	11,782	-	11,782	-
Total Liabilities	<u>\$ 21,215</u>	<u>\$ 602,883</u>	<u>\$ 21,215</u>	<u>\$ 602,883</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	June 30, 2017	Additions	Reductions	June 30, 2018
<b>Sierra Vista Reimbursements</b>				
Cash and investments in City Treasury	\$ 427,165	\$ 1,004,864	\$ 427,165	\$ 1,004,864
Accrued interest receivable	1,587	3,773	1,587	3,773
<b>Total Assets</b>	<b>\$ 428,752</b>	<b>\$ 1,008,637</b>	<b>\$ 428,752</b>	<b>\$ 1,008,637</b>
Due to others	\$ 212,750	\$ 1,008,637	\$ 212,750	\$ 1,008,637
Due to other governmental agencies	216,002	-	216,002	-
<b>Total Liabilities</b>	<b>\$ 428,752</b>	<b>\$ 1,008,637</b>	<b>\$ 428,752</b>	<b>\$ 1,008,637</b>
<b>HP Campus Oaks reimbursements</b>				
Cash and investments in City Treasury	\$ 128,481	\$ 219	\$ 128,481	\$ 219
Accrued interest receivable	3	100	3	100
<b>Total Assets</b>	<b>\$ 128,484</b>	<b>\$ 319</b>	<b>\$ 128,484</b>	<b>\$ 319</b>
Due to bondholders	\$ 128,484	\$ 319	\$ 128,484	\$ 319
<b>Downtown Roseville PBID</b>				
Cash and investments in City Treasury	\$ 101,845	\$ 95,707	\$ 101,845	\$ 95,707
Due from other government agencies	-	3,468	-	3,468
Taxes receivable	7,437	7,437	7,437	7,437
<b>Total Assets</b>	<b>\$ 109,282</b>	<b>\$ 106,612</b>	<b>\$ 109,282</b>	<b>\$ 106,612</b>
Due to others	\$ 109,282	\$ 106,612	\$ 109,282	\$ 106,612
<b>Total Agency Funds</b>				
Cash and investments in City Treasury	\$ 142,586,476	\$ 152,522,350	\$ 142,573,354	\$ 152,535,472
Restricted cash and investments with fiscal agents	36,206,666	58,773,566	36,206,666	58,773,566
Accounts receivable	4,498,293	2,977,546	4,498,293	2,977,546
Taxes receivable	860,879	12,828,614	860,879	12,828,614
Accrued interest receivable	503,159	635,349	503,160	635,348
Due from other government agencies	182,754	893,027	182,754	893,027
<b>Total Assets</b>	<b>\$ 184,838,227</b>	<b>\$ 228,630,452</b>	<b>\$ 184,825,106</b>	<b>\$ 228,643,573</b>
Accounts payable	\$ 6,995,827	\$ 4,656,452	\$ 6,995,828	\$ 4,656,451
Accrued liabilities	872,192	851,147	872,192	851,147
Due to other governmental agencies	240,906	-	227,784	13,122
Due to member agencies	125,188,575	161,965,146	125,188,575	161,965,146
Due to bondholders	49,805,308	56,913,696	49,805,308	56,913,696
Due to others	1,735,419	4,244,011	1,735,419	4,244,011
<b>Total Liabilities</b>	<b>\$ 184,838,227</b>	<b>\$ 228,630,452</b>	<b>\$ 184,825,106</b>	<b>\$ 228,643,573</b>

## 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 – 2011 Refunding Fixed Rate Wastewater Revenue Bonds – Series C  
Revenue Bond Coverage – 2013 Refunding Variable Rate Wastewater Revenue Bonds
3. Revenue Bond Coverage – 2017 Wastewater Revenue Refunding Bonds
4. Bonded Debt Pledged Revenue Coverage –2014 Redevelopment Tax Allocation Bonds
5. Bonded Debt Pledged Revenue Coverage –2016 Redevelopment Tax Allocation Bonds
6. Computation of Direct and Overlapping Debt
7. Computation of Legal Bonded Debt Margin

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

## STATISTICAL SECTION (Continued)

### *Operating Information*

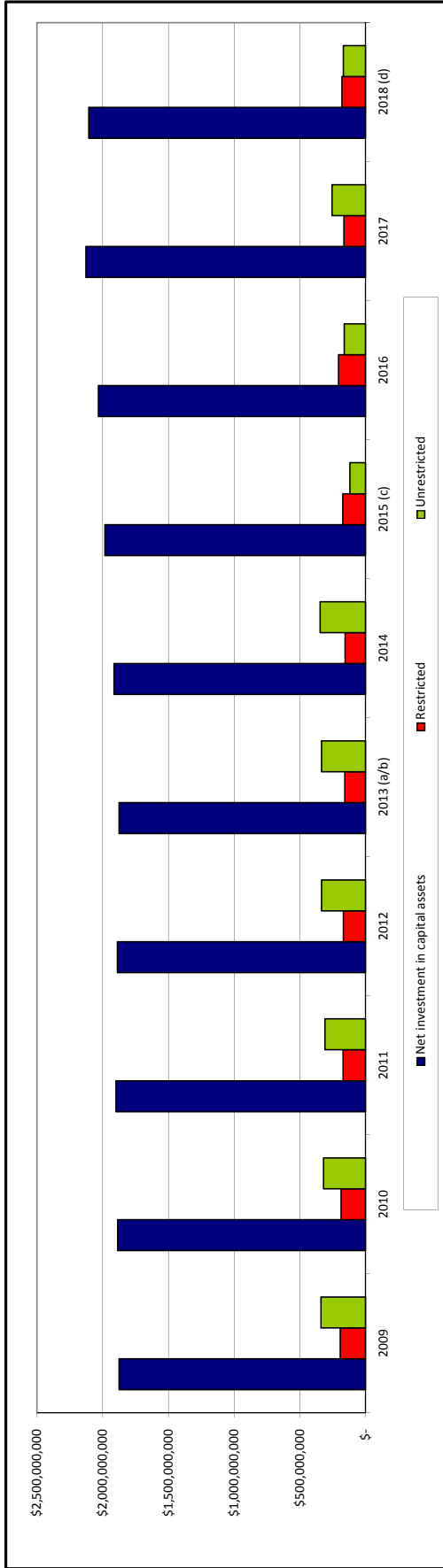
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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

### *Sources*

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**CITY OF ROSEVILLE**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**



	Fiscal Year Ended June 30,										
	2009	2010	2011	2012	2013 (a)(b)	2014	2015 (c)	2016	2017	2018 (d)	2018 (e)
<b>Governmental activities</b>											
Net investment in capital assets	\$ 809,874,186	\$ 821,029,885	\$ 827,793,866	\$ 834,840,748	\$ 837,323,692	\$ 828,800,273	\$ 844,036,089	\$ 874,967,712	\$ 963,416,426	\$ 930,356,095	
Restricted	149,364,179	141,943,254	144,584,184	140,299,702	131,372,528	123,592,373	139,686,598	171,581,599	128,500,453	130,786,912	
Unrestricted	114,855,293	100,170,093	84,860,426	94,429,280	90,617,991	75,908,251	(94,115,158)	(93,575,847)	(42,897,806)	(125,570,328)	
Total governmental activities net position	\$ 1,074,093,658	\$ 1,063,143,232	\$ 1,057,238,476	\$ 1,069,569,730	\$ 1,059,314,211	\$ 1,028,300,897	\$ 889,607,529	\$ 952,973,464	\$ 1,049,019,073	\$ 935,572,679	
<b>Business-type activities</b>											
Net investment in capital assets	\$ 1,063,872,692	\$ 1,063,903,341	\$ 1,070,888,251	\$ 1,053,701,396	\$ 1,036,619,532	\$ 1,084,782,351	\$ 1,137,488,311	\$ 1,156,762,308	\$ 1,164,442,267	\$ 1,174,477,350	
Restricted	43,873,415	43,565,544	26,825,766	28,837,472	27,217,358	31,557,118	33,974,831	33,300,330	35,568,403	48,717,018	
Unrestricted	225,358,784	219,151,174	224,337,296	241,020,358	243,176,781	270,348,547	214,253,723	255,100,345	298,014,583	294,622,023	
Total business-type activities net position	\$ 1,333,104,891	\$ 1,326,620,059	\$ 1,322,051,313	\$ 1,323,559,226	\$ 1,307,013,671	\$ 1,386,688,016	\$ 1,385,716,865	\$ 1,445,162,983	\$ 1,498,025,253	\$ 1,517,816,391	
<b>Primary government</b>											
Net investment in capital assets	\$ 1,873,746,878	\$ 1,884,933,226	\$ 1,898,682,117	\$ 1,888,542,144	\$ 1,873,943,224	\$ 1,913,582,624	\$ 1,981,524,400	\$ 2,031,730,020	\$ 2,127,858,693	\$ 2,104,833,445	
Restricted	193,237,594	185,508,798	171,409,950	169,137,174	158,589,886	155,149,491	173,661,429	204,881,929	164,068,856	179,503,930	
Unrestricted	340,214,077	319,321,267	309,197,722	335,449,638	333,794,772	346,256,798	120,138,565	161,524,498	255,116,777	169,051,695	
Total primary government net position	\$ 2,407,198,549	\$ 2,389,763,291	\$ 2,379,289,789	\$ 2,393,128,956	\$ 2,366,327,882	\$ 2,414,988,913	\$ 2,275,324,594	\$ 2,398,136,447	\$ 2,547,044,326	\$ 2,453,389,070	

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."  
 (b) The City restated certain balances in fiscal year 2014; the statistics prior to 2014 have not been restated.  
 (c) The City implemented the provisions of GASB Statements 68 and 71 in fiscal year 2015; the statistics prior to 2015 have not been restated.  
 (d) The City implemented the provisions of GASB Statements 75 in fiscal year 2018 and restated certain balances.

