



City of Rocklin, California

Comprehensive Annual Financial Report

June 30, 2017

Prepared by:

**Administrative Services Department
Kim Sarkovich, Assistant City Manager/Chief Financial Officer
Mary Rister, Finance Officer**

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

Transmittal Letter 1
 Organizational Chart 4
 List of Officials..... 5

FINANCIAL SECTION

Independent Auditor’s Report..... 9
 Management’s Discussion and Analysis (Required Supplementary Information) 15

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position..... 27
 Statement of Activities 28

Fund Financial Statements

Governmental Funds:

Balance Sheet..... 30
 Reconciliation of the Government Funds Balance Sheet
 to the Government-Wide Financial Statement of Net Position 33
 Statement of Revenues, Expenditures and Changes in Fund Balances..... 34
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balances to the Government-Wide
 Statement of Activities 36

Proprietary Funds (Fleet Management Internal Service Fund):

Statement of Net Position 37
 Statement of Revenues, Expenses, and Changes in Fund Net Position 38
 Statement of Cash Flows..... 39

Fiduciary Funds:

Statement of Fiduciary Net Position 40
 Statement of Changes in Fiduciary Net Position 41

Notes to the Basic Financial Statements 45

Note 1 – Significant Accounting Policies..... 45
 Note 2 – Cash and Investments 59
 Note 3 – Interfund Transactions..... 62
 Note 4 – Loans Receivable 64
 Note 5 – Capital Assets 67
 Note 6 – Noncurrent Liabilities 68
 Note 7 – Net Position/Fund Balance 70
 Note 8 – Risk Management..... 73
 Note 9 – Retirement Plans 74
 Note 10 – Other Postemployment Benefit Plan..... 80
 Note 11 – Commitments and Contingencies 83
 Note 12 – Special Tax Assessment Districts..... 83
 Note 13 – Successor Agency Trust (Former RDA) 87

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

TABLE OF CONTENTS CONTINUED

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|---|-----|
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – General Fund | 93 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Rocklin Public Financing Authority Debt Service Fund..... | 94 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – SB325 Sales Tax | 95 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Low and Moderate Income Housing Fund | 96 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Traffic Circulation Impact Fee Fund | 97 |
| Schedule of Pension Contributions (GASB 68)..... | 98 |
| Schedule of Net Pension Liabilities and Proportionate Shares (GASB 68)..... | 99 |
| Retiree Healthcare Plan – Schedule of Funding Progress | 100 |

SUPPLEMENTARY INFORMATION

Combining Nonmajor Governmental Funds:

| | |
|--|-----|
| Combining Balance Sheet | 103 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 104 |

Combining Special Revenue Nonmajor Governmental Funds:

| | |
|--|-----|
| Combining Balance Sheet | 106 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 112 |
| Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Budget and Actual (GAAP Basis) | 117 |

Combining Capital Projects Nonmajor Governmental Funds:

| | |
|--|-----|
| Combining Balance Sheet | 134 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 137 |

Combining Permanent Nonmajor Governmental Funds:

| | |
|--|-----|
| Combining Balance Sheet | 142 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 143 |

Combining Agency Funds:

| | |
|--|-----|
| Combining Balance Sheet | 146 |
| Combining Statement of Changes in Assets and Liabilities | 150 |

STATISTICAL SECTION

| | |
|---|-----|
| Net Position by Component | 156 |
| Changes in Net Position | 158 |
| Fund Balances of Governmental Funds | 162 |
| Changes in Fund Balances of Governmental Funds..... | 164 |
| Assessed Value and Actual Value of Taxable Property | 166 |
| Direct and Overlapping Property Tax Rates | 167 |
| Principal Property Tax Payers..... | 168 |
| Property Tax Levies and Collections..... | 169 |
| Ratios of Outstanding Debt by Type | 170 |
| Direct and Overlapping Debt | 171 |
| Legal Debt Margin Information | 172 |
| Demographic and Economic Statistics | 174 |
| Principal Employers - Top 15..... | 175 |



ROCKLIN

CALIFORNIA

INTRODUCTORY SECTION

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**CITY OF ROCKLIN**

3970 Rocklin Road
Rocklin, California 95677
Telephone (916) 625-5000
Fax (916) 625-5095

February 27, 2018

To the Honorable Mayor, Members of the City Council, and Citizens of Rocklin, California:

This Comprehensive Annual Financial Report (CAFR) for the City of Rocklin, California (the City), for the Fiscal Year ended June 30, 2017 is hereby submitted for your review. We are pleased to inform you our auditors, Chavan & Associates, LLP, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2017. The independent auditor’s report is presented as the first item in the financial section of the report.

Management assumes all responsibility for the completeness and reliability of the information presented in this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and present fairly the respective financial position and changes of the City, as of June 30, 2017.

The CAFR is published to provide information about the City to its citizens, the investment community, the general public, and others who may have an interest in the financial information regarding the City. This letter of transmittal is designed to be read with and complement the Management’s Discussion and Analysis (MD&A) which reports on the financial highlights of the City and provides additional analysis on the variances and trends reported as part of the financial statements. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City, incorporated in 1893, is located on Interstate 80 and Highway 65, 20 miles northeast of Sacramento at the base of the Sierra foothills in Placer County, California. The City encompasses 20 square miles and as of January 2017 had a population of 64,417. The City has been historically known as a safe community with low crime rates, excellent schools, and beautiful parks. It is home to the accredited Sierra College and an accredited private institution of higher education; William Jessup University. The City continues to be a leader in providing excellent services, a safe community, and a high quality of life.

The City provides the following public services: public safety (police, fire), planning and zoning, construction and maintenance of streets, storm drains and other infrastructure, parks and recreation, economic development and general administrative services. The City maintains a website located at: <https://www.rocklin.ca.us> that provides online services and extensive information about the City.

The City operates according to the Council-City Manager form of government which vests authority in an elected City Council. The City Council is the City's legislative and policymaking body and appoints the City Manager who is responsible for the overall administration of the City. In addition to the appointment of the City Manager, the City Council also appoints the City Attorney, City Treasurer, City Clerk and members of the Planning Commission, Parks & Recreation Commission and a Building Appeals Board.

The City Council also acts as the Board of Directors for the Rocklin Public Financing Authority. The Rocklin Public Financing Authority was formed as a joint powers authority between the City and the former Rocklin Redevelopment Agency to serve as a financing mechanism for various capital projects. For financial reporting purposes the Rocklin Public Financing Authority is considered a component unit of the City of Rocklin and is incorporated within this document. Additional information on this legally separate entity can be found in Note 1 of the notes to the financial statements.

The City has established a Redevelopment Successor Agency which replaced the former Rocklin Redevelopment Agency that was dissolved in 2012. The Successor Agency is not a component unit of the City and is instead a separate legal entity overseen by an oversight board and the California State Department of Finance. The City's role as the Successor Agency is fiduciary in nature. The Successor Agency is reported as a private-purpose trust fund, a fiduciary fund type. Additional information can be found in Note 13 of the notes to the financial statements.

The City prepares an annual budget which is submitted to Council for review and approval. This budget serves as the foundation of the City's financial planning and control. Through the annual budget process City Council appropriates funds to provide public services. Activities of General, Special Revenue, Debt Service, Capital Project, and Internal Service Funds are included in the annual budget appropriation. The annual budget process begins with a strategic planning meeting between management and City Council. Managers then incorporate the meeting results into detailed requests from each department submitted for evaluation to the City Manager. The City Manager may revise these budget requests and then a draft budget is prepared and submitted to City Council by May 15th. City Council reviews and may revise the draft budget in a workshop open to the public. Per Chapter 3.28 of the Rocklin Municipal Code, the final budget must be presented to and adopted by City Council by June 30th of each year. A copy of the final budget is available for download on the City's website.

The City has established a comprehensive framework of internal controls designed to protect assets of the government from loss, theft or misuse. This framework is designed so accurate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls provide reasonable, but not absolute, assurance these objectives are met. Reasonable assurance provides that the cost of internal controls should not exceed the benefits and that decisions often require the use of estimates and judgments by management.

ECONOMIC FACTORS AND OUTLOOK

The City of Rocklin continued to show economic improvements during the 2016/2017 fiscal year. Recent residential and commercial development activity brought an increase in population and job growth. The unemployment rate for the City dropped to 3.9% in September 2017. Overall, the City revenues have increased. Two of the City's largest revenue sources are property tax and sales tax, which show a

combined increase of 4% over the prior year as a result of increases in assessed property values, new business growth and an overall increase in commercial sales activities. The City anticipates continued economic improvements in the next fiscal year and has budgeted conservative property tax and sales tax revenue increases for the 2017/2018 fiscal year.

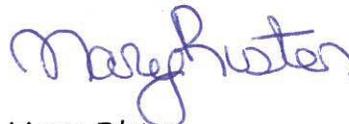
ACKNOWLEDGMENTS

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of staff from the Administrative Services Department, the auditing firm of Chavan & Associates, LLP, and the cooperation and assistance of all City departments. We commend the Council for its interest, support, and exemplary leadership in planning and conducting the financial operations of the City in a responsive and progressive manner.

Respectfully submitted,



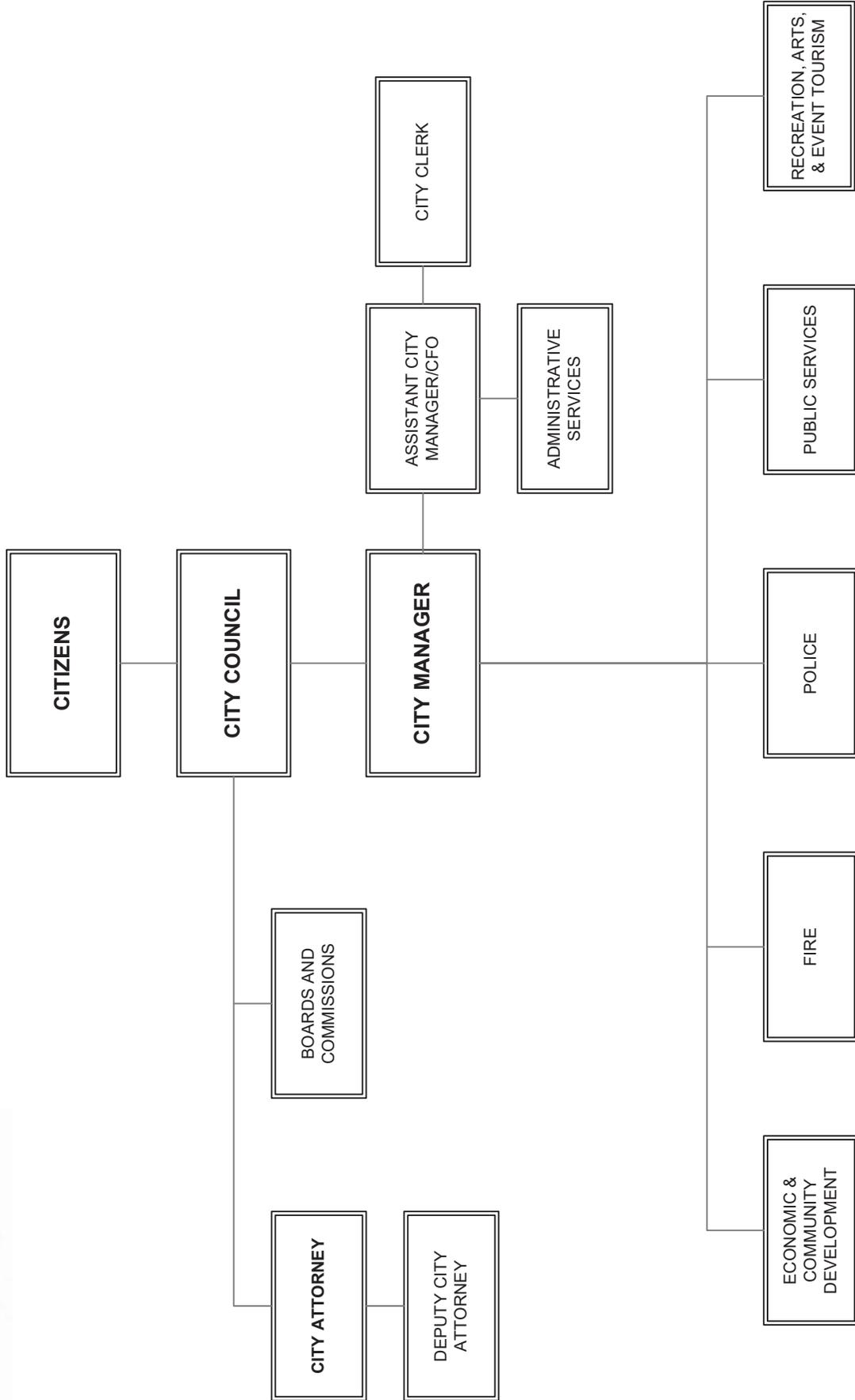
Kim Sarkovich
Assistant City Manager/Chief Financial Officer



Mary Rister
Finance Officer



CITY OF ROCKLIN Organizational Chart – FY 2016-17



City of Rocklin
Comprehensive Annual Financial Report
For the year ended June 30, 2017

List of Officials - Current

| |
|---------------------|
| City Council |
|---------------------|

| <u>Name</u> | <u>Term Expires</u> |
|-----------------------------|---------------------|
| Ken Broadway, Mayor | December 2020 |
| Joe Patterson, Vice Mayor | December 2020 |
| Greg Janda, Councilmember | December 2020 |
| Scott Yuill, Councilmember | December 2018 |
| Jill Gayaldo, Councilmember | December 2018 |

| |
|-----------------------|
| City Officials |
|-----------------------|

| <u>Name</u> | <u>Position</u> |
|-------------------|--|
| Ricky A. Horst | City Manager |
| Chad Butler | Chief of Police |
| William Hack | Fire Chief |
| Kim Sarkovich | Assistant City Manager/Chief Financial Officer/City Treasurer |
| Steven Rudolph | City Attorney |
| Barbara Ivanusich | City Clerk |

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ROCKLIN

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the City of Rocklin
Rocklin, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rocklin (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rocklin, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The transmittal letter, combining individual non-major fund schedules and statistical data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining individual non-major fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.



Chavan & Associates, LLP
Certified Public Accountants

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.

C & A LLP

October 31, 2017
San Jose, California

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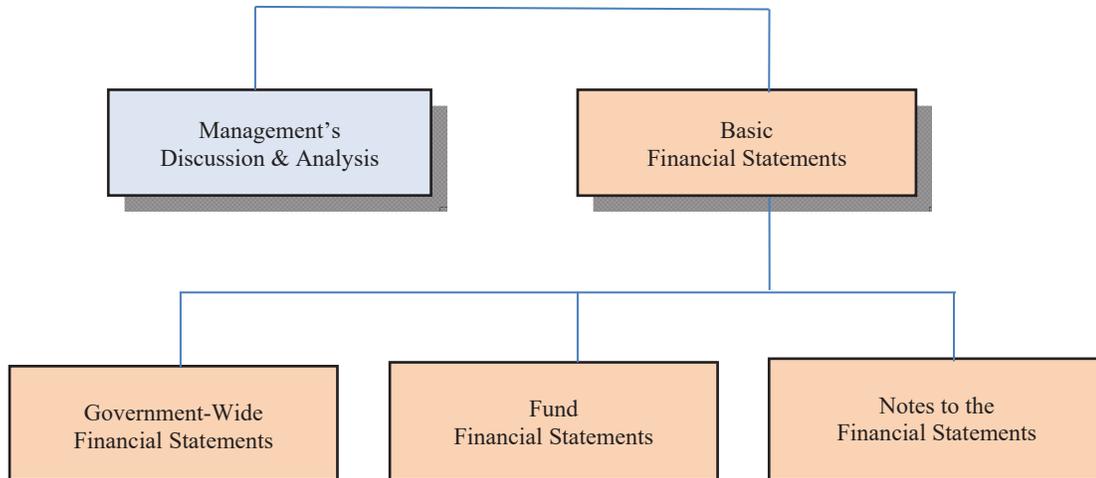
**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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INTRODUCTION

The Management’s Discussion and Analysis (MD&A) is a required section of the City’s Comprehensive Annual Financial Report, as shown in the overview below. The purpose of the MD&A is to offer readers a narrative overview and analysis of the City’s financial activity for the fiscal year ended June 30, 2017. We encourage readers to consider this MD&A in conjunction with the Basic Financial Statements to provide a comprehensive understanding of the City’s operations and financial standing.

Required Components of the Comprehensive Annual Financial Report



FISCAL YEAR 2016/2017 FINANCIAL HIGHLIGHTS

- As of the close of the fiscal year 2016/2017, the assets and deferred outflows of the City exceeded liabilities and deferred inflows by \$338.715 million (government-wide net position).
- The City’s Government-Wide General revenues increased by approximately 3% from \$48.864 million to \$50.256 million mainly due to an increase in property taxes and impact fees. Property taxes increased due to higher assessed property values. Impact fees increased from new construction. General revenues include items such as property tax, sales tax, gas tax, motor vehicle fees, franchise fees, impact fees, investment earnings, and other revenues.
- The City’s Government-Wide expenses increased by 7% from \$64.863 million to \$69.585 million from the prior year, due to (1) increases in the public safety pension pool and (2) increases in general services costs related to depreciation on infrastructure recently placed in service.
- General Fund revenues totaled \$45.267 million, while General Fund expenditures were \$47.550 million. The General Fund received transfers in from other funds of \$3.509 million with transfers out totaling \$812,800, resulting in a net increase in General Fund fund balance of \$413,705.
- The Grand Opening for the Whitney Ranch Highway 65 Interchange was held on September 9, 2016. The interchange provides increased access to nearly 200 acres of land for development.
- Fiscal year 2016/2017 was the first year of the City of Rocklin/City of Lincoln Shared Fire Services Agreement. The agreement allows Lincoln and Rocklin to share services related to fire administration and fire prevention to create operating efficiencies.

- In October 2016, the Rocklin Public Financing Authority issued Lease Revenue Bonds of \$9.455 million to refinance the outstanding 2003 Certificates of Participation and obtain \$8 million additional proceeds to finance the acquisition and construction of various capital improvement projects within the City.
- In September 2016, both Fitch Ratings and Standard and Poor assigned a rating of "AA" on the new Lease Revenue Bonds. Additionally, based on the implementation of Fitch's new revised rating criteria, Fitch revised the Issuer Credit Rating of the City from "AAA" to "AA+".
- The City continued toward its goal of fully funding the City's Other Post Employment Benefit (OPEB) obligation by making contributions during the fiscal year to the California Employers' Retiree Benefit Trust (CERBT). The CERBT is a tax-qualified irrevocable trust established to prefund retiree health benefits. During the fiscal year, the City contributed a total of \$3.155 million to the CERBT to arrive at a June 30, 2017 trust asset balance of \$12.328 million.
- In addition to proactively addressing the OPEB obligation, the city has been proactively addressing the Pension obligation. In 2016/2017, the City made pension contributions to pay down unfunded pension liability totaling \$2.401 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements are comprised of Government-Wide (City-wide) Financial Statements, Fund Financial Statements, Notes to the Financial Statements, Required Supplementary Information, and Supplementary Information. The Government-wide and Fund Financial Statements provide the reader two different perspectives of the City's financial activities and financial position.

The Government-Wide Financial Statements

Government-Wide Financial Statements provide a longer-term view of the City's activities as a whole, and comprise the *Statement of Net Position* and the *Statement of Activities*. The *Statement of Net Position* provides information about the financial position of the City, including all its capital assets and long-term liabilities on a full accrual basis, similar to that used by corporations. The *Statement of Activities* provides information about all the City's revenues and all its expenses, also on a full accrual basis, with the emphasis on measuring net revenues and/or expenses for each of the City's programs. The *Statement of Activities* explains in detail the change in Net Position for the fiscal year.

All of the City's activities are required to be grouped into governmental activities and business-type activities. The entire amount in the *Statement of Net Position* and the *Statement of Activities* are also required to be separated into governmental activities or business-type activities in order to distinguish between these two types of activities of the City.

Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole. The *Statement of Net Position* and the *Statement of Activities* present information about the following:

Governmental Activities – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, culture and recreation, and general services. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and recreation program fees.

Fund Financial Statements

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds present the major activities of the City for the fiscal year, and may change from year to year as a result of changes in the pattern of the City's activities. Each major fund is presented individually, and all non-major funds are summarized and presented in a single column. Subordinate schedules present the detail of non-major funds. The City's funds are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – The City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances available at year-end. Financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Carrying amounts for capital assets and other long-lived assets, along with long-term liabilities are not presented on the balance sheet in the governmental fund financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. For fiscal year 2016/2017, the City had five major funds, fifteen non-major special revenue funds, seven non-major capital projects funds, and two non-major permanent funds.

Proprietary Funds – The City has and maintains one type of proprietary fund, an internal service fund. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet operations. Because this service predominately benefits only governmental functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-wide financial statements because the resources of these funds are not available to support the City of Rocklin's own programs. For fiscal year 2016/2017, the City had one private purpose trust fund and nine agency funds

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information, other than the MD&A, follows the Notes and includes a budgetary comparison for the General Fund and other major funds as presented in the governmental fund financial statements.

SUPPLEMENTARY INFORMATION

Combining and individual fund statements and schedules are included to provide additional information on non-major governmental funds including special revenue, debt service, capital project funds, proprietary internal service fund information and agency funds. An unaudited statistical section provides historical and current data on financial trends, revenue and debt capacity, demographic and economic information, and operating information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as an indicator of the City's financial position. The City's Total Net Position increased \$1.909 million, from \$336.806 million in fiscal year 2015/2016 to \$338.715 million in fiscal year 2016/2017. A significant portion of the City's net position (\$305.878 million) was net investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, and vehicles) net of accumulated depreciation and reduced by any related debt used to acquire or construct those assets. The City uses capital assets to provide services to its citizens and therefore these assets are not available for future spending.

Increases in current and other assets were caused by proceeds of \$8 million from issuance of Rocklin Public Finance Authority Lease Revenue Bonds to fund new capital projects. The issuance of Lease Revenue Bonds and increases in net pension obligation caused the increase in noncurrent liabilities.

Deferred outflow of resources increased by \$7.632 million and deferred inflows of resources decreased by \$819,242. The increase in deferred outflows of resources was the result of contribution payments already made to pensions but not yet applied to the net pension liability and returns on investments that were less than expected. Deferred inflows of resources include timing differences from changes in assumptions, expected and actual experience and changes in proportionate shares. Finally, the balance of earnings in excess of estimates for prior years is reported as deferred inflows of resources.

Decreases in current and other liabilities were caused mainly by a decrease in accounts payable. 2015/2016 accounts payable included a payment of \$1.766 million to the California Employers' Retiree Benefit Trust (CERBT) and \$2.727 million in payments to contractors for infrastructure projects made after year end.

The following table summarized the City's ending net position:

| | Governmental Activities | | Dollar Change | Percent Change |
|---------------------------------------|--------------------------------|-----------------------|--------------------------|---------------------------|
| | 2017 | 2016 | | |
| Assets | | | | |
| Current and other assets | \$ 97,641,537 | \$ 87,868,772 | \$ 9,772,765 | 11.1% |
| Capital assets - net | 315,496,705 | 321,645,313 | (6,148,608) | -1.9% |
| Total Assets | \$ 413,138,242 | \$ 409,514,085 | \$ 3,624,157 | 0.9% |
| Deferred Outflows of Resources | \$ 14,848,820 | \$ 7,216,353 | \$ 7,632,467 | 105.8% |
| Liabilities | | | | |
| Current and other liabilities | \$ 7,134,767 | \$ 12,835,171 | \$ (5,700,404) | -44.4% |
| Noncurrent liabilities | 78,999,715 | 63,132,761 | 15,866,954 | 25.1% |
| Total Liabilities | \$ 86,134,482 | \$ 75,967,932 | \$ 10,166,550 | 13.4% |
| Deferred Inflows of Resources | \$ 3,137,402 | \$ 3,956,644 | \$ (819,242) | -20.7% |
| Net Position | | | | |
| Net investment in capital assets | \$ 305,878,169 | \$ 312,465,313 | \$ (6,587,144) | -2.1% |
| Restricted | 28,671,195 | 26,651,163 | 2,020,032 | 7.6% |
| Unrestricted | 4,165,814 | (2,310,614) | 6,476,428 | 155.5% |
| Total Net Position | \$ 338,715,178 | \$ 336,805,862 | \$ 1,909,316 | 0.6% |

Governmental Activities

As shown in the *Statement of Activities* schedule below, the change in total program revenues from the prior fiscal year for governmental activities is a decrease of \$14.58 million. The decrease in program revenues was primarily from capital grants and contributions received by the City for funding of infrastructure projects. In 2015/2016 this funding came from Community Facilities District #10 bond proceeds and from the Department of Transportation Pacific Street Bike Path grant. The change in total general revenues from the prior year is an increase of \$1.392 million.

The change in total expenses from the prior year was an increase of \$4.722 million. The expense increase is caused by increases in Public safety and General Services; partially offset by decreases in General government. See next page for additional information on those significant changes.

With total program revenues, general revenues and special items for fiscal year 2016/2017 at \$71.494 million and total expenses at \$69.585 million, the change in net position for current activity was an increase of \$1.909 million. See next page for further explanation.

An analysis of the changes in revenues and expenses by type of significant events follows:

| |
|--|
| Table 2 - Statement of Activities |
|--|

| Functions/Programs | Governmental Activities | | Dollar Change | Percent Change |
|---|-------------------------|-----------------------|---------------------|-------------------|
| | 2017 | 2016 | | |
| Program Revenues | | | | |
| Charges for services | \$ 10,829,605 | \$ 12,365,070 | \$ (1,535,465) | -12.42% |
| Operating grants and contributions | 8,407,506 | 11,304,860 | (2,897,354) | -25.63% |
| Capital grants and contributions | 1,979,083 | 12,126,192 | (10,147,109) | -83.68% |
| Total Program Revenues | 21,216,194 | 35,796,122 | (14,579,928) | -40.73% |
| General Revenues | | | | |
| Taxes and assessments | 48,674,339 | 46,256,170 | 2,418,169 | 5.23% |
| Investment earnings | 1,453,126 | 1,879,887 | (426,761) | -22.70% |
| Other revenues | 128,143 | 727,498 | (599,355) | -82.39% |
| Total General Revenues | 50,255,608 | 48,863,555 | 1,392,053 | 2.85% |
| Special Item Gain (Loss) Disposal Capital Assets | 22,397 | (767,147) | 789,544 | 3525.22% |
| Total General Revenues and Special Item | 50,278,005 | 48,096,408 | 2,181,597 | 4.54% |
| Expenses | | | | |
| General government | 15,594,154 | 18,001,976 | (2,407,822) | -13.38% |
| Public safety | 23,573,244 | 18,957,624 | 4,615,620 | 24.35% |
| General services | 24,091,079 | 21,964,264 | 2,126,815 | 9.68% |
| Culture and recreation | 1,680,297 | 2,623,712 | (943,415) | -35.96% |
| Community development | 3,648,661 | 2,892,219 | 756,442 | 26.15% |
| Interest on fiscal charges | 997,448 | 423,478 | 573,970 | 135.54% |
| Total Expenses | 69,584,883 | 64,863,273 | 4,721,610 | 7.28% |
| Increase / (Decrease) in Net Position | 1,909,316 | 19,029,257 | (17,119,941) | -89.97% |
| Prior Period Adjustments | - | 78,304 | (78,304) | -100.00% |
| Net Position, Beginning of Year | 336,805,862 | 317,698,301 | 19,107,561 | 6.01% |
| Net Position, End of Year | \$ 338,715,178 | \$ 336,805,862 | \$ 1,909,316 | 0.57% |

Governmental Revenues

Significant changes in governmental revenues consisted of the following:

- Charges for services decreased by \$1.535 million (12%) as a result of large one-time payments of Park Development Fees from developers received in 2015/2016.
- Operating grants and contributions decreased by \$2.897 million (26%) primarily as a result of a \$2.6 million Whitney Ranch Interchange Contribution from a developer received in 2015/2016.
- Capital grants and contributions decreased by \$10.147 million (84%) as a result of one-time amounts received in 2015/2016. These one-time amounts were a contribution of bond proceeds from the former Rocklin Redevelopment Agency (RDA) toward the Quarry Park project, and the transfer of the Library building and land to the City from the former RDA.
- Taxes and assessments increased \$2.418 million in 2016-2017 as a result of increases in property taxes and sales taxes.

Governmental Expenses

Significant changes in governmental expenses consisted of the following:

- General government expenses decreased by \$2.408 million (13%) as a result of 2015/2016 movement of fleet reserves to the Fleet Management Internal Service Fund.
- Public safety expenses increased by \$4.616 million (24%) as a result of pension expense increases combined with payroll increases.
- General service expenses increased by \$2.127 million (10%) as a result of increased depreciation from the recent infrastructure and parks placed in service. In 2016/2017, parks depreciation was reported in Culture and recreation, moving to General services caused expenses to decrease by \$945,415 (36%). General services include park capital projects. Culture and recreation includes park landscape maintenance.
- Community development expenses increased by \$756,442 (26%) as a result of increases in payroll and professional services due to increased building permit and construction activities.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The total change in fund balance during the year, including Major Funds and Other Governmental Funds, was an increase of \$16.398 million. Total ending fund balance was \$85.333 million.

