



## **AGENDA**

January 21, 2020

Local Sales Tax Citizens' Oversight Committee  
3:00 P.M.  
Council Chambers  
311 Vernon Street  
Roseville, California  
[www.roseville.ca.us](http://www.roseville.ca.us)

### **THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION**

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

**Public Comment** - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

**Consent Calendar** - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

**Agenda Items** - Speakers have five minutes to address items that are listed on the agenda.

**Americans with Disabilities Act** - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

**Audio/Visual Presentations** - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Roseville City Clerk 311 Vernon Street, Roseville, CA 916-774-5200 TDD 916-774-5220

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENTS**
5. **APPROVAL OF MINUTES**
  - 5.1. Minutes of Prior Meeting

## **6. REQUESTS/PRESENTATIONS**

### **6.1. Appointment of Chair and Vice Chair**

Staff recommends the Local Sales Tax Citizens' Oversight Committee take action to appoint a Chair and Vice Chair for the Committee to serve until December 31, 2020.

### **6.2. Committee Overview**

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, on the roles and responsibilities of the Committee.

### **6.3. Year-end Report**

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, on the City's year-end report.

### **6.4. Report to Council**

Staff recommends the Local Sales Tax Citizens' Oversight Committee approve a motion to designate one or two committee members to prepare the Committee's report to the City Council.

## **7. ADJOURNMENT**



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Minutes of Prior Meeting  
**Contact:** Terry Bradley, tbradley@roseville.ca.us, 916-774-5319

**Meeting Date: 1/21/2020**  
**Item #: 5.1.**

## RECOMMENDATION

Recommend the Local Sales Tax Citizens' Oversight Committee approve the August 14, 2019 Committee meeting minutes.

## BACKGROUND

There is no background associated with this item. The request is to approve the minutes of the previous meeting. According to the City's Administrative Standards, the minutes may be approved by majority vote even if one or more of the voting members were not present at the meeting to which the minutes relate.

Respectfully Submitted,

Terry Bradley, Recording Secretary

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

## **ATTACHMENTS:**

Description

Local Sales Tax Citizens' Oversight Committee 08/14/19



## **MINUTES**

### **August 14, 2019**

Local Sales Tax Citizens' Oversight Committee  
6:00 p.m.  
City Council Chambers  
311 Vernon Street  
Roseville, California  
[www.roseville.ca.us](http://www.roseville.ca.us)

#### **VIDEO 1. CALL TO ORDER**

Recording Secretary Terry Bradley called the August 14, 2019 Local Sales Tax Citizens' Oversight Committee meeting to order at 6:00 p.m.

#### **VIDEO 2. ROLL CALL**

Present: Baldwin, Duffy, Ellison, Kitchell, Krafka

#### **VIDEO 3. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chief Financial Officer Dennis Kauffman.

#### **VIDEO 4. PUBLIC COMMENTS**

No public comment received.

#### **VIDEO 5. REQUESTS/PRESENTATIONS**

##### **VIDEO 5.1. Appointment of 2019 Chair and Vice Chair**

Appointment of 2019 Chair and Vice Chair.

No public comment received.

Motion by Richard Duffy, seconded by Kathryn Kitchell, to appoint Jack Ellison as Chair. The Motion Passed.

Roll call vote: Ayes: Baldwin, Duffy, Ellison, Kitchell, Krafka

Motion by Richard Duffy, seconded by Jack Ellison, to appoint Brandon Baldwin as Vice Chair. The Motion Passed.

Roll call vote: Ayes: Baldwin, Duffy, Ellison, Kitchell, Krafka

**VIDEO 5.2. The Brown Act**

Presentation by Robert Schmitt, City Attorney, on the Brown Act.

City Attorney Robert Schmitt made the presentation to the Committee.

No public comment received.

For information only; no action required.

**VIDEO 5.3. Committee Overview**

Presentation by Dennis Kauffman, Chief Financial Officer, on the roles and responsibilities of the Committee.

Chief Financial Officer Dennis Kauffman made the presentation to the Committee.

No public comment received.

For information only; no action required.

**VIDEO 5.4. Budget Overview**

Presentation by Dennis Kauffman, Chief Financial Officer, on the City's adopted budget.

Chief Financial Officer Dennis Kauffman made the presentation to the Committee.

No public comment received.

For information only; no action required.

**VIDEO 6. ADJOURNMENT**

Motion by Richard Duffy, seconded by Kathryn Kitchell, to adjourn the meeting at 7:12 p.m.. The Motion Passed.

Roll call vote: Ayes: Baldwin, Duffy, Ellison, Kitchell, Krafka



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Appointment of Chair and Vice Chair  
**Contact:** Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

**Meeting Date: 1/21/2020**  
**Item #: 6.1.**

## RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee take action to appoint a Chair and Vice Chair for the Committee to serve until December 31, 2020.

## BACKGROUND

At the February 20, 2019 City Council meeting, members were appointed to the Local Sales Tax Citizens' Oversight Committee. The Committee meeting procedures require that a Chair and Vice Chair be elected annually by the members of the Committee and assume their positions upon election.

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Committee Overview  
**Contact:** Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

**Meeting Date:** 1/21/2020  
**Item #:** 6.2.

## RECOMMENDATION

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, on the roles and responsibilities of the Committee.

## BACKGROUND

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Year-end Report  
**Contact:** Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

**Meeting Date:** 1/21/2020  
**Item #:** 6.3.

## RECOMMENDATION

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, on the City's year-end report.

## BACKGROUND

The presentation of the City's year-end report will include information from the following exhibits:

- 2019 City of Roseville CAFR
- Fourth Quarter Report FY2018-19
- Measure B Remittance
- General Ledger Detail
- General Fund Reserves Policy

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

## **ATTACHMENTS:**

### Description

- 2019 City of Roseville CAFR
- Fourth Quarter Report FY2018-19

Measure B Remittance

General Ledger Detail

General Fund Reserves Policy



# Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019

**CITY OF ROSEVILLE, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Prepared by

**FINANCE DEPARTMENT**



**CITY OF ROSEVILLE, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2019**

**INTRODUCTORY SECTION**

Table of Contents .....	i
Letter of Transmittal.....	v
Organization Chart .....	x
Elected Officials .....	xi
GFOA Certificate .....	xii

**FINANCIAL SECTION**

<b>Independent Auditor’s Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	5
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position.....	24
Statement of Activities.....	25
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	29
Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Net Change in Fund Balances - Total Governmental Funds to the Statement of Activities .....	31
Proprietary Funds:	
Statement of Net Position .....	34
Statement of Revenues, Expenses and Changes in Fund Net Position .....	36
Statement of Cash Flows .....	38
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	44
Statement of Changes in Fiduciary Net Position.....	45

**CITY OF ROSEVILLE, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2019**

**FINANCIAL SECTION (CONTINUED)**

**Notes to the Basic Financial Statements**

1. Summary of Significant Accounting Policies .....	47
2. Cash and Investments .....	58
3. Interfund Transactions .....	64
4. Accounts Receivable.....	68
5. Notes Receivable .....	68
6. Developer Permit Fees Receivable.....	71
7. Development Agreements and Land Held for Resale.....	71
8. Capital Assets.....	72
9. Long-Term Debt.....	74
10. Derivative Instruments.....	86
11. Net Position and Fund Balances.....	88
12. Pension Plans .....	90
13. Other Post-Employment Benefits.....	95
14. Post-Employment Benefits Trust Fund.....	99
15. Risk Management.....	101
16. Northern California Power Agency (NCPA) .....	103
17. South Placer Wastewater Authority.....	107
18. Municipal Solid Waste Landfill Closure and Post Closure Care Costs .....	107
19. Commitments and Contingent Liabilities .....	108
20. Gas Supply Acquisitions and Resale .....	110
21. Redevelopment Agency Dissolution and Successor Agency Activities .....	111
22. Subsequent Events.....	111

**SUPPLEMENTAL INFORMATION SECTION**

**Required Supplementary Information**

General Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non GAAP Legal Basis).....	119
Schedule of Changes in the Net Pension Liability and Related Ratios.....	120
Schedule of Contributions - Pensions.....	122
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	124
Schedule of Contributions - OPEB.....	125
Modified Approach to Reporting Street Pavement Costs.....	126
Notes to Required Supplementary Information .....	127

**CITY OF ROSEVILLE, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2019**

**SUPPLEMENTAL INFORMATION SECTION (CONTINUED)**

**Supplemental Information**

Non-Major Governmental Funds:

Combining Balance Sheet .....	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	138
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual .....	144

Non-Major Enterprise Funds

Combining Statement of Fund Net Position.....	154
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	155
Combining Statement of Cash Flows.....	156

Internal Service Funds:

Combining Statement of Fund Net Position.....	158
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	160
Combining Statement of Cash Flows.....	162

Private-Purpose Trust Funds:

Combining Statement of Net Position.....	166
Combining Statement of Changes in Net Position.....	167

Agency Funds:

Statement of Changes in Assets and Liabilities .....	171
--	-----

**STATISTICAL SECTION**

Net Position by Component – Last Ten Fiscal Years.....	177
Changes in Net Position – Last Ten Fiscal Years .....	178
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	180
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	181
Sales Tax Revenue – Last Ten Fiscal Years.....	182
Assessment Roll Values – Last Ten Fiscal Years .....	183
Property Tax Rates – Direct & Overlapping Governments - Last Ten Fiscal Years .....	184
Principal Property Tax Payers – Current Year and Nine Years Ago .....	185
Property Tax Levies and Collections – Last Ten Fiscal Years .....	186
Electric Customers and Revenues .....	187
Residential Energy Prices.....	188
Business Energy Prices .....	189
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years .....	190

**CITY OF ROSEVILLE, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2019**

**STATISTICAL SECTION (CONTINUED)**

Revenue Bond Coverage:

2011 Refunding Fixed Rate-Wastewater Revenue Bonds – Series C – Last Nine Fiscal Years.....	191
2013 Refunding Variable Rate-Wastewater Revenue Bonds – Last Seven Fiscal Years.....	192
2017 Wastewater Revenue Bonds – Last Two Fiscal Year.....	193
2014 Redevelopment Tax Allocations Bonds – Last Five Fiscal Years .....	194
2016 Redevelopment Tax Allocation Bonds – Last Three Fiscal Years.....	195
Computation of Direct and Overlapping Debt.....	196
Computation of Legal Bonded Debt Margin .....	197
Demographic and Economic Statistics – Last Ten Fiscal Years.....	198
Principal Employers – Current Year and Nine Years Ago .....	199
Full-Time Equivalent City Employees by Function – Last Ten Fiscal Years.....	200
Operating Indicators by Function/Program – Last Ten Fiscal Years .....	201
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	202



December 18, 2019

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, 2019. 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 Eide Bailly, 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, 2019. 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, Charter Review Commission, Design

Committee, Economic Development Advisory Committee, Library Board, Local Sales Tax Citizens' Oversight Committee, 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 2019 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: Downtown Bridges Project and a new traffic signal at the intersection of Junction Boulevard with Park Regency. The City has also begun or continued design of the following projects: Washington "Andora" Underpass Widening; Pleasant Grove Changeable Message Sign; Oakridge Bridge Replacement; All America City Roundabout; and the 2018 Arterial Resurfacing Project. The City continues construction on the following projects: Hillcrest Drainage Project; 2018 Curb, Gutter, Sidewalk, and Ramp Project; Maidu Park Bike Trail Repair; a new traffic signal at the intersection of Vallejo Avenue with Junction Boulevard; and the 2018 Residential Resurfacing Project.
- **Water:** The City of Roseville worked with the U.S. Bureau of Reclamation to use excess winter surface water flows in 2019 to recharge the groundwater basin underlying Roseville with approximately 950 acre-feet of water, enough water to serve approximately 2,000 households in Roseville.

The City of Roseville was invited to the next phase of securing federally-backed infrastructure financing through the U.S. Environmental Protection Agency's Water Infrastructure Financing and Innovation Act (WIFIA) which will allow the City of Roseville to accelerate the development of six additional aquifer storage and recovery (ASR) wells over the next 3 years, doubling the City's ASR wells and greatly increasing Roseville's water supply reliability which is fundamental to Roseville's thriving economy and great standard of living.

Finally, Roseville is in the final stages of completing negotiations with the U.S. Bureau of Reclamation to convert its water service contract, which is typically a 40 year term contract, to a Repayment Water Service Contract which has an indefinite term and will secure Roseville's current federal water supply in perpetuity. Execution of this indefinite term water service contract is anticipated in February 2020. The conversion to an indefinite term water service contract was authorized by Congress under the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016.

- **Wastewater:** The City has awarded the construction contracts for the Pleasant Grove Wastewater Treatment Plant Expansion Project and the Pleasant Grove Energy Recovery Project. This will increase the treatment capacity by 2.5 million gallons per day to accommodate growth within the South Placer Wastewater Authority service area through 2040, and 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, Recreation & Libraries:** The City completed the Johnson Pool structural upgrades, Weber Park Classroom upgrades, Sierra Crossing, Astill Family, Nela Luken Park at the Village Center, and Bev Bos parks. Construction has begun on the Pauline and Richard Roccucci, RG Phillips, Pistachio Regional and Harry Crabb parks. Central Park has been bid and awarded with groundbreaking scheduled for spring 2020.

The City has experienced an overall increase in total permit activity with 6,621 permits being issued, compared to 6,387 permits issued last fiscal year. Single-family residential permits decreased slightly compared to last fiscal year with 864 new single family and 1 new multi-family permit issued in 2019 as compared to 1,009 and 0, respectively, in fiscal year 2018. Several new development proposals should keep single-family and multi-family permits on the rise in the near future. The number of commercial permits decreased from 28 to 20, down by 8 permits, as compared to the prior year. The square footage of these buildings increased to 735,398 square feet from 582,455 square feet in the prior year. Of the new commercial permits, the largest permits were issued to Project 80 Bldg. 2 at 88,935 square feet for the construction of an office/warehouse building, retail pad building in Highland Village at 7,800 square feet, and Westpark Storage with manager residence and office at over 125,000 square feet.

The City has continued to grow toward the west, within the City's adopted Specific Plan areas. Most of this growth has occurred within the City's West Roseville and Sierra Vista Specific Plan areas, with the West Roseville Specific Plan area nearing buildout. Significant development has also occurred within the City's Campus Oaks Master Plan area, beginning with the mass grading of the entire planning area and the completion of most of the multi-family housing. The extension of Blue Oaks Boulevard is underway, which will facilitate development within the City's Creekview Specific Plan and Amoruso Ranch Specific Plan, both of which depend on this roadway extension. Construction within the Amoruso Ranch Specific Plan also depends on the extension of infrastructure through the Creekview Specific Plan area. A modification to the Creekview Specific Plan was approved in October 2019, and the property owner anticipates beginning construction within this planning area during 2020. As modified, the planning area includes 2,011 residential units and approximately 10 acres for commercial development. A modification to the Amoruso Ranch Specific Plan has also been submitted, to make minor adjustments consistent with the land use plan approved by the United States Army Corps of Engineers as part of the wetland permitting process.

## 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 7.62% since inception. In fiscal year 2019, the OPEB plan assets grew to \$96.98 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, 2018. 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 City of Roseville also received the Government Finance Officers Association's (GFOA) Distinguished Budget Award and the California Society of Municipal Finance Officer's (CSMFO) Operating Budget Excellence Award for the budget for the fiscal year 2018-19.

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.

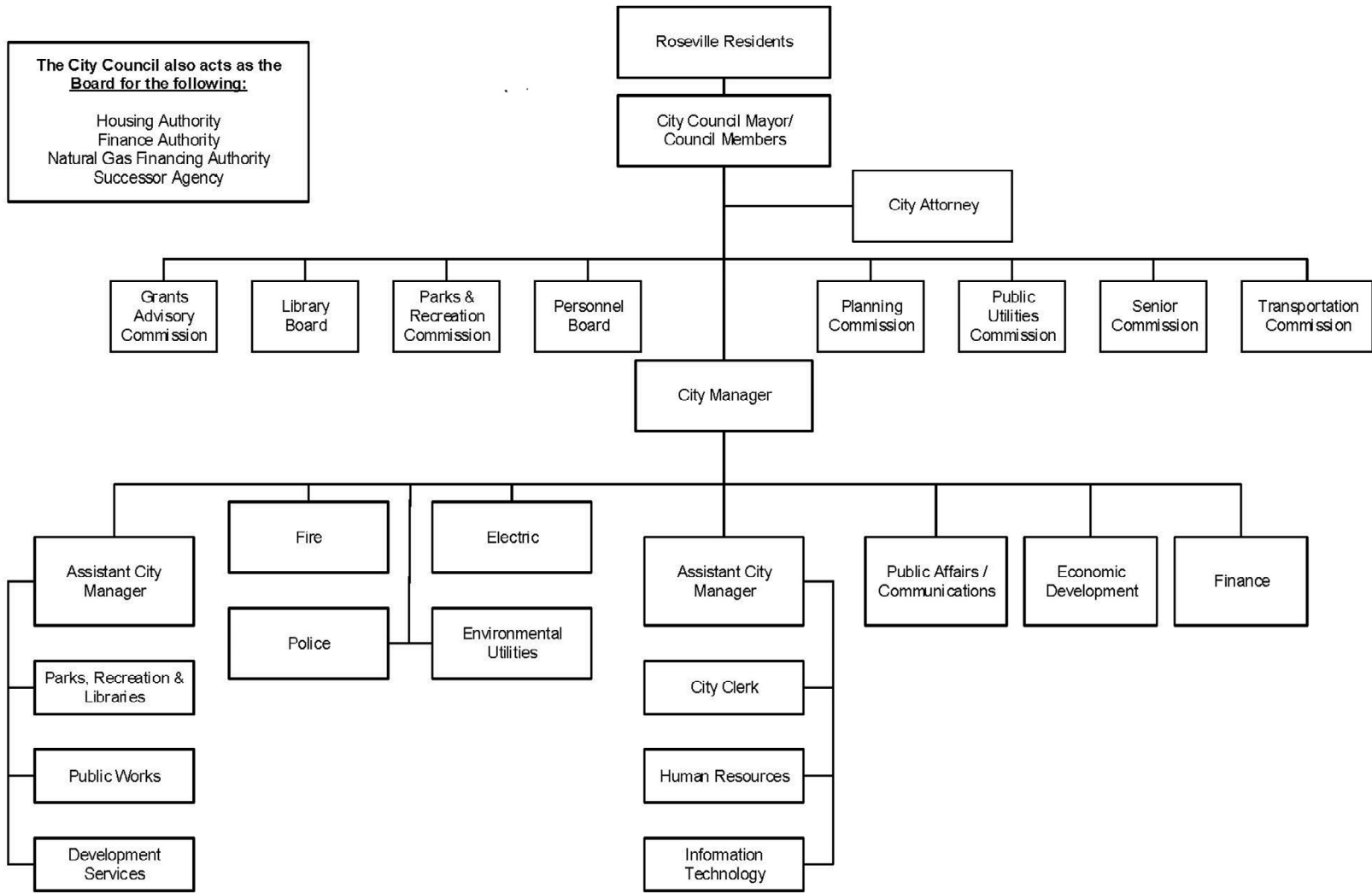
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dennis Kauffman".

Dennis Kauffman, CPA  
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Jacquelyn Flickinger".

Jacquelyn Flickinger, CPA  
Controller



**City Wide Organization (1,190.73 FTE)**

CITY OF ROSEVILLE  
ELECTED OFFICIALS  
JUNE 30, 2019

Mayor  
Vice Mayor  
Council Member  
Council Member  
Council Member

John B. Allard II  
Krista Bernasconi  
Scott Alvord  
Bruce Houdesheldt  
Pauline Roccucci



Government Finance Officers Association

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

Presented to

**City of Roseville  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



## Independent Auditor's Report

To 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, 2019, 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and other post-employment benefits schedules as listed on the table of contents 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 or 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 financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements 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 18, 2019 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 the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
December 18, 2019

*This page intentionally left blank.*

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. This document should be read in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

**FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2019 include the following:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2019 by \$2,615 million, an increase of \$161.6 million or 6.6 percent from the prior year.
- The City's governmental funds reported a combined fund balance of \$269.3 million. Unassigned fund balances comprise \$33.7 million of this total, or 12.5% 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, the basic financial statements, and the footnotes to the basic financial statements.
- Supplemental Information section, including the required supplementary information and supplemental information.
- Statistical section, comprised of 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 notes to the basic financial statements 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, 2019

**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, 2019

**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, 2019.

**Statement of Net Position - Primary Government**  
**As of June 30, 2019 and 2018**  
(in millions)

	Governmental Activities		Business-type Activities		Government-wide Activities	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Cash and investments	\$ 305.0	\$ 259.3	\$ 429.4	\$ 378.2	\$ 734.4	\$ 637.5
Other assets	97.5	89.1	380.1	399.4	477.6	488.5
Capital assets	953.1	946.7	1,574.7	1,527.3	2,527.8	2,474.0
<b>Total Assets</b>	<u><b>1,355.6</b></u>	<u><b>1,295.2</b></u>	<u><b>2,384.2</b></u>	<u><b>2,304.9</b></u>	<u><b>3,739.8</b></u>	<u><b>3,600.1</b></u>
<b>Deferred Outflows of Resources</b>	<u><b>52.1</b></u>	<u><b>55.7</b></u>	<u><b>58.0</b></u>	<u><b>58.2</b></u>	<u><b>110.1</b></u>	<u><b>113.9</b></u>
<b>Liabilities</b>						
Long-term debt outstanding	27.2	28.8	477.1	497.8	504.3	526.6
Other liabilities	356.4	358.4	238.5	231.0	594.9	589.4
<b>Total Liabilities</b>	<u><b>383.6</b></u>	<u><b>387.2</b></u>	<u><b>715.6</b></u>	<u><b>728.7</b></u>	<u><b>1,099.2</b></u>	<u><b>1,116.0</b></u>
<b>Deferred Inflows of Resources</b>	<u><b>32.0</b></u>	<u><b>28.1</b></u>	<u><b>103.7</b></u>	<u><b>116.6</b></u>	<u><b>135.7</b></u>	<u><b>144.6</b></u>
<b>Net Position</b>						
Net investment in capital assets	938.6	930.4	1,231.5	1,174.5	2,170.1	2,104.8
Restricted	155.3	130.8	45.5	48.7	200.8	179.5
Unrestricted	(101.8)	(125.5)	345.9	294.6	244.1	169.1
<b>Total Net Position</b>	<u><u><b>\$ 992.1</b></u></u>	<u><u><b>\$ 935.6</b></u></u>	<u><u><b>\$ 1,622.9</b></u></u>	<u><u><b>\$ 1,517.8</b></u></u>	<u><u><b>\$ 2,615.0</b></u></u>	<u><u><b>\$ 2,453.4</b></u></u>

The largest portion of the City's net position is recorded in the net investment in capital asset category of \$2,169.5 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 \$200.7 million represents resources that are restricted for use by external sources. The remaining net position of \$242.2 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, 2019

**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, 2019 and 2018**  
(in millions)

	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
<b>Assets</b>			
Cash and investments	\$ 305.0	\$ 259.3	\$ 45.7
Other assets	97.5	89.1	8.4
Capital assets	<u>953.1</u>	<u>946.7</u>	<u>6.4</u>
<b>Total Assets</b>	<b><u>1,355.6</u></b>	<b><u>1,295.2</u></b>	<b><u>60.4</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>52.1</u></b>	<b><u>55.7</u></b>	<b><u>(3.6)</u></b>
<b>Liabilities</b>			
Long-term debt outstanding	27.2	28.8	(1.6)
Other liabilities	<u>356.4</u>	<u>358.4</u>	<u>(2.0)</u>
<b>Total Liabilities</b>	<b><u>383.6</u></b>	<b><u>387.2</u></b>	<b><u>(3.6)</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>32.0</u></b>	<b><u>28.1</u></b>	<b><u>3.9</u></b>
<b>Net Position</b>			
Net investment in capital assets	938.6	930.4	8.2
Restricted	155.3	130.8	24.5
Unrestricted	<u>(101.8)</u>	<u>(125.5)</u>	<u>23.7</u>
<b>Total Net Position</b>	<b><u>\$ 992.1</u></b>	<b><u>\$ 935.6</u></b>	<b><u>\$ 56.5</u></b>

The City's governmental activities net position increased by \$56.5 million to \$992.1 million as of June 30, 2019, primarily due to the following:

- Cash and investments increased by \$42.5 million primarily due the issuance of two series of bonds to fund the cost of infrastructure in the Westbrook Community Facilities District 1, reported as restricted cash and investments with fiscal agents totaling \$24.7 million, and an increase in cash and investments in City Treasury in the General Fund of \$13.3 million from an increase in tax revenue, partially due to the new Measure B local sales tax.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

**Changes in Net Position - Governmental Activities**  
**For the Years Ended June 30, 2019 and 2018**  
(in millions)

	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 39.7	\$ 39.4	\$ 0.3
Operating grants and contributions	16.9	17.2	(0.3)
Capital grants and contributions	40.7	27.8	12.9
Franchise Fees	2.3	2.4	
<b>Total Program Revenues</b>	<u>99.6</u>	<u>86.8</u>	<u>12.9</u>
<b>General Revenues</b>			
Taxes	117.6	103.7	13.9
Use of money and property	10.8	2.0	8.8
Miscellaneous	4.3	10.1	(5.8)
<b>Total General Revenues</b>	<u>132.7</u>	<u>115.9</u>	<u>16.8</u>
<b>Total Revenues</b>	<u>232.3</u>	<u>202.7</u>	<u>29.6</u>
<b>Expenses</b>			
General government	16.0	19.8	(3.8)
Development and operations	29.0	25.2	3.8
Public works	10.7	21.3	(10.6)
Police	51.7	46.7	5.0
Fire	42.9	38.3	4.6
Library	6.1	5.9	0.2
Parks and recreation	29.5	28.8	0.7
Housing assistance payments	4.7	4.2	0.5
Interest on long-term debt	1.3	4.8	(3.5)
<b>Total Expenses</b>	<u>191.9</u>	<u>195.1</u>	<u>(3.2)</u>
<b>Changes in Net Position before Transfers</b>	<u>40.4</u>	<u>7.5</u>	<u>32.9</u>
Transfers	16.1	16.7	(0.6)
<b>Changes in Net Position after Transfers</b>	<u>56.5</u>	<u>24.3</u>	<u>32.2</u>
<b>Net Position-Beginning</b>	<u>935.6</u>	<u>911.3</u>	<u>24.3</u>
<b>Net Position-Ending</b>	<u>\$ 992.1</u>	<u>\$ 935.6</u>	<u>\$ 56.5</u>

Program revenues are comprised of charges for services of \$39.7 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$16.9 million of operating grants and contributions which include housing, and police grants; and capital grants and contributions of \$40.7 million that consist mainly of street project grants and developer impact fees restricted for capital outlay.

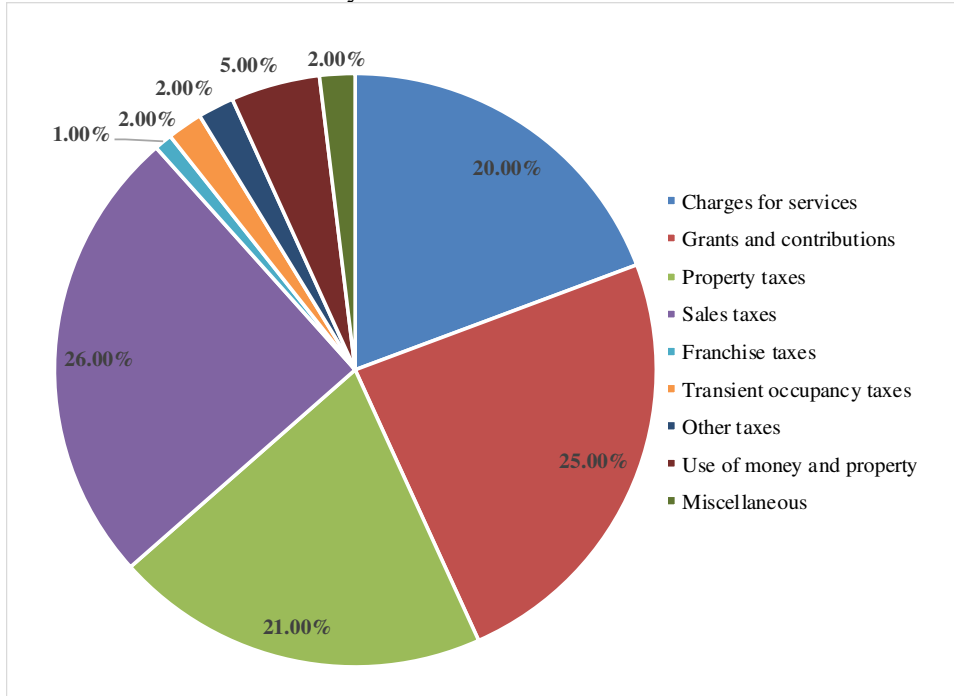
General revenues were mainly comprised of property and sales taxes totaling \$109.2 million. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

Total expenses remained relatively steady, decreasing by \$3.2 million compared to the prior year.

CITY OF ROSEVILLE  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2019

**Governmental Activities – Revenues by Source**

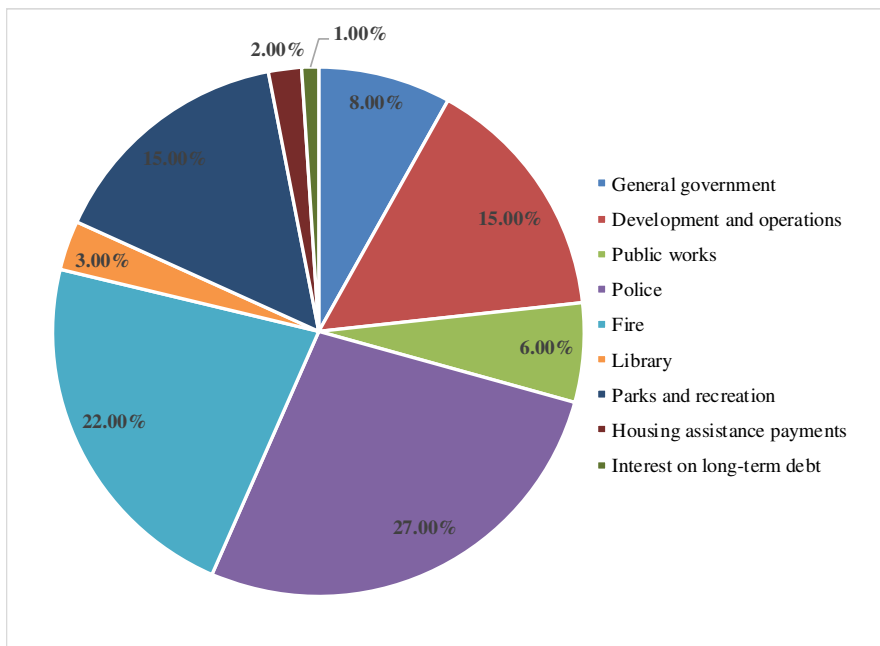
The chart below describes the revenues by source for Governmental Activities.



As the revenues chart reflects, 45% (\$99.6 million) of the City's fiscal year 2019 governmental activities revenue came from program revenues and 55% (\$132.7 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, 2019

Capital outlay is excluded from functional expenses as those expenses are added to the City's capital assets. As the chart reflects, police was 27% (\$51.7 million) of total governmental activities expenses; fire was 22% (\$42.9 million); parks and recreation was 15% (\$29.5 million); development and operations was 13% (\$29.0 million); public works was 6% (\$10.7 million); general government was 8% (\$16.0 million); and the remainder was for other governmental programs and functions, as shown above.

**Business-type Activities**

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

**Statement of Net Position - Business-type Activities**  
**As of June 30, 2019 and 2018**  
**(in millions)**

	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
<b>Assets</b>			
Cash and investments	\$ 429.4	\$ 378.2	\$ 51.2
Other assets	380.1	399.4	(19.3)
Capital assets	1,574.7	1,527.3	47.4
<b>Total Assets</b>	<u><b>2,384.2</b></u>	<u><b>2,304.9</b></u>	<u><b>79.3</b></u>
<b>Deferred Outflows of Resources</b>	<u><b>58.0</b></u>	<u><b>58.2</b></u>	<u><b>(0.2)</b></u>
<b>Liabilities</b>			
Long-term debt outstanding	477.1	497.8	(20.7)
Other liabilities	238.5	230.9	7.6
<b>Total Liabilities</b>	<u><b>715.6</b></u>	<u><b>728.7</b></u>	<u><b>(13.1)</b></u>
<b>Deferred Inflows of Resources</b>	<u><b>103.7</b></u>	<u><b>116.6</b></u>	<u><b>(12.9)</b></u>
<b>Net Position</b>			
Net investment in capital assets	1,230.9	1,174.5	56.4
Restricted	45.2	48.7	(3.5)
Unrestricted	346.8	294.6	52.2
<b>Total Net Position</b>	<u><b>\$ 1,622.9</b></u>	<u><b>\$ 1,517.8</b></u>	<u><b>\$ 105.1</b></u>

The net position of business-type activities amounted to \$1,622.9 million in fiscal year 2019, an increase of \$105.1 million from fiscal year 2018. The City's business-type activities net position increased due to the following:

- Cash and investments increased by \$51.2 million primarily due to increases in investment income and decreases in expenses.
- Capital assets increased by \$47.4 million primarily due to the addition of assets to the infrastructure systems of the Water and Wastewater systems.
- Long-term debt outstanding decreased by \$20.7 million due to scheduled retirements of outstanding debt.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

**Changes in Net Position - Business-type Activities**  
**For the Years Ended June 30, 2019 and 2018**  
(in millions)

	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 294.2	\$ 285.9	\$ 8.3
Operating grants and contributions	24.3	12.6	11.7
Capital grants and contributions	74.9	78.8	(3.9)
<b>Total Program Revenues</b>	<b>393.4</b>	<b>377.3</b>	<b>16.1</b>
<b>General Revenues</b>			
Use of property and money	22.2	8.8	13.4
Miscellaneous	0.1	(0.5)	0.6
<b>Total General Revenues</b>	<b>22.3</b>	<b>8.3</b>	<b>14.0</b>
<b>Total Revenues</b>	<b>415.7</b>	<b>385.6</b>	<b>30.1</b>
<b>Expenses</b>			
Electric	140.0	149.3	(9.3)
Water	31.5	32.3	(0.8)
Wastewater	57.7	46.0	11.7
Solid waste	24.1	22.6	1.5
Natural gas	23.7	24.2	(0.5)
Local transportation	10.5	9.9	0.6
School-age child care	7.0	7.9	(0.9)
<b>Total Expenses</b>	<b>294.5</b>	<b>292.2</b>	<b>2.3</b>
<b>Change in Net Position before Transfers</b>	<b>121.2</b>	<b>93.4</b>	<b>27.8</b>
Transfers	(16.1)	(16.7)	0.6
<b>Changes in Net Position after Transfers</b>	<b>105.1</b>	<b>76.7</b>	<b>28.4</b>
<b>Net Position-Beginning, as Restated</b>	<b>1,517.8</b>	<b>1,441.1</b>	<b>76.7</b>
<b>Net Position-Ending</b>	<b>\$ 1,622.9</b>	<b>\$ 1,517.8</b>	<b>\$ 105.1</b>

Business-type program revenues and general revenues were \$393.4 million while business-type expenses and transfers out were \$310.6 million in 2019. Major-enterprise fund activity is discussed in the Proprietary Funds section below.

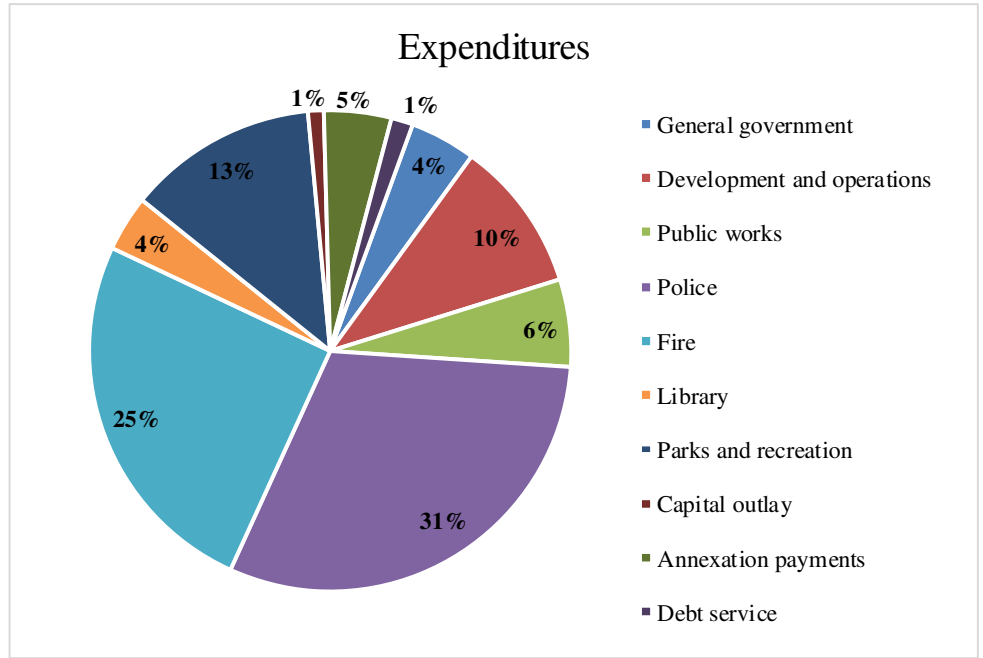
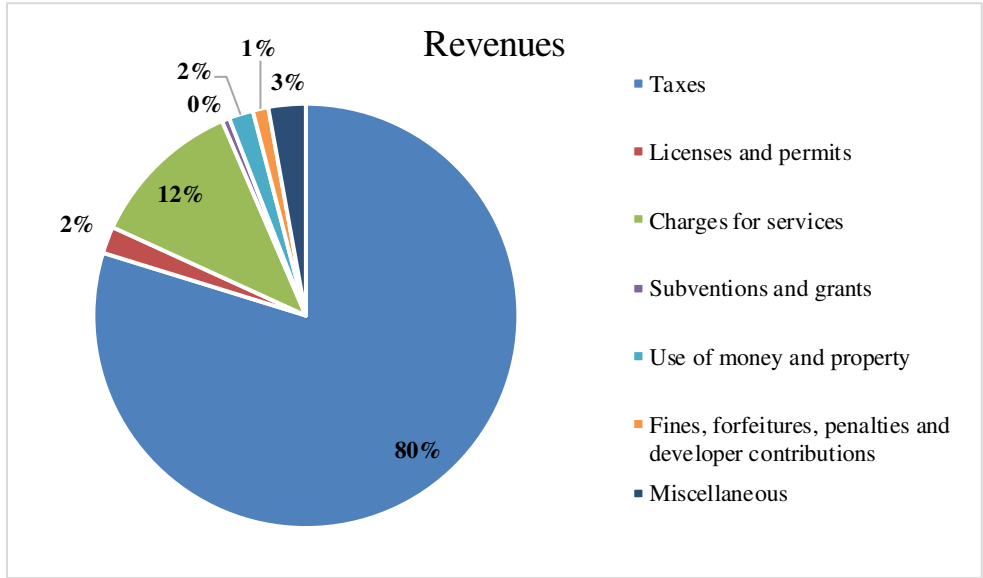
## FINANCIAL ANALYSIS OF THE FUND STATEMENTS

### 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, 2019

*General Fund*



CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

General Fund revenues increased by \$16.1 million from the prior year, primarily due to increases in taxes of \$14.2 million which includes revenue from the new Measure B local sales tax. Total actual revenues were more than the final budget by \$3.9 million, with the following major breakdown:

- Taxes were more than budget by \$7.8 million, primarily due unbudgeted Measure B local sales tax revenue collected from April through June 2019, property tax revenue growth higher than estimated, and the collection of 2018 taxes from prior year delays in distributing sales tax revenue by the California Department of Tax and Fee Administration.
- Use of money and property revenue was more than budget by \$1.1 million.
- Charges for services were less than budget by \$6.8 million.
- Miscellaneous revenues were more than budget by \$1.0 million primarily due to a less than expected full cost and consolidated full cost and consolidated billing expenditures.

General Fund expenditures were \$9.4 million less than budget primarily due to:

- Development Services Department expenditures less than budget of \$6.3 million primarily due to a less than expected full cost and consolidated billing expenditures.
- Parks, Recreation, and Libraries expenditures less than budget of \$0.9 million primarily due to salary savings due to vacancies during department re-organization and other operational savings in materials, services, and supplies.