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

	2009	2010	2011	2012	2013 (a)	2014	2015 (b)	2016	2017	2018 (c)
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 35,306,470	\$ 31,596,121	\$ 30,387,717	\$ 35,564,864	\$ 36,146,055	\$ 42,359,074	\$ 33,259,988	\$ 24,156,228	\$ 23,477,949	\$ 19,793,110
Development and Operations	16,399,001	20,004,902	13,441,264	11,625,120	6,070,940	14,194,087	20,677,108	21,661,632	22,387,337	25,227,066
Public Works	35,299,262	33,145,591	30,932,981	32,524,417	42,655,128	26,482,643	17,191,405	12,786,495	15,499,737	21,316,464
Police	36,257,952	34,190,552	31,720,789	31,262,454	33,163,354	34,443,258	33,815,163	34,215,890	27,989,234	46,653,023
Fire	27,405,634	27,543,494	25,191,924	25,282,596	26,611,217	28,183,501	28,710,164	28,336,994	21,870,763	38,336,994
Library	5,184,868	4,692,455	3,933,549	4,631,691	4,537,528	4,634,502	4,728,411	4,675,146	3,566,937	5,888,252
Parks and recreation	20,607,763	18,358,870	17,664,088	20,209,935	22,032,310	13,939,153	21,676,006	21,289,788	19,273,481	28,848,599
Housing assistance payments	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279	3,858,070	4,046,250	4,077,451	4,216,417	4,248,895
Interest on long-term debt	5,847,054	7,131,216	5,181,266	999,436	1,274,242	740,975	543,336	1,170,785	4,285,329	4,798,427
Total Governmental Activities Expenses	\$ 185,838,531	\$ 180,289,711	\$ 160,096,972	\$ 166,333,208	\$ 176,540,105	\$ 168,833,263	\$ 164,647,830	\$ 152,369,986	\$ 142,357,184	\$ 195,110,830
Business-Type Activities:										
Electric	\$ 163,739,748	\$ 172,512,453	\$ 148,271,687	\$ 144,985,608	\$ 144,141,500	\$ 144,616,552	\$ 139,307,833	\$ 141,831,457	\$ 150,984,130	\$ 149,377,786
Water	21,842,893	23,025,281	22,335,757	24,311,517	24,569,405	25,300,949	25,123,587	26,723,627	30,074,999	32,296,706
Wastewater	28,512,359	29,169,860	29,516,033	34,587,583	33,820,510	36,129,357	34,538,191	34,569,588	40,370,531	45,984,028
Solid Waste	14,914,734	15,172,092	14,979,891	15,855,280	16,173,643	16,113,470	17,028,218	17,778,385	18,307,460	22,628,907
Natural Gas	27,665,056	27,398,886	27,106,564	26,792,658	26,383,130	25,984,715	25,574,327	25,179,279	24,685,497	24,217,677
Golf Course	3,003,690	2,814,274	2,828,099	2,487,080	2,617,733	2,501,897	2,598,524	2,502,782	2,466,928	-
Local Transportation	6,221,260	7,084,490	6,609,048	6,727,985	7,909,058	7,482,689	8,918,391	7,985,912	8,195,699	9,895,357
School-age Child Care	4,649,458	4,258,504	4,277,245	4,461,275	4,496,871	4,966,871	5,664,376	5,251,976	5,794,022	7,866,178
Total Business-Type Activities Expenses	\$ 270,549,198	\$ 281,435,640	\$ 255,924,324	\$ 260,208,986	\$ 260,306,214	\$ 262,626,500	\$ 256,773,447	\$ 261,823,007	\$ 280,879,266	\$ 292,266,639
Total Primary Government Expenses	\$ 456,387,729	\$ 461,725,351	\$ 416,021,296	\$ 426,542,194	\$ 436,846,319	\$ 431,461,763	\$ 421,421,277	\$ 414,192,993	\$ 423,236,450	\$ 487,377,469
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:	\$ 3,780,716	\$ 2,658,834	\$ 2,914,657	\$ 2,778,080	\$ 2,250,873	\$ 2,519,443	\$ 4,151,967	\$ 4,097,453	\$ 5,153,373	\$ 5,688,733
General Government	1,903,124	2,704,794	2,564,206	1,983,989	1,691,318	7,131,093	9,016,571	8,941,215	10,370,206	12,440,599
Development and Operations	3,327,869	2,841,931	2,913,603	2,919,180	3,124,557	224,389	207,635	30,618	518,117	158,610
Public Works	2,346,230	2,088,346	1,525,433	1,319,271	1,504,357	1,384,407	1,354,837	1,322,994	1,473,504	1,473,504
Police	1,362,379	1,185,742	1,203,109	1,009,954	821,543	1,326,015	1,525,539	1,704,523	2,377,309	2,138,165
Fire	230,290	216,064	228,343	339,589	297,467	332,387	137,575	128,689	240,085	18,561
Library	9,728,400	9,843,940	10,057,346	10,242,291	12,574,853	11,391,414	13,361,020	13,093,192	14,657,957	17,469,661
Parks and recreation	12,465,557	12,354,931	10,943,019	2,984,979	9,609,400	10,996,049	12,420,283	18,730,677	21,033,377	17,220,739
Operating Grants and Contributions	22,813,349	27,053,063	11,716,689	19,862,713	21,787,386	22,489,470	29,838,252	38,641,052	35,523,510	27,774,425
Capital Grants and Contributions	57,957,914	60,944,645	44,066,405	43,440,046	54,061,754	57,951,901	72,043,249	86,722,256	90,980,928	84,382,997
Total Governmental Activities Program Revenues	155,843,041	163,315,149	163,234,969	160,141,372	159,002,035	162,182,048	168,349,951	167,160,777	166,006,839	168,559,762
Charges for Services:	17,765,674	17,473,099	17,967,074	19,954,068	22,899,867	23,212,495	23,511,499	22,960,518	27,983,419	31,624,951
Water	27,087,117	24,961,516	30,472,704	28,088,503	27,693,272	30,398,896	31,786,319	34,411,404	39,000,990	37,426,508
Wastewater	19,951,063	20,082,492	20,682,638	20,903,993	21,437,536	21,806,830	22,002,869	22,403,352	23,111,497	24,257,746
Solid Waste	16,528,513	16,557,517	16,528,513	16,563,722	16,530,605	16,529,666	16,528,513	16,572,034	16,528,513	16,528,513
Natural Gas	2,953,223	2,801,963	2,702,741	2,415,583	2,460,509	2,392,102	2,386,188	2,216,692	1,931,550	-
Golf Course	1,184,861	861,730	949,192	1,075,864	1,141,354	1,177,935	1,201,224	1,177,935	1,396,957	1,138,726
Local Transportation	4,779,262	4,358,762	4,296,761	4,047,021	4,475,225	4,780,848	4,273,030	5,475,945	5,680,237	6,396,920
School-age Child Care	10,139,913	6,327,458	6,174,016	13,729,467	7,175,122	13,286,509	14,272,710	10,640,612	10,640,612	12,614,825
Operating Grants and Contributions	55,050,971	26,604,588	16,234,957	12,323,429	17,501,234	43,539,243	50,670,825	55,809,279	61,026,801	78,924,553
Capital Grants and Contributions	311,283,638	283,344,274	278,956,407	279,428,660	280,251,269	319,270,591	334,983,128	334,066,548	353,307,648	377,572,504
Total Business-Type Activities Program Revenues	\$ 369,241,552	\$ 344,288,919	\$ 323,022,812	\$ 322,868,706	\$ 334,313,023	\$ 377,222,492	\$ 407,026,377	\$ 420,788,804	\$ 444,288,576	\$ 461,755,501
Total Primary Government Revenues	\$ 127,880,617	\$ 119,345,066	\$ 116,030,567	\$ 122,893,162	\$ 122,478,351	\$ 110,883,362	\$ 92,604,581	\$ 65,647,730	\$ 51,376,256	\$ 110,227,833
Governmental Activities	40,734,440	1,908,634	2,302,083	19,219,674	19,943,055	56,644,491	78,209,681	72,428,541	72,428,541	85,105,865
Business-Type Activities	\$ (87,146,177)	\$ (117,436,632)	\$ (92,998,484)	\$ (103,673,488)	\$ (102,553,296)	\$ (54,239,271)	\$ (14,394,900)	\$ 6,595,811	\$ 21,052,126	\$ (25,621,968)
Total Primary Government Net Expense										

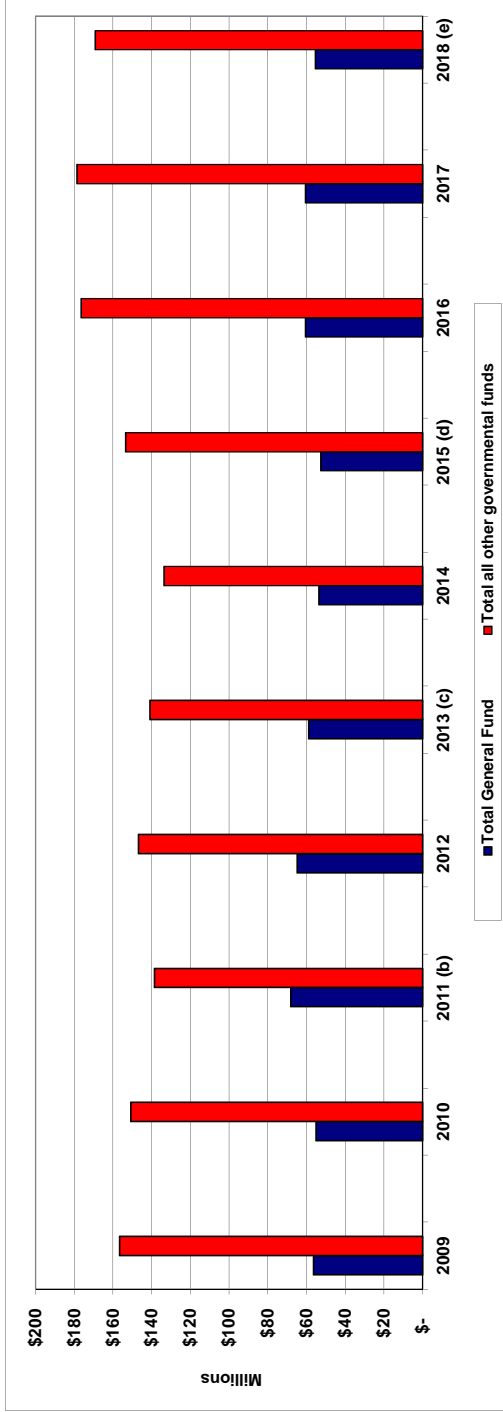


**CITY OF ROSEVILLE**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2009	2010	2011	2012	2013 (a)	2014	2015 (b)	2016	2017	2018 (c)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 39,688,660	\$ 38,102,029	\$ 34,721,253	\$ 31,758,352	\$ 31,075,967	\$ 31,930,656	\$ 34,728,281	\$ 37,998,872	\$ 40,689,765	\$ 44,646,475
Sales taxes	36,024,500	32,139,544	37,332,222	38,129,931	43,002,643	46,591,961	48,094,824	52,993,394	51,646,625	50,710,102
Franchise taxes	930,003	1,615,166	1,735,495	1,822,869	1,874,700	2,037,189	2,057,707	2,168,413	2,310,192	2,363,377
Transient occupancy tax										3,534,479
Motor fuel taxes	1,855,462	2,909,176								
Motor vehicle in lieu (Intergovernmental-unrestricted)	373,495	332,224	523,609	122,230						
Other Taxes	2,974,201	2,779,885	2,936,778	6,626,071	6,465,560	7,465,472	7,186,709	7,745,155	7,104,703	4,854,967
Use of money and property	14,048,619	4,737,938	3,645,241	3,243,932	533,505	2,414,976	1,763,604	3,058,420	674,516	2,008,801
Miscellaneous revenues	4,568,055	19,343,366	1,089,608	1,511,125	2,113,638	420,939	414,279	191,255	18,688,013	10,143,729
Transfers	28,320,921	23,844,312	26,144,153	30,374,582	25,212,344	(11,480,648)	27,704,787	24,853,427	20,662,506	16,710,815
Gain/(Loss) from sales of capital assets						43,992	1,699,847	4,729	25,137	3,522
Assets transferred to/liabilities assumed by										
Successor Agency				34,223,315		7,107,581				
Cancellation of loans receivable from										
Successor Agency						(5,847,668)				
Restructuring of interest on loans receivable from										
Successor Agency						(814,422)				
<b>Total Government Activities</b>	<b>128,783,916</b>	<b>108,394,640</b>	<b>108,128,359</b>	<b>147,812,407</b>	<b>110,275,357</b>	<b>79,570,048</b>	<b>123,650,038</b>	<b>129,013,665</b>	<b>141,801,457</b>	<b>134,976,267</b>
Business-Type Activities:										
Use of money and property	19,665,082	15,450,846	12,812,162	12,662,821	11,245,022	11,499,354	11,274,851	12,056,004	8,940,537	88,239,420
Miscellaneous revenues					150,119					
Transfers	(28,320,921)	(23,844,312)	(26,144,153)	(30,374,582)	(25,212,344)	11,480,648	(27,704,787)	(24,853,427)	(20,662,506)	(16,710,815)
Gain/(Loss) from sales of capital assets						50,252	(2,028,306)			(548,308)
Special Item					(22,715,022)					
Total Business-Type Activities	(8,655,839)	(8,393,466)	(13,331,991)	(17,711,761)	(36,532,225)	23,030,254	(18,458,242)	(12,797,423)	(11,721,969)	70,980,297
<b>Total Primary Government</b>	<b>120,128,077</b>	<b>100,001,174</b>	<b>94,796,368</b>	<b>130,100,646</b>	<b>73,743,132</b>	<b>102,600,302</b>	<b>105,191,796</b>	<b>116,216,242</b>	<b>130,079,488</b>	<b>205,956,564</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 903,299	\$ (10,950,426)	\$ (7,902,208)	\$ 24,919,245	\$ (12,199,994)	\$ (31,013,314)	\$ 31,045,457	\$ 63,365,935	\$ 90,425,201	\$ 24,248,434
Business-Type Activities	32,078,601	(6,484,832)	9,700,092	1,507,913	(16,587,170)	79,674,345	59,751,439	59,446,118	60,706,413	156,086,162
<b>Total Primary Government</b>	<b>\$ 32,981,900</b>	<b>\$ (17,435,258)</b>	<b>\$ 1,797,884</b>	<b>\$ 26,427,158</b>	<b>\$ (28,787,164)</b>	<b>\$ 48,661,031</b>	<b>\$ 90,796,896</b>	<b>\$ 122,812,053</b>	<b>\$ 151,131,614</b>	<b>\$ 180,334,596</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."  
(b) The City implemented the provisions of GASB Statements 68 and 71 in fiscal year 2015; the statistics prior to 2015 have not been restated.  
(c) The City implemented the provisions of GASB Statements 75 in fiscal year 2018 and restated certain balances.