A summary of the changes in fund balance of the Major Funds and Other Governmental Funds is presented below:

Table 3 - Summary of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

| | Major Funds | | | | | | Total |
|----------------------|---------------|--|----------------------|--|-------------------------------------|-----------------------------|---------------|
| | General Fund | Rocklin Public Financing Authority Debt Service Fund | SB325 Sales Tax Fund | Low and Moderate Income Housing Asset Fund | Traffic Circulation Impact Fee Fund | Nonmajor Governmental Funds | |
| Total Revenues | \$ 45,267,336 | \$ 499,703 | \$ 6,405,313 | \$ 167,993 | \$ 3,376,793 | \$ 15,311,667 | \$ 71,028,805 |
| Total Expenditures | (47,549,801) | (1,027,422) | (2,586,236) | - | (1,605,244) | (10,656,305) | (63,425,008) |
| Revenues Over | | | | | | | |
| (Under) Expenditures | (2,282,465) | (527,719) | 3,819,077 | 167,993 | 1,771,549 | 4,655,362 | 7,603,797 |
| Proceeds from Debt | - | - | - | - | - | 10,143,821 | 10,143,821 |
| Defeasance of Debt | - | - | - | - | - | (1,401,322) | (1,401,322) |
| Transfers In | 3,508,970 | - | - | - | - | 539,897 | 4,048,867 |
| Transfers Out | (812,800) | - | (396,333) | - | (308,500) | (2,479,734) | (3,997,367) |
| Net Change in | | | | | | | |
| Fund Balances | 413,705 | (527,719) | 3,422,744 | 167,993 | 1,463,049 | 11,458,024 | 16,397,796 |
| Beginning of Year | 33,061,676 | 10,498,768 | 1,832,541 | 11,944,706 | 416,271 | 11,181,138 | 68,935,100 |
| End of Year | \$ 33,475,381 | \$ 9,971,049 | \$ 5,255,285 | \$ 12,112,699 | \$ 1,879,320 | \$ 22,639,162 | \$ 85,332,896 |

- General Fund’s net change in fund balance increased \$413,705 primarily due to increases in Property Tax revenues partially offset by expenditure increases. The General Fund consists of resources not legally required to be accounted for in another fund. General Fund includes the sub-funds for Quarry Park Amphitheater, Streets Maintenance Reserve, Economic Development Reserve, Technology Fee, and Retirees Health.
- SB325 Sales Tax Fund’s net change in fund balance increased \$3.423 million due to more revenues than expenditures for the year. In 2015/2016 projects were deferred causing the cash allocated for 2015/2016 to be received in 2016/2017 fiscal year. The 2016/2017 allocations were also received in 2016/2017 to be spent on projects deferred but expected to occur in early 2017/2018 fiscal year.
- The Total Governmental fund balance increased 24% from the prior year amount of \$68.935 million to \$85.333 million mainly due to cash received from the Lease Revenue Bonds issuance, increases in development revenue, and SB325 Sales Tax revenue.

CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At June 30, 2017, net capital assets of the governmental activities totaled \$315.497 million. Depreciation on capital assets is recognized in the Government-Wide Financial Statements and totaled \$12.689 million. The following table summarizes the City's capital assets at the end of the year:

| |
|---|
| Table 4 - Capital Assets at Year End - Net |
|---|

| | <u>Governmental Activities</u> | | <u>Dollar</u> | |
|---------------------------------|--------------------------------|-----------------------|-----------------------|-----------------|
| | <u>2017</u> | <u>2016</u> | <u>Change</u> | <u>% Change</u> |
| Land | \$ 8,334,960 | \$ 7,325,724 | \$ 1,009,236.0 | 13.78% |
| Land improvements | 108,402 | 108,402 | - | 0.00% |
| Park land | 53,795,276 | 53,795,276 | - | 0.00% |
| Construction in progress | 2,571,135 | 13,468,726 | (10,897,591) | -80.91% |
| Buildings | 18,137,299 | 19,036,369 | (899,070) | -4.72% |
| Facilities & other improvements | 1,236,733 | 1,353,356 | (116,623) | -8.62% |
| Machinery & equipment | 753,333 | 360,645 | 392,688 | 108.88% |
| Fleet machinery & equipment | 2,866,010 | 2,616,376 | 249,634 | 9.54% |
| Park buildings | 515,018 | 546,830 | (31,812) | -5.82% |
| Park equipment | 86,489 | 26,450 | 60,039 | 226.99% |
| Park improvements | 6,130,314 | 6,716,097 | (585,783) | -8.72% |
| Infrastructure | 220,961,736 | 216,291,062 | 4,670,674 | 2.16% |
| Total Capital Assets, Net | <u>\$ 315,496,705</u> | <u>\$ 321,645,313</u> | <u>\$ (6,148,608)</u> | -1.91% |

- The increase in land is due to a transfer from the Rocklin Redevelopment Agency to the City of Rocklin for Quarry Land to be used for an expansion of Quarry Park. The City also purchased land for a planned new fire station.
- Construction in progress decreased primarily due to the completed Whitney Ranch Interchange transferred out of construction in progress to infrastructure. Whitney Ranch Interchange transfer out of Construction in progress for \$12.373 million was partially offset by additions for new projects in progress such as Rocklin Road at Pacific Roundabout and New Fire 1 Intersection.
- Infrastructure increased due to transfers from completed Construction in progress partially offset by depreciation.

Additional detail and information on capital asset activity is described in Note 5 of this report.

DEBT ADMINISTRATION

During the year, long-term debt from governmental activities increased by \$15.93 million primarily due to increases in Net Pension Obligation and the issuance of the 2016 Public Finance Authority Lease Revenue Bonds.

The following table summarizes the City's debt at the end of the year:

| | Governmental Activities | | | |
|------------------------------------|--------------------------------|----------------------|----------------------|-----------------|
| | 2017 | 2016 | Dollar Change | % Change |
| 2003 Certificates of Participation | \$ - | \$ 1,515,000 | \$ (1,515,000) | -100.00% |
| 2003 PFA Refunding Revenue | | | | |
| Bonds-Senior | 6,440,000 | 7,020,000 | (580,000) | -8.26% |
| 2003 PFA Refunding Revenue | | | | |
| Bonds - Subordinate | 550,000 | 645,000 | (95,000) | -14.73% |
| 2016 PFA Lease Revenue Bonds | 9,455,000 | - | 9,455,000 | 100.00% |
| Bond Premiums | 661,218 | - | 661,218 | 100.00% |
| Claims Payable | 1,408,937 | 1,778,925 | (369,988) | -20.80% |
| Net Pension Obligation | 42,206,477 | 32,877,484 | 9,328,993 | 28.38% |
| Net OPEB Obligation | 17,548,188 | 18,597,537 | (1,049,349) | -5.64% |
| Compensated Absences | 3,348,361 | 3,254,190 | 94,171 | 2.89% |
| Total Long-Term Debt | <u>\$ 81,618,181</u> | <u>\$ 65,688,136</u> | <u>\$ 15,930,045</u> | 24.25% |

Additional detail and information on long-term debt activity is described in Note 6 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund 2016/2017 original budget to the final budget are detailed in the Required Supplementary Information section along with a comparison to actual activity for the year ended. Changes to the City's budget that increase or decrease appropriations in a fund must be approved by a resolution of the City Council. The Final Budget for General Fund expenditures was increased by \$3.117 million during the year to provide for: \$213 thousand for additional equipment, \$1.485 million additional payments to the California Employers' Retiree Benefit Trust Fund (CERBT) to reduce the retiree's health liability, and \$1.419 million for operating expenditures. The operating expenditures were for payments to CALPERS to reduce pension liability, Strike Team deployments, funding reserves for Fleet replacements and replenishing economic development reserves. The equipment increases were for new vehicles which could not be purchased from replacement reserves, Police equipment, and a new Twin Oaks Park play structure.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Rocklin's finances for all of Rocklin's residents, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Clerk, 3970 Rocklin Road, Rocklin, California, 95677.



ROCKLIN

CALIFORNIA

BASIC FINANCIAL STATEMENTS

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City of Rocklin
Statement of Net Position
June 30, 2017
(With comparative totals for June 30, 2016)

| | Governmental Activities | |
|---|------------------------------|------------------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Current Assets: | | |
| Cash and investments | \$ 51,143,549 | \$ 48,584,756 |
| Restricted cash and investments | 21,606,452 | 14,332,917 |
| Receivables - net | 8,506,255 | 10,260,491 |
| Inventory and prepaid items | 30,303 | 15,852 |
| Total Current Assets | <u>81,286,559</u> | <u>73,194,016</u> |
| Noncurrent Assets: | | |
| Loans receivable | 14,875,277 | 12,590,981 |
| Advances to fiduciary activities | 1,479,701 | 2,083,775 |
| Capital assets - net | 315,496,705 | 321,645,313 |
| Total Noncurrent Assets | <u>331,851,683</u> | <u>336,320,069</u> |
| Total Assets | <u><u>\$ 413,138,242</u></u> | <u><u>\$ 409,514,085</u></u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Adjustments from Estimates and Changes in Assumptions | <u>\$ 14,848,820</u> | <u>\$ 7,216,353</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 3,615,980 | \$ 9,613,924 |
| Deposits | 773,428 | 435,829 |
| Interest payable | 105,000 | 135,000 |
| Other liabilities | 21,893 | 95,043 |
| Compensated absences - current portion | 1,423,466 | 1,395,375 |
| Long-term debt - due within one year | 1,195,000 | 1,160,000 |
| Total Current Liabilities | <u>7,134,767</u> | <u>12,835,171</u> |
| Noncurrent Liabilities: | | |
| Long-term debt - due after one year | 15,911,218 | 8,020,000 |
| Claims payable | 1,408,937 | 1,778,925 |
| Compensated absences | 1,924,895 | 1,858,815 |
| Net pension obligation | 42,206,477 | 32,877,484 |
| Net OPEB obligation | 17,548,188 | 18,597,537 |
| Total Noncurrent Liabilities | <u>78,999,715</u> | <u>63,132,761</u> |
| Total Liabilities | <u><u>\$ 86,134,482</u></u> | <u><u>\$ 75,967,932</u></u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Adjustments from Estimates and Changes in Assumptions | <u>\$ 3,137,402</u> | <u>\$ 3,956,644</u> |
| NET POSITION | | |
| Net investment in capital assets | \$ 305,878,169 | \$ 312,465,313 |
| Restricted | 28,671,195 | 26,651,163 |
| Unrestricted | 4,165,814 | (2,310,614) |
| Total Net Position | <u><u>\$ 338,715,178</u></u> | <u><u>\$ 336,805,862</u></u> |

The accompanying notes are an integral part of these financial statements.

City of Rocklin
Statement of Activities
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)

| Functions/Programs | Expenses | Program Revenues | | | | Net (Expense) Revenue and Change in Net Position | |
|--|----------------------|-------------------------|--|--|----------------------|---|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total | 2017 | 2016 |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 15,594,154 | \$ 1,546,035 | \$ 3,329,873 | \$ - | \$ 4,875,908 | \$ (10,718,246) | \$ (13,116,290) |
| Public safety | 23,573,244 | 1,175,654 | 827,350 | - | 2,003,004 | (21,570,240) | (17,002,221) |
| General services | 24,091,079 | 1,123,692 | 4,073,404 | 1,979,083 | 7,176,179 | (16,914,900) | 494,759 |
| Culture and recreation | 1,680,297 | 817,551 | 3,821 | - | 821,372 | (858,925) | (1,806,370) |
| Community development | 3,648,661 | 6,166,673 | 173,058 | - | 6,339,731 | 2,691,070 | 2,786,449 |
| Interest and fiscal charges | 997,448 | - | - | - | - | (997,448) | (423,478) |
| Total Governmental Activities | \$ 69,584,883 | \$ 10,829,605 | \$ 8,407,506 | \$ 1,979,083 | \$ 21,216,194 | (48,368,689) | (29,067,151) |
| General Revenues and Special Items: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | | 10,641,721 | 9,833,055 |
| Sales and use taxes | | | | | | 12,951,595 | 12,868,331 |
| Gas tax | | | | | | 4,532,443 | 4,634,924 |
| Transient occupancy taxes | | | | | | 730,719 | 572,498 |
| Other taxes | | | | | | 9,510,931 | 8,959,418 |
| Total taxes | | | | | | 38,367,409 | 36,868,226 |
| Motor vehicle fees | | | | | | 4,505,705 | 4,218,989 |
| Franchise fees | | | | | | 2,119,222 | 2,123,205 |
| Impact fees | | | | | | 3,682,003 | 3,045,750 |
| Investment earnings | | | | | | 1,453,126 | 1,879,887 |
| Other revenues | | | | | | 128,143 | 727,498 |
| Total General Revenues | | | | | | 50,255,608 | 48,863,555 |
| Special item - gain (loss) on disposal of capital assets | | | | | | 22,397 | (767,147) |
| Total General Revenues and Special Items | | | | | | 50,278,005 | 48,096,408 |
| Change in Net Position | | | | | | 1,909,316 | 19,029,257 |
| Net Position - Beginning of Year | | | | | | 336,805,862 | 317,698,301 |
| Prior Period Adjustments GASB 68 | | | | | | - | 78,304 |
| Net Position - Beginning of Year, As Adjusted | | | | | | 336,805,862 | 317,776,605 |
| Net Position - End of Year | | | | | | \$ 338,715,178 | \$ 336,805,862 |

The accompanying notes are an integral part of these financial statements.

MAJOR GOVERNMENTAL FUNDS

| Fund Title | Fund Description |
|---|---|
| General Fund | Primary operating fund of the City: accounts for all activities except those legally or administratively required to be accounted for in other funds. |
| Rocklin Public Financing Authority Debt Service | Accounts for the debt service of the Rocklin Public Financing Authority. |
| Low and Moderate Income Housing Asset Special Revenue | Accounts for the housing assets of the former Rocklin Redevelopment Agency transferred to the City of Rocklin as Housing Successor. |
| Traffic Circulation Impact Fee Capital Projects | Accounts for activities related to traffic congestion management. |
| SB325 Sales Tax | Accounts for sales tax revenue collected in accordance with Senate Bill 325 to be used for transit services, construction and maintenance of streets. |

City of Rocklin

Balance Sheet

Governmental Funds

June 30, 2017

(With comparative totals for June 30, 2016)

| | Major Funds | | | | |
|---|----------------------|--|---------------------|--|-------------------------------------|
| | General Fund | Rocklin Public Financing Authority Debt Service Fund | SB325 Sales Tax | Low and Moderate Income Housing Asset Fund | Traffic Circulation Impact Fee Fund |
| ASSETS | | | | | |
| Cash and investments | \$ 31,448,487 | \$ 624 | \$ 2,541,056 | \$ 2,450,270 | \$ 747,445 |
| Restricted cash and investments | - | 9,970,425 | - | - | - |
| Receivables: | | | | | |
| Taxes | 3,344,007 | - | 3,369,208 | - | - |
| Interest receivable | 306,394 | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Other receivables | 427,492 | - | 143,024 | - | - |
| Due from other funds | 1,747,072 | - | - | - | - |
| Loans receivable | - | - | - | 9,591,436 | 4,864,526 |
| Advances to fiduciary activities | 1,408,708 | - | - | 70,993 | - |
| Total assets | \$ 38,682,160 | \$ 9,971,049 | \$ 6,053,288 | \$ 12,112,699 | \$ 5,611,971 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 2,705,021 | \$ - | \$ 167,989 | \$ - | \$ 3,906 |
| Deposits | 578,427 | - | - | - | 195,001 |
| Due to other funds | 13,030 | - | 630,014 | - | - |
| Unearned revenues | 448,000 | - | - | - | - |
| Other liabilities | 21,893 | - | - | - | - |
| Compensated absences | 1,405,593 | - | - | - | - |
| Total liabilities | 5,171,964 | - | 798,003 | - | 198,907 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 34,815 | - | - | - | 3,533,744 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Endowments | - | - | - | - | - |
| Advances to fiduciary activities | 1,408,708 | - | - | 70,993 | - |
| Long-term receivables | - | - | - | 9,591,436 | 4,864,526 |
| Restricted | - | 9,971,049 | 5,255,285 | 2,450,270 | - |
| Committed | 23,788,872 | - | - | - | - |
| Unassigned (Deficit) | 8,277,801 | - | - | - | (2,985,206) |
| Total fund balances | 33,475,381 | 9,971,049 | 5,255,285 | 12,112,699 | 1,879,320 |
| Total liabilities, fund balances and deferred inflows of resources | \$ 38,682,160 | \$ 9,971,049 | \$ 6,053,288 | \$ 12,112,699 | \$ 5,611,971 |

The accompanying notes are an integral part of these financial statements.

Continued

City of Rocklin

Balance Sheet

Governmental Funds

June 30, 2017

(With comparative totals for June 30, 2016)

| | Nonmajor Governmental Funds | Total Governmental Funds | |
|---|-----------------------------------|--------------------------|----------------------|
| | | 2017 | 2016 |
| ASSETS | | | |
| Cash and investments | \$ 11,772,143 | \$ 48,960,025 | \$ 46,423,649 |
| Restricted cash and investments | 11,636,027 | 21,606,452 | 14,332,917 |
| Receivables: | | | |
| Taxes | 153,804 | 6,867,019 | 8,096,870 |
| Interest receivable | - | 306,394 | 406,090 |
| Intergovernmental | 466,011 | 466,011 | 690,487 |
| Other receivables | 294,421 | 864,937 | 1,067,044 |
| Due from other funds | - | 1,747,072 | 2,135,470 |
| Loans receivable | 419,315 | 14,875,277 | 12,590,981 |
| Advances to fiduciary activities | - | 1,479,701 | 2,083,775 |
| Total assets | \$ 24,741,721 | \$ 97,172,888 | \$ 87,827,283 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 499,776 | \$ 3,376,692 | \$ 9,538,904 |
| Deposits | - | 773,428 | 435,829 |
| Due to other funds | 1,104,028 | 1,747,072 | 2,135,470 |
| Unearned revenues | 2,695 | 450,695 | 855,695 |
| Other liabilities | - | 21,893 | 95,043 |
| Compensated absences | - | 1,405,593 | 1,379,323 |
| Total liabilities | 1,606,499 | 7,775,373 | 14,440,264 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 496,060 | 4,064,619 | 4,451,919 |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Endowments | 491,455 | 491,455 | 491,455 |
| Advances to fiduciary activities | - | 1,479,701 | 2,083,775 |
| Long-term receivables | 419,315 | 14,875,277 | 12,590,981 |
| Restricted | 17,407,465 | 35,084,069 | 23,287,775 |
| Committed | 5,050,480 | 28,839,352 | 25,956,912 |
| Unassigned (Deficit) | (729,553) | 4,563,042 | 4,524,202 |
| Total fund balances | 22,639,162 | 85,332,896 | 68,935,100 |
| Total liabilities, fund balances and deferred inflows of resources | \$ 24,741,721 | \$ 97,172,888 | \$ 87,827,283 |

The accompanying notes are an integral part of these financial statements.

Concluded

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City of Rocklin
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2017

Total Fund Balances - Total Governmental Funds \$ 85,332,896

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

| | |
|--------------------------------|----------------------|
| Capital assets | 506,510,592 |
| Less: accumulated depreciation | <u>(193,879,897)</u> |
| Total Capital Assets | <u>312,630,695</u> |

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (105,000)

Internal service funds are used by management to charge the costs of vehicle maintenance and various insurance costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 4,803,190

Pension adjustments from timing differences, including contributions made to pension plans that reduce the net pension liability in the next fiscal year, the impact from changes in proportionate shares on beginning balances, and differences between projected and actual earnings on plan investments, have been reported as deferred outflows of resources. 14,848,820

Pension adjustments from timing differences, including changes in assumptions, differences between expected and actual experiences, changes in proportionate shares related to contributions and differences between projected and actual earnings on plan investments, have been reported as deferred inflows of resources. (3,137,402)

Certain revenues were recorded as deferred inflows of resources in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities under the full accrual basis. 4,064,619

Liabilities were reported for certain revenues that were not available to pay current period expenditures and were reported as unearned in the fund statements. 450,695

Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

| | |
|-----------------------------|---------------------|
| Long-term debt | (17,106,218) |
| Compensated absences | (1,903,515) |
| Claims payable | (1,408,937) |
| Net pension obligation | (42,206,477) |
| Net OPEB obligation | <u>(17,548,188)</u> |
| Total Long-Term Obligations | <u>(80,173,335)</u> |

Net Position of Governmental Activities \$ 338,715,178

The accompanying notes are an integral part of these financial statements.

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)

| | Major Funds | | | | |
|---|-------------------|--|------------------|--|-------------------------------------|
| | General Fund | Rocklin Public Financing Authority Debt Service Fund | SB325 Sales Tax | Low and Moderate Income Housing Asset Fund | Traffic Circulation Impact Fee Fund |
| REVENUES | | | | | |
| Taxes and assessments | \$ 27,897,219 | \$ - | \$ 6,241,141 | \$ - | 2,345,956 |
| License and permits | 3,115,897 | - | - | - | - |
| Fines and forfeitures | 311,834 | - | - | - | - |
| Intergovernmental | 5,407,220 | - | 143,024 | - | 636,859 |
| Charges for services | 2,327,676 | - | - | - | 386,219 |
| Use of money and property | 1,616,894 | 499,703 | 21,148 | 167,993 | 7,045 |
| Contributions from developers and homeowners | - | - | - | - | - |
| Other revenues | 4,590,596 | - | - | - | 714 |
| Total Revenues | 45,267,336 | 499,703 | 6,405,313 | 167,993 | 3,376,793 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 15,457,431 | 22,700 | 13,899 | - | - |
| Public safety | 20,741,091 | - | - | - | - |
| General services | 5,284,683 | - | 1,653,505 | - | 49,478 |
| Culture and recreation | 1,695,318 | - | - | - | - |
| Community development | 3,901,679 | - | - | - | 88,624 |
| Capital outlay | 327,642 | - | 918,832 | - | 1,467,142 |
| Debt service: | | | | | |
| Principal | - | 675,000 | - | - | - |
| Interest and fiscal charges | 141,957 | 329,722 | - | - | - |
| Total Expenditures | 47,549,801 | 1,027,422 | 2,586,236 | - | 1,605,244 |
| Excess (Deficiency) of Revenues over Expenditures | (2,282,465) | (527,719) | 3,819,077 | 167,993 | 1,771,549 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from debt issuance | - | - | - | - | - |
| Defeasance of debt | - | - | - | - | - |
| Transfers in | 3,508,970 | - | - | - | - |
| Transfers out | (812,800) | - | (396,333) | - | (308,500) |
| Total Other Financing Sources (Uses) | 2,696,170 | - | (396,333) | - | (308,500) |
| Net Change in Fund Balances | 413,705 | (527,719) | 3,422,744 | 167,993 | 1,463,049 |
| Fund Balances Beginning | 33,061,676 | 10,498,768 | 1,832,541 | 11,944,706 | 416,271 |
| Fund Balances Ending | \$ 33,475,381 | \$ 9,971,049 | \$ 5,255,285 | \$ 12,112,699 | \$ 1,879,320 |

The accompanying notes are an integral part of these financial statements.

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)

| | Nonmajor Governmental Funds | Total Governmental Funds | |
|---|-----------------------------------|--------------------------|----------------------|
| | | 2017 | 2016 |
| REVENUES | | | |
| Taxes and assessments | \$ 10,095,415 | \$ 46,579,731 | \$ 40,369,523 |
| License and permits | 90,584 | 3,206,481 | 3,004,681 |
| Fines and forfeitures | 66,824 | 378,658 | 227,817 |
| Intergovernmental | 1,890,092 | 8,077,195 | 9,666,864 |
| Charges for services | 147,928 | 2,861,823 | 2,629,221 |
| Use of money and property | 94,640 | 2,407,423 | 2,778,659 |
| Contributions from developers and homeowners | 2,017,824 | 2,017,824 | 4,744,217 |
| Other revenues | 908,360 | 5,499,670 | 6,151,550 |
| Total Revenues | 15,311,667 | 71,028,805 | 69,572,532 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 767,425 | 16,261,455 | 18,233,061 |
| Public safety | 17,622 | 20,758,713 | 20,460,097 |
| General services | 6,973,048 | 13,960,714 | 14,272,425 |
| Culture and recreation | - | 1,695,318 | 1,584,662 |
| Community development | 50,907 | 4,041,210 | 2,963,265 |
| Capital outlay | 2,150,253 | 4,863,869 | 17,525,161 |
| Debt service: | | | |
| Principal | 485,000 | 1,160,000 | 1,110,000 |
| Interest and fiscal charges | 212,050 | 683,729 | 438,478 |
| Total Expenditures | 10,656,305 | 63,425,008 | 76,587,149 |
| Excess (Deficiency) of Revenues over Expenditures | 4,655,362 | 7,603,797 | (7,014,617) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from debt issuance | 10,143,821 | 10,143,821 | 5,852,781 |
| Defeasance of debt | (1,401,322) | (1,401,322) | - |
| Transfers in | 539,897 | 4,048,867 | 5,134,276 |
| Transfers out | (2,479,734) | (3,997,367) | (5,087,676) |
| Total Other Financing Sources (Uses) | 6,802,662 | 8,793,999 | 5,899,381 |
| Net Change in Fund Balances | 11,458,024 | 16,397,796 | (1,115,236) |
| Fund Balances Beginning | 11,181,138 | 68,935,100 | 70,050,336 |
| Fund Balances Ending | \$ 22,639,162 | \$ 85,332,896 | \$ 68,935,100 |

The accompanying notes are an integral part of these financial statements.

Concluded

City of Rocklin

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities

For the year ended June 30, 2017

| | |
|--|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 16,397,796 |
| Amounts reported for governmental activities in the Statement of Activities were different because: | |
| Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. | |
| Capital outlay | 4,745,057 |
| Depreciation expense | (12,207,653) |
| Internal service funds are used by management to charge the costs of vehicle maintenance, and various insurance costs to individual funds. The net revenue or (excess expenses) of the internal service funds is reported with government activities. | 128,141 |
| Certain revenues were not recorded or recorded as unearned revenue in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities under the full accrual basis. | 659,356 |
| Certain revenues were recorded as deferred inflows of resources in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities under the full accrual basis. | (387,300) |
| Long-term compensated absences and claims payables were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources and were not reported as expenditures in governmental funds. | |
| Compensated absences | (71,914) |
| Claims liabilities | 369,988 |
| In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the Government-Wide Statement of Activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources. | (877,284) |
| Repayment of long-term debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position. | (7,926,218) |
| Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements as follows: | |
| Other postemployment benefits | 1,049,349 |
| Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in accrued interest from prior year. | <u>30,000</u> |
| Change in Net Position of Governmental Activities | <u>\$ 1,909,316</u> |

The accompanying notes are an integral part of these financial statements.

City of Rocklin
Statement of Net Position
Fleet Management Internal Service Fund
June 30, 2017
(With comparative totals for June 30, 2016)

| | Totals | |
|--|----------------------------|----------------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 2,183,524 | \$ 2,161,107 |
| Accounts receivable | 1,894 | - |
| Inventory | 30,303 | 15,852 |
| Total current assets | <u>2,215,721</u> | <u>2,176,959</u> |
| Non-current assets: | | |
| Capital assets - net | 2,866,010 | 2,616,376 |
| Total non-current assets | <u>2,866,010</u> | <u>2,616,376</u> |
| Total assets | <u><u>\$ 5,081,731</u></u> | <u><u>\$ 4,793,335</u></u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 239,288 | \$ 75,020 |
| Compensated absences | 17,873 | 16,052 |
| Total current liabilities | <u>257,161</u> | <u>91,072</u> |
| Non-current liabilities: | | |
| Compensated absences | 21,380 | 27,214 |
| Total non-current liabilities | <u>21,380</u> | <u>27,214</u> |
| Total liabilities | <u><u>\$ 278,541</u></u> | <u><u>\$ 118,286</u></u> |
| NET POSITION | | |
| Net Investment in capital assets | \$ 2,866,010 | \$ 2,616,376 |
| Unrestricted | 1,937,180 | 2,058,673 |
| Total net position | <u><u>\$ 4,803,190</u></u> | <u><u>\$ 4,675,049</u></u> |

The accompanying notes are an integral part of these financial statements.

City of Rocklin

Statement of Revenues, Expenses and Changes in Fund Net Position

Fleet Management Internal Service Fund

For the year ended June 30, 2017

(With comparative totals for June 30, 2016)

| | Totals | |
|--|---------------------|---------------------|
| | 2017 | 2016 |
| OPERATING REVENUES | | |
| Fleet management cost allocations | \$ 1,827,419 | \$ 1,262,300 |
| Fleet management reserve revenue | - | 2,047,520 |
| Intergovernmental | 75,381 | 105,166 |
| Other revenue | 83,181 | 5 |
| Total operating revenues | 1,985,981 | 3,414,991 |
| OPERATING EXPENSES | | |
| Salaries and benefits | 500,207 | 554,024 |
| Services and supplies | 977,989 | 767,961 |
| Depreciation | 481,737 | 428,190 |
| Total operating expenses | 1,959,933 | 1,750,175 |
| Operating income (loss) | 26,048 | 1,664,816 |
| NONOPERATING REVENUES(EXPENSES) | | |
| Gain (loss) on sale of assets | 22,399 | - |
| Capital contributions | 118,815 | 234,417 |
| Investment earnings | 12,379 | 422 |
| Total nonoperating revenues(expenses) | 153,593 | 234,839 |
| Income (loss) before operating transfers | 179,641 | 1,899,655 |
| Transfers in | - | - |
| Transfers out | (51,500) | (46,600) |
| Change in net position | 128,141 | 1,853,055 |
| Total net position - beginning | 4,675,049 | 2,821,994 |
| Total net position - ending | \$ 4,803,190 | \$ 4,675,049 |

The accompanying notes are an integral part of these financial statements.

City of Rocklin
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)

| | Totals | |
|---|---------------------|---------------------|
| | 2017 | 2016 |
| Cash flows from operating activities: | | |
| Receipts from interfund services provided | \$ 1,825,525 | \$ 3,309,820 |
| Other receipts | 158,562 | 105,171 |
| Payments to suppliers for goods and services | (807,742) | (832,776) |
| Payments to employees for services | (524,650) | (546,347) |
| Net cash provided (used) by operating activities | <u>651,695</u> | <u>2,035,868</u> |
| Cash flows from noncapital financing activities: | | |
| Interfund transactions | (51,500) | (46,600) |
| Net cash provided (used) by noncapital financing activities | <u>(51,500)</u> | <u>(46,600)</u> |
| Cash flows from capital financing activities: | | |
| Purchases (sales) of capital assets - net | (708,972) | (260,186) |
| Proceeds from capital contributions | 118,815 | 234,417 |
| Net cash provided (used) by capital financing activities | <u>(590,157)</u> | <u>(25,769)</u> |
| Cash flows from investing activities: | | |
| Investment income received | 12,379 | 422 |
| Net cash provided (used) by investing activities | <u>12,379</u> | <u>422</u> |
| Net increase (decrease) in cash and cash equivalents | 22,417 | 1,963,921 |
| Cash and cash equivalents - beginning | 2,161,107 | 197,186 |
| Cash and cash equivalents - ending | <u>\$ 2,183,524</u> | <u>\$ 2,161,107</u> |
| Reconciliation of operating income to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 26,048 | \$ 1,664,816 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation | 481,737 | 428,190 |
| Change in operating assets and liabilities: | | |
| Accounts receivable | (1,894) | - |
| Inventory | (14,451) | 21,399 |
| Accounts payable and accrued liabilities | 164,268 | (79,528) |
| Compensated absences | (4,013) | 991 |
| Net cash provided (used) by operating activities | <u>\$ 651,695</u> | <u>\$ 2,035,868</u> |

The accompanying notes are an integral part of these financial statements.