As of June 30, 2019, the General Fund's fund balance totaled \$68.5 million, including \$12.3 million nonspendable primarily for notes receivable; \$14.1 committed for emergency reserves; \$4.0 million assigned to various contracts; and the balance of \$38.0 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 litigation reserve and strategic improvement funds.

#### *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 \$43.6 million in fiscal year 2019 primarily due to an increase in cash and investments of \$29.5 million and a decrease in long-term debt of \$7.8 million as a result of scheduled debt payments. As of June 30, 2019, the fund's net position was \$395.4 million, of which \$225.1 million was invested in capital assets; \$16.1 million was restricted for debt service; \$19.7 million was restricted for the sustainable energy program; and \$134.5 million was unrestricted as to use.

#### *Water Fund*

Net position of the Water Fund increased \$33.2 million in fiscal year 2019 primarily due to an increases in cash and investments of \$15.6 million and capital assets of \$12.3 million. As of June 30, 2019, the fund's net position was \$563.2 million, of which \$467.8 million was invested in capital assets; \$4.1 million was restricted for debt service; and \$91.3 million was unrestricted as to use.

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

*Wastewater Fund*

Net position of the Wastewater Fund increased \$14.4 million in fiscal year 2019, primarily due to increases in capital assets primarily offset by increases in net pension liability of \$2.3 million, net OPEB liability of \$2.0 million, and long-term debt of \$1.1 million. As of June 30, 2019, the fund's net position was \$624.0 million of which \$501.1 million was invested in capital assets; \$5.5 million was restricted for debt service; and \$118.2 million was unrestricted as to use.

*Solid Waste Fund*

Net Position of the Solid Waste Fund increased by \$2.1 million in fiscal year 2019, primarily due an increase in charges for services of \$1.2 million. As of June 30, 2019, the fund's net position was \$13.6 million, of which \$4.0 million was invested in capital assets and \$9.6 million was unrestricted as to use.

*Roseville Natural Gas Financing Authority*

This fund was created as the financing mechanism to purchase prepaid natural gas for the Roseville Energy Park, an electric power plant, through the issuance of revenue bonds. \$125.4 million remains due in bonds payable, while the prepaid natural gas was \$127.3 million. Net position of the Roseville Natural Gas Financing Authority Fund in fiscal year 2019 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, 2019

**Capital Assets**  
**As of June 30, 2019 and 2018**  
**(in millions)**

	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
<b>Governmental Activities</b>			
Land	\$ 128.8	\$ 128.4	\$ 0.4
Streets (modified approach)	345.3	331.2	14.1
Construction in progress	24.8	35.4	(10.6)
Buildings	191.6	190.9	0.7
Improvements	21.7	21.7	(0.0)
Equipment	71.9	67.7	4.2
Parks	87.8	83.4	4.4
Landscaping	56.0	53.9	2.1
Bike paths	10.0	9.8	0.2
Bridges	75.0	73.2	1.8
Culverts	21.1	20.7	0.4
Curb, gutter, sidewalk, and median curbs	178.3	173.0	5.3
Drain inlets	22.0	22.0	0.0
Flood control improvements	20.6	20.6	0.0
Soundwall	41.5	41.3	0.2
Storm drains	103.5	99.8	3.7
Traffic Signals	0.3	0.0	0.3
Less: accumulated depreciation	(447.2)	(426.5)	(20.7)
<b>Governmental Activity Capital Assets, Net</b>	<b><u>\$ 953.1</u></b>	<b><u>\$ 946.7</u></b>	<b><u>\$ 6.4</u></b>
	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
<b>Business-Type Activities</b>			
Land	\$ 12.1	\$ 12.0	\$ 0.1
Streets (Modified)	2.3	0.7	1.6
Construction in progress	54.3	41.6	12.7
Buildings	23.3	22.9	0.4
Improvements	10.1	10.0	0.1
Vehicles and equipment	44.1	43.2	0.9
Landscaping	1.6	1.5	0.1
Bike paths	6.5	5.6	0.9
Bridges	11.1	1.7	9.4
Culverts	0.4	0.4	0.0
Curb, gutter, sidewalk, and median curbs	0.8	0.5	0.3
Drain Inlets	0.1	0.1	0.0
Flood control improvements	8.9	8.9	0.0
Storm Drains	0.2	0.1	0.1
Traffic signals	72.1	52.6	19.5
Plant and substations	378.8	372.5	6.3
Distribution	1,456.3	1,424.1	32.2
Generation	203.7	203.1	0.6
Less: accumulated depreciation	(712.0)	(673.4)	(38.6)
<b>Business-Type Activity Capital Assets, Net</b>	<b><u>\$ 1,574.7</u></b>	<b><u>\$ 1,528.2</u></b>	<b><u>\$ 46.5</u></b>

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

Detail on capital assets, current year additions, construction in progress and depreciable lives can be found in Note 8 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, 2019, the City's streets averaged 74 PQI for arterial and collector roadways and 69 PQI for residential roadways. The City expended \$12.4 million on preservation of its streets in fiscal year 2019, compared to the budgeted amount of \$3.1 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 9 to the financial statements. As of June 30, 2019 the City's debt comprised:

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

**Outstanding Debt**  
**As of June 30, 2019 and 2018**  
(in millions)

	<u>2019</u>	<u>2018</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	\$ 8.8	\$ 10.1	\$ (1.3)
<b>Loans</b>			
Successor Agency	4.0	4.0	-
<b>Certificates of Participation</b>			
2015 316 Vernon Street Project, 2.00%-5.00%, due 2/1/34	13.7	13.9	(0.2)
Add: deferred debt premium	0.7	0.8	(0.1)
<b>Total Governmental Activity Debt</b>	<b><u>\$ 27.2</u></b>	<b><u>\$ 28.8</u></b>	<b><u>\$ (1.6)</u></b>
<b><u>Business-type Activity Debt</u></b>			
<b>Direct Placement Certificates of Participation</b>			
2012 Electric System Revenue Refunding, variable rate, due 2/1/35	90.0	90.0	\$ -
2013 Refunding Wastewater Revenue Bonds variable rate, due 11/1/35	38.3	36.5	\$ 1.8
<b>Total direct placement debt</b>	<b><u>128.3</u></b>	<b><u>126.5</u></b>	<b><u>\$ 1.8</u></b>
<b>Certificates of Participation</b>			
2009 Electric System Revenue Refunding, 2.00%-5.25%, due 2/1/24	\$ 1.2	\$ 3.0	\$ (1.8)
<b>Revenue Bonds</b>			
2015 Water Utility Revenue Refunding, 2.00%-5.00%, due 12/1/29	32.9	35.3	(2.4)
Add deferred bond premium	5.1	5.6	(0.5)
2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/28	119.5	129.7	(10.2)
Add: deferred bond premium	5.9	6.6	(0.7)
2010 Electric System Revenue Refunding 2.00%-5.00%, due 2/1/37	0.5	1.1	(0.6)
2013 Electric System Revenue Refunding 2.00%-5.00%, due 2/1/29	30.2	34.9	(4.7)
Add: deferred bond premium	3.7	4.1	(0.4)
2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25	6.6	9.1	(2.5)
Add: deferred bond premium	0.3	0.5	(0.2)
2014 Refunding Electric System Revenue Bonds 5.00%, due 2/1/34	16.5	16.5	
Add: deferred bond premium	1.6	1.7	(0.1)
2017A Electric System Revenue Refunding 3.0%-5.00%, due 2/1/37	56.2	56.2	
Add: deferred bond premium	4.3	4.6	(0.3)
2017B Taxable Electric System Revenue Refunding 1.03%-2.41%, due 2/1/22	5.9	6.1	(0.2)
2017 Wastewater Revenue Bonds 5.00%, due 11/1/37	48.3	46.1	2.2
Add: deferred bond premium	10.1	10.1	-
<b>Total Revenue Bonds</b>	<b><u>348.8</u></b>	<b><u>371.2</u></b>	<b><u>(22.4)</u></b>
<b>Total Business-type Activity Debt</b>	<b><u>\$ 477.1</u></b>	<b><u>\$ 497.7</u></b>	<b><u>\$ (20.6)</u></b>

CITY OF ROSEVILLE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019

**ECONOMIC CONDITION, OUTLOOK AND ACTIVITY**

The economic condition of the City in fiscal year 2019 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 2019. Energy sales and decreased 1% and operating revenue remained unchanged from the prior year. Operating expenses decreased 6.6% from the prior year and non-operating expenses decreased by 11% from last year. 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 2019. The water utility debt is fixed rate; however, the wastewater utility includes some variable rate debt. The interest rates on this debt remained low through fiscal year 2019. In fiscal year 2020, water, waste water and solid waste rates will increase in total by approximately 4.0%.

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 2019, 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 of the City of Roseville at 311 Vernon Street, Roseville, California, 95678.

*This page intentionally left blank.*

## **BASIC FINANCIAL STATEMENTS**

*This page intentionally left blank.*

## **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 activities are 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.

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments in City Treasury	\$ 280,295,131	\$ 394,065,854	\$ 674,360,985
Restricted cash and investments with fiscal agents	24,713,785	35,353,031	60,066,816
Receivables	35,665,538	40,591,565	76,257,103
Internal balances	733,632	(733,632)	-
Prepaid items and other assets	1,179,337	4,690,832	5,870,169
Developer permit fees receivable	1,201,758	-	1,201,758
Notes receivable	53,617,546	65,654	53,683,200
Inventories	1,103,928	15,166,907	16,270,835
Land held for resale	4,023,000	-	4,023,000
Prepaid purchased gas	-	127,291,580	127,291,580
Investment in NCPA reserves	-	5,218,609	5,218,609
Investment in SPWA reserves	-	92,028,632	92,028,632
Derivative at fair value	-	95,774,453	95,774,453
Capital assets:			
Capital assets not being depreciated	498,853,981	68,690,647	567,544,628
Capital assets being depreciated, net	454,216,169	1,505,988,966	1,960,205,135
Total Assets	<u>1,355,603,805</u>	<u>2,384,193,098</u>	<u>3,739,796,903</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	-	8,557,202	8,557,202
Accumulated decrease in fair value of hedging derivative	-	17,011,692	17,011,692
Deferred outflows related to OPEB	4,675,720	3,175,280	7,851,000
Deferred outflows related to pensions	47,437,956	29,253,574	76,691,530
Total Deferred Outflows of Resources	<u>52,113,676</u>	<u>57,997,748</u>	<u>110,111,424</u>
<b>LIABILITIES</b>			
Accounts payable	9,095,182	16,328,948	25,424,130
Accrued liabilities	4,765,820	6,552,736	11,318,556
Due to other governments	794,466	96,356	890,822
Deposits	8,080,755	7,368,644	15,449,399
Unearned revenues	1,347,445	5,765,467	7,112,912
Derivative at fair value	-	17,011,692	17,011,692
Compensated absences:			
Due within one year	4,834,448	3,396,762	8,231,210
Due in more than one year	11,277,227	5,669,407	16,946,634
Self-insurance claims payable and litigation settlement:			
Due within one year	1,869,257	-	1,869,257
Due in more than one year	8,337,531	-	8,337,531
Other long-term liabilities:			
Due within one year	1,595,547	24,000,073	25,595,620
Due in more than one year	25,619,476	453,113,912	478,733,388
Long-term liabilities due in more than one year:			
Landfill closure and post closure liability	-	1,404,323	1,404,323
Net OPEB liability	91,145,594	49,565,000	140,710,594
Net pension liability	214,839,404	125,369,266	340,208,670
Total Liabilities	<u>383,602,152</u>	<u>715,642,586</u>	<u>1,099,244,738</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated increase in fair value of hedging derivatives	-	95,774,453	95,774,453
Deferred inflows related to OPEB	18,251,720	4,866,280	23,118,000
Deferred inflows related to pensions	13,760,732	3,029,823	16,790,555
Total Deferred Inflows of Resources	<u>32,012,452</u>	<u>103,670,556</u>	<u>135,683,008</u>
<b>NET POSITION</b>			
Net investment in capital assets	<u>938,614,328</u>	<u>1,231,485,112</u>	<u>2,170,099,440</u>
Restricted for:			
Capital projects	122,359,426	-	122,359,426
Nonexpendable endowments	17,782,400	-	17,782,400
Debt service	11,050	25,749,935	25,760,985
Community development projects	15,094,688	-	15,094,688
Global warming prevention (AB 32)	-	19,719,400	19,719,400
Total Restricted	<u>155,247,564</u>	<u>45,469,335</u>	<u>200,716,899</u>
Unrestricted	<u>(101,759,015)</u>	<u>345,923,257</u>	<u>244,164,242</u>
Total Net Position	<u>\$ 992,102,877</u>	<u>\$ 1,622,877,704</u>	<u>\$ 2,614,980,581</u>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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	\$ 16,000,782	\$ 4,426,702	\$ 1,318,106	\$ 601,604	\$ (9,654,370)	\$ -	\$ (9,654,370)
Development and operations	28,999,967	12,124,757	6,957,175	4,577,990	(5,340,045)	-	(5,340,045)
Public works	10,799,879	222,332	391,744	30,571,717	20,385,914	-	20,385,914
Police	51,686,063	1,535,265	2,160,699	-	(47,990,099)	-	(47,990,099)
Fire	42,893,789	2,619,760	502,245	-	(39,771,784)	-	(39,771,784)
Library	6,095,245	15,069	80,711	-	(5,999,465)	-	(5,999,465)
Parks and recreation	29,543,138	18,747,740	92,442	4,901,463	(5,801,493)	-	(5,801,493)
Housing assistance payments	4,673,530	-	5,448,163	-	774,633	-	774,633
Interest on long-term debt	1,304,195	-	-	-	(1,304,195)	-	(1,304,195)
Total governmental activities	191,996,588	39,691,625	16,951,285	40,652,774	(94,700,904)	-	(94,700,904)
<b>Business-type Activities:</b>							
Electric	140,049,539	168,047,418	-	16,356,475	-	44,354,354	44,354,354
Water	31,518,663	32,851,109	154,973	28,742,315	-	30,229,734	30,229,734
Wastewater	57,655,228	43,389,397	-	28,309,317	-	14,043,486	14,043,486
Solid Waste	24,131,176	25,227,177	-	661,662	-	1,757,663	1,757,663
Natural Gas	23,711,730	16,738,649	-	-	-	(6,973,081)	(6,973,081)
Local Transportation	10,441,459	1,114,798	23,678,979	878,790	-	15,231,108	15,231,108
School-Age Child Care	7,027,545	6,867,594	421,153	67,682	-	328,884	328,884
Total business-type activities	294,535,340	294,236,142	24,255,105	75,016,241	-	98,972,148	98,972,148
<b>Total</b>	<b>\$ 486,531,928</b>	<b>\$ 333,927,767</b>	<b>\$ 41,206,390</b>	<b>\$ 115,669,015</b>	<b>(94,700,904)</b>	<b>98,972,148</b>	<b>4,271,244</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Sales taxes					60,574,316	-	60,574,316
Property taxes					48,647,608	-	48,647,608
Transient occupancy taxes					3,632,822	-	3,632,822
Other taxes					4,725,497	-	4,725,497
Franchise fees					2,280,503	-	2,280,503
Use of money and property					10,844,582	22,202,296	33,046,878
Miscellaneous revenues					2,823,273	-	2,823,273
Gain on sale of capital assets					1,523,918	65,452	1,589,370
Transfers					16,178,583	(16,178,583)	-
Total General Revenues and Transfers					151,231,102	6,089,165	157,320,267
Change in Net Position					56,530,198	105,061,313	161,591,511
Net Position - Beginning					935,572,679	1,517,816,391	2,453,389,070
Net Position - Ending					\$ 992,102,877	\$ 1,622,877,704	\$ 2,614,980,581

See accompanying notes to basic financial statements.

*This page intentionally left blank.*

## **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 2019. 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, 2019**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>			
Cash and investments in City Treasury	\$ 42,228,837	\$ 181,588,618	\$ 223,817,455
Restricted cash and investments with fiscal agents	-	24,713,785	24,713,785
Receivables	17,808,929	15,209,688	33,018,617
Due from other funds	500,583	-	500,583
Advances to other funds	8,167,311	-	8,167,311
Prepays	88,688	-	88,688
Developer permit fees receivable	590,027	611,731	1,201,758
Notes receivable	11,991,518	40,962,667	52,954,185
Inventories	220,799	-	220,799
Land held for resale	-	4,023,000	4,023,000
Total Assets	<u>\$ 81,596,692</u>	<u>\$ 267,109,489</u>	<u>\$ 348,706,181</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 1,424,897	\$ 5,979,274	\$ 7,404,171
Accrued liabilities	2,098,125	2,295,264	4,393,389
Due to other funds	-	642,296	642,296
Due to other government agencies	249	794,217	794,466
Advances from other funds	-	10,782,491	10,782,491
Unearned revenue	545,952	801,493	1,347,445
Deposits	7,468,255	612,500	8,080,755
Total Liabilities	<u>11,537,478</u>	<u>21,907,535</u>	<u>33,445,013</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	<u>1,606,265</u>	<u>44,391,265</u>	<u>45,997,530</u>
<b>FUND BALANCES:</b>			
Nonspendable	12,301,005	17,782,400	30,083,405
Restricted	-	178,080,236	178,080,236
Committed	14,092,262	-	14,092,262
Assigned	4,018,080	9,255,262	13,273,342
Unassigned	<u>38,041,602</u>	<u>(4,307,209)</u>	<u>33,734,393</u>
Total Fund Balances	<u>68,452,949</u>	<u>200,810,689</u>	<u>269,263,638</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 81,596,692</u>	<u>\$ 267,109,489</u>	<u>\$ 348,706,181</u>

See accompanying notes to basic financial statements.

**CITY OF ROSEVILLE, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 269,263,638
<p>Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds above because of the following:</p>	
<b>CAPITAL ASSETS</b>	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	822,746,604
<b>ALLOCATION OF INTERNAL SERVICE FUND NET POSITION</b>	
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.	168,895,649
<b>LONG-TERM LIABILITIES</b>	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term liabilities	(27,215,023)
Interest payable	(318,433)
Compensated absences	(14,347,175)
Net OPEB liability	(91,145,594)
Net pension liability	(190,646,380)
<b>DEFERRED OUTFLOWS/INFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	35,563,839
Deferred inflows related to pensions	(13,115,778)
Deferred outflows related to OPEB	4,675,720
Deferred inflows related to OPEB	(18,251,720)
Unavailable revenue in the governmental funds is revenue in the governmental activities	45,997,530
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 992,102,877</u></u>

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, 2019**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 115,701,573	\$ 11,444,805	\$ 127,146,378
Licenses and permits	3,009,035	-	3,009,035
Charges for services	16,922,583	17,264,648	34,187,231
Subventions and grants	879,477	11,057,161	11,936,638
Use of money and property	2,693,478	10,569,888	13,263,366
Fines, forfeitures and penalties	954,866	310,896	1,265,762
Contributions from developers and others	707,310	29,271,953	29,979,263
Miscellaneous revenues	4,162,343	5,287,232	9,449,575
<b>Total Revenues</b>	<b>145,030,665</b>	<b>85,206,583</b>	<b>230,237,248</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	6,007,860	2,129,765	8,137,625
Development and operations	13,738,869	5,006,539	18,745,408
Public works	7,936,998	457,151	8,394,149
<b>Public safety:</b>			
Police	41,385,796	36,826	41,422,622
Fire	34,056,248	-	34,056,248
Library	5,039,164	-	5,039,164
Parks and recreation	17,185,774	8,939,009	26,124,783
Housing assistance payments	-	4,673,530	4,673,530
Annexation payments	6,140,795	-	6,140,795
Capital outlay	1,439,023	37,877,160	39,316,183
<b>Debt service:</b>			
Principal retirement	1,114,738	446,643	1,561,381
Interest and fiscal charges	802,722	708,012	1,510,734
<b>Total Expenditures</b>	<b>134,847,987</b>	<b>60,274,635</b>	<b>195,122,622</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>10,182,678</b>	<b>24,931,948</b>	<b>35,114,626</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from disposition of assets	-	1,521,727	1,521,727
Transfers in	12,320,426	18,621,259	30,941,685
Transfers out	(9,509,829)	(13,481,200)	(22,991,029)
<b>Total Other Financing Sources (Uses)</b>	<b>2,810,597</b>	<b>6,661,786</b>	<b>9,472,383</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>12,993,275</b>	<b>31,593,734</b>	<b>44,587,009</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>55,459,674</b>	<b>169,216,955</b>	<b>224,676,629</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 68,452,949</b>	<b>\$ 200,810,689</b>	<b>\$ 269,263,638</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, 2019**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	44,587,009
<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.		39,316,183
Non-capitalized capital outlay expenditures are reclassified to various governmental activities.		(12,668,776)
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 \$8,846,067).		(14,416,435)
Reclassification of capital assets to land held for resale.		(4,023,000)
<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		1,561,381
Amortization of premium		27,808
<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>		
		(1,141,855)
<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>		
		2,753,766
<b>ACCRUAL OF NON-CURRENT ITEMS</b>		
<p>Certain amounts included in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):</p>		
Compensated absences		1,124,511
Interest payable		178,731
<b>UNAVAILABLE REVENUES</b>		
<p>Revenue and other resources not fund 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 is the change between prior year's unavailable revenues and the current year unavailable revenues.</p>		
		2,566,880
<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>		
		<u>(3,336,005)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>56,530,198</u></u>

See accompanying notes to basic financial statements.

*This page intentionally left blank.*

## **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 2019.

### **ELECTRIC FUND**

This fund accounts for all financial transactions relating to the City's electric services. 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 services. 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. 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.

### **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, 2019**

	Business-Type Activities - Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
<b>ASSETS:</b>					
Current Assets:					
Cash and investments in City Treasury	\$ 190,378,181	\$ 103,399,779	\$ 62,189,950	\$ 29,617,542	\$ 4
Restricted cash and investments with fiscal agents	16,930,221	9,593,495	-	-	8,829,315
Receivables	21,564,230	6,214,936	6,103,831	2,997,566	15,630
Prepays	4,690,832	-	-	-	-
Notes receivable	-	65,654	-	-	-
Due from other funds	-	-	-	-	-
Inventories	11,720,060	3,163,385	105,538	177,924	-
Total Current Assets	<u>245,283,524</u>	<u>122,437,249</u>	<u>68,399,319</u>	<u>32,793,032</u>	<u>8,844,949</u>
Non-Current Assets:					
Prepaid purchased gas	-	-	-	-	127,291,580
Investment in NCPA reserves	5,218,609	-	-	-	-
Investment in SPWA reserves	-	-	92,028,632	-	-
Advances to other funds	-	-	-	-	-
Derivative at fair value	-	-	-	-	95,774,453
Capital assets (Note 8):					
Land and construction in progress	19,100,441	6,683,310	36,675,071	1,077,095	-
Capital assets being depreciated, net	410,121,199	497,225,923	567,390,351	2,882,403	-
Total Non-Current Assets	<u>434,440,249</u>	<u>503,909,233</u>	<u>696,094,054</u>	<u>3,959,498</u>	<u>223,066,033</u>
Total Assets	<u>679,723,773</u>	<u>626,346,482</u>	<u>764,493,373</u>	<u>36,752,530</u>	<u>231,910,982</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred charge on refunding	6,106,812	1,874,512	575,878	-	-
Accumulated decrease in fair value of hedging derivatives	16,139,162	-	872,530	-	-
Deferred outflows related to OPEB	1,195,000	370,000	868,000	462,000	-
Deferred outflows related to pensions	15,057,636	5,110,046	4,123,784	2,373,192	-
Total Deferred outflows of resources	<u>38,498,610</u>	<u>7,354,558</u>	<u>6,440,192</u>	<u>2,835,192</u>	<u>-</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable	7,824,150	1,042,333	4,316,558	777,244	5,894
Accrued liabilities	3,203,106	383,488	375,605	229,510	2,240,156
Due to other government agencies	96,356	-	-	-	-
Due to other funds	-	-	-	-	18,632
Current portion of compensated absences	1,634,303	456,259	706,413	361,227	-
Current portion of long-term liabilities	7,460,000	2,560,000	3,180,073	-	10,800,000
Deposits	2,661,839	85,000	-	-	4,621,575
Unearned revenue	47,869	627,321	24,321	27,470	-
Self-insurance claims payable	-	-	-	-	-
Total Current Liabilities	<u>22,927,623</u>	<u>5,154,401</u>	<u>8,602,970</u>	<u>1,395,451</u>	<u>17,686,257</u>
Long-term liabilities:					
Advances from other funds	-	-	-	-	-
Long-term liabilities, non-current portion	202,797,486	35,416,608	100,337,536	-	114,562,282
Landfill closure and post closure liability	-	-	-	1,404,323	-
Compensated absences	2,452,123	778,884	1,402,876	659,859	-
Self-insurance claims payable	-	-	-	-	-
Derivative at fair value	16,139,162	-	872,530	-	-
Net OPEB liability	18,900,000	5,865,000	11,159,000	9,376,000	-
Net pension liability	58,193,004	20,140,054	23,923,802	12,527,475	-
Total Long-Term Liabilities	<u>298,481,775</u>	<u>62,200,546</u>	<u>137,695,744</u>	<u>23,967,657</u>	<u>114,562,282</u>
Total Liabilities	<u>321,409,398</u>	<u>67,354,947</u>	<u>146,298,714</u>	<u>25,363,108</u>	<u>132,248,539</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Accumulated increase in fair value of hedging derivatives	-	-	-	-	95,774,453
Deferred inflows related to OPEB	-	2,635,000	-	340,000	-
Deferred inflows related to pensions	1,447,263	498,391	594,706	309,635	-
Total Deferred inflows of resources	<u>1,447,263</u>	<u>3,133,391</u>	<u>594,706</u>	<u>649,635</u>	<u>95,774,453</u>
<b>NET POSITION:</b>					
Net investment in capital assets	225,070,966	467,807,137	501,123,691	3,959,498	-
Restricted for debt service	16,099,600	4,134,075	5,516,260	-	-
Restricted for local transportation	-	-	-	-	-
Restricted for sustainable energy programs (AB 32)	19,719,400	-	-	-	-
Unrestricted	134,475,756	91,271,490	117,400,194	9,615,481	3,887,990
TOTAL NET POSITION	<u>\$ 395,365,722</u>	<u>\$ 563,212,702</u>	<u>\$ 624,040,145</u>	<u>\$ 13,574,979</u>	<u>\$ 3,887,990</u>

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds Non-Major Enterprise Funds Total	Totals	Governmental Activities Internal Service Funds
\$ 8,480,398	\$ 394,065,854	\$ 56,477,676
-	35,353,031	-
3,695,372	40,591,565	2,646,921
-	4,690,832	1,090,649
-	65,654	663,361
-	-	215,345
-	15,166,907	883,129
<u>12,175,770</u>	<u>489,933,843</u>	<u>61,977,081</u>
-	127,291,580	-
-	5,218,609	-
-	92,028,632	-
-	-	3,275,180
-	95,774,453	-
5,154,730	68,690,647	1,655,949
<u>28,369,090</u>	<u>1,505,988,966</u>	<u>128,667,597</u>
<u>33,523,820</u>	<u>1,894,992,887</u>	<u>133,598,726</u>
<u>45,699,590</u>	<u>2,384,926,730</u>	<u>195,575,807</u>
-	8,557,202	-
-	17,011,692	-
280,280	3,175,280	-
<u>2,588,916</u>	<u>29,253,574</u>	<u>11,874,117</u>
<u>2,869,196</u>	<u>57,997,748</u>	<u>11,874,117</u>
2,362,769	16,328,948	1,691,011
120,871	6,552,736	53,998
-	96,356	-
55,000	73,632	-
238,560	3,396,762	572,779
-	24,000,073	-
230	7,368,644	-
5,038,486	5,765,467	-
-	-	1,869,257
<u>7,815,916</u>	<u>63,582,618</u>	<u>4,187,045</u>
660,000	660,000	-
-	453,113,912	-
-	1,404,323	-
375,665	5,669,407	1,191,721
-	-	8,337,531
-	17,011,692	-
4,265,000	49,565,000	-
<u>10,584,931</u>	<u>125,369,266</u>	<u>24,193,024</u>
<u>15,885,596</u>	<u>652,793,600</u>	<u>33,722,276</u>
<u>23,701,512</u>	<u>716,376,218</u>	<u>37,909,321</u>
-	95,774,453	-
1,891,280	4,866,280	-
179,828	3,029,823	644,954
<u>2,071,108</u>	<u>103,670,556</u>	<u>644,954</u>
33,523,820	1,231,485,112	130,323,546
-	25,749,935	-
572,538	572,538	-
-	19,719,400	-
<u>(11,300,192)</u>	<u>345,350,719</u>	<u>38,572,103</u>
<u>\$ 22,796,166</u>	<u>\$ 1,622,877,704</u>	<u>\$ 168,895,649</u>

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 158,990,308	\$ 32,137,257	\$ 43,315,989	\$ 25,083,954	\$ 16,738,649
Other	9,057,111	713,852	73,408	143,223	-
Total Operating Revenues	<u>168,047,419</u>	<u>32,851,109</u>	<u>43,389,397</u>	<u>25,227,177</u>	<u>16,738,649</u>
<b>OPERATING EXPENSES</b>					
Power supply	68,809,718	-	-	-	18,133,391
Operations	27,365,899	17,192,514	24,368,030	21,200,501	-
Administration	13,704,871	2,612,178	4,886,026	2,686,995	6,127
Depreciation and amortization	22,560,224	9,690,889	12,135,623	243,680	(735,910)
Claims expense	-	-	-	-	-
Total Operating Expenses	<u>132,440,712</u>	<u>29,495,581</u>	<u>41,389,679</u>	<u>24,131,176</u>	<u>17,403,608</u>
Operating Income (Loss)	<u>35,606,707</u>	<u>3,355,528</u>	<u>1,999,718</u>	<u>1,096,001</u>	<u>(664,959)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest and rents revenue	7,355,272	3,880,914	2,556,854	1,140,857	6,965,496
Interest and fiscal charges (expenses)	(8,642,738)	(1,943,216)	(977,564)	-	(6,308,122)
Subventions and grants	-	154,973	-	-	-
Gain (loss) from sale of property	(552,832)	(79,866)	(258,763)	-	-
Increase (decrease) in JPA reserves	1,646,441	-	(15,029,222)	-	-
Total Nonoperating Revenues (Expenses)	<u>(193,857)</u>	<u>2,012,805</u>	<u>(13,708,695)</u>	<u>1,140,857</u>	<u>657,374</u>
Income (Loss) Before Contributions and Transfers	35,412,850	5,368,333	(11,708,977)	2,236,858	(7,585)
<b>Contributions</b>					
Capital contributions - connection/impact fees	1,277,446	8,465,028	9,430,111	520,910	-
Contributions in aid of construction	7,324,233	-	-	-	-
Capital contributions from developers and governmental activities	7,754,796	20,277,287	18,879,206	140,752	-
Transfers in	90,383	1,223,937	494,832	61,882	-
Transfers out	(8,248,598)	(2,113,184)	(2,689,537)	(779,921)	-
Change in net position	43,611,110	33,221,401	14,405,635	2,180,481	(7,585)
<b>TOTAL NET POSITION - BEGINNING</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>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 395,365,722</u>	<u>\$ 563,212,702</u>	<u>\$ 624,040,145</u>	<u>\$ 13,574,979</u>	<u>\$ 3,887,990</u>

See accompanying notes to basic financial statements.

Business-Type Activities Enterprise Funds		Governmental Activities- Internal Service Funds
Non-Major Enterprise Funds	Totals	
Total		
\$ 7,570,711	\$ 283,836,868	\$ 43,997,267
411,681	10,399,275	232,012
<u>7,982,392</u>	<u>294,236,143</u>	<u>44,229,279</u>
-	86,943,109	-
14,527,698	104,654,642	46,273,465
1,247,614	25,143,811	-
1,681,329	45,575,835	8,846,067
-	-	5,347,748
<u>17,456,641</u>	<u>262,317,397</u>	<u>60,467,280</u>
<u>(9,474,249)</u>	<u>31,918,746</u>	<u>(16,238,001)</u>
302,903	22,202,296	2,259,036
(12,363)	(17,884,003)	-
24,100,132	24,255,105	-
5,754	(885,707)	369,685
-	(13,382,781)	-
<u>24,396,426</u>	<u>14,304,910</u>	<u>2,628,721</u>
14,922,177	46,223,656	(13,609,280)
-	-	2,045,348
-	19,693,495	-
-	7,324,233	-
946,472	47,998,513	-
585,401	2,456,435	8,906,633
(4,803,779)	(18,635,019)	(678,706)
<u>11,650,271</u>	<u>105,061,313</u>	<u>(3,336,005)</u>
<u>11,145,895</u>	<u>1,517,816,391</u>	<u>172,231,654</u>
<u>\$ 22,796,166</u>	<u>\$ 1,622,877,704</u>	<u>\$ 168,895,649</u>

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 156,660,175	\$ 33,502,908	\$ 44,060,746	\$ 25,053,394	\$ 16,748,647
Payments to suppliers	(100,296,521)	(19,729,035)	(23,458,910)	(21,372,604)	(7,088,174)
Payments to employees	(9,370,728)	(4,280,591)	(1,799,434)	(1,107,321)	-
Payments to OPEB trust	-	-	-	-	-
Claims paid	-	-	-	-	-
Other receipts	9,057,111	713,852	73,408	143,223	-
Net Cash provided by/(used for) Operating Activities	<u>56,050,037</u>	<u>10,207,134</u>	<u>18,875,810</u>	<u>2,716,692</u>	<u>9,660,473</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Subventions and grants	-	390,783	-	-	-
Increase/decrease in due from other funds	-	-	515,802	-	18,632
Increase/decrease in due to other funds	-	-	-	-	-
Increase/decrease in advance to other funds	-	-	-	-	-
Increase/decrease in advances from other funds	-	-	-	-	-
Transfers in	90,383	1,223,937	494,832	61,882	-
Transfers out	(8,248,598)	(2,113,184)	(2,689,537)	(779,921)	-
Net cash provided by/(used for) Noncapital Financing Activities	<u>(8,158,215)</u>	<u>(498,464)</u>	<u>(1,678,903)</u>	<u>(718,039)</u>	<u>18,632</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	7,324,233	8,465,028	9,430,111	520,910	-
Acquisition and construction of capital assets	(17,753,122)	(1,801,046)	(14,571,088)	(76,241)	-
Change in restricted assets	(384,175)	176,537	-	-	(91,760)
Issuance of debt	-	-	4,831,668	-	-
Proceeds from sale of capital assets	59,698	-	-	-	-
Transfers to other governmental agencies	-	-	(3,283,334)	-	-
Principal payments on capital debt	(7,130,000)	(2,435,000)	(2,963,763)	-	(10,275,000)
Interest paid on capital debt	(7,317,886)	(2,234,770)	(2,281,982)	-	(6,308,123)
Issuance of notes receivable	-	8,754	-	-	-
Connection/impact fees	1,277,446	-	-	-	-
Net cash provided by/(used for) Capital and Related Financing Activities	<u>(23,923,806)</u>	<u>2,179,503</u>	<u>(8,838,388)</u>	<u>444,669</u>	<u>(16,674,883)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and rents received	7,146,936	3,760,827	2,529,778	1,115,844	6,950,149
Investment in JPA Reserves	(1,646,441)	-	(9,407,213)	-	-
Net cash provided by/(used for) Investing Activities	<u>5,500,495</u>	<u>3,760,827</u>	<u>(6,877,435)</u>	<u>1,115,844</u>	<u>6,950,149</u>
Net increase (decrease) in cash and cash equivalents	29,468,511	15,649,000	1,481,084	3,559,166	(45,629)
Cash and investments at beginning of period	160,909,670	87,750,779	60,708,866	26,058,376	45,633
Cash and investments at end of period	<u>\$ 190,378,181</u>	<u>\$ 103,399,779</u>	<u>\$ 62,189,950</u>	<u>\$ 29,617,542</u>	<u>\$ 4</u>

See accompanying notes to basic financial statements.

Business-Type Activities - Enterprise Funds Non-Major Enterprise Funds Total	Totals	Governmental Activities- Internal Service Funds
\$ 7,088,901	\$ 283,114,771	\$ 42,091,199
(10,660,908)	(182,606,152)	(16,153,569)
(5,904,179)	(22,462,253)	(10,993,179)
-	-	(15,728,302)
-	-	(3,556,844)
814,801	10,802,395	2,130,529
<u>(8,661,385)</u>	<u>88,848,761</u>	<u>(2,210,166)</u>
25,886,649	26,277,432	16,160
(14,582)	519,852	(19,121)
-	-	(663,361)
-	-	215,345
(40,000)	(40,000)	-
570,401	2,441,435	8,906,633
<u>(4,803,779)</u>	<u>(18,635,019)</u>	<u>(678,706)</u>
<u>21,598,689</u>	<u>10,563,700</u>	<u>7,776,950</u>
-	25,740,282	-
(12,455,999)	(46,657,496)	(4,582,657)
-	(299,398)	-
-	4,831,668	-
5,754	65,452	-
-	(3,283,334)	-
-	(22,803,763)	-
-	(18,142,761)	-
-	8,754	-
-	<u>1,277,446</u>	-
<u>(12,450,245)</u>	<u>(59,263,150)</u>	<u>(4,582,657)</u>
328,990	21,832,524	2,174,352
-	(11,053,654)	-
<u>328,990</u>	<u>10,778,870</u>	<u>2,174,352</u>
816,049	50,928,181	3,158,479
<u>7,664,349</u>	<u>343,137,673</u>	<u>53,319,197</u>
<u>\$ 8,480,398</u>	<u>\$ 394,065,854</u>	<u>\$ 56,477,676</u>

**CITY OF ROSEVILLE, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
Reconciliation of Operating Income (Loss) to Net Cash provided by/(used for) Operating Activities:					
Operating Income (Loss)	\$ 35,606,707	\$ 3,355,528	\$ 1,999,718	\$ 1,096,001	\$ (664,959)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and amortization	22,560,224	9,690,889	12,135,623	243,680	(735,910)
OPEB expense	(200,000)	(587,000)	(94,000)	(963,000)	-
Pension expense	4,173,989	(709,271)	3,273,969	1,103,922	-
Change in Assets and Liabilities:					
Receivables, net	356,819	711,330	720,436	(58,030)	113
Inventories	(425,356)	(2,674,148)	8,541	(3,966)	-
Prepays	(2,130,626)	-	-	-	-
Prepaid purchased gas	-	-	-	-	11,244,761
Accounts payable and other liabilities	(744,944)	(207,515)	831,523	1,270,615	(183,532)
Unearned revenue	(3,146,776)	627,321	-	27,470	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 56,050,037</u>	<u>\$ 10,207,134</u>	<u>\$ 18,875,810</u>	<u>\$ 2,716,692</u>	<u>\$ 9,660,473</u>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING TRANSACTIONS</b>					
Capital assets transferred from governmental activities	<u>\$ 635,388</u>	<u>\$ 197,056</u>	<u>\$ 180,358</u>	<u>\$ 140,751</u>	
Contributions of capital assets from developers	<u>\$ 7,119,408</u>	<u>\$ 20,080,231</u>	<u>\$ 18,698,848</u>		
Amortization of bond premium	<u>\$ 749,319</u>	<u>\$ 461,965</u>	<u>\$ 728,540</u>		<u>\$ 735,912</u>
Amortization of deferred amount on refunding	<u>\$ 427,730</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
\$ (9,474,249)	\$ 31,918,746	\$ (16,238,001)
1,681,328	45,575,834	8,846,067
1,103,000	(741,000)	-
(512,798)	7,329,811	4,739,683
(2,913,977)	(1,183,309)	(11,542)
-	(3,094,929)	131,060
-	(2,130,626)	2,220
-	11,244,761	-
1,455,311	2,421,458	320,347
-	(2,491,985)	-
<u>\$ (8,661,385)</u>	<u>\$ 88,848,761</u>	<u>\$ (2,210,166)</u>
<u>\$ 868,791</u>	<u>\$ 2,022,344</u>	
<u>\$ 10,000</u>	<u>\$ 45,908,487</u>	
	<u>\$ 2,675,736</u>	
	<u>\$ 598,140</u>	

*This page intentionally left blank.*

**CITY OF ROSEVILLE, CALIFORNIA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

**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 2019:

*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, 2019**

	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	\$ -	\$ 5,710,936	\$ 156,528,028
Restricted cash and investments with fiscal agents	-	248,005	71,002,980
OPEB Plan Assets:			
Domestic equity funds	56,549,736	-	-
Fixed income securities	37,971,284	-	-
Real estate partnership	3,152,000	-	-
Cash equivalents	298,425	-	-
Receivables	682	652,540	17,672,820
Notes receivable	-	4,126,786	-
Capital Assets:			
Land	-	74,369	-
Total Assets	<u>97,972,127</u>	<u>10,812,636</u>	<u>\$ 245,203,828</u>
<b>LIABILITIES:</b>			
Accounts payable	12,721	-	\$ 2,604,575
Accrued liabilities	-	967,064	825,333
Due to other government agencies	-	-	62,833
Due to member agencies	-	-	166,803,805
Due to bondholders	-	-	64,240,767
Due to others	-	-	10,666,515
Long-term liabilities:			
Due in one year	-	1,888,898	-
Due in more than one year	-	46,588,201	-
Total Liabilities	<u>12,721</u>	<u>49,444,163</u>	<u>\$ 245,203,828</u>
<b>NET POSITION (DEFICIT):</b>			
Restricted for OPEB	<u>\$ 97,959,406</u>		
Held in trust for private purposes or for other governments		<u>\$ (38,631,527)</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, 2019**

	Other Post Employment Benefits Trust Fund	Private-Purpose Trust Funds
<b>ADDITIONS</b>		
Property taxes, net of pass through payments	\$ -	\$ 3,228,802
Contributions from the City	15,342,178	-
Investment income	7,122,750	306,856
Miscellaneous Income	69,429	260,848
Total Additions	22,534,357	3,796,506
<b>DEDUCTIONS</b>		
General government	-	12,096
Community services	-	219,750
Retiree health plan benefits	8,550,000	-
Administrative expense	144,591	-
Interest and fiscal charges	-	1,115,149
Total Deductions	8,694,591	1,346,995
<b>NET CHANGES IN NET POSITION</b>		
CHANGE IN NET POSITION	13,839,766	2,449,511
<b>NET POSITION</b>		
NET POSITION (DEFICIT) - BEGINNING	84,119,640	(41,081,038)
NET POSITION (DEFICIT) - ENDING	\$ 97,959,406	\$ (38,631,527)

See accompanying notes to basic financial statements.