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



	Fiscal Year Ended June 30,									
	2009	2010	2011 (b)	2012	2013 (c)	2014	2015 (d)	2016	2017	2018 (e)
<b>General Fund</b>	\$ 13,472,640	\$ 13,730,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	42,850,836	41,375,295	-	-	-	-	-	-	-	-
Unreserved	-	-	23,734,548	17,036,815	24,350,331	12,700,881	12,547,564	12,089,564	14,222,845	13,181,664
Nonspendable	-	-	-	-	-	-	-	-	727,155	-
Committed	-	-	5,328,824	2,944,900	3,002,686	2,685,359	4,510,098	3,129,479	4,510,525	3,925,021
Assigned	-	-	39,068,183	44,796,255	31,488,665	38,187,768	35,469,686	45,338,414	41,115,763	38,352,989
Unassigned	\$ 56,323,476	\$ 55,105,358	\$ 68,131,555	\$ 64,777,970	\$ 58,841,682	\$ 53,574,008	\$ 52,527,348	\$ 60,577,457	\$ 60,576,288	\$ 55,459,674 (a)
<b>Total General Fund</b>	\$ 56,323,476	\$ 55,105,358	\$ 68,131,555	\$ 64,777,970	\$ 58,841,682	\$ 53,574,008	\$ 52,527,348	\$ 60,577,457	\$ 60,576,288	\$ 55,459,674 (a)
<b>All Other Governmental Funds</b>	\$ 56,058,554	\$ 51,548,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	65,941,856	64,422,284	-	-	-	-	-	-	-	-
Special Revenue Funds	16,456,146	16,542,186	-	-	-	-	-	-	-	-
Capital Projects	18,066,202	18,353,285	-	-	-	-	-	-	-	-
Permanent Funds	-	-	17,411,864	17,503,760	17,691,169	16,940,290	16,964,800	16,964,800	16,964,800	16,916,061
Nonspendable	-	-	108,226,582	113,465,925	109,656,487	104,437,932	122,721,798	148,224,236	147,157,295	144,792,470
Restricted	-	-	2,195,164	2,248,644	2,290,938	2,280,996	2,362,738	794,928	147,222	-
Committed	-	-	14,890,220	14,472,182	12,625,416	11,304,133	11,485,003	10,525,153	16,369,206	13,236,513
Assigned	-	-	(4,081,313)	(925,077)	(1,333,659)	(1,290,629)	(150,757)	(116,035)	(2,079,194)	(5,728,089)
Unassigned	\$ 156,522,758	\$ 150,866,409	\$ 138,642,517	\$ 146,765,434	\$ 140,930,351	\$ 133,672,722	\$ 153,381,582	\$ 176,393,082	\$ 178,559,329	\$ 169,216,955 (a)
<b>Total all other governmental funds</b>	\$ 156,522,758	\$ 150,866,409	\$ 138,642,517	\$ 146,765,434	\$ 140,930,351	\$ 133,672,722	\$ 153,381,582	\$ 176,393,082	\$ 178,559,329	\$ 169,216,955 (a)

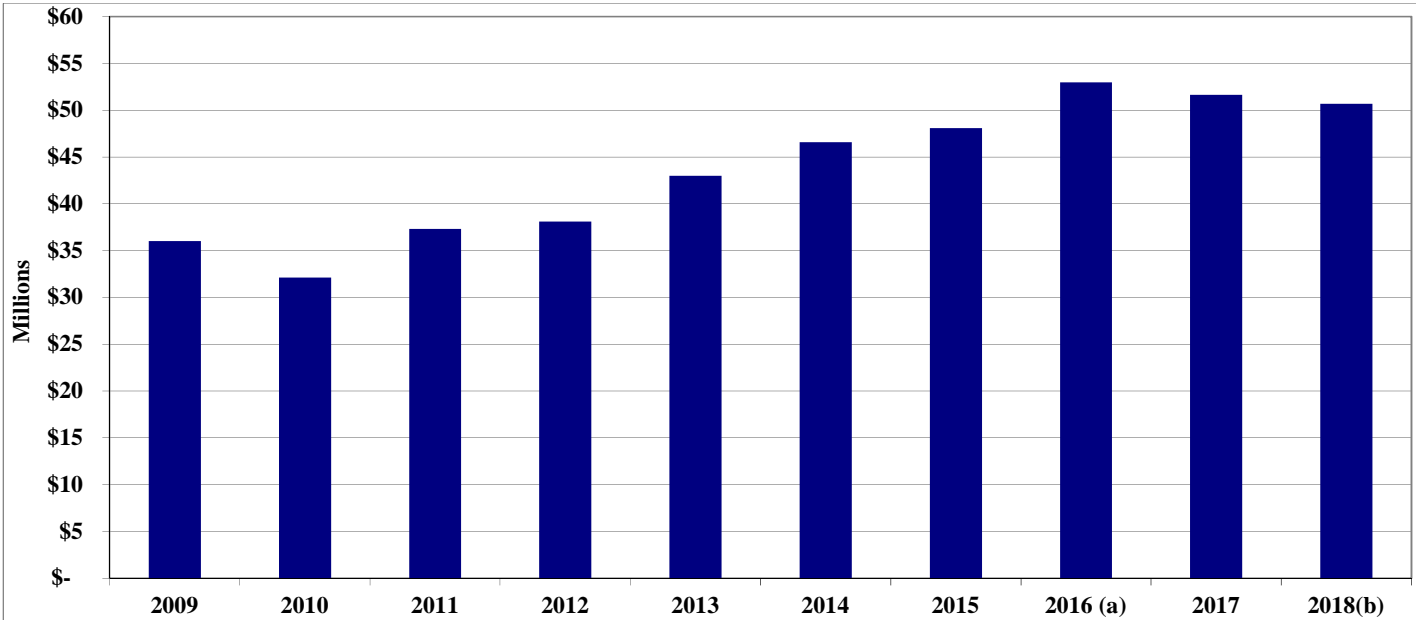
(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.  
 (b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011; years prior to 2011 have not been restated to conform with the new presentation.  
 (c) The City restated certain balances in fiscal year 2014; the statistics prior to 2014 have not been restated.  
 (d) The City implemented GASB Statements 68 and 71 in fiscal year 2015; years prior to 2015 have not been restated to conform with the new presentation.  
 (e) The City implemented the provisions of GASB Statements 75 in fiscal year 2018 and restated certain balances.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 85,601,833	\$ 79,623,097	\$ 82,023,333	\$ 80,584,812	\$ 85,621,989	\$ 90,692,294	\$ 96,055,076	\$ 106,209,940	\$ 106,882,600	\$ 111,838,688
Licenses and permits	1,832,029	1,624,422	1,651,822	1,756,255	1,805,452	2,066,744	2,684,169	2,723,234	3,268,160	3,001,719
Charges for services	18,899,792	18,080,957	17,111,034	17,222,182	20,613,195	23,145,058	27,624,928	28,398,884	36,270,061	44,541,860
Subventions and grants	16,909,738	22,554,411	13,612,705	11,835,085	17,307,222	14,081,767	15,082,197	10,662,888	17,814,381	12,925,977
Use of money and property	16,183,845	9,528,347	3,107,947	3,271,208	1,892,467	2,237,778	2,273,687	3,608,140	8,063,026	13,580,949
Fine, forfeitures and penalties	2,283,349	2,115,882	1,829,785	1,502,408	1,447,757	1,265,026	1,226,611	1,192,435	1,231,989	1,399,287
Contributions from property owners										
Contributions from developers and others	957,680	706,385	1,483,872	2,900,578	3,673,089	1,721,409	15,321,286	4,847,097	2,256,674	2,260,841
Miscellaneous revenues	7,264,395	5,991,250	3,032,677	2,458,788	3,409,782	4,247,829	8,323,382	24,820,495	24,799,603	6,022,224
<b>Total Revenues</b>	<b>149,932,661</b>	<b>140,224,751</b>	<b>123,853,175</b>	<b>121,531,316</b>	<b>135,770,953</b>	<b>139,457,905</b>	<b>168,591,336</b>	<b>182,463,113</b>	<b>200,586,494</b>	<b>195,571,545</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	26,639,267	21,737,861	21,840,332	23,676,727	25,215,600	23,438,473	25,135,288	26,308,369	31,494,060	15,296,075
Development and operations	13,481,274	17,310,689	10,229,425	7,303,223	6,095,964	11,300,917	14,979,353	16,042,793	21,992,856	16,435,711
Public works	16,022,025	10,700,041	11,013,467	10,597,421	10,746,489	6,698,390	5,972,942	6,069,793	7,060,201	8,138,529
Public safety:										
Police	30,408,122	28,564,889	27,411,509	28,650,241	29,638,540	30,695,155	31,917,720	34,565,899	35,785,791	39,817,024
Fire	24,527,743	23,349,639	23,264,497	23,573,792	25,041,187	25,530,503	27,328,554	28,792,370	30,357,023	32,689,465
Library	3,449,204	3,224,523	2,855,794	3,560,396	3,726,160	3,689,914	3,979,158	4,120,111	4,155,157	5,224,590
Parks and recreation	17,979,576	16,199,096	15,610,257	18,320,063	19,671,070	19,276,779	20,854,408	21,111,520	21,451,673	25,483,508
Housing assistance payments	3,530,527	3,628,510	3,643,394	4,232,695	4,049,279	3,858,070	4,046,250	4,077,451	4,216,417	4,248,895
Payments under development agreements	1,601,494	1,445,960	1,146,915	880,852	567,619	567,619	567,619	567,619	-	-
Annexation payments	1,959,852	2,131,802	2,045,843	2,228,371	2,302,077	2,932,924	3,596,777	4,076,406	4,734,193	5,775,035
Capital outlay	49,795,093	36,534,025	20,416,652	19,529,120	34,879,208	30,170,149	30,433,990	37,821,774	59,258,478	49,553,074
Debt service:										
Principal retirement	1,392,486	1,397,222	1,402,625	2,694,645	802,821	2,125,278	844,490	863,892	1,098,509	1,532,317
Interest and fiscal charges	7,090,871	7,396,273	2,932,461	1,612,858	1,217,231	607,872	393,375	1,079,183	4,221,646	4,948,323
<b>Total Expenditures</b>	<b>197,877,534</b>	<b>173,620,530</b>	<b>143,813,171</b>	<b>146,860,404</b>	<b>163,953,245</b>	<b>160,892,043</b>	<b>170,049,924</b>	<b>185,497,180</b>	<b>225,826,004</b>	<b>209,142,546</b>
Excess (deficiency) of revenues over (under) expenditures	(47,944,873)	(33,395,779)	(19,959,996)	(25,329,088)	(28,182,292)	(21,434,138)	(1,458,588)	(3,034,067)	(25,239,510)	(13,571,001)
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease	385,538	-	-	-	-	43,992	104,580	-	-	-
Debt issued	-	-	-	-	-	-	-	14,425,000	-	-
Premium on debt issued	-	-	-	-	-	-	-	862,056	-	-
Proceeds from sale of property	12,040	10,000	-	-	159,482	-	516,821	-	-	-
Transfers in	53,047,351	42,615,799	44,206,780	43,818,402	38,821,810	41,542,969	38,238,578	53,202,949	43,364,097	28,539,336
Transfers out	(28,126,447)	(18,935,737)	(23,444,479)	(18,447,291)	(19,147,016)	(24,688,897)	(18,739,191)	(34,394,329)	(23,201,601)	(24,102,321)
Issuance of debt	-	-	-	-	11,549,031	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	(12,756,326)	-	-	-	-	-
Contributions from developers	-	2,831,250	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>25,318,482</b>	<b>26,521,312</b>	<b>20,762,301</b>	<b>25,371,111</b>	<b>18,626,981</b>	<b>16,898,064</b>	<b>20,120,788</b>	<b>34,095,676</b>	<b>20,162,496</b>	<b>4,437,015</b>
<b>Net Change in fund balances before special and extraordinary items</b>	<b>(22,626,391)</b>	<b>(6,874,467)</b>	<b>802,305</b>	<b>42,023</b>	<b>(9,555,311)</b>	<b>(4,536,074)</b>	<b>18,662,200</b>	<b>31,061,609</b>	<b>(5,077,014)</b>	<b>(9,133,986)</b>
<b>Special and 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)	-	-	-	-	-
Change in classification of assets	-	-	-	-	-	(2,141,561)	-	-	-	-
Cancellation of loans receivable from Successor Agency	-	-	-	-	-	(5,847,668)	-	-	-	-
<b>Net Change in fund balances</b>	<b>\$ (22,626,391)</b>	<b>\$ (6,874,467)</b>	<b>\$ 802,305</b>	<b>\$ 4,769,332</b>	<b>\$ (16,859,731)</b>	<b>\$ (12,525,303)</b>	<b>\$ 18,662,200</b>	<b>\$ 31,061,609</b>	<b>\$ (5,077,014)</b>	<b>\$ (9,133,986)</b>
Debt service as a percentage of noncapital expenditures	5.7% *	6.4% *	3.5%	3.4%	1.6% *	2.1% *	0.9% *	1.3% *	3.2% *	4.1%