City of Rocklin
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

| | Successor Agency | | |
|---|-------------------------------|----------------------------|-------------------------------|
| | Private-Purpose | | |
| | Trust Funds | Agency Funds | Totals |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 1,959,852 | \$ 1,562,174 | \$ 3,522,026 |
| Cash and investment with trustee/fiscal agent | 1,815,117 | 6,551,368 | 8,366,485 |
| Accounts receivable | - | 56,413 | 56,413 |
| Total current assets | <u>3,774,969</u> | <u>8,169,955</u> | <u>11,944,924</u> |
| Non-current assets: | | | |
| Property, plant and equipment - net | 1,337,323 | - | 1,337,323 |
| Total assets | <u><u>\$ 5,112,292</u></u> | <u><u>\$ 8,169,955</u></u> | <u><u>\$ 13,282,247</u></u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 85 | \$ - | \$ 85 |
| Due to other agencies | - | 8,169,955 | 8,169,955 |
| Interest payable | 656,977 | - | 656,977 |
| Due within one year | 1,047,350 | - | 1,047,350 |
| Total current liabilities | <u>1,704,412</u> | <u>8,169,955</u> | <u>9,874,367</u> |
| Noncurrent liabilities: | | | |
| Advances from City of Rocklin | 1,479,701 | - | 1,479,701 |
| Loans payable | 292,349 | - | 292,349 |
| Bonds payable - net | 22,861,417 | - | 22,861,417 |
| Total noncurrent liabilities | <u>24,633,467</u> | <u>-</u> | <u>24,633,467</u> |
| Total liabilities | <u><u>\$ 26,337,879</u></u> | <u><u>\$ 8,169,955</u></u> | <u><u>\$ 34,507,834</u></u> |
| NET POSITION | | | |
| Held in trust for Redevelopment Dissolution | <u><u>\$ (21,225,587)</u></u> | | <u><u>\$ (21,225,587)</u></u> |

The accompanying notes are an integral part of these financial statements.

City of Rocklin
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the year ended June 30, 2017

| | Successor Agency <u>Private-Purpose Trust Funds</u> |
|------------------------------------|---|
| ADDITIONS | |
| Property taxes | \$ 3,015,882 |
| Investment earnings | 154,554 |
| Total additions | <u>3,170,436</u> |
| DEDUCTIONS | |
| General government | 267,725 |
| Interest expense | 1,129,760 |
| Loss on disposal of capital assets | 1,064,356 |
| Total deductions | <u>2,461,841</u> |
| Change in net position | 708,595 |
| Total net position - beginning | <u>(21,934,182)</u> |
| Total net position - ending | <u><u>\$ (21,225,587)</u></u> |

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

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City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rocklin (City) was incorporated in 1893 under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services general government, community development, public safety, culture and recreation and general services.

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include property taxes, sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government. The financial statement of the individual component unit, if applicable as indicated below, may be obtained from the City of Rocklin website.

The City's reporting entity includes the following blended component unit:

Rocklin Public Financing Authority

The Rocklin Public Financing Authority (Authority) was formed on December 13, 1994, as a joint powers authority between the City and the former Redevelopment Agency to serve as a financing mechanism for various capital projects. Upon the dissolution of the Rocklin Redevelopment Agency on February 1, 2012, the City appointed itself successor agency governed by an oversight board consisting of members from all taxing authorities in the redevelopment area to wind up all redevelopment activities, which consisted primarily of debt. Because of the limited authority of the successor, their membership in the Authority is also limited as the successor cannot obligate the Authority or issue new debt on its own. The City Council acts as the governing board in a concurrent session. The Authority provides services solely for the benefit of the City and is presented in the governmental activities in the fund financial statements as a blended component unit.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities*. These statements present summaries of governmental activities for the City. Fiduciary activities of the City are not included in these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City did not have any business-type activities during the year.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources (including capital assets, as well as infrastructure assets, and long-term liabilities), are included in the accompanying *Statement of Net Position*. The *Statement of Activities* presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the *Statement of Net Position* have been eliminated. The following interfund activities have been eliminated:

- Transfers in/Transfers out
- Internal Service Fund charges

Governmental Fund Financial Statements

Governmental fund financial statements include a *Balance Sheet* and a *Statement of Revenues, Expenditures and Changes in Fund Balances* for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

balances as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheets. The *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (up to 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Fines, forfeitures, licenses and permits are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

The following funds are major funds:

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds. The General Fund is a combination of other funds, which include, Quarry Park Amphitheater, Streets Maintenance Reserve, Economic Development Reserve, Technology Fee, Retirees Health, ADA and Parks Maintenance Reserve.

Rocklin Public Financing Authority Debt Service Fund

This debt service fund was established to account for the debt service activity of the Rocklin Public Financing Authority.

SB325 Sales Tax Fund

This fund accounts for sales tax revenue collected in accordance with Senate Bill 325 to be used for transit services, construction and maintenance of streets.

Low and Moderate Income Housing Asset Fund

This special revenue fund accounts for the administration and operation of the City's low and moderate income housing program of the former Rocklin Redevelopment Agency transferred to the City of Rocklin as the Housing Successor.

Traffic Construction Impact Fee Capital Projects Fund

This capital projects fund accounts for activities related to congestion management and traffic relief.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Additionally, the City reports the following nonmajor fund types of governmental funds:

Special Revenue Funds

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

Capital Project Funds

Capital project funds 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 in governmental funds.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and payment on, long-term obligation debt principal and interest.

Permanent Funds

Permanent funds account for and report financial resources for the principal corpus of endowments where only the investment earnings can be spent on specified purposes.

Proprietary Funds

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the “economic resources measurement focus”. This means all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with their activities are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

The City’s internal service funds are proprietary funds. Internal service funds account for charges to City departments for services provided, on a cost reimbursement basis. Amounts paid to acquire capital assets are capitalized as assets in the internal service funds financial statements.

Fleet Internal Service Fund

The Fleet Internal Service Fund is used to account for the financing of the City’s fleet services provided by one City department to other departments on a cost-reimbursement basis. The Fleet Internal Service Fund balances and activities have been combined with governmental activities in the government-wide financial statements.

Fiduciary Funds

Private Purpose Trust Funds

Private Purpose Trust Funds account for resources held for other individuals and entities in a manner similar to private enterprise.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not presented in the government-wide financial statements.

C. Cash Deposits and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk
- Foreign Currency Risk

Other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The City participates in the Local Agency Investment Fund (LAIF), an investment pool for local governments and special districts managed by the State of California. Under Federal Law, the State of California cannot declare bankruptcy; therefore deposits in the LAIF shall not be subject to either of the following: (a) transfer or loan pursuant to Government Code Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency.

The City participates in the Placer County Treasurers Investment Portfolio, an investment pool for local governments, school districts, and special districts in Placer County. Investments are made in accordance with Government Code Section 27000.5, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objective of the county treasurer is to safeguard the principal of the funds under his or her control. The secondary objective is to meet the liquidity needs of the depositor. The third objective is to achieve a return on the funds under his or her control."

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. This statement changed the definition of fair value and is effective for periods beginning after June 15, 2015.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

D. Interfund Receivables and Payables

Items classified as interfund receivables/payables are referred to as “advances to/advances from other funds” or as “due to/from other funds”. Due to/from other funds include short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund. Advances to/advances from other funds represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation.

E. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, transient taxes, franchise taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, transient tax, franchise tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City’s experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

F. Loans Receivable

Under the City’s housing assistance program, loans are made to qualified individuals and businesses within prescribed project areas for the purpose of housing acquisition, housing rehabilitation and/or economic development. The majority of these loans are on a deferred payback program. Repayments of the outstanding loans are applied to the principal balance of the loan receivable. The long-term portion of

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

loans receivable has been offset by *Unearned Revenues* in the accompanying financial statements, as applicable.

G. Inventories

The City maintains an inventory for fuel that is recorded at cost in the Fleet Internal Service Fund and expensed when consumed. The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the City has therefore chosen to report these items as expenditures/expenses at the time of purchase.

H. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$10,000 for non-infrastructure capital assets, \$5,000 for grant funded non-infrastructure capital assets, and \$100,000 for infrastructure capital assets.

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems. The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by asset type is as follows:

| | |
|-------------------------------------|---------------|
| Equipment, machinery and vehicles | 3 – 10 Years |
| Facilities and improvements | 15 Years |
| Infrastructure | 25 – 50 Years |
| Buildings and building improvements | 30 Years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same way as in the government-wide statements.

I. Deferred Outflows/Deferred Inflows

Deferred outflows of resources is a consumption of net position by the City that is applicable to a future reporting period; for example, prepaid items and deferred charges. Deferred inflows of resources is an acquisition of net position by the City that is applicable to a future reporting period; for example, unearned revenue and advance collections. The City has deferred outflows and deferred inflows of resources related to the implementation of GASB 68 for pension retirement plans. See note 9 for additional information.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

J. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as an incurred liability for governmental fund types. The City has not allocated the interest on long-term debt to departments.

In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the fund statements when payment is made.

K. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for general liability claims. The estimated liability for these claims include "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

L. Compensated Absences

The City's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave, up to limits established by individual employee bargaining units. This debt is estimated based on historical trend analysis, the current portion of which is reported in the General Fund, the remaining balance is shown in the government-wide financial statements.

M. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of the revenue refunding bonds of the Rocklin Public Financing Authority and the Lease Revenue Bonds and unamortized premiums, the OPEB obligation, the pension obligations, compensated absences and a liability for claims.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. Long-term debt for proprietary funds is reported in the fund statements similar to as it is reported in the government-wide statements. Debt proceeds are reported as liabilities and payments are reported as reductions to the liability and as interest expense.

N. Pension Expense

For purposes of measuring the net pension liability and deferred outflows/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) plans (the Plans) and additions to/deductions from the Plans' 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.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

O. Fund Balances

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable

Assets that will never convert to cash (prepaid items, inventory).

- Assets that will not convert to cash soon enough to affect the current period (long-term loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the City (Creditors, Grantors, Contributors, other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or legislation (Gas Tax).

Committed

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies, and uncertainties)
- Limitation at the highest level of decision-making (Council) and requires formal action at the same level to remove.
- Council resolution is required to establish, modify, or rescind a fund balance commitment.

Assigned

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the General Fund are reported as assigned fund balance.

Unassigned

- Residual net resources
- Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

Flow Assumption / Spending Order Policy

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has directed otherwise.

P. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. In addition, deferred

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position.

Restricted Net Position

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. Certain proceeds from debt and loans are reported as restricted net position because their use is limited by applicable debt or other covenants.

Unrestricted Net Position

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions, except for interfund services provided and used and reimbursements, are reported as transfers.

R. Property Taxes and Special Assessments

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities in accordance with statutory regulations.

Property taxes attach annually as an enforceable lien on January 1. Taxes are levied on January 1, are payable in two installments, and are delinquent at December 10 and April 10. The County of Placer (the County) is responsible for the collection and allocation of property taxes. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan," as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected.

S. Stewardship, Compliance, and Accountability

It is the City's policy to adopt annual budgets. The City Council may amend the budget by motion during the fiscal year.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Budget information is presented for governmental fund types on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget and all approved budget amendments.

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2017, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted appropriations for the various governmental funds become effective each July 1st.

T. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unearned revenue.

U. Use of Estimates

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

V. Subsequent Events

Management has considered subsequent events through October 31, 2017, the date which the financial statements were available to be issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure, other than the following:

The City, on behalf of Community Facilities Districts (CFD) 6, 8 and 9, agreed to borrow from the Rocklin Public Financing Authority (PFA) an amount necessary to refund 1999 CFD special tax bonds and pledged the special tax revenues levied in each CFD to the Authority. These loans are not obligations of the City. In the 2017 Special Tax Revenue Refunding Loan Agreement, the Authority agrees to borrow from OPUS Bank, the funds necessary to refund the 1999 CFD special tax bonds and in turn,

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

refund the 2003 Authority bonds. The loan is secured by a pledge of the revenues received by the Authority from the 2017 CFD loan payments. Opus Bank has no remedy against the City if special taxpayers in the CFD's fail to make their payments. The loan is estimated to be \$5,000,077 at a fixed interest rate of 2.2% and matures on September 1, 2025.

W. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

X. Implemented New GASB Pronouncements

GASB Statement No. 77, Tax Abatement Disclosures. - Effective date: the requirements of this Statement are effective for reporting periods beginning after December 15, 2015 (earlier application was encouraged and was applied at the City). This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the City under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

The implementation of this statement did not have a significant impact on the City's financial statements and did not result in any prior period restatements or adjustments.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans - Effective date: the requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this GASB 78, the requirements of GASB 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that statement.

GASB 78 amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

The implementation of this statement did not have a significant impact on the City's financial statements and did not result in any prior period restatements or adjustments.

Y. Upcoming New Accounting Pronouncements

GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Effective date: the provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity. Based on the June 30, 2015 actuarial study for the City's OPEB plans, the unfunded actuarial liability was \$19,816,587 as of June 30, 2017. Based on current accounting standards (GASB 45), the City has recorded a net OPEB obligation of \$17,548,188 as of June 30, 2017 in the government-wide statement of net position. The City can expect to record at least an additional \$2,268,399 liability as of June 30, 2018 if assumptions, factors and contributions remain the same in the City's June 30, 2017 actuarial study, which will follow GASB 75 and make GASB 45 obsolete.

GASB Statement No. 81, Irrevocable Split-Interest Agreements - The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged. The City doesn't believe this statement will have a significant impact on the City's financial statements.

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* – The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, except for the requirements of GASB 82 for selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. The City is currently evaluating the impact on the financial statements and ensuring the required data will be available for disclosure, but does not anticipate a significant impact from the implementation of this standard.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. - This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. Earlier application is encouraged. The City doesn't believe this statement will have a significant impact on the City's financial statements.

GASB 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 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. Earlier application is encouraged. Management is in the process of determining the impact this statement will have on the City's financial statements.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

GASB Statement No. 86, *Certain Debt Extinguishment Issues.* - The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged. The City doesn't believe this statement will have a significant impact on the City's financial statements.

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2017, cash and investments were reported in the financial statements as follows:

| | Fair Value | | Total |
|---------------------------------|----------------------------|-------------------------|-------------------------|
| | Governmental Activities | Fiduciary Activities | Cash and Investments |
| Cash and Investments | \$ 51,143,549 | \$ 3,522,026 | \$ 54,665,575 |
| Restricted Cash and Investments | 21,606,452 | 8,366,485 | 29,972,937 |
| Total Cash and Investments | <u>\$ 72,750,001</u> | <u>\$ 11,888,511</u> | <u>\$ 84,638,512</u> |

A. Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest, and places the City ahead of general creditors of the institution.

The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150 percent of the City's total cash deposits. The City has waived the collateral requirements for cash deposits which are fully insured to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The bank balances before reconciling items totaled \$4,007,291 at June 30, 2017 and could be different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was \$3,757,291 which was collateralized by securities held by pledging financial institutions.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

B. Investment Policies

City Investment Policy

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

| Authorized Investment Type | Maximum Maturity ⁽¹⁾ | Maximum Total of Portfolio | Maximum Investment in Any One Issuer |
|--|---------------------------------|----------------------------|--------------------------------------|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 5% |
| Commercial Paper | 270 days | 25% | 5% |
| Negotiable Certificates of Deposit | 5 years | 30% | 5% |
| Repurchase Agreements | 90 days | 15% | 5% |
| Reverse Repurchase Agreements | 90 days | 15% | 5% |
| Medium-Term Notes | 5 years | 30% | 5% |
| Time Deposits | 5 years | 10% | 5% |
| Mutual Funds (Including Money Markets) | N/A | 15% | 5% |
| Mortgage Pass-Through Securities | 5 years | 20% | 5% |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Placer County Investment Pool | N/A | 25% | N/A |
| Collateralized Obligations | None | 10% | 5% |

⁽¹⁾ However, if in the judgement of the Investment Committee it is to the advantage of the City, investments may be made with maturities longer than five years, as long as the weighted average maturity of the City's Fund is five years or less.

C. Local Agency Investment Fund

LAIF is regulated by the 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. As of June 30, 2017 the fair value was \$34,489,464. The balance is available for withdrawal on demand. 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. As of June 30, 2017, these investments matured in an average of 194 days.

D. Placer County Treasurer's Investment Portfolio

The Placer County Treasurer's Investment Portfolio operates under the oversight of The Placer County Treasurer's Review Panel. Investments are made in accordance to California Government Code Section 27000.5 and limited to those investments specified by California Government Code Sections 53601 and 53635. As of June 30, 2017 the value of City investment in the fund was \$10,463,699. These monies are held in various investments consisting of treasury notes and bills, other government bonds and money market instruments.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

E. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the term of an investment's maturity, the greater the sensitivity to changes in market interest rates. It is the City's practice to manage its exposure to interest rate risk by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for City's operations. The City's policy is to limit the weighted average maturity of its investment portfolio to less than five years. As of June 30, 2017, the weighted average maturity was 1.08 years.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2017, the City's investments were in compliance with the ratings required by the City's investment policy, indenture agreements and Government Code.

Concentrations of Credit Risk

As of June 30, 2017, the City had no investments in any one issuer exceeding that allowed by City policy, which is more conservative than stipulated by the California Government Code.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy contains legal or policy requirements that would limit the exposure to custodial credit risk for investments. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2017, the City's investments had the following maturities and ratings:

| Cash or Investment Type | Fair Value | Investment Maturities in Years | | Year End Rating | | | G72 Input |
|---|----------------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| | | <1 | >1 | Exempt | AAAm/Aaa-mf | Not Rated | |
| Local Agency Investment Fund (LAIF) | \$ 34,489,464 | \$ 34,489,464 | \$ - | \$ 34,489,464 | \$ - | \$ - | Level 2 |
| Money Market/Mutual Funds | 22,429,587 | 22,429,587 | - | - | 22,429,587 | - | Level 2 |
| Special Assessment Bonds | 13,980,303 | - | 13,980,303 | - | - | 13,980,303 | Level 1/2 |
| County Treasurer's Investment Portfolio | 10,463,699 | 10,463,699 | - | 10,463,699 | - | - | Level 2 |
| Corporate Notes | 26,730 | - | 26,730 | - | - | 26,730 | Level 1 |
| Cash on Hand | 1,900 | 1,900 | - | 1,900 | - | - | n/a |
| Cash Deposits | 3,246,829 | 3,246,829 | - | 3,246,829 | - | - | n/a |
| Total Cash and Investments | \$ 84,638,512 | \$ 70,631,479 | \$ 14,007,033 | \$ 48,201,892 | \$ 22,429,587 | \$ 14,007,033 | |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

F. Fair Value Measurements

GASB 72 established a hierarchy of inputs to valuation techniques. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

NOTE 3 - INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

Due to/from Other Funds

The timing of when cash is received and paid can result in a negative cash balance in a fund as of fiscal year end. At year-end, a liability, “Due To Other Funds” is created to eliminate any negative cash balances along with a corresponding asset, “Due From Other Funds”. In the following fiscal year, the liabilities are settled and the assets are liquidated. As of June 30, 2017, interfund receivables and payables consisted of the following:

| | Due from Other Funds | Due to Other Funds |
|-------------------------------|-------------------------|-----------------------|
| General Fund | \$ 1,747,072 | \$ 13,030 |
| SB325 Sales Tax for Transit | - | 630,014 |
| Prop 1B- PTMISEA | - | 208,231 |
| Lighting District #1 | - | 3,791 |
| Streets Grants Fund | - | 263,015 |
| Police Grants Fund | - | 2,042 |
| CDBG HUD Entitlement | - | 202,868 |
| Community Park Fees | - | 230,797 |
| Rocklin PFA | - | 193,284 |
| Total Due From/To Other Funds | \$ 1,747,072 | \$ 1,747,072 |

Advances to/from other funds

The City advanced funds to the former Redevelopment Agency to assist with the purchase of land and building for the new Rocklin library. As of June 30, 2017, the remaining balance owed is \$1,408,708. This amount is reported in the fund financial statements and government-wide financial statements as an advance to fiduciary activities.

During fiscal year 2013-14, the City of Rocklin became the Housing Successor for the former Rocklin Redevelopment Agency low and moderate income housing functions. This included a \$900,000 receivable (advance) for a loan the low and moderate housing fund provided the redevelopment agency debt service fund for the payment of 2010-11 Supplemental Educational Revenue Augmentation Fund shift. As of June 30, 2017, the remaining balance owed is \$70,993. This amount is reported in the fund financial statements and government-wide financial statements as an advance to fiduciary activities.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

B. Transfers In/Out

Interfund transfers result from the movement of resources from one fund to another within the governmental unit. At June 30, 2017, interfund transfers consisted of the following:

| Fund | Fund Type | Transfer in | Transfer out |
|--|------------------|--------------|--------------|
| Major Funds: | | | |
| General Fund | General | \$ 3,508,970 | \$ 812,800 |
| Traffic Circulation Impact Fee | Capital Projects | - | 308,500 |
| SB 325 Sales Tax | Special Revenue | - | 396,333 |
| Nonmajor Funds: | | | |
| Capital Construction Debt Service | Debt Service | 536,912 | - |
| Gas Tax | Special Revenue | - | 181,149 |
| Landscaping and Lighting Maintenance District #2 | Special Revenue | - | 20,006 |
| Community Facilities District #1 | Special Revenue | - | 1,434,171 |
| Community Facilities District #5 | Special Revenue | 2,966 | 64,678 |
| Community Facilities District #6 | Special Revenue | - | 4,396 |
| CDBG HUD Entitlement | Special Revenue | - | 55,778 |
| Streets SR/Grants | Special Revenue | 19 | - |
| Supplemental Law Enforcement Grant | Special Revenue | - | 129,324 |
| Capital Construction Impact Fees | Capital Projects | - | 525,777 |
| Oak Tree Mitigation | Capital Projects | - | 38,611 |
| Rocklin PFA | Capital Projects | - | 20,835 |
| Wetlands Maintenance | Permanent | - | 2,043 |
| Conservation Easement Endowment Fund | Permanent | - | 2,966 |
| Total Nonmajor Funds | | 539,897 | 2,479,734 |
| Internal Service Funds: | | | |
| Fleet Management | Internal Service | - | 51,500 |
| Total Transfers | | \$ 4,048,867 | \$ 4,048,867 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 4 - LOANS RECEIVABLE

Through the City’s various programs, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest. Loans receivable consisted of the following as of June 30, 2017:

| Loans Receivable | Beginning July 01, 2016 | Additions | Deletions | Ending June 30, 2017 |
|---------------------------------------|----------------------------|---------------------|-------------------|-------------------------|
| Highway 65 Sunset Blvd. Interchange | \$ 1,330,782 | \$ - | \$ - | \$ 1,330,782 |
| William Jessup University - Waterline | 581,217 | - | 297,739 | 283,478 |
| William Jessup University - Utility | 390,000 | - | 246,675 | 143,325 |
| William Jessup University Ave. | - | 3,015,066 | - | 3,015,066 |
| Audi Rocklin | 137,813 | - | 45,938 | 91,875 |
| Community Development Block Grant | 411,044 | - | - | 411,044 |
| First time home buyers | 1,282,905 | 79,053 | 79,053 | 1,282,905 |
| Down payment assistance | 1,499,096 | 16,000 | 117,000 | 1,398,096 |
| Villa Serena II | 1,100,000 | - | 30,822 | 1,069,178 |
| College Manor | 650,000 | - | - | 650,000 |
| Sunset Blvd | 575,000 | - | - | 575,000 |
| Whitney Rocklin, LP | 1,730,000 | - | - | 1,730,000 |
| HPD Shannon Bay | 491,654 | - | 8,596 | 483,058 |
| Whitney Rocklin, LP | 2,100,000 | - | - | 2,100,000 |
| Placer West Housing Partners | 311,470 | - | - | 311,470 |
| Total Loans Receivable | \$ 12,590,981 | \$ 3,110,119 | \$ 825,823 | \$ 14,875,277 |

The following is a summary of the loans and notes receivable outstanding as of June 30, 2017:

Highway 65 Sunset Interchange Loan

As members of the “Bizz Johnson Joint Powers Authority (JPA)”; Placer County, City of Roseville, and the City of Rocklin made loans to the JPA for the construction of the Sunset Blvd. Highway 65 interchange. The original loan amount from the City of Rocklin was \$2,033,684. The loan does not bear interest. The timing of the JPA repayments is at the discretion of the JPA Board. At June 30, 2017, a balance of \$1,330,782 is outstanding.

William Jessup University - Waterline

The City entered into a waterline construction cost reimbursement agreement with William Jessup University (WJU) to install a new water system that will provide adequate capacity for future expansion. The City is required to cause construction of the project and WJU is required to reimburse the City for its share of the project costs as noted in the agreement. Reimbursement payments from WJU shall be made over 3 years and bear interest at 0.91% with the final payment due September 29, 2018. At June 30, 2017, a balance of \$283,478 is outstanding.

William Jessup University - Utility

On February 9, 2016, the City entered into a Utility Facilities reimbursement agreement with WJU to install a Utilities distribution system located within the area of roadway improvement. WJU is required to reimburse the City for its share of the project costs. Reimbursement payments shall be made over 25 months and bear interest at 1% with the final payment due June 30, 2018. At June 30, 2017, a balance of \$143,325 is outstanding.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

William Jessup University Ave.

On February 25, 2017, the City entered into a reimbursement agreement with WJU to release WJU from obligations for street improvements on University Ave that were completed by the City. In lieu of WJU's construction and street improvements, WJU shall reimburse the City \$3,015,066. Reimbursement payments shall be made over 6 years (2019 to 2024) and bear interest at 2.15% per annum with the final payment due June 1, 2024. The balance outstanding as of June 30, 2017 was \$3,015,066.

Audi Rocklin

The City agreed to defer the traffic impact fee for Rocklin GW, LLC (Audi Rocklin) for 3 years at 1.35% simple interest. The final payment is due December 14, 2018. At June 30, 2017, a balance of \$91,875 is outstanding.

Community Development Block Grant (CDBG) Revolving Loans

The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. The balance of these loans at June 30, 2017, was \$411,044.

First Time Home Buyers

The City has made various loans to qualifying participants within the City as part of the Federal First Time Home Buyers Program (HOME). Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes and may be waived under certain conditions if the loan is carried to full term. For the City, the HOME notes receivable balance at June 30, 2017, was \$1,282,905.

Down Payment Assistance Loans

The former Rocklin Redevelopment Agency began a down payment assistance program in 2007 to help low and moderate income individuals with purchases of a home. Qualifying individuals receive down payment assistance with the loan deferred as long as it is an owner-occupied dwelling. Interest and/or principal may be waived if certain terms are met by the borrower. The Down Payment Assistance loans receivable at June 30, 2017 were \$1,398,096.

Villa Serena II Loan

On July 24, 2001, the former Rocklin Redevelopment Agency entered into an agreement with Stanford Arms, a California Limited Partnership, for a loan in the amount of \$1,100,000. The loan has been used to assist with the construction of the Villa Serena affordable senior project known as Stanford Arms. The loan is at 3% simple interest and is to be repaid from residual receipts over a thirty-year period. The final payment date is dependent on residual receipts. The loan is secured by a deed of trust covering the property, improvements, and fixtures and by all deposits of the borrower. At June 30, 2017, a balance of \$1,069,178 is outstanding.

College Manor

On November 1, 2007, the former Rocklin Redevelopment Agency entered into an agreement with CAHA College Manor LP, a California Limited Partnership, for a loan in the amount of \$650,000. The loan has been used to finance the acquisition and renovation of low income apartments located at 4201 Racetrack Road. The loan is at 3% simple interest and is to be repaid from residual receipts over a fifty-five year period. The final payment date is dependent on residual receipts. At June 30, 2017, a balance of \$650,000 is outstanding.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Sunset Blvd

On June 24, 2008, the former Rocklin Redevelopment Agency authorized a loan in the amount of \$575,000 to Sunset Street Housing Partners for an existing apartment complex located at 3655 Sunset Blvd. The loan provides for 3% simple interest for 30 years with payments to begin after the second anniversary of the loan document execution date and the final payment due December 22, 2038. Associated with this project, the former Rocklin Redevelopment Agency also approved Conduit Debt issuance in the maximum amount of \$10,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. At June 30, 2017, a balance of \$575,000 is outstanding.

Whitney Rocklin, LP

On June 24, 2008, the former Rocklin Redevelopment Agency authorized a loan in the amount of \$1,595,000, which was later amended to \$1,730,000 on December 9, 2008, to Whitney Rocklin LP to assist with construction of a 156 unit multifamily housing project referred to as the Whitney Ranch Apartments. The loan provides for 3% simple interest for 30 years with the final payment due March 30, 2039. Associated with this project, the former Rocklin Redevelopment Agency also approved Conduit Debt issuance in the maximum amount of \$18,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. At June 30, 2017, a balance of \$1,730,000 is outstanding.

HPD Shannon Bay, LP

On September 9, 2008, the former Rocklin Redevelopment Agency authorized a housing rehabilitation loan in the amount of \$500,000 with HPD Shannon Bay LP for a 50 unit multi-family housing project referred to as the Shannon Bay Apartments. The loan provides for 3% simple interest for 30 years with a 5 year period of interest only payments. The loan then converts to an amortizing loan during which time an annual payment of \$25,296 will be paid and at the end of the loan term a balloon payment for the remaining balance becomes due and payable. The final payment is due January 11, 2040. Associated with this project, the former Rocklin Redevelopment Agency also approved Conduit Debt issuance in the maximum amount of \$6,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. At June 30, 2017, a balance of \$483,058 is outstanding.

Whitney Rocklin, LP

On December 9, 2008, the former Rocklin Redevelopment Agency authorized a loan in the amount of \$2,100,000 to subsidize 70 low income rental units into very low income units referred to as the Whitney Ranch Apartments. The loan provides for 3% simple interest for 30 years with the final payment due March 30, 2039. At June 30, 2017, a balance of \$2,100,000 remains outstanding.