*This page intentionally left blank.*

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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 extremely low and very low 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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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 and sales 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, 2019**

**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 amounts on refunding, accumulated decrease in fair value of hedging derivatives, deferred outflows related to other postemployment benefits (OPEB), and deferred outflows related to pensions. A deferred amount 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 and the governmental funds balance sheet. They are the accumulated increase in fair value of hedging derivatives, deferred inflows related to pensions, the deferred inflows related to OPEB, and unavailable revenues. 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. Unavailable revenue represents revenues which has been earned, but will not be collected within the City's period of availability as defined in note 1D.

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<sup>st</sup> of the preceding fiscal year.

Secured property tax is due in two installments, on November 1<sup>st</sup> and February 1<sup>st</sup>, and becomes a lien on those dates. It becomes delinquent on December 10<sup>th</sup> and April 10<sup>th</sup>, respectively. Unsecured property tax is due on July 1<sup>st</sup> and becomes delinquent on August 31<sup>st</sup>. 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, 2019**

**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	\$ 17,311,589	\$ 8,418,440	\$ 25,730,029
Additions	3,634,534	2,438,607	6,073,141
Payments	(4,834,448)	(1,790,878)	(6,625,326)
Ending Balance	<u>\$ 16,111,675</u>	<u>\$ 9,066,169</u>	<u>\$ 25,177,844</u>
Current Portion	<u>\$ 4,834,448</u>	<u>\$ 3,396,762</u>	<u>\$ 8,231,210</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 prepaid items. In governmental funds, prepaid items are not in spendable form and are therefore included in nonspendable fund balance and recorded on the consumption method.

***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, 2019**

**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. Other post-employment benefits (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 categories. These categories 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.

The City applies restricted resources when an expense is incurred for purposes which both restricted and unrestricted net position are available.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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 assets and deferred outflows of resources, less its liabilities and deferred inflows of resources.

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 Chief Financial Officer. 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.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**R. Capital Assets (Continued)**

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.

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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**S. New Accounting Pronouncements**

Effective in this 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 implemented the requirements of this Statement as of July 1, 2018.

**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 implemented the requirements of this Statement as of July 1, 2018.

Effective in Future Fiscal Year

**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 its 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 its effect on the 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 its effect on the financial statements.

**GASB Statement No. 90** – In September 2018, the GASB issued 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 its effect on the financial statements.

**GASB Statement No. 91** – In May 2019, the GASB issued Statement No. 90, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method for reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for reporting periods beginning after December 15, 2020. The City has not determined its effect on the financial statements.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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:

Primary Government:	
Cash and investments in City Treasury	\$ 674,360,985
Restricted cash and investments with fiscal agents	60,066,816
Total City cash and investments with primary government	734,427,801
Fiduciary Funds (separate statement):	
Cash and investments in City Treasury	162,238,964
Restricted cash and investments with fiscal agents	71,250,985
Total Cash and Investments	\$ 967,917,750

Cash and investments as of June 30, 2019, consist of the following:

Cash in bank and on hand	\$ 42,410,078
Investments	925,507,672
Total Cash and Investments	\$ 967,917,750

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, 2019**

**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 Purchase Agreement	N/A	A	None	None
Local Agency Bonds	5 Years	None	None	None
Repurchase Agreements	1 Year	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	10% (B)
Medium-Term Notes (Corporate 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%
California Asset Management Pool	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, 2019**

**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	30 days	None to A-1
Time Deposits	30 days	None to A-1
Repurchase Agreements	30 days	None to A
Bankers' Acceptances	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, 2019**

**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	\$ 89,315,790	\$ 47,675,093	\$ 217,598,424	\$ 83,615,275	\$ 438,204,582
Forward Purchase Agreement	4,012,747	-	-	-	4,012,747
Commercial Paper	9,974,700	-	-	-	9,974,700
Corporate Notes	5,495,535	59,192,780	149,834,734	-	214,523,049
Money Market Mutual Funds	157,642,454	-	-	-	157,642,454
Supranationals	3,006,990	-	4,994,050	-	8,001,040
Guaranteed Investment Contracts (GIC)	-	-	-	6,068,862	6,068,862
Local Agency Investment Fund	86,254,271	-	-	-	86,254,271
California Asset Management Pool	825,967	-	-	-	825,967
Total	<u>\$ 356,528,454</u>	<u>\$ 106,867,873</u>	<u>\$ 372,427,208</u>	<u>\$ 89,684,137</u>	<u>\$ 925,507,672</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, 2019, the fair value was \$105,090 greater 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, 2019, these investments matured in an average of 173 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, 2019, 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, 2019 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, 2019**

**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, 2019, for each investment type as provided by Standard and Poor's investment rating system:

	AAA / AAAm	AA+ / AA / AA-	A+ / A / A-	A-1+/A-1	Total
<b>Investments:</b>					
Federal agency securities	\$ -	\$ 438,204,582	\$ -	\$ -	\$ 438,204,582
Forward purchase agreement	-	4,012,747	-	-	4,012,747
Commercial paper	-	-	-	9,974,700	9,974,700
Corporate notes	12,533,275	64,473,007	137,516,767	-	214,523,049
California Asset Management Program	825,967	-	-	-	825,967
Supranational	8,001,040	-	-	-	8,001,040
Total	<u>\$ 21,360,282</u>	<u>\$ 506,690,336</u>	<u>\$ 137,516,767</u>	<u>\$ 9,974,700</u>	<u>675,542,085</u>
<b>Not Rated:</b>					
Local Agency Investment Fund					86,254,271
Money Market Mutual Funds					157,642,454
Guaranteed Investment Contracts					6,068,862
Total Investments					<u>\$ 925,507,672</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, 2019:

Issuer	Investment Type	Amount	% of Portfolio
Federal Home Loan Bank	Federal agency securities	169,547,265	18.32%
Federal Home Loan Mortgage Corporation	Federal agency securities	172,184,006	18.60%
Federal National Mortgage Association	Federal agency securities	58,644,458	6.34%

Investments in any one issuer that represent 5 percent or more of total investments by individual funds were as follows at June 30, 2019:

Fund	Issuer	Investment Type	Amount
<b>Major Enterprise Funds:</b>			
Roseville Natural Gas Financing Authority	Wells Fargo Bank	Forward Purchase Agreement	\$ 4,012,747
Water	FSA Security Assurance	Guaranteed Investment Contract	3,918,125

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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, 2019:

Investments at fair value	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal agency securities	\$ 438,204,582		\$ 438,204,582	\$ -
Commercial paper	9,974,700		9,974,700	
Corporate notes	214,523,049		214,523,049	-
Supranational	8,001,040		8,001,040	-
Forward purchase agreements	4,012,747		-	4,012,747
Money market mutual funds	157,642,454	157,642,454		-
Total Investments at fair value	832,358,572	\$ 157,642,454	\$ 670,703,371	\$ 4,012,747
Investments Measured at Amortized Cost				
Guaranteed Investment Contracts (GICs)	6,068,862			
Investments with uncategorized inputs				
Local Agency Investment Fund	86,254,271			
California Asset Management Program	825,967			
Total Investments Measured with uncategorized inputs	87,080,238			
Total Investments	\$ 925,507,672			

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, 2019**

**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, 2019, were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
General fund	State gasoline tax fund	\$ 3,689 (B)
	Landscaping and lighting and services districts fund	3,750,762 (A)
	Grants fund	758,037 (A)
	Development impact fund	16,699 (B)
	General fund capital projects fund	69,583 (B)
	Roadway fund	1,202,218 (B), (C)
	Electric fund	6,495,694 (B), (C)
	Solid waste fund	1,966 (B)
	Wastewater fund	9,853 (B)
	Water fund	9,916 (B)
	Automotive fund	2,009 (B)
	Total general fund	<u>12,320,426</u>
Open space fund	Landscaping and lighting and services districts fund	634,918 (A)
Roseville Community Development Corporation	General fund	55,000 (A)
Golf fund	General fund	2,205,668 (A)
Development impact fund	General fund	211,040 (B)
	Landscaping and lighting and services districts fund	124,650 (A)
	Local transportation fund	26,314 (B)
	Total development impact fund	<u>362,004</u>
Traffic mitigation fund	State gasoline tax fund	150,836 (B)
	Development impact fund	801,803 (B)
	Local transportation fund	18,298 (B)
	Total traffic mitigation fund	<u>970,937</u>
RFA capital fund	RFA debt service fund	866,019 (A)
General fund capital projects fund	General fund	1,072,656 (A),(B)
	State gasoline tax fund	6,090 (B)
	Grants fund	2,826 (B)
	Development impact fund	2,929 (B)
	Information technology fund	167,939 (B)
	Open space fund	5,255 (B)
	Low / Mod income housing asset	5,162 (B)
	Golf fund	12,489 (B)
	Affordable housing fund	425 (B)
	Facilities Maintenance Fund	64,451 (B)
	General liability fund	33,083 (B)
	Automotive fund	53,245 (B)
	Worker's compensation fund	45,119 (B)
	Electric fund	710,617 (B)
	Water fund	230,401 (B)
	Wastewater fund	192,209 (B)
	Solid waste fund	176,583 (B)
	Local transportation fund	189,963 (B)
	School-age childcare fund	67,682 (B)
	Total general fund capital projects fund	<u>3,039,124</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

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

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Roadway fund	State gasoline tax fund	1,871,839 (B)
	Development impact fund	1,427,324 (B)
	Traffic mitigation fund	1,259,404 (B)
	Water fund	754,503 (C)
	Wastewater fund	686,545 (C)
	Solid waste fund	301,453 (C)
	Local transportation fund	4,186,522 (B)
	Total roadway fund	10,487,590
Electric fund	Water fund	90,383 (A)
Water fund	General Fund	1,237 (B)
	Electric fund	4,403 (B)
	Solid waste fund	1,468 (A)
	Wastewater fund	1,216,829 (E)
	Total water fund	1,223,937
Wastewater fund	Water fund	494,832 (A), (B), (C)
Solid waste fund	Water fund	36,883 (A),(B)
	Wastewater fund	24,999 (A),(E)
	Total solid waste fund	61,882
Local transportation fund	General fund	80,824 (A)
	Development impact fund	374,690 (B)
	Roadway fund	129,887 (B)
	Total nonmajor enterprise funds	585,401
Facility maintenance fund	Information technology fund	3,504 (B)
Post retirement fund	General fund	5,883,404 (D)
	Golf fund	3,666 (D)
	Facilities maintenance fund	13,217 (D)
	Information technology fund	101,789 (D)
	Automotive fund	194,350 (D)
	Electric fund	1,037,884 (D)
	Solid waste fund	298,451 (D)
	Water fund	496,266 (D)
	Wastewater fund	559,102 (D)
	Local transportation fund	84,321 (D)
	School-age childcare fund	230,679 (D)
	Total post retirement fund	8,903,129
	Total interfund transfers	

- (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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**C. 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, 2019, interfund balances comprised the following:

Due to Other Funds	Due From Other Funds	Amount
<b>Governmental Funds</b>		
<b>Special Revenue Funds:</b>		
Golf fund	Automotive fund	\$ 127,000 (A)
Golf fund	General fund	72,909 (B)
<b>Capital Projects Fund:</b>		
Development impact fund	General fund	409,042 (A)
Development impact fund	Automotive fund	33,345 (A)
<b>Enterprise Funds</b>		
Roseville Natural Gas Financing Authority	General fund	18,632 (B)
School-age child care fund	Automotive fund	55,000 (A)
		<u>\$ 715,928</u>

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

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

**D. Long-Term Interfund Advances**

At June 30, 2019, 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	\$ 1,475,951
Golf fund	Automotive fund	2,115,000
<b>Capital Projects Funds:</b>		
Development impact fund	General fund	6,691,360
Development impact fund	Automotive fund	500,180
<b>Enterprise Funds</b>		
School-age child care fund	Automotive fund	660,000
	Total	<u>\$ 11,442,491</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 \$147,595 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, 2019, the accrued deferred interest not included in the advance amount in the table above is \$223,042.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

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

**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, 2019 the accrued deferred interest payable not included in the advance amount in the table above is \$2,235,040.

**Development Impact** 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 \$409,042 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 \$564,518 and interest are payable over seven years with final payment in fiscal year 2028.

**Development Impact** 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.

**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: \$57,219 for fiscal 2019, and \$55,000 thereafter.

***E. Internal Balances***

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 4 – RECEIVABLES**

The City nets its Accounts, Interest, and Due From Other Agency receivables together and presents this amount as Receivables in the financial statements. These separate receivables are classified below for the Governmental and Proprietary funds:

	General	Non-Major Governmental Funds	Total Governmental Funds	Governmental Activities Internal Service Funds	Total Governmental Acivities
Interest receivable	\$ 898,763	\$ 3,437,047	\$ 4,335,810	\$ 2,593,759	\$ 6,929,569
Due from other agencies	118,191	7,746,238	7,864,429	1,269	7,865,698
Accounts receivables	16,534,235	3,082,385	19,616,620	51,893	19,668,513
Permits receivables	257,740	944,018	1,201,758	-	1,201,758
Total	<u>\$ 17,808,929</u>	<u>\$ 15,209,688</u>	<u>\$ 33,018,617</u>	<u>\$ 2,646,921</u>	<u>\$ 35,665,538</u>

Business-Type Activities - Enterprise Funds

	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Finance Authority	Non-Major Enterprise Funds Total	Totals
Interest receivable	\$ 1,059,797	\$ 552,263	\$ 322,767	\$ 153,193	\$ 15,630	\$ 21,790	\$ 2,125,440
Due from other agencies	-	32,348	-	-	-	579,922	612,270
Accounts receivables	20,378,492	4,027,874	4,351,877	2,772,213	-	3,086,975	34,617,431
Permits receivables	125,941	1,602,451	1,429,187	72,160	-	6,685	3,236,424
Total	<u>\$ 21,564,230</u>	<u>\$ 6,214,936</u>	<u>\$ 6,103,831</u>	<u>\$ 2,997,566</u>	<u>\$ 15,630</u>	<u>\$ 3,695,372</u>	<u>\$ 40,591,565</u>

**NOTE 5 – NOTES RECEIVABLE**

The City engages in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms. 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, 2019:

Flood Loan Notes	\$ 6,633
Housing Elevation Notes	10,000
Water Meter Notes Receivable	65,654
Tenant Improvement Notes Receivable	455,952
Flood Control Loan	601,397
First Time Home-Buyer Notes	14,858,437
Due From Successor Agency	18,302,724
Housing Rehabilitation and Affordable Housing Notes	19,382,403
Total	<u>\$ 53,683,200</u>

**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, 2019 was \$6,633.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 5 – 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, 2019, 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, 2019 was \$65,654.

***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, 2019 was \$104,965.

The Roseville Community Development Corporation (RCDC) entered into a lease agreement with a Tenant at 238 Vernon Street in Roseville. 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. The Second Amendment to the lease dated July 31, 2018 resulted in a deferment to the Lease for the months of July, August and September 2018 to be repaid over the course of sixteen (16) months commencing on October 1, 2018. Payments of \$2,582 are due monthly through January of 2020 and then \$2,174 through the term of then loan with the final payment scheduled in October 2025. There is no stated interest rate in the agreement. In addition, the RCDC entered into a payment plan for outstanding lease payments with the tenant at 238 Vernon Street for \$182,880. The balance of the two notes at June 30, 2019 is \$350,987.

***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, 2019, 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 residents. 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. The balance of the notes receivable arising from this program at June 30, 2019, was \$14,858,437.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 5 – 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, 2019 is \$18,302,724.

***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 homeowners 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, 2019, was \$19,382,403.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 6 – DEVELOPER PERMIT FEES RECEIVABLE**

The City has entered into a number of agreements with developers to defer permit fees for various projects within the City. 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 \$1,201,758 at June 30, 2019.

**NOTE 7 – 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***

On March 20, 2019, City Council approved an Exclusive Right to Negotiate Agreement between the City and West Roseville, LLC for the purchase and sale of substantially similar properties. The land identified in this deal is within the West Roseville Specific Plan, a portion of APN 492-012-004-000. As of June 30, 2019, the total fair value of the land held by the City was \$4,023,000.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 – CAPITAL ASSETS**

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

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance at June 30, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 128,401,482	\$ 4,527,185	\$ (4,157,179)	\$ 50,006	\$ 128,821,494
Streets (modified)	331,174,359	2,788,054	-	11,304,847	345,267,260
Construction in progress	35,353,553	18,478,561	-	(29,066,887)	24,765,227
Total capital assets not being depreciated	<u>494,929,394</u>	<u>25,793,800</u>	<u>(4,157,179)</u>	<u>(17,712,034)</u>	<u>498,853,981</u>
Capital assets, being depreciated:					
Buildings	190,895,093	-	(877,933)	1,568,368	191,585,528
Improvements	21,713,160	206,786	(488,786)	234,545	21,665,705
Vehicles & equipment	67,737,018	4,312,165	(3,592,364)	3,404,681	71,861,500
Parks	83,417,155	1,001,969	-	3,432,274	87,851,398
Landscaping	53,902,047	174,024	-	1,851,301	55,927,372
Bike paths	9,838,037	21,058	-	145,988	10,005,083
Bridges	73,232,976	-	-	1,760,616	74,993,592
Culverts	20,746,285	-	-	331,082	21,077,367
Curb, gutter, sidewalk, and median curbs	173,040,665	1,733,561	-	3,506,783	178,281,009
Drain inlets	22,027,154	-	-	-	22,027,154
Flood control improvements	20,639,850	-	-	-	20,639,850
Soundwall	41,338,020	219,100	-	-	41,557,120
Storm drains	99,773,584	2,427,011	-	1,375,731	103,576,326
Traffic signals	-	304,005	-	71,313	375,318
Total capital assets being depreciated	<u>878,301,044</u>	<u>10,399,679</u>	<u>(4,959,083)</u>	<u>17,682,682</u>	<u>901,424,322</u>
Less accumulated depreciation for:					
Buildings	(68,603,339)	(4,562,119)	110,936	-	(73,054,522)
Improvements	(10,593,793)	(550,694)	100,297	(168,406)	(11,212,596)
Vehicles & equipment	(49,011,708)	(5,472,734)	3,494,659	197,758	(50,792,025)
Parks	(47,744,107)	(2,536,032)	-	-	(50,280,139)
Landscaping	(43,631,742)	(1,849,567)	-	-	(45,481,309)
Bike paths	(7,589,659)	(268,408)	-	-	(7,858,067)
Bridges	(13,524,801)	(815,330)	-	-	(14,340,131)
Culverts	(6,658,403)	(278,824)	-	-	(6,937,227)
Curb, gutter, sidewalk, and median curbs	(129,361,886)	(4,827,776)	-	-	(134,189,662)
Drain inlets	(10,347,509)	(440,543)	-	-	(10,788,052)
Flood control improvements	(4,334,216)	(275,199)	-	-	(4,609,415)
Soundwall	(14,865,062)	(1,179,038)	-	-	(16,044,100)
Storm drains	(20,253,658)	(1,355,125)	-	-	(21,608,783)
Traffic signals	-	(12,125)	-	-	(12,125)
Total accumulated depreciation	<u>(426,519,883)</u>	<u>(24,423,514)</u>	<u>3,705,892</u>	<u>29,352</u>	<u>(447,208,153)</u>
Net capital assets being depreciated	<u>451,781,161</u>	<u>(14,023,835)</u>	<u>(1,253,191)</u>	<u>17,712,034</u>	<u>454,216,169</u>
Governmental activities capital assets, net	<u>\$ 946,710,555</u>	<u>\$ 11,769,965</u>	<u>\$ (5,410,370)</u>	<u>\$ -</u>	<u>\$ 953,070,150</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

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

	Balance at June 30, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
<b><i>Business-type activities</i></b>					
Capital assets, not being depreciated:					
Land	\$ 12,025,112	\$ -	\$ -	\$ 54,576	\$ 12,079,688
Streets (modified)	700,494	-	-	1,603,997	2,304,491
Construction in progress	41,564,611	48,000,209	-	(35,258,352)	54,306,468
Total capital assets not being depreciated	<u>54,290,217</u>	<u>48,000,209</u>	<u>-</u>	<u>(33,599,779)</u>	<u>68,690,647</u>
Capital assets, being depreciated:					
Buildings	22,922,451	-	-	378,439	23,300,890
Improvements	10,040,043	10,000	(1,064,732)	1,082,394	10,067,705
Vehicles & equipment	43,217,162	666,447	(1,074,221)	1,261,009	44,070,397
Landscaping	824,823	-	-	759,765	1,584,588
Bike paths	5,618,871	-	-	912,811	6,531,682
Bridges	1,702,403	-	-	9,418,143	11,120,546
Culverts	356,961	-	-	-	356,961
Curb, gutter, sidewalk, and median curbs	463,996	-	-	354,813	818,809
Drain inlets	63,958	-	-	49,893	113,851
Flood control improvements	8,830,439	-	-	-	8,830,439
Storm drains	85,960	-	-	92,950	178,910
Traffic signals	52,593,732	684,318	(8,130)	18,870,419	72,140,339
Plants and substations	372,522,215	-	(7,173,185)	13,422,959	378,771,989
Distribution	1,424,126,619	46,714,204	(879,639)	(13,621,130)	1,456,340,054
Generation	203,074,864	-	-	646,666	203,721,530
Total capital assets being depreciated	<u>2,146,444,497</u>	<u>48,074,969</u>	<u>(10,199,907)</u>	<u>33,629,131</u>	<u>2,217,948,690</u>
Less accumulated depreciation for:					
Buildings	(7,888,956)	(577,780)	-	(30,917)	(8,497,653)
Improvements	(2,687,425)	(281,389)	693,506	(57,823)	(2,333,131)
Vehicles & equipment	(23,727,352)	(3,714,246)	1,074,222	240,951	(26,126,425)
Landscaping	(589,164)	(22,902)	-	-	(612,066)
Bike paths	(2,410,560)	(294,487)	-	-	(2,705,047)
Bridges	(179,698)	(18,916)	-	-	(198,614)
Culverts	(44,691)	(4,759)	-	-	(49,450)
Curb, gutter, sidewalk, and median curbs	(101,560)	(25,486)	-	-	(127,046)
Drain inlets	(6,737)	(1,306)	-	-	(8,043)
Flood control improvements	(765,305)	(117,739)	-	-	(883,044)
Storm drains	(7,712)	(1,622)	-	-	(9,334)
Traffic signals	(29,704,646)	(2,465,736)	8,130	(7,650,887)	(39,813,139)
Plants and substations	(141,575,608)	(8,476,075)	6,772,197	(94,222)	(143,373,708)
Distribution	(352,869,613)	(20,920,484)	700,694	7,629,549	(365,459,854)
Generation	(110,889,180)	(10,807,987)	-	(66,003)	(121,763,170)
Total accumulated depreciation	<u>(673,448,207)</u>	<u>(47,730,914)</u>	<u>9,248,749</u>	<u>(29,352)</u>	<u>(711,959,724)</u>
Net capital assets being depreciated	<u>1,472,996,290</u>	<u>344,055</u>	<u>(951,158)</u>	<u>33,599,779</u>	<u>1,505,988,966</u>
Business-type activities capital assets, net	<u>\$ 1,527,286,507</u>	<u>\$ 48,344,264</u>	<u>\$ (951,158)</u>	<u>\$ -</u>	<u>\$ 1,574,679,613</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**C. Depreciation Allocation**

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

**Governmental Activities**

General government	\$ 966,748
Development & operations	216,622
Public works	10,736,797
Police	1,557,379
Fire	1,419,386
Library	775,349
Parks and recreation	6,259,778
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	2,491,455
<b>Total Governmental Activities</b>	<b>\$ 24,423,514</b>

**Business-Type Activities**

Electric	\$ 22,881,809
Water	9,982,442
Wastewater	12,941,654
Solid waste	243,680
Local transportation	1,605,605
School-age child care	75,724
<b>Total Business-Type Activities</b>	<b>\$ 47,730,914</b>

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

The City has elected to use the modified approach with respect to its streets. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 65, instead of providing depreciation. During fiscal year 2019, the City expended \$12,364,850 to preserve its streets. The City estimates that it will be required to expend approximately \$5,265,978 in fiscal year 2020 to maintain its roads at this condition level.

**NOTE 9 – LONG-TERM DEBT**

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 – 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, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
<b>Governmental Activities Debt:</b>						
<b>Direct Placement Debt:</b>						
<b>Lease:</b>						
2013 Public Facilities Refunding 2.15%, due 8/1/25	\$ 16,324,609	\$ 10,084,435	\$ -	\$ (1,289,313)	\$ 8,795,122	\$ 1,312,787
<b>Loans:</b>						
Successor Agency	4,072,574	3,981,145	-	(17,066)	3,964,079	17,760
Total Direct Placement	<u>20,397,183</u>	<u>14,065,580</u>	<u>-</u>	<u>(1,306,379)</u>	<u>12,759,201</u>	<u>1,330,547</u>
<b>Certificates of Participation</b>						
2015 316 Vernon Street Project 2.00%-5.25%, due 2/1/34 Add: debt premium	14,425,000	13,960,000	-	(255,000)	13,705,000	265,000
	-	778,632	-	(27,810)	750,822	-
<b>Total Governmental Activities Debt</b>	<u>\$ 34,822,183</u>	<u>\$ 28,804,212</u>	<u>\$ -</u>	<u>\$ (1,589,189)</u>	<u>\$ 27,215,023</u>	<u>\$ 1,595,547</u>
<b>Business-Type Activities Debt:</b>						
<b>Direct Placement Debt:</b>						
<b>Certificates of Participation</b>						
2012 Electric System Revenue Refunding variable rate, due 2/1/35	\$ 90,000,000	\$ 90,000,000	\$ -	\$ -	\$ 90,000,000	\$ -
2013 Refunding Wastewater Revenue Bonds variable rate, due 11/1/35	36,582,878	36,582,878	1,726,503	-	38,309,381	-
Total Direct Placement Debt	<u>126,582,878</u>	<u>126,582,878</u>	<u>1,726,503</u>	<u>-</u>	<u>128,309,381</u>	<u>-</u>
<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	3,010,000	-	(1,795,000)	1,215,000	1,215,000
Add: bond premium	396,611	34,958	-	(17,480)	17,478	-
Total Certificates of Participation	<u>66,618,357</u>	<u>3,049,958</u>	<u>-</u>	<u>(1,812,480)</u>	<u>1,237,478</u>	<u>1,215,000</u>
<b>Revenue Bonds</b>						
2007 Gas Revenue Bonds 4.00%-5.00%, due 2/15/20	209,350,000	129,750,000	-	(10,275,000)	119,475,000	10,800,000
Add: bond premium	15,454,116	6,623,194	-	(735,912)	5,887,282	-
2010 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/37	55,845,000	1,050,000	-	(505,000)	545,000	545,000
Add: bond premium	2,764,207	30,465	-	(15,233)	15,232	-
2013 Electric System Revenue Refunding 2.0%-5.00%, due 2/1/29	48,780,000	34,890,000	-	(4,695,000)	30,195,000	4,920,000
Add: bond premium	5,899,513	4,055,913	-	(368,717)	3,687,196	-
2011 Refunding Wastewater Revenue Bonds, Series C 1.00%-5.25%, due 11/1/25	36,315,568	9,125,680	430,680	(2,963,763)	6,592,597	3,180,073
Add: bond premium	2,839,017	473,030	22,324	(172,572)	322,782	-
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	1,703,382	-	(106,464)	1,596,918	-
2015 Water Utility Revenue Refunding 2.00%-5.00%, due 12/1/30	42,565,000	35,330,000	-	(2,435,000)	32,895,000	2,560,000
Add: bond premium	6,899,891	5,543,573	-	(461,965)	5,081,608	-
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	4,587,086	-	(241,425)	4,345,661	-
2017B Taxable Electric System Revenue Refunding 1.03%-2.41%, due 2/1/22	6,265,000	6,075,000	-	(135,000)	5,940,000	780,000
2017 Wastewater Revenue Bonds 5.00%, due 11/1/37	46,109,348	46,109,348	2,176,098	-	48,285,446	-
Add: bond premium	10,618,219	10,087,307	476,063	(555,966)	10,007,404	-
Total Revenue Bonds	<u>569,599,040</u>	<u>368,128,978</u>	<u>3,105,165</u>	<u>(23,667,017)</u>	<u>347,567,126</u>	<u>22,785,073</u>
<b>Total Business-Type Activities Debt:</b>	<u>\$ 762,800,275</u>	<u>\$ 497,761,814</u>	<u>\$ 4,831,668</u>	<u>\$ (25,479,497)</u>	<u>\$ 477,113,985</u>	<u>\$ 24,000,073</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***B. Direct Placement Debt***

***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, 2019 was \$8,795,122 in governmental activities.

***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, 2019.

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, 2019, the note bears interest of 2.288 percent with interest accrued of \$524,260. The principal amount outstanding as of June 30, 2019 was \$3,469,049.

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, 2019 is \$495,030.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***B. Direct Placement Debt (Continued)***

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

On November 7, 2012, the City entered into a direct placement agreement with U. S. Bank for the purchase of the 2012 bonds. The COPSs were issued to refund and retire the outstanding balance of the 2008A Electric System Revenue COPS. As of June 30, 2019, the City's outstanding debt from direct borrowing of \$90,000,000 are subject to special redemption prior to their respective stated date of maturity by the City upon written notice. There is no provision for early redemption by U.S. Bank (Purchaser).

The bonds are secured by a pledge of the net revenue of the Electric Department. The revenue may not be used for any other purpose while any of the bonds remain outstanding.

The continuing covenant agreement for the bonds includes a provision that in an event of default, the repayment of the outstanding principal plus any accrued interest becomes immediately due. The City is responsible for cost increases caused by the adoption of a law or rule applicable to the bonds, changes in the taxes or tax basis of the Purchaser or Credit Protection Provider.

The terms of this agreement were renewed on April 20, 2016, and will expire on November 1, 2019. 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 3.889 percent for the year ended June 30, 2019. The COPS are subject to mandatory prepayment annually beginning February 1, 2023 through 2035. The balance outstanding as of June 30, 2019 is \$90,000,000.

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

On April 1, 2013 the South Placer Wastewater Authority entered into a direct placement agreement with U.S. Bank for the purchase of the 2013 Bonds. As of June 30, 2019, the Authority's outstanding debt from direct borrowing of \$59,330,000 are subject to special redemption prior to their respective state date of maturity by the Authority upon written notice. There is no provision for early redemption by U.S. Bank. The City's share of this obligation as of June 30, 2019 is \$36,582,878.

The bonds are secured by a pledge of a portion revenue from the Authority's connection and impact fees paid by each of the Authority participants as a result of real estate development that is sufficient to pay the principal and interest on the debt. The Revenue may not be used for any other purpose while any of the bonds remain outstanding.

The continuing covenant agreement for the bonds includes a provision that in an event of default, the repayment of the outstanding principal plus any accrued interest becomes immediately due.

The terms of this agreement expire on April 1, 2020, at which time, the Authority may negotiate to renew the terms of the agreement, find an alternative security, or pay off the outstanding balance of the debt.

As described in more detail in Note 17, effective January 31, 2019, the City's proportionate share of the obligation increased to 64.57 percent. As a result, the City's share of the 2013 obligation increased by \$1,726,503. The City's share of the balance outstanding as of June 30, 2019 is \$38,309,381.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***B. Direct Placement Debt (Continued)***

The 2013 Bonds were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Indenture to mean the per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of the Applicable Spread (initially 0.625 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, 2019 was 2.271 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 remains outstanding after the refunding and issuance of the 2013 Bonds. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the 2011C and 2013 Bonds was 4.183% for the year ended June 30, 2019. The balance outstanding as of June 30, 2019 is \$38,309,381.

***C. Certificates of Participation***

***2015 316 Vernon Street Project Certificates of Participation***

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, 2019 was \$13,705,000.

***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 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.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***C. Certificates of Participation (Continued)***

***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 9D. Principal payments are due annually through fiscal year 2020. The balance outstanding as of June 30, 2019 is \$1,215,000.

***D. Revenue Bonds***

***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 (the Bonds), to finance a lump sum prepayment to a Gas Supplier (See Note 20A) 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 20C) 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, 2019 is \$119,475,000. As of June 30, 2019, the total principal and interest to be paid on the bonds was \$151,301,000. For fiscal year 2019, net revenues amounted to \$23,698,017, which represented coverage of 143 percent over the \$16,569,844 in debt service.

***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. Principal payments are due annually on February 1 through 2020. The balance outstanding as of June 30, 2019 is \$545,000.

***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, 2019 is \$30,195,000.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***D. Revenue Bonds (Continued)***

***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.

As described in more detail in Note 17, effective January 31, 2019 the City's proportionate share of the obligation increased to 64.57 percent. As a result, the City's share of the 2011C obligation increased by \$430,680. The remaining Series 2011C Bonds bear interest at 5.00 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 City's share of the balance outstanding as of June 30, 2019 is \$6,592,597.

***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, 2019 is \$16,485,000.

***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, 2019, the total principal and interest remaining to be paid on the bonds was \$41,815,225. 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 2019, net revenues amounted to \$27,467,010 which represented coverage of 667 percent over the \$4,120,179 in debt service. The balance outstanding as of June 30, 2019 is \$32,895,000.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***D. Revenue Bonds (Continued)***

***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, 2019 is \$56,210,000.

***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 2037. The balance outstanding as of June 30, 2019 is \$5,940,000.

***Electric Bonds Net Revenue Summary***

As of June 30, 2019, 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 \$271,094,009. 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 2019, net revenues amount to \$51,450,566 which represents coverage of 327% over the \$15,730,147 in debt service.

***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. As described in more detail in Note 17, effective January 31, 2019 the City's proportionate share of the obligation increased to 64.57%. As a result, the City's share of the 2017 obligation increased by \$2,176,098. 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, 2019 is \$48,285,446.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**D. Revenue Bonds (Continued)**

***Wastewater Bonds Net Revenue Summary***

As of June 30, 2019, the total principal and interest remaining to be paid on the 2011 Series C, the 2013 Bonds and the 2017 Bonds was \$128,100,932. 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 17, 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 2019, \$6,447,773 in debt service was paid from the Rate Stabilization Account.

**E. 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. Additionally, the South Placer Wastewater Authority (SPWA), in which the City has a 64.57 interest, 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, 2019, 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.	A+	3.321%	70.5% of 1m LIBOR	2/1/2035
2011 Refunding Wastewater Revenue Bonds, series C and D and 2013 Refunding Wastewater Revenue Bonds	<u>16,581,576</u> <sup>(A)</sup>	9/6/2017	Morgan Stanley Capital Services Inc.	A+	3.665%	62% of 1m LIBOR plus 26 bps	11/1/2023
	<u>\$ 106,581,576</u>						

- (A) SPWA's swap agreement is based on the notional amount of \$25,680,000. The City's share is 64.57%, or \$16,581,576. Only the City's portion of the swap agreement is shown above, since the City was only obligated for that portion of SPWA's bonds.
- (B) Credit rating by Standard & Poor's Agency

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

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

Based on the swap agreements, the City owes interest calculated at a fixed rate to the counterparty of the swap. In return, the counterparty owes the City interest based on the variable rate that approximates the rate required by the associated COPs and Bonds. Debt principal is not exchanged; it is only the basis on which the swap receipts and payments are calculated.

*Fair value.* Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. 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, 2019, the fair value of the swaps was not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2019	2018
2012 Electric System Revenue Refunding COP (based on notional amount of 2008 Electric System Revenue COP, Series A)		
Bank of America N.A.	\$ (6,538,818)	\$ (4,502,258)
Morgan Stanley Capital Services Inc.	(9,600,344)	(6,538,828)
	(16,139,162)	(11,041,086)
2013 SPWA Refunding Wastewater Revenue Bonds	(872,530)	(890,941)
	\$ (17,011,692)	\$ (11,932,027)

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

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

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

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

*Rollover Risk.* Rollover risk is the risk that the swap associated with a debt issue matures or may be terminated prior to the maturity of the associated debt. When the swap terminates or a termination option is exercised by the counterparty, the City will be re-exposed to the risks being hedged by the swap. The swap 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.