\* In FY2018, the City recalculated these percentages.

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



<u>Fiscal Year</u>	<u>Amount</u>
2009	\$ 36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931
2013	43,002,643
2014	46,591,961
2015	48,094,824
2016 (a)	52,993,394
2017	51,646,625
2018(b)	50,710,102
<b>TOTAL</b>	<b><u>\$ 436,665,747</u></b>

(a) This amount includes a one-time payment for final quarter of the State Triple Flip.

(b) The sales tax decrease is due to a one-time delay in State processing sales tax payments as a result of implementation of a new tax collection system.

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

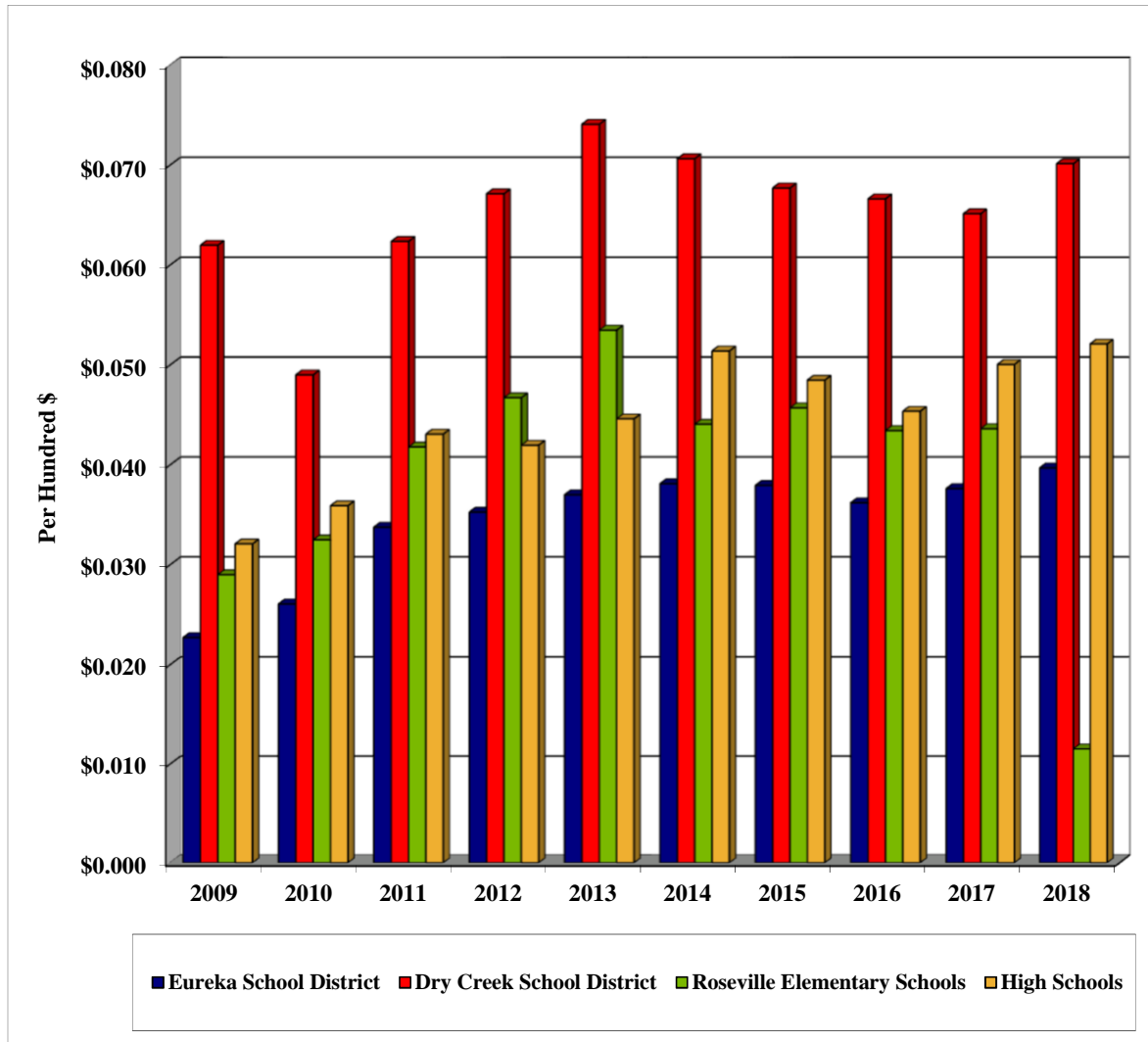
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Secured</b>										
Land	\$ 5,022,518,855	\$ 4,702,676,886	\$ 4,258,240,370	\$ 4,138,902,907	\$ 4,139,152,114	\$ 4,416,998,220	\$ 4,811,588,559	\$ 5,038,592,302	\$ 5,343,255,434	\$ 5,619,414,445
Structure	11,950,909,732	12,095,007,943	11,439,696,023	10,859,970,035	10,942,930,883	11,732,698,206	12,621,412,601	13,670,305,499	14,619,778,326	15,565,619,635
Growing Imp.										
Fixtures	172,326,456	121,330,197	122,138,875	86,539,606	86,949,612	85,175,780	86,169,588	72,381,116	54,816,121	71,994,553
Personal Property	439,345,074	397,416,205	398,032,391	195,128,458	185,441,743	197,939,682	199,577,920	176,564,870	173,880,661	128,012,551
Gross	17,585,100,117	17,316,431,231	16,218,107,659	15,280,541,006	15,354,474,352	16,432,811,888	17,718,748,668	18,957,843,787	20,191,730,542	21,385,041,184
Exemptions	(1,037,586,092)	(1,185,170,787)	(1,271,501,002)	(1,183,664,559)	(1,216,280,788)	(1,189,126,642)	(1,235,144,897)	(1,196,368,326)	(1,240,797,255)	(1,287,075,877)
<b>Net Value</b>	<b>16,547,514,025</b>	<b>16,131,260,444</b>	<b>14,946,606,657</b>	<b>14,096,876,447</b>	<b>14,138,193,564</b>	<b>15,243,685,246</b>	<b>16,483,603,771</b>	<b>17,761,475,461</b>	<b>18,950,933,287</b>	<b>20,097,965,307</b>
<b>Unsecured</b>										
Land	9,752,733	9,938,066	9,918,107	10,652,978	15,107,515	14,275,896	14,209,597	14,751,078	15,636,657	16,035,546
Structure	19,086,998	19,483,398	19,054,920	19,198,391	40,452,068	39,978,372	40,065,250	40,572,958	41,034,119	41,858,259
Fixtures	170,668,416	195,965,488	204,471,411	278,372,656	204,335,331	201,618,605	200,634,374	210,899,452	219,812,361	232,332,616
Personal Property	420,787,592	404,628,665	427,041,927	456,724,821	440,681,012	497,756,921	478,575,784	508,561,032	586,873,115	568,397,250
Gross	620,295,739	630,015,617	660,486,365	764,948,846	700,575,926	733,629,794	733,485,005	774,784,520	863,356,252	858,623,671
Exemptions	(40,368,799)	(69,496,206)	(98,512,303)	(88,790,688)	(92,879,612)	(86,500,375)	(61,105,400)	(93,563,794)	(114,427,098)	(112,467,389)
<b>Net Value</b>	<b>579,926,940</b>	<b>560,519,411</b>	<b>561,974,062</b>	<b>676,158,158</b>	<b>607,696,314</b>	<b>667,129,419</b>	<b>672,379,605</b>	<b>681,220,726</b>	<b>748,929,154</b>	<b>746,156,282</b>
<b>Total Net Assessed Value (a)</b>	<b>\$ 17,127,440,965</b>	<b>\$ 16,691,779,855</b>	<b>\$ 15,508,580,719</b>	<b>\$ 14,773,034,605</b>	<b>\$ 14,745,889,878</b>	<b>\$ 15,910,814,665</b>	<b>\$ 17,155,983,376</b>	<b>\$ 18,442,696,187</b>	<b>\$ 19,699,862,441</b>	<b>\$ 20,844,121,589</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 time of ownership change; or
- market value for new construction