Placer West Housing Partners, LP

On December 8, 2009 the former Rocklin Redevelopment Agency authorized a housing rehabilitation loan in the amount of \$500,000 with Placer West Housing Partners LP for a 44-unit affordable housing project located a 6055 Placer West Drive in Rocklin. The loan provides for 3% simple interest for 30 years with partial interest only payments in the amount of \$2,000 to begin on the second anniversary of the loan document execution date of December 22, 2009. The final payment is due December 21, 2040. A balloon payment of the remaining unpaid balance of principal and interest shall be due at the conclusion of the loan term. At June 30, 2017 a balance of \$311,470 is outstanding.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 5 - CAPITAL ASSETS

Capital assets consisted of the following as of June 30, 2017:

| Governmental activities: | Balance July 01, 2016 | Additions | Retirements | Transfers | Balance June 30, 2017 |
|---------------------------------------|--------------------------|-----------------------|--------------------|---------------------|--------------------------|
| Nondepreciable Capital Assets: | | | | | |
| Land | \$ 7,325,724 | \$ 1,009,236 | \$ - | \$ - | \$ 8,334,960 |
| Land improvements | 108,402 | - | - | - | 108,402 |
| Park land | 53,795,276 | - | - | - | 53,795,276 |
| Construction in progress | 13,468,726 | 3,893,338 | - | (14,790,929) | 2,571,135 |
| Total nondepreciable capital assets | <u>74,698,128</u> | <u>4,902,574</u> | <u>-</u> | <u>(14,790,929)</u> | <u>64,809,773</u> |
| Depreciable Capital Assets: | | | | | |
| Buildings | 35,052,105 | 210,785 | - | - | 35,262,890 |
| Facilities & other improvements | 3,797,240 | - | - | 113,175 | 3,910,415 |
| Machinery & equipment | 2,401,191 | 612,739 | (28,758) | - | 2,985,172 |
| Fleet machinery & equipment | 9,022,889 | 772,395 | (335,481) | - | 9,459,803 |
| Park buildings | 954,373 | - | - | - | 954,373 |
| Park equipment | 1,627,399 | 83,315 | (175,435) | - | 1,535,279 |
| Park improvements | 17,845,500 | - | - | 424,966 | 18,270,466 |
| Infrastructure | 364,930,933 | - | (401,497) | 14,252,788 | 378,782,224 |
| Total depreciable capital assets | <u>435,631,630</u> | <u>1,679,234</u> | <u>(941,171)</u> | <u>14,790,929</u> | <u>451,160,622</u> |
| Total capital assets | <u>510,329,758</u> | <u>6,581,808</u> | <u>(941,171)</u> | <u>-</u> | <u>515,970,395</u> |
| Accumulated Depreciation: | | | | | |
| Buildings | 16,015,736 | 1,109,855 | - | - | 17,125,591 |
| Facilities & other improvements | 2,443,884 | 229,798 | - | - | 2,673,682 |
| Machinery & equipment | 2,040,546 | 220,051 | (28,758) | - | 2,231,839 |
| Fleet machinery & equipment | 6,406,513 | 481,737 | (294,457) | - | 6,593,793 |
| Park buildings | 407,543 | 31,812 | - | - | 439,355 |
| Park equipment | 1,600,949 | 23,276 | (175,435) | - | 1,448,790 |
| Park improvements | 11,129,403 | 1,010,749 | - | - | 12,140,152 |
| Infrastructure | 148,639,871 | 9,582,114 | (401,497) | - | 157,820,488 |
| Total Accumulated Depreciation | <u>188,684,445</u> | <u>12,689,392</u> | <u>(900,147)</u> | <u>-</u> | <u>200,473,690</u> |
| Total Capital Assets - Net | <u>\$ 321,645,313</u> | <u>\$ (6,107,584)</u> | <u>\$ (41,024)</u> | <u>\$ -</u> | <u>\$ 315,496,705</u> |

Depreciation expense was charged to the following functions in the statement of activities:

| | |
|----------------------------|----------------------|
| General Government | \$ 101,497 |
| Public Safety | 959,095 |
| Culture and Recreation | 124,797 |
| General Services | 11,504,003 |
| Total Depreciation Expense | <u>\$ 12,689,392</u> |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 6 - NONCURRENT LIABILITIES

The City's noncurrent liabilities consisted of the following as of June 30, 2017:

| Description | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|-------------------|---------------|--------------|----------------|---------------------|
| 2003 Certificates of Participation | \$ 1,515,000 | \$ - | \$ 1,515,000 | \$ - | \$ - |
| 2003 Rocklin Public Financing Authority (RPFA) Refunding Revenue Bonds-Senior | 7,020,000 | - | 580,000 | 6,440,000 | 600,000 |
| 2003 RPFA Refunding Revenue Bonds - Subordinate | 645,000 | - | 95,000 | 550,000 | 100,000 |
| 2016 Rocklin Public Financing Authority Lease Revenue Bonds | - | 9,455,000 | - | 9,455,000 | 495,000 |
| Unamortized Premiums | - | 688,769 | 27,551 | 661,218 | - |
| Subtotal General Long-Term Debt | 9,180,000 | 10,143,769 | 2,217,551 | 17,106,218 | 1,195,000 |
| Claims Payable | 1,778,925 | 179,650 | 549,638 | 1,408,937 | - |
| Net Pension Obligations | 32,877,484 | 9,328,993 | - | 42,206,477 | - |
| Net OPEB Obligation | 18,597,537 | 3,386,000 | 4,435,349 | 17,548,188 | - |
| Compensated Absences | 3,254,190 | 113,630 | 19,459 | 3,348,361 | 1,423,466 |
| Total Noncurrent Liabilities | \$ 65,688,136 | \$ 23,152,042 | \$ 7,221,997 | \$ 81,618,181 | \$ 2,618,466 |

The annual debt service requirements on general long-term debt (revenue bonds) is as follows:

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|---------------|--------------|---------------|
| 2018 | \$ 1,195,000 | \$ 629,813 | \$ 1,824,813 |
| 2019 | 1,250,000 | 574,555 | 1,824,555 |
| 2020 | 1,005,000 | 523,379 | 1,528,379 |
| 2021 | 1,055,000 | 475,523 | 1,530,523 |
| 2022 | 1,100,000 | 424,105 | 1,524,105 |
| 2023-2027 | 4,750,000 | 1,370,845 | 6,120,845 |
| 2028-2032 | 1,905,000 | 751,100 | 2,656,100 |
| 2033-2037 | 2,185,000 | 467,925 | 2,652,925 |
| 2038-2042 | 2,000,000 | 122,250 | 2,122,250 |
| Total | \$ 16,445,000 | \$ 5,339,495 | \$ 21,784,495 |

2003 Certificates of Participation (COPS)

In December 2003, the City issued certificates of participation in the amount of \$6,650,000. The proceeds from this issuance were used to finance a portion of the police station construction costs and related facilities and defease outstanding 1995 certificates of participation. The required reserve balances provided the security for this issuance. Interest rates ranged from 2% to 4.20%. The 2003 COP was refunded on October 4th, 2016 through the issuance of the 2016 Rocklin Public Finance Authority lease revenue bonds as noted in the following disclosures.

2003 Senior and Subordinate Refunding Revenue Bonds

In January 2004, the Rocklin Public Financing Authority issued \$12,575,000 of Senior Refunding Revenue Bonds and \$1,455,000 of Subordinate Refunding Revenue Bonds. Proceeds from these bonds were used to

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

refund the outstanding 1999 Rocklin Public Financing Authority Revenue Bonds. The Bonds are secured by revenues from specific assessment districts. Interest rates range from 2% to 4.6% for the Senior issue and 3.125% to 5.625% for the Subordinate issue. Principal payments ranging from \$600,000 to \$850,000 are payable annually on September 1 and interest payments ranging from \$19,550 to \$142,968 are payable semi-annually on March 1 and September 1 through September 1, 2025, for the Senior issue. Principal payments ranging from \$100,000 to \$120,000 are payable annually on September 1 and interest payments ranging from \$3,375 to \$14,876 are payable on March 1 and September 1 through September 1, 2021, for the Subordinate issuance.

2016 Rocklin Public Finance Authority Lease Revenue Bonds

On October 4th, 2016, the Rocklin Public Financing Authority issued lease revenue bonds in the amount of \$9,455,000, at a premium of \$688,769, to defease the outstanding 2003 certificates of participation and finance the acquisition and construction of various capital improvement projects. The security for the bonds is the pledge of lease payment revenues received by the Authority under a lease agreement with the City. These bonds are reported as City debt as required by GASB 62 and NCGA Statement 5. The term of the bonds is 25 years. Interest rates on the bonds range from 2% to 5%. Principal payments ranging from \$245,000 to \$525,000 are payable annually on November 1 and interest payments ranging from \$7,875 to \$164,363 are payable semi-annually on May 1 and November 1, through November 1, 2041.

Claims Payable

The City has recorded a liability for potential claims in excess of amounts covered by the insurance pool. At June 30, 2017, the City had a claims payable liability of \$1,408,937. See Note 8 for further discussion on the City's risk management activities.

Net Pension Obligation

As a result of the implementation of GASB 68, the City has recorded a net pension liability for its CalPERS Miscellaneous, Fire and Police pension plans. At June 30, 2017, the City had a net pension liability of \$42,206,477. See Note 9 for further discussion on the pension liability.

Net OPEB Obligation

A net Other Post Employment Benefit (OPEB) obligation is the cumulative difference between annual OPEB cost and an employer's contributions to a plan. At June 30, 2017, the City had a net OPEB obligation of \$17,548,188. See Note 10 for further discussion on OPEB.

Compensated Absences

The City records compensated absences for all employee absences that are expected to be paid such as vacation and illness. Compensated absences had a balance of \$3,348,361 at June 30, 2017, of that amount; \$1,423,466 is expected to be paid within a year.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City performed calculations of excess investment earnings on various bonds and financings and at June 30, 2017, there were no arbitrage liabilities.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 7 - NET POSITION/FUND BALANCE

A. Net Position

Net position consisted of the following at June 30, 2017:

| | Net Investment in | | | Total |
|----------------------------------|-----------------------|----------------------|---------------------|-------------------------|
| | Capital Assets | Restricted | Unrestricted | Governmental Activities |
| Net Investment in Capital Assets | \$ 305,878,169 | \$ - | \$ - | \$ 305,878,169 |
| Fund Balance Restrictions | - | 27,570,845 | - | 27,570,845 |
| Traffic Impact Fees | - | 548,538 | - | 548,538 |
| Other Restrictions | - | 34,815 | - | 34,815 |
| Wetlands Maintenance | - | 63,542 | - | 63,542 |
| Conservation Easement Endowment | - | 453,455 | - | 453,455 |
| Unrestricted | - | - | 4,165,814 | 4,165,814 |
| Total | <u>\$ 305,878,169</u> | <u>\$ 28,671,195</u> | <u>\$ 4,165,814</u> | <u>\$ 338,715,178</u> |

Traffic Impact Fees includes amounts set aside for city construction projects related to traffic congestion.

Wetlands Maintenance includes the endowment to be used for maintenance of wetlands.

Conservation Easement Endowment includes the endowment to be used for Preserve Area maintenance and operations.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

B. Fund Balances

Fund balances consisted of the following at June 30, 2017:

| | Nonspendable | Restricted | Committed | Unassigned | Total Governmental Funds |
|-------------------------------------|----------------------|----------------------|----------------------|---------------------|--------------------------------|
| Endowments | \$ 491,455 | \$ - | \$ - | \$ - | \$ 491,455 |
| Advances to Fiduciary Activities | 1,479,701 | - | - | - | 1,479,701 |
| Long-Term Receivables | 14,875,277 | - | - | - | 14,875,277 |
| Debt Service | - | 9,971,049 | - | - | 9,971,049 |
| Capital Construction Debt Service | - | 584,391 | - | - | 584,391 |
| Low and Moderate Income Housing | - | 2,450,270 | - | - | 2,450,270 |
| SB325 Sales Tax | - | 5,255,285 | - | - | 5,255,285 |
| Wetlands Maintenance | - | 25,542 | - | - | 25,542 |
| Gas Tax | - | 1,794,408 | - | - | 1,794,408 |
| Rocklin PFA Capital Projects | - | 6,903,291 | - | - | 6,903,291 |
| Lighting Districts | - | 1,648,849 | - | - | 1,648,849 |
| Community Facilities Districts | - | 5,925,057 | - | - | 5,925,057 |
| Housing Rehabilitation | - | 349,318 | - | - | 349,318 |
| Asset Forfeiture | - | 141,590 | - | - | 141,590 |
| Recreation Facilities Contributions | - | 35,019 | - | - | 35,019 |
| Capital Construction Impact Fee | - | - | 3,426,801 | - | 3,426,801 |
| Oak Tree Mitigation Fees | - | - | 1,409,171 | - | 1,409,171 |
| Whitney Ranch Trunk Sewer Project | - | - | 158,775 | - | 158,775 |
| Traffic Circulation Impact Fees | - | - | - | (2,985,206) | (2,985,206) |
| General Fund: | | | | | |
| Unassigned | - | - | - | 8,277,801 | 8,277,801 |
| Operating Reserve | - | - | 10,829,600 | - | 10,829,600 |
| Disaster Contingency | - | - | 1,000,000 | - | 1,000,000 |
| Self-Insured Losses | - | - | 2,000,000 | - | 2,000,000 |
| Streets Maintenance | - | - | 905,254 | - | 905,254 |
| Code Enforcement | - | - | 328,510 | - | 328,510 |
| Economic Development | - | - | 41,961 | - | 41,961 |
| Technology Fee | - | - | 830,698 | - | 830,698 |
| Retiree's Health | - | - | 7,638,052 | - | 7,638,052 |
| Parks Repair and Maintenance | - | - | 54,622 | - | 54,622 |
| ADA Improvements | - | - | 38,491 | - | 38,491 |
| Building Repair Reserve | - | - | 121,684 | - | 121,684 |
| Park Development Capital Projects | - | - | 55,733 | - | 55,733 |
| Traffic Safety/PD Grants | - | - | - | (3,201) | (3,201) |
| Streets Grants | - | - | - | (294,424) | (294,424) |
| Prop 1B | - | - | - | (194,404) | (194,404) |
| Community Parks Fund | - | - | - | (230,797) | (230,797) |
| CDBG HUD Entitlement | - | - | - | (6,727) | (6,727) |
| Total | <u>\$ 16,846,433</u> | <u>\$ 35,084,069</u> | <u>\$ 28,839,352</u> | <u>\$ 4,563,042</u> | <u>\$ 85,332,896</u> |

Nonspendable fund balances included the following as of June 30, 2017:

1. **Endowments** include principal corpus from which income will fund maintenance of Wetlands and Preserve Area maintenance and operations.
2. **Advances to fiduciary activities** include noncurrent portions of a long-term loan from governmental funds to fiduciary funds.
3. **Long-term loans/notes receivable** includes noncurrent portions of loans and notes receivables.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Restricted fund balances included the following as of June 30, 2017:

1. **Debt service** includes amounts used for debt service in the Rocklin Public Financing Authority debt service fund.
2. **Capital construction debt service** includes amounts used for debt service in the capital construction debt service fund.
3. **Low and moderate income housing fund** includes amounts used to increase the City's supply of low and moderate income housing.
4. **SB325 Sales Tax** includes amounts to be used for repair and maintenance of City streets in accordance with Senate Bill 325.
5. **Wetlands maintenance** includes amounts other than the non-spendable endowment to be used on the maintenance of the wetlands on a parcel in Stanford Ranch Phase III.
6. **Gas tax** includes amounts received and expended for construction and street maintenance purposes as defined in Sections 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code.
7. **Rocklin PFA capital projects** includes bond proceeds restricted to specific construction projects.
8. **Lighting districts** includes amounts to be used to maintain and operate the City's lighting districts.
9. **Community facilities districts** include amounts to be used to maintain and operate the City's community facilities districts.
10. **Housing rehabilitation** includes amounts to be used for the City's housing rehabilitation programs.
11. **Asset forfeiture** includes amounts that are restricted to police activities.
12. **Recreation facilities contributions** includes amounts set aside for recreation facilities construction and improvements.

Committed fund balances included the following as of June 30, 2017:

1. **General Fund:**
 - a. **Operating reserve** includes amounts set aside for operating expense contingencies.
 - b. **Disaster contingency** includes amounts set aside in the event a major disaster emergency occurs.
 - c. **Self-insured losses** includes amounts set aside for losses not covered under existing insurance programs.
 - d. **Streets maintenance** includes amounts set aside for the repair and maintenance of City streets.
 - e. **Code enforcement** includes amounts set aside for City code enforcement.
 - f. **Economic development** includes amounts set aside to promote economic development within the City.
 - g. **Technology fee** includes a 6% fee assessed on certain program revenues to fund the cost of technology systems.
 - h. **Retiree's health insurance premiums** represent amounts set aside to fund future retiree health premiums.
 - i. **Park repair and maintenance** includes amounts set aside for park repair and maintenance.
 - j. **ADA improvements** includes amounts set aside for ADA compliance
 - k. **Building Repair Reserves** include amounts set aside for routine building maintenance.
2. **Capital construction impact fee** includes amounts set aside for city construction projects.
3. **Oak tree mitigation** includes amounts set aside for oak tree preservation.
4. **Whitney Ranch trunk sewer project** includes amounts to be used for the sewer trunk line upgrade.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

C. Deficit Net Position and Deficit Fund Balances

Deficit Fund Balances

Traffic Safety/PD Grants fund had a deficit fund balance of \$3,201 as of June 30, 2017 that is to be funded through deferred and unearned grants

The Streets Grants fund had a deficit fund balance of \$294,424 as of June 30, 2017 that is to be funded through deferred and unearned grants.

The Prop 1B fund had a deficit fund balance of \$194,404 as of June 30, 2017 that is to be funded through deferred and unearned revenues.

The Community Park Fees Capital Projects fund had a deficit fund balance of \$230,797 as of June 30, 2017 that is to be funded through future community park fees and reimbursable grants.

The CDBG HUD Entitlement fund had a deficit fund balance of \$6,727 as of June 30, 2017 that is to be funded through deferred and unearned grants.

NOTE 8 - RISK MANAGEMENT

The City’s insurance coverage and the respective coverage providers are as follows:

| <u>Amount</u> | <u>Coverage Provider</u> | <u>Payment Source</u> |
|--------------------------|--------------------------|-----------------------|
| Liability Claim: | | |
| \$0 - \$50,000 | Self-insured | Banking layer |
| \$50,001 - \$500,000 | NCCSIF | Shared risk |
| \$500,001 - \$40,000,000 | Excess coverage | CJPRMA |
| Workers' Compensation: | | |
| \$0 - \$100,000 | Self-insured | Banking layer |
| \$100,001 - \$500,000 | NCCSIF | Shared risk |
| \$500,001 - Statutory | Excess coverage | CSAC EIA |

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with twenty-two other northern California cities. The NCCSIF is a joint powers authority (JPA) organized in accordance with Title 1, Division 7, Chapter 5, Article 1 of the California Government Code. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers’ compensation benefits for their employees and to provide excess liability insurance. The NCCSIF provides claims processing administrative services, risk management services, and actuarial studies.

A member from each city governs the NCCSIF. City Council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The NCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

the extent of any deficiency in its equity balance.

The NCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimated claims that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The City participates in excess insurance coverage provided by California joint powers authorities (JPAs), the California Joint Powers Risk Management Authority (CJPRMA) and the California State Association of Counties Excess Insurance Authority (CSAC EIA). These JPAs self-fund to \$5,000,000 and then purchase reinsurance over that amount to their various limits. The City is self-insured for employee dental and vision claims. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Settlements have not exceeded the insurance coverage for the past three fiscal years.

The City's equity investment in the NCCSIF of \$860,951 is recorded in the general fund. The audited financial statements of the JPA are available at the NCCSIF's office. The following is a summary of the claims liabilities for the last three fiscal years:

| | Year Ended June 30, 2017 | Year Ended June 30, 2016 | Year Ended June 30, 2015 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Claims payable, beginning of year | \$ 1,778,925 | \$ 1,247,576 | \$ 1,162,959 |
| Fiscal year claims and changes in estimates | 179,650 | 1,053,805 | 418,596 |
| Claims payments | (549,638) | (522,456) | (333,979) |
| Claims payable, end of year | <u>\$ 1,408,937</u> | <u>\$ 1,778,925</u> | <u>\$ 1,247,576</u> |

NOTE 9 - RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Description

All qualified employees are eligible to participate in the City's Miscellaneous agent multiple employer defined benefit pension plan or the Safety (Fire and Police) cost-sharing multiple employer defined benefit pension plans (the Plans) administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and 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 service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on age at retirement, highest salary for either a one or three year period and years of credited service. The cost of living adjustments for the Plans are applied as specified by the California Public Employees' Retirement Law.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

| | Miscellaneous | | Safety | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | Classic | PEPRA | Fire | Police | PEPRA Police |
| Hire date | Before 1/1/2013 | 1/1/2013 | Before 1/1/2013 | Before 1/1/2013 | 1/1/2013 |
| Benefit formula | 2% @ 55 | 2% @ 62 | 3% @ 50 | 3% @ 50 | 2.7% @ 57 |
| Benefit vesting schedule | 5 Years |
| Benefit payments | Monthly for Life |
| Retirement age | 55 | 62 | 50 | 50 | 57 |
| Monthly benefits as a % of eligible compensation | 2% | 2% | 3% | 3% | 2.7% |
| Required employee contribution rates | 7% | 6.25% | 9% | 9% | 11.50% |
| Required employer contribution rates | 19.398% | 6.25% | 28.319% | 27.691% | 12.109% |

Employees Covered

At June 30, 2017, the following employees were covered by the benefit terms for the Plans:

| | Miscellaneous | Safety |
|-------------|---------------|--------|
| Active | 152 | 83 |
| Transferred | 90 | 61 |
| Separated | 143 | 18 |
| Retired | 111 | 59 |
| Total | 496 | 221 |

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are 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 rate of employees. For the year ended June 30, 2017, the contributions recognized as part of pension expense for the Plans were as follows:

| | Miscellaneous | Safety |
|------------------------|---------------|--------------|
| Employer contributions | \$ 1,796,306 | \$ 2,561,660 |
| Employee contributions | 739,091 | 718,070 |
| Total | \$ 2,535,397 | \$ 3,279,730 |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Pension Liability

As of June 30, 2017, the City reported net pension liabilities for each plan as follows:

| | Net Pension Liability |
|-----------------------------|--------------------------|
| Miscellaneous | \$ 22,121,044 |
| Safety - Proportionate | 20,085,433 |
| Total Net Pension Liability | <u>\$ 42,206,477</u> |

The City's net pension liability for the Fire and Police Plans are measured as the proportionate share of the net pension liability while the Miscellaneous plan's net pension liability is a direct calculation based on its actuarial study and is not proportionate. The net pension liability of all the Plans are measured as of June 30, 2016, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability for the Fire and Police Plans was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Fire and Police Plans as of the fiscal years ended June 30, 2016 and 2017 was as follows:

| | Safety |
|-----------------------|----------------|
| June 30, 2016 | 0.3723% |
| June 30, 2017 | 0.3878% |
| Change in Proportions | <u>0.0155%</u> |

For the year ended June 30, 2017, the City recognized pension expense of \$7,243,893. The following summarizes the pension expense components by plan:

| | Miscellaneous | Safety | Totals |
|--|---------------------|---------------------|---------------------|
| Expense per fund statements | \$ 3,742,990 | \$ 2,623,619 | \$ 6,366,609 |
| GASB 68 adjustments (conversion entries) | (1,635,053) | 2,512,337 | 877,284 |
| Expense per government-wide statements | <u>\$ 2,107,937</u> | <u>\$ 5,135,956</u> | <u>\$ 7,243,893</u> |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Miscellaneous | | Safety | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | \$ 3,742,990 | \$ - | \$ 2,623,619 | \$ - |
| Changes in assumptions | - | (447,982) | - | (796,349) |
| Differences between expected and actual experiences | 526,141 | - | - | (182,646) |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | - | - | (1,137,057) | 763,269 |
| Net differences between projected and actual earnings on plan investments | 2,707,009 | - | 6,386,118 | (2,473,694) |
| Total | <u>\$ 6,976,140</u> | <u>\$ (447,982)</u> | <u>\$ 7,872,680</u> | <u>\$ (2,689,420)</u> |

The City reported \$6,366,609 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Fiscal Year Ending: | Deferred Outflows/(inflows) of Resources | |
|---------------------|--|---------------------|
| | Miscellaneous | Safety |
| 2018 | \$ 290,873 | \$ 218,922 |
| 2019 | 584,422 | 59,319 |
| 2020 | 1,212,625 | 1,262,882 |
| 2021 | 697,248 | 1,018,518 |
| Total | <u>\$ 2,785,168</u> | <u>\$ 2,559,641</u> |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

| | |
|---------------------------|---------------------------------|
| Valuation Date | June 30, 2015 |
| Measurement Date | June 30, 2016 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.65% |
| Inflation | 2.75% |
| Payroll Growth | 3.00% |
| Projected Salary Increase | (1) |
| Investment Rate of Return | 7.5% (2) |
| Mortality | (3) |

- (1) Varies by age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for the Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2015 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2016 measurement date is without reduction of pension plan administrative expense.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year.

CalPERS will continue to check the materiality of the difference in calculation until such time as they change their methodology. 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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

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 the 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 rates of return are net of administrative expenses.

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 (a) | Real Return Years 11+ (b) |
|-------------------------------|--------------------------------|---------------------------------|------------------------------|
| Global Equity | 51.00% | 5.25% | 5.71% |
| Global Fixed Income | 20.00% | 0.99% | 2.43% |
| Inflation Sensitive | 6.00% | 0.45% | 3.36% |
| Private Equity | 10.00% | 6.83% | 6.95% |
| Real Estate | 10.00% | 4.50% | 5.13% |
| Infrastructure and Forestland | 2.00% | 4.50% | 5.09% |
| Liquidity | 1.00% | -0.55% | -1.05% |
| Total | 100.00% | | |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability for the Plans, calculated using the discount rate for the Plans, 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:

| | Miscellaneous | Safety |
|-----------------------|---------------|---------------|
| 1% Decrease | 6.65% | 6.65% |
| Net Pension Liability | \$ 32,270,278 | \$ 31,462,979 |
| Current Discount Rate | 7.65% | 7.65% |
| Net Pension Liability | \$ 22,121,044 | \$ 20,085,433 |
| 1% Increase | 8.65% | 8.65% |
| Net Pension Liability | \$ 13,762,276 | \$ 10,745,633 |

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City provides certain health care benefits for eligible retired employees through the California Public Employees' Retirement System (CalPERS) under the Public Employees' Medical and Hospital Care Act (PEHMCA). This is a cost-sharing multiple-employer defined benefit plan. Eligible retirees may enroll in any of the available CalPERS medical plans. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the report may be obtained from the CalPERS website at www.calpers.ca.gov.

Commencing with fiscal year 2014, the City participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to prefund retiree healthcare benefits. CERBT, an agent multiple-employer trust, issues a publicly available financial report including GASB Statement No. 43, Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans, disclosure information in aggregate with the other CERBT participating employers. That report can be obtained from the CalPERS Web site at www.calpers.ca.gov. The following is a summary of the plan benefits from the most recent actuarial study dated June 30, 2015:

Eligibility: Full-time employees retiring directly from City under CalPERS at age 50 and 5 years or disability. Miscellaneous PEPRA retirees age 52 and 5 years.

Medical: **Miscellaneous, Management & Confidential:**

Eligible retirees receive 100% of the City's monthly contribution of \$1,093 per month.

Police, Fire and Public Safety Manager:

Hired < 5/1/2003

Hired >= 5/1/2003

| | City cap | | | | Cap greater of City cap and State 100/90 premium | | |
|-------|----------|----------|----------|-------|--|----------|----------|
| | Single | 2-Party | Family | | Single | 2-Party | Family |
| 2015: | \$ 1,093 | \$ 1,093 | \$ 1,093 | 2015: | \$ 655 | \$ 1,246 | \$ 1,605 |
| 2016: | \$ 1,093 | \$ 1,093 | \$ 1,093 | 2016: | \$ 705 | \$ 1,343 | \$ 1,727 |

| Vesting schedule applied | |
|--------------------------|----------------|
| CalPERS Service | Vested Percent |
| < 10 | 0% |
| 10 | 50% |
| ↓ | ↓ |
| > 20 | 100% |

1) Minimum 5 years City service

Surviving Spouse: Surviving spouse coverage based on retirement plan election
 Same benefit continues to surviving spouse

Dental, Vision, Life: None

Pay As You Go (\$000s):

| Fiscal Year | Payments |
|-------------|----------|
| 2014/15 | \$ 1,121 |
| 2013/14 | 1,016 |
| 2012/13 | 918 |
| 2011/12 | 806 |
| 2010/11 | 697 |
| 2009/10 | 578 |
| 2008/09 | 483 |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Funding Policy

By Council resolution and through agreements with its labor units, the City contributes a fixed amount towards the CalPERS medical plan premium for all eligible retirees with retirees contributing any premium amounts in excess of the City Contribution. The City funds the OPEB on a prefunded phase in basis. The City recognizes its cost by budgeting for and expensing the “pay as you go” premiums, which amounted to \$1,280,749 for the year ended June 30, 2017. The City continues toward its goal of fully funding the OPEB obligation by making contributions to the California Employers’ Retiree Benefit Trust (CERBT). During fiscal year 2017, the City contributed \$3,154,600 into CERBT.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City plans to have the ARC fully funded by the end of fiscal year 2022.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the Plan, and the changes in the City’s net OPEB obligation:

| | |
|--|-----------------------------|
| Annual required contribution | \$ 3,995,000 |
| Interest on net OPEB obligation | 1,372,000 |
| Adjustment to annual required contribution | <u>(1,981,000)</u> |
| Annual OPEB cost (expense) | 3,386,000 |
| Contributions made | <u>(4,435,349)</u> |
| Increase (decrease) in net OPEB obligation | (1,049,349) |
| Net OPEB obligation - beginning of year | <u>18,597,537</u> |
| Net OPEB obligation - end of year | <u><u>\$ 17,548,188</u></u> |

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year 2017 and the two preceding fiscal years were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|---------------------|--|---------------------------|
| 2015 | \$ 3,481,789 | 98% | \$ 20,365,567 |
| 2016 | 3,720,000 | 148% | 18,597,537 |
| 2017 | 3,386,000 | 131% | 17,548,188 |

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2017 was as follows:

| | |
|---|-----------------------------|
| Actuarial accrued liability (AAL) | \$ 32,145,000 |
| Value of plan assets | <u>12,328,413</u> |
| Unfunded actuarial accrued liability (UAAL) | <u><u>\$ 19,816,587</u></u> |
| Funded ratio (actuarial value of plan assets/AAL) | 38% |
| Projected covered payroll (active Plan members) | \$ 21,169,590 |
| UAAL as a percentage of covered payroll | 94% |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress on page 100, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The numbers used in the schedule of funding progress are actuarial estimates and may not tie to the actual funding status numbers above as of June 30, 2017.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The annual required contribution (ARC) was determined as part of a June 30, 2015, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% return on the unfunded portion and 7.25% on the funded portion, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 7.0% to 7.2% in 2015 to 5% in 2021.