*Swap payments and associated debt.* Using rates as of June 30, 2019, 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, 2019:

For the Year Ending June 30	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2020	\$ -	\$ 2,874,887	\$ 1,757,572	\$ 4,632,459
2021	-	2,874,887	1,690,894	4,565,781
2022	-	2,874,887	1,621,738	4,496,625
2023	4,875,000	2,829,375	1,516,638	9,221,013
2024	5,700,000	2,712,444	1,377,765	9,790,209
2025-2029	32,000,000	11,511,335	5,308,874	48,820,209
2030-2034	64,729,740	6,108,645	2,412,582	73,250,967
2035-2036	21,004,641	346,310	83,376	21,434,327
Totals	<u>\$ 128,309,381</u>	<u>\$ 32,132,770</u>	<u>\$ 15,769,439</u>	<u>\$ 176,211,590</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**F. Debt Service Requirements**

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

For the Year Ending June 30	Governmental Activities					
			Private Placement Lease and Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 265,000	\$ 622,888	\$ 1,330,547	\$ 280,889	\$ 1,595,547	\$ 903,777
2021	275,000	610,713	1,356,883	251,803	1,631,883	862,516
2022	290,000	596,588	1,385,185	222,126	1,675,185	818,714
2023	305,000	581,713	2,181,677	191,817	2,486,677	773,530
2024	320,000	566,088	1,770,577	133,963	2,090,577	700,051
2025-2029	1,860,000	2,567,188	3,693,616	285,705	5,553,616	2,852,893
2030-2034	2,345,000	2,068,069	1,040,719	44,316	3,385,719	2,112,385
2035-2039	2,865,000	1,540,841	-	-	2,865,000	1,540,841
2040-2044	3,520,000	859,134	-	-	3,520,000	859,134
2045-2046	1,660,000	84,000	-	-	1,660,000	84,000
Totals	13,705,000	\$ 10,097,222	12,759,201	\$ 1,410,619	26,464,201	\$ 11,507,841
<b>Reconciliation of long-term debt</b>						
Add deferred bond premium	750,822		-		750,822	
Net long-term debt	\$ 14,455,822		\$ 12,759,201		\$ 27,215,023	

For the Year Ending June 30	Business-type Activities					
			Private Placement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 24,000,073	\$ 15,115,536	\$ -	\$ 2,874,887	\$ 24,000,073	\$ 17,990,423
2021	25,292,525	13,941,548	-	2,874,887	25,292,525	16,816,435
2022	26,346,780	12,746,649	-	2,874,887	26,346,780	15,621,536
2023	22,873,603	11,484,662	4,875,000	2,874,887	27,748,603	14,359,549
2024	23,885,112	10,348,194	5,700,000	2,765,658	29,585,112	13,113,852
2025-2029	120,966,606	32,504,991	32,000,000	11,810,081	152,966,606	44,315,072
2030-2034	25,426,631	13,912,238	64,729,740	6,470,406	90,156,371	20,382,644
2035-2039	49,051,713	5,184,647	21,004,641	427,298	70,056,354	5,611,945
2040-2044	-	-	-	-	-	-
2045-2046	-	-	-	-	-	-
Totals	317,843,043	\$ 115,238,465	128,309,381	\$ 32,972,991	446,152,424	\$ 148,211,456
<b>Reconciliation of long-term debt</b>						
Add deferred bond premium	30,961,561		-		30,961,561	
Net long-term debt	\$ 348,804,604		\$ 128,309,381		\$ 477,113,985	

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

**G. 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, 2019, is as follows:

	<u>Maturity Date</u>	<u>Outstanding Balance</u>
Roseville Fiddymment Ranch Community Facilities District #1, Series 2017	9/1/2036	\$ 45,135,000
Roseville Fiddymment Ranch Community Facilities District #5, Series 2017	9/1/2047	23,845,000
Highland Reserve North Community Facilities District #1, Series 2006	9/1/2027	15,748,000
Woodcreek East Community Facilities District #1, Series 2006	9/1/2027	3,355,000
Diamond Creek Community Facilities District #1, Series 2007	9/1/2037	5,375,000
Crocker Ranch Community Facilities District #1, Series 2007	9/1/2033	14,395,000
Stoneridge East Community Facilities District #1, Series 2007	9/1/2031	11,285,000
Stoneridge West Community Facilities District #1, Series 2007	9/1/2031	8,820,000
Stoneridge Parcel 1 Community Facilities District #1, Series 2007	9/1/2030	1,280,000
Fountains Community Facilities District No. 1 Special Tax Bonds Series 2016	9/1/2038	10,645,000
Northwest Community Facilities District #1, Series 2012	9/1/2020	4,190,000
Northeast Community Facilities District #2, Series 2012	9/1/2021	2,310,000
Longmeadow Parkside Community Facilities District #1 Special Tax Refunding Bonds, Series 2013	9/1/2036	6,905,000
Westbrook Community Facilities District #1 Special Tax Bonds, Series 2014	9/1/2044	14,150,000
Woodcreek West Community Facilities District #1 Refunding Bonds, Series 2015	9/1/2030	11,470,000
North Roseville Community Facilities District #1 Refunding Bonds, Series 2015	9/1/2023	6,760,000
Westpark Community Facilities District #1 Special Tax Refunding Bonds, Series 2015	9/1/2037	66,895,000
HP Campus Oaks Community Facilities District #1 Special Tax Bonds, Series 2016	9/1/2046	22,745,000
Stone Point Community Facilities District # 1 Special Tax Bonds, Series 2017	9/1/2028	5,225,000
Stone Point Community Facilities District # 5 Special Tax Bonds, Series 2017	9/1/2036	4,595,000
Placer Valley Sports Complex and Tourism Marketing District	8/5/2037	33,150,000
Westbrook Community Facilities District #1, Series 2018	9/1/2048	11,615,000
Westbrook Community Facilities District #1, Series 2019	9/1/2049	14,010,000
	Total	<u>\$ 343,903,000</u>

**NOTE 10 – DERIVATIVE INSTRUMENTS**

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

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

The City applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred 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, 2019**

**NOTE 10 – 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, 2019.

	2019 Change in Fair Value		Fair Value, End of Fiscal Year 2019		Notional	Level
	Classification	Amount	Classification	Amount		
<b>Effective Cash Flow Hedges</b>						
<b>Electric Fund</b>						
Pay Fixed SWAP, Natural Gas	Deferred Outflow	\$ (2,036,560)	Derivative	\$ (6,538,818)	2,282,500 mmBtu	2
Pay Fixed SWAP, Natural Gas	Deferred Outflow	(3,061,516)	Derivative	(9,600,344)	342,000 MWh	2
				<u>\$ (16,139,162)</u>		
<b>Roseville Natural Gas Financing Authority</b>						
Pay Fixed SWAP, Natural Gas	Deferred Inflow	\$ (1,191,882)	Derivative	\$ 12,583,591	34,513,500 mmBtu	2
Receive Fixed SWAP, Natural Gas	Deferred Inflow	(7,802,704)	Derivative	83,190,862	76,000-372,000 monthly mmBtu	2
				<u>\$ 95,774,453</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, 2019, 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, 2019 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	152,500 mmBtu	8/1/2019	6/30/2020	Pay \$2.89; Receive NGI PG&E citygate price	ConocoPhillips	A3
Hedge Cash Flows on PG&E citygate Gas	610,000 mmBtu	1/1/2020	6/30/2022	Pay \$3.07; Receive NGI PG&E citygate price	EDF Trading North America	Baa2
Hedge Cash Flows on PG&E citygate Gas	3,800,000 mmBtu	8/1/2019	3/31/2022	Pay \$3.04; Receive NGI PG&E citygate price	J Aron & Company	A3
Hedge Cash Flows on PG&E citygate Gas	915,000 mmBtu	1/1/2020	12/31/2020	Pay \$3.13; Receive NGI PG&E citygate price	Shell Trading Risk Management	A2
<b>Forward Contracts, Power:</b>						
Hedge Cash Flows on NP15 Power	192,600 MWh	7/1/2019	12/31/2019	Average Cost/Unit at \$37.50	Conoco Phillips	A3
Hedge Cash Flows on NP15 Power	246,000 MWh	7/1/2019	12/31/2021	Average Cost/Unit at \$39.80	EDF Trading North	Baa2
Hedge Cash Flows on NP15 Power	123,000 MWh	7/1/2019	12/31/2020	Average Cost/Unit at \$38.25	Macquarie Energy	A2
<b>Commodity Swaps, Gas:</b>						
Prepayment 20-year supply of Natural Gas	20,426,500 mmBtu	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 75,000 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, 2019**

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

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

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

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

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

***A. 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, 2019 of \$8,293,737. 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, 2019 of \$4,307,209. The City is expecting to eliminate this deficit with future program revenues and transfers from the general fund.

The Information Technology Fund had deficit net position at June 30, 2019 of \$3,315,147. 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, 2019**

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

**B. Classifications**

Detailed classifications of the City’s Fund Balances, as of June 30, 2019, are below:

Fund Balance Classifications	General Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>			
Items not in spendable form:			
Prepays	\$ 88,688	\$ -	\$ 88,688
Notes receivable	11,991,518	-	11,991,518
Inventories	220,799	-	220,799
Subtotal	<u>12,301,005</u>	<u>-</u>	<u>12,301,005</u>
Amounts required to be maintained intact:			
Permanent funds	-	17,782,400	17,782,400
<b>Total Nonspendable Fund Balances</b>	<u>12,301,005</u>	<u>17,782,400</u>	<u>30,083,405</u>
<b>Restricted for:</b>			
Community facilities districts	-	31,513,713	31,513,713
Debt service	-	11,050	11,050
Landscape and lighting	-	13,955,492	13,955,492
Street projects	-	18,483,971	18,483,971
Affordable housing	-	15,701,348	15,701,348
Technology replacement	-	1,484,614	1,484,614
Local access television	-	1,439,541	1,439,541
Public safety services and projects	-	1,247,962	1,247,962
Open space maintenance	-	771,007	771,007
Traffic projects	-	25,683,477	25,683,477
Federal grant programs	-	1,447,421	1,447,421
Wildlife preservation	-	1,151,555	1,151,555
Community development	-	1,139,195	1,139,195
Tree propagation	-	2,298,386	2,298,386
Aquatics complex maintenance	-	20,202	20,202
Other capital projects	-	61,731,302	61,731,302
<b>Total Restricted Fund Balances</b>	<u>-</u>	<u>178,080,236</u>	<u>178,080,236</u>
<b>Committed to:</b>			
Emergency reserve	14,092,262	-	14,092,262
<b>Total Committed Fund Balances</b>	<u>14,092,262</u>	<u>-</u>	<u>14,092,262</u>
<b>Assigned to:</b>			
Open space maintenance	125,004	-	125,004
ADA compliance	76,777	-	76,777
Annual parks and recreation facility maintenance	385,199	-	385,199
Police operations and supplies	220,872	-	220,872
Fire operations and supplies	307,465	-	307,465
Development services	2,393,231	-	2,393,231
Public works projects	70,116	-	70,116
Various contracts	439,416	-	439,416
Building and general rehabilitation projects	-	9,255,262	9,255,262
<b>Total Assigned Fund Balances</b>	<u>4,018,080</u>	<u>9,255,262</u>	<u>13,273,342</u>
<b>Unassigned:</b>			
General fund	38,041,602	-	38,041,602
Other governmental fund deficit residuals	-	(4,307,209)	(4,307,209)
<b>Total Unassigned Fund Balances</b>	<u>38,041,602</u>	<u>(4,307,209)</u>	<u>33,734,393</u>
<b>Total Fund Balances</b>	<u>\$ 68,452,949</u>	<u>\$ 200,810,689</u>	<u>\$ 269,263,638</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 12 – PENSION PLANS**

**Plan Descriptions** – Substantially all full-time 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, 2019, are summarized as follows:

	Safety	
	Prior to January 1, 2013	After January 1, 2013
Hire date		
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.000%	2.0% - 2.7%
Required employee contribution rates	9.000%	12.250%
Required employer contribution rates	23.172% + \$5,883,796	12.250%
	Miscellaneous	
	Prior to January 1, 2013	After January 1, 2013
Hire date		
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of annual salary	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	10.179% + \$13,873,846	6.250%

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	756	213
Inactive employees entitled to but not yet receiving benefits	746	76
Active employees	<u>1,015</u>	<u>220</u>
Total	<u><u>2,517</u></u>	<u><u>509</u></u>

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The City made contributions of \$20,601,494 to the miscellaneous plan and \$12,920,861 to the safety plan during the year ended June 30, 2019.

**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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
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	7.15% (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, 2019**

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

**Net Pension Liability (Continued)**

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period of 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

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

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

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

Asset Class	Target Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	-	77.00%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	-	0.00%	-0.90%
Total	<u>100%</u>		

<sup>1</sup> An expected inflation of 2.0% used for this period

<sup>2</sup> An expected inflation of 2.92% used for this period

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 12 – 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, 2018 follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Miscellaneous Plan:</b>			
<b>Balance at June 30, 2018</b>	\$ 632,299,916	\$ 403,695,744	\$ 228,604,172
<b>Changes in the year:</b>			
Service Cost	15,197,311	-	15,197,311
Interest on the total pension liability	44,939,359	-	44,939,359
Changes in Assumptions	(5,705,470)	-	(5,705,470)
Differences between expected and actual experience	8,065,105	-	8,065,105
Plan to Plan Resource Movement	-	(1,010)	1,010
Contribution - employer	-	19,671,137	(19,671,137)
Contribution - employee	-	6,408,266	(6,408,266)
Net Investment Income	-	34,705,395	(34,705,395)
Benefit payments, including refunds of employee contributions	(27,471,425)	(27,471,425)	-
Administrative expenses	-	(629,069)	629,069
Other Miscellaneous Income/(Expense)	-	(1,194,613)	1,194,613
<b>Net changes</b>	<u>35,024,880</u>	<u>31,488,681</u>	<u>3,536,199</u>
<b>Balance at June 30, 2019</b>	<u>667,324,796</u>	<u>435,184,425</u>	<u>232,140,371</u>
<b>Safety Plan:</b>			
<b>Balance at June 30, 2018</b>	318,916,576	211,262,435	107,654,141
<b>Changes in the year:</b>			
Service Cost	8,932,221	-	8,932,221
Interest on the total pension liability	22,591,319	-	22,591,319
Changes of Assumptions	(6,138,658)	-	(6,138,658)
Differences between expected and actual experience	5,319,784	-	5,319,784
Plan to Plan Resource Movement	-	(530)	-
Contribution - employer	-	10,743,429	(10,743,429)
Contribution - employee	-	2,505,197	(2,505,197)
Net Investment Income	-	17,996,253	(17,996,253)
Benefit payments, including refunds of employee contributions	(13,202,641)	(13,202,641)	-
Administrative expenses	-	(329,205)	329,205
Other Miscellaneous Income/(Expense)	-	(625,166)	625,166
<b>Net changes</b>	<u>17,502,025</u>	<u>17,087,337</u>	<u>414,158</u>
<b>Balance at June 30, 2019</b>	<u>336,418,601</u>	<u>228,349,772</u>	<u>108,068,299</u>
<b>Totals of both miscellaneous and safety plans</b>	<u>\$ 1,003,743,397</u>	<u>\$ 663,534,197</u>	<u>\$ 340,208,670</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 12 – 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	\$ 324,946,377	\$ 159,382,508	\$ 484,328,885
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 232,140,371	\$ 108,068,299	\$ 340,208,670
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 155,548,804	\$ 66,517,363	\$ 222,066,167

**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, 2019, the City recognized pension expense of \$10,301,988 in the Miscellaneous Plan and \$4,187,890 in the Safety Plan. At June 30, 2019, 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	\$ 20,601,494	\$ -
Changes of assumptions	17,763,614	(4,313,892)
Differences between expected and actual experience	6,171,089	(1,727,323)
Net difference between projected and actual earnings on plan investments	175,226	-
Total	<u>\$ 44,711,423</u>	<u>\$ (6,041,215)</u>
	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 12,920,861	\$ -
Changes of assumptions	12,755,658	(6,560,267)
Differences between expected and actual experience	5,914,689	(4,189,073)
Net difference between projected and actual earnings on plan investments	388,899	-
Total	<u>\$ 31,980,107</u>	<u>\$ (10,749,340)</u>
Total primary government	<u>\$ 76,691,530</u>	<u>\$ (16,790,555)</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

The amount of \$20,601,494 in the miscellaneous plan and \$12,920,861 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, 2020. 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
2019	\$ 13,729,592	\$ 4,091,401
2020	9,084,425	2,448,811
2021	(3,601,212)	891,340
2022	(1,144,091)	909,848
2023	-	(31,494)
	\$ 18,068,714	\$ 26,378,620

**NOTE 13 – 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, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	Number of Covered Participants 769
Inactive employees entitled to but not yet receiving benefits	45
Active employees	1,295
Total	2,109

*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, 2019, the City contributed \$15,342,178 to the Plan.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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

***Net OPEB Liability***

The City’s net OPEB liability was measured as of June 30, 2019, 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, 2019
Contribution Policy	Pre-Funded with pay-go plus a percent of pay which varies by employee group
Discount Rate	6.25%
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 - CalPERS 1997-2011 Experience Study
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 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 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>
Domestic Equity	39%	4.80%
International Equity	21%	4.80%
Fixed Income	40%	1.50%
	<u>100%</u>	

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

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 13 – 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, 2018</b>	<u>\$ 226,908,000</u>	<u>\$ 84,119,640</u>	<u>\$ 142,788,360</u>
Service Cost	6,021,000	-	6,021,000
Interest	14,291,000	-	14,291,000
Contributions - employer*	-	15,342,178	(15,342,178)
Net investment income	-	7,122,750	(7,122,750)
Benefit payments	(8,550,000)	(8,550,000)	-
Administrative expenses	-	(75,162)	75,162
Net changes	<u>11,762,000</u>	<u>13,839,766</u>	<u>(2,077,766)</u>
<b>Balance at June 30, 2019</b>	<u><u>\$ 238,670,000</u></u>	<u><u>\$ 97,959,406</u></u>	<u><u>\$ 140,710,594</u></u>

\* Contributions to the trust of \$6,676,000 plus \$6,964,000 cash benefit payments and \$1,586,000 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	<u>\$ 176,582,000</u>	<u>\$ 140,710,594</u>	<u>\$ 111,965,000</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 13 – 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 (6.5% decreasing to 3%)	Current Rate (7.5% decreasing to 4%)	1% Increase (8.5% decreasing to 5%)
Net OPEB Liability	\$ 114,563,000	\$ 140,710,594	\$ 166,596,000

*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, 2019, the City recognized OPEB expense of \$3,514,000. At June 30, 2019, 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	\$ -	\$21,146,000
Changes in assumptions	7,851,000	-
Net difference between projected and actual earnings on plan investments	-	1,972,000
Total	\$ 7,851,000	\$ 23,118,000

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
2020	\$ (3,314,000)
2021	(3,314,000)
2022	(3,312,000)
2023	(3,112,000)
2024	(2,215,000)
	\$ (15,267,000)

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 14 – 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 (Chief Financial Officer). 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, 2019, the Plan membership consisted of the following:

	Number of Covered Participants
Inactive employees currently receiving benefits	769
Inactive employees entitled to but not yet receiving benefits	45
Active employees	1,295
Total	2,109

*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, 2019, the City made contributions of \$6,676,000 plus \$6,964,000 cash benefit payments and \$1,586,000 implied subsidy benefit payments by the City. 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 (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**  
**For the Year Ended June 30, 2019**

**NOTE 14 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)**

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

<b>Asset Class Component</b>	<b>Target Allocation</b>	<b>Expected Real Rate of Return<sup>1</sup></b>
Domestic Equity	39%	4.80%
International Equity	21%	4.80%
Fixed Income	40%	1.50%
	100%	
Assumed Long-term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.25%

*Rate of return* – For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.93 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Net OPEB Liability of The City***

The components of the net OPEB liability of the City at June 30, 2019, were as follows:

Total OPEB Liability	\$ 238,670,000
Plan fiduciary net position	(97,959,406)
City's net OPEB liability	\$ 140,710,594
Plan fiduciary net position as a percentage of the total OPEB liability	41.04%

*Actuarial assumptions* – The total OPEB liability was determined by an actuarial valuations as of June 30, 2019, 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, 2019
Contribution Policy	Pre-Funded with pay-go plus a percent of pay which varies by employee group
Discount Rate	6.25%
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%
Medical Trend	Merit - CalPERS 1997-2011 Experience Study
	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%

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 14 – POST-EMPLOYMENT BENEFITS TRUST (CONTINUED)**

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, 2019 (see the discussion of the Plan’s investment policy).

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25 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	\$ 176,582,000	\$ 140,710,594	\$ 111,965,000

*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	\$ 114,563,000	\$ 140,710,594	\$ 166,596,000

**NOTE 15 – 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, 2019**

**NOTE 15 – 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 \$370,651.

**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 \$501,992.

**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 \$35,419.

**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 \$797,193.

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, 2019**

**NOTE 15 – 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:

	2019	2018
Claims liability, beginning of year	\$ 8,184,626	\$ 6,970,768
Current year claims	2,793,000	2,731,000
Change in prior year claims	1,538,644	870,926
Claims paid, current year claims	(492,996)	(409,357)
Claims paid, prior year claims	(3,418,234)	(1,978,711)
Claims liability, end of year	\$ 8,605,040	\$ 8,184,626
Current claims liabilities	\$ 1,548,907	\$ 1,473,233

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:

	2019	2018
Claims liability, beginning of year	\$ 2,455,961	\$ 2,180,004
Current year claims	713,000	1,448,000
Change in prior year claims	(438,432)	(241,695)
Claims paid, current year claims	(83,885)	(100,987)
Claims paid, prior year claims	(1,044,896)	(829,361)
Claims liability, end of year	\$ 1,601,748	\$ 2,455,961
Current claims liabilities	\$ 320,349	\$ 491,192

Claims have not exceeded coverage during the last three years.

**NOTE 16 – 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, 2019**

**NOTE 16 – 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, 2019, the City incurred expenses totaling \$5,365,891 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, 2019
General operating reserve (including advances)	\$ 2,553,066
Associated member services (including advances)	84,411
Undivided equity interest, at cost, in certain NCPA power projects:	
Geothermal projects	784,979
Calveras hydroelectric project	1,641,784
Combustion turbine project no. 2	154,369
	\$ 5,218,609

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 16 – 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, 2019, the book value of this Project's plant, equipment and other assets was \$81,731,597 while its long-term debt totaled \$24,520,000 and other liabilities totaled \$47,257,781. The City's share of the Project's long-term debt amounted to \$1,932,912 at that date.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 16 – 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, 2019, 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. The City's share of the 2018 bonds is 4.586%. In April 2019, NCPA refunded a portion of the outstanding Revenue Bonds with the \$39,250,000 2019 Hydroelectric Project Number One Revenue Bonds. At June 30, 2019 the book value of this Project's plant, equipment and other assets was \$348,828,156 while its long-term debt totaled \$294,937,994 and other liabilities totaled \$40,208,634. The City's share of the Project's long-term debt amounted to \$29,692,373 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, 2019, the book value of this Project's plant, equipment and other assets was \$32,501,996, while its long-term debt totaled \$30,064,966 and other liabilities totaled \$2,014,101. The City's share of the Project's long-term debt amounted to \$10,973,713 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, 2019**

**NOTE 17 – 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. The agreement was revised again on January 1, 2019 to update the percent of investments by agency. As of June 30, 2019, the City’s share of this obligation is 64.57 percent. This portion of the debt was recorded on the City’s financial statements, as discussed in Note 9.

During the year ended June 30, 2019, the City paid \$9,015,259 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, 2019, was \$92,028,632, which includes the City’s rate stabilization fund balance of \$67,218,265.

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

**NOTE 18 – 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 Solid Waste Enterprise 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 2019, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$	1,586,800
Deductions		<u>(182,477)</u>
Ending Balance	\$	<u>1,404,323</u>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 19 – 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 16. The City's estimated share of such debt outstanding at June 30, 2019, was \$40,956,811. 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, 2019, was \$4,416,410.

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, 2019**

**NOTE 19 – 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, 2019, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:		
General Fund	\$	3,698,158
Non-Major Governmental Funds		5,064,904
Total Encumbrances	\$	8,763,062

***E. Other Commitments***

The City had the following outstanding significant commitments at June 30, 2019:

Projects	(in millions)
Roseville Energy Park long-term service agreement	\$ 25.4
Net power purchase contracts	56.3
Natural Gas Forward Obligations	57.9
Renewable power purchase obligations	44.9

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 20 – 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 20 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, 2019, the book value of prepaid gas under this agreement amounted to \$127,291,580.

**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, 2019.

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 20 – 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 10.

**NOTE 21 – 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, 2019**

**NOTE 21 – 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, 2019 are included in the pooled cash and investments discussed in Note 2.

***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 \$4,126,786 at June 30, 2019.

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, 2019**

**NOTE 21 – 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, 2019.

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, 2019 was \$657,736.

**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, 2019 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, 2018	Reductions	Balance June 30, 2019	Current Portion
<b>Tax Allocation Bonds:</b>				
2014 Redevelopment Project Taxable Tax Allocation				
2.00%-5.00%, due 9/1/33	\$ 9,425,000	\$ (465,000)	\$ 8,960,000	\$ 485,000
Add: bond premium	458,000	(28,625)	429,375	-
2016-T Redevelopment Project Taxable Tax Allocation				
1.02%-4.066%, due 9/1/40	21,180,000	(395,000)	20,785,000	410,000
Total Tax Allocation Bonds	31,063,000	(888,625)	30,174,375	895,000
Loans from the City	19,479,008	(1,176,284)	18,302,724	993,898
<b>Total</b>	<b>\$ 50,542,008</b>	<b>\$ (2,064,909)</b>	<b>\$ 48,477,099</b>	<b>\$ 1,888,898</b>

**CITY OF ROSEVILLE, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 21 – 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
2020	\$ 895,000	\$ 1,057,078
2021	920,000	1,031,246
2022	940,000	1,003,447
2023	975,000	973,811
2024	1,000,000	947,729
2025-2029	5,555,000	4,177,926
2030-2034	6,840,000	3,125,058
2035-2039	8,655,000	1,688,122
2040-2041	3,965,000	162,742
Total	<u>\$ 29,745,000</u>	<u>\$ 14,167,159</u>

***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, 2019**

**NOTE 21 – 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, 2019 is \$18,302,724. Accrued interest on the notes as of June 30, 2019 is \$605,816.

**NOTE 22 – SUBSEQUENT EVENTS**

On November 1, 2019, the City entered into a direct placement agreement with U.S. Bank for the purchase of the 2012 Electric System Revenue Refunding Certificates of Participation (COPs) in the amount of \$54,000,000. The COPs were previously held by U.S. Bank under a direct placement agreement which expired on the same day.

The City used available cash in the Electric Fund to pay down \$36,000,000 of the COPs to reduce the balance from \$90,000,000 to \$54,000,000 and as a result, the City paid \$7,176,500 to terminate the associated interest rate swap with Bank of America Merrill Lynch.

The direct placement agreement will expire on May 1, 2023. Under this agreement, the City will pay 80 percent of the one-month LIBOR rate plus 60 basis points. The interest rate swap associated with the remaining balance of the COPs, held by Morgan Stanley, remains unchanged.

*This page intentionally left blank.*

## **REQUIRED SUPPLEMENTARY INFORMATION**

*This page intentionally left blank.*

**CITY OF ROSEVILLE, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 107,223,620	\$ 107,881,135	\$ 115,701,573	\$ 7,820,438
Licenses and permits	2,791,864	2,800,189	3,009,035	208,846
Charges for services	20,866,367	23,706,925	16,922,583	(6,784,342)
Subventions and grants	446,601	926,559	879,477	(47,082)
Use of money and property	1,612,804	1,612,804	2,693,478	1,080,674
Fines, forfeitures and penalties	833,950	833,950	954,866	120,916
Contribution from developers	500,000	500,000	707,310	207,310
Miscellaneous revenues	1,848,249	2,989,347	4,162,343	1,172,996
<b>TOTAL REVENUES</b>	<b>136,123,455</b>	<b>141,250,909</b>	<b>145,030,665</b>	<b>3,779,756</b>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
City Council	\$ 229,005	\$ 245,284	\$ 205,389	\$ 39,895
City Manager	1,287,869	1,294,026	1,155,872	138,154
Public Affairs / Communications	408,145	518,834	515,871	2,963
City Attorney	1,677,484	1,694,928	1,689,104	5,824
Human Resources	1,597,738	1,630,944	1,091,496	539,448
City Clerk	1,025,177	1,034,376	965,289	69,087
Finance	2,207,492	2,281,985	1,835,952	446,033
City Special Assessments	139,581	139,581	85,386	54,195
RFA Rentals	(1,536,499)	(1,536,499)	(1,536,499)	-
Development & Operations:				
Economic Development	814,076	814,076	539,852	274,224
Development Services	16,859,673	19,468,769	13,199,017	6,269,752
Public Works	7,871,233	7,956,251	7,936,998	19,253
Public Safety:				
Police	40,870,243	41,782,519	41,385,796	396,723
Fire	32,117,397	34,301,508	34,056,248	245,260
Parks, Recreation, and Libraries	22,911,376	23,150,477	22,224,938	925,539
Annexation payments	5,950,000	6,140,796	6,140,795	1
Debt Service:				
Principal retirement	1,114,739	1,114,739	1,114,738	1
Interest and fiscal charges	794,141	794,141	802,722	(8,581)
<b>TOTAL EXPENDITURES</b>	<b>136,338,870</b>	<b>142,826,735</b>	<b>133,408,964</b>	<b>9,417,771</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(215,415)</b>	<b>(1,575,826)</b>	<b>11,621,701</b>	<b>13,197,527</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease	-	-	-	-
Transfers In	14,767,779	16,972,886	12,320,426	(4,652,460)
Transfers (Out)	(8,920,541)	(9,181,821)	(9,509,829)	(328,008)
<b>Total Other Financing Sources (Uses)</b>	<b>5,847,238</b>	<b>7,791,065</b>	<b>2,810,597</b>	<b>(4,980,468)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 5,631,823</b>	<b>\$ 6,215,239</b>	<b>14,432,298</b>	<b>\$ 8,217,059</b>
Adjustment to budgetary basis:				
Capital outlay			1,439,023	
<b>FUND BALANCE - BEGINNING</b>			<b>55,459,674</b>	
<b>FUND BALANCE - ENDING</b>			<b>\$ 68,452,949</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)
Other Miscellaneous Income/(Expense)	-	-	-	-	-	-
<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>	<b>67.62%</b>	<b>70.81%</b>	<b>66.97%</b>	<b>70.91%</b>	<b>63.89%</b>	<b>66.41%</b>
<b>Covered payroll</b>	<b>\$ 67,642,462</b>	<b>\$ 25,304,421</b>	<b>\$ 70,574,246</b>	<b>\$ 25,172,485</b>	<b>\$ 74,134,013</b>	<b>\$ 26,276,305</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>245.63%</b>	<b>296.56%</b>	<b>249.33%</b>	<b>305.30%</b>	<b>275.38%</b>	<b>363.72%</b>
<b>Measurement date</b>	<b>June 30, 2014</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2016</b>

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

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

	2018		2019	
	Miscellaneous	Safety	Miscellaneous	Safety
<b>Total pension liability</b>				
Service cost	\$ 14,861,538	\$ 9,405,915	\$ 15,197,311	\$ 8,932,221
Interest on total pension liability	42,476,046	21,361,661	44,939,359	22,591,319
Differences between expected and actual experience	(3,545,559)	(4,417,042)	8,065,105	5,319,784
Changes in assumptions	36,462,156	19,842,134	(5,705,470)	(6,138,658)
Benefit payments, including refunds of employee contributions	(23,354,942)	(11,825,080)	(27,471,425)	(13,202,641)
<b>Net change in total pension liability</b>	66,899,239	34,367,588	35,024,880	17,502,025
<b>Total pension liability -- beginning</b>	565,400,677	284,548,988	632,299,916	318,916,576
<b>Total pension liability -- ending (a)</b>	<u>\$ 632,299,916</u>	<u>\$ 318,916,576</u>	<u>\$ 667,324,796</u>	<u>\$ 336,418,601</u>
<b>Plan fiduciary net position</b>				
Plan to plan resource movement	\$ 7,316	\$ -	\$ (1,010)	\$ (530)
Contributions - employer	19,450,887	10,566,516	19,671,137	10,743,429
Contributions - employee	6,168,110	2,577,887	6,408,266	2,505,197
Net investment income	40,706,669	21,245,779	34,705,395	17,996,253
Benefit payments	(23,354,942)	(11,825,080)	(27,471,425)	(13,202,641)
Administrative expenses	(533,363)	(279,011)	(629,069)	(329,205)
Other Miscellaneous Income/(Expense)	-	-	(1,194,613)	(625,166)
<b>Net change in fiduciary net position</b>	42,444,677	22,286,091	31,488,681	17,087,337
<b>Plan fiduciary net position -- beginning</b>	361,251,067	188,976,344	403,695,744	211,262,435
<b>Plan fiduciary net position -- ending (b)</b>	<u>\$ 403,695,744</u>	<u>\$ 211,262,435</u>	<u>\$ 435,184,425</u>	<u>\$ 228,349,772</u>
<b>Net pension liability -- ending (a) - (b)</b>	<u>\$ 228,604,172</u>	<u>\$ 107,654,141</u>	<u>\$ 232,140,371</u>	<u>\$ 108,068,829</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	63.85%	66.24%	65.21%	67.88%
<b>Covered payroll</b>	\$ 74,964,348	\$ 26,613,359	\$ 77,213,278	\$ 27,411,760
<b>Net pension liability as a percentage of covered payroll</b>	304.95%	404.51%	300.65%	394.24%
<b>Measurement date</b>	June 30, 2017	June 30, 2017	June 30, 2018	June 30, 2018

\* Fiscal year 2015 was the first year of implementation, therefore, only five 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: 6/30/2013 6/30/2013 6/30/2014 6/30/2014 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	7.50%
Retirement age	50-57 for Safety; 50-67 for Miscellaneous
Mortality	Derived using CalPERS membership data

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

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

	2018		2019	
	Miscellaneous	Safety	Miscellaneous	Safety
Actuarially determined contributions	\$ 18,499,075	\$ 11,936,348	\$20,601,494	\$12,920,861
Contributions in relation to the actuarially determined contribution	18,499,075	11,936,348	20,601,494	12,920,861
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 77,213,278	\$ 27,411,760	\$ 79,529,676	\$ 28,234,113
Contributions as a percentage of covered-employee payroll	23.96%	43.54%	25.90%	45.76%

**Notes to Schedule**

Valuation date:	6/30/2016	6/30/2016	6/30/2017	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	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 five years are shown.

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

	<u>2018</u>	<u>2019</u>
<b>Total OPEB liability</b>		
Service cost	\$ 6,665,000	\$ 6,021,000
Interest on total OPEB liability	15,256,000	14,291,000
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)	(8,550,000)
<b>Net change in total OPEB liability</b>	<u>(5,363,000)</u>	<u>11,762,000</u>
<b>Total OPEB liability -- beginning</b>	232,271,000	226,908,000
<b>Total OPEB liability -- ending (a)</b>	<u><u>\$ 226,908,000</u></u>	<u><u>\$ 238,670,000</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 14,213,477	\$ 15,342,178
Miscellaneous revenue	-	69,429
Net investment income	5,902,312	7,122,750
Benefit payments	(8,449,000)	(8,550,000)
Administrative expenses	(210,775)	(144,591)
<b>Net change in fiduciary net position</b>	<u>11,456,014</u>	<u>13,839,766</u>
<b>Plan fiduciary net position -- beginning</b>	72,663,626	84,119,640
<b>Plan fiduciary net position -- ending (b)</b>	<u><u>\$ 84,119,640</u></u>	<u><u>\$ 97,959,406</u></u>
<b>Net OPEB liability -- ending (a) - (b)</b>	<u><u>\$ 142,788,360</u></u>	<u><u>\$ 140,710,594</u></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	37.07%	41.04%
<b>Covered payroll</b>	113,276,000	122,503,000
<b>Net OPEB liability as a percentage of covered payroll</b>	126.05%	114.86%
<b>Measurement date</b>	June 30, 2018	June 30, 2019

\* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

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

	<b>2018</b>	<b>2019</b>
Actuarially determined contributions	\$ 15,132,000	\$ 15,342,000
Contributions in relation to the actuarially determined contribution	14,213,000	15,226,000
Contribution deficiency (excess)	\$ 919,000	\$ 116,000
 Covered-employee payroll	 \$ 113,273,000	 \$ 122,503,000
 Contributions as a percentage of covered- employee payroll	 12.55%	 12.43%

**Notes to Schedule**

Valuation date: 6/30/2017 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 two years are shown.

**CITY OF ROSEVILLE, CALIFORNIA  
MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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 \$5,265,978 in fiscal year 2020. 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		
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
2019	74	69	3,136,162	12,387,602

The City’s policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 72 and residential roadways at an average PQI of 65. This rating allows for minor cracking and releveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$12,387,602 for street preservation in fiscal year 2019.

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

**FOR THE YEAR ENDED JUNE 30, 2019**

**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 department by 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.

*This page intentionally left blank.*

## 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, 2019**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Traffic Safety	Trench Cut Recovery Fund
<b>ASSETS:</b>				
Cash and investments	\$ 13,980,134	\$ 13,575,159	\$ 983,366	\$ 156,032
Cash with fiscal agents	-	-	-	-
Receivables	476,861	512,477	13,293	833
Developer permit fees receivable	-	-	-	-
Notes receivable	-	2,098,900	-	-
Land held for resale	-	-	-	-
Total Assets	<u>\$ 14,456,995</u>	<u>\$ 16,186,536</u>	<u>\$ 996,659</u>	<u>\$ 156,865</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 472,253	\$ 138,809	\$ 2,124	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other government agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	-	-	-	-
Unearned revenue	29,250	-	-	-
Total Liabilities	<u>501,503</u>	<u>138,809</u>	<u>2,124</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	13,955,492	16,047,727	994,535	156,865
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>13,955,492</u>	<u>16,047,727</u>	<u>994,535</u>	<u>156,865</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,456,995</u>	<u>\$ 16,186,536</u>	<u>\$ 996,659</u>	<u>\$ 156,865</u>

SPECIAL REVENUE FUNDS

Technology Replacement	Open Space	Tree Propagation	Grants	Housing Authority Housing Choice Voucher	Affordable Housing	Low/Mod Income Housing Asset
\$ 1,499,802	\$ 785,515	\$ 2,288,690	\$ 1,452,112	\$ 576,976	\$ 5,710,159	\$ 1,011,879
-	-	-	-	44,178	-	-
8,032	3,571	11,637	979,098	10,735	485,296	1,095,973
-	-	-	-	-	-	-
-	-	-	13,309,406	-	9,637,557	14,964,420
-	-	-	-	-	-	4,023,000
<u>\$ 1,507,834</u>	<u>\$ 789,086</u>	<u>\$ 2,300,327</u>	<u>\$ 15,740,616</u>	<u>\$ 631,889</u>	<u>\$ 15,833,012</u>	<u>\$ 21,095,272</u>
\$ 23,220	\$ 18,079	\$ 1,941	\$ 14,093	\$ 56,802	\$ 134,645	\$ -
-	-	-	-	44,178	16,077	-
-	-	-	-	-	-	-
-	-	-	-	1,668	316,423	476,126
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>23,220</u>	<u>18,079</u>	<u>1,941</u>	<u>14,093</u>	<u>102,648</u>	<u>467,145</u>	<u>476,126</u>
-	-	-	14,279,102	-	9,772,557	11,040,349
-	-	-	-	-	-	-
1,484,614	771,007	2,298,386	1,447,421	529,241	5,593,310	9,578,797
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,484,614</u>	<u>771,007</u>	<u>2,298,386</u>	<u>1,447,421</u>	<u>529,241</u>	<u>5,593,310</u>	<u>9,578,797</u>
<u>\$ 1,507,834</u>	<u>\$ 789,086</u>	<u>\$ 2,300,327</u>	<u>\$ 15,740,616</u>	<u>\$ 631,889</u>	<u>\$ 15,833,012</u>	<u>\$ 21,095,272</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

	SPECIAL REVENUE FUNDS			
	Cable TV PEG	Police Evidence	Roseville Community Development Corporation	Golf
<b>ASSETS:</b>				
Cash and investments	\$ 1,340,764	\$ 252,118	\$ 2,623,770	\$ -
Cash with fiscal agents	-	-	-	-
Receivables	99,344	1,309	24,680	387,566
Developer permit fees receivable	-	-	-	-
Notes receivable	-	-	350,987	-
Land held for resale	-	-	-	-
Total Assets	\$ 1,440,108	\$ 253,427	\$ 2,999,437	\$ 387,566
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 567	\$ -	\$ 20,804	\$ 144,828
Accrued liabilities	-	-	-	2,235,038
Due to other funds	-	-	-	199,909
Due to other government agencies	-	-	-	-
Advances from other funds	-	-	1,475,951	2,115,000
Deposits	-	-	12,500	-
Unearned revenue	-	-	-	-
Total Liabilities	567	-	1,509,255	4,694,775
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	350,987	-
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	1,439,541	253,427	1,139,195	-
Assigned	-	-	-	-
Unassigned	-	-	-	(4,307,209)
Total Fund Balances (Deficit)	1,439,541	253,427	1,139,195	(4,307,209)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,440,108	\$ 253,427	\$ 2,999,437	\$ 387,566

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
\$ 2,880	\$ 66,307,651	\$ 27,946,908	\$ 1,145,533	\$ 6,808,044	\$ 2,813,492	\$ 10,069,427
-	-	-	-	24,669,310	-	-
8,170	2,024,631	8,848,259	6,022	36,359	9,004	62,884
-	611,731	-	-	-	-	-
-	601,397	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 11,050</u>	<u>\$ 69,545,410</u>	<u>\$ 36,795,167</u>	<u>\$ 1,151,555</u>	<u>\$ 31,513,713</u>	<u>\$ 2,822,496</u>	<u>\$ 10,132,311</u>
\$ -	\$ 616,125	\$ 3,068,683	\$ -	\$ -	\$ 386,252	\$ 877,049
-	-	-	-	-	-	-
-	442,387	-	-	-	-	-
-	-	-	-	-	-	-
-	7,191,540	-	-	-	-	-
-	-	-	-	-	-	-
-	464,378	307,865	-	-	-	-
-	8,714,430	3,376,548	-	-	386,252	877,049
-	1,213,128	7,735,142	-	-	-	-
-	-	-	-	-	-	-
11,050	59,617,852	25,683,477	1,151,555	31,513,713	2,436,244	-
-	-	-	-	-	-	9,255,262
-	-	-	-	-	-	-
<u>11,050</u>	<u>59,617,852</u>	<u>25,683,477</u>	<u>1,151,555</u>	<u>31,513,713</u>	<u>2,436,244</u>	<u>9,255,262</u>
<u>\$ 11,050</u>	<u>\$ 69,545,410</u>	<u>\$ 36,795,167</u>	<u>\$ 1,151,555</u>	<u>\$ 31,513,713</u>	<u>\$ 2,822,496</u>	<u>\$ 10,132,311</u>

(Continued)