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

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



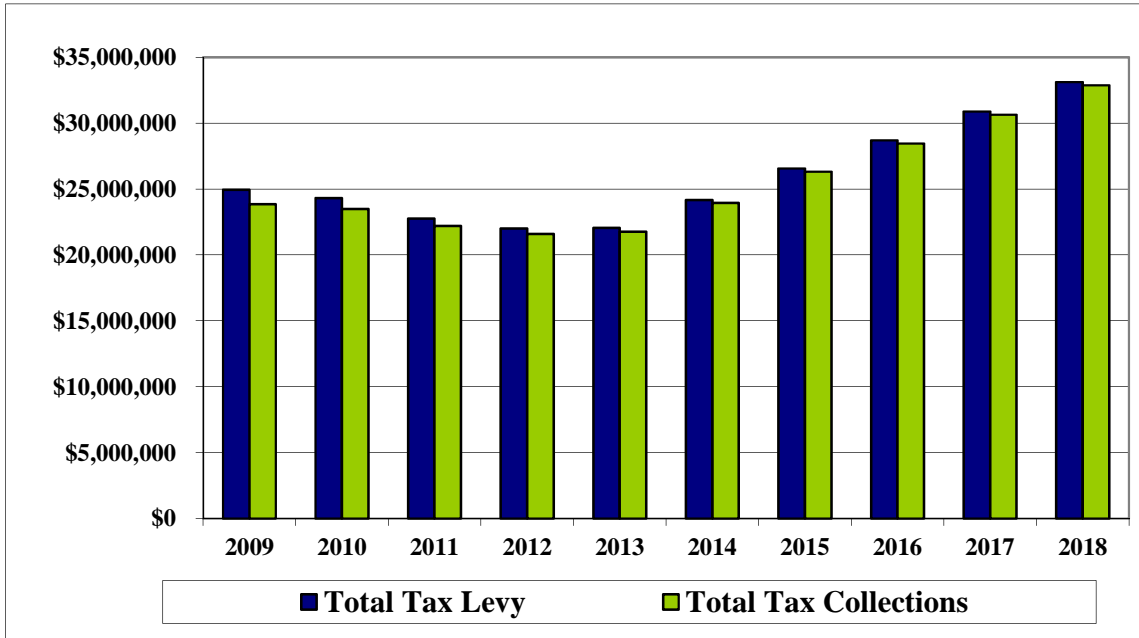
Fiscal Year	Direct Rate	Overlapping Rates				Total (a)
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	
2009	1.0000	0.0227	0.0620	0.0290	0.0321	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	1.0718
2011	1.0000	0.0338	0.0624	0.0418	0.0431	1.0890
2012	1.0000	0.0353	0.0671	0.0467	0.0420	1.0917
2013	1.0000	0.0370	0.0741	0.0535	0.0446	1.0995
2014	1.0000	0.0381	0.0706	0.0441	0.0514	1.1023
2015	1.0000	0.0379	0.0677	0.0457	0.0485	1.0989
2016	1.0000	0.0362	0.0666	0.0434	0.0454	1.0941
2017	1.0000	0.0376	0.0651	0.0436	0.0500	1.0988
2018	1.0000	0.0397	0.0701	0.0115	0.0521	1.0925

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

**PRINCIPAL PROPERTY TAX PAYERS**  
**Current Year and Nine Years Ago**

Property Owner	Primary Land Use	Rank	2018		Rank	2009	
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Roseville Shoppingtown LLC	Shopping Center	1	\$432,357,589	2.13%	3	206,151,662	1.23%
CPT Creekside Town Center LLC	Shopping Center	2	104,014,590	0.51%			
KW Fund V - Roseville Parkway LLC	Apartments	3	102,394,828	0.51%			
DDR Creekside LP	Commercial	4	91,298,924	0.45%			
Rosemeade Residential Holdings LLC	Apartments	5	82,976,966	0.41%			
Walmart Stores Inc.	Commercial	6	79,714,186	0.39%	6	83,763,047	0.50%
Roseville Fountains LP	Shopping Center	7	67,775,033	0.33%			
CW FBI Sacramento LLC	Vacant Industrial	8	66,553,332	0.33%			
Oakmont Properties - Creekside LLC	Apartments	9	66,230,221	0.33%			
8000 Foothills LLC	Office Building	10	64,003,260	0.32%			
Southall Group Holdings LLC	Industrial	11	63,320,996	0.31%			
Eureka Development Company LLC	Commercial	12	59,924,431	0.30%			
Parkway Plaza CW LLC	Office Building	13	55,110,600	0.27%			
W2005 Fargo Hotels Pool C Realty LP	Hotel	14	53,396,750	0.26%	7	83,413,487	0.50%
Safeway Inc.	Commercial	15	52,018,687	0.26%			
BBC Roseville Oaks LLC	Commercial	16	49,148,338	0.24%			
Mourier Land Investment Corporation	Office Building	17	48,997,625	0.24%			
Forest Cove 388 LLC	Apartments	18	45,540,800	0.22%			
Terraces at Highland Property Owner LLC	Apartments	19	43,916,465	0.22%			
John L. Sullivan Family LP	Auto Dealership	20	43,006,823	0.21%			
NEC Electronics USA Inc.					1	375,688,057	2.25%
Hewlett Packard Enterprise Company					2	288,874,669	1.73%
PL Roseville LLC					4	200,719,087	1.20%
Donahue Schriber Realty Group LP					5	88,004,872	0.53%
NNN Parkway Corporate Plaza LLC					8	68,896,799	0.41%
Pulte Home Corporation					9	68,231,513	0.41%
Hines Douglas Corporate Center LP					10	66,758,999	0.40%
<b>Total</b>			<b>\$1,671,700,444</b>	<b>8.25%</b>		<b>\$1,530,502,192</b>	<b>9.15%</b>
<b>Local Secured Assessed Valuation:</b>			<b>\$ 20,273,848,112</b>			<b>\$ 16,719,828,331</b>	

**CITY OF ROSEVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%
2011	22,749,169	22,191,814	97.55%
2012	21,991,913	21,585,063	98.15%
2013	22,044,604	21,749,207	98.66%
2014	24,170,809	23,943,603	99.06%
2015	26,562,322	26,328,574	99.12%
2016	28,692,626	28,454,477	99.17%
2017	30,888,183	30,650,344	99.23%
2018	33,112,938	32,881,148	99.30%

Notes:

Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum.

Subsequent collections are not broken out by fiscal year from the County. This information is not available.



**CITY OF ROSEVILLE  
ELECTRIC CUSTOMERS AND REVENUES  
Ten Largest Electric Customers as of June 30, 2018**

<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	105,230,000	8.89%	\$10,204,532	6.29%
2	Medical Care	27,985,391	2.37%	\$3,213,538	1.98%
3	Government and Utilities	27,568,873	2.33%	\$2,938,663	1.81%
4	Admin/Office/R&D	25,994,000	2.20%	\$2,726,637	1.68%
5	Medical Care	24,912,127	2.11%	\$2,749,227	1.69%
6	Retail and Property Management	16,757,514	1.42%	\$2,095,871	1.29%
7	Retail	15,504,546	1.31%	\$1,160,331	0.71%
8	Grocery	9,809,092	0.83%	\$1,287,980	0.79%
9	Grocery	7,252,864	0.61%	\$837,432	0.52%
10	Logistics	7,059,119	0.60%	\$765,347	0.47%

**Electric Sales Revenue as of June 30, 2018**

Residential	\$ 70,802,913
Commercial	91,495,287
Total	<u>\$ 162,298,200</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, 2017**

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

**Special Residential Rates**

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

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

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

NOTES

1) There is no hydroelectric adjustment in effect from July 2017 through June 2018.

2) An application must be submitted along with a copy of the most recent energy bill and proof of income. For complete program guidelines or to receive an application, call the City of Roseville's Housing and Redevelopment Office at 774-5300.

**This rate is 15% credit on all electric service charges.**

3) An application must be completed for the Medical Support Rate reduction. A doctor's certification is also required. For more information or an application, please call the City of Roseville Finance Department at 774-5300. **This rate is a 50% credit on the first 500 kWh per month and 15% credit for usage > 500 kWh.**

4) Rate closed July 1, 1998. **Recipients receive a 12% credit on all electric charges.**

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

<b>Small General Service (GS-1)</b> (Demand < 20 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$38.00	\$38.00
Energy Charge (\$/kWh)	\$0.0974	\$0.1131
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
<b>Medium General Service (GS-2)</b> (20 kW < Demand ≤ 500 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$65.00	\$65.00
Demand Charge(\$/kW-month)	\$6.16	\$6.16
Energy Charge (\$/kWh)	\$0.1028	\$0.1235
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
<b>Large General Service (GS-3)</b> (500 kW < Demand ≤ 1000 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$521.00	\$521.00
Demand Charge (\$/kW-month)	\$6.60	\$11.57
Energy Charge		
Off Peak (\$/kWh)	\$0.0682	\$0.0890
On Peak (\$/kWh)	\$0.0890	\$0.1098
Super Peak (\$/kWh)	\$0.0890	\$0.1408
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029
<b>Very Large General Service (GS-4)</b> (Demand > 1000 kW)	Winter	Summer
Basic Service Charge (per meter, per month)	\$591.00	\$591.00
Demand Charge (\$/kW-month)	\$6.71	\$11.51
Energy Charge		
Off Peak (\$/kWh)	\$0.0674	\$0.0879
On Peak (\$/kWh)	\$0.0862	\$0.1067
Super Peak (\$/kWh)	\$0.0862	\$0.1397
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00000	\$0.00000
State Energy Surcharge (\$/kWh)	\$0.00029	\$0.00029

Note: General Service Customers include all commercial, industrial, governmental and other non-residential customers.

Time of Use (TOU) seasons, days, hours, holidays:

Winter - bills with meter read dates October through May

Summer - bills with meter read date June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)

All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 4:00pm AND 7:00pm to 10:00pm

Monday through Friday (Except Holidays)

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

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

There is no hydroelectric adjustment in effect from July 2017 through June 2018.

The California State Energy Surcharge may change from time to time as specified in State law.

A 2% discount is available for primary service customers.