The unfunded actuarial accrued liability (UAAL) representing the difference between the actuarial accrued liability and the value of plan assets, amounted to \$19,816,587 million. As of June 30, 2017, the City had total assets of \$7,638,016 in a City Retirees Health Fund and \$6,210,302 of these funds were invested in long-term bonds. As these investments mature, funds will be transferred to CERBT.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 11 - COMMITMENTS AND CONTINGENCIES

A. Commitments

The City had the following significant unexpended contractual commitments as of June 30, 2017:

| Project Name | Original Commitment | Commitment Remaining |
|---|------------------------|-------------------------|
| City Hall Remodel | \$ 8,170 | \$ 2,828 |
| Front Street Realignment | 264,305 | 258,600 |
| Fire#1 Intersec/QP Pkg Lot | 3,178,388 | 2,994,605 |
| Rocklin Rd @ Pacific Roundabout | 408,524 | 315,406 |
| Stormwater Pipe Replacement | 490,630 | 840 |
| Lost Avenue Reconstruction | 725,949 | 600,017 |
| Fire Station #1 New Design/Construction | 386,826 | 205,238 |
| Quarry Park Phase II | 49,400 | 28,413 |
| Fire #2 Dorm/EOC Remodel | 83,550 | 31,324 |
| Totals | \$ 5,595,742 | \$ 4,437,271 |

B. Lawsuits

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

C. Federal, State and County Grant Programs (Contingencies)

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2017, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

NOTE 12 - SPECIAL TAX ASSESSMENT DISTRICTS

The Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act) allows establishment of Community Facilities Districts (CFD). Under the Mello-Roos Act, special taxes are levied by CFD's to provide services such as police and fire protection, and to finance infrastructure improvements. The City of Rocklin has established CFD's that have issued bonds and levied taxes under the Mello-Roos Act. The City is not liable for repayment of these bonds and acts only as an agent for the property owners/bond holders in collecting and forwarding the special taxes. The assets held by the City on behalf of these districts and related liabilities are recorded in Agency funds. Special taxes have also been levied under the

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Mello-Roos Act to pay for services provided by CFD's #1, #5, and #6. The activities of these CFD's are accounted for in Special Revenue funds, which are presented in the City's Basic Financial Statements.

The Landscaping and Lighting Act of 1972 (Lighting Act) allows local government agencies to form Landscape and Lighting Districts for the purpose of financing the costs and expenses of landscaping and lighting public areas. The City has formed two districts which levy special assessments under the Lighting Act; Lighting Maintenance District No.1 and Landscaping and Lighting Maintenance District No.2. The activities of these districts are accounted for in Special Revenue funds and are included in the City's Basic Financial Statements. The disclosures in Note 12 include those required by California Government Code section 50075.1.

The following table presents the balances of the various district bonds as of June 30, 2017.

| <u>Community Facilities District Bonds</u> | Balance June 30, 2017 |
|--|--------------------------|
| CFD No. 3 2014 - Stanford Ranch Refunding | \$ 2,818,568 |
| CFD No. 6 - Sunset West Drainage | 1,165,000 |
| CFD No. 7 - Sunset West Interchange/Major St | 1,318,593 |
| CFD No. 8 - Sunset West Park Drive | 3,015,000 |
| CFD No. 9 - Sunset West/Blue Oaks | 3,590,000 |
| CFD No. 10 - Whitney Ranch | 26,455,000 |
| CFD No. 11 - Sierra College Interchange | <u>6,210,301</u> |
| Total CFD Bonds | <u>\$ 44,572,462</u> |

Community Facilities District No. 1 Special Tax

Community Facilities District No. 1 was formed in 1986 to provide fire protection and suppression services and ambulance and paramedic services to various developments within the City of Rocklin. These services are provided by the City of Rocklin Fire Department. The cost for these services is born by the City and partially offset by the special tax levied on parcels within the district. As such, district expenditures are primarily a reimbursement to the City. For fiscal year 2017, revenues were \$1,448,592 and reimbursement expenditures were \$1,448,592. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand. There were no active projects during the fiscal year.

Community Facilities District No. 3 Bonds

Community Facilities District No. 3 was formed in 1990 to issue bonds for street related improvements and projects, such as the construction of roadways, storm drainage facilities, sanitary sewer facilities, water lines, and gas lines. The district's improvements and projects have been completed. For fiscal year 2017, revenues were \$783,517 and expenditures were \$733,555. The primary source of revenues is special taxes and expenditures are for activities related to debt service. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand.

Community Facilities District No. 5 Special Tax

Community Facilities District No. 5 was formed in 1996 to fund the operation and maintenance of street and parkway lights, streetscapes, open space, and parks in various developments within the City of Rocklin. For fiscal year 2017, revenues were \$4,348,617 and expenditures were \$3,904,405. The primary source of revenues is special taxes and expenditures are for operating costs such as payroll, maintenance, professional services, and utilities. If expenditures exceed revenues in a fiscal year, the excess

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

expenditures are paid with cash on hand. There were no active projects during the fiscal year.

Community Facilities District No. 6 Bonds

Community Facilities District No. 6 was formed in 1998 to issue bonds for installation, construction, and acquisition of drainage facilities and open space. The district's improvements and projects have been completed. For fiscal year 2017, revenues were \$179,772 and expenditures were \$168,779. The primary source of revenues is special taxes and expenditures are for activities related to debt service. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand.

Community Facilities District No. 6 Special Tax

A special tax has been levied to fund the operation and maintenance of the open space and storm drainage facilities of Community Facilities District No. 6. For fiscal year 2017, revenues were \$270,793 and expenditures were \$242,659. The primary source of revenue is special taxes and expenditures are for operating costs such as payroll, maintenance and professional services. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand. There were no active projects during the fiscal year.

Community Facilities District No. 7 Bonds

Community Facilities District No. 7 was formed in 1997 to issue bonds for the construction and acquisition of a highway interchange and connectors to provide access between Blue Oaks Blvd. and Highway 65. The district's improvements and projects have been completed. For fiscal year 2017, revenues were \$272,473 and expenditures were \$268,293. The primary source of revenues is special taxes and expenditures are for activities related to debt service. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand.

Community Facilities District No. 8 Bonds

Community Facilities District No. 8 was formed in 1998 to issue bonds for the construction, acquisition, and widening of portions of Park Dr. and Blue Oaks Blvd. and the installation of backbone utility infrastructure within the same area. The district's improvements and projects have been completed. For fiscal year 2017, revenues were \$474,128 and expenditures were \$459,814. The primary source of revenues is special taxes and expenditures are for activities related to debt service. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand.

Community Facilities District No. 9 Bonds

Community Facilities District No. 9 was formed in 1998 to issue bonds for the construction, acquisition, and widening of portions of Lone Tree, Blue Oaks, and West Oaks Boulevards and installation of traffic control lights. The district's improvements and projects have been completed. For fiscal year 2017, revenues were \$503,149 and expenditures were \$546,748. The primary source of revenues is special taxes and expenditures are for activities related to debt service. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand.

Community Facilities District No. 10 Bonds

Community Facilities District No. 10 was formed in 2005 to issue bonds for the construction of transportation, wastewater system, drainage, and landscaping facilities and other public improvements for development within the Whitney Ranch District. In fiscal year 2016, a \$27.09 million special tax bond was issued to refund the original bonds and provide \$5.85 million for additional improvements. For fiscal year 2017 revenues were \$1,961,910 and expenditures were \$1,776,930.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Community Facilities District No. 11 Bonds

Community Facilities District No. 11 was formed in 2006 to issue bonds for the construction of a new interchange on Interstate 80 at Sierra College Blvd. This project has been completed. For fiscal year 2017, revenues were \$854,095 and expenditures were \$1,815,284. The primary source of revenues is special taxes and expenditures are for activities related to debt service. If expenditures exceed revenues in a fiscal year, the excess expenditures are paid with cash on hand. During the year, \$1,000,000 of the bonds were called due to cash on hand from tax prepayments received.

Lighting Maintenance District No. 1

Lighting Maintenance District No. 1 was formed in 1979 to provide maintenance of streetlights and safety lighting throughout various portions of the City of Rocklin. During the fiscal year, 1,526 streetlights, 20 traffic signals, 2 flashing lights, and safety lighting was maintained. For fiscal year 2017, revenues were \$250,090 and expenditures were \$250,090. The primary source of revenues is special assessments and expenditures are primarily for payroll, maintenance, professional services, and utilities. There were no active projects during the fiscal year.

Landscaping and Lighting Maintenance District No. 2

Landscaping and Lighting Maintenance District No. 2 was formed in 1996 to provide maintenance of streetlights, safety lighting, and roadway landscaping throughout various portions of the City of Rocklin. During the fiscal year, 2,668 streetlights, 51 traffic signals, 55 irrigation timers for roadway landscaping and safety lighting was maintained. For fiscal year 2017, revenues were \$2,010,059 and expenditures were \$1,811,778. The primary source of revenues is special assessments and expenditures are primarily for payroll, maintenance, professional services, and utilities. There were no active projects during the fiscal year.

Park Development and Maintenance Tax

The Park Development and Maintenance Tax was enacted in 1998 and reenacted in 2009, to provide development, installation, servicing, maintenance, repair and operation of parks in the City of Rocklin. From fiscal year 2010 through 2017, there have been no projects funded by the tax. The tax revenue has been primarily used for payroll, professional services and utilities in connection with park maintenance and operation. The table below presents historical park tax revenues and related expenditures for the last five fiscal years. Expenditures in excess of park tax revenues are paid from general fund.

| Year Ended June 30, | Park Tax | | Revenue |
|------------------------|---------------------|---------------------|------------------------------|
| | Revenue | Expenditures | Over (Under) Expenditures |
| 2013 | \$ 524,645 | \$ 1,054,337 | \$ (529,692) |
| 2014 | 525,660 | 1,048,601 | (522,941) |
| 2015 | 526,905 | 1,079,407 | (552,502) |
| 2016 | 529,275 | 1,355,237 | (825,962) |
| 2017 | 565,990 | 1,391,863 | (825,873) |
| Total | <u>\$ 2,672,475</u> | <u>\$ 5,929,445</u> | <u>\$ (3,256,970)</u> |

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

NOTE 13 - SUCCESSOR AGENCY TRUST (FORMER ROCKLIN REDEVELOPMENT AGENCY)

Pursuant to Assembly Bills 1X26 and 1484 (“the Bills”), all redevelopment agencies in the State of California were dissolved on February 1, 2012. The Bills authorized certain local agencies, such as a city or county, to become the Successor Agency. On January 1, 2012, the City Council elected to become the Successor Agency for the former Rocklin Redevelopment Agency. The Successor Agency is responsible for winding down the affairs of the former redevelopment agency, which includes making payments due for enforceable obligations and disposition of the assets of the former redevelopment agency. Examples of enforceable obligations include payments to contractors, bond debt service payments, and loan payments. The Successor Agency has an oversight board that supervises its work. The Oversight Board is comprised of representatives of the local agencies that serve the redevelopment project area.

Successor agencies are only allocated revenue in the amount necessary to pay the enforceable obligations of the former redevelopment agency. The agency will only receive this revenue until all enforceable obligations have been paid in full and all assets have been liquidated. The assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

On December 10, 2013, by resolution, the City Council elected to assume responsibility for performing the housing functions of the former Rocklin Redevelopment Agency. All housing assets were transferred from the Successor Agency Housing Fund to the City of Rocklin. The housing assets previously accounted for as a private purpose trust fund are now accounted for as a special revenue fund in the City's financial statements.

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Successor Agency Noncurrent Liabilities

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2017:

| Description | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---------------------------------------|----------------------|-------------|-------------------|----------------------|---------------------|
| General Long-Term Debt: | | | | | |
| 2002 Refunding Tax Allocation Bonds | \$ 1,970,000 | \$ - | \$ 80,000 | \$ 1,890,000 | \$ 85,000 |
| 2005 Refunding Tax Allocation Bonds | 9,240,000 | - | 180,000 | 9,060,000 | 190,000 |
| 2007 Refunding Tax Allocation Bonds | 13,445,000 | - | 465,000 | 12,980,000 | 480,000 |
| Subtotal General Long-Term Debt | 24,655,000 | - | 725,000 | 23,930,000 | 755,000 |
| Unamortized Discounts: | | | | | |
| 2002 Refunding Tax Allocation Bonds | (69,372) | - | (16,906) | (52,466) | - |
| 2005 Refunding Tax Allocation Bonds | (74,306) | - | (3,911) | (70,395) | - |
| 2007 Refunding Tax Allocation Bonds | (200,760) | - | (10,038) | (190,722) | - |
| Subtotal Unamortized Discounts | (344,438) | - | (30,855) | (313,583) | - |
| Subtotal General Long-Term Debt - Net | 24,310,562 | - | 694,145 | 23,616,417 | 755,000 |
| Other Noncurrent Liabilities: | | | | | |
| Placer County Loan Payable | 877,048 | - | 292,349 | 584,699 | 292,350 |
| Subtotal Other Noncurrent Liabilities | 877,048 | - | 292,349 | 584,699 | 292,350 |
| Total Noncurrent Liabilities | \$ 25,187,610 | \$ - | \$ 986,494 | \$ 24,201,116 | \$ 1,047,350 |

2002 Refunding Tax Allocation Bonds

On February 1, 2002, tax allocation bonds were issued, in the amount of \$13,730,000, to defease the 1994 tax allocation bonds of the Redevelopment Agency. The proceeds of the tax allocation bonds were used to finance certain capital improvements within the Redevelopment Agency's project area. On February 23, 2007, \$10,535,000 of principal was defeased from the issuance of the 2002 Tax Allocation Bonds. The remaining bonds are payable from and secured by tax increment revenues payable to the Redevelopment Agency. The bond terms are 4.6% to 5.5% for 30 years. Principal payments ranging from \$75,000 to \$190,000 are payable annually on September 1 and interest payments ranging from \$5,225 to \$51,211 are payable semi-annually on March 1 and September 1 through September 1, 2032.

2005 Tax Allocation Bonds

On July 15, 2005, tax allocation bonds were issued, in the amount of \$11,900,000. A portion of the proceeds of the tax allocation bonds were used to defease the 1997 refunding tax allocation bonds of the Redevelopment Agency's project area and the remaining \$8 million was used for redevelopment projects. The bonds are payable from and secured by tax increment revenues payable to the Redevelopment Agency. The bond terms are 3% to 4.5% for 30 years. Principal payments ranging from \$190,000 to \$1,530,000 are payable annually on September 1 and interest payments ranging from \$34,425 to \$198,448 are payable semi-annually on March 1 and September 1, through September 1, 2035.

2007 Tax Allocation Bonds

On February 23, 2007, tax allocation bonds were issued in the amount of \$15,815,000 to partially defease the 2002 Tax Allocation Bond of the Agency and to fund the costs of capital improvements and facilities within the Agency. The bonds are payable from and secured by tax increment revenues payable to the

City of Rocklin
Notes to the Basic Financial Statements
June 30, 2017

Agency. The bond terms are 4% to 4.375% for 30 years. Principal payments ranging from \$90,000 to \$1,700,000 are payable annually on September 1 and interest payments ranging from \$15,969 to \$276,216 are payable semi-annually on March 1 and September 1, through September 1, 2037.

Placer County Loan Payable

On May 1, 2014 the Successor Agency entered into a loan agreement with the Placer County Treasurer to retire the Bank of America line of credit. The loan proceeds of \$1,461,748 were used to pay off the remaining balance owed on the Bank of America line of credit. The loan agreement terms are 1.75% for five years.

The following summarizes the Successor Agency’s future bond debt service obligations:

| Year Ending | | | |
|-------------|----------------------|----------------------|----------------------|
| June 30, | Principal | Interest | Total |
| 2018 | \$ 755,000 | \$ 1,036,351 | \$ 1,791,351 |
| 2019 | 785,000 | 1,004,706 | 1,789,706 |
| 2020 | 820,000 | 971,490 | 1,791,490 |
| 2021 | 855,000 | 936,821 | 1,791,821 |
| 2022 | 890,000 | 900,523 | 1,790,523 |
| 2023-2027 | 5,045,000 | 3,885,471 | 8,930,471 |
| 2028-2032 | 6,245,000 | 2,640,488 | 8,885,488 |
| 2033-2037 | 7,805,000 | 1,058,681 | 8,863,681 |
| 2038 | 730,000 | 15,969 | 745,969 |
| Total | <u>\$ 23,930,000</u> | <u>\$ 12,450,500</u> | <u>\$ 36,380,500</u> |

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ROCKLIN
CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

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City of Rocklin
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
General Fund
For the year ended June 30, 2017

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 25,947,100 | \$ 25,947,100 | \$ 27,897,219 | \$ 1,950,119 |
| License and permits | 2,284,400 | 2,284,400 | 3,115,897 | 831,497 |
| Fines and forfeitures | 145,900 | 145,900 | 311,834 | 165,934 |
| Intergovernmental | 4,731,700 | 4,731,700 | 5,407,220 | 675,520 |
| Charges for services | 2,582,800 | 2,582,800 | 2,327,676 | (255,124) |
| Use of money and property | 1,579,200 | 1,579,200 | 1,616,894 | 37,694 |
| Other revenues | 4,327,800 | 4,327,800 | 4,590,596 | 262,796 |
| Total Revenues | 41,598,900 | 41,598,900 | 45,267,336 | 3,668,436 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 12,381,500 | 15,008,600 | 15,457,431 | (448,831) |
| Public safety | 21,348,300 | 21,625,100 | 20,741,091 | 884,009 |
| General services | 5,700,400 | 5,700,400 | 5,284,683 | 415,717 |
| Culture and recreation | 1,655,100 | 1,655,100 | 1,695,318 | (40,218) |
| Community development | 3,824,900 | 3,824,900 | 3,901,679 | (76,779) |
| Capital outlay | 160,000 | 373,000 | 327,642 | 45,358 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | 141,957 | (141,957) |
| Total Expenditures | 45,070,200 | 48,187,100 | 47,549,801 | 637,299 |
| Excess (Deficiency) of Revenues over Expenditures | (3,471,300) | (6,588,200) | (2,282,465) | 4,305,735 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 2,856,400 | 2,856,400 | 3,508,970 | 652,570 |
| Transfers out | (67,300) | (67,300) | (812,800) | (745,500) |
| Total Other Financing Sources (Uses) | 2,789,100 | 2,789,100 | 2,696,170 | (92,930) |
| Net Change in Fund Balances | (682,200) | (3,799,100) | 413,705 | 4,212,805 |
| Fund Balances Beginning | 33,061,676 | 33,061,676 | 33,061,676 | - |
| Fund Balances Ending | <u>\$ 32,379,476</u> | <u>\$ 29,262,576</u> | <u>\$ 33,475,381</u> | <u>\$ 4,212,805</u> |

City of Rocklin
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Rocklin Public Financing Authority Debt Service Fund
For the year ended June 30, 2017

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Use of money and property | \$ 492,200 | \$ 492,200 | \$ 499,703 | \$ 7,503 |
| Total Revenues | <u>492,200</u> | <u>492,200</u> | <u>499,703</u> | <u>7,503</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 15,100 | 15,100 | 22,700 | (7,600) |
| Debt service: | | | | |
| Principal retirement | 675,000 | 675,000 | 675,000 | - |
| Interest and fiscal charges | 329,800 | 329,800 | 329,722 | 78 |
| Total Expenditures | <u>1,019,900</u> | <u>1,019,900</u> | <u>1,027,422</u> | <u>(7,522)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(527,700)</u> | <u>(527,700)</u> | <u>(527,719)</u> | <u>(19)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (527,700) | (527,700) | (527,719) | (19) |
| Fund Balances Beginning | <u>10,498,768</u> | <u>10,498,768</u> | <u>10,498,768</u> | <u>-</u> |
| Fund Balances Ending | <u>\$ 9,971,068</u> | <u>\$ 9,971,068</u> | <u>\$ 9,971,049</u> | <u>\$ (19)</u> |

City of Rocklin
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
SB325 Sales Tax
For the year ended June 30, 2017

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 3,087,800 | \$ 3,087,800 | \$ 6,241,141 | \$ 3,153,341 |
| Intergovernmental | 193,000 | 193,000 | 143,024 | (49,976) |
| Use of money and property | 7,600 | 7,600 | 21,148 | 13,548 |
| Total Revenues | 3,288,400 | 3,288,400 | 6,405,313 | 3,116,913 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 16,300 | 20,000 | 13,899 | 6,101 |
| General services | 1,702,800 | 1,702,800 | 1,653,505 | 49,295 |
| Capital outlay | 2,109,500 | 2,109,500 | 918,832 | 1,190,668 |
| Total Expenditures | 3,828,600 | 3,832,300 | 2,586,236 | 1,246,064 |
| Excess (Deficiency) of Revenues over Expenditures | (540,200) | (543,900) | 3,819,077 | 4,362,977 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (797,400) | (797,400) | (396,333) | 401,067 |
| Total Other Financing Sources (Uses) | (797,400) | (797,400) | (396,333) | 401,067 |
| Net Change in Fund Balances | (1,337,600) | (1,341,300) | 3,422,744 | 4,764,044 |
| Fund Balances Beginning | 1,832,541 | 1,832,541 | 1,832,541 | - |
| Fund Balances Ending | \$ 494,941 | \$ 491,241 | \$ 5,255,285 | \$ 4,764,044 |

City of Rocklin
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Low and Moderate Income Housing Asset Fund
For the year ended June 30, 2017

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Use of money and property | \$ 4,800 | \$ 4,800 | \$ 167,993 | \$ 163,193 |
| Total Revenues | 4,800 | 4,800 | 167,993 | 163,193 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues over Expenditures | 4,800 | 4,800 | 167,993 | 163,193 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 4,800 | 4,800 | 167,993 | 163,193 |
| Fund Balances Beginning | 11,944,706 | 11,944,706 | 11,944,706 | - |
| Fund Balances Ending | <u>\$ 11,949,506</u> | <u>\$ 11,949,506</u> | <u>\$ 12,112,699</u> | <u>\$ 163,193</u> |

City of Rocklin
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Traffic Circulation Impact Fee Fund
For the year ended June 30, 2017

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 1,637,700 | \$ 1,637,700 | \$ 2,345,956 | \$ 708,256 |
| Charges for services | 137,600 | 137,600 | 386,219 | 248,619 |
| Use of money and property | - | - | 7,045 | 7,045 |
| Other revenues | 149,200 | 149,200 | 714 | (148,486) |
| Total Revenues | 1,924,500 | 1,924,500 | 3,376,793 | 1,452,293 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General services | 434,800 | 434,800 | 49,478 | 385,322 |
| Community development | 242,000 | 242,000 | 88,624 | 153,376 |
| Capital outlay | 0 | 1,477,800 | 1,467,142 | 10,658 |
| Debt service: | | | | |
| Interest and fiscal charges | 5,800 | 5,800 | - | 5,800 |
| Total Expenditures | 682,600 | 2,160,400 | 1,605,244 | 555,156 |
| Excess (Deficiency) of Revenues over Expenditures | 1,241,900 | (235,900) | 1,771,549 | 2,007,449 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (141,600) | (360,100) | (308,500) | 51,600 |
| Total Other Financing Sources (Uses) | (141,600) | (360,100) | (308,500) | 51,600 |
| Net Change in Fund Balances | 1,100,300 | (596,000) | 1,463,049 | 2,059,049 |
| Fund Balances Beginning | 416,271 | 416,271 | 416,271 | - |
| Fund Balances Ending | \$ 1,516,571 | \$ (179,729) | \$ 1,879,320 | \$ 2,059,049 |

City of Rocklin

Schedule of Pension Contributions (GASB 68)

June 30, 2017

| | 2017 | 2016 | 2015 |
|---|--------------------------|-------------------------|-------------------------|
| Miscellaneous Plan | | | |
| Contractually Required Contributions (Actuarially Determined) | \$ 1,796,306 | \$ 1,733,315 | \$ 1,521,604 |
| Contributions in Relation to Actuarially Determined Contributions | 1,796,306 | 2,685,315 | 1,521,604 |
| Contribution Deficiency (Excess) | <u>-</u> | <u>(952,000)</u> | <u>-</u> |
| Covered Employee Payroll | \$ 10,608,255 | \$ 9,856,574 | \$ 9,826,020 |
| Contributions as a Percentage of Covered Payroll | 16.93% | 27.24% | 15.49% |
| Safety Plan | | | |
| Contractually Required Contributions (Actuarially Determined) | \$ 2,623,619 | \$ 2,561,660 | \$ 2,228,200 |
| Contributions in Relation to Actuarially Determined Contributions | 2,623,619 | 2,561,660 | 2,228,200 |
| Contribution Deficiency (Excess) | <u>-</u> | <u>-</u> | <u>-</u> |
| Covered Employee Payroll | \$ 9,200,222 | \$ 9,191,925 | \$ 8,344,457 |
| Contributions as a Percentage of Covered Payroll | 28.52% | 27.87% | 26.70% |

Notes to Schedule:

Valuation Date: June 30, 2015

Assumptions Used: Entry Age Method used for Actuarial Cost Method
 Level Percentage of Payroll (Closed) Used Amortization Method
 3.7 Years Remaining Amortization Period
 Inflation Assumed at 2.75%
 Investment Rate of Returns set at 7.5%
 CalPERS mortality table using 20 years of membership data for all funds

Note: Fiscal year 2015 was the first year of implementation of GASB 68, therefore only three years have been shown.

City of Rocklin

Schedule of Net Pension Liabilities and Proportionate Shares (GASB 68) June 30, 2017

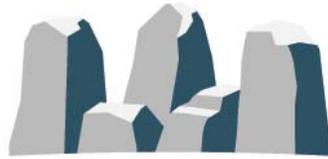
| | | | |
|--|----------------|----------------|----------------|
| Miscellaneous Plan | 2017 | 2016 | 2015 |
| Net Pension Liability | \$ 22,121,044 | \$ 17,538,037 | \$ 16,713,853 |
| Covered Employee Payroll | \$ 10,608,255 | \$ 9,856,574 | \$ 9,826,020 |
| Proportionate Share of Net Pension Liability as a % of Covered Employee Payroll | 208.53% | 177.93% | 170.10% |
| Plan Fiduciary's Net Position as a % of the Total Pension Liability | 69.27% | 74.02% | 74.18% |
| Safety Plan | 2017 | 2016 | 2015 |
| Proportion of Net Pension Liability | 0.38781% | 0.37228% | 0.35630% |
| Proportionate Share of Net Pension Liability | \$ 20,085,433 | \$ 15,339,447 | \$ 13,364,737 |
| Covered Employee Payroll | \$ 9,200,222 | \$ 9,191,925 | \$ 8,344,457 |
| Proportionate Share of Net Pension Liability as a % of Covered Employee Payroll | 218.31% | 166.88% | 160.16% |
| Plan Fiduciary's Net Position as a % of the Total Pension Liability | 76.04% | 80.28% | 81.42% |

Note: Fiscal year 2015 was the first year of implementation of GASB 68, therefore only three years have been shown.

City of Rocklin
Retiree Healthcare Plan
Schedule of Funding Progress
June 30, 2017

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a/c)) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 6/30/2012 | \$ - | \$ 31,396,000 | \$ 31,396,000 | 0.00% | \$ 16,956,000 | 185.16% |
| 6/30/2013 | - | 30,473,000 | 30,473,000 | 0.00% | 17,732,000 | 171.85% |
| 6/30/2015 | 4,138,000 | 32,145,000 | 28,007,000 | 12.87% | 20,553,000 | 136.27% |

Source: Most recent actuarial study dated June 30, 2015.