*This page intentionally left blank.*

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

	CAPITAL		PERMANENT FUNDS		Total Non-Major Governmental Funds
	PROJECTS FUND			Roseville Aquatics Complex Maintenance	
	RFA Capital Projects	Citizens Benefit			
<b>ASSETS:</b>					
Cash and investments	\$ 1,955,870	\$ 17,685,585	\$ 616,752		\$ 181,588,618
Cash with fiscal agents	297	-	-		24,713,785
Receivables	389	99,815	3,450		15,209,688
Developer permit fees receivable	-	-	-		611,731
Notes receivable	-	-	-		40,962,667
Land held for resale	-	-	-		4,023,000
Total Assets	<u>\$ 1,956,556</u>	<u>\$ 17,785,400</u>	<u>\$ 620,202</u>		<u>\$ 267,109,489</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ -	\$ 3,000	\$ -		\$ 5,979,274
Accrued liabilities	(29)	-	-		2,295,264
Due to other funds	-	-	-		642,296
Due to other government agencies	-	-	-		794,217
Advances from other funds	-	-	-		10,782,491
Deposits	-	-	600,000		612,500
Unearned revenue	-	-	-		801,493
Total Liabilities	<u>(29)</u>	<u>3,000</u>	<u>600,000</u>		<u>21,907,535</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-		44,391,265
Fund Balances:					
Nonspendable	-	17,782,400	-		17,782,400
Restricted	1,956,585	-	20,202		178,080,236
Assigned	-	-	-		9,255,262
Unassigned	-	-	-		(4,307,209)
Total Fund Balances (Deficit)	<u>1,956,585</u>	<u>17,782,400</u>	<u>20,202</u>		<u>200,810,689</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,956,556</u>	<u>\$ 17,785,400</u>	<u>\$ 620,202</u>		<u>\$ 267,109,489</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, 2019**

	SPECIAL REVENUE FUNDS			
	Landscape and Lighting and Service Districts	State Gasoline Tax	Traffic Safety	Trench Cut Recovery Fund
<b>REVENUES:</b>				
Taxes	\$ 11,444,805	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Subventions and grants	-	2,678,105	-	-
Use of money and property	490,685	437,143	-	6,493
Fines, forfeitures and penalties	-	-	222,328	-
Contributions from developers and others	-	-	-	-
Miscellaneous revenues	411	2,672,274	-	-
Total Revenues	<u>11,935,901</u>	<u>5,787,522</u>	<u>222,328</u>	<u>6,493</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	14,580	-	115
Development and operations	-	-	-	-
Public works	-	2,907	-	-
Public safety:				
Police	-	-	-	-
Parks and recreation	5,990,309	-	-	-
Housing assistance payments	-	-	-	-
Capital outlay	-	824,624	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>5,990,309</u>	<u>842,111</u>	<u>-</u>	<u>115</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,945,592</u>	<u>4,945,411</u>	<u>222,328</u>	<u>6,378</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from disposition of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(4,510,330)	(2,032,454)	-	-
Total Other Financing Sources (Uses)	<u>(4,510,330)</u>	<u>(2,032,454)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,435,262	2,912,957	222,328	6,378
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>12,520,230</u>	<u>13,134,770</u>	<u>772,207</u>	<u>150,487</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 13,955,492</u>	<u>\$ 16,047,727</u>	<u>\$ 994,535</u>	<u>\$ 156,865</u>

SPECIAL REVENUE FUNDS

Technology Replacement	Open Space	Tree Propagation	Grants	Housing Authority Housing Choice Voucher	Affordable Housing	Low/Mod Income Housing Asset
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
533,759	4,266	240,133	-	-	889	-
-	-	-	2,178,831	5,448,163	430,200	-
39,001	26,559	85,322	73,171	-	313,982	64,096
-	-	-	-	-	-	-
-	-	-	-	-	412,277	4,023,000
-	12,096	-	499,503	129	192,576	61,729
<u>572,760</u>	<u>42,921</u>	<u>325,455</u>	<u>2,751,505</u>	<u>5,448,292</u>	<u>1,349,924</u>	<u>4,148,825</u>
1,522	9,766	6,824	391	-	7,747	5,987
231,970	-	-	1,196,758	641,216	2,202,894	291,149
-	-	-	-	-	-	-
-	-	-	36,826	-	-	-
-	512,826	140,282	-	-	-	-
-	-	-	-	4,673,530	-	-
-	-	-	111,210	-	277,430	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>233,492</u>	<u>522,592</u>	<u>147,106</u>	<u>1,345,185</u>	<u>5,314,746</u>	<u>2,488,071</u>	<u>297,136</u>
<u>339,268</u>	<u>(479,671)</u>	<u>178,349</u>	<u>1,406,320</u>	<u>133,546</u>	<u>(1,138,147)</u>	<u>3,851,689</u>
-	-	-	-	-	-	-
-	634,918	-	-	-	-	-
-	(5,255)	-	(760,863)	-	(425)	(5,162)
-	629,663	-	(760,863)	-	(425)	(5,162)
339,268	149,992	178,349	645,457	133,546	(1,138,572)	3,846,527
1,145,346	621,015	2,120,037	801,964	395,695	6,731,882	5,732,270
<u>\$ 1,484,614</u>	<u>\$ 771,007</u>	<u>\$ 2,298,386</u>	<u>\$ 1,447,421</u>	<u>\$ 529,241</u>	<u>\$ 5,593,310</u>	<u>\$ 9,578,797</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, 2019**

	SPECIAL REVENUE FUNDS			
	Cable TV PEG	Police Evidence	Roseville Community Development Corporation	Golf
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	1,873,054
Subventions and grants	-	-	57,500	-
Use of money and property	43,781	9,196	16,297	-
Fines, forfeitures and penalties	-	-	-	-
Contributions from developers and others	-	-	-	-
Miscellaneous revenues	373,414	28,593	37,690	6,001
Total Revenues	<u>417,195</u>	<u>37,789</u>	<u>111,487</u>	<u>1,879,055</u>
<b>EXPENDITURES:</b>				
Current:				
General government	77,694	-	-	-
Development and operations	-	-	382,230	-
Public works	-	-	-	-
Public safety:				
Police	-	-	-	-
Parks and recreation	-	-	-	2,124,400
Housing assistance payments	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	17,066	429,577
Interest and fiscal charges	-	-	20,284	93,711
Total Expenditures	<u>77,694</u>	<u>-</u>	<u>419,580</u>	<u>2,647,688</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>339,501</u>	<u>37,789</u>	<u>(308,093)</u>	<u>(768,633)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from disposition of assets	-	-	1,232,674	-
Transfers in	-	-	55,000	2,205,668
Transfers out	-	-	-	(16,155)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,287,674</u>	<u>2,189,513</u>
Net change in fund balance	339,501	37,789	979,581	1,420,880
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>1,100,040</u>	<u>215,638</u>	<u>159,614</u>	<u>(5,728,089)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,439,541</u>	<u>\$ 253,427</u>	<u>\$ 1,139,195</u>	<u>\$ (4,307,209)</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	10,560,357	4,051,245	945	-	-	-
-	-	121,259	-	-	143,103	-
2,400,229	2,829,020	1,241,271	108,316	443,189	53,963	595,054
-	-	-	-	-	-	88,568
-	47,119	355,999	-	24,433,558	-	-
-	223,869	-	-	-	107,559	43,498
<u>2,400,229</u>	<u>13,660,365</u>	<u>5,769,774</u>	<u>109,261</u>	<u>24,876,747</u>	<u>304,625</u>	<u>727,120</u>
1,102,750	450,059	31,556	-	-	5,344	-
-	60,322	-	-	-	-	-
-	62,245	126	-	-	2,053	389,820
-	-	-	-	-	-	-
-	122,807	-	48,385	-	-	-
-	-	-	-	-	-	-
-	7,455,221	8,372,301	-	3,731,325	9,527,904	7,577,145
-	-	-	-	-	-	-
523,168	70,849	-	-	-	-	-
<u>1,625,918</u>	<u>8,221,503</u>	<u>8,403,983</u>	<u>48,385</u>	<u>3,731,325</u>	<u>9,535,301</u>	<u>7,966,965</u>
<u>774,311</u>	<u>5,438,862</u>	<u>(2,634,209)</u>	<u>60,876</u>	<u>21,145,422</u>	<u>(9,230,676)</u>	<u>(7,239,845)</u>
-	-	-	-	-	-	289,053
-	362,004	970,937	-	-	10,487,590	3,039,124
(866,019)	(2,623,445)	(1,259,404)	-	-	(1,332,105)	(69,583)
<u>(866,019)</u>	<u>(2,261,441)</u>	<u>(288,467)</u>	<u>-</u>	<u>-</u>	<u>9,155,485</u>	<u>3,258,594</u>
(91,708)	3,177,421	(2,922,676)	60,876	21,145,422	(75,191)	(3,981,251)
102,758	56,440,431	28,606,153	1,090,679	10,368,291	2,511,435	13,236,513
<u>\$ 11,050</u>	<u>\$ 59,617,852</u>	<u>\$ 25,683,477</u>	<u>\$ 1,151,555</u>	<u>\$ 31,513,713</u>	<u>\$ 2,436,244</u>	<u>\$ 9,255,262</u>

(Continued)

*This page intentionally left blank.*

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019**

	CAPITAL		PERMANENT FUNDS	
	PROJECTS FUND			
	RFA Capital Projects	Citizens Benefit	Roseville Aquatics Complex Maintenance	Total Non-Major Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 11,444,805
Charges for services	-	-	-	17,264,648
Subventions and grants	-	-	-	11,057,161
Use of money and property	3,278	1,276,200	13,642	10,569,888
Fines, forfeitures and penalties	-	-	-	310,896
Contributions from developers and others	-	-	-	29,271,953
Miscellaneous revenues	1,022,321	5,569	-	5,287,232
Total Revenues	<u>1,025,599</u>	<u>1,281,769</u>	<u>13,642</u>	<u>85,206,583</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	415,430	-	2,129,765
Development and operations	-	-	-	5,006,539
Public works	-	-	-	457,151
Public safety:				
Police	-	-	-	36,826
Parks and recreation	-	-	-	8,939,009
Housing assistance payments	-	-	-	4,673,530
Capital outlay	-	-	-	37,877,160
Debt service:				
Principal retirement	-	-	-	446,643
Interest and fiscal charges	-	-	-	708,012
Total Expenditures	<u>-</u>	<u>415,430</u>	<u>-</u>	<u>60,274,635</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,025,599</u>	<u>866,339</u>	<u>13,642</u>	<u>24,931,948</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from disposition of assets	-	-	-	1,521,727
Transfers in	866,018	-	-	18,621,259
Transfers out	-	-	-	(13,481,200)
Total Other Financing Sources (Uses)	<u>866,018</u>	<u>-</u>	<u>-</u>	<u>6,661,786</u>
Net change in fund balance	1,891,617	866,339	13,642	31,593,734
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>64,968</u>	<u>16,916,061</u>	<u>6,560</u>	<u>169,216,955</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,956,585</u>	<u>\$ 17,782,400</u>	<u>\$ 20,202</u>	<u>\$ 200,810,689</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, 2019**

	LANDSCAPE AND LIGHTING SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Taxes	\$ 13,084,831	\$ 11,444,805	\$ (1,640,026)	\$ -	\$ -	\$ -
Subventions and grants	-	-	-	3,462,162	2,678,105	(784,057)
Use of money and property	187,639	490,685	303,046	137,664	437,143	299,479
Fines, forfeitures and penalties	-	-	-	-	-	-
Miscellaneous revenues	-	411	411	2,256,231	2,672,274	416,043
Total Revenues	<u>13,272,470</u>	<u>11,935,901</u>	<u>(1,336,569)</u>	<u>5,856,057</u>	<u>5,787,522</u>	<u>(68,535)</u>
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies						
General government	-	-	-	-	14,580	(14,580)
Public works:						
Highway Users Tax Operations				44,030	2,907	41,123
Parks and recreation:						
Olympus Pointe Lld Zone A	213,530	135,928	77,602	-	-	-
Olympus Pointe Lld Zone D	72,584	52,799	19,785	-	-	-
Nwrld Zone A	620,632	576,888	43,744	-	-	-
Nwrld Zone B	24,479	21,396	3,083	-	-	-
Johnson Ranch Lld Zone A	5,055	4,981	74	-	-	-
Johnson Ranch Lld Zone B	2,257	2,215	42	-	-	-
Johnson Ranch Lld Zone C	2,611	2,552	59	-	-	-
Johnson Ranch Lld Zone D	324	132	192	-	-	-
Johnson Ranch Lld Zone E	3,726	3,707	19	-	-	-
Nerld Zone A	507,827	486,933	20,894	-	-	-
Nerld Zone B	148,437	120,924	27,513	-	-	-
Nerld Zone F	22,998	18,582	4,416	-	-	-
Nerld Zone G	28,814	20,208	8,606	-	-	-
Infill Lld Zone A	8,325	6,458	1,867	-	-	-
Infill Lld Zone B	19,975	6,572	13,403	-	-	-
Infill Lld Zone C	12,201	9,326	2,875	-	-	-
Nrcfd 2 Sd Zone A	54,311	39,193	15,118	-	-	-
Nrcfd 2 Sd Zone B	75,197	73,024	2,173	-	-	-
Nrcfd 2 Sd Zone C	180,842	164,915	15,927	-	-	-
Nrcfd 2 Sd Zone E	20,601	11,038	9,563	-	-	-
Historic District Lld	78,864	57,417	21,447	-	-	-
Riverside District Lld	71,869	47,937	23,932	-	-	-
Stone Point Cfd #4 (Sd)	59,212	46,296	12,916	-	-	-
Infill Cfd4-Wdcrk Oaks Preser	12,845	12,686	159	-	-	-
HP Campus Oaks Cfd #2	132,641	111,762	20,879	-	-	-
Northwest Roseville SP LLD	69,719	13,475	56,244	-	-	-
Westbrook SRV Dist CFDA	300,000	-	300,000	-	-	-
Stoneridge Cfd #1 Srv Dist	565,468	472,192	93,276	-	-	-
Stoneridge Parcel 1 Cfd #2 Sd	31,577	29,623	1,954	-	-	-
Woodcrk West - Services District	358,447	336,517	21,930	-	-	-
Crocker Ranch Services District	276,930	230,486	46,444	-	-	-
Highland Res north Srv Dist	530,637	465,979	64,658	-	-	-
Vernon St Lighting/Landscape	57,491	42,525	14,966	-	-	-
Woodcreek East Services Dist	154,181	127,683	26,498	-	-	-
Stone Point Cfd #2 Srv Dist	49,901	47,976	1,925	-	-	-
Westpark Cfd #2 Services Dist	1,024,984	962,691	62,293	-	-	-
Fiddymnt Ranch Cfd #2 Sd	1,076,878	889,262	187,616	-	-	-
Municipal Services Cfd #3	177,797	177,329	468	-	-	-
Longmeadow Cfd #2 Sd	139,635	114,825	24,810	-	-	-
Infill Services Cfd	49,748	45,877	3,871	-	-	-
Total Expenditures	<u>7,243,550</u>	<u>5,990,309</u>	<u>1,253,241</u>	<u>44,030</u>	<u>17,487</u>	<u>26,543</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,028,920</u>	<u>5,945,592</u>	<u>(83,328)</u>	<u>5,812,027</u>	<u>5,770,035</u>	<u>(41,992)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in				4,552,480	-	(4,552,480)
Transfers out	(4,469,885)	(4,510,330)	(40,445)	(8,334,673)	(2,032,454)	6,302,219
Total Other Financing Sources (Uses)	<u>(4,469,885)</u>	<u>(4,510,330)</u>	<u>(40,445)</u>	<u>(3,782,193)</u>	<u>(2,032,454)</u>	<u>1,749,739</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,559,035</u>	<u>1,435,262</u>	<u>\$ (123,773)</u>	<u>\$ 2,029,834</u>	<u>3,737,581</u>	<u>\$ 1,707,747</u>
Adjustment to Budgetary Basis:						
Capital Outlay					(824,624)	
FUND BALANCE (DEFICIT) - BEGINNING		<u>12,520,230</u>			<u>13,134,770</u>	
FUND BALANCE - ENDING		<u>\$ 13,955,492</u>			<u>\$ 16,047,727</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, 2019**

	TECHNOLOGY REPLACEMENT			OPEN SPACE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for services	\$ 565,000	\$ 533,759	\$ (31,241)	\$ -	\$ 4,266	\$ 4,266
Subventions and grants	-	-	-	-	-	-
Use of money and property	7,317	39,001	31,684	6,355	26,559	20,204
Miscellaneous revenues	-	-	-	12,096	12,096	-
<b>Total Revenues</b>	<b>572,317</b>	<b>572,760</b>	<b>443</b>	<b>18,451</b>	<b>42,921</b>	<b>24,470</b>
<b>EXPENDITURES:</b>						
Current:						
General Government	96,281	1,522	94,759	-	9,766	(9,766)
Operating services and supplies:						
Rehabilitation Account	-	-	-	-	-	-
CDBG	-	-	-	-	-	-
HOME Investment Partnerships	-	-	-	-	-	-
Cal/Home	-	-	-	-	-	-
Begin Program	-	-	-	-	-	-
Development and Operations	461,931	231,970	229,961	-	-	-
Parks and recreation:						
Native Tree Projects	-	-	-	-	-	-
Non-native Tree Projects	-	-	-	-	-	-
Bike Trail Maintenance	-	-	-	666,670	512,826	153,844
Public safety:						
Police:						
Forfeited property	-	-	-	-	-	-
Federal Asset Seizure	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>558,212</b>	<b>233,492</b>	<b>324,720</b>	<b>666,670</b>	<b>522,592</b>	<b>144,078</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>14,105</b>	<b>339,268</b>	<b>325,163</b>	<b>(648,219)</b>	<b>(479,671)</b>	<b>168,548</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	556,163	634,918	78,755
Transfers out	(95,054)	-	95,054	(5,255)	(5,255)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(95,054)</b>	<b>-</b>	<b>95,054</b>	<b>550,908</b>	<b>629,663</b>	<b>78,755</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (80,949)</b>	<b>339,268</b>	<b>\$ 420,217</b>	<b>\$ (97,311)</b>	<b>149,992</b>	<b>\$ 247,303</b>
Adjustment to Budgetary Basis:						
Capital Outlay		-			-	
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>		<b>1,145,346</b>			<b>621,015</b>	
<b>FUND BALANCE - ENDING</b>		<b>\$ 1,484,614</b>			<b>\$ 771,007</b>	

(Continued)

TREE PROPOGATION			GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 32,000	\$ 240,133	\$ 208,133	\$ -	\$ -	\$ -
-	-	-	1,674,789	2,178,831	504,042
26,695	85,322	58,627	19,976	73,171	53,195
-	-	-	1,509,237	499,503	(1,009,734)
<u>58,695</u>	<u>325,455</u>	<u>266,760</u>	<u>3,204,002</u>	<u>2,751,505</u>	<u>(452,497)</u>
-	6,824	(6,824)	-	391	(391)
-	-	-	700,000	-	700,000
-	-	-	1,526,354	1,132,634	393,720
-	-	-	603,899	4,124	599,775
-	-	-	278,058	-	278,058
-	-	-	106,077	60,000	46,077
-	-	-	-	-	-
218,509	97,898	120,611	-	-	-
194,969	42,384	152,585	-	-	-
-	-	-	-	-	-
-	-	-	50,000	30,974	19,026
-	-	-	40,000	5,852	34,148
<u>413,478</u>	<u>147,106</u>	<u>266,372</u>	<u>3,304,388</u>	<u>1,233,975</u>	<u>2,070,413</u>
(354,783)	178,349	533,132	(100,386)	1,517,530	1,617,916
-	-	-	-	-	-
-	-	-	-	(760,863)	(760,863)
-	-	-	-	(760,863)	(760,863)
<u>\$ (354,783)</u>	<u>178,349</u>	<u>\$ 533,132</u>	<u>\$ (100,386)</u>	<u>756,667</u>	<u>\$ 857,053</u>
-	-	-	-	(111,210)	-
-	2,120,037	-	-	801,964	-
-	<u>\$ 2,298,386</u>	-	-	<u>\$ 1,447,421</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, 2019**

	HOUSING AUTHORITY HOUSING CHOICE VOUCHERS			AFFORDABLE HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 889	\$ 889
Subventions and grants	4,855,881	5,448,163	592,282	125,000	430,200	305,200
Use of money and property	-	-	-	128,768	313,982	185,214
Contributions from developers	-	-	-	120,000	412,277	292,277
Miscellaneous revenues	-	129	129	67,000	192,576	125,576
Total Revenues	<u>4,855,881</u>	<u>5,448,292</u>	<u>592,411</u>	<u>440,768</u>	<u>1,349,924</u>	<u>909,156</u>
<b>EXPENDITURES:</b>						
Current:						
Salaries and benefits:						
Planning:						
Housing Authority	642,079	641,216	863	-	-	-
Operating services and supplies:						
General government	-	-	-	-	7,747	(7,747)
Development and operations	-	-	-	2,443,482	2,202,894	240,588
Housing assistance payments	4,200,849	4,673,530	(472,681)	-	-	-
Total Expenditures	<u>4,842,928</u>	<u>5,314,746</u>	<u>(471,818)</u>	<u>2,443,482</u>	<u>2,210,641</u>	<u>232,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,953</u>	<u>133,546</u>	<u>120,593</u>	<u>(2,002,714)</u>	<u>(860,717)</u>	<u>1,141,997</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from the sale of property	-	-	-	(425)	(425)	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(425)</u>	<u>(425)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,953</u>	<u>133,546</u>	<u>\$ 120,593</u>	<u>\$ (2,003,139)</u>	<u>(861,142)</u>	<u>\$ 1,141,997</u>
Adjustment to Budgetary Basis:						
Capital Outlay		-			(277,430)	
FUND BALANCE (DEFICIT) - BEGINNING		<u>395,695</u>			<u>6,731,882</u>	
FUND BALANCE - ENDING		<u>\$ 529,241</u>			<u>\$ 5,593,310</u>	

LOW/MOD INCOME HOUSING ASSET FUND			CABLE TV PEG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
22,433	64,096	41,663	14,001	43,781	29,780
56,394	4,023,000	3,966,606	-	-	-
59,125	61,729	2,604	237,400	373,414	136,014
<u>137,952</u>	<u>4,148,825</u>	<u>4,010,873</u>	<u>251,401</u>	<u>417,195</u>	<u>165,794</u>
-	-	-	-	-	-
-	5,987	(5,987)	179,750	77,694	102,056
327,572	291,149	36,423	-	-	-
-	-	-	-	-	-
<u>327,572</u>	<u>297,136</u>	<u>30,436</u>	<u>179,750</u>	<u>77,694</u>	<u>102,056</u>
<u>(189,620)</u>	<u>3,851,689</u>	<u>4,041,309</u>	<u>71,651</u>	<u>339,501</u>	<u>267,850</u>
<u>(5,162)</u>	<u>(5,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,162)</u>	<u>(5,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (194,782)</u>	<u>3,846,527</u>	<u>\$ 4,041,309</u>	<u>\$ 71,651</u>	<u>339,501</u>	<u>\$ 267,850</u>
	-			-	
	<u>5,732,270</u>			<u>1,100,040</u>	
	<u>\$ 9,578,797</u>			<u>\$ 1,439,541</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, 2019**

	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	-	-	-	-	57,500	57,500
Use of money and property	3,011	9,196	6,185	-	16,297	16,297
Miscellaneous revenues	25,000	28,593	3,593	-	37,690	37,690
Total Revenues	28,011	37,789	9,778	-	111,487	111,487
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies:						
Planning:						
Roseville Community Development Corporation	-	-	-	-	382,230	(382,230)
Parks and recreation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	17,066	(17,066)
Interest	-	-	-	-	20,284	(20,284)
Total Expenditures	-	-	-	-	419,580	(419,580)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,011	37,789	9,778	-	(308,093)	(308,093)
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from sale of capital assets	-	-	-	-	1,232,674	1,232,674
Transfers in	-	-	-	-	55,000	55,000
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	1,287,674	1,287,674
NET CHANGE IN FUND BALANCE	\$ 28,011	37,789	\$ 9,778	\$ -	979,581	\$ 979,581
Adjustment to Budgetary Basis:						
Capital Outlay		-			-	
FUND BALANCE (DEFICT) - BEGINNING		215,638			159,614	
FUND BALANCE - ENDING		\$ 253,427			\$ 1,139,195	

GOLF COURSE

Budget	Actual	Variance Positive (Negative)
\$ 2,000,000	\$ 1,873,054	\$ (126,946)
-	-	-
-	6,001	6,001
<u>2,000,000</u>	<u>1,879,055</u>	<u>(120,945)</u>
-	-	-
2,288,358	2,124,400	163,958
429,578	429,577	1
58,533	93,711	(35,178)
<u>2,776,469</u>	<u>2,647,688</u>	<u>128,781</u>
<u>(776,469)</u>	<u>(768,633)</u>	<u>7,836</u>
-	-	-
2,205,668	2,205,668	-
143,349	(16,155)	(159,504)
<u>2,349,017</u>	<u>2,189,513</u>	<u>(159,504)</u>
<u>\$ 1,572,548</u>	<u>1,420,880</u>	<u>\$ (151,668)</u>
-	-	-
-	(5,728,089)	-
-	<u>\$ (4,307,209)</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, 2019**

	ROSEVILLE FINANCE AUTHORITY			CITIZENS BENEFIT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Use of money and property	\$ 1,904,880	\$ 2,400,229	\$ 495,349	\$ 426,385	\$ 1,281,769	\$ 855,384
Total Revenues	<u>1,904,880</u>	<u>2,400,229</u>	<u>495,349</u>	<u>426,385</u>	<u>1,281,769</u>	<u>855,384</u>
<b>EXPENDITURES:</b>						
Current:						
Operating services and supplies						
General Government	-	-	-	450,909	415,430	35,479
Special Districts	1,114,739	1,102,750	11,989	-	-	-
Debt Service:						
Interest and fiscal charges	790,141	523,168	266,973	-	-	-
Total Expenditures	<u>1,904,880</u>	<u>1,625,918</u>	<u>278,962</u>	<u>450,909</u>	<u>415,430</u>	<u>35,479</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>774,311</u>	<u>774,311</u>	<u>(24,524)</u>	<u>866,339</u>	<u>890,863</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	-	(866,019)	(866,019)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(91,708)</u>	<u>\$ (91,708)</u>	<u>\$ (24,524)</u>	<u>866,339</u>	<u>\$ 890,863</u>
FUND BALANCE (DEFICIT) - BEGINNING		<u>102,758</u>			<u>16,916,061</u>	
FUND BALANCE - ENDING		<u>\$ 11,050</u>			<u>\$ 17,782,400</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, 2019**

	Business-Type Activities - Enterprise Funds		
	Local Transportation	School-Age Child Care	Totals
<b>ASSETS:</b>			
Current Assets:			
Cash and investments in City Treasury	\$ 7,440,691	\$ 1,039,707	\$ 8,480,398
Receivables	3,499,808	195,564	3,695,372
Total Current Assets	<u>10,940,499</u>	<u>1,235,271</u>	<u>12,175,770</u>
Non-Current Assets:			
Land and construction in progress	4,996,660	158,070	5,154,730
Capital assets being depreciated, net	26,139,576	2,229,514	28,369,090
Total Non-Current Assets	<u>31,136,236</u>	<u>2,387,584</u>	<u>33,523,820</u>
Total Assets	<u>42,076,735</u>	<u>3,622,855</u>	<u>45,699,590</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to OPEB	114,280	166,000	280,280
Deferred outflows related to pensions	699,687	1,889,229	2,588,916
Total Deferred outflows of resources	<u>813,967</u>	<u>2,055,229</u>	<u>2,869,196</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	2,292,015	70,754	2,362,769
Accrued liabilities	26,940	93,931	120,871
Due to other funds	-	55,000	55,000
Current portion of compensated absences	86,713	151,847	238,560
Current portion of long-term debt	-	-	-
Deposits	230	-	230
Unearned revenue	5,038,486	-	5,038,486
Total Current Liabilities	<u>7,444,384</u>	<u>371,532</u>	<u>7,815,916</u>
Long-term liabilities:			
Advances from other funds	-	660,000	660,000
Compensated absences	116,830	258,835	375,665
Net OPEB liability	1,008,000	3,257,000	4,265,000
Net pension liability	3,028,595	7,556,336	10,584,931
Total Long-Term Liabilities	<u>4,153,425</u>	<u>11,732,171</u>	<u>15,885,596</u>
Total Liabilities	<u>11,597,809</u>	<u>12,103,703</u>	<u>23,701,512</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to OPEB	128,280	1,763,000	1,891,280
Deferred inflows related to pensions	74,710	105,118	179,828
Total Deferred inflows of resources	<u>202,990</u>	<u>1,868,118</u>	<u>2,071,108</u>
<b>NET POSITION:</b>			
Net investment in capital assets	31,136,236	2,387,584	33,523,820
Restricted for local transportation	572,538	-	572,538
Unrestricted	(618,871)	(10,681,321)	(11,300,192)
TOTAL NET POSITION (DEFICIT)	<u>\$ 31,089,903</u>	<u>\$ (8,293,737)</u>	<u>\$ 22,796,166</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, 2019**

	Business-Type Activities - Enterprise Funds		
	Local Transportation	School-Age Child Care	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 943,779	\$ 6,626,932	\$ 7,570,711
Other	171,019	240,662	411,681
<b>Total Operating Revenues</b>	<b>1,114,798</b>	<b>6,867,594</b>	<b>7,982,392</b>
<b>OPERATING EXPENSES</b>			
Operations	7,966,130	6,561,568	14,527,698
Administration	869,724	377,890	1,247,614
Depreciation and amortization	1,605,605	75,724	1,681,329
<b>Total Operating Expenses</b>	<b>10,441,459</b>	<b>7,015,182</b>	<b>17,456,641</b>
<b>Operating Income (Loss)</b>	<b>(9,326,661)</b>	<b>(147,588)</b>	<b>(9,474,249)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest and rents revenue	269,028	33,875	302,903
Interest and fiscal charges (expenses)	-	(12,363)	(12,363)
Subventions and grants	23,678,979	421,153	24,100,132
Gain (loss) from sale of property	5,754	-	5,754
<b>Total Nonoperating Revenues (Expenses)</b>	<b>23,953,761</b>	<b>442,665</b>	<b>24,396,426</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>14,627,100</b>	<b>295,077</b>	<b>14,922,177</b>
Capital contributions from developers and governmental activities	878,790	67,682	946,472
Transfer in	585,401	-	585,401
Transfer out	(4,505,418)	(298,361)	(4,803,779)
<b>Change in net position</b>	<b>11,585,873</b>	<b>64,398</b>	<b>11,650,271</b>
<b>TOTAL NET POSITION (DEFICIT) - BEGINNING</b>	<b>19,504,030</b>	<b>(8,358,135)</b>	<b>11,145,895</b>
<b>TOTAL NET POSITION (DEFICIT) - ENDING</b>	<b>\$ 31,089,903</b>	<b>\$ (8,293,737)</b>	<b>\$ 22,796,166</b>

**CITY OF ROSEVILLE, CALIFORNIA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds		
	Local Transportation	School-Age Child Care	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 943,874	\$ 6,145,027	\$ 7,088,901
Payments to suppliers	(9,296,653)	(1,364,255)	(10,660,908)
Payments to employees	(721,536)	(5,182,643)	(5,904,179)
Other receipts	171,019	643,782	814,801
Net Cash provided by/(used for) Operating Activities	<u>(8,903,296)</u>	<u>241,911</u>	<u>(8,661,385)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Subventions and grants	25,465,496	421,153	25,886,649
Interest paid	-	(14,582)	(14,582)
Payments to other funds for long-term cash borrowings	-	(40,000)	(40,000)
Transfers in	585,401	(15,000)	570,401
Transfers out	(4,505,418)	(298,361)	(4,803,779)
Net cash provided by/(used for) Noncapital Financing Activities	<u>21,545,479</u>	<u>53,210</u>	<u>21,598,689</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(12,133,966)	(322,033)	(12,455,999)
Proceeds from sale of capital assets	5,754	-	5,754
Net cash provided by/(used for) Capital and Related Financing Activities	<u>(12,128,212)</u>	<u>(322,033)</u>	<u>(12,450,245)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and rents received	295,116	33,874	328,990
Net increase (decrease) in cash and cash equivalents	809,087	6,962	816,049
Cash and investments at beginning of period	6,631,604	1,032,745	7,664,349
Cash and investments at end of period	<u>\$ 7,440,691</u>	<u>\$ 1,039,707</u>	<u>\$ 8,480,398</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by/(used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (9,326,661)	\$ (147,588)	\$ (9,474,249)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Depreciation and amortization	1,605,605	75,723	1,681,328
OPEB expense	(8,000)	1,111,000	1,103,000
Pension expense	192,363	(705,161)	(512,798)
<b>Change in Assets and Liabilities:</b>			
Receivables, Net	(2,867,868)	(46,109)	(2,913,977)
Accounts payable and other liabilities	1,501,265	(45,954)	1,455,311
Net Cash Provided by (Used for) Operating Activities	<u>\$ (8,903,296)</u>	<u>\$ 241,911</u>	<u>\$ (8,661,385)</u>
<b>NON-CASH TRANSACTIONS:</b>			
Capital assets transferred from governmental activities	<u>\$ 868,791</u>	<u>\$ -</u>	<u>\$ 868,791</u>
Capital assets contributed from developer	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</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.

**Worker's 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, 2019**

	Automotive	Facilities	Information Technology	General Equipment Replacement
<b>ASSETS</b>				
Current Assets:				
Cash and Investments in City Treasury	\$ 33,316,242	\$ 1,583,634	\$ 1,591,156	\$ 604,573
Receivables	2,526,489	6,989	5,012	4,001
Due from other funds	215,345	-	-	-
Prepays	682,482	-	175,104	-
Notes receivable	663,361	-	-	-
Inventories	868,161	14,968	-	-
<b>Total Current Assets</b>	<b>38,272,080</b>	<b>1,605,591</b>	<b>1,771,272</b>	<b>608,574</b>
Non Current Assets:				
Advances to other funds	3,275,180	-	-	-
Capital assets:				
Construction in progress	1,011,324	64,451	501,972	-
Capital assets being depreciated, net	15,062,270	111,353,695	1,808,549	443,083
<b>Total Assets</b>	<b>57,620,854</b>	<b>113,023,737</b>	<b>4,081,793</b>	<b>1,051,657</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pensions	1,197,312	1,765,722	7,511,400	-
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	1,012,083	449,549	48,173	15,000
Accrued liabilities	48,800	3,942	(5,683)	-
Compensated absences	119,714	95,913	329,701	-
Self-insurance claims payable	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,180,597</b>	<b>549,404</b>	<b>372,191</b>	<b>15,000</b>
Non-Current Liabilities:				
Compensated absences	222,358	213,213	686,424	-
Self-insurance claims payable	-	-	-	-
Net pension liability	4,933,563	3,202,947	13,528,162	-
<b>Total Liabilities</b>	<b>6,336,518</b>	<b>3,965,564</b>	<b>14,586,777</b>	<b>15,000</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	176,001	76,120	321,563	-
<b>NET POSITION</b>				
Net investment in capital assets	16,073,594	111,418,146	2,310,521	443,083
Unrestricted	36,232,053	(670,371)	(5,625,668)	593,574
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 52,305,647</b>	<b>\$ 110,747,775</b>	<b>\$ (3,315,147)</b>	<b>\$ 1,036,657</b>

Self Insurance Funds							
Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ -	\$ 11,840,148	\$ 5,457,970	\$ 1,041,219	\$ 280,693	\$ 660,075	\$ 101,966	\$ 56,477,676
-	62,282	26,682	5,562	1,849	7,496	559	2,646,921
-	-	-	-	-	-	-	215,345
-	-	-	-	-	169,800	63,263	1,090,649
-	-	-	-	-	-	-	663,361
-	-	-	-	-	-	-	883,129
-	11,902,430	5,484,652	1,046,781	282,542	837,371	165,788	61,977,081
-	-	-	-	-	-	-	3,275,180
-	45,119	33,083	-	-	-	-	1,655,949
-	-	-	-	-	-	-	128,667,597
-	11,947,549	5,517,735	1,046,781	282,542	837,371	165,788	195,575,807
-	1,315,964	83,719	-	-	-	-	11,874,117
-	-	33,207	-	-	114,018	18,981	1,691,011
-	3,602	3,337	-	-	-	-	53,998
-	14,246	13,205	-	-	-	-	572,779
-	1,548,908	320,349	-	-	-	-	1,869,257
-	1,566,756	370,098	-	-	114,018	18,981	4,187,045
-	35,523	34,203	-	-	-	-	1,191,721
-	7,056,132	1,281,399	-	-	-	-	8,337,531
-	2,085,721	442,631	-	-	-	-	24,193,024
-	10,744,132	2,128,331	-	-	114,018	18,981	37,909,321
-	50,850	20,420	-	-	-	-	644,954
-	45,119	33,083	-	-	-	-	130,323,546
-	2,423,412	3,419,620	1,046,781	282,542	723,353	146,807	38,572,103
\$ -	\$ 2,468,531	\$ 3,452,703	\$ 1,046,781	\$ 282,542	\$ 723,353	\$ 146,807	\$ 168,895,649

**CITY OF ROSEVILLE, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019**

	Automotive	Facilities	Information Technology	General Equipment Replacement
<b>OPERATING REVENUES</b>				
Charges for services	\$ 13,746,188	\$ 4,980,191	\$ 10,021,140	\$ 194,213
Other	185,893	1,000	-	-
Total Operating Revenues	<u>13,932,081</u>	<u>4,981,191</u>	<u>10,021,140</u>	<u>194,213</u>
<b>OPERATING EXPENSES</b>				
Operations and maintenance	8,107,446	6,044,944	12,136,986	70,200
Depreciation and amortization	4,071,230	4,217,771	506,880	50,186
Claims expense	-	-	-	-
Total Operating Expenses	<u>12,178,676</u>	<u>10,262,715</u>	<u>12,643,866</u>	<u>120,386</u>
Operating Income (Loss)	<u>1,753,405</u>	<u>(5,281,524)</u>	<u>(2,622,726)</u>	<u>73,827</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest and rents revenue	1,348,275	49,974	31,851	24,198
Gain (loss) on disposal	365,915	(50,125)	-	53,895
Total Non-Operating Revenue	<u>1,714,190</u>	<u>(151)</u>	<u>31,851</u>	<u>78,093</u>
Income (Loss) Before Contributions and transfers	<u>3,467,595</u>	<u>(5,281,675)</u>	<u>(2,590,875)</u>	<u>151,920</u>
Contributions	-	1,780,251	242,123	22,974
Transfers In	-	3,504	-	-
Transfers Out	(249,604)	(77,668)	(273,232)	-
Changes in Net Position	3,217,991	(3,575,588)	(2,621,984)	174,894
NET POSITION (DEFICIT) - BEGINNING	<u>49,087,656</u>	<u>114,323,363</u>	<u>(693,163)</u>	<u>861,763</u>
NET POSITION - ENDING	<u>\$ 52,305,647</u>	<u>\$ 110,747,775</u>	<u>\$ (3,315,147)</u>	<u>\$ 1,036,657</u>

Self Insurance Funds							
Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 6,165,025	\$ 4,018,397 45,119	\$ 2,779,085	\$ 149,392	\$ 144,548	\$ 1,354,833	\$ 444,255	\$ 43,997,267 232,012
<u>6,165,025</u>	<u>4,063,516</u>	<u>2,779,085</u>	<u>149,392</u>	<u>144,548</u>	<u>1,354,833</u>	<u>444,255</u>	<u>44,229,279</u>
15,728,302	2,039,593	1,711,226	138,631	162,275	132,937	925	46,273,465
-	-	-	-	-	-	-	8,846,067
-	3,556,844	22,937	-	-	1,326,352	441,615	5,347,748
<u>15,728,302</u>	<u>5,596,437</u>	<u>1,734,163</u>	<u>138,631</u>	<u>162,275</u>	<u>1,459,289</u>	<u>442,540</u>	<u>60,467,280</u>
<u>(9,563,277)</u>	<u>(1,532,921)</u>	<u>1,044,922</u>	<u>10,761</u>	<u>(17,727)</u>	<u>(104,456)</u>	<u>1,715</u>	<u>(16,238,001)</u>
6,290	513,911	195,698	41,728	12,315	31,141	3,655	2,259,036
-	-	-	-	-	-	-	369,685
<u>6,290</u>	<u>513,911</u>	<u>195,698</u>	<u>41,728</u>	<u>12,315</u>	<u>31,141</u>	<u>3,655</u>	<u>2,628,721</u>
<u>(9,556,987)</u>	<u>(1,019,010)</u>	<u>1,240,620</u>	<u>52,489</u>	<u>(5,412)</u>	<u>(73,315)</u>	<u>5,370</u>	<u>(13,609,280)</u>
-	-	-	-	-	-	-	2,045,348
8,903,129	-	-	-	-	-	-	8,906,633
-	(45,119)	(33,083)	-	-	-	-	(678,706)
<u>(653,858)</u>	<u>(1,064,129)</u>	<u>1,207,537</u>	<u>52,489</u>	<u>(5,412)</u>	<u>(73,315)</u>	<u>5,370</u>	<u>(3,336,005)</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>
<u>\$ -</u>	<u>\$ 2,468,531</u>	<u>\$ 3,452,703</u>	<u>\$ 1,046,781</u>	<u>\$ 282,542</u>	<u>\$ 723,353</u>	<u>\$ 146,807</u>	<u>\$ 168,895,649</u>

