



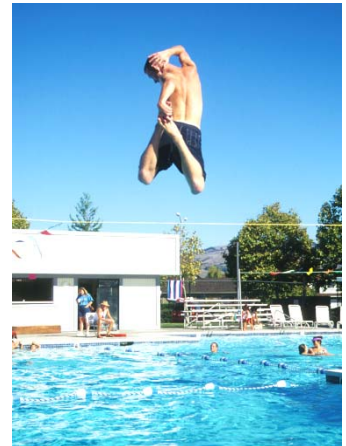
City of Rohnert Park

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017



*"We Care for Our
Residents by Working
Together to Build a
Better Community for
Today and Tomorrow"*





CITY OF ROHNERT PARK, CALIFORNIA

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



Prepared by
Finance Department

CITY OF ROHNERT PARK
2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	I-1
GFOA Certificate of Achievement for Excellence in Financial Reporting	I-6
List of City Officials	I-7
Organizational Chart.....	I-8

FINANCIAL SECTION

Independent Auditor's Report	F-1
Management's Discussion and Analysis (Required Supplementary Information) (unaudited).....	F-3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	F-17
Statement of Activities.....	F-18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	F-20
Reconciliation of the Governmental Funds Balance Sheet to the Government-	
Wide Statement of Net Position – Governmental Activities	F-23
Statement of the Revenues, Expenditures, and Changes in Fund Balances	F-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	
Balances of Governmental Funds to the Government-Wide Statement of	
Activities – Governmental Activities.....	F-26
Proprietary Funds:	
Statement of Fund Net Position.....	F-27
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	F-28
Statement of Cash Flows.....	F-29
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	F-30
Statement of Changes in Fiduciary Net Position.....	F-31
Notes to the Basic Financial Statements	F-33
Required Supplementary Information (unaudited):	
Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan.....	F-74
Schedule of Proportionate Share of the Net Pension Liability – Safety Plans	F-75
Schedule of Employer Plan Contributions – Pension Plans	F-76
Schedule of Funding Progress - Post Employment Health Care Benefits.....	F-77
Budgetary Comparison Schedules:	
General Fund.....	F-78
Housing Projects Special Revenue Fund	F-81
Public Facility Finance Fee Special Revenue Fund.....	F-82
Graton Mitigation Supplemental Special Revenue Fund.....	F-83
Note to Required Supplementary Information	F-84

CITY OF ROHNERT PARK
2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Description of Nonmajor Governmental Funds	F-87
Combining Balance Sheet	F-90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-91

Nonmajor Special Revenue Funds:

Combining Balance Sheet	F-92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-100

Budgetary Comparison Schedules:

Alcohol Beverage Sales Ordinance (ABSO) Special Revenue Fund	F-108
Abandoned Vehicle Abatement Special Revenue Fund	F-109
Traffic Safety Special Revenue Fund	F-110
General Plan Maintenance Special Revenue Fund	F-111
Spay and Neuter Special Revenue Fund	F-112
Refuse Road Impact Fee Special Revenue Fund	F-113
State Gasoline Tax Special Revenue Fund	F-114
Measure M Traffic Special Revenue Fund	F-115
Traffic Signals Fee Special Revenue Fund	F-116
Supplemental Law Enforcement Services Special Revenue Fund	F-117
DIVCA PEG Fee (AB2987) Special Revenue Fund	F-118
Traffic Congestion Relief (AB2928) Special Revenue Fund	F-119
Graton Mitigation School Contribution Special Revenue Fund	F-120
Graton Mitigation Law Enforcement Special Revenue Fund	F-121
Graton Mitigation Public Safety Building Special Revenue Fund	F-122
Graton Mitigation Problem Gambling Special Revenue Fund	F-123
Graton Mitigation Waterway Special Revenue Fund	F-124
Graton Mitigation Public Services Special Revenue Fund	F-125
Graton Mitigation Wilfred Maintenance Special Revenue Fund	F-126
Graton City Vehicle Contribution Special Revenue Fund	F-127
Measure M Fire Benefit Assessment Special Revenue Fund	F-128
Mobile Home Rent Appeals Board Special Revenue Fund	F-129
Copeland Creek Drainage Facility