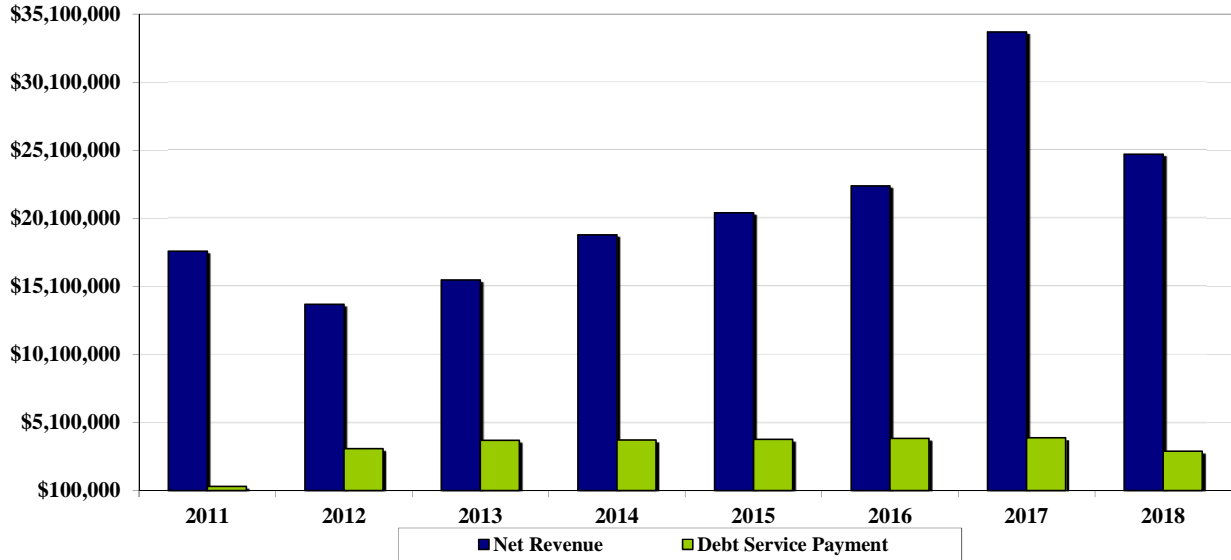
**CITY OF ROSEVILLE**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government [e]	Percentage of Placer County Total Personal Income [a]	Debt Per Capita [a]			
	Certificates of Participation [d]	Tax Allocation Bonds [c]	Installment Purchase Obligations	Capital Lease	Lease	Loans	Total Governmental Activities	Certificates of Participation				Revenue Bonds	Lease	Total Business-Type Activities
2009	\$ 15,220,000	\$ 35,305,000	\$ 2,145,277	\$ -	\$ -	\$ -	\$ 52,670,277	\$ 328,172,879	\$ 305,144,457	\$ -	\$ 633,317,336	\$ 685,987,613	4.31%	\$ 6,106
2010	14,560,000	34,845,000	1,868,055	-	-	-	51,273,055	326,781,578	297,365,814	-	624,147,392	675,420,447	4.10%	5,834
2011	13,885,000	34,365,000	1,620,430	-	-	-	49,870,430	257,729,721	347,327,592	-	605,057,313	654,927,743	3.78%	5,431
2012	13,190,000	-	1,257,885	-	-	-	13,315,785	250,082,864	337,284,692	-	587,367,556	600,683,341	3.16%	4,921
2013	-	-	1,234,286	-	11,549,031	-	12,783,317	237,460,076	337,680,087	4,775,578	579,915,741	592,699,058	2.94%	4,770
2014	-	-	-	69,007	10,670,247	4,059,175	14,729,422	175,923,926	380,082,084	4,344,960	560,350,970	575,080,392	2.71%	4,530
2015	-	-	-	34,928	9,874,685	4,045,820	13,989,512	150,053,467	385,334,824	3,945,831	539,334,122	553,323,634	2.61%	4,295
2016	-	-	-	-	24,347,067	4,030,681	28,412,676	157,649,025	368,091,795	3,538,160	524,278,980	552,691,656	2.43%	4,122
2017	-	-	-	-	23,272,775	4,013,624	27,286,399	138,472,975	363,175,852	3,123,170	504,771,997	532,058,596	[b]	3,916
2018	-	-	-	-	24,823,067	3,981,145	28,804,212	133,923,551	363,838,283	-	497,761,814	526,566,026	[b]	3,838

- [a] These ratios are calculated using personal income and population as shown on the Demographics and Economic Statistics schedule.
- [b] Total personal income information is not available.
- [c] The Redevelopment Agency was dissolved effective January 31, 2012 and its liabilities were assumed by the Successor Agency.
- [d] In 2013 the Certificates of Participation were refunded by the 2013 Public Facilities Refunding Lease.
- [e] Long term debt was restated in fiscal year 2014; statistics prior to 2014 have not been restated.

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

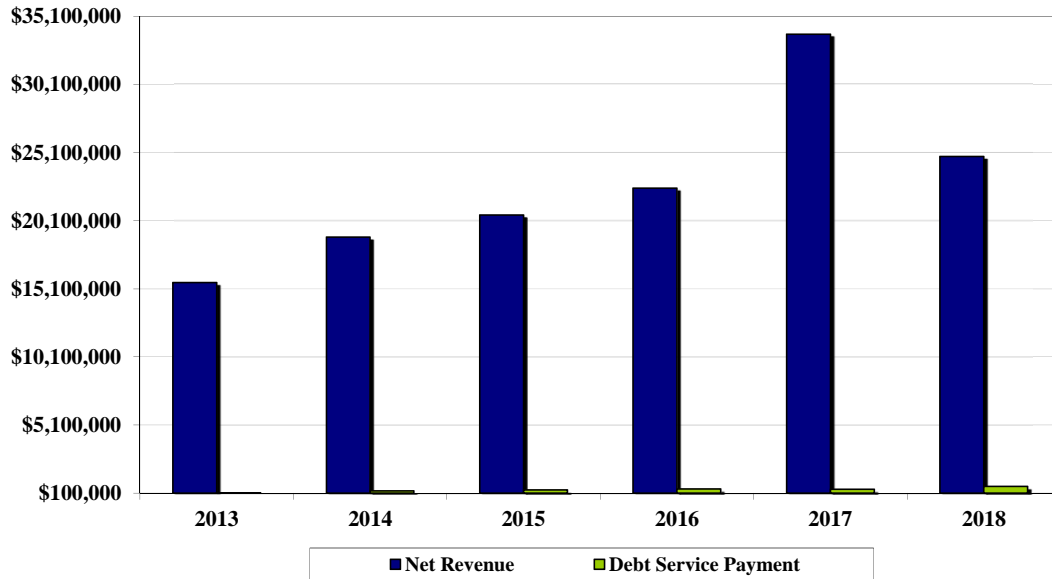
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C  
Last Eight Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$ 34,177,527	\$ 16,494,109	\$ 17,683,418	\$ -	\$ 400,337	\$ 400,337	44.17
2012	32,738,613	18,957,898	13,780,715	1,457,173	1,721,010	3,178,183	4.34
2013	33,605,925	18,039,506	15,566,419	1,874,464	1,922,096	3,796,560	4.10
2014	37,294,549 (4)	18,408,939 (4)	18,885,610	1,988,535	1,840,952	3,829,487	4.93
2015	39,361,960	18,849,642	20,512,318	2,133,436	1,743,323	3,876,759	5.29
2016	41,852,947 (4)	19,373,759 (4)	22,479,188	2,287,586	1,638,543	3,926,129	5.73
2017	52,754,587 (4)	18,970,634 (4)	33,783,953	2,457,151	1,522,026	3,979,177	8.49
2018	49,676,763	24,866,733	24,810,030	2,635,965	351,385	2,987,350	8.31

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, and connection fees  
(3) Includes all wastewater operating expenses less depreciation and interest  
(4) Restated

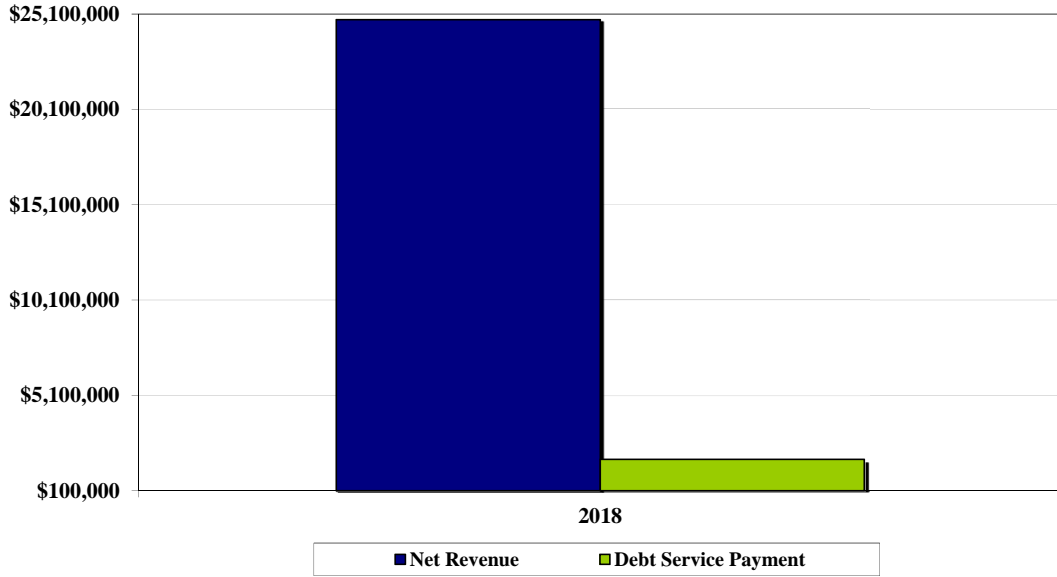
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS  
Last Six Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 33,605,925	\$ 18,039,506	\$ 15,566,419	\$ -	\$ 112,244	\$ 112,244	138.68
2014	37,294,549 (4)	18,408,939 (4)	18,885,610	-	265,789	265,789	71.05
2015	39,361,960	18,849,642	20,512,318	-	346,131	346,131	59.26
2016	41,852,947 (4)	19,373,759 (4)	22,479,188	-	406,694	406,694	55.27
2017	52,754,587 (4)	18,970,634 (4)	33,783,953	-	380,118	380,118	88.88
2018	49,676,763	24,866,733	24,810,030	-	598,534	598,534	41.45

- Notes: (1) Ten years of data are not available due to the bonds being issued on April 1, 2013  
(2) Includes all wastewater operating revenues, non-operating interest revenue, and connection fees  
(3) Includes all wastewater operating expenses less depreciation and interest  
(4) Restated

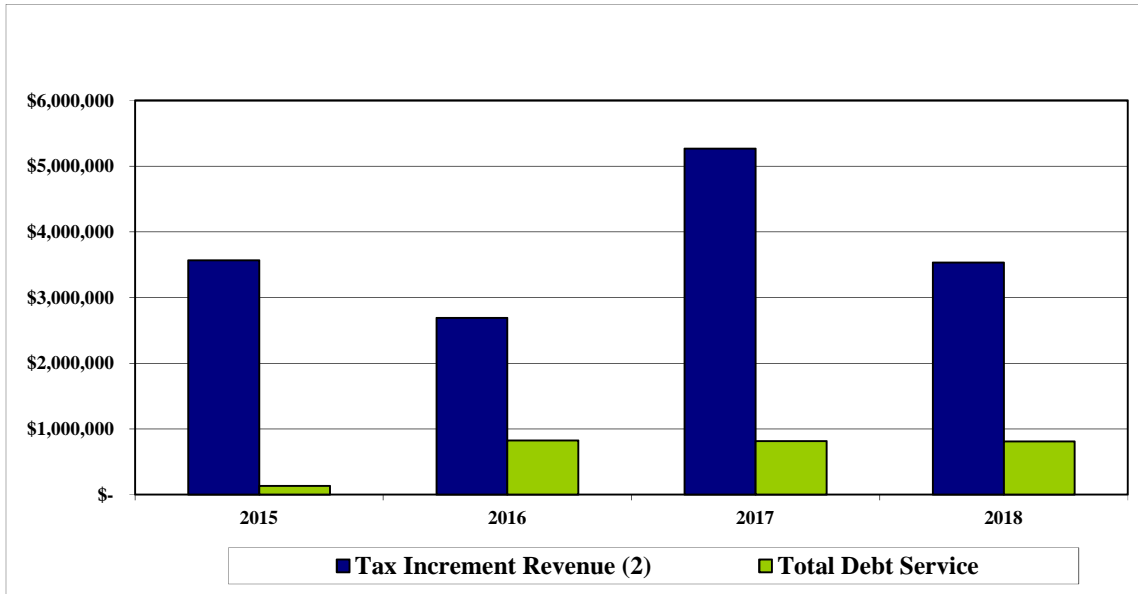
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2017 WASTEWATER REVENUE REFUNDING BONDS  
First Fiscal Year <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2018	\$ 49,676,763	\$ 24,866,733	\$ 24,810,030	\$ -	\$ 1,748,313	\$ 1,748,313	14.19