**CITY OF ROSEVILLE, CALIFORNIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Automotive	Facilities	Information Technology	General Equipment
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 13,717,179	\$ 4,980,199	\$ 10,021,140	\$ 194,213
Payments to suppliers	(6,974,509)	(3,468,385)	(3,394,554)	(121,922)
Payments to employees	38,234	(1,441,581)	(5,751,848)	-
Payments to OPEB trust	-	-	-	-
Claims paid	-	-	-	-
Other receipts (payments)	185,893	1,000	-	-
Net Cash Provided by (Used for) Operating Activities	<u>6,966,797</u>	<u>71,233</u>	<u>874,738</u>	<u>72,291</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Payments from other governmental agencies	16,160	-	-	-
Receipt of payments on notes receivables	(19,121)	-	-	-
Increase (decrease) in due to other funds	(663,361)	-	-	-
Increase (decrease) in advances to other funds	215,345	-	-	-
Transfers in	-	3,504	-	-
Transfers out	(249,604)	(77,668)	(273,232)	-
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(700,581)</u>	<u>(74,164)</u>	<u>(273,232)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net	(3,734,787)	(118,181)	(235,087)	(416,400)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	1,276,492	47,122	29,851	21,904
Net Increase (Decrease) in Cash and Cash Equivalents	3,807,921	(73,990)	396,270	(322,205)
Cash and Investments at Beginning of Period	29,508,321	1,657,624	1,194,886	926,778
Cash and Investments at End of Period	<u>\$ 33,316,242</u>	<u>\$ 1,583,634</u>	<u>\$ 1,591,156</u>	<u>\$ 604,573</u>
<b>Reconciliation of Operating Income (Loss)</b>				
to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 1,753,405	\$ (5,281,524)	\$ (2,622,726)	\$ 73,827
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	4,071,230	4,217,771	506,880	50,186
Pension expense	348,829	758,086	3,202,892	-
Change in Assets and Liabilities:				
Receivables, Net	(29,009)	-	-	-
Prepays	2,220	-	-	-
Inventories	(34,181)	165,241	-	-
Accounts payable and other liabilities	854,303	211,659	(212,308)	(51,722)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 6,966,797</u>	<u>\$ 71,233</u>	<u>\$ 874,738</u>	<u>\$ 72,291</u>

Self Insurance Funds

Post Retirement	Worker's Compensation	General Liability	Unemployment Reserve	Vision	Dental	Section 125	Total
\$ 6,165,025	\$ 4,066,022	\$ 2,797,785	\$ 149,392	\$ (287)	\$ (3,452)	\$ 3,983	\$ 42,091,199
-	(2,329)	(1,712,250)	(185,716)	(162,275)	(131,629)	-	(16,153,569)
-	(1,217,803)	(852,214)	-	-	(1,326,352)	(441,615)	(10,993,179)
(15,728,302)	-	-	-	-	-	-	(15,728,302)
-	(3,556,844)	-	-	-	-	-	(3,556,844)
-	-	-	-	144,548	1,354,833	444,255	2,130,529
<u>(9,563,277)</u>	<u>(710,954)</u>	<u>233,321</u>	<u>(36,324)</u>	<u>(18,014)</u>	<u>(106,600)</u>	<u>6,623</u>	<u>(2,210,166)</u>
-	-	-	-	-	-	-	16,160
-	-	-	-	-	-	-	(19,121)
-	-	-	-	-	-	-	(663,361)
-	-	-	-	-	-	-	215,345
8,903,129	-	-	-	-	-	-	8,906,633
-	(45,119)	(33,083)	-	-	-	-	(678,706)
<u>8,903,129</u>	<u>(45,119)</u>	<u>(33,083)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,776,950</u>
-	(45,119)	(33,083)	-	-	-	-	(4,582,657)
<u>6,290</u>	<u>514,916</u>	<u>190,524</u>	<u>40,845</u>	<u>12,207</u>	<u>30,745</u>	<u>3,456</u>	<u>2,174,352</u>
(653,858)	(286,276)	357,679	4,521	(5,807)	(75,855)	10,079	3,158,479
<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>
<u>\$ -</u>	<u>\$ 11,840,148</u>	<u>\$ 5,457,970</u>	<u>\$ 1,041,219</u>	<u>\$ 280,693</u>	<u>\$ 660,075</u>	<u>\$ 101,966</u>	<u>\$ 56,477,676</u>
\$ (9,563,277)	\$ (1,532,921)	\$ 1,044,922	\$ 10,761	\$ (17,727)	\$ (104,456)	\$ 1,715	\$ (16,238,001)
-	-	-	-	-	-	-	8,846,067
-	407,286	22,590	-	-	-	-	4,739,683
-	2,506	18,700	-	(287)	(3,452)	-	(11,542)
-	-	-	-	-	-	-	2,220
-	-	-	-	-	-	-	131,060
-	412,175	(852,891)	(47,085)	-	1,308	4,908	320,347
<u>\$ (9,563,277)</u>	<u>\$ (710,954)</u>	<u>\$ 233,321</u>	<u>\$ (36,324)</u>	<u>\$ (18,014)</u>	<u>\$ (106,600)</u>	<u>\$ 6,623</u>	<u>\$ (2,210,166)</u>

*This page intentionally left blank.*

## **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, 2019**

	Endowment Private-Purpose Trust	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ASSETS:</b>			
Cash and investments in Treasury	\$ 1,920,887	\$ 3,790,049	\$ 5,710,936
Restricted cash and investments with fiscal agents	-	248,005	248,005
Receivables	10,430	642,110	652,540
Notes receivable	-	4,126,786	4,126,786
Capital assets:			
Land	-	74,369	74,369
Total Assets	<u>1,931,317</u>	<u>8,881,319</u>	<u>10,812,636</u>
<b>LIABILITIES:</b>			
Accrued liabilities	-	967,064	967,064
Long-term liabilities:			
Due in one year	-	1,888,898	1,888,898
Due in more than one year	-	46,588,201	46,588,201
Total Liabilities	<u>-</u>	<u>49,444,163</u>	<u>49,444,163</u>
<b>NET POSITION (DEFICIT)</b>			
Held in trust for private purposes or for other governments	<u>\$ 1,931,317</u>	<u>\$ (40,562,844)</u>	<u>\$ (38,631,527)</u>

**CITY OF ROSEVILLE, CALIFORNIA  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019**

	Endowment Private-Purpose Trust	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
<b>ADDITIONS</b>			
Property taxes	\$ -	\$ 3,228,802	\$ 3,228,802
Investment income	75,743	231,113	306,856
Miscellaneous income	-	260,848	260,848
Total Additions	<u>75,743</u>	<u>3,720,763</u>	<u>3,796,506</u>
<b>DEDUCTIONS</b>			
General government	12,096	-	12,096
Community services	-	219,750	219,750
Debt service:			
Interest and fiscal charges	-	1,115,149	1,115,149
Total Liabilities	<u>12,096</u>	<u>1,334,899</u>	<u>1,346,995</u>
Change in net position	63,647	2,385,864	2,449,511
NET POSITION (DEFICIT) - BEGINNING	<u>1,867,670</u>	<u>(42,948,708)</u>	<u>(41,081,038)</u>
NET POSITION (DEFICIT) - ENDING	<u>\$ 1,931,317</u>	<u>\$ (40,562,844)</u>	<u>\$ (38,631,527)</u>

*This page intentionally left blank.*

## 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.

### **Westbrook Reimbursements**

The Westbrook Area was established to finance improvements to the region to be reimbursed from properties benefiting from the improvements.

## **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, 2019**

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<b>Special Assessments and Community Services Districts</b>				
Cash and investments in City Treasury	\$ 23,350,058	\$ 25,831,751	\$ 23,350,058	\$ 25,831,751
Restricted cash and investments with fiscal agents	20,486,773	23,208,059	20,486,773	23,208,059
Receivables	13,111,914	15,212,254	13,111,914	15,212,254
<b>Total Assets</b>	<b>\$ 56,948,745</b>	<b>\$ 64,252,064</b>	<b>\$ 56,948,745</b>	<b>\$ 64,252,064</b>
Accounts payable	\$ 2,549	\$ 7,186	\$ 2,549	\$ 7,186
Accrued Liabilities	4,871	4,871	4,871	4,871
Due to others	27,948	-	27,948	-
Due to bondholders	56,913,377	64,240,007	56,913,377	64,240,007
<b>Total Liabilities</b>	<b>\$ 56,948,745</b>	<b>\$ 64,252,064</b>	<b>\$ 56,948,745</b>	<b>\$ 64,252,064</b>
<b>Payroll Revolving</b>				
Cash and investments in City Treasury	\$ 2,131,367	-	\$ 2,131,367	-
Accounts payable	\$ 2,131,367	-	\$ 2,131,367	-
<b>Highway 65 JPA</b>				
Cash and investments in City Treasury	\$ 4,291,903	\$ 354,228	\$ 4,291,903	\$ 354,228
Receivables	153,297	11,677	153,297	134,729
<b>Total Assets</b>	<b>\$ 4,445,200</b>	<b>\$ 488,957</b>	<b>\$ 4,445,200</b>	<b>\$ 488,957</b>
Accounts payable	\$ 149,588	165,275	\$ 149,588	\$ 165,275
Due to member agencies	4,295,612	323,682	4,295,612	323,682
<b>Total Liabilities</b>	<b>\$ 4,445,200</b>	<b>\$ 488,957</b>	<b>\$ 4,445,200</b>	<b>\$ 488,957</b>
<b>Dry Creek Drainage Basin</b>				
Cash and investments in City Treasury	\$ 20,343	\$ 25,432	\$ 20,343	\$ 25,432
Receivables	150	39	150	39
<b>Total Assets</b>	<b>\$ 20,493</b>	<b>\$ 25,471</b>	<b>\$ 20,493</b>	<b>\$ 25,471</b>
Accounts payable	-	\$ 25,258	-	\$ 25,258
Due to others	\$ 20,493	213	\$ 20,493	213
<b>Total Liabilities</b>	<b>\$ 20,493</b>	<b>\$ 25,471</b>	<b>\$ 20,493</b>	<b>\$ 25,471</b>
<b>County Capital Facilities Fee</b>				
Cash and investments in City Treasury	\$ 478,479	\$ 620,300	\$ 478,479	\$ 620,300
Receivables	4,979	2,236	4,979	2,236
<b>Total Assets</b>	<b>\$ 483,458</b>	<b>\$ 622,536</b>	<b>\$ 483,458</b>	<b>\$ 622,536</b>
Accounts payable	\$ 483,458	\$ 619,412	\$ 483,458	\$ 619,412
Due to others	-	3,124	-	3,124
<b>Total Liabilities</b>	<b>\$ 1,434,763</b>	<b>\$ 622,536</b>	<b>\$ 483,458</b>	<b>\$ 622,536</b>
<b>South Placer Wastewater Authority</b>				
Cash and investments in City Treasury	\$ 119,739,998	\$ 126,628,392	\$ 119,739,998	\$ 126,628,392
Restricted cash and investments with fiscal agents	38,286,793	39,728,329	38,286,793	39,728,329
Receivables	1,068,329	1,070,919	1,068,329	1,070,919
<b>Total Assets</b>	<b>\$ 159,095,120</b>	<b>\$ 167,427,640</b>	<b>\$ 159,095,120</b>	<b>\$ 167,427,640</b>
Accounts payable	\$ 579,310	\$ 127,055	\$ 579,310	\$ 127,055
Accrued liabilities	846,276	820,462	846,276	820,462
Due to member agencies	157,669,534	166,480,123	157,669,534	166,480,123
<b>Total Liabilities</b>	<b>\$ 159,095,120</b>	<b>\$ 167,427,640</b>	<b>\$ 159,095,120</b>	<b>\$ 167,427,640</b>
<b>Special Sewer Benefit Area #3</b>				
Cash and investments in City Treasury	\$ 1,804	\$ 70	\$ 1,804	\$ 70
Receivables	9	4	9	4
<b>Total Assets</b>	<b>\$ 1,813</b>	<b>\$ 74</b>	<b>\$ 1,813</b>	<b>\$ 74</b>
Due to others	\$ 1,813	\$ 74	\$ 1,813	\$ 74

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<b>Special Sewer Benefit Area #4</b>				
Cash and investments in City Treasury	\$ 186,852	\$ 194,860	\$ 186,852	\$ 194,860
Receivables	947	1,039	947	1,039
Total Assets	<u>\$ 187,799</u>	<u>\$ 195,899</u>	<u>\$ 187,799</u>	<u>\$ 195,899</u>
Due to others	<u>\$ 187,799</u>	<u>\$ 195,899</u>	<u>\$ 187,799</u>	<u>\$ 195,899</u>
<b>South Placer County Tourism Business Improvement District (SPCTBID)</b>				
Cash and investments in City Treasury	\$ 20,064	\$ 30,084	\$ 20,064	\$ 30,084
Restricted cash and investments with fiscal agents	-	8,066,592	-	8,066,592
Receivables	1,106,056	1,233,857	1,106,056	1,233,857
Total Assets	<u>\$ 1,126,120</u>	<u>\$ 9,330,533</u>	<u>\$ 1,126,120</u>	<u>\$ 9,330,533</u>
Accounts payable	\$ 788,460	\$ 730,841	\$ 788,460	\$ 730,841
Due to others	337,660	8,599,692	337,660	8,599,692
Total Liabilities	<u>\$ 1,126,120</u>	<u>\$ 9,330,533</u>	<u>\$ 1,126,120</u>	<u>\$ 9,330,533</u>
<b>South Placer County Safe Kids Coalition</b>				
Cash and investments in City Treasury	\$ 4,274	\$ 4,457	\$ 4,274	\$ 4,457
Receivables	22	24	22	24
Total Assets	<u>\$ 4,296</u>	<u>\$ 4,481</u>	<u>\$ 4,296</u>	<u>\$ 4,481</u>
Due to others	<u>\$ 4,296</u>	<u>\$ 4,481</u>	<u>\$ 4,296</u>	<u>\$ 4,481</u>
<b>South Placer Regional Traffic Fee</b>				
Cash and investments in City Treasury	\$ 373,101	\$ 735,828	\$ 373,101	\$ 735,828
Receivables	1,872,334	1,661	1,872,334	1,661
Total Assets	<u>\$ 2,245,435</u>	<u>\$ 737,489</u>	<u>\$ 2,245,435</u>	<u>\$ 737,489</u>
Accounts payable	\$ 501,227	\$ 721,375	\$ 501,227	\$ 721,375
Due to others	1,744,208	16,114	1,744,208	16,114
Total Liabilities	<u>\$ 2,245,435</u>	<u>\$ 737,489</u>	<u>\$ 2,245,435</u>	<u>\$ 737,489</u>
<b>Placer County TMF</b>				
Cash and investments in City Treasury	\$ 173,226	\$ 268,980	\$ 173,226	\$ 268,980
Receivables	-	1,160	-	1,160
Total Assets	<u>\$ 173,226</u>	<u>\$ 270,140</u>	<u>\$ 173,226</u>	<u>\$ 270,140</u>
Due to others	<u>\$ 173,226</u>	<u>\$ 270,140</u>	<u>\$ 173,226</u>	<u>\$ 270,140</u>
<b>Placer County Air Pollution Control</b>				
Cash and investments in City Treasury	\$ 31,379	\$ 32,586	\$ 31,379	\$ 32,586
Due to others	<u>\$ 31,379</u>	<u>\$ 32,586</u>	<u>\$ 31,379</u>	<u>\$ 32,586</u>
<b>Sierra College Boulevard</b>				
Cash and investments in City Treasury	\$ 17,550	\$ 18,225	\$ 17,550	\$ 18,225
Due to others	<u>\$ 17,550</u>	<u>\$ 18,225</u>	<u>\$ 17,550</u>	<u>\$ 18,225</u>
<b>Special Assessment Collection Fees</b>				
Cash and investments in City Treasury	\$ 13,122	\$ -	\$ -	\$ 13,122
Due to other governmental agencies	<u>\$ 13,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,122</u>
<b>WRSP Reimbursements</b>				
Cash and investments in City Treasury	\$ 601,162	\$ 218,543	\$ 601,162	\$ 218,543
Receivables	1,721	1,382	1,721	1,382
Total Assets	<u>\$ 602,883</u>	<u>\$ 219,925</u>	<u>\$ 602,883</u>	<u>\$ 219,925</u>
Accounts payable	\$ -	\$ 208,173	\$ -	\$ 208,173
Due to others	602,883	-	602,883	-
Due to other governmental agencies	-	11,752	-	11,752
Total Liabilities	<u>\$ 602,883</u>	<u>\$ 219,925</u>	<u>\$ 602,883</u>	<u>\$ 219,925</u>

(Continued)

**CITY OF ROSEVILLE, CALIFORNIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<b>Sierra Vista Reimbursements</b>				
Cash and investments in City Treasury	\$ 1,004,864	\$ 1,517,152	\$ 1,004,864	\$ 1,517,152
Receivables	3,773	6,672	3,773	6,672
<b>Total Assets</b>	<b>\$ 1,008,637</b>	<b>\$ 1,523,824</b>	<b>\$ 1,008,637</b>	<b>\$ 1,523,824</b>
Due to others	\$ 1,008,637	\$ 1,485,865	\$ 1,008,637	\$ 1,485,865
Due to other governmental agencies	-	37,959	-	37,959
<b>Total Liabilities</b>	<b>\$ 1,008,637</b>	<b>\$ 1,523,824</b>	<b>\$ 1,008,637</b>	<b>\$ 1,523,824</b>
<b>HP Campus Oaks reimbursements</b>				
Cash and investments in City Treasury	\$ 219	\$ 756	\$ 219	\$ 756
Receivables	100	4	100	4
<b>Total Assets</b>	<b>\$ 319</b>	<b>\$ 760</b>	<b>\$ 319</b>	<b>\$ 760</b>
Due to bondholders	\$ 319	\$ 760	\$ 319	\$ 760
<b>Downtown Roseville PBID</b>				
Cash and investments in City Treasury	\$ 95,707	\$ 63	\$ 95,707	\$ 63
Receivables	10,905	6,764	10,905	6,764
<b>Total Assets</b>	<b>\$ 106,612</b>	<b>\$ 6,827</b>	<b>\$ 106,612</b>	<b>\$ 6,827</b>
Due to others	\$ 106,612	\$ 6,827	\$ 106,612	\$ 6,827
<b>Westbrook Reimbursements</b>				
Cash and investments in City Treasury	\$ -	\$ 33,199	\$ -	\$ 33,199
Receivables	-	76	-	76
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 33,275</b>	<b>\$ -</b>	<b>\$ 33,275</b>
Due to others	-	33,275	-	33,275
<b>Total Agency Funds</b>				
Cash and investments in City Treasury	\$ 152,535,472	\$ 156,514,906	\$ 152,522,350	\$ 156,528,028
Restricted cash and investments with fiscal agents	58,773,566	71,002,980	58,773,566	71,002,980
Receivables	17,334,536	17,549,768	17,334,536	17,672,820
<b>Total Assets</b>	<b>\$ 228,643,574</b>	<b>\$ 245,190,706</b>	<b>\$ 228,630,452</b>	<b>\$ 245,203,828</b>
Accounts payable	\$ 4,635,959	\$ 2,604,575	\$ 4,635,959	\$ 2,604,575
Accrued liabilities	851,147	825,333	851,147	825,333
Due to other governmental agencies	13,122	49,711	-	62,833
Due to member agencies	161,965,146	166,803,805	161,965,146	166,803,805
Due to bondholders	56,913,696	64,240,767	56,913,696	64,240,767
Due to others	4,264,504	10,666,515	4,264,504	10,666,515
<b>Total Liabilities</b>	<b>\$ 228,643,574</b>	<b>\$ 245,190,706</b>	<b>\$ 228,630,452</b>	<b>\$ 245,203,828</b>

*This page intentionally left blank.*

## 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*

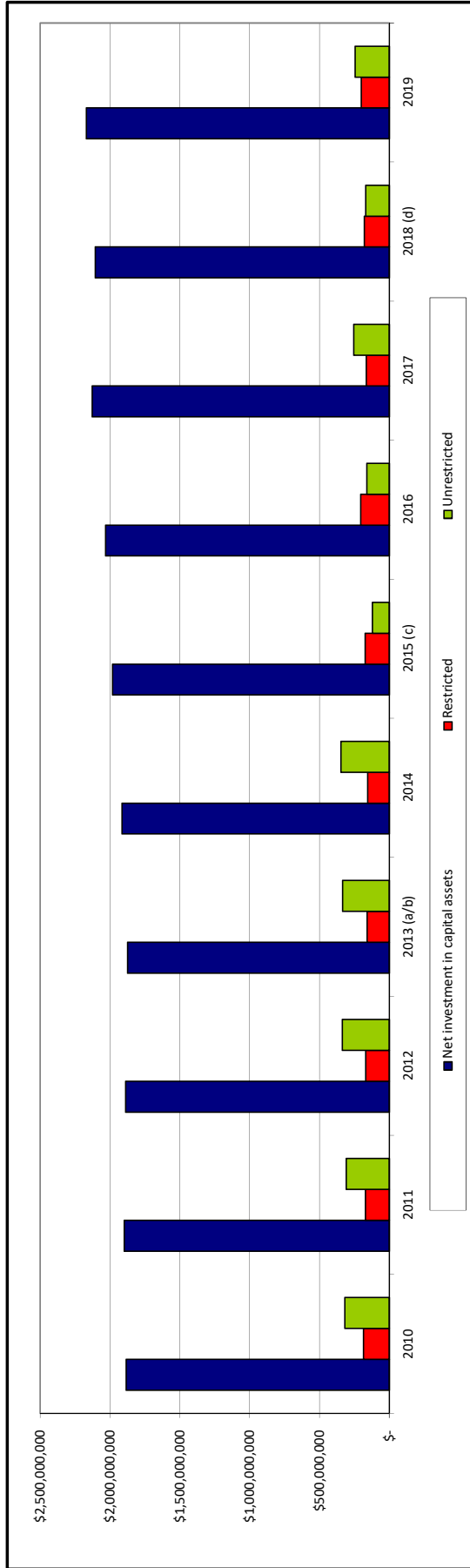
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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,									
	2010	2011	2012	2013 (a/b)	2014	2015 (c)	2016	2017	2018 (d)	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$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	\$938,614,328
Restricted	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	155,247,564
Unrestricted	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)	(101,759,015)
Total governmental activities net position	\$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	\$992,102,877
<b>Business-type activities</b>										
Net investment in capital assets	\$1,884,933,341	\$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	1,231,485,112
Restricted	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	45,469,335
Unrestricted	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	345,923,257
Total business-type activities net position	\$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	\$1,622,877,704
<b>Primary government</b>										
Net investment in capital assets	\$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	\$2,170,099,440
Restricted	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	\$200,716,899
Unrestricted	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	\$244,164,242
Total primary government net position	\$2,389,763,291	\$2,379,289,789	\$2,393,128,956	\$2,366,327,882	\$2,414,988,913	\$2,275,324,394	\$2,398,136,447	\$2,547,044,326	\$2,453,389,070	\$2,614,980,581

(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.

Source: City of Roseville's Comprehensive Annual Financial Report

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

	2010	2011	2012	2013 (a)	2014	2015 (b)	2016	2017	2018 (c)	2019
<b>Expenses</b>										
Governmental Activities:										
General Government	\$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	\$16,000,782
Development and Operations	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	28,999,967
Public Works	33,143,591	30,932,981	32,524,417	42,655,128	26,482,643	17,191,405	12,786,495	15,499,737	21,316,464	10,732,197
Police	34,190,552	31,720,789	31,262,454	33,163,354	34,443,258	33,815,163	34,215,809	27,989,234	46,653,023	51,686,063
Fire	27,543,494	25,191,924	25,282,596	26,611,217	28,183,501	28,710,164	28,336,652	21,870,767	38,336,994	42,893,789
Library	4,692,455	3,933,549	4,631,691	4,537,528	4,634,502	4,728,411	4,675,146	3,356,937	5,888,252	6,095,245
Parks and recreation	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	29,543,138
Housing assistance payments	3,628,510	3,643,394	4,232,695	4,049,279	3,858,070	4,046,250	4,077,451	4,216,417	4,288,895	4,673,530
Interest on long-term debt	7,131,216	3,181,266	999,436	1,274,294	740,975	543,336	1,170,785	4,285,329	4,798,427	1,304,195
Total Governmental Activities Expenses	\$180,289,711	\$160,096,972	\$166,333,208	\$176,540,105	\$168,835,263	\$164,647,830	\$152,369,986	\$142,357,184	\$195,110,830	\$191,928,906
Business-Type Activities:										
Electric	\$172,512,453	\$148,271,687	\$144,985,608	\$144,141,500	\$144,616,552	\$139,307,833	\$141,831,457	\$150,984,130	\$149,337,786	\$140,049,539
Water	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	31,518,663
Wastewater	29,169,860	29,516,033	34,587,583	33,820,510	36,129,357	34,558,191	34,569,588	40,370,531	45,984,028	57,655,228
Solid Waste	15,172,092	14,979,891	18,855,280	16,173,643	17,028,118	17,028,118	17,778,385	18,307,460	22,628,907	24,131,176
Natural Gas	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	23,711,730
Golf Course	2,814,274	2,828,099	2,487,080	2,617,733	2,501,897	2,598,524	2,502,782	2,466,928	2,502,782	2,502,782
Local Transportation	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	10,441,459
School-age Child Care	4,258,304	4,277,245	4,461,275	4,691,235	4,496,871	3,664,376	5,251,976	5,794,022	7,860,178	7,027,545
Total Business-Type Activities Expenses	281,435,640	255,924,324	260,208,986	260,306,214	262,626,500	256,773,447	261,823,007	280,879,266	292,226,639	294,535,340
Total Primary Government Expenses	\$461,725,351	\$416,021,296	\$426,542,194	\$436,846,319	\$431,461,763	\$421,421,277	\$414,192,993	\$423,236,450	\$487,337,469	\$486,464,246
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$2,655,834	\$2,914,657	\$2,778,080	\$2,650,873	\$2,519,443	\$4,151,967	\$4,097,453	\$5,153,373	\$5,688,733	\$4,426,702
Development and Operations	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	12,124,757
Public Works	2,841,931	2,915,603	2,919,180	3,124,557	2,243,389	2,073,635	30,618	518,117	158,610	222,332
Police	2,088,346	1,525,433	1,319,271	1,504,357	1,541,641	1,384,407	1,354,837	1,322,994	1,473,504	1,535,265
Fire	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	2,619,760
Library	216,064	228,343	339,589	297,467	332,387	137,575	128,689	24,085	18,361	15,069
Parks and recreation	9,843,940	10,057,346	10,242,291	12,574,853	11,391,414	13,361,020	13,093,192	14,687,957	17,469,661	18,747,740
Operating Grants and Contributions	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	16,951,285
Capital Grants and Contributions	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	40,652,774
Total Government Activities Program Revenues	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	97,295,684
Business-Type Activities:										
Charges for Services:										
Electric	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	168,047,418
Water	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	32,851,109
Wastewater	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	43,389,397
Solid Waste	20,082,492	20,682,638	20,903,993	21,437,556	21,806,830	22,002,869	22,403,352	23,111,497	24,257,746	25,227,177
Natural Gas	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	16,738,649
Golf Course	2,801,963	2,415,583	2,702,741	2,460,509	2,392,702	2,386,188	2,216,692	1,931,550	-	-
Local Transportation	861,730	949,192	974,344	1,075,864	1,141,354	1,201,224	1,177,935	1,396,957	1,138,726	1,114,798
School-age Child Care	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	6,867,594
Operating Grants and Contributions	6,327,458	6,174,016	13,729,467	17,175,122	13,286,509	14,272,710	5,878,612	10,640,845	12,614,825	24,255,105
Capital Grants and Contributions	26,604,588	16,234,957	12,323,429	43,539,243	50,670,825	55,809,279	78,824,553	61,026,801	78,824,553	74,948,559
Total Business-Type Activities Program Revenue	283,344,274	278,956,407	279,428,660	280,251,260	319,270,591	334,983,128	334,066,548	353,307,648	377,372,504	393,439,806
Total Primary Government Program Revenues	\$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	\$490,735,490
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$119,345,066)	(\$116,030,567)	(\$122,893,162)	(\$122,478,351)	(\$110,883,362)	(\$92,604,581)	(\$65,647,730)	(\$51,376,256)	(\$110,727,833)	(\$94,633,222)
Business-Type Activities	1,908,634	23,032,083	19,219,674	19,945,055	56,644,091	78,209,681	72,243,541	72,428,382	85,145,865	98,904,466
Total Primary Government Net Expense	(\$117,436,432)	(\$92,998,484)	(\$103,673,488)	(\$102,533,296)	(\$54,239,271)	(\$14,394,900)	\$6,595,811	\$21,052,126	(\$25,581,968)	\$4,271,244

Source: City of Roseville's Comprehensive Annual Financial Report.

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

	2010	2011	2012	2013 (a)	2014	2015 (b)	2016	2017	2018 (c)	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$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	\$48,647,608
Sales taxes	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	60,574,316
Franchise taxes	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	2,280,503
Motor fuel taxes	2,909,176	523,609	122,230							
Motor vehicle in lieu (Intergovernmental- unrestricted)	332,224									
Other Taxes	2,779,885	2,936,778	6,626,071	6,465,560	7,465,472	7,186,709	7,745,155	7,104,703	3,534,479	3,632,822
Use of money and property	4,737,938	3,645,241	3,243,932	533,305	2,414,976	1,765,604	3,058,420	674,516	4,854,967	4,725,497
Miscellaneous revenues	1,934,366	1,089,608	1,511,125	2,113,638	420,959	414,279	191,255	18,688,013	2,008,801	10,844,382
Transfers	23,844,312	26,144,153	30,374,582	25,212,344	(11,480,648)	27,704,787	24,853,427	20,662,506	10,143,729	2,823,273
Extraordinary item:										
Gain/(Loss) from sales of capital assets					43,992	1,699,847	4,729	25,137	3,522	1,523,918
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>108,394,640</b>	<b>108,128,359</b>	<b>147,812,407</b>	<b>110,278,357</b>	<b>79,870,048</b>	<b>123,650,038</b>	<b>129,013,665</b>	<b>141,801,457</b>	<b>134,976,267</b>	<b>151,163,420</b>
<b>Business-Type Activities:</b>										
Use of money and property	15,450,846	12,812,162	12,662,821	11,245,022	11,499,354	11,274,851	12,056,004	8,940,537	8,829,420	22,202,296
Miscellaneous revenues	(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)	(16,110,901)
Transfers					50,252	(2,028,306)			(548,308)	65,452
Gain/(Loss) from sales of capital assets				(22,715,022)						
Special Item	(8,393,466)	(13,331,991)	(17,711,761)	(36,532,225)	23,030,254	(18,458,242)	(12,797,423)	(11,721,969)	(8,429,703)	6,156,847
<b>Total Business-Type Activities</b>	<b>\$100,001,174</b>	<b>\$94,796,368</b>	<b>\$130,100,646</b>	<b>\$73,746,132</b>	<b>\$102,990,302</b>	<b>\$105,191,796</b>	<b>\$116,216,242</b>	<b>\$130,079,488</b>	<b>\$126,546,564</b>	<b>\$157,320,267</b>
<b>Change in Net Position</b>										
Governmental Activities	(\$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	\$56,530,198
Business-Type Activities	(6,484,852)	9,700,092	1,507,913	(16,587,170)	79,674,345	(9,751,439)	(59,446,118)	60,706,413	(76,716,162)	105,061,313
<b>Total Primary Government</b>	<b>(\$17,435,288)</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>\$100,964,896</b>	<b>\$161,591,511</b>

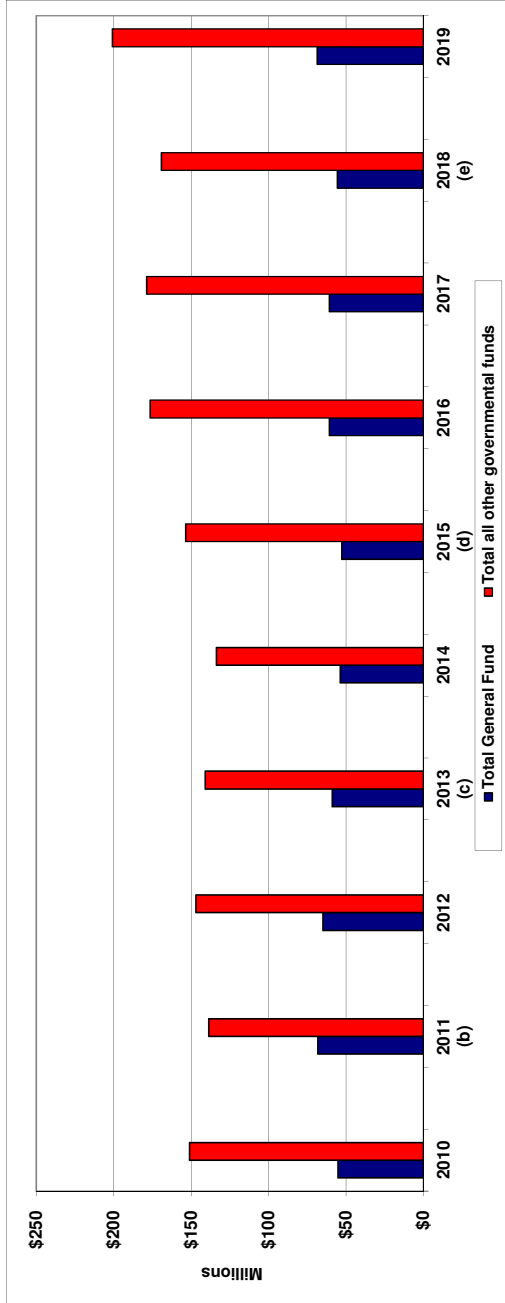
(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

(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.

(d) Net (Expense)/Revenue and Use of money and Property for Business type activities for FY2018 have been updated to match with CAFR Statement of activities.

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



	2010	2011 (b)	2012	2013 (c)	2014	2015 (d)	2016	2017	2018 (e)	2019
<b>General Fund</b>										
Reserved	\$13,730,063									\$12,301,005
Unreserved	41,375,295	\$23,734,548	\$17,036,815	\$24,350,331	\$12,700,881	\$12,547,564	\$12,089,564	\$14,222,845	\$13,181,664	\$14,092,262
Nonspendable								727,155		
Committed		5,328,824	2,944,900	3,002,686	2,685,359	4,510,098	3,129,479	3,129,479	3,925,021	4,018,080
Assigned		39,068,183	44,796,255	31,488,665	38,187,768	35,469,686	45,358,414	41,115,763	38,352,989	38,041,602
Unassigned		\$68,131,555	\$64,777,970	\$58,841,682	\$53,574,008	\$52,527,348	\$60,577,457	\$60,576,288	\$55,459,674	\$68,452,949
<b>Total General Fund</b>	\$55,105,358	\$138,642,517	\$146,765,434	\$140,930,351	\$133,672,722	\$153,381,582	\$176,393,082	\$178,559,329	\$169,216,955	\$200,810,689
<b>All Other Governmental Funds</b>										
Reserved	\$51,548,654									
Unreserved, reported in:										
Special Revenue Funds	64,422,284									
Capital Projects	16,542,186									
Permanent Funds	18,353,285									
Nonspendable		\$17,411,864	\$17,503,760	\$17,691,169	\$16,940,290	\$16,964,800	\$16,964,800	\$16,964,800	\$16,916,061	\$17,782,400
Restricted	108,226,582	108,226,582	113,465,925	109,656,487	104,437,932	122,721,798	148,224,236	147,157,295	144,792,470	178,080,236
Committed	2,195,164	2,248,644	2,290,938	2,280,938	2,362,738	794,928	794,928	147,222		
Assigned	14,890,220	14,472,182	14,472,182	12,625,416	11,304,133	11,483,003	10,525,153	16,369,206	13,236,513	9,255,262
Unassigned	(4,081,313)	(4,081,313)	(925,077)	(1,333,659)	(1,290,629)	(150,757)	(116,035)	(2,079,194)	(5,728,089)	(4,307,209)
<b>Total all other governmental funds</b>	\$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	\$200,810,689

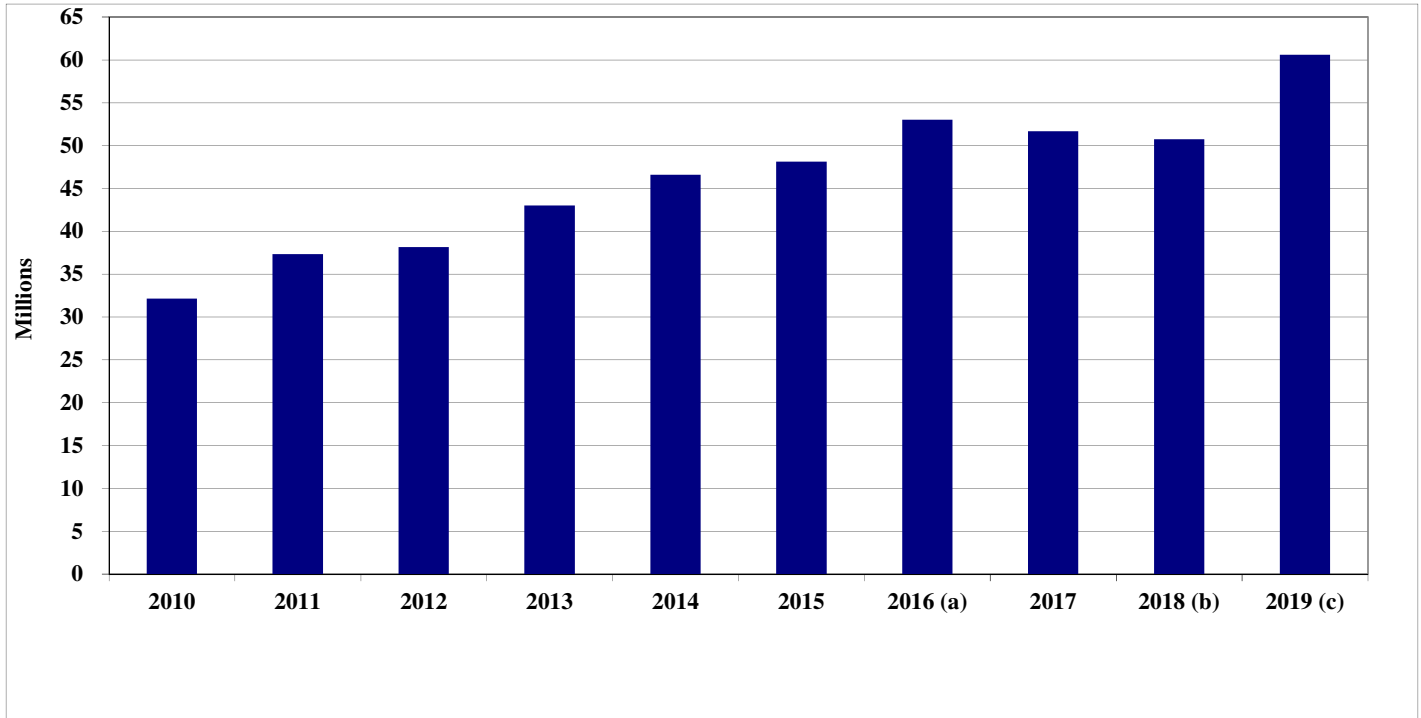
(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.  
 (b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011; years prior to 2011 have not been restated to conform with the new presentation.  
 (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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$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	\$127,146,378
Licenses and permits	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	3,009,035
Charges for services	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	34,187,231
Subventions and grants	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	11,936,638
Use of money and property	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	13,263,366
Fine, forfeitures and penalties	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	1,265,762
Contributions from property owners										
Contributions from developers and others	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	29,979,263
Miscellaneous revenues	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	9,449,575
<b>Total Revenues</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>230,237,248</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	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	8,137,625
Development and operations	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	18,745,408
Public works	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	8,326,467
Public safety:										
Police	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	41,422,622
Fire	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	34,056,248
Library	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	5,039,164
Parks and recreation	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	26,124,783
Housing assistance payments	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	4,673,530
Capital outlay	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	39,316,183
Payments under development agreements	1,445,960	1,146,915	880,852	567,619	567,619	567,619	567,619			
Annexation payments	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	6,140,795
Debt service:										
Principal retirement	1,397,222	1,402,625	2,694,645	802,821	2,125,278	844,490	863,892	1,098,509	1,532,317	1,561,381
Interest and fiscal charges	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	1,510,734
<b>Total Expenditures</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>	<b>195,054,940</b>
Excess (deficiency) of revenues over (under) expenditures	(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)	35,182,308
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease					43,992	104,580				
Debt issued							14,425,000			
Premium on debt issued							862,056			
Proceeds from sale of property	10,000			159,482		516,821				
Proceeds from disposition of assets										1,521,727
Transfers in	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	30,941,685
Transfers out	(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)	(23,058,711)
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>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>9,404,701</b>
<b>Net Change in fund balances before special and extraordinary items</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>44,587,009</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>(\$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>	<b>\$44,587,009</b>
Debt service as a percentage of noncapital expenditures	6.4% *	3.5%	3.4%	1.6% *	2.1% *	0.9% *	1.3% *	3.2% *	4.1%	2.0%

\* In FY2018, the City recalculated these percentages.