ROCKLIN
CALIFORNIA

SUPPLEMENTARY INFORMATION

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City of Rocklin
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Total Special Revenue Funds | Total Capital Projects Funds | Capital Construction Debt Service Fund | Total Permanent Funds | Total Nonmajor Governmental Funds | |
|---|--------------------------------------|---------------------------------------|---|-----------------------------|--------------------------------------|----------------------|
| | | | | | 2017 | 2016 |
| ASSETS | | | | | | |
| Cash and investments | \$ 6,721,161 | \$ 5,050,902 | \$ 80 | \$ - | \$ 11,772,143 | \$ 9,022,842 |
| Restricted cash and investments | 117,303 | 10,417,416 | 584,311 | 516,997 | 11,636,027 | 3,836,373 |
| Receivables: | | | | | | |
| Taxes | 153,804 | - | - | - | 153,804 | 121,919 |
| Intergovernmental | 466,011 | - | - | - | 466,011 | 680,776 |
| Deposits receivable | - | - | - | - | - | - |
| Other receivables | 294,421 | - | - | - | 294,421 | 414,331 |
| Loans receivable | 419,315 | - | - | - | 419,315 | 419,315 |
| Total assets | \$ 8,172,015 | \$ 15,468,318 | \$ 584,391 | \$ 516,997 | \$ 24,741,721 | \$ 14,495,556 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 388,427 | \$ 111,349 | \$ - | \$ - | \$ 499,776 | \$ 668,356 |
| Due to other funds | 679,947 | 424,081 | - | - | 1,104,028 | 1,663,275 |
| Unearned revenues | 2,695 | - | - | - | 2,695 | 414,331 |
| Total liabilities | 1,071,069 | 535,430 | - | - | 1,606,499 | 2,745,962 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | 496,060 | - | - | - | 496,060 | 568,456 |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Endowments | - | - | - | 491,455 | 491,455 | 491,455 |
| Long-term receivables | 419,315 | - | - | - | 419,315 | 419,315 |
| Restricted | 6,684,327 | 10,113,205 | 584,391 | 25,542 | 17,407,465 | 9,418,681 |
| Committed | - | 5,050,480 | - | - | 5,050,480 | 2,664,534 |
| Unassigned (Deficit) | (498,756) | (230,797) | - | - | (729,553) | (1,812,847) |
| Total fund balances | 6,604,886 | 14,932,888 | 584,391 | 516,997 | 22,639,162 | 11,181,138 |
| Total liabilities, fund balances and deferred inflows of resources | \$ 8,172,015 | \$ 15,468,318 | \$ 584,391 | \$ 516,997 | \$ 24,741,721 | \$ 14,495,556 |

City of Rocklin
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)

| | Total Special Revenue Funds | Total Capital Projects Funds | Capital Construction Debt Service Fund | Total Permanent Funds | Total Nonmajor Governmental Funds | |
|--|--------------------------------------|---------------------------------------|---|-----------------------------|--------------------------------------|-------------------|
| | | | | | 2017 | 2016 |
| REVENUES | | | | | | |
| Taxes and assessments | \$ 9,454,243 | \$ 641,172 | \$ - | \$ - | \$ 10,095,415 | \$ 11,062,148 |
| License and permits | - | 90,584 | - | - | 90,584 | 50,652 |
| Fines and forfeitures | 66,824 | - | - | - | 66,824 | 10,597 |
| Intergovernmental | 1,876,031 | 14,061 | - | - | 1,890,092 | 4,149,736 |
| Charges for services | 500 | 147,428 | - | - | 147,928 | 73,798 |
| Use of money and property | 33,522 | 55,696 | 2,030 | 3,392 | 94,640 | 52,893 |
| Contributions from developers and homeowners | - | 2,017,824 | - | - | 2,017,824 | 2,144,217 |
| Other revenues | 16,900 | 891,460 | - | - | 908,360 | 844,248 |
| Total Revenues | 11,448,020 | 3,858,225 | 2,030 | 3,392 | 15,311,667 | 18,388,289 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 764,830 | 2,595 | - | - | 767,425 | 1,120,946 |
| Public safety | 17,622 | - | - | - | 17,622 | 40,075 |
| General services | 6,834,190 | 138,858 | - | - | 6,973,048 | 6,713,678 |
| Community development | 50,907 | - | - | - | 50,907 | 57,000 |
| Capital outlay | 918,418 | 1,231,835 | - | - | 2,150,253 | 9,527,861 |
| Debt service: | | | | | | |
| Principal | - | - | 485,000 | - | 485,000 | 465,000 |
| Interest, fiscal charges and fees | - | - | 212,050 | - | 212,050 | 71,455 |
| Total Expenditures | 8,585,967 | 1,373,288 | 697,050 | - | 10,656,305 | 17,996,015 |
| Excess (Deficiency) of Revenues over Expenditures | 2,862,053 | 2,484,937 | (695,020) | 3,392 | 4,655,362 | 392,274 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from debt issuance | - | 8,000,000 | 2,143,821 | - | 10,143,821 | 5,852,781 |
| Defeasance of debt | - | - | (1,401,322) | - | (1,401,322) | - |
| Transfers in | 2,985 | - | 536,912 | - | 539,897 | 538,918 |
| Transfers out | (1,889,502) | (585,223) | - | (5,009) | (2,479,734) | (2,647,763) |
| Total Other Financing Sources (Uses) | (1,886,517) | 7,414,777 | 1,279,411 | (5,009) | 6,802,662 | 3,743,936 |
| Net Change in Fund Balances | 975,536 | 9,899,714 | 584,391 | (1,617) | 11,458,024 | 4,136,210 |
| Fund Balances Beginning | 5,629,350 | 5,033,174 | - | 518,614 | 11,181,138 | 7,044,928 |
| Fund Balances Ending | \$ 6,604,886 | \$ 14,932,888 | \$ 584,391 | \$ 516,997 | \$ 22,639,162 | \$ 11,181,138 |

NONMAJOR SPECIAL REVENUE FUNDS

| Fund Title | Fund Description |
|--|--|
| Gas Tax | Accounts for funds received and expended for construction and street maintenance purposes as defined in Sections 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code. |
| Bicycle and Pedestrian Facilities | Accounts for grants received for bicycle and pedestrian facility purposes. |
| Prop 1B | Accounts for revenues received through Proposition 1B for street programs. |
| Recreation Facilities Contributions | Accounts for revenues received for recreation facilities construction and improvements. |
| Lighting Maintenance District #1 | Accounts for funds received to maintain and operate the respective lighting district. |
| Landscaping and Lighting Maintenance District #2 | Accounts for funds received to maintain and operate the respective landscaping and lighting district. |
| Community Facilities District #1 | Accounts for revenues to be used for respective community facilities district's operations for fire protection services. |
| Community Facilities District #5 | Accounts for revenues to be used on the respective community facilities district's operations and maintenance. |
| Community Facilities District #6 | Accounts for revenues to be used on the respective community facilities district's operations and maintenance. |
| Housing Rehabilitation | Accounts for funds received for the City's housing rehabilitation programs. |
| Streets Grants | Accounts for funds received as reimbursement or grants related to street capital projects. |
| Asset Forfeiture | Accounts for funds received on forfeited assets to be used for Police services |
| Traffic Safety/PD Grants | Accounts for funds received for traffic safety programs and police grants. |
| CDBG HUD Entitlement | Accounts for entitlement grants and expenditures from CDBG federal awards. |
| Supplemental Law Enforcement Grant | Accounts for funds received to be used for public safety purposes. |

City of Rocklin
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Gas Tax | Bicycle and Pedestrian Facilities | Prop 1B |
|---|---------------------|---|-------------------|
| ASSETS | | | |
| Cash and investments | \$ 1,811,105 | \$ - | \$ - |
| Restricted cash and investments | - | - | - |
| Receivables: | | | |
| Taxes | - | - | - |
| Intergovernmental | - | - | 208,231 |
| Other receivables | - | - | - |
| Loans receivable | - | - | - |
| Total assets | \$ 1,811,105 | \$ - | \$ 208,231 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 16,697 | \$ - | \$ - |
| Due to other funds | - | - | 208,231 |
| Unearned revenues | - | - | - |
| Total liabilities | 16,697 | - | 208,231 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | - | 194,404 |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Long-term receivables | - | - | - |
| Restricted | 1,794,408 | - | - |
| Unassigned (Deficit) | - | - | (194,404) |
| Total fund balances | 1,794,408 | - | (194,404) |
| Total liabilities, fund balances and deferred inflows of resources | \$ 1,811,105 | \$ - | \$ 208,231 |

Continued

City of Rocklin
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Recreation Facilities Contributions | Lighting Maintenance District #1 | Landscaping and Lighting Maintenance District #2 |
|---|---|--|---|
| ASSETS | | | |
| Cash and investments | \$ 35,019 | \$ - | \$ 1,626,412 |
| Restricted cash and investments | - | - | - |
| Receivables: | | | |
| Taxes | - | 12,462 | 92,550 |
| Intergovernmental | - | - | - |
| Other receivables | - | - | - |
| Loans receivable | - | - | - |
| Total assets | \$ 35,019 | \$ 12,462 | \$ 1,718,962 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 8,671 | \$ 70,113 |
| Due to other funds | - | 3,791 | - |
| Unearned revenues | - | - | - |
| Total liabilities | - | 12,462 | 70,113 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | - | - |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Long-term receivables | - | - | - |
| Restricted | 35,019 | - | 1,648,849 |
| Unassigned (Deficit) | - | - | - |
| Total fund balances | 35,019 | - | 1,648,849 |
| Total liabilities, fund balances and deferred inflows of resources | \$ 35,019 | \$ 12,462 | \$ 1,718,962 |

Continued

City of Rocklin
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Community Facilities District #1 | Community Facilities District #5 | Community Facilities District #6 |
|---|--|--|--|
| ASSETS | | | |
| Cash and investments | \$ - | \$ 2,615,688 | \$ 259,002 |
| Restricted cash and investments | - | - | - |
| Receivables: | | | |
| Taxes | - | 45,182 | 3,610 |
| Intergovernmental | - | - | - |
| Other receivables | - | - | - |
| Loans receivable | - | - | - |
| Total assets | \$ - | \$ 2,660,870 | \$ 262,612 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 190,411 | \$ 17,928 |
| Due to other funds | - | - | - |
| Unearned revenues | - | - | - |
| Total liabilities | - | 190,411 | 17,928 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | - | - |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Long-term receivables | - | - | - |
| Restricted | - | 2,470,459 | 244,684 |
| Unassigned (Deficit) | - | - | - |
| Total fund balances | - | 2,470,459 | 244,684 |
| Total liabilities, fund balances and deferred inflows of resources | \$ - | \$ 2,660,870 | \$ 262,612 |

Continued

City of Rocklin
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Housing Rehabilitation | Streets Grants | Asset Forfeiture |
|---|---------------------------|-------------------|---------------------|
| ASSETS | | | |
| Cash and investments | \$ 232,345 | \$ - | \$ 141,590 |
| Restricted cash and investments | 117,303 | - | - |
| Receivables: | | | |
| Taxes | - | - | - |
| Intergovernmental | - | - | - |
| Other receivables | - | 294,421 | - |
| Loans receivable | 419,315 | - | - |
| Total assets | \$ 768,963 | \$ 294,421 | \$ 141,590 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 330 | \$ 31,407 | \$ - |
| Due to other funds | - | 263,015 | - |
| Unearned revenues | - | 2,695 | - |
| Total liabilities | 330 | 297,117 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | 291,728 | - |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Long-term receivables | 419,315 | - | - |
| Restricted | 349,318 | - | 141,590 |
| Unassigned (Deficit) | - | (294,424) | - |
| Total fund balances | 768,633 | (294,424) | 141,590 |
| Total liabilities, fund balances and deferred inflows of resources | \$ 768,963 | \$ 294,421 | \$ 141,590 |

Continued

City of Rocklin
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Traffic Safety/PD Grants | CDBG HUD Entitlement | Supplemental Law Enforcement Grant |
|---|--------------------------------|----------------------------|---|
| ASSETS | | | |
| Cash and investments | \$ - | \$ - | \$ - |
| Restricted cash and investments | - | - | - |
| Receivables: | | | |
| Taxes | - | - | - |
| Intergovernmental | 3,201 | 254,579 | - |
| Other receivables | - | - | - |
| Loans receivable | - | - | - |
| Total assets | \$ 3,201 | \$ 254,579 | \$ - |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 1,159 | \$ 51,711 | \$ - |
| Due to other funds | 2,042 | 202,868 | - |
| Unearned revenues | - | - | - |
| Total liabilities | 3,201 | 254,579 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 3,201 | 6,727 | - |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Long-term receivables | - | - | - |
| Restricted | - | - | - |
| Unassigned (Deficit) | (3,201) | (6,727) | - |
| Total fund balances | (3,201) | (6,727) | - |
| Total liabilities, fund balances and deferred inflows of resources | \$ 3,201 | \$ 254,579 | \$ - |

Continued

City of Rocklin
Combining Balance Sheet
Special Revenue Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Total Special Revenue Nonmajor Governmental Funds | |
|---|--|---------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Cash and investments | \$ 6,721,161 | \$ 6,312,420 |
| Restricted cash and investments | 117,303 | 119,060 |
| Receivables: | | |
| Taxes | 153,804 | 121,919 |
| Intergovernmental | 466,011 | 680,776 |
| Other receivables | 294,421 | 414,331 |
| Loans receivable | 419,315 | 419,315 |
| Total assets | \$ 8,172,015 | \$ 8,067,821 |
| LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 388,427 | \$ 622,468 |
| Due to other funds | 679,947 | 833,216 |
| Unearned revenues | 2,695 | 414,331 |
| Total liabilities | 1,071,069 | 1,870,015 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue | 496,060 | 568,456 |
| Fund Balances: | | |
| Nonspendable: | | |
| Long-term receivables | 419,315 | 419,315 |
| Restricted | 6,684,327 | 6,192,823 |
| Unassigned (Deficit) | (498,756) | (982,788) |
| Total fund balances | 6,604,886 | 5,629,350 |
| Total liabilities, fund balances and deferred inflows of resources | \$ 8,172,015 | \$ 8,067,821 |
| | | Concluded |

City of Rocklin

Statement of Revenues, Expenditures, and

Changes in Fund Balances

Special Revenue Nonmajor Governmental Funds

For the year ended June 30, 2017

(With comparative totals for June 30, 2016)

| | Gas Tax | Bicycle and Pedestrian Facilities | Prop 1B |
|---|------------------|---|---------------|
| REVENUES | | | |
| Taxes and assessments | \$ 1,163,235 | \$ - | \$ - |
| Fines and forfeitures | - | - | - |
| Intergovernmental | - | 49,431 | - |
| Charges for services | - | - | - |
| Use of money and property | 13,011 | - | - |
| Other revenues | - | - | - |
| Total Revenues | 1,176,246 | 49,431 | - |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 167,900 | - | - |
| Public safety | - | - | - |
| General services | 958,464 | - | - |
| Community development | - | - | - |
| Capital outlay | - | - | 95,944 |
| Total Expenditures | 1,126,364 | - | 95,944 |
| Excess (Deficiency) of Revenues over Expenditures | 49,882 | 49,431 | (95,944) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | (181,149) | - | - |
| Total Other Financing Sources (Uses) | (181,149) | - | - |
| Net Change in Fund Balances | (131,267) | 49,431 | (95,944) |
| Fund Balances Beginning | 1,925,675 | (49,431) | (98,460) |
| Fund Balances Ending | \$ 1,794,408 | \$ - | \$ (194,404) |

Continued

City of Rocklin

Statement of Revenues, Expenditures, and Changes in Fund Balances Special Revenue Nonmajor Governmental Funds For the year ended June 30, 2017 (With comparative totals for June 30, 2016)

| | Recreation Facilities Contributions | Lighting Maintenance District #1 | Landscaping and Lighting Maintenance District #2 |
|---|---|--|---|
| REVENUES | | | |
| Taxes and assessments | \$ - | \$ 250,090 | \$ 1,999,997 |
| Fines and forfeitures | - | - | - |
| Intergovernmental | - | - | - |
| Charges for services | 500 | - | - |
| Use of money and property | 225 | - | 8,162 |
| Other revenues | - | - | 1,900 |
| Total Revenues | 725 | 250,090 | 2,010,059 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | 29,993 | 174,488 |
| Public safety | - | - | - |
| General services | - | 220,097 | 1,611,900 |
| Community development | - | - | - |
| Capital outlay | - | - | 25,390 |
| Total Expenditures | - | 250,090 | 1,811,778 |
| Excess (Deficiency) of Revenues over Expenditures | 725 | - | 198,281 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | (20,006) |
| Total Other Financing Sources (Uses) | - | - | (20,006) |
| Net Change in Fund Balances | 725 | - | 178,275 |
| Fund Balances Beginning | 34,294 | - | 1,470,574 |
| Fund Balances Ending | \$ 35,019 | \$ - | \$ 1,648,849 |

Continued

City of Rocklin

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)**

| | Community Facilities District #1 | Community Facilities District #5 | Community Facilities District #6 |
|---|--|--|--|
| REVENUES | | | |
| Taxes and assessments | \$ 1,448,592 | \$ 4,322,883 | \$ 269,446 |
| Fines and forfeitures | - | - | - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Use of money and property | - | 10,734 | 1,347 |
| Other revenues | - | 15,000 | - |
| Total Revenues | 1,448,592 | 4,348,617 | 270,793 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | 354,366 | 34,883 |
| Public safety | 14,421 | - | - |
| General services | - | 3,545,992 | 207,776 |
| Community development | - | - | - |
| Capital outlay | - | 4,047 | - |
| Total Expenditures | 14,421 | 3,904,405 | 242,659 |
| Excess (Deficiency) of Revenues over Expenditures | 1,434,171 | 444,212 | 28,134 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 2,966 | - |
| Transfers out | (1,434,171) | (64,678) | (4,396) |
| Total Other Financing Sources (Uses) | (1,434,171) | (61,712) | (4,396) |
| Net Change in Fund Balances | - | 382,500 | 23,738 |
| Fund Balances Beginning | - | 2,087,959 | 220,946 |
| Fund Balances Ending | \$ - | \$ 2,470,459 | \$ 244,684 |

Continued

City of Rocklin

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017
(With comparative totals for June 30, 2016)**

| | Housing Rehabilitation | Streets Grants | Asset Forfeiture | Traffic Safety/PD Grants |
|---|---------------------------|-------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | 66,824 | - |
| Intergovernmental | - | 1,310,861 | - | 5,332 |
| Charges for services | - | - | - | - |
| Use of money and property | 43 | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 43 | 1,310,861 | 66,824 | 5,332 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 800 | - | - | - |
| Public safety | - | - | - | 3,201 |
| General services | - | 11,236 | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | 764,503 | 28,534 | - |
| Total Expenditures | 800 | 775,739 | 28,534 | 3,201 |
| Excess (Deficiency) of Revenues over Expenditures | (757) | 535,122 | 38,290 | 2,131 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 19 | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | 19 | - | - |
| Net Change in Fund Balances | (757) | 535,141 | 38,290 | 2,131 |
| Fund Balances Beginning | 769,390 | (829,565) | 103,300 | (5,332) |
| Fund Balances Ending | \$ 768,633 | \$ (294,424) | \$ 141,590 | \$ (3,201) |

Continued

City of Rocklin

Statement of Revenues, Expenditures, and Changes in Fund Balances Special Revenue Nonmajor Governmental Funds For the year ended June 30, 2017 (With comparative totals for June 30, 2016)

| | CDBG HUD Entitlement | Supplemental Law Enforcement Grant | Total Special Revenue Nonmajor Governmental Funds | |
|---|----------------------------|---|--|--------------------|
| | | | 2017 | 2016 |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ 9,454,243 | \$ 8,813,168 |
| Fines and forfeitures | - | - | 66,824 | 10,597 |
| Intergovernmental | 381,083 | 129,324 | 1,876,031 | 4,149,736 |
| Charges for services | - | - | 500 | 1,657 |
| Use of money and property | - | - | 33,522 | 29,114 |
| Other revenues | - | - | 16,900 | 18,629 |
| Total Revenues | 381,083 | 129,324 | 11,448,020 | 13,022,901 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,400 | - | 764,830 | 1,104,598 |
| Public safety | - | - | 17,622 | 40,075 |
| General services | 278,725 | - | 6,834,190 | 6,533,992 |
| Community development | 50,907 | - | 50,907 | 57,000 |
| Capital outlay | - | - | 918,418 | 4,780,074 |
| Total Expenditures | 332,032 | - | 8,585,967 | 12,515,739 |
| Excess (Deficiency) of Revenues over Expenditures | 49,051 | 129,324 | 2,862,053 | 507,162 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 2,985 | 2,464 |
| Transfers out | (55,778) | (129,324) | (1,889,502) | (1,721,170) |
| Total Other Financing Sources (Uses) | (55,778) | (129,324) | (1,886,517) | (1,718,706) |
| Net Change in Fund Balances | (6,727) | - | 975,536 | (1,211,544) |
| Fund Balances Beginning | - | - | 5,629,350 | 6,840,894 |
| Fund Balances Ending | \$ (6,727) | \$ - | \$ 6,604,886 | \$ 5,629,350 |

Concluded

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Gas Tax | | | |
|---|---------------------|---------------------|---------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 1,237,000 | \$ 1,237,000 | \$ 1,163,235 | \$ (73,765) |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 10,400 | 10,400 | 13,011 | 2,611 |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 1,247,400 | 1,247,400 | 1,176,246 | (71,154) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 113,000 | 154,700 | 167,900 | (13,200) |
| Public safety | - | - | - | - |
| General services | 962,800 | 962,800 | 958,464 | 4,336 |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 1,075,800 | 1,117,500 | 1,126,364 | (8,864) |
| Excess (Deficiency) of Revenues over Expenditures | 171,600 | 129,900 | 49,882 | (80,018) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (191,400) | (191,400) | (181,149) | 10,251 |
| Total Other Financing Sources (Uses) | (191,400) | (191,400) | (181,149) | 10,251 |
| Net Change in Fund Balances | (19,800) | (61,500) | (131,267) | (69,767) |
| Fund Balances Beginning | 1,925,675 | 1,925,675 | 1,925,675 | - |
| Fund Balances Ending | \$ 1,905,875 | \$ 1,864,175 | \$ 1,794,408 | \$ (69,767) |

Continued

City of Rocklin

Statement of Revenues, Expenditures, and

Changes in Fund Balances

Budget and Actual (GAAP Basis)

Special Revenue Nonmajor Governmental Funds

For the year ended June 30, 2017

| | Bicycle and Pedestrian Facilities | | | |
|---|-----------------------------------|----------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | 115,200 | 115,200 | 49,431 | (65,769) |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 115,200 | 115,200 | 49,431 | (65,769) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| General services | 1,600 | 1,600 | - | 1,600 |
| Community development | - | - | - | - |
| Capital outlay | 113,600 | 113,600 | - | 113,600 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 115,200 | 115,200 | - | 115,200 |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 49,431 | 49,431 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | - | - | 49,431 | 49,431 |
| Fund Balances Beginning | (49,431) | (49,431) | (49,431) | - |
| Fund Balances Ending | \$ (49,431) | \$ (49,431) | \$ - | \$ 49,431 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Prop 1B | | | |
|---|------------------|--------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | - | - | - | - |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | 98,300 | 95,944 | 2,356 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | 98,300 | 95,944 | 2,356 |
| Excess (Deficiency) of Revenues over Expenditures | - | (98,300) | (95,944) | 2,356 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | - | (98,300) | (95,944) | 2,356 |
| Fund Balances Beginning | (98,460) | (98,460) | (98,460) | - |
| Fund Balances Ending | \$ (98,460) | \$ (196,760) | \$ (194,404) | \$ 2,356 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Recreation Facilities Contributions | | | |
|---|-------------------------------------|------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 400 | 400 | 225 | (175) |
| Charges for services | - | - | 500 | 500 |
| Other revenues | - | - | - | - |
| Total Revenues | 400 | 400 | 725 | 325 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues over Expenditures | 400 | 400 | 725 | 325 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 400 | 400 | 725 | 325 |
| Fund Balances Beginning | 34,294 | 34,294 | 34,294 | - |
| Fund Balances Ending | \$ 34,694 | \$ 34,694 | \$ 35,019 | \$ 325 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Lighting Maintenance District #1 | | | |
|---|----------------------------------|----------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 250,300 | \$ 250,300 | \$ 250,090 | \$ (210) |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 250,300 | 250,300 | 250,090 | (210) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 28,000 | 28,000 | 29,993 | (1,993) |
| Public safety | - | - | - | - |
| General services | 221,600 | 221,600 | 220,097 | 1,503 |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 249,600 | 249,600 | 250,090 | (490) |
| Excess (Deficiency) of Revenues over Expenditures | 700 | 700 | - | (700) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (700) | (700) | - | 700 |
| Total Other Financing Sources (Uses) | (700) | (700) | - | 700 |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balances Beginning | - | - | - | - |
| Fund Balances Ending | \$ - | \$ - | \$ - | \$ - |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

Landscaping and Lighting Maintenance District #2

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 1,893,000 | \$ 1,893,000 | \$ 1,999,997 | \$ 106,997 |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 6,300 | 6,300 | 8,162 | 1,862 |
| Charges for services | - | - | - | - |
| Other revenues | - | - | 1,900 | 1,900 |
| Total Revenues | <u>1,899,300</u> | <u>1,899,300</u> | <u>2,010,059</u> | <u>110,759</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 160,200 | 173,400 | 174,488 | (1,088) |
| Public safety | - | - | - | - |
| General services | 1,627,200 | 1,627,200 | 1,611,900 | 15,300 |
| Community development | - | - | - | - |
| Capital outlay | - | - | 25,390 | (25,390) |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | <u>1,787,400</u> | <u>1,800,600</u> | <u>1,811,778</u> | <u>(11,178)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>111,900</u> | <u>98,700</u> | <u>198,281</u> | <u>99,581</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (9,900) | (9,900) | (20,006) | (10,106) |
| Total Other Financing Sources (Uses) | <u>(9,900)</u> | <u>(9,900)</u> | <u>(20,006)</u> | <u>(10,106)</u> |
| Net Change in Fund Balances | 102,000 | 88,800 | 178,275 | 89,475 |
| Fund Balances Beginning | <u>1,470,574</u> | <u>1,470,574</u> | <u>1,470,574</u> | <u>-</u> |
| Fund Balances Ending | <u>\$ 1,572,574</u> | <u>\$ 1,559,374</u> | <u>\$ 1,648,849</u> | <u>\$ 89,475</u> |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Community Facilities District #1 | | | |
|---|----------------------------------|--------------------|--------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 1,380,200 | \$ 1,380,200 | \$ 1,448,592 | \$ 68,392 |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | <u>1,380,200</u> | <u>1,380,200</u> | <u>1,448,592</u> | <u>68,392</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 13,900 | 13,900 | 14,421 | (521) |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | <u>13,900</u> | <u>13,900</u> | <u>14,421</u> | <u>(521)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>1,366,300</u> | <u>1,366,300</u> | <u>1,434,171</u> | <u>67,871</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,366,300) | (1,366,300) | (1,434,171) | (67,871) |
| Total Other Financing Sources (Uses) | <u>(1,366,300)</u> | <u>(1,366,300)</u> | <u>(1,434,171)</u> | <u>(67,871)</u> |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balances Beginning | - | - | - | - |
| Fund Balances Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Community Facilities District #5 | | | |
|---|----------------------------------|---------------------|---------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 4,000,000 | \$ 4,000,000 | \$ 4,322,883 | \$ 322,883 |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 11,000 | 11,000 | 10,734 | (266) |
| Charges for services | - | - | - | - |
| Other revenues | 15,000 | 15,000 | 15,000 | - |
| Total Revenues | 4,026,000 | 4,026,000 | 4,348,617 | 322,617 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 336,700 | 371,900 | 354,366 | 17,534 |
| Public safety | - | - | - | - |
| General services | 3,641,200 | 3,641,200 | 3,545,992 | 95,208 |
| Community development | - | - | - | - |
| Capital outlay | - | - | 4,047 | (4,047) |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 3,977,900 | 4,013,100 | 3,904,405 | 108,695 |
| Excess (Deficiency) of Revenues over Expenditures | 48,100 | 12,900 | 444,212 | 431,312 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 2,200 | 2,200 | 2,966 | 766 |
| Transfers out | (34,100) | (34,100) | (64,678) | (30,578) |
| Total Other Financing Sources (Uses) | (31,900) | (31,900) | (61,712) | (29,812) |
| Net Change in Fund Balances | 16,200 | (19,000) | 382,500 | 401,500 |
| Fund Balances Beginning | 2,087,959 | 2,087,959 | 2,087,959 | - |
| Fund Balances Ending | \$ 2,104,159 | \$ 2,068,959 | \$ 2,470,459 | \$ 401,500 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Community Facilities District #6 | | | |
|---|----------------------------------|----------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 250,800 | \$ 250,800 | \$ 269,446 | \$ 18,646 |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | 900 | 900 | 1,347 | 447 |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 251,700 | 251,700 | 270,793 | 19,093 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 39,600 | 39,600 | 34,883 | 4,717 |
| Public safety | - | - | - | - |
| General services | 235,400 | 235,400 | 207,776 | 27,624 |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 275,000 | 275,000 | 242,659 | 32,341 |
| Excess (Deficiency) of Revenues over Expenditures | (23,300) | (23,300) | 28,134 | 51,434 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,400) | (1,400) | (4,396) | (2,996) |
| Total Other Financing Sources (Uses) | (1,400) | (1,400) | (4,396) | (2,996) |
| Net Change in Fund Balances | (24,700) | (24,700) | 23,738 | 48,438 |
| Fund Balances Beginning | 220,946 | 220,946 | 220,946 | - |
| Fund Balances Ending | \$ 196,246 | \$ 196,246 | \$ 244,684 | \$ 48,438 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Housing Rehabilitation | | | |
|---|------------------------|------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Use of money and property | - | - | 43 | 43 |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | - | - | 43 | 43 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 900 | 900 | 800 | 100 |
| Public safety | - | - | - | - |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 900 | 900 | 800 | 100 |
| Excess (Deficiency) of Revenues over Expenditures | (900) | (900) | (757) | 143 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (900) | (900) | (757) | 143 |
| Fund Balances Beginning | 769,390 | 769,390 | 769,390 | - |
| Fund Balances Ending | \$ 768,490 | \$ 768,490 | \$ 768,633 | \$ 143 |

Continued

City of Rocklin

Statement of Revenues, Expenditures, and

Changes in Fund Balances

Budget and Actual (GAAP Basis)

Special Revenue Nonmajor Governmental Funds

For the year ended June 30, 2017

| | Streets Grants | | | |
|---|------------------|------------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | 630,000 | 630,000 | 1,310,861 | 680,861 |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 630,000 | 630,000 | 1,310,861 | 680,861 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| General services | - | - | 11,236 | (11,236) |
| Community development | - | - | - | - |
| Capital outlay | 630,000 | 1,005,000 | 764,503 | 240,497 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 630,000 | 1,005,000 | 775,739 | 229,261 |
| Excess (Deficiency) of Revenues over Expenditures | - | (375,000) | 535,122 | 910,122 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 19 | 19 |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | 19 | 19 |
| Net Change in Fund Balances | - | (375,000) | 535,141 | 910,141 |
| Fund Balances Beginning | (829,565) | (829,565) | (829,565) | - |
| Fund Balances Ending | \$ (829,565) | \$ (1,204,565) | \$ (294,424) | \$ 910,141 |

Continued

City of Rocklin

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual (GAAP Basis)

Special Revenue Nonmajor Governmental Funds

For the year ended June 30, 2017

| | Asset Forfeiture | | | |
|---|------------------|----------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | 66,824 | 66,824 |
| Intergovernmental | - | - | - | - |
| Use of money and property | 300 | 300 | - | (300) |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 300 | 300 | 66,824 | 66,524 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | 103,200 | 103,200 | 28,534 | 74,666 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 103,200 | 103,200 | 28,534 | 74,666 |
| Excess (Deficiency) of Revenues over Expenditures | (102,900) | (102,900) | 38,290 | 141,190 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (102,900) | (102,900) | 38,290 | 141,190 |
| Fund Balances Beginning | 103,300 | 103,300 | 103,300 | - |
| Fund Balances Ending | \$ 400 | \$ 400 | \$ 141,590 | \$ 141,190 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Traffic Safety/PD Grants | | | |
|---|--------------------------|------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | - | - | 5,332 | 5,332 |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | - | - | 5,332 | 5,332 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | 3,201 | (3,201) |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | - | 3,201 | (3,201) |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 2,131 | 2,131 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | - | - | 2,131 | 2,131 |
| Fund Balances Beginning | (5,332) | (5,332) | (5,332) | - |
| Fund Balances Ending | \$ (5,332) | \$ (5,332) | \$ (3,201) | \$ 2,131 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | CDBG HUD Entitlement | | | |
|---|----------------------|-----------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | 304,100 | 304,100 | 381,083 | 76,983 |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 304,100 | 304,100 | 381,083 | 76,983 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,400 | 2,400 | 2,400 | - |
| Public safety | - | - | - | - |
| General services | 200,200 | 278,200 | 278,725 | (525) |
| Community development | 53,100 | 53,100 | 50,907 | 2,193 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 255,700 | 333,700 | 332,032 | 1,668 |
| Excess (Deficiency) of Revenues over Expenditures | 48,400 | (29,600) | 49,051 | 78,651 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (48,400) | (48,400) | (55,778) | (7,378) |
| Total Other Financing Sources (Uses) | (48,400) | (48,400) | (55,778) | (7,378) |
| Net Change in Fund Balances | - | (78,000) | (6,727) | 71,273 |
| Fund Balances Beginning | - | - | - | - |
| Fund Balances Ending | \$ - | \$ (78,000) | \$ (6,727) | \$ 71,273 |