Notes: (1) Ten years of data are not available due to the bonds being issued on September 28, 2017  
(2) Includes all wastewater operating revenues, non-operating interest revenue, and connection fees  
(3) Includes all wastewater operating expenses less depreciation and interest

**CITY OF ROSEVILLE**  
**2014 REDEVELOPMENT PROJECT TAX ALLOCATION BONDS**  
**Last Four Fiscal Years<sup>(1)</sup>**

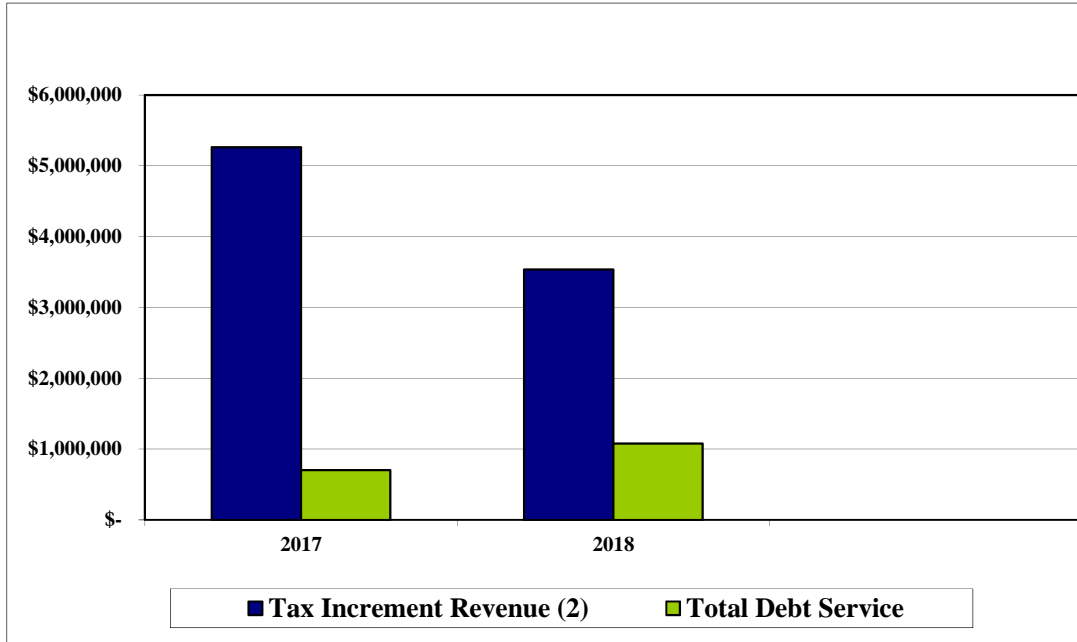


Fiscal Year	Tax Increment Revenue (2)	Debt Service Requirements			Coverage
		Principal	Interest	Total Debt Service	
2015	\$ 3,566,262	\$ -	\$ 132,646	\$ 132,646	0.27
2016	2,692,154 (3)	435,000	390,688	825,688	0.03
2017	5,263,766	435,000	378,363	813,363	0.06
2018	3,534,361	445,000	365,063	810,063	0.04

Notes: (1) Ten years of data are not available due to the bonds being issued on September 9, 2014  
(2) Amounts reported include tax revenue and debt service of the Successor Agency.  
(3) Restated



**CITY OF ROSEVILLE**  
**2016 REDEVELOPMENT PROJECT TAX ALLOCATION BONDS**  
**Last Two Fiscal Year <sup>(1)</sup>**



Fiscal Year	Tax Increment Revenue (2)	Debt Service Requirements			Coverage
		Principal	Interest	Total Debt Service	
2017	\$ 5,263,766	\$ -	\$ 703,884	\$ 703,884	0.07
2018	3,534,361	340,000	738,037	1,078,037	0.03

Notes: (1) Ten years of data are not available due to the bonds being issued on July 19, 2016  
(2) Amounts reported include tax revenue and debt service of the Successor Agency.

**CITY OF ROSEVILLE**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2018**

2017-18 Assessed Valuation: \$21,022,938,697

	Total Debt 06/30/2018	% Applicable (1)	City's Share of Debt 6/30/2018
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Roseville Joint Union High School District	\$111,408,296	75.245%	\$83,829,172
Roseville Joint Union High School District SFID No. 1	15,978,971	97.480%	15,576,301
Center Joint Unified School District	37,705,956	1.855%	699,445
Rocklin Unified School District	59,232,339	0.468%	277,207
Dry Creek Joint School District	35,222,269	56.751%	19,988,990
Eureka Union School District	1,481,206	34.437%	510,083
Roseville City School District	15,563,924	97.339%	15,149,768
City of Roseville Community Facilities Districts	297,505,500	100.000%	297,505,500
California Statewide Communities Development Authority Assessment Districts	8,483,576	100.000%	8,483,576
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$442,020,042</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Placer County Certificates of Participation	\$28,395,000	29.529%	\$8,384,760
Placer County Office of Education Certificates of Participation	1,110,000	29.529%	327,772
Sierra Joint Community College District Certificates of Participation	4,770,000	22.342%	1,065,713
Roseville Joint Union High School District Certificates of Participation	594,343	1.855%	11,025
Rocklin Unified School District Certificates of Participation	13,880,000	0.468%	64,958
Eureka Union School District Certificates of Participation	3,380,000	34.437%	1,163,971
Roseville City School District Certificates of Participation	6,770,000	97.339%	6,589,850
Placer Mosquito and Vector Control District Certificates of Participation	3,270,000	29.529%	965,598
<b>City of Roseville General Fund Obligation</b>	<b>24,044,438</b>	<b>100.000%</b>	<b>24,044,438</b>
<b>City of Roseville Debt Premium</b>	<b>778,632</b>	<b>100.000%</b>	<b>778,632</b>
<b>City of Roseville Successor Agency Loan</b>	<b>3,981,145</b>	<b>100.000%</b>	<b>3,981,145</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$47,377,862</b>
Less: <b>City of Roseville supported obligation</b>			<b>\$2,774,229</b>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$44,603,633</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>	<b>\$30,605,000</b>	<b>100.000%</b>	<b>\$30,605,000</b>
<b>TOTAL GROSS DIRECT DEBT</b>			<b>\$28,804,215</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$26,029,986</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$491,198,689</b>
<b>GROSS COMBINED TOTAL DEBT (2)</b>			<b>\$520,002,904</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$517,228,675</b>

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2017-2018 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.10%
<b>Total Gross Direct Debt (\$28,804,215)</b>	<b>0.14%</b>
<b>Total Net Direct Debt (\$26,029,986)</b>	<b>0.12%</b>
Gross Combined Total Debt	2.47%
Net Combined Total Debt	2.46%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$903,767,966):

Total Overlapping Tax Increment Debt	3.39%
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Source: California Municipal Statistics, Inc.

**CITY OF ROSEVILLE  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
June 30, 2018**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$20,273,848,112</u>
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$760,269,304</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$522,584,881
Less bonded debt not subject to limit	<u>(522,584,881)</u>

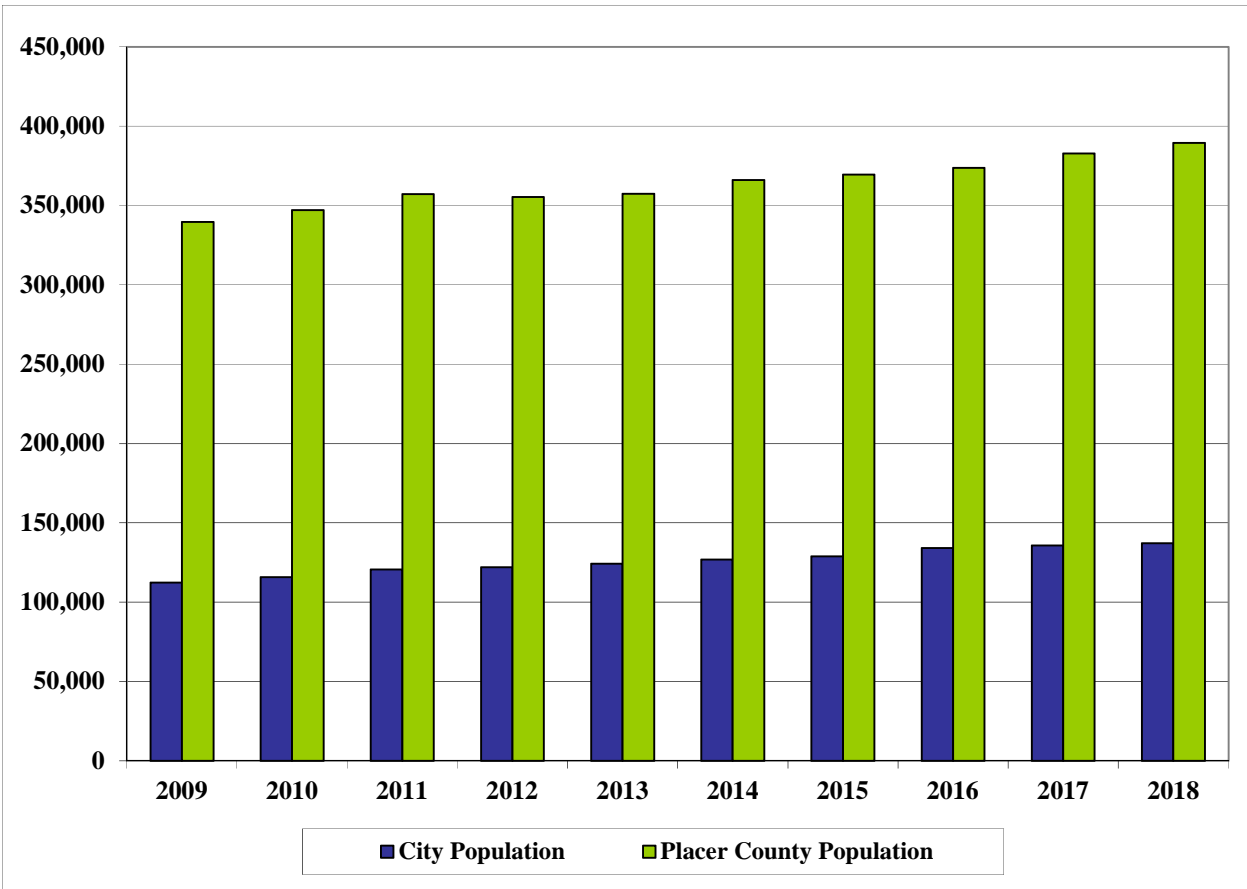
Amount of debt subject to limit	<u>-</u>
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LEGAL BONDED DEBT MARGIN	<u>\$760,269,304</u>
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2009	\$ 626,993,562	\$ -	\$ 626,993,562	0.00%
2010	611,493,748	-	611,493,748	0.00%
2011	567,178,798	-	567,178,798	0.00%
2012	560,837,192	-	560,837,192	0.00%
2013	536,758,408	-	536,758,408	0.00%
2014	578,172,662	-	578,172,662	0.00%
2015	624,626,766	-	624,626,766	0.00%
2016	672,531,992	-	672,531,992	0.00%
2017	717,170,366	-	717,170,366	0.00%
2018	760,269,304	-	760,269,304	0.00%