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



<u>Fiscal Year</u>	<u>Amount</u>
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
2019 (c)	60,574,316
<b>TOTAL</b>	<b>\$ 461,215,562</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.

(c) The sales tax increase is partially due to an increase in sales tax rate from 7.25% to 7.75%.

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

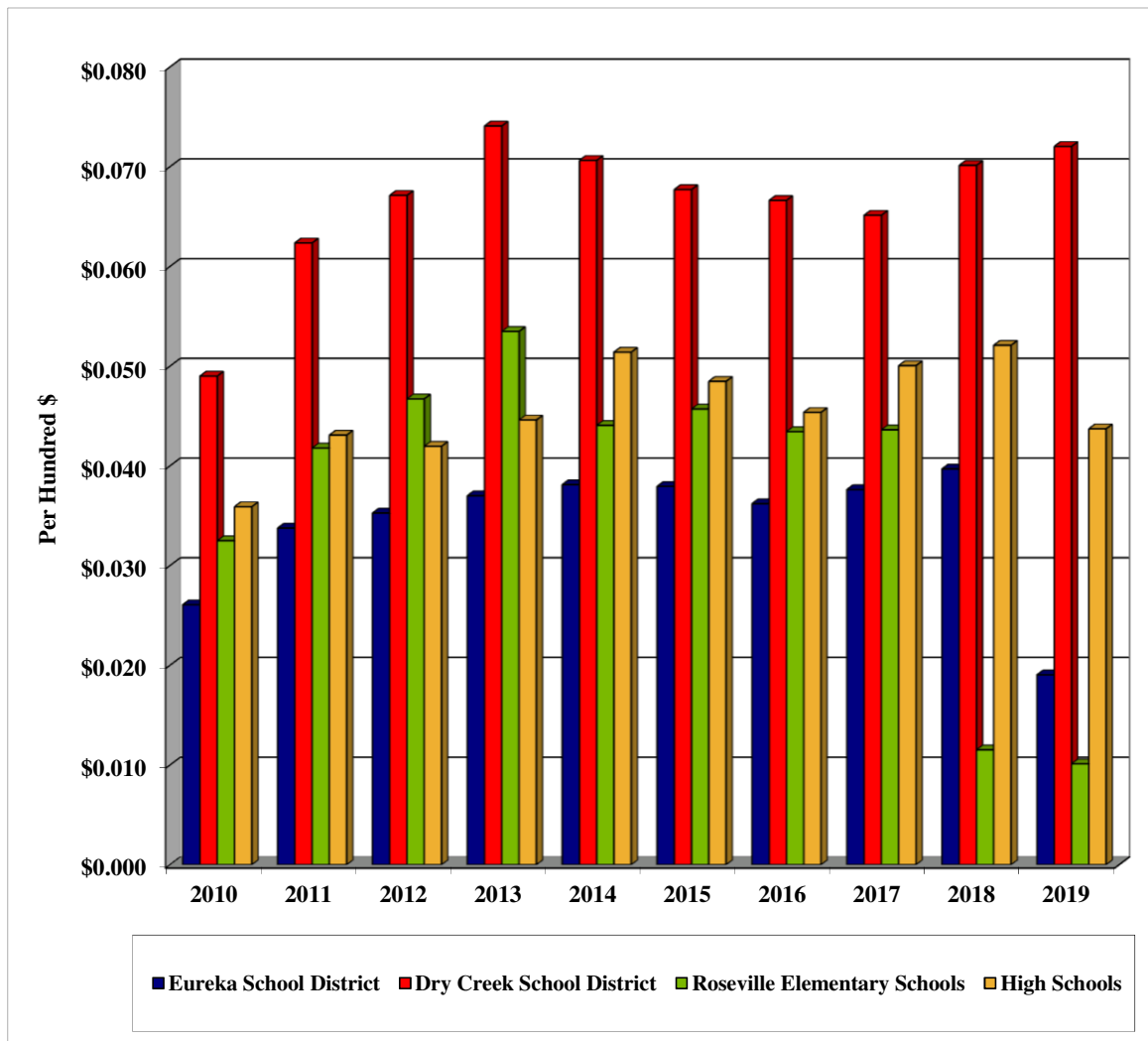
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>Secured</b>										
Land	\$ 4,702,676,886	\$ 4,258,240,370	\$ 4,138,902,907	\$ 4,139,152,114	\$ 4,416,998,220	\$ 4,811,588,559	\$ 5,038,592,302	\$ 5,343,255,434	\$ 5,619,414,445	\$ 5,929,903,660
Structure	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	16,427,163,485
Fixtures	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	71,059,765
Personal Property	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	146,059,048
Gross	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	\$ 22,574,185,958
Exemptions	(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)	(1,010,838,236)
<b>Net Value</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>21,563,347,722</b>
<b>Unsecured</b>										
Land	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	16,244,979
Structure	19,483,398	19,054,920	19,198,391	40,452,068	39,978,372	40,065,250	40,572,958	41,034,119	41,838,259	42,756,495
Fixtures	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	211,812,302
Personal Property	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	569,809,275
Gross	630,015,617	660,486,365	764,948,846	700,575,926	753,629,794	733,485,005	774,784,520	863,356,252	858,623,671	840,623,051
Exemptions	(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)	(109,637,206)
<b>Net Value</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>730,985,845</b>
<b>Total Net Assessed Value (a)</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>\$ 22,294,333,567</b>
<b>Direct Tax Rate (b)</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(a) Article XIII A, added to the California Constitution by Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:

- annual inflation up to 2%; or
- market value at the time of ownership change; or
- market value for new construction.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

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



Fiscal Year	Direct Rate	Overlapping Rates				Total (a)
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	
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
2019	1.0000	0.0190	0.0720	0.0101	0.0437	1.0774

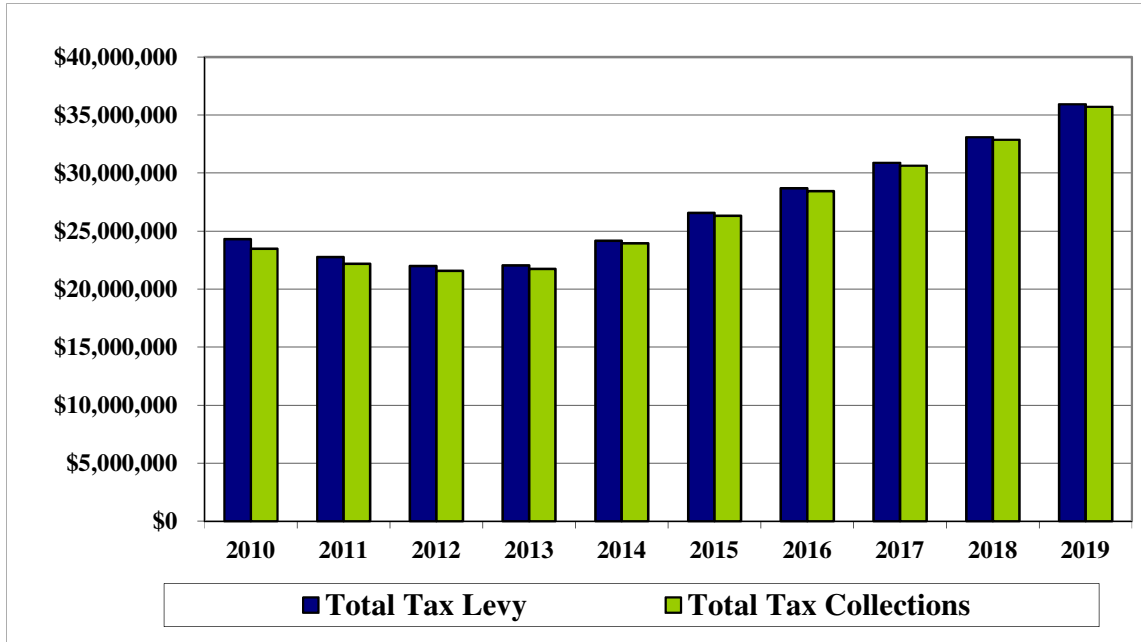
(a) Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School

**PRINCIPAL PROPERTY TAX PAYERS  
Current Year and Nine Years Ago**

Property Owner	Primary Land Use	Rank	2019		2010		
			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	\$441,396,856	2.03%	1	364,442,986	2.23%
8000 Foothills LLC	Office Building	2	\$107,202,000	0.49%			
Breit Wave MC SC Owner LLC	Apartments	3	\$104,526,912	0.48%			
DDR Creekside LP	Commercial	4	\$93,221,791	0.43%			
Walmart Stores Inc.	Commercial	5	\$85,530,004	0.39%			
Rosemeade Residential Holdings LLC	Apartments	6	\$84,640,737	0.39%			
Roseville Fountains LP	Shopping Center	7	\$70,822,270	0.33%			
CW FBI Sacramento LLC	Industrial Land	8	\$67,884,398	0.31%			
Oakmont Properties - Creekside LLC	Apartments	9	\$67,554,825	0.31%			
CPT Creekside Town Center LLC	Shopping Center	10	\$67,361,004	0.31%			
Eureka Development Company LLC	Commercial	11	\$62,009,318	0.29%			
Southall Group Holdings LLC	Industrial	12	\$61,350,987	0.28%			
Parkway Plaza CW LLC	Office Building	13	\$56,212,812	0.26%			
Safeway Inc.	Commercial	14	54,258,137	0.25%			
W2005 Fargo Hotels Pool C Realty LP	Hotel	15	54,215,399	0.25%	6	85,112,816	0.52%
Mourier Land Investment Corporation	Office Building	16	49,226,116	0.23%	9	63,850,100	0.39%
BBC Roseville Oaks LLC	Commercial/Commerical Land	17	48,363,529	0.22%			
John L. Sullivan Family LP	Auto Dealership	18	47,641,527	0.22%			
Forest Cove 388 LLC	Apartments	19	46,462,757	0.21%			
Terraces at Highland Property Owner LLC	Apartments	20	44,789,268	0.21%			
NEC Electronics USA Inc.					2	333,586,050	2.05%
Hewlett Packard Enterprise Company					3	254,714,369	1.56%
PL Roseville LLC					4	177,691,596	1.09%
Donahue Schriber Realty Group LP					5	89,764,954	0.55%
NNN Parkway Corporate Plaza LLC					7	70,274,731	0.43%
Pulte Home Corporation							
Hines Douglas Corporate Center LP					8	68,094,178	0.42%
Hines Summit at Douglas LP					10	63,776,518	0.39%
<b>Total</b>			<b>\$1,714,670,647</b>	<b>7.89%</b>		<b>\$1,571,308,298</b>	<b>9.64%</b>
<b>2018-2019 Local Secured Assessed Valuation:</b>			<b>\$ 21,741,515,922</b>			<b>\$ 16,306,499,944</b>	

Source: California Municipal Statistics, Inc.

**CITY OF ROSEVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
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%
2019	35,949,987	35,709,122	99.33%

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, 2019**

<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	97,731,000	8.52%	\$9,487,077	5.96%
2	Government and Utilities	40,305,582	3.51%	\$4,710,597	2.96%
3	Medical Care	31,450,438	2.74%	\$3,738,712	2.35%
4	Medical Care	28,635,044	2.50%	\$3,335,011	2.09%
5	Admin/Office/R&D	27,473,000	2.39%	\$2,879,837	1.81%
6	Retail and Property Management	15,286,443	1.33%	\$1,989,471	1.25%
7	Retail	12,490,057	1.09%	\$1,403,306	0.88%
8	Grocery	10,312,200	0.90%	\$1,331,124	0.84%
9	Real Estate/Investment	7,613,847	0.66%	\$1,066,845	0.67%
10	Logistics	7,532,692	0.66%	\$825,317	0.52%

**Electric Sales Revenue as of June 30, 2019**

Residential	\$ 69,551,457
Commercial	89,726,952
Total	<u>\$ 159,278,409</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, 2019**

<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>	\$0.00129
State Energy Surcharge (\$/kWh)	\$0.00030

Rates are prorated.

**Solar Customer Buyback Rate**

<b>Net Energy Metering</b> <sup>(2)</sup>	
Surplus Energy Compensation Rate (\$/kWh)	\$0.0931
<b>Roseville Solar 2.0</b> <sup>(3)</sup>	
Surplus Energy Compensation Rate (\$/kWh)	\$0.0598

**Special Residential Rates**

<b>Electric Rate Assistance Program</b> Residents meeting certain income criteria may be eligible for a 15% discount on electric service.
<b>Medical Rate Assistance Program</b> Residents Meeting certain income and medical device use criteria may be eligible for a 50% discount on the first 500 kWh and 15% on all other kWh electric usage.
<b>Medical Notification Program</b> Residents can notify the City of Roseville of the residential use of essential medical support equipment. This program allows the City to comply with the California Public Utility code 10010.

**NOTES**

- 1) There is a hydroelectric adjustment in effect from July 2018 through June 2019.
- 2) Rate closed October 1, 2018. Surplus energy compensation rates are subject to revision by City Council as energy prices and system requirements change.
- 3) The State of California allows electric utilities to implement a new solar buyback rate once solar exceeds 5% of the utility's system peak. Roseville Electric Utility now exceeds 5% solar. Per the City of Roseville Municipal Code, beginning October 1, 2018 customers will be enrolled in Roseville Solar 2.0. This change will not affect customers who installed solar before October 1, 2018 until 2028. Net Energy Metering customers will continue with net energy metering for up to 20 years (10 minimum) from the date of system interconnection. Surplus energy compensation rates are subject to revision by City Council as energy prices and system requirements change.

**CITY OF ROSEVILLE**  
**BUSINESS ENERGY PRICES**  
**Effective January 1, 2019**

	Winter	Summer
<b>Small General Service (GS-1)</b> (Demand < 20 kW)		
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)	\$0.00129	\$0.00129
State Energy Surcharge (\$/kWh)	\$0.00030	\$0.00030
<b>Medium General Service (GS-2)</b> (20 kW < Demand ≤ 500 kW)		
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)	\$0.00129	\$0.00129
State Energy Surcharge (\$/kWh)	\$0.00030	\$0.00030
<b>Large General Service (GS-3)</b> (500 kW < Demand ≤ 1000 kW)		
Basic Service Charge (per meter, per month)	\$521.00	\$521.00
Demand Charge (\$/kW-month)	\$6.60	\$11.57
Energy Charge		
Off Peak (\$/kWh)	\$0.0682	\$0.0890
On Peak (\$/kWh)	\$0.0890	\$0.1098
Super Peak (\$/kWh)	\$0.0890	\$0.1408
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00129	\$0.00129
State Energy Surcharge (\$/kWh)	\$0.00030	\$0.00030
<b>Very Large General Service (GS-4)</b> (Demand > 1000 kW)		
Basic Service Charge (per meter, per month)	\$591.00	\$591.00
Demand Charge (\$/kW-month)	\$6.71	\$11.51
Energy Charge		
Off Peak (\$/kWh)	\$0.0674	\$0.0879
On Peak (\$/kWh)	\$0.0862	\$0.1067
Super Peak (\$/kWh)	\$0.0862	\$0.1397
Renewable Energy Surcharge (\$/kWh)	\$0.0056	\$0.0056
Greenhouse Gas Surcharge (\$/kWh)	\$0.0002	\$0.0002
Hydroelectric Adjustment (\$/kWh)	\$0.00129	\$0.00129
State Energy Surcharge (\$/kWh)	\$0.00030	\$0.00030

Note: General Service Customers include all commercial, industrial, governmental and other non-residential customers.

Time of Use (TOU) seasons, days, hours, holidays:

Winter - October through May // Summer - June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)

All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 4:00pm AND 7:00pm to 10:00pm

Monday through Friday (Except Holidays)

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

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

There is a hydroelectric adjustment in effect from July 2018 through June 2019.

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.

Rates are prorated.

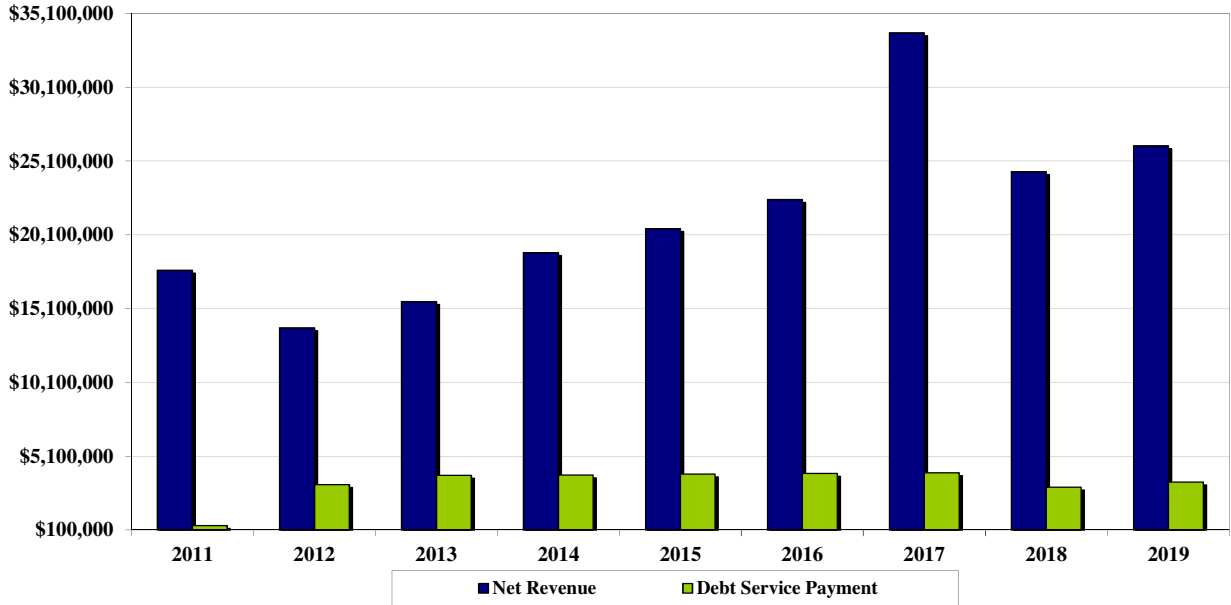
**CITY OF ROSEVILLE**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government [e]	Percentage of Pacer 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
2010	14,560,000	34,845,000	1,868,055				51,273,055	326,781,578	297,365,814		624,147,392	675,020,447	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		1,257,855				13,315,785	250,082,864	337,284,692		587,367,556	600,683,341	3.16%	4,921
2013			1,234,286				12,783,317	237,460,076	337,680,087		579,915,741	592,699,058	2.94%	4,770
2014					11,549,031		14,729,422	175,923,926	380,082,084	4,775,578	4,344,960	575,080,392	2.71%	4,530
2015				69,007	10,670,247	4,059,175	13,989,512	150,053,467	385,334,824	3,945,831	539,334,122	553,323,634	2.61%	4,295
2016				34,928	9,874,685	4,045,820	28,412,676	152,649,025	368,091,795	3,538,160	524,278,980	552,691,656	2.43%	4,122
2017					23,272,775	4,013,624	27,386,399	138,472,975	363,175,852	3,123,170	504,771,997	532,658,396	2.17%	3,916
2018					24,823,067	3,981,145	28,804,212	133,923,531	363,838,283	-	497,761,814	526,566,026	[b]	3,858
2019	14,455,822				8,795,122	3,964,079	27,215,023	129,546,659	347,567,126	-	477,113,983	504,529,008	[b]	3,612

[a] These ratios are calculated using personal income and population as shown on the Demographics and Economic Statistics schedule.  
 [b] Total personal income information is not available.  
 [c] The Redevelopment Agency was dissolved effective January 31, 2012 and its liabilities were assumed by the Successor Agency.  
 [d] In 2013 the Certificates of Participation were refunded by the 2013 Public Facilities Refunding lease.  
 [e] Long term debt was restated in fiscal year 2014; statistics prior to 2014 have not been restated.

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

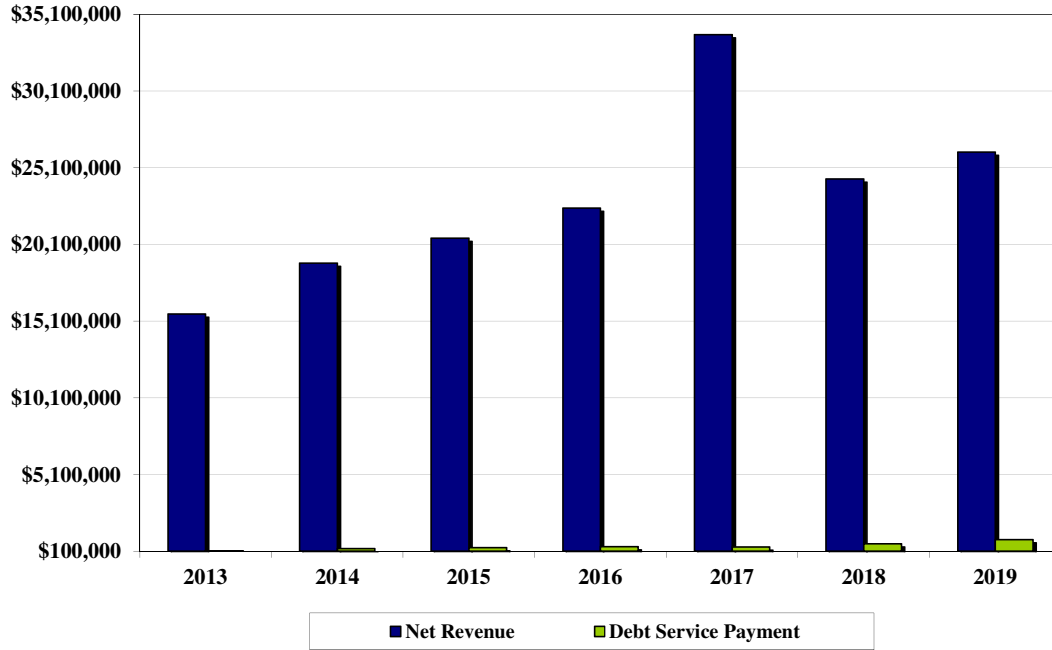
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C  
Last Nine Fiscal Years <sup>(1)</sup>**



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	49,676,755 (4)	25,317,067 (4)	24,359,688	2,635,965	351,385	2,987,350	8.15
2019	55,376,362	29,254,056	26,122,306	2,963,763	379,026	3,342,789	7.81

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

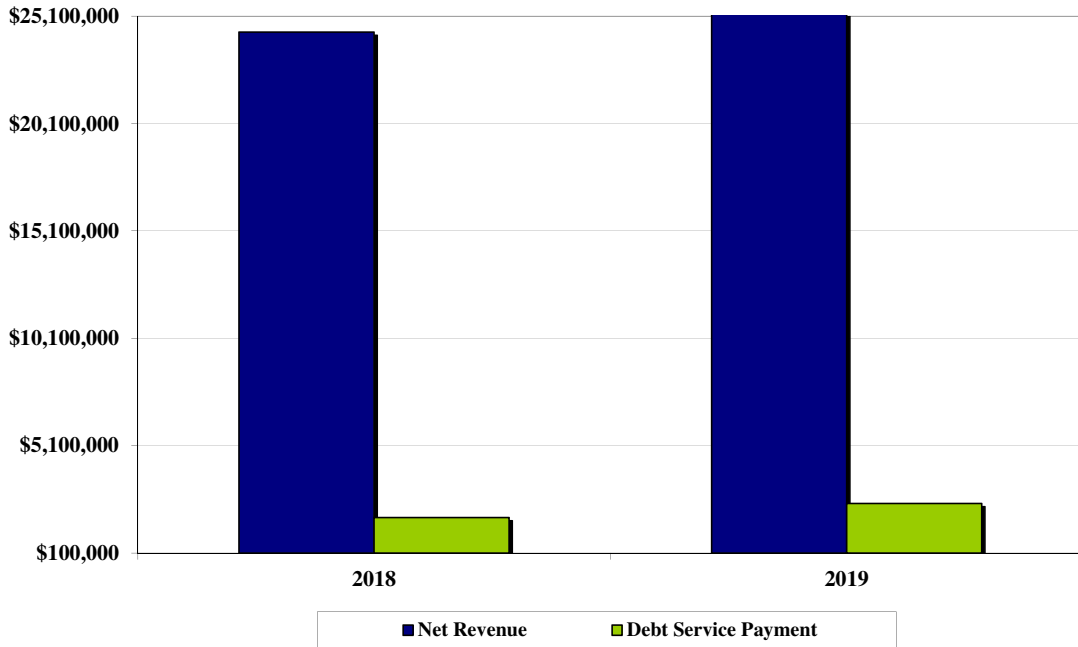
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2013 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS  
Last Seven Fiscal Years <sup>(1)</sup>**



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	49,676,755 (4)	25,317,067 (4)	24,359,688		598,534	598,534	40.70
2019	55,376,362	29,254,056	26,122,306		855,319	855,319	30.54

- 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

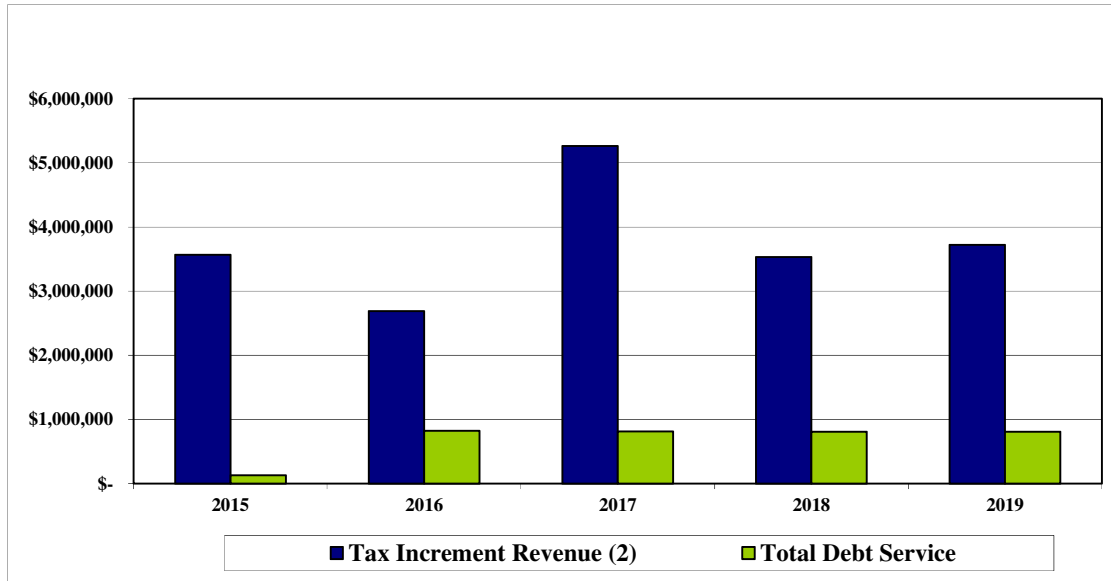
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2017 WASTEWATER REVENUE REFUNDING BONDS  
Last Two Fiscal Years <sup>(1)</sup>**



Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2018	49,676,755 (4)	\$ 25,317,067 (4)	\$ 24,359,688	\$ -	\$ 1,748,313	\$ 1,748,313	13.93
2019	55,376,362	29,254,056	\$ 26,122,306	\$ -	2,414,272	\$ 2,414,272	10.82

- 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  
(4) Restated

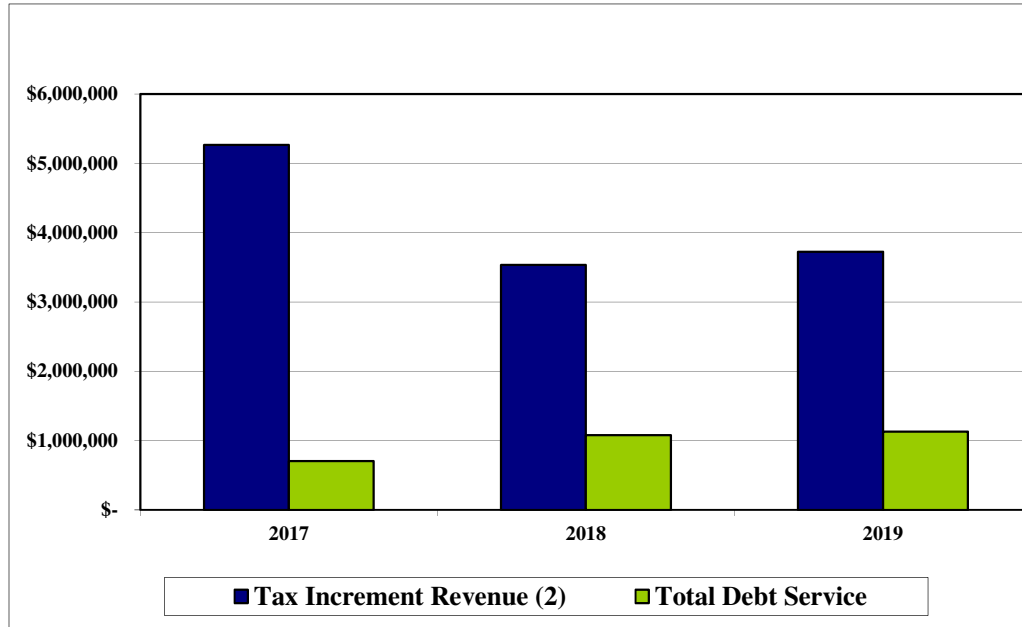
**CITY OF ROSEVILLE**  
**2014 REDEVELOPMENT PROJECT TAX ALLOCATION BONDS**  
**Last Five Fiscal Years<sup>(1)</sup>**



Fiscal Year	Tax Increment Revenue (2)	Debt Service Requirements			Coverage
		Principal	Interest	Total Debt Service	
2015	\$3,566,262	\$ -	\$132,646	\$132,646	26.89
2016	2,692,154 (3)	435,000	390,688	\$825,688	3.26
2017	5,263,766	435,000	378,363	\$813,363	6.47
2018	3,534,361	445,000	365,063	\$810,063	4.36
2019	3,723,819	465,000	343,463	808,463	4.61

- 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 Three Fiscal Years <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	7.48
2018	3,534,361	340,000	738,037	1,078,037	3.28
2019	3,723,819	395,000	733,439	1,128,439	3.30

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, 2019**

2018-19 Assessed Valuation: \$22,475,436,070

	Total Debt 06/30/2019	% Applicable (1)	City's Share of Debt 6/30/2019
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Roseville Joint Union High School District	\$136,440,358	75.520%	\$103,039,758
Roseville Joint Union High School District SFID No. 1	53,980,554	97.888%	52,840,485
Center Joint Unified School District	36,086,889	1.781%	642,707
Rocklin Unified School District	52,794,483	0.439%	231,768
Dry Creek Joint School District	33,209,895	56.392%	18,727,724
Eureka Union School District	853,338	34.442%	293,907
Roseville City School District	14,387,296	97.307%	13,999,846
City of Roseville Community Facilities Districts	311,088,000	100.000%	311,088,000
City of Roseville Placer Valley Sports Complex & Tourism Marketing Assessment District	33,150,000	100.000%	33,150,000
California Statewide Communities Development Authority Assessment Districts	8,223,802	100.000%	8,223,802
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$542,237,997</b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Placer County Certificates of Participation	\$25,490,000	29.628%	\$7,552,177
Placer County Office of Education Certificates of Participation	910,000	29.628%	269,615
Sierra Joint Community College District Certificates of Participation	3,726,000	22.436%	835,965
Center Joint Unified School District Certificates of Participation	431,544	1.781%	7,686
Rocklin Unified School District Certificates of Participation	20,630,000	0.439%	90,566
Eureka Union School District Certificates of Participation	3,135,000	34.442%	1,079,757
Roseville City School District Certificates of Participation	5,730,000	97.307%	5,575,691
Placer Mosquito and Vector Control District Certificates of Participation	2,925,000	29.628%	866,619
<b>City of Roseville General Fund Obligation</b>	<b>22,500,122</b>	100.000%	<b>22,500,122</b>
<b>City of Roseville Debt Premium</b>	<b>750,822</b>	100.000%	<b>750,822</b>
<b>City of Roseville Successor Agency Loan</b>	<b>3,964,080</b>	100.000%	<b>3,964,080</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$43,493,100</b>
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>	<b>\$29,745,000</b>	<b>100.000%</b>	<b>\$29,745,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$27,215,024</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$588,261,073</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$615,476,097</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 2018-2019 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	2.41%
<b>Total Direct Debt (\$27,215,024)</b>	<b>0.12%</b>
Combined Total Debt	2.74%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$976,778,805):**

Total Overlapping Tax Increment Debt	3.05%
--------------------------------------	-------

**CITY OF ROSEVILLE**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**June 30, 2019**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$21,741,515,922</u>
---	-------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$815,306,847</u>
---	----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$500,364,929
Less bonded debt not subject to limit	<u>(500,364,929)</u>

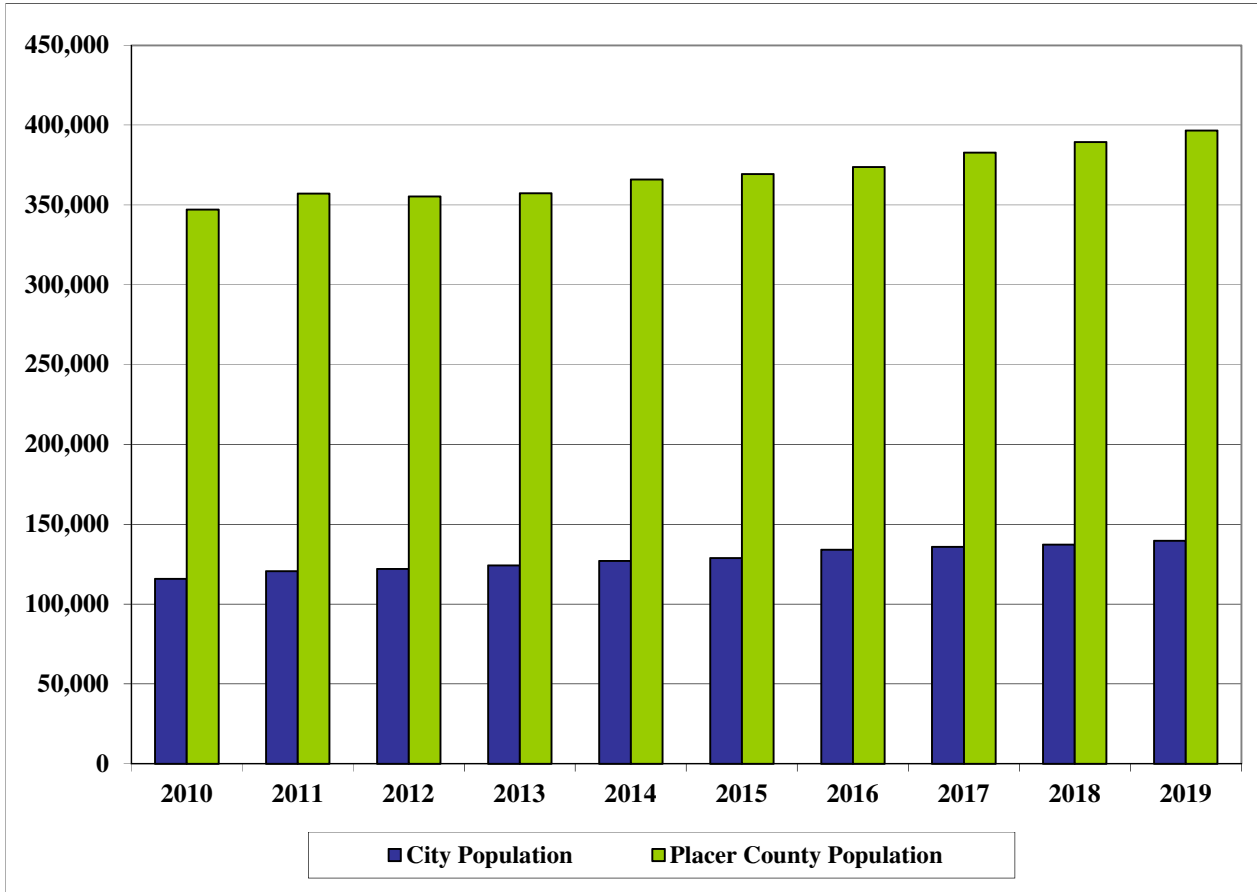
Amount of debt subject to limit	<u>-</u>
---------------------------------	----------

LEGAL BONDED DEBT MARGIN	<u>\$815,306,847</u>
--------------------------	----------------------

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
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%
2019	815,306,847	-	815,306,847	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
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	24,527,289	63,000	3.8%	382,837	35.49%
2018	137,213	(a)	(a)	3.0%	389,532	35.23%
2019	139,643	(a)	(a)	3.5%	396,691	35.20%

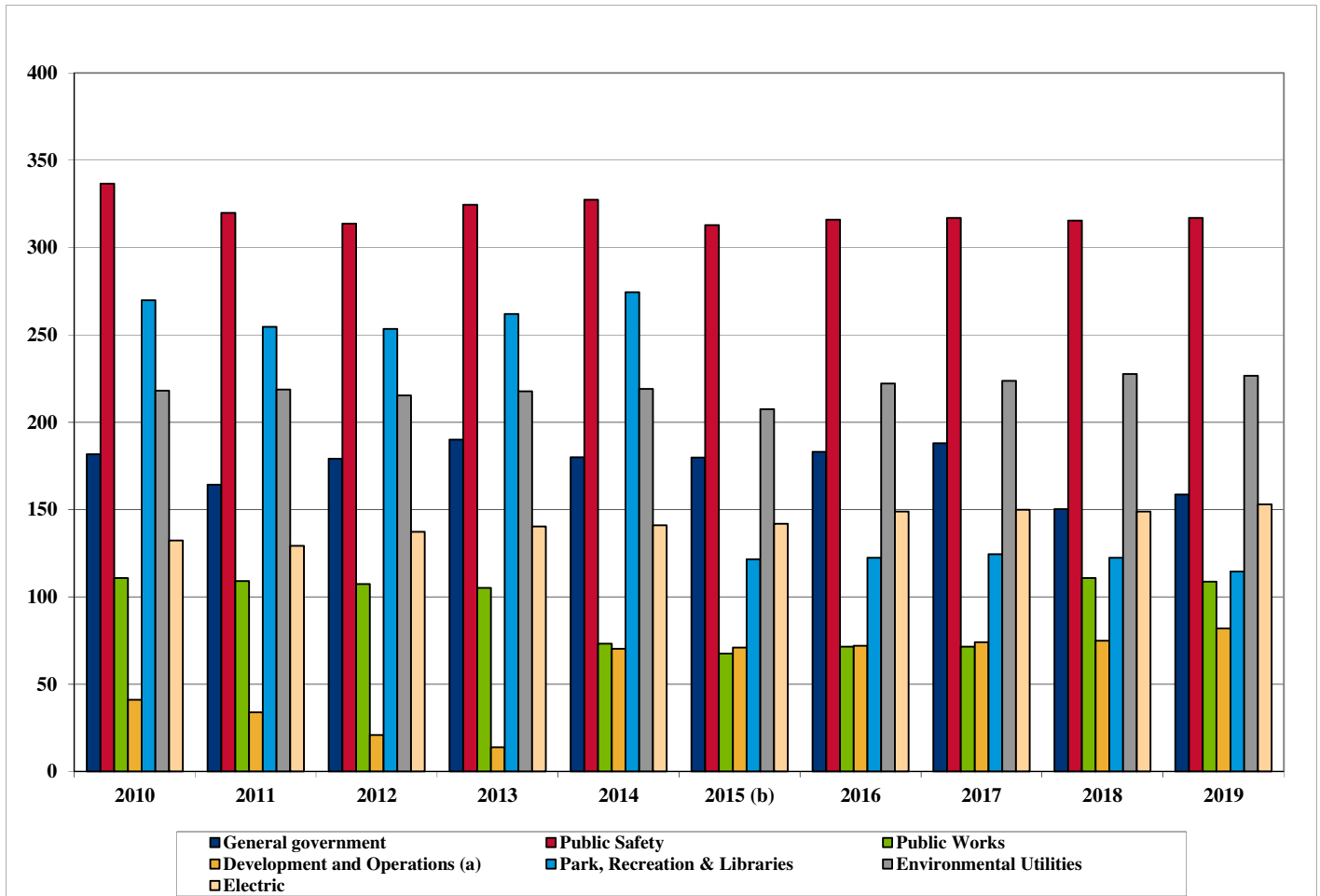
(a) Information not available

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

<b>Employer</b>	<b>2019</b>			<b>2010</b>	
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employees</b>	<b>Number of Employees</b>	<b>Rank</b>
The Permanente Medical Group & Foundation Group	5,794	1	6.54%	4,300	1
Sutter Roseville Medical Group	2,202	2	2.49%	1,922	4
City of Roseville	1,896	3	2.14%	1,291	5
Hewlett Packard	1,154	4	1.30%	3,200	2
Roseville City School District	1,154	4	1.30%	897	6
PRIDE Industries	1,062	6	1.20%	800	9
Roseville Joint Union High School	1,005	7	1.13%	803	8
Adventist Health	920	8	1.04%		
Union Pacific Railroad Company	569	9	0.64%	2,000	3
Wal-Mart	488	10	0.55%	862	7
Renasas ( Formerly NEC)				800	9
Subtotal	<u>16,244</u>		<u>18.33%</u>	<u>16,875</u>	
Total Employment	<u>88,597</u> (a)			<u>74,000</u>	

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

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



**Adopted for Fiscal Year Ended June 30,**

	2010	2011	2012	2013	2014	2015 (b)	2016	2017	2018	2019
<b>Function</b>										
General government	181.75	164.38	179.09	190.14	180.10	179.81	183.11	187.98	150.23	158.73
Public Safety	336.75	319.90	313.78	324.59	327.42	313.00	316.00	317.00	315.50	317.00
Public Works	110.75	109.03	107.33	105.17	73.18	67.50	71.50	71.50	110.75	108.75
Development and Operations (a)	41.17	33.98	21.00	14.00	70.26	71.00	72.00	74.00	75.00	82.00
Park, Recreation & Libraries	269.89	254.65	253.43	262.00	274.61	121.50	122.50	124.50	122.50	114.50
Environmental Utilities	218.09	218.90	215.32	217.82	219.14	207.50	222.25	223.75	227.75	226.75
Electric	132.29	129.33	137.39	140.36	141.09	142.00	149.00	150.00	149.00	153.00
<b>Total</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>	<b>1,160.73</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	192	172	199	201	214	228	204	224	239	278
Number of medical emergencies answered	7,485	7,836	8,429	9,045	9,995	11,015	10,694	10,545	10,993	11,078
Total calls for service	9,129	9,609	10,006	10,936	12,163	13,286	12,828	16,756	16,553	17,109
Police:										
Law violations: (Note 4)										
Physical arrests (adult and juvenile)	4,520	5,845	4,264	4,647	4,321	3,295	4,057	3,734	4,554	4,061
Traffic citations	19,033	6,404	4,826	4,470	2,207	1,839	2,702	3,036	4,187	3,180
Public works:										
Total building permits issued	3,884	4,078	4,338	4,131	5,796	5,715	5,854	6,226	6,387	6,621
Total square feet of street maintenance performed	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	2,866,227
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	210,091
Total attendance to aquatic facilities (Note 1)	266,931	278,860	306,455	291,407	324,918	357,064	316,994	428,744	451,127	467,324
Library:										
Number of materials checked out (Note 2)	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	1,149,134
Water:										
Average daily consumption (in million gallons)	25.60	25.90	28.60	30.20	28.00	23.01	20.70	23.25	25.77	25.40
Number of backflow devices tested	4,895	4,965	4,558	3,862	4,520	4,854	5,093	5,183	5,200	5,054
Number of meters sold	807	497	555	770	569	824	848	1,044	1,100	914
Wastewater:										
Number of miles of sewer mains flushed	209	284	277	271	335	284	266	294	283	273
% of preventative work orders hours (Note 3)	48.0%	55%	n/a	40.2%	35.8%	41.3%	38.4%	46.4%	45.7%	48.1%
Solid waste:										
Tons of solid waste collected	87,446	89,125	87,336	87,946	92,101	94,308	101,794	117,594	115,548	139,501

Notes:

- 1 - Roseville Aquatics Center closed for pool repairs November 2007-January 2008.
- 2 - 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.
- 3 - Data not available for FY11-12 due to change in software (Maximo) used by the City.
- 4 - The City restated Police Law Violations number for FY16 and FY17.