Continued

City of Rocklin
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Special Revenue Nonmajor Governmental Funds
For the year ended June 30, 2017

| | Supplemental Law Enforcement Grant | | | |
|---|------------------------------------|------------------|-------------------|---|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | 100,000 | 100,000 | 129,324 | 29,324 |
| Use of money and property | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenues | - | - | - | - |
| Total Revenues | 100,000 | 100,000 | 129,324 | 29,324 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| General services | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues over Expenditures | 100,000 | 100,000 | 129,324 | 29,324 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (100,000) | (100,000) | (129,324) | (29,324) |
| Total Other Financing Sources (Uses) | (100,000) | (100,000) | (129,324) | (29,324) |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balances Beginning | - | - | - | - |
| Fund Balances Ending | \$ - | \$ - | \$ - | \$ - |

Concluded

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NONMAJOR CAPITAL PROJECTS FUNDS

| Fund Title | Fund Description |
|---|---|
| Park Development Fees | Accounts for funds expended on City park projects and improvements. |
| Community Park Fees | Accounts for funds collected and expended for City park land and improvements. |
| Capital Construction Impact Fees | Accounts for the capital construction impact fee that is used for the expansion of facilities to serve new developments within the City. |
| Oak Tree Mitigation Fees | Accounts for funds collected for Oak Tree preservation activities including land acquisition and oak tree planting, acquisition, and maintenance. |
| Whitney Ranch Trunk Sewer Project | Accounts for impact fees to fund the sewer trunk line upgrade. |
| Rocklin Public Finance Authority Capital Projects | Accounts for Rocklin Finance Authority capital projects funded by bond proceeds. |
| Community Facilities District #10 | Accounts for projects related to the respective community facilities district. |

City of Rocklin
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Park Development Fees | Community Park Fees | Capital Construction Impact Fees |
|--|-----------------------------|---------------------------|--|
| ASSETS | | | |
| Cash and investments | 55,733 | \$ - | \$ 3,427,223 |
| Restricted cash and investments | - | - | - |
| Total assets | \$ 55,733 | \$ - | \$ 3,427,223 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ 422 |
| Due to other funds | - | 230,797 | - |
| Total liabilities | - | 230,797 | 422 |
| Fund Balances: | | | |
| Restricted | \$ - | \$ - | \$ - |
| Committed | 55,733 | - | 3,426,801 |
| Unassigned (Deficit) | - | (230,797) | - |
| Total fund balances | 55,733 | (230,797) | 3,426,801 |
| Total liabilities and fund balances | \$ 55,733 | \$ - | \$ 3,427,223 |

Continued

City of Rocklin
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Oak Tree Mitigation Fees | Whitney Ranch Trunk Sewer Project | Rocklin Public Finance Authority Capital Projects |
|--|--------------------------------|--|---|
| ASSETS | | | |
| Cash and investments | \$ 1,409,171 | \$ 158,775 | \$ - |
| Restricted cash and investments | - | - | 7,207,502 |
| Total assets | \$ 1,409,171 | \$ 158,775 | \$ 7,207,502 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ 110,927 |
| Due to other funds | - | - | 193,284 |
| Total liabilities | - | - | 304,211 |
| Fund Balances: | | | |
| Restricted | \$ - | \$ - | \$ 6,903,291 |
| Committed | 1,409,171 | 158,775 | - |
| Unassigned (Deficit) | - | - | - |
| Total fund balances | 1,409,171 | 158,775 | 6,903,291 |
| Total liabilities and fund balances | \$ 1,409,171 | \$ 158,775 | \$ 7,207,502 |

Continued

City of Rocklin
Combining Balance Sheet
Capital Projects Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Community Facilities District #10 Projects | Total Capital Projects Nonmajor Governmental Funds | |
|--|---|---|---------------------|
| | | 2017 | 2016 |
| ASSETS | | | |
| Cash and investments | \$ - | \$ 5,050,902 | \$ 2,710,422 |
| Restricted cash and investments | 3,209,914 | 10,417,416 | 3,198,699 |
| Total assets | \$ 3,209,914 | \$ 15,468,318 | \$ 5,909,121 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 111,349 | \$ 45,888 |
| Due to other funds | - | 424,081 | 830,059 |
| Total liabilities | - | 535,430 | 875,947 |
| Fund Balances: | | | |
| Restricted | \$ 3,209,914 | \$ 10,113,205 | \$ 3,198,699 |
| Committed | - | 5,050,480 | 2,664,534 |
| Unassigned (Deficit) | - | (230,797) | (830,059) |
| Total fund balances | 3,209,914 | 14,932,888 | 5,033,174 |
| Total liabilities and fund balances | \$ 3,209,914 | \$ 15,468,318 | \$ 5,909,121 |

Concluded

City of Rocklin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Capital Projects Nonmajor Governmental Funds

For the year ended June 30, 2017

(With comparative totals for June 30, 2016)

| | Park Development Fees | Community Park Fees | Capital Construction Impact Fees |
|---|-----------------------------|---------------------------|--|
| REVENUES | | | |
| Taxes and assessments | \$ 260,193 | \$ 249,943 | \$ - |
| License and permits | - | - | - |
| Intergovernmental revenues | - | - | 14,061 |
| Charges for services | - | 147,428 | - |
| Use of money and property | 26 | - | 12,715 |
| Contributions from developers and homeowners | - | - | 2,017,824 |
| Other revenue | - | - | 891,460 |
| Total Revenues | 260,219 | 397,371 | 2,936,060 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | 2,595 | - |
| General services | - | - | 2,454 |
| Capital outlay | - | - | 53,183 |
| Total Expenditures | - | 2,595 | 55,637 |
| Excess (Deficiency) of Revenues over Expenditures | 260,219 | 394,776 | 2,880,423 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from debt issuance | - | - | - |
| Transfers in | - | - | - |
| Transfers out | - | - | (525,777) |
| Total Other Financing Sources (Uses) | - | - | (525,777) |
| Net Change in Fund Balances | 260,219 | 394,776 | 2,354,646 |
| Fund Balances Beginning | (204,486) | (625,573) | 1,072,155 |
| Fund Balances Ending | \$ 55,733 | \$ (230,797) | \$ 3,426,801 |

Continued

City of Rocklin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Capital Projects Nonmajor Governmental Funds

For the year ended June 30, 2017

(With comparative totals for June 30, 2016)

| | Oak Tree Mitigation Fees | Whitney Ranch Trunk Sewer Project | Rocklin Public Finance Authority Capital Projects |
|---|--------------------------------|--|---|
| REVENUES | | | |
| Taxes and assessments | \$ 131,036 | \$ - | \$ - |
| License and permits | - | 90,584 | - |
| Intergovernmental revenues | - | - | - |
| Charges for services | - | - | - |
| Use of money and property | 10,165 | 700 | 20,875 |
| Contributions from developers and homeowners | - | - | - |
| Other revenue | - | - | - |
| Total Revenues | 141,201 | 91,284 | 20,875 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | - | - |
| General services | 136,404 | - | - |
| Capital outlay | 81,903 | - | 1,096,749 |
| Total Expenditures | 218,307 | - | 1,096,749 |
| Excess (Deficiency) of Revenues over Expenditures | (77,106) | 91,284 | (1,075,874) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from debt issuance | - | - | 8,000,000 |
| Transfers in | - | - | - |
| Transfers out | (38,611) | - | (20,835) |
| Total Other Financing Sources (Uses) | (38,611) | - | 7,979,165 |
| Net Change in Fund Balances | (115,717) | 91,284 | 6,903,291 |
| Fund Balances Beginning | 1,524,888 | 67,491 | - |
| Fund Balances Ending | \$ 1,409,171 | \$ 158,775 | \$ 6,903,291 |

Continued

City of Rocklin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Capital Projects Nonmajor Governmental Funds

For the year ended June 30, 2017

(With comparative totals for June 30, 2016)

| | Community Facilities District #10 Projects | Total Capital Projects Nonmajor Governmental Funds | |
|---|---|---|------------------|
| | | 2017 | 2016 |
| REVENUES | | | |
| Taxes and assessments | \$ - | \$ 641,172 | \$ 2,248,980 |
| License and permits | - | 90,584 | 50,652 |
| Intergovernmental revenues | - | 14,061 | - |
| Charges for services | - | 147,428 | 72,141 |
| Use of money and property | 11,215 | 55,696 | 17,287 |
| Contributions from developers and homeowners | - | 2,017,824 | 2,144,217 |
| Other revenue | - | 891,460 | 825,619 |
| Total Revenues | 11,215 | 3,858,225 | 5,358,896 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | 2,595 | 16,348 |
| General services | - | 138,858 | 179,686 |
| Capital outlay | - | 1,231,835 | 4,747,787 |
| Total Expenditures | - | 1,373,288 | 4,943,821 |
| Excess (Deficiency) of Revenues over Expenditures | 11,215 | 2,484,937 | 415,075 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from debt issuance | - | 8,000,000 | 5,852,781 |
| Transfers in | - | - | - |
| Transfers out | - | (585,223) | (922,155) |
| Total Other Financing Sources (Uses) | - | 7,414,777 | 4,930,626 |
| Net Change in Fund Balances | 11,215 | 9,899,714 | 5,345,701 |
| Fund Balances Beginning | 3,198,699 | 5,033,174 | (312,527) |
| Fund Balances Ending | \$ 3,209,914 | \$ 14,932,888 | \$ 5,033,174 |

Concluded

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NONMAJOR PERMANENT FUNDS

| Fund Title | Fund Description |
|---------------------------------|--|
| Wetlands Maintenance | Accounts for a \$38,000 required endowment from which the income will fund ongoing maintenance of the wetlands on a single lot parcel in Stanford Ranch Phase III. |
| Conservation Easement Endowment | Accounts for a \$453,455 required endowment from which the income will fund initial Preserve Area maintenance and operations. |

City of Rocklin
Combining Balance Sheet
Permanent Nonmajor Governmental Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Wetlands Maintenance | Conservation Easement Endowment | Total Permanent Nonmajor Governmental Funds | |
|---------------------------------|-------------------------|---------------------------------------|---|-------------------|
| | | | 2017 | 2016 |
| ASSETS | | | | |
| Restricted cash and investments | \$ 63,542 | \$ 453,455 | \$ 516,997 | \$ 518,614 |
| Total assets | \$ 63,542 | \$ 453,455 | \$ 516,997 | \$ 518,614 |
| FUND BALANCES | | | | |
| Nonspendable endowments | \$ 38,000 | \$ 453,455 | \$ 491,455 | \$ 491,455 |
| Restricted | 25,542 | - | 25,542 | 27,159 |
| Total fund balances | \$ 63,542 | \$ 453,455 | \$ 516,997 | \$ 518,614 |

City of Rocklin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Permanent Nonmajor Governmental Funds

For the year ended June 30, 2017

(With comparative totals for June 30, 2016)

| | Wetlands Maintenance | Conservation Easement Endowment | Total Permanent Nonmajor Governmental Funds | |
|---|-------------------------|---------------------------------------|---|-------------------|
| | | | 2017 | 2016 |
| REVENUES | | | | |
| Use of money and property | \$ 426 | \$ 2,966 | \$ 3,392 | \$ 6,491 |
| Total Revenues | <u>426</u> | <u>2,966</u> | <u>3,392</u> | <u>6,491</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>426</u> | <u>2,966</u> | <u>3,392</u> | <u>6,491</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (2,043) | (2,966) | (5,009) | (4,438) |
| Total Other Financing Sources (Uses) | <u>(2,043)</u> | <u>(2,966)</u> | <u>(5,009)</u> | <u>(4,438)</u> |
| Net Change in Fund Balances | (1,617) | - | (1,617) | 2,053 |
| Fund Balances Beginning | <u>65,159</u> | <u>453,455</u> | <u>518,614</u> | <u>516,561</u> |
| Fund Balances Ending | <u>\$ 63,542</u> | <u>\$ 453,455</u> | <u>\$ 516,997</u> | <u>\$ 518,614</u> |

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AGENCY FUNDS

| Fund Title | Fund Description |
|------------------------------------|---|
| Community Facilities District #3 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Community Facilities District #6 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Community Facilities District #7 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Community Facilities District #8 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Community Facilities District #9 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Community Facilities District #10 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Community Facilities District #11 | Accounts for special taxes made on properties to pay for debt issued for infrastructure in the District. |
| Borowski Landfill Monitoring Trust | Accounts for amounts collected to monitor the Borowski Landfill. |
| North West Rocklin Annexation Area | Accounts for amounts collected to reimburse developers for constructing backbone infrastructure in the respective area. |

City of Rocklin
Combining Balance Sheet
Agency Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Community Facilities District #3 | Community Facilities District #6 | Community Facilities District #7 |
|--------------------------------------|--|--|--|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ - | \$ - | \$ - |
| Cash and investments held by trustee | 1,629,360 | 162,832 | 403,321 |
| Receivables | 10,372 | 3,102 | 1,675 |
| Total assets | \$ 1,639,732 | \$ 165,934 | \$ 404,996 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Due to other agencies | \$ 1,639,732 | \$ 165,934 | \$ 404,996 |
| Total liabilities | \$ 1,639,732 | \$ 165,934 | \$ 404,996 |

Continued

City of Rocklin
Combining Balance Sheet
Agency Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Community Facilities District #8 | Community Facilities District #9 | Community Facilities District #10 |
|--------------------------------------|--|--|---|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ - | \$ - | \$ 17,441 |
| Cash and investments held by trustee | 431,390 | 442,348 | 3,482,117 |
| Receivables | 8,894 | 6,117 | 25,259 |
| Total assets | <u>\$ 440,284</u> | <u>\$ 448,465</u> | <u>\$ 3,524,817</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Due to other agencies | \$ 440,284 | \$ 448,465 | \$ 3,524,817 |
| Total liabilities | <u>\$ 440,284</u> | <u>\$ 448,465</u> | <u>\$ 3,524,817</u> |

Continued

City of Rocklin
Combining Balance Sheet
Agency Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Community Facilities District #11 | Borowski Landfill Monitoring Trust | Northwest Rocklin Annexation Area Trust |
|--------------------------------------|---|---|--|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 1,466,336 | \$ 7,925 | \$ 70,472 |
| Cash and investments held by trustee | - | - | - |
| Receivables | 994 | - | - |
| Total assets | \$ 1,467,330 | \$ 7,925 | \$ 70,472 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Due to other agencies | \$ 1,467,330 | \$ 7,925 | \$ 70,472 |
| Total liabilities | \$ 1,467,330 | \$ 7,925 | \$ 70,472 |

Continued

City of Rocklin
Combining Balance Sheet
Agency Funds
June 30, 2017
(With comparative totals for June 30, 2016)

| | Totals | |
|--------------------------------------|----------------------------|----------------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 1,562,174 | \$ 2,475,317 |
| Cash and investments held by trustee | 6,551,368 | 6,361,088 |
| Receivables | 56,413 | 42,310 |
| Total assets | <u><u>\$ 8,169,955</u></u> | <u><u>\$ 8,878,715</u></u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Due to other agencies | \$ 8,169,955 | \$ 8,878,715 |
| Total liabilities | <u><u>\$ 8,169,955</u></u> | <u><u>\$ 8,878,715</u></u> |
| | | Concluded |

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|--------------------------|-------------------|-------------------|--------------------------|
| COMMUNITY FACILITIES DISTRICT #3 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - |
| Cash and investments held by trustee | 1,569,493 | 793,422 | 733,555 | 1,629,360 |
| Receivables | 20,275 | 10,372 | 20,275 | 10,372 |
| Total assets | \$ 1,589,768 | \$ 803,794 | \$ 753,830 | \$ 1,639,732 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 1,589,768 | \$ 803,794 | \$ 753,830 | \$ 1,639,732 |
| Total liabilities | \$ 1,589,768 | \$ 803,794 | \$ 753,830 | \$ 1,639,732 |
| COMMUNITY FACILITIES DISTRICT #6 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - |
| Cash and investments held by trustee | 153,598 | 178,013 | 168,779 | 162,832 |
| Receivables | 1,342 | 3,102 | 1,342 | 3,102 |
| Total assets | \$ 154,940 | \$ 181,115 | \$ 170,121 | \$ 165,934 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 154,940 | \$ 181,115 | \$ 170,121 | \$ 165,934 |
| Total liabilities | \$ 154,940 | \$ 181,115 | \$ 170,121 | \$ 165,934 |
| COMMUNITY FACILITIES DISTRICT #7 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - |
| Cash and investments held by trustee | 399,464 | 272,150 | 268,293 | 403,321 |
| Receivables | 1,352 | 1,675 | 1,352 | 1,675 |
| Total assets | \$ 400,816 | \$ 273,825 | \$ 269,645 | \$ 404,996 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 400,816 | \$ 273,825 | \$ 269,645 | \$ 404,996 |
| Total liabilities | \$ 400,816 | \$ 273,825 | \$ 269,645 | \$ 404,996 |

Cont'd

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| COMMUNITY FACILITIES DISTRICT #8 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - |
| Cash and investments held by trustee | 423,790 | 467,414 | 459,814 | 431,390 |
| Receivables | 2,181 | 8,894 | 2,181 | 8,894 |
| Total assets | \$ 425,971 | \$ 476,308 | \$ 461,995 | \$ 440,284 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 425,971 | \$ 476,308 | \$ 461,995 | \$ 440,284 |
| Total liabilities | \$ 425,971 | \$ 476,308 | \$ 461,995 | \$ 440,284 |
| COMMUNITY FACILITIES DISTRICT #9 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - |
| Cash and investments held by trustee | 487,459 | 501,637 | 546,748 | 442,348 |
| Receivables | 4,606 | 6,117 | 4,606 | 6,117 |
| Total assets | \$ 492,065 | \$ 507,754 | \$ 551,354 | \$ 448,465 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 492,065 | \$ 507,754 | \$ 551,354 | \$ 448,465 |
| Total liabilities | \$ 492,065 | \$ 507,754 | \$ 551,354 | \$ 448,465 |
| COMMUNITY FACILITIES DISTRICT #10 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ 17,441 | \$ - | \$ 17,441 |
| Cash and investments held by trustee | 3,327,284 | 1,931,763 | 1,776,930 | 3,482,117 |
| Receivables | 12,554 | 25,259 | 12,554 | 25,259 |
| Total assets | \$ 3,339,838 | \$ 1,974,463 | \$ 1,789,484 | \$ 3,524,817 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 3,339,838 | \$ 1,974,463 | \$ 1,789,484 | \$ 3,524,817 |
| Total liabilities | \$ 3,339,838 | \$ 1,974,463 | \$ 1,789,484 | \$ 3,524,817 |

Cont'd

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| COMMUNITY FACILITIES DISTRICT #11 | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 2,428,519 | \$ 853,101 | \$ 1,815,284 | \$ 1,466,336 |
| Cash and investments held by trustee | - | - | - | - |
| Receivables | - | 994 | - | 994 |
| Total assets | \$ 2,428,519 | \$ 854,095 | \$ 1,815,284 | \$ 1,467,330 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 2,428,519 | \$ 854,095 | \$ 1,815,284 | \$ 1,467,330 |
| Total liabilities | \$ 2,428,519 | \$ 854,095 | \$ 1,815,284 | \$ 1,467,330 |
| BOROWSKI LANDFILL MONITORING TRUST | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 7,157 | 35,429 | \$ 34,661 | \$ 7,925 |
| Cash and investments held by trustee | - | - | - | - |
| Receivables | - | - | - | - |
| Total assets | \$ 7,157 | \$ 35,429 | \$ 34,661 | \$ 7,925 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 7,157 | \$ 35,429 | \$ 34,661 | \$ 7,925 |
| Total liabilities | \$ 7,157 | \$ 35,429 | \$ 34,661 | \$ 7,925 |
| Northwest Rocklin Annexation Area Trust | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 39,641 | \$ 70,472 | \$ 39,641 | \$ 70,472 |
| Cash and investments held by trustee | - | - | - | - |
| Receivables | - | - | - | - |
| Total assets | \$ 39,641 | \$ 70,472 | \$ 39,641 | \$ 70,472 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 39,641 | \$ 70,472 | \$ 39,641 | \$ 70,472 |
| Total liabilities | \$ 39,641 | \$ 70,472 | \$ 39,641 | \$ 70,472 |
| Totals | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 2,475,317 | \$ 976,443 | \$ 1,889,586 | \$ 1,562,174 |
| Cash and investments held by trustee | 6,361,088 | 4,144,399 | 3,954,119 | 6,551,368 |
| Receivables | 42,310 | 56,413 | 42,310 | 56,413 |
| Total assets | \$ 8,878,715 | \$ 5,177,255 | \$ 5,886,015 | \$ 8,169,955 |
| LIABILITIES | | | | |
| Due to other agencies | \$ 8,878,715 | \$ 5,177,255 | \$ 5,886,015 | \$ 8,169,955 |
| Total liabilities | \$ 8,878,715 | \$ 5,177,255 | \$ 5,886,015 | \$ 8,169,955 |

Concluded



ROCKLIN

CALIFORNIA

STASTICAL INFORMATION

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STATISTICAL SECTION

This part of the City of Rocklin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health

| <u>Contents</u> | <u>Page(s)</u> |
|---|----------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 156-165 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the City's property tax. | 166-169 |
| Debt Capacity | |
| These schedules contain 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. | 170-173 |
| 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. | 174-175 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Rocklin**Net Position by Component****Last Ten Fiscal Years****(accrual basis of accounting)**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 333,102,023 | \$ 340,423,304 | \$ 336,857,846 | \$ 299,354,604 | \$ 311,848,181 |
| Restricted | 23,677,671 | 17,858,485 | 16,013,886 | 18,109,568 | 15,572,366 |
| Unrestricted | 67,611,423 | 60,361,488 | 51,212,204 | 43,464,022 | 30,663,690 |
| Total Governmental Activities Net Position | <u>\$ 424,391,117</u> | <u>\$ 418,643,277</u> | <u>\$ 404,083,936</u> | <u>\$ 360,928,194</u> | <u>\$ 358,084,237</u> |

Page 1 of 2 (continued)

City of Rocklin**Net Position by Component****Last Ten Fiscal Years****(accrual basis of accounting)**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 305,672,758 | \$ 303,473,919 | \$ 302,623,713 | \$ 312,465,313 | \$ 305,878,169 |
| Restricted | 15,031,994 | 24,905,118 | 22,509,945 | 26,651,163 | 28,671,195 |
| Unrestricted | 27,181,118 | 26,568,355 | (7,435,357) | (2,310,614) | 4,165,814 |
| Total Governmental Activities Net Position | <u>\$ 347,885,870</u> | <u>\$ 354,947,392</u> | <u>\$ 317,698,301</u> | <u>\$ 336,805,862</u> | <u>\$ 338,715,178</u> |

Page 2 of 2 (concluded)

City of Rocklin
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 9,384,763 | \$ 12,168,677 | \$ 11,502,017 | \$ 12,368,561 | \$ 19,941,499 |
| Public Safety | 19,270,091 | 21,767,874 | 20,187,996 | 19,676,954 | 19,500,808 |
| Public Works | 13,831,854 | 11,875,302 | 13,203,578 | - | - |
| General Services | - | - | - | 21,459,947 | 21,000,764 |
| Culture and Recreation | 11,359,949 | 11,199,237 | 8,630,297 | - | - |
| Community Development | 5,480,752 | 3,825,794 | 6,975,124 | 39,474,367 | 2,388,154 |
| Interest Expense | 2,099,964 | 2,193,456 | 2,225,218 | 2,185,827 | 1,801,574 |
| Total Governmental Activities Expenses | <u>61,427,373</u> | <u>63,030,340</u> | <u>62,724,230</u> | <u>95,165,656</u> | <u>64,632,799</u> |
| Total Primary Government Expenses | <u>61,427,373</u> | <u>63,030,340</u> | <u>62,724,230</u> | <u>95,165,656</u> | <u>64,632,799</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges For Services: | | | | | |
| General Government | 2,196,509 | 5,409,343 | 878,576 | 1,975,872 | 1,936,755 |
| Public Safety | 967,850 | 598,746 | 698,784 | 929,151 | 918,751 |
| Public Works | 678,409 | 262,526 | 27,097 | - | - |
| General Services | - | - | - | 3,096,172 | 2,926,972 |
| Culture and Recreation | 4,179,414 | 211,128 | 2,974,885 | - | - |
| Community Development | 1,426,974 | 1,451,804 | 1,061,768 | 1,359,902 | 1,408,754 |
| Operating Grants and Contributions | 1,192,355 | 3,898,104 | 2,891,635 | 8,514,569 | 7,875,912 |
| Capital Grants and Contributions | 19,471,148 | 2,701,074 | 3,845,572 | 1,061,788 | 110,327 |
| Total Governmental Activities Program Revenues | <u>30,112,659</u> | <u>14,532,725</u> | <u>12,378,317</u> | <u>16,937,454</u> | <u>15,177,471</u> |
| Total Primary Government Program Revenues | <u>30,112,659</u> | <u>14,532,725</u> | <u>12,378,317</u> | <u>16,937,454</u> | <u>15,177,471</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | <u>(31,314,714)</u> | <u>(48,497,615)</u> | <u>(50,345,913)</u> | <u>(78,228,202)</u> | <u>(49,455,328)</u> |
| Total Primary Government Net Expense | <u>(31,314,714)</u> | <u>(48,497,615)</u> | <u>(50,345,913)</u> | <u>(78,228,202)</u> | <u>(49,455,328)</u> |

Page 1 of 4 (continued)

City of Rocklin
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 11,213,621 | \$ 12,616,551 | \$ 12,774,913 | \$ 18,001,976 | \$ 15,594,154 |
| Public Safety | 19,848,065 | 20,157,508 | 18,646,375 | 18,957,624 | 23,573,244 |
| Public Works | - | - | - | - | - |
| General Services | 26,624,188 | 26,870,694 | 29,624,287 | 21,964,264 | 24,091,079 |
| Culture and Recreation | - | - | - | 2,623,712 | 1,680,297 |
| Community Development | 2,488,541 | 2,111,334 | 2,070,085 | 2,892,219 | 3,648,661 |
| Interest Expense | 709,181 | 521,835 | 570,731 | 423,478 | 997,448 |
| Total Governmental Activities Expenses | <u>60,883,596</u> | <u>62,277,922</u> | <u>63,686,391</u> | <u>64,863,273</u> | <u>69,584,883</u> |
| Total Primary Government Expenses | <u>60,883,596</u> | <u>62,277,922</u> | <u>63,686,391</u> | <u>64,863,273</u> | <u>69,584,883</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges For Services: | | | | | |
| General Government | 717,177 | 1,488,847 | 1,530,256 | 1,754,860 | 1,546,035 |
| Public Safety | 986,980 | 1,002,360 | 1,057,928 | 1,053,903 | 1,175,654 |
| Public Works | - | - | - | - | - |
| General Services | 2,867,552 | 5,164,288 | 4,805,284 | 3,176,280 | 1,123,692 |
| Culture and Recreation | - | - | - | 817,342 | 817,551 |
| Community Development | 2,838,162 | 3,663,216 | 3,821,613 | 5,562,685 | 6,166,673 |
| Operating Grants and Contributions | 7,023,612 | 5,027,116 | 5,280,395 | 11,304,860 | 8,407,506 |
| Capital Grants and Contributions | 387,952 | 3,031,936 | 185,434 | 12,126,192 | 1,979,083 |
| Total Governmental Activities Program Revenues | <u>14,821,435</u> | <u>19,377,763</u> | <u>16,680,910</u> | <u>35,796,122</u> | <u>21,216,194</u> |
| Total Primary Government Program Revenues | <u>14,821,435</u> | <u>19,377,763</u> | <u>16,680,910</u> | <u>35,796,122</u> | <u>21,216,194</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | <u>(46,062,161)</u> | <u>(42,900,159)</u> | <u>(47,005,481)</u> | <u>(29,067,151)</u> | <u>(48,368,689)</u> |
| Total Primary Government Net Expense | <u>(46,062,161)</u> | <u>(42,900,159)</u> | <u>(47,005,481)</u> | <u>(29,067,151)</u> | <u>(48,368,689)</u> |

Page 2 of 4 (continued) of 4 (continued)

City of Rocklin
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|----------------------|-----------------------|------------------------|------------------------|-----------------------|
| General Revenues and Other | | | | | |
| Changes In Net Position | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | 17,521,701 | 16,384,305 | 14,743,382 | 13,935,181 | 11,146,605 |
| Sales and Use Taxes | 8,813,096 | 8,071,160 | 6,378,150 | 5,040,007 | 5,786,761 |
| Gas Tax | 1,807,144 | 907,958 | 1,449,281 | 4,292,227 | 3,210,518 |
| Transient Occupancy Tax | 489,747 | 362,686 | 344,792 | 383,641 | 395,656 |
| Other Taxes | 4,054,247 | 4,972,089 | 4,201,280 | 4,248,516 | 7,811,538 |
| Motor Vehicle Fees | 3,855,901 | 3,953,712 | 3,935,363 | 3,760,265 | 3,404,120 |
| Franchise Fees | 1,547,104 | 1,588,179 | 1,594,426 | 1,762,153 | 1,887,441 |
| Impact Fees | 2,302,815 | 2,421,430 | 1,203,166 | 445,885 | 541,592 |
| Investment Earnings | 4,930,857 | 4,088,256 | 1,936,732 | 1,543,512 | 1,263,775 |
| Other Revenues | - | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - | - |
| Extraordinary Gain on Dissolution of RDA | - | - | - | - | 10,471,411 |
| Total Governmental Activities | <u>45,322,612</u> | <u>42,749,775</u> | <u>35,786,572</u> | <u>35,411,387</u> | <u>45,919,417</u> |
| Total Primary Government | <u>45,322,612</u> | <u>42,749,775</u> | <u>35,786,572</u> | <u>35,411,387</u> | <u>45,919,417</u> |
| Change In Net Position | | | | | |
| Governmental activities | <u>14,007,898</u> | <u>(5,747,840)</u> | <u>(14,559,341)</u> | <u>(42,816,815)</u> | <u>(3,535,911)</u> |
| Total Primary Government | <u>\$ 14,007,898</u> | <u>\$ (5,747,840)</u> | <u>\$ (14,559,341)</u> | <u>\$ (42,816,815)</u> | <u>\$ (3,535,911)</u> |

Page 3 of 4 (continued)

Note: In 2010-11 the City combined Culture and Recreation and Public Works into General Services.

City of Rocklin
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------------------------|---------------------|-----------------------|----------------------|---------------------|
| General Revenues and Other | | | | | |
| Changes In Net Position | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | 9,551,975 | 10,347,611 | 10,921,437 | 9,833,055 | 10,641,721 |
| Sales and Use Taxes | 6,212,703 | 6,329,277 | 7,576,526 | 12,868,331 | 12,951,595 |
| Gas Tax | 3,506,863 | 4,645,010 | 4,709,456 | 4,634,924 | 4,532,443 |
| Transient Occupancy Tax | 403,176 | 474,424 | 539,796 | 572,498 | 730,719 |
| Other Taxes | 6,890,260 | 6,791,713 | 8,402,248 | 8,959,418 | 9,510,931 |
| Motor Vehicle Fees | 3,367,965 | 3,610,829 | 3,891,452 | 4,218,989 | 4,505,705 |
| Franchise Fees | 1,904,499 | 1,957,384 | 2,059,195 | 2,123,205 | 2,119,222 |
| Impact Fees | 2,011,105 | 2,636,172 | 3,124,079 | 3,045,750 | 3,682,003 |
| Investment Earnings | 1,588,595 | 1,531,756 | 1,789,996 | 1,879,887 | 1,453,126 |
| Other Revenues | 426,653 | 156,152 | 868,893 | 727,498 | 128,143 |
| Gain (Loss) on Sale of Assets | - | - | (189,630) | (767,147) | 22,397 |
| Extraordinary Gain on Dissolution of RDA | - | 11,481,353 | - | - | - |
| Total Governmental Activities | <u>35,863,794</u> | <u>49,961,681</u> | <u>43,693,448</u> | <u>48,096,408</u> | <u>50,278,005</u> |
| Total Primary Government | <u>35,863,794</u> | <u>49,961,681</u> | <u>43,693,448</u> | <u>48,096,408</u> | <u>50,278,005</u> |
| Change In Net Position | | | | | |
| Governmental activities | <u>(10,198,367)</u> | <u>7,061,522</u> | <u>(3,312,033)</u> | <u>19,029,257</u> | <u>1,909,316</u> |
| Total Primary Government | <u>\$ (10,198,367)</u> | <u>\$ 7,061,522</u> | <u>\$ (3,312,033)</u> | <u>\$ 19,029,257</u> | <u>\$ 1,909,316</u> |

Page 4 of 4 (concluded)

Note: In 2010-11 the City combined Culture and Recreation and Public Works into General Services.

City of Rocklin**Fund Balances of Governmental Funds****Last Ten Fiscal Years****(modified accrual basis of accounting)**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund: | | | | | |
| Nonspendable | \$ 2,061,255 | \$ 1,867,628 | \$ 1,823,650 | \$ 6,048,708 | \$ 948,708 |
| Restricted | - | - | - | - | - |
| Committed | 14,000,822 | 18,576,558 | 18,063,861 | 14,161,064 | 12,982,200 |
| Assigned | - | - | - | - | - |
| Unassigned | 20,170,526 | 14,718,374 | 13,358,257 | 13,534,025 | 15,019,151 |
| Total General Fund | <u>36,232,603</u> | <u>35,162,560</u> | <u>33,245,768</u> | <u>33,743,797</u> | <u>28,950,059</u> |
| All Other Governmental Funds: | | | | | |
| Nonspendable | 491,000 | 10,141,531 | 11,752,089 | 12,870,770 | 1,003,014 |
| Restricted | 56,637,710 | 40,652,117 | 35,839,982 | 17,618,113 | 15,080,911 |
| Committed | - | - | - | - | - |
| Assigned | 3,610,834 | 3,674,164 | 3,658,407 | 18,464,493 | 19,665,360 |
| Unassigned | (4,967,897) | (6,749,516) | (8,573,488) | (8,674,542) | (5,865,220) |
| Total All Other Governmental Funds | <u>55,771,647</u> | <u>47,718,296</u> | <u>42,676,990</u> | <u>40,278,834</u> | <u>29,884,065</u> |
| Total All Governmental Funds | <u>\$ 92,004,250</u> | <u>\$ 82,880,856</u> | <u>\$ 75,922,758</u> | <u>\$ 74,022,631</u> | <u>\$ 58,834,124</u> |

Page 1 of 2 (continued)

City of Rocklin
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund: | | | | | |
| Nonspendable | \$ 1,408,708 | \$ 1,408,708 | \$ 1,408,708 | \$ 1,408,708 | \$ 1,408,708 |
| Restricted | - | - | - | - | - |
| Committed | 23,465,316 | 24,933,009 | 26,094,211 | 23,292,378 | 23,788,872 |
| Assigned | - | - | - | - | - |
| Unassigned | 6,525,014 | 7,085,097 | 6,667,356 | 8,360,590 | 8,277,801 |
| Total General Fund | <u>31,399,038</u> | <u>33,426,814</u> | <u>34,170,275</u> | <u>33,061,676</u> | <u>33,475,381</u> |
| All Other Governmental Funds: | | | | | |
| Nonspendable | 2,569,610 | 13,648,993 | 13,043,086 | 13,757,503 | 15,437,725 |
| Restricted | 14,539,426 | 24,412,499 | 21,804,777 | 23,287,775 | 35,084,069 |
| Committed | - | 2,326,197 | 3,645,358 | 2,664,534 | 5,050,480 |
| Assigned | 20,538,696 | 5,162,428 | - | - | - |
| Unassigned | (5,617,610) | (3,963,333) | (2,613,160) | (3,836,388) | (3,714,759) |
| Total All Other Governmental Funds | <u>32,030,122</u> | <u>41,586,784</u> | <u>35,880,061</u> | <u>35,873,424</u> | <u>51,857,515</u> |
| Total All Governmental Funds | <u>\$ 63,429,160</u> | <u>\$ 75,013,598</u> | <u>\$ 70,050,336</u> | <u>\$ 68,935,100</u> | <u>\$ 85,332,896</u> |

Page 2 of 2 (concluded)

City of Rocklin

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------|----------------|----------------|----------------|-----------------|
| Revenues | | | | | |
| Taxes and Assessments | \$ 40,391,755 | \$ 38,661,519 | \$ 28,990,898 | \$ 31,194,723 | \$ 31,273,388 |
| Licenses and Permits | 1,594,170 | 1,988,941 | 1,877,390 | 2,051,659 | 978,892 |
| Fines and Forfeitures | 255,774 | 355,926 | 322,076 | 290,302 | 200,457 |
| Intergovernmental | 2,236,983 | 3,999,483 | 7,330,605 | 8,012,591 | 4,495,057 |
| Charges for Services | 5,144,855 | 3,576,100 | 3,763,720 | 3,670,824 | 3,971,307 |
| Use of Money and Property | 4,930,857 | 4,088,256 | 1,937,512 | 1,939,533 | 1,726,567 |
| Contributions from Dev. And Homeowners | 18,426,520 | 1,532,596 | 867,288 | 391,375 | 449,309 |
| Other Revenues | 2,454,357 | 3,079,679 | 3,073,887 | 5,300,613 | 4,595,282 |
| Total Revenues | 75,435,271 | 57,282,500 | 48,163,376 | 52,851,620 | 47,690,259 |
| Expenditures | | | | | |
| General Government | 8,623,207 | 9,038,183 | 7,250,768 | 7,407,257 | 7,882,485 |
| Public Safety | 19,463,346 | 20,193,534 | 18,833,510 | 18,322,468 | 18,158,522 |
| Public Works | 4,690,723 | 3,875,990 | 4,699,101 | - | - |
| General Services | - | - | - | 12,173,194 | 10,075,239 |
| Culture and Recreation | 10,393,591 | 9,855,464 | 7,557,599 | - | - |
| Community Development | 8,480,771 | 7,633,718 | 6,975,124 | 3,817,974 | 2,388,154 |
| Capital Outlay | 23,484,206 | 15,454,132 | 6,736,882 | 8,347,901 | 2,757,092 |
| Debt Service: | | | | | |
| Principal | 1,345,000 | 1,630,000 | 2,020,000 | 2,497,869 | 2,075,000 |
| Interest and Fiscal Charges | 2,104,788 | 2,207,710 | 2,292,870 | 2,185,827 | 1,458,496 |
| Total Expenditures | 78,585,632 | 69,888,731 | 56,365,854 | 54,752,490 | 44,794,988 |
| Excess of Revenues Over(Under) Expenditures | (3,150,361) | (12,606,231) | (8,202,478) | (1,900,870) | 2,895,271 |
| Other Financing Sources(Uses) | | | | | |
| PERS Side-Fund Payoff | - | - | - | - | (4,517,258) |
| Extraordinary Loss on Dissolution of RDA | - | - | - | - | (13,566,520) |
| Gain (Loss) on Sale of Assets | - | - | 1,513 | 750 | - |
| Transfer from Successor Agency | - | - | - | - | - |
| Transfers from (to) Internal Service Funds | - | - | 242,867 | (8) | - |
| Defesance of Debt | - | - | - | - | - |
| Long-Term Debt Proceeds | - | 3,482,837 | 1,000,000 | - | - |
| Total Other Financing Sources(Uses) | - | 3,482,837 | 1,244,380 | 742 | (18,083,778) |
| Net Change In Fund Balances | \$ (3,150,361) | \$ (9,123,394) | \$ (6,958,098) | \$ (1,900,128) | \$ (15,188,507) |
| Debt Service as Percentage of Noncapital Expenditures | 6.7% | 7.6% | 9.5% | 11.2% | 9.2% |

Page 1 of 2 (continued)

City of Rocklin

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | |
| Taxes and Assessments | \$ 32,533,333 | \$ 35,251,049 | \$ 37,896,309 | \$ 40,369,523 | \$ 46,579,731 |
| Licenses and Permits | 1,234,248 | 2,078,971 | 2,310,009 | 3,004,681 | 3,206,481 |
| Fines and Forfeitures | 155,846 | 160,913 | 564,913 | 227,817 | 378,658 |
| Intergovernmental | 6,381,554 | 8,599,289 | 5,412,142 | 9,666,864 | 8,077,195 |
| Charges for Services | 4,739,901 | 5,233,861 | 4,345,836 | 2,629,221 | 2,861,823 |
| Use of Money and Property | 2,245,163 | 2,428,172 | 2,685,218 | 2,778,659 | 2,407,423 |
| Contributions from Dev. And Homeowners | 770,016 | 1,695,692 | 2,850,688 | 4,744,217 | 2,017,824 |
| Other Revenues | 2,568,058 | 2,422,566 | 4,237,970 | 6,151,550 | 5,499,670 |
| Total Revenues | 50,628,119 | 57,870,513 | 60,303,085 | 69,572,532 | 71,028,805 |
| Expenditures | | | | | |
| General Government | 6,816,545 | 10,437,917 | 13,705,937 | 18,233,061 | 16,261,455 |
| Public Safety | 18,326,323 | 18,746,706 | 19,489,176 | 20,460,097 | 20,758,713 |
| Public Works | - | - | - | - | - |
| General Services | 16,953,922 | 16,707,672 | 19,237,232 | 14,272,425 | 13,960,714 |
| Culture and Recreation | - | - | - | 1,584,662 | 1,695,318 |
| Community Development | 2,488,541 | 2,111,334 | 2,228,394 | 2,963,265 | 4,041,210 |
| Capital Outlay | 3,457,179 | 8,239,277 | 9,313,759 | 17,525,161 | 4,863,869 |
| Debt Service: | | | | | |
| Principal | 1,000,000 | 1,030,000 | 1,070,000 | 1,110,000 | 1,160,000 |
| Interest and Fiscal Charges | 720,659 | 534,222 | 584,681 | 438,478 | 683,729 |
| Total Expenditures | 49,763,169 | 57,807,128 | 65,629,179 | 76,587,149 | 63,425,008 |
| Excess of Revenues Over(Under) Expenditures | 864,950 | 63,385 | (5,326,094) | (7,014,617) | 7,603,797 |
| Other Financing Sources(Uses) | | | | | |
| PERS Side-Fund Payoff | - | - | - | - | - |
| Extraordinary Loss on Dissolution of RDA | - | - | - | - | - |
| Gain (Loss) on Sale of Assets | 5,000 | - | - | - | - |
| Transfer from Successor Agency | - | 11,481,353 | - | - | - |
| Transfers from (to) Internal Service Funds | - | 39,700 | 362,832 | 46,600 | 51,500 |
| Defesance of Debt | - | - | - | - | (1,401,322) |
| Long-Term Debt Proceeds | - | - | - | 5,852,781 | 10,143,821 |
| Total Other Financing Sources(Uses) | 5,000 | 11,521,053 | 362,832 | 5,899,381 | 8,793,999 |
| Net Change In Fund Balances | \$ 869,950 | \$ 11,584,438 | \$ (4,963,262) | \$ (1,115,236) | \$ 16,397,796 |
| Debt Service as Percentage of Noncapital Expenditures | 3.9% | 3.3% | 3.0% | 2.7% | 3.3% |

City of Rocklin

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)**

| Fiscal Year | City of Rocklin | | | Taxable Assessed Value | Total Direct Tax Rate |
|-------------|------------------|----------------|----------------|------------------------|-----------------------|
| | Secured | Public Utility | Unsecured | | |
| 2008 | \$ 7,086,920,204 | \$ 6,351,556 | \$ 153,871,342 | \$ 7,247,143,102 | 1.000% |
| 2009 | 7,262,312,429 | 6,351,556 | 167,996,712 | 7,436,660,697 | 1.000% |
| 2010 | 6,937,855,555 | 8,476,688 | 151,986,395 | 7,098,318,638 | 1.000% |
| 2011 | 6,437,055,124 | 8,476,688 | 149,331,796 | 6,594,863,608 | 1.000% |
| 2012 | 6,213,199,580 | 8,476,688 | 124,161,157 | 6,345,837,425 | 1.000% |
| 2013 | 6,143,416,610 | 8,476,688 | 124,062,108 | 6,275,955,406 | 1.000% |
| 2014 | 6,603,652,182 | 9,515,170 | 130,907,829 | 6,744,075,181 | 1.000% |
| 2015 | 7,140,101,337 | 9,515,170 | 123,619,076 | 7,273,235,583 | 1.000% |
| 2016 | 7,732,821,234 | 9,209,410 | 148,270,416 | 7,890,301,060 | 1.000% |
| 2017 | 8,254,665,596 | 9,209,410 | 159,873,122 | 8,423,748,128 | 1.000% |

All above are Full Value (100%)

Source: Placer County Assessor's Office

City of Rocklin**Direct and Overlapping Property Tax Rates****Last Ten Fiscal Years****(Rate per \$100 of assessed valuation)**

| Fiscal Year | Direct Rates | | Overlapping Rates | | | | | | Total Tax Rate |
|--------------------|---------------------|---------------------|--------------------------|-----------------------------------|--------------------------|--|-----------------------------|-----------------------|-----------------------|
| | Basic Rate | Total Direct | Loomis Elementary | Placer County Water Agency | Placer Union High | Rocklin Unified School District | Roseville Elementary | Roseville High | |
| 2008 | 1.0000 | 1.0000 | 0.0189 | 0.0000 | 0.0200 | 0.0750 | 0.0285 | 0.0294 | 1.1718 |
| 2009 | 1.0000 | 1.0000 | 0.0209 | 0.0000 | 0.0201 | 0.0754 | 0.0290 | 0.0321 | 1.1775 |
| 2010 | 1.0000 | 1.0000 | 0.0209 | 0.0000 | 0.0218 | 0.0843 | 0.0325 | 0.0359 | 1.1954 |
| 2011 | 1.0000 | 1.0000 | 0.0273 | 0.0000 | 0.0265 | 0.1113 | 0.0418 | 0.0431 | 1.2500 |
| 2012 | 1.0000 | 1.0000 | 0.0184 | 0.0000 | 0.0263 | 0.1293 | 0.0467 | 0.0420 | 1.2627 |
| 2013 | 1.0000 | 1.0000 | 0.0236 | 0.0000 | 0.0285 | 0.1362 | 0.0535 | 0.0446 | 1.2864 |
| 2014 | 1.0000 | 1.0000 | 0.0217 | 0.0000 | 0.0280 | 0.1355 | 0.0441 | 0.0514 | 1.2807 |
| 2015 | 1.0000 | 1.0000 | 0.0200 | 0.0000 | 0.0194 | 0.1364 | 0.0457 | 0.0485 | 1.2699 |
| 2016 | 1.0000 | 1.0000 | 0.0199 | 0.0000 | 0.0147 | 0.1343 | 0.0434 | 0.0454 | 1.2576 |
| 2017 | 1.0000 | 1.0000 | 0.0159 | 0.0000 | 0.0242 | 0.0394 | 0.0436 | 0.0501 | 1.1731 |

Source: Placer County Assessor Tax Rate Table

City of Rocklin
Principal Property Tax Payers
Current Year and Nine Years Ago
(amounts expressed in thousands)

| Taxpayer | Primary Land Use | 2017 | | 2008 | | Percentage of Total Assessed Valuation | Percentage of Total Assessed Valuation |
|--|------------------|---|------|----------------------------|-----------------------|--|--|
| | | Taxable Assessed Valuation ⁽¹⁾ | Rank | Taxable Assessed Valuation | Rank | | |
| Meridian Apartments LP | Residential | \$ 73,307,128 | 1 | 0.87% | | | |
| MGP X Properties LLC | Commercial | 68,495,256 | 2 | 0.81% | | | |
| ARHC CAROCCA01 | Institutional | 54,165,819 | 3 | 0.64% | | | |
| Evergreen SR 1011 LP | Commercial | 39,847,125 | 4 | 0.47% | | | |
| Walmart Real Estate Business Trust | Commercial | 39,615,560 | 5 | 0.47% | | | |
| Winsted Apartments LLC | Residential | 36,542,831 | 6 | 0.43% | | | |
| Demmon Rocklin Ranch Partners LP | Residential | 35,949,437 | 7 | 0.43% | | | |
| Williams Portfolio 8 | Residential | 34,311,259 | 8 | 0.41% | | | |
| KBSIII Rocklin Corporate Center LLC | Commercial | 34,264,686 | 9 | 0.41% | | | |
| Sunset Court at Stanford Ranch-344 LLC | Residential | 33,247,404 | 10 | 0.39% | 29,441,626 | 9 | 0.41% |
| Demmon Meridian Partners LP | Residential | | | | 86,666,227 | 1 | 1.20% |
| Sunset Rancho Investors LLC | Vacant | | | | 69,235,260 | 2 | 0.96% |
| Sierrapine | Industrial | | | | 42,262,954 | 3 | 0.58% |
| The GAP Inc. | Industrial | | | | 32,355,208 | 5 | 0.45% |
| Lakha Properties Rocklin LLC | Commercial | | | | 30,848,777 | 6 | 0.43% |
| Oracle Systems Corporation | Commercial | | | | 27,944,312 | 10 | 0.39% |
| Rocklin Retail LLC | Commercial | | | | 34,436,562 | 4 | 0.48% |
| Dunmore Croftwood LLC | Vacant | | | | 29,835,000 | 7 | 0.41% |
| United Natural Foods Inc. | Industrial | | | | 29,600,950 | 8 | 0.41% |
| Totals | | <u>\$ 449,746,505</u> | | <u>5.33%</u> | <u>\$ 412,626,876</u> | | <u>5.72%</u> |

Source(s): HdL Coren and Cone and Placer County Assessor Combined Tax Rolls and the SBE Non Unitary Tax Roll and Placer County Assessor 2006/07 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

⁽¹⁾ Estimated calculations are performed on a parcel level, county/controllers' office neither calculates nor apportions revenues at a parcel level.

City of Rocklin
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|----------------------------------|--|-----------------|---------------------------------|---------------------------|------------------------|
| | | Amount | Percent of Levy | | Amount | As Percent Of Tax Levy |
| 2008 | \$ 17,521,701 | \$ 17,521,701 | 100.00% | \$ - | \$ 17,521,701 | 100.00% |
| 2009 | 16,384,305 | 16,384,305 | 100.00% | - | 16,384,305 | 100.00% |
| 2010 | 14,743,382 | 14,743,382 | 100.00% | - | 14,743,382 | 100.00% |
| 2011 | 13,935,181 | 13,935,181 | 100.00% | - | 13,935,181 | 100.00% |
| 2012 | 11,146,605 | 11,146,605 | 100.00% | - | 11,146,605 | 100.00% |
| 2013 | 9,551,975 | 9,551,975 | 100.00% | - | 9,551,975 | 100.00% |
| 2014 | 10,347,611 | 10,347,611 | 100.00% | - | 10,347,611 | 100.00% |
| 2015 | 10,921,437 | 10,921,437 | 100.00% | - | 10,921,437 | 100.00% |
| 2016 | 9,833,055 | 9,833,055 | 100.00% | - | 9,833,055 | 100.00% |
| 2017 | 10,641,721 | 10,641,721 | 100.00% | - | 10,641,721 | 100.00% |

Source: City financial records

Note: Amounts reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County of Placer retaining any interest or penalties on uncollected balances.

City of Rocklin**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

| Fiscal Year | Governmental Activities | | | | Total Primary Government | Percentage of Personal Income | Debt Per Capita |
|-------------|-------------------------|-------------------------------|-------------------------|----------------------|--------------------------|-------------------------------|-----------------|
| | Promissory Notes | Certificates of Participation | Refunding Revenue Bonds | Tax Allocation Bonds | | | |
| 2008 | 350,000 | 5,095,000 | 11,760,000 | 29,065,000 | 46,270,000 | 2% | 856 |
| 2009 | 250,000 | 4,635,000 | 11,760,000 | 29,065,000 | 45,710,000 | 2% | 831 |
| 2010 | - | 4,165,000 | 11,225,000 | 28,500,000 | 43,890,000 | 3% | 783 |
| 2011 | - | 3,680,000 | 10,680,000 | 27,915,000 | 42,275,000 | 2% | 725 |
| 2012 | - | 3,275,000 | 10,115,000 | - | 13,390,000 | 2% | 229 |
| 2013 | - | 2,860,000 | 9,530,000 | - | 12,390,000 | 1% | 208 |
| 2014 | - | 2,430,000 | 8,930,000 | - | 11,360,000 | 1% | 190 |
| 2015 | - | 1,980,000 | 8,310,000 | - | 10,290,000 | 0% | 171 |
| 2016 | - | 1,515,000 | 7,665,000 | - | 9,180,000 | 0% | 143 |
| 2017 | - | - | 16,445,000 | - | 16,445,000 | Not Available | Not Available |

Source: City financial records, California State Dept of Finance, ESRI

City of Rocklin
Direct and Overlapping Debt
June 30, 2017

| | | | | |
|--|----|-------------------|-------------------------|-------------------------------|
| 2016/2017 Assessed Valuation: | \$ | 8,424,066,782 | | |
| | | | | City's Share |
| Overlapping Tax and Assessment Debt: | | Total Debt | % Applicable (1) | of Debt |
| Rocklin Unified School District | \$ | 67,124,802 | 98.53% | \$ 66,136,725 |
| Placer Union High School District | | 25,430,453 | 2.138% | 543,703 |
| Roseville Joint Union High School District | | 118,078,598 | 0.056% | 66,124 |
| Loomis Union School District | | 3,950,000 | 8.148% | 321,846 |
| Roseville City School District | | 18,286,852 | 0.098% | 17,921 |
| Rocklin Unified School District Community Facilities District Nos. 1 and 2 | | 37,244,513 | 99.891-99.905% | 37,206,651 |
| City of Rocklin Community Facilities District No. 3 | | 2,818,568 | 100% | 2,818,568 |
| City of Rocklin Community Facilities District No. 6 | | 1,165,000 | 100% | 1,165,000 |
| City of Rocklin Community Facilities District No. 7 | | 1,318,593 | 100% | 1,318,593 |
| City of Rocklin Community Facilities District No. 8 | | 3,015,000 | 100% | 3,015,000 |
| City of Rocklin Community Facilities District No. 9 | | 3,590,000 | 100% | 3,590,000 |
| City of Rocklin Community Facilities District No. 10 | | 26,455,000 | 100% | 26,455,000 |
| City of Rocklin Community Facilities District No. 11 | | 7,210,301 | 100% | 7,210,301 |
| California Statewide Community Development Authority 1915 Act Bonds | | 13,662,125 | 100% | 13,662,125 |
| Total overlapping tax and assessment debt | | | | \$ 163,527,557 |
| Direct and Overlapping General Fund Debt: | | | | |
| Placer County Certificates of Participation | \$ | 31,195,000 | 12.502% | \$ 3,899,999 |
| Placer County Office of Education Certificates of Participation | | 1,300,000 | 12.502% | 162,526 |
| Sierra Joint Community College District Certificates of Participation | | 6,029,000 | 9.463% | 570,524 |
| Rocklin Unified School District Certificates of Participation | | 13,880,000 | 98.528% | 13,675,686 |
| Placer Union High School District Certificates of Participation | | 2,820,000 | 2.138% | 60,292 |
| Roseville Joint Union High School District Certificates of Participation | | 560,000 | 0.056% | 314 |
| Loomis Union School District Certificates of Participation | | 2,385,000 | 6.696% | 159,700 |
| Roseville City School District Certificates of Participation | | 7,780,000 | 0.098% | 7,624 |
| South Placer Fire Protection District Certificates of Participation | | 5,230,000 | 1% | 62,394 |
| Placer Mosquito & Vector Control District Certificates of Participation | | 3,490,000 | 12.502% | 436,320 |
| Total direct and overlapping general fund debt | | | | \$ 19,035,379 |
| Overlapping Tax Increment Debt (Successor Agency) | \$ | <u>23,935,000</u> | 100% | <u>\$ 23,935,000</u> |
| Total direct debt | | | | \$ - |
| Total overlapping debt | | | | \$ 206,497,936 |
| Combined Total Debt | | | | \$ 206,497,936 ⁽²⁾ |
| Ratios to Assessed Valuation: | | | | |
| Total Overlapping Tax and Assessment Debt | | | 1.94% | |
| Total Direct Debt | | | 0.00% | |
| Combined Total Debt | | | 2.45% | |
| Ratios to Redevelopment Successor Agency Incremental Valuation (\$631,824,540): | | | | |
| Total Overlapping Tax Increment Debt | | | 3.79% | |

(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.

Source: California Municipal Statistics, Inc.

City of Rocklin
Legal Debt Margin Information
Last Ten Fiscal Years

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------------------|------------------|------------------|----------------|----------------|
| Debt limit | \$ 1,063,038,031 | \$ 1,089,346,864 | \$ 1,040,678,333 | \$ 965,558,269 | \$ 931,979,937 |
| Total net debt applicable to limit | - | - | - | - | - |
| Legal debt margin | \$ 1,063,038,031 | \$ 1,089,346,864 | \$ 1,040,678,333 | \$ 965,558,269 | \$ 931,979,937 |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

City of Rocklin
Legal Debt Margin Information
Last Ten Fiscal Years

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|----------------|----------------|------------------|------------------|------------------|
| Debt limit | \$ 921,512,492 | \$ 990,547,827 | \$ 1,071,015,201 | \$ 1,226,867,673 | \$ 1,309,781,510 |
| Total net debt applicable to limit | - | - | - | - | - |
| Legal debt margin | \$ 921,512,492 | \$ 990,547,827 | \$ 1,071,015,201 | \$ 1,226,867,673 | \$ 1,309,781,510 |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Legal Debt Margin Calculation for Fiscal Year 2017:

| | |
|--|------------------|
| Assessed value - based on secured roll | \$ 8,731,876,733 |
| Debt limit (15% of assessed value) | 1,309,781,510 |
| Debt applicable to limit: | |
| None | - |
| Legal Debt Margin | \$ 1,309,781,510 |

Page 2 of 2 (concluded)

City of Rocklin
Demographic and Economic Statistics
Last Ten Fiscal Years

| Calendar Year | Population | Per Capita Personal Income | Personal Income (in thousands) | Unemployment Rate |
|----------------------|-------------------|-----------------------------------|---------------------------------------|--------------------------|
| 2007 | 52,358 | 38,722 | 2,027,431 | 3.4% |
| 2008 | 54,077 | 39,252 | 2,122,650 | 4.6% |
| 2009 | 54,991 | 37,592 | 2,067,201 | 7.6% |
| 2010 | 56,019 | 30,865 | 1,729,026 | 8.3% |
| 2011 | 58,295 | 31,842 | 1,856,229 | 7.8% |
| 2012 | 58,484 | 33,015 | 1,930,849 | 5.2% |
| 2013 | 59,672 | 32,299 | 1,927,346 | 4.3% |
| 2014 | 59,746 | 33,299 | 1,989,482 | 6.3% |
| 2015 | 60,351 | 34,412 | 2,076,853 | 5.1% |
| 2016 | 64,417 | 32,546 | 2,096,573 | 4.5% |

Source: Population: California State Department of Finance. Unemployment Data: California Employment Development Department Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

City of Rocklin**Principal Employers - Top 15****Current Year and One Year Ago**

| Employer | 2017 | | | 2016 | | |
|---|------------------------|------|-----------------------------------|------------------------|------|-----------------------------------|
| | Number of Employees | Rank | Percent of Total Employment | Number of Employees | Rank | Percent of Total Employment |
| Sierra Joint Community College District | 1,500 | 1 | 21.87% | 497 | 5 | 7.76% |
| Rocklin Unified School District | 1,242 | 2 | 18.11% | 1,168 | 1 | 18.24% |
| Oracle America, Inc. | 802 | 3 | 11.69% | 800 | 2 | 12.49% |
| United Natural Foods, Inc. (UNFI) | 503 | 4 | 7.33% | 555 | 3 | 8.67% |
| Purple Communications, Inc. | 428 | 5 | 6.24% | 428 | 6 | 6.68% |
| United Parcel Service (UPS) | 353 | 6 | 5.15% | 300 | 9 | 4.68% |
| Educational Media Foundation (K-LOVE Radio) | 325 | 7 | 4.74% | 275 | 11 | 4.29% |
| Wal-Mart Stores, Inc. | 272 | 8 | 3.97% | 325 | 7 | 5.07% |
| Rocklin Academy Charter Schools | 270 | 9 | 3.94% | 299 | 10 | 4.67% |
| City of Rocklin | 238 | 10 | 3.47% | 239 | 13 | 3.73% |
| First Technology Federal Credit Union | 211 | 11 | 3.08% | | | |
| Esurance Insurance Services, Inc. | | | 0.00% | 545 | 4 | 8.51% |
| William Jessup University | 209 | 12 | 3.05% | | | |
| Target | 180 | 13 | 2.62% | 200 | 15 | 3.12% |
| Ace Hardware Corporation | | | 0.00% | 301 | 8 | 4.70% |
| Farm Credit West | 165 | 14 | 2.41% | | | |
| Sonoran Roofing, Inc. | 160 | 15 | 2.33% | | | |
| R.C. Willey | | | 0.00% | 273 | 12 | 4.26% |
| GAP Inc. Direct | | | 0.00% | 200 | 14 | 3.12% |
| Total | 6,858 | | | 6,405 | | |

Source: City of Rocklin

Note: Number of Employees are self-reported by Employers.



**Comprehensive Annual Financial Report
June 30, 2017**