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

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



Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	City of Roseville Unemployment Rate (%)	Placer County Population	City Population % of County
2009	112,343	15,898,900	45,614	10.6%	339,577	33.08%
2010	115,781	16,464,986	47,012	11.3%	347,102	33.36%
2011	120,593	17,312,666	48,476	11.4%	357,138	33.77%
2012	122,060	19,004,105	52,544	10.0%	355,328	34.35%
2013	124,255	20,174,068	54,924	7.5%	357,463	34.76%
2014	126,956	21,182,771	55,000	6.5%	366,000	34.69%
2015	128,832	21,240,299	57,000	5.3%	369,454	34.87%
2016	134,073	22,741,453	59,000	4.5%	373,796	35.87%
2017	135,868	(a)	(a)	3.8%	382,837	35.49%
2018	137,213	(a)	(a)	3.0%	389,532	35.23%

(a) Information not available

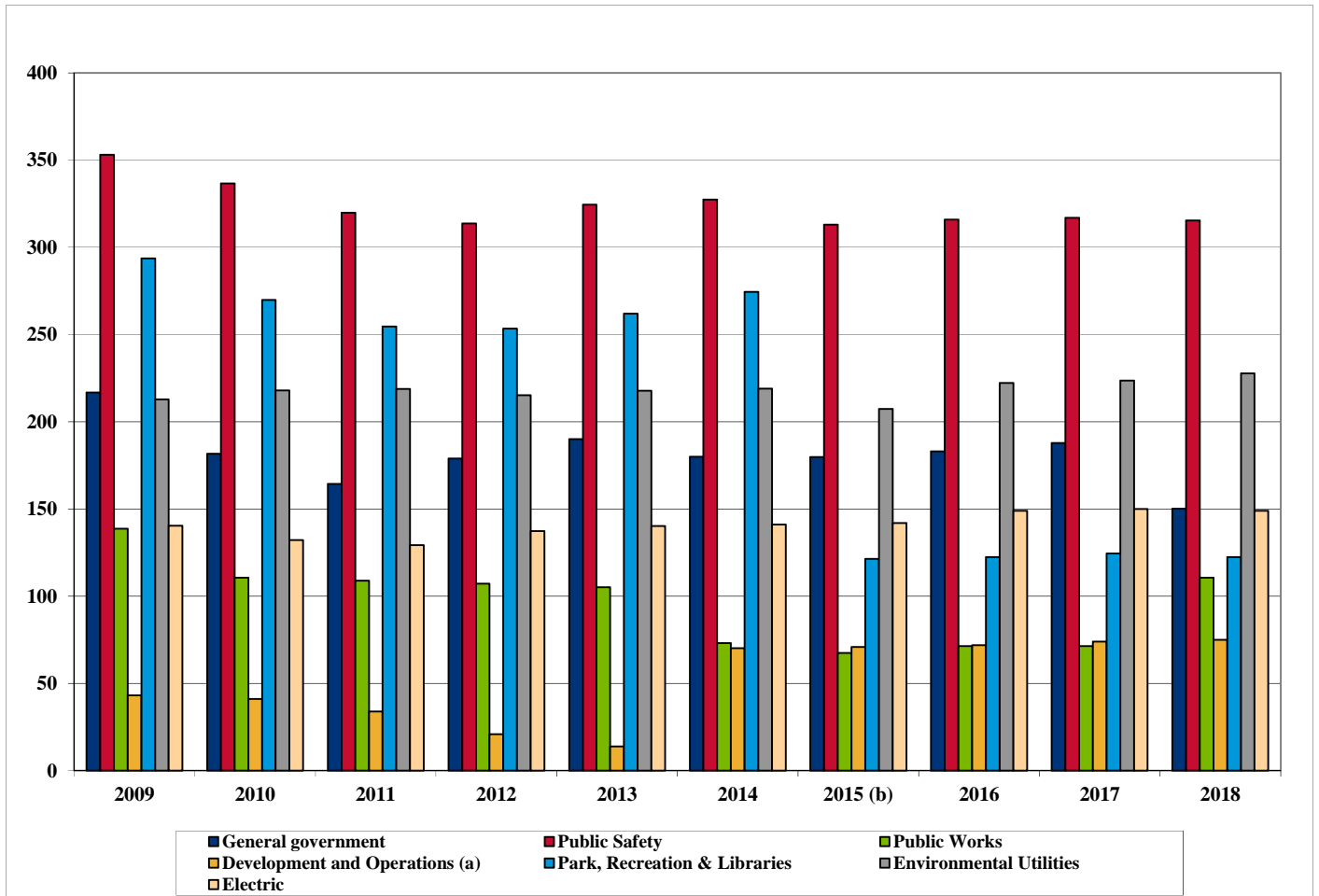
**CITY OF ROSEVILLE  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2018</b>			<b>2009</b>	
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees</b>	<b>Rank</b>
The Permanente Medical Group & Foundation Group	3,148	1	3.78%	4,300	1
Sutter Roseville Medical Group	2,202	2	2.65%	1,922	4
City of Roseville	1,896	3	2.28%	1,100	5
Roseville Joint Union High School	1,626	4	1.95%	803	8
Roseville City School District	1,133	5	1.36%	897	6
PRIDE Industries	1,062	6	1.28%	800	10
Adventist Health	940	7	1.13%		
Wal-Mart	625	8	0.75%	862	7
Union Pacific Railroad Company	569	9	0.68%	2,000	3
Consolidated Communications	475	10	0.57%		
Hewlett Packard	(b)			3,200	2
NEC Electronics	n/a			800	9
Subtotal	<u>13,676</u>		<u>16.43%</u>	<u>16,684</u>	
Total Employment	<u>83,221</u> (a)			<u>76,000</u>	

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

(b) Number of employee for Hewlett Packard is not available.

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



Adopted for Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015 (b)	2016	2017	2018
<b>Function</b>										
General government	216.79	181.75	164.38	179.09	190.14	180.10	179.81	183.11	187.98	150.23
Public Safety	353.18	336.75	319.90	313.78	324.59	327.42	313.00	316.00	317.00	315.50
Public Works	138.77	110.75	109.03	107.33	105.17	73.18	67.50	71.50	71.50	110.75
Development and Operations (a)	43.25	41.17	33.98	21.00	14.00	70.26	71.00	72.00	74.00	75.00
Park, Recreation & Libraries	293.70	269.89	254.65	253.43	262.00	274.61	121.50	122.50	124.50	122.50
Environmental Utilities	213.00	218.09	218.90	215.32	217.82	219.14	207.50	222.25	223.75	227.75
Electric	140.46	132.29	129.33	137.39	140.36	141.09	142.00	149.00	150.00	149.00
<b>Total</b>	<b>1,399.15</b>	<b>1,290.69</b>	<b>1,230.17</b>	<b>1,227.34</b>	<b>1,254.08</b>	<b>1,285.80</b>	<b>1,102.31</b>	<b>1,136.36</b>	<b>1,148.73</b>	<b>1,150.73</b>

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

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

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	194	192	172	199	201	214	228	204	224	239
Number of medical emergencies answered	6,967	7,485	7,836	8,429	9,045	9,995	11,015	10,694	10,545	10,993
Total calls for service	8,694	9,129	9,609	10,006	10,936	12,163	13,286	12,828	16,756	16,553
Police:										
Law violations: (Note 53)										
Physical arrests (adult and juvenile)	5,245	4,520	5,845	4,264	4,647	4,321	3,295	4,057	3,734	4,554
Traffic citations	20,889	19,033	6,404	4,826	4,470	2,207	1,839	2,702	3,036	4,187
Public works:										
Total building permits issued	3,975	3,884	4,078	4,338	4,131	5,796	5,715	5,854	6,226	6,387
Total square feet of street maintenance performed	7,648,976	4,501,241	4,342,272	3,375,318	4,275,981	4,452,658	1,971,986	3,468,666	12,190,840	1,564,362
Park and recreation:										
Community services:										
Total attendance in Youth/Adult/Senior programs		299,134	301,906	265,736	224,339	233,598	240,576	246,331	209,619	213,916
Total attendance to aquatic facilities	250,182	266,931	278,860	306,455	291,407	324,918	357,064	316,994	428,744	451,127
Library:										
Number of materials checked out (Note 1)	946,224	1,001,179	994,990	1,058,434	1,194,909	1,273,880	1,252,039	1,306,844	1,339,684	1,221,101
Water:										
Average daily consumption (in million gallons)	28.19	25.60	25.90	28.60	30.20	28.00	23.01	20.70	23.25	25.77
Number of backflow devices tested	4,728	4,895	4,965	4,558	3,862	4,520	4,854	5,093	5,183	5,200
Number of meters sold	2,268	807	497	555	770	569	824	848	1,044	1,100
Wastewater:										
Number of miles of sewer mains flushed	258	209	284	277	271	335	284	266	294	283
% of preventative work orders hours (Note 2)	45.5%	48.0%	55%	n/a	40.2%	35.8%	41.3%	38.4%	46.4%	45.7%
Solid waste:										
Tons of solid waste collected	89,512	87,446	89,125	87,336	87,946	92,101	94,308	101,794	117,594	115,548

Notes:

- 1 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during winter 2008 and was replaced in April 2015. FY18 was the first year the Libraries were closed on Fridays.
- 2 - Data not available for FY11-12 due to change in software (Maximo) used by the City.
- 3 - The City restated Police Law Violations numbers for FY16 and FY17.

**CITY OF ROSEVILLE**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Police stations	1	1	1	1	1	1	1	1	1	1
Number of Police patrol vehicles (Note 2)	106	51	49	58	61	64	67	77	91	88
Public works:										
Miles of streets	428	429	432	438	440	440	458	465	470	478
Number of traffic signals	162	165	166	167	167	167	171	175	180	183
Park and recreation:										
Community services:										
Golf courses (18 holes)	2	2	2	2	2	2	2	2	2	2
Parks and recreation facilities	61	61	63	66	68	71	72	72	74	76
Miles of creek	60	60	60	60	60	60	60	60	75	75
Swimming pools (Note 1)	4	3	3	3	3	3	3	3	3	3
Tennis courts	16	16	16	16	16	18	18	18	18	18
Library:										
City libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Miles of water mains	562	567	569	569	570	570	583	592	608	621
Fire hydrants	4,473	4,514	4,533	4,542	4,545	4,545	4,654	4,735	4,763	5,007
Wastewater:										
Miles of sanitary sewers	485	492	493	487	487	491	497	505	517	529
Miles of storm drain	373	382	348	349	351	344	353	366	372	381
Solid waste:										
Number of new residential refuse customers	800	750	522	537	768	475	601	787	822	1,068
Electric:										
Number of residential customers	45,478	46,400	47,021	47,611	48,387	49,013	49,851	50,784	51,638	52,789
Number of commercial customers	6,349	6,411	6,437	6,505	6,561	6,666	6,673	6,700	6,759	6,812

Notes:

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

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