**CITY OF ROSEVILLE**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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)	51	49	58	61	64	67	77	91	88	93
Public works:										
Miles of streets	429	432	438	440	440	458	465	470	478	480
Number of traffic signals	165	166	167	167	167	171	175	180	183	187
Park and recreation:										
Community services:										
Golf courses (18 holes)	2	2	2	2	2	2	2	2	2	2
Parks and recreation facilities	61	63	66	68	71	72	72	74	76	80
Miles of creek	60	60	60	60	60	60	60	75	75	75
Swimming pools (Note 1)	3	3	3	3	3	3	3	3	3	3
Tennis courts	16	16	16	16	18	18	18	18	18	18
Library:										
City libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Miles of water mains	567	569	569	570	570	583	592	608	621	635
Fire hydrants	4,514	4,533	4,542	4,545	4,545	4,654	4,735	4,763	5,007	5,087
Wastewater:										
Miles of sanitary sewers	492	493	487	487	491	497	505	517	529	542
Miles of storm drain	382	348	349	351	344	353	366	372	381	390
Solid waste:										
Number of new residential refuse customers	750	522	537	768	475	601	787	822	1,068	926
Electric:										
Number of residential customers	46,400	47,021	47,611	48,387	49,013	49,851	50,784	51,638	52,789	53,868
Number of commercial customers	6,411	6,437	6,505	6,561	6,666	6,673	6,700	6,759	6,812	6,884

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.



# Fourth Quarter Report Fiscal Year 2018-19

# Fourth Quarter Report

## Fiscal Year 2018-19

### Introduction

This financial report provides an overview of the City's financial position through the fourth quarter of fiscal year (FY) 2018-19 (July 1, 2018, through June 30, 2019) for (1) the General Fund, (2) the major enterprise operating funds, and (3) revenues in other selected funds. Notable cumulative fourth quarter to fourth quarter and budget to actual comparisons are included in this report.

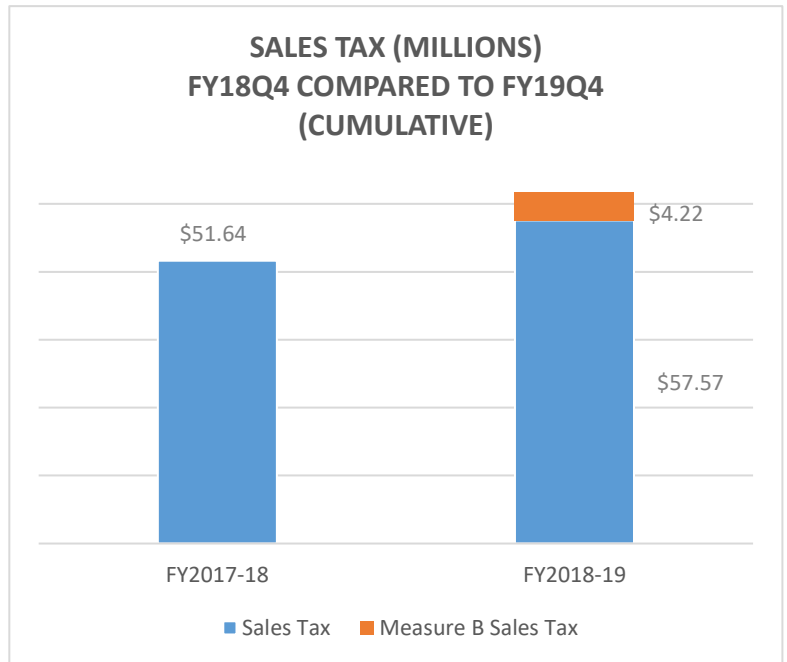
### General Fund: Operating Revenues

The following table includes cumulative revenue comparisons through the fourth quarter of FY2017-18 and FY2018-19 and a revenue budget to actual comparison for FY2018-19.

	Cumulative fourth quarter actual comparison (July 1 – June 30)				Budget to actual comparison		
	FY2017-18	FY2018-19	\$ Variance	% Variance	FY2018-19 Amended Budget	\$ Variance	% of budget
<b>Sales Tax</b>	\$ 51,642,443	\$ 57,569,302	\$ 5,926,859	11%	\$ 56,947,700	\$ 621,602	101%
<b>Measure B Sales Tax</b>	-	4,218,788	4,218,788		-	4,218,788	
<b>Property Tax</b>	44,250,221	48,299,132	4,048,911	9%	45,382,760	2,916,372	106%
<b>Parks, Recreation &amp; Libraries Programs</b>	3,789,976	3,834,265	44,289	1%	4,053,321	(219,056)	95%
<b>Building Permits</b>	2,377,841	2,343,329	(34,512)	-1%	2,216,300	127,029	106%
<b>Plan Check Fees</b>	2,105,830	1,965,845	(139,985)	-7%	2,306,822	(340,977)	85%
<b>Engineering Inspection Fees</b>	167,902	176,970	9,068	5%	171,880	5,090	103%
<b>Grants</b>	176,069	466,521	290,452	165%	391,557	74,964	119%
<b>Other Revenues</b>	18,116,066	19,497,523	1,381,457	8%	18,564,129	933,394	105%
<b>Transfers/Franchise Fee</b>	11,102,186	12,685,284	1,583,098	14%	13,038,586	(353,302)	97%
<b>Encumbrance Carryover</b>	963,728	664,304	(299,424)	-31%	664,304	-	100%
<b>Total</b>	<b>\$134,692,262</b>	<b>\$ 151,721,263</b>	<b>\$17,029,001</b>	<b>13%</b>	<b>\$ 143,737,359</b>	<b>\$ 7,983,904</b>	<b>106%</b>

General Fund operating revenues through the fourth quarter are \$17 million, or 13 percent above the same period in FY2017-18. Revenues through the fourth quarter exceeded the FY2018-19 estimates by 6% overall. The revenue growth is primarily attributed to the collection of the first quarter of Measure B tax dollars as well as increases in property tax and other revenues. The following is an explanation of the notable variances:

- The City’s Bradley Burns sales tax revenues exceeded last year’s cumulative fourth quarter by 11 percent or \$5.9 million. Approximately \$1.6 million of this increase is due to a delay in processing \$800,000 in sales tax remittances caused by the implementation of a new software system at the California Department of Tax and Fee Administration. This delay decreased FY2017-18 actuals by \$800,000 and increased FY2018-19 actuals by the same amount, resulting in a \$1.6 million swing in sales tax revenues. The remaining \$4.3 million of the \$5.9 million is attributed to growth in sales tax revenues as compared to the prior year.



Overall, the Bradley Burns sales tax revenues came in approximately \$622,000 over budget. It is worth noting that if the City had not received the \$800,000 million in prior year revenues in FY2018-19, sales tax revenues would have come in \$200,000 under budget. Staff is closely monitoring this revenue stream and will return to City Council with updates in future quarterly reports.

- Measure B sales tax revenue totaling \$4.2 million were collected during the fourth quarter of FY2018-19. This revenue is the first disbursement from the Measure B sales tax measure that was approved by voters in November 2018 and went into effect on April 1, 2019.
- Property tax revenues exceeded budget estimates by \$2.9 million at \$48.3 million, which is 9% or \$4 million above last year’s cumulative fourth quarter. This increase is attributed to continued growth in the housing market, both in number of parcels and assessed values of property.

- Engineering Inspection Fees increased 5% during the fourth quarter due to more significant improvement projects (e.g. subdivision maps & commercial development), while building permit revenues and plan check fees decreased due to the timing of development activity, as compared to the same period of FY2017-18. Except for plan check fees, the revenues generated by the Development Services Department met and exceeded the budget target for the fiscal year.

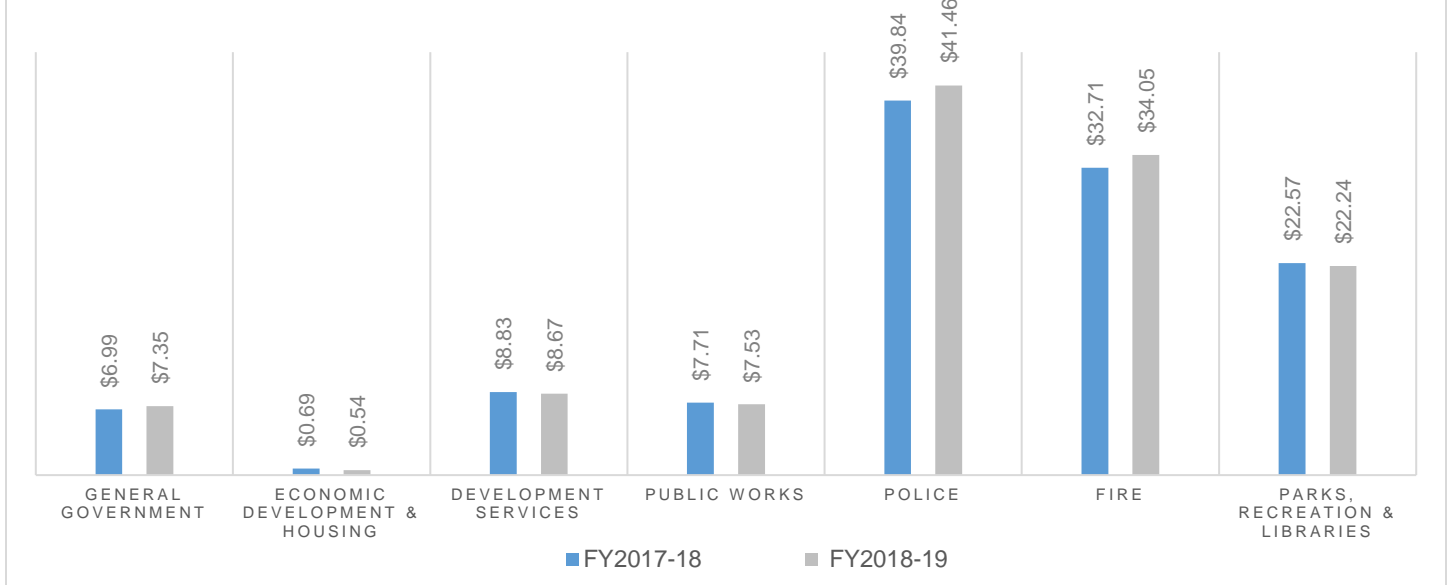
- Other revenues increased by 8% or \$1.4 million. The significant factors contributing to this variance include increased hotel/motel room tax revenues, business license tax revenues, rental revenues, reimbursements from the State for a fire strike team, development reimbursement activity, and workers' compensation reimbursements.

## General Fund: Department Operating Expenditures

The following table includes cumulative fourth quarter actual expenditure comparisons for FY2017-18 and FY2018-19 and an expenditure budget to actual comparison for FY2018-19.

	Cumulative fourth quarter actual comparison (July 1 – June 30)				Budget to actual comparison		
	FY2017-18	FY2018-19	\$ Variance	% Variance	FY2018-19 Amended Budget	\$ Variance	% of budget
<b>General Government</b>	\$ 6,986,082	\$ 7,350,267	\$ 364,185	5%	\$ 8,700,378	\$1,350,111	84%
<b>Economic Development &amp; Housing</b>	691,351	539,851	(151,500)	-22%	814,076	274,225	66%
<b>Development Services</b>	8,834,848	8,670,999	(163,849)	-2%	9,969,898	1,298,899	87%
<b>Public Works</b>	7,712,740	7,525,672	(187,068)	-2%	7,956,251	430,579	95%
<b>Police</b>	39,840,858	41,462,588	1,621,730	4%	41,782,519	319,931	99%
<b>Fire</b>	32,707,019	34,050,542	1,343,523	4%	34,301,508	250,966	99%
<b>Parks, Recreation &amp; Libraries</b>	22,571,309	22,239,244	(332,065)	-1%	23,150,477	911,233	96%
<b>Annexation Payments</b>	5,775,035	6,140,796	365,761	6%	6,140,794	(2)	100%
<b>City Special Assessments</b>	130,321	85,387	(44,934)	-34%	139,581	54,194	61%
<b>Other</b>	1,136,623	1,259,253	122,630	11%	1,351,660	92,407	93%
<b>Transfers Out</b>	6,310,951	7,226,324	915,373	15%	7,065,539	(160,785)	102%
<b>Contingency</b>	-	-	-		522,061	522,061	
<b>Total</b>	<b>\$ 132,697,137</b>	<b>\$ 136,550,923</b>	<b>\$3,853,786</b>	<b>3%</b>	<b>\$ 141,894,742</b>	<b>\$5,343,819</b>	<b>96%</b>
					Encumbrance Carryover	(655,823)	
					<b>Total Operating Expenditure Savings</b>	<b>\$ 4,687,996</b>	<b>97%</b>

**OPERATING EXPENDITURES BY DEPARTMENT (MILLIONS)**  
**FY18Q4 COMPARED TO FY19Q4**  
**(CUMULATIVE)**



Overall, cumulative fourth quarter General Fund expenditures increased 3 percent compared to the prior year. The spending for General Government (which includes Human Resources, Finance, City Clerk, etc.) rose 5 percent from the previous year. This increase is in alignment with the FY2018-19 budget and primarily driven by personnel, materials, services, and supplies costs.

Economic Development & Housing shows a decrease in expenditures compared to the fourth quarter of the previous year because of a Development Analyst position being vacant during most of the year. Public Works Department expenditures decreased by 2% due to the allocation of indirect costs within the Department and reduced Internal Service Fund charges. Police and Fire Departments' expenses increased by 4% due to higher budget requirements to maintain service levels. Spending in all of the remaining General Fund Departments for the fourth quarter of FY2018-19 was similar to the prior-year quarter.

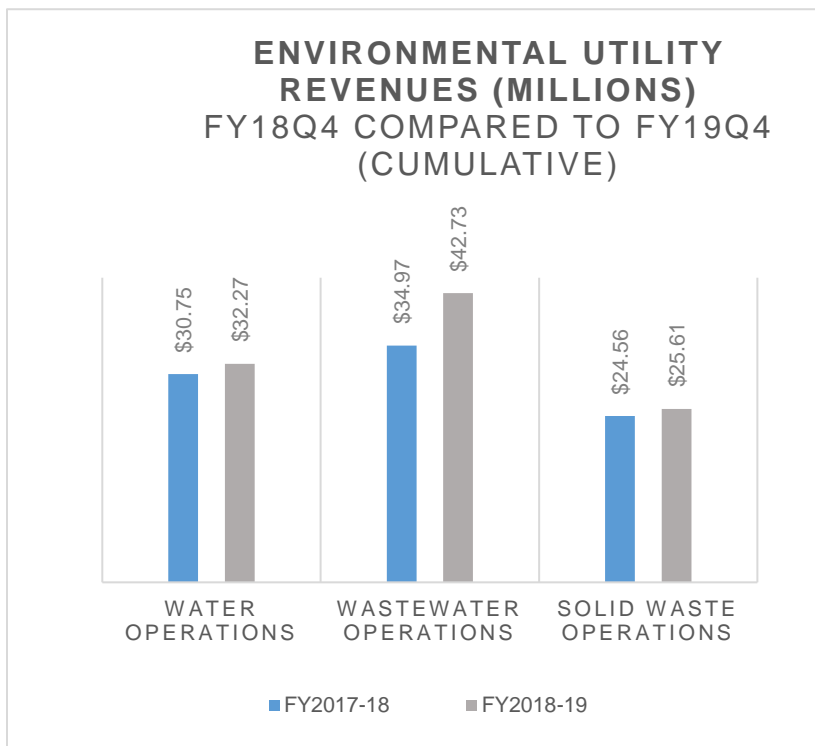
Year-end results for FY2018-19 reflect a 3% or \$4.7 million savings in General Fund expenditures primarily because of vacancies, labor charges allocated to the Enterprise Resource Planning (ERP) replacement project, and changes in the allocation of costs.

## Enterprise Funds: Operating Revenue

The table below includes cumulative fourth quarter actual revenue comparisons for FY2017-18 and FY2018-19 and a revenue budget to actual comparison for FY2018-19 for the Enterprise Funds.

	Cumulative fourth quarter actual comparison (July 1 – June 30)				Budget to actual comparison		
	FY2017-18	FY2018-19	\$ Variance	% Variance	FY2018-19 Amended Budget	\$ Variance	% of budget
<b>Electric Operations</b>	\$ 162,547,605	\$ 164,718,594	\$ 2,170,989	1%	\$ 164,273,925	\$ 444,669	100%
<b>Water Operations</b>	30,753,432	32,265,854	1,512,422	5%	30,440,666	1,825,188	106%
<b>Wastewater Operations</b>	34,967,826	42,728,477	7,760,651	22%	38,394,809	4,333,668	111%
<b>Solid Waste Operations</b>	24,562,323	25,606,241	1,043,918	4%	23,270,158	2,336,083	110%
<b>Transit</b>	6,508,786	7,729,711	1,220,925	19%	10,918,918	(3,189,207)	71%
<b>Transportation</b>	3,571,754	9,363,977	5,792,223	162%	2,839,055	6,524,922	330%
<b>Youth Development</b>	6,381,160	7,308,762	927,602	15%	6,780,998	527,764	108%

Electric revenues are similar to the prior year, with a 1 percent increase or \$2.2 million. Overall revenues for FY2018-19 exceeded budget by \$445,000. These results included a \$3.4 million reduction in revenues compared to FY2017-18 due to lower large customer electric usage during the year. The utility offset the loss of sales revenue with mutual aid reimbursements from other agencies related to wildfires and an increase in greenhouse gas proceeds and low carbon fuel credits.



Water, Wastewater, and Solid Waste revenues are higher compared to last year due to increased rates and utility sales. Wastewater revenues increased significantly more than the other environmental utility funds, due to receiving reimbursements and reallocations from the South Placer Municipal Utility District from prior years.

The quarter to quarter increase of 20% in the Transit Fund is in alignment with the FY2018-19 revenue budget. The budget to actual variance of \$3.2 million is primarily attributed to receiving \$2.9 million less from the Local Transportation Fund (LTF) to spend down fund balance as required by the

Transportation Development Act (TDA). An additional contributing factor was decreased levels of transit ridership, which tracked with industry-wide declines in transit ridership.

The \$5.8 million quarter to quarter increase and \$6.5 million budget variance in the Transportation Fund are due to receiving reimbursements from LTF for the Downtown Bridges project.

The Youth Development Fund revenues increased 15% compared to FY2017-18 due to a higher demand for childcare programs and the opening of the Orchard Ranch site.

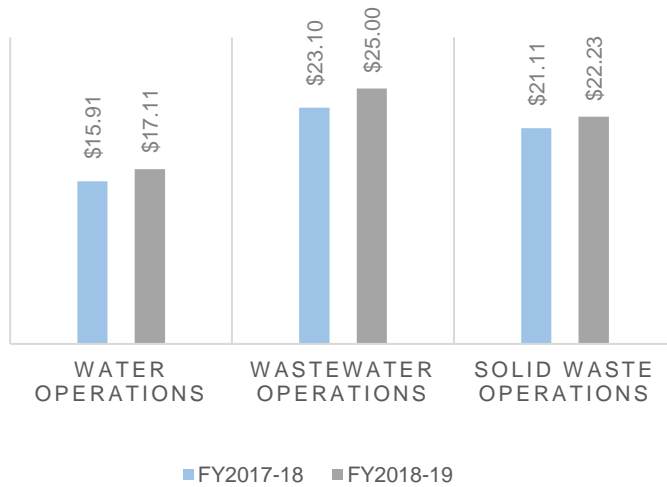
## Enterprise Funds: Operating Expenditures

The following table includes cumulative fourth quarter actual expenditure comparisons for FY2017-18 and FY2018-19 and an expenditure budget to actual comparison for FY2018-19.

	Cumulative fourth quarter actual comparison (July 1 – June 30)				Budget to actual comparison		
	FY2017-18	FY2018-19	\$ Variance	% Variance	FY2018-19 Amended Budget	\$ Variance	% of budget
<b>Electric Operations</b>	\$ 108,386,914	\$ 101,465,863	\$(6,921,051)	-6%	\$ 120,938,568	\$ 19,472,705	84%
<b>Water Operations</b>	15,911,651	17,113,377	1,201,726	8%	23,833,117	6,719,740	72%
<b>Wastewater Operations</b>	23,100,543	25,000,643	1,900,100	8%	29,630,897	4,630,254	84%
<b>Solid Waste Operations</b>	21,108,390	22,230,334	1,121,944	5%	24,961,391	2,731,057	89%
<b>Transit</b>	5,704,628	5,743,891	39,263	1%	6,740,931	997,040	85%
<b>Transportation</b>	1,096,768	1,186,796	90,028	8%	1,502,289	315,493	79%
<b>Youth Development</b>	6,489,073	6,537,865	48,792	1%	6,547,179	9,314	100%

Most of the enterprise funds experienced increased expenditures during FY2018-19. These increases were anticipated and are in alignment with the FY2018-19 budget and are mainly driven by personnel, material, service, and supply costs. The variance in the Electric Fund is the result of lower purchased power market prices and reduced customer energy usage, resulting in a 6% or \$6.9 million decrease in expenditures as compared to the prior year.

**ENVIRONMENTAL UTILITIES  
EXPENDITURES (MILLIONS)  
FY18Q4 COMPARED TO FY19Q4  
(CUMULATIVE)**



An additional factor contributing to increased Water, Wastewater and Solid Waste spending was the change from budgeted transfers to reimbursed expenditures for the Utility Exploration Center, Environmental Utilities administration and outreach, and utility billing.

Overall, expenditures for all of the Enterprise Funds ended the year below or on budget. The following is an explanation of the factors contributing to these variances:

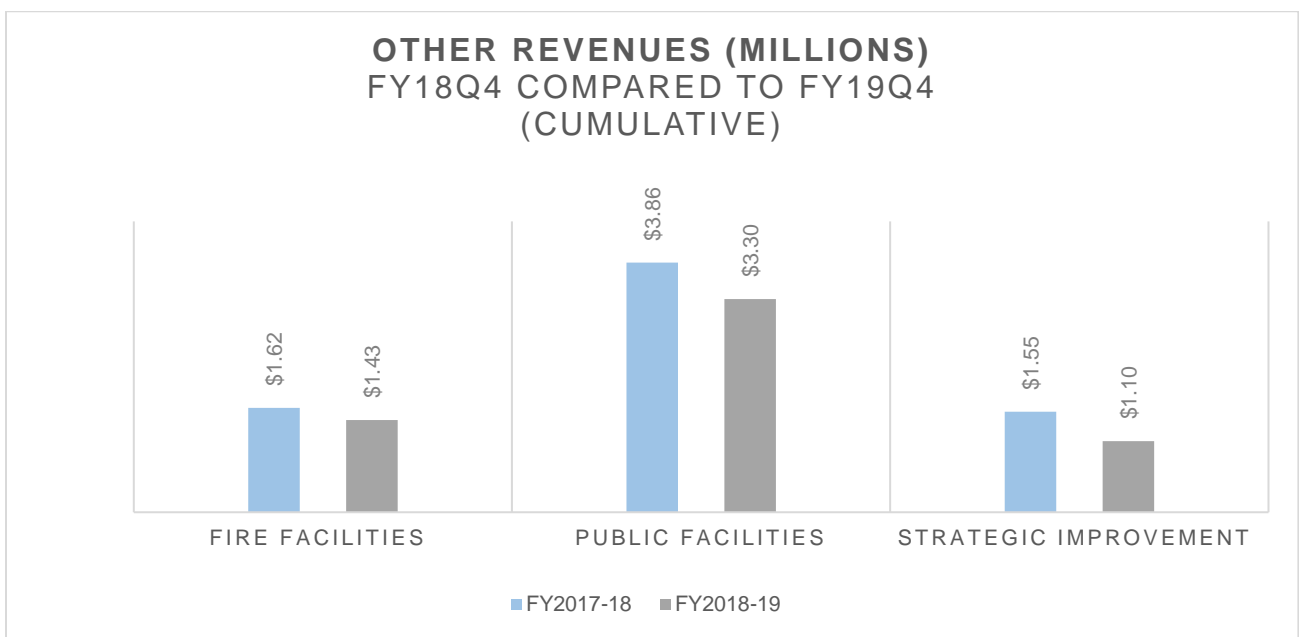
- Electric expenditures ended the fiscal year under budget by \$19.5 million due to lower than anticipated market prices for natural gas.
- The expenditures for Water, Wastewater, and Solid Waste Departments were lower than budget because of salary savings from vacant positions.
- Transportation and Transit expended 85% and 79% of their operating budgets, respectively. The major contributing factors to these variances are salary savings from vacant positions and unspent materials, services, and supply funding.
- Spending in the Youth Development Fund was similar to the prior year and aligned with budget estimates.

## Other Revenue

The table below shows revenues in the Fire Facilities Fund, Public Facilities Fund, and Strategic Improvement Fund through the fourth quarter of FY2018-19. The fourth quarter improved over the third quarter (Third quarter actual comparison: Fire Facilities: -18%; Public Facilities: -29%; and Strategic Improvement: -37%) but continued to trend lower than FY2017-18. These reductions are due to less development activity as compared to the same period of the previous fiscal year.

Overall, the Fire Facilities, Public Facilities and Strategic Improvement funds all came in above budget, despite less revenue as compared to the previous year. These results are attributed to the City historically taking a conservative approach when budgeting these revenues because of the volatile nature of development.

	Cumulative fourth quarter actual comparison (July 1 – June 30)				Budget to actual comparison		
	FY2017-18	FY2018-19	\$ Variance	% Variance	FY2018-19 Amended Budget	\$ Variance	% of budget
<b>Fire Facilities</b>	\$ 1,616,108	\$ 1,426,675	\$ (189,433)	-11.7%	\$ 1,388,251	\$ 38,424	102.8%
<b>Public Facilities</b>	3,861,843	3,297,088	(564,755)	-14.6%	2,828,181	468,907	116.6%
<b>Strategic Improvement</b>	1,554,389	1,098,741	(455,648)	-29.3%	962,784	135,957	114.1%





Login

Register

Languages

- Online Services
- File a Return
- Make a Payment / Prepayment
- Taxes & Fees
- Forms & Publications
- Permits & Licenses
- Tax & Fee Rates
- Know Your Rights
- Search

## Local Jurisdiction Statement of Tax Distribution

Juris Code: 697

Date: 08/21/2019

For the periods shown below

**Payee: CITY OF ROSEVILLE TRANS & USE  
CHIEF FINANCIAL OFFICER**

Total Due	2ND QTR 19	4,269,353.99
Prior Credits		0.00
Prior Distributions	2ND QTR 19	-577,818.66
Prior Advances	2ND QTR 19	-2,320,200.00
Cost of Admin		-60,820.00

Balance	2ND QTR 19	1,310,515.33
Total Payment (by EFT)		1,310,515.33

**Total Due Breakdown by Period:**

Distribution Prior to 4th Quarter 2018	-2.77
Distribution 4th Quarter 2018	-12.71
Distribution 1st Quarter 2019	62,806.04
Distribution 2nd Quarter 2019	4,205,736.47
Distribution 3rd Quarter 2019	826.96
<b>Total Due (As Above)</b>	<b>4,269,353.99</b>

**Note:**

Total 2ND QTR 19	\$4,269,353.99
Less: Cost of CDTFA Admin	(60,820.00)
Plus 1ST QTR 19	10,253.94
<b>Total</b>	<b><u>\$4,218,787.93</u></b>

If you have any questions, please contact CDTFA Local Revenue Branch by phone at (916) 324-3000 or mail:

California Department of Tax and Fee Administration  
Local Revenue Branch, MIC: 27  
PO Box 942879  
Sacramento, CA 94279-0027

Fiscal Year: 2020

Ledger: GL

CITY OF ROSEVILLE  
General Ledger Details

<u>Post Date</u>	<u>Reference1/Reference2</u>	<u>SS</u>	<u>Description</u>	<u>Vendor ID</u>	<u>Proj / Activity</u>	<u>Check No.</u>	<u>Job No.</u>	<u>Debit</u>	<u>Credit</u>	<u>Net</u>
<b>Key 00100</b>		<b>GENERAL FUND</b>								
<b>Object:3027</b>		<b>MEASURE B SALES TAX</b>								
05/24/201	CR23582/CR23582		CR MEASURE B SALES 1ST QTR 19 BAL	ZZBLANK			2709344	0.00	10,253.94	
						<b>Total</b>	<b>May 2019</b>	0.00	10,253.94	-10,253.94
06/24/201	CR24116/CR24116		CR MEASURE B SALES APR 2019	ZZBLANK			2714184	0.00	1,235,876.31	
06/30/201	1906233		JE 8/26 ACRL 20.CRM-016 Measure B	N/A..N/A			2715813	0.00	1,310,515.33	
06/30/201	1906215		JE 7/24 ACRL 20190724-CRM-020	N/A..N/A			2715389	0.00	1,662,142.35	
						<b>Total</b>	<b>Jun 2019</b>	0.00	4,208,533.99	-4,208,533.99
						<b>Total for Object:</b>	<b>3027</b>	0.00	4,218,787.93	-4,218,787.93
						<b>Total for Key:</b>	<b>00100</b>	0.00	4,218,787.93	-4,218,787.93

Fiscal Year: 2020

Ledger: GL

CITY OF ROSEVILLE

General Ledger Details

<u>Post Date</u>	<u>Reference1/Reference2</u>	<u>SS</u>	<u>Description</u>	<u>Vendor ID</u>	<u>Proj / Activity</u>	<u>Check No.</u>	<u>Job No.</u>	<u>Debit</u>	<u>Credit</u>	<u>Net</u>	
								<b>Grand Total:</b>	<u>0.00</u>	<u>4,218,787.93</u>	<u>-4,218,787.93</u>

Fiscal Year: 2020

Ledger: GL

CITY OF ROSEVILLE

General Ledger Details

<u>Post Date</u>	<u>Reference1/Reference2</u>	<u>SS</u>	<u>Description</u>	<u>Vendor ID</u>	<u>Proj / Activity</u>	<u>Check No.</u>	<u>Job No.</u>	<u>Debit</u>	<u>Credit</u>	<u>Net</u>
------------------	------------------------------	-----------	--------------------	------------------	------------------------	------------------	----------------	--------------	---------------	------------

Selection Criteria: N/A

# City of Roseville General Fund Reserves Policy

## TABLE OF CONTENTS

I.	INTRODUCTION.....	50
II.	BACKGROUND.....	50
III.	POLICY.....	50
	A. Minimum and Target Reserve Levels.....	50
	B. Methods to Achieve Funding Levels.....	51
	C. Criteria for Expenditure of Reserve Funds.....	51
	1. Emergency Reserve.....	51
	2. Stabilization Reserve.....	51
	3. Litigation Reserve.....	52
	D. Timeline for Replenishment of the General Fund Reserves.....	52

## I. INTRODUCTION

The purpose of this policy is to establish targeted levels of General Fund reserves, a basic component of a financially strong city. Adequate reserves help sustain City operations when adverse or unexpected circumstances affect the City, providing resources to minimize service disruption in the event of temporary revenue shortfalls, declared disasters, or unpredicted one-time expenditures. This policy establishes the amounts the City will strive to maintain in the Emergency Reserve, Stabilization Reserve, and Litigation Reserve, and the conditions under which the reserves may be used.

## II. BACKGROUND

Financial reserves strengthen the City's financial status and provide valuable resources for managing through economic cycles and addressing unexpected events. Every fund of the City represents a stand-alone financial set of accounts and has its own operating characteristics, financial capabilities, and constraints. The level of reserves needed should be based on the financial and operating characteristics of each fund.

According to the Government Finance Officers Association (GFOA), it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) in order to protect taxpayers and employees from unexpected changes in financial conditions. GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain an unrestricted budgetary fund balance in their General Fund of no less than two months of regular general fund operating revenues or regular General Fund operating expenditures (an amount equivalent to 16.67% of the annual budget).

This policy establishes three months of operating costs (25% of annual budgeted General Fund operating costs) as the City's target level of reserves. This targeted level of reserves consists of the City's Emergency Reserve (10% of annual budgeted General Fund operating costs) and the City's Stabilization Reserve (15% of annual budgeted General Fund operating costs). This policy also establishes \$250,000 as the minimum level in the City's Litigation Reserve. The policy also outlines the methods the City will utilize to achieve the target reserve levels, defines the conditions under which these funds can be used and describes how the City's expenditure and/or revenue levels will be adjusted to match any new economic realities that are causing the use of fund balance reserves as a financing bridge.

## III. POLICY

### A. Minimum and Target Reserve Levels

The City will maintain an Emergency Reserve at a minimum of 10% of budgeted General Fund operating expenditures. Because the City relies on property tax

and sales tax revenue to support over two-thirds of the City's General Fund budget and the negative effects on property and sales tax revenue can be significant during economic downturns, the City will seek to build up and maintain a General Fund Stabilization Reserve equal to 15% of budgeted General Fund operating expenditures as the target reserve level. The Emergency Reserve and Stabilization Reserve shall be reported as commitments of fund balance in the General Fund for external financial reporting. Appropriations from the Emergency Reserve may only be made by a vote of the City Council to meet a critical, unpredictable financial need such as a declared emergency. Appropriations from the Stabilization Reserve may only be made by a vote of the City Council in the event of temporary revenue shortfalls caused by an economic downturn.

B. Methods to Achieve Funding Levels

Funding of the General Fund Reserves will generally come from the adopted budget, year-end excess revenues over expenditures or anticipated one-time revenues. At a minimum, during the budget process, staff shall review the current and five-year projected reserves to ensure that they are appropriate given the economic and financial risk factors the City faces.

C. Criteria for Expenditure of Reserve Funds

The Reserve Funds shall not normally be applied to recurring annual operating expenditures. Appropriation from the Emergency Reserve and Stabilization Reserve Funds requires approval of at least four City Council members. The Litigation Reserve is appropriated annually in the adopted budget.

1. Emergency Reserve

The Emergency Reserve may be used to contend with significant short-term issues such as declared emergencies. It is the intent of the Council to limit use of the Emergency Reserve to addressing unanticipated, nonrecurring needs.

2. Stabilization Reserve

The Stabilization Reserve may be used strategically to allow time for the City to restructure its operation in a deliberate manner as required in an economic downturn while minimizing service disruption. Use of the Stabilization Reserve will only take place in the context of a Council-adopted long-term plan. The Stabilization Reserve is intended to be used to address significant revenue shortfalls that occur during an economic

downturn until the City's operating expenditure and revenue levels are adjusted to eliminate structural deficits.

3. Litigation Reserve

The Litigation Reserve may be used for legal matters that are unforeseen and/or unusual in nature and, as a result, typically require reactive measures such as seeking a budget adjustment and a funding source. Some examples are contract disputes, municipal code enforcement, and other public safety enforcement matters. The purpose of this reserve is to address these situations by allowing for proactive handling and funding of such matters.

D. Timeline for Replenishment of the General Fund Reserves

If the General Fund Reserves are drawn down below the minimum levels, a plan will be developed and implemented to replenish the reserves. Replenishing the reserves will be a priority use of one-time resources. Generally, the City should seek to replenish the Emergency Reserve and the Litigation Reserve within one year and the Stabilization Reserve to the minimum reserve level within three years.



# LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

**Title:** Report to Council  
**Contact:** Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

**Meeting Date:** 1/21/2020  
**Item #:** 6.4.

## RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee approve a motion to designate one or two committee members to prepare the Committee's report to the City Council.

## BACKGROUND

The Local Sales Tax Citizens' Oversight Committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B Sales and Use Tax.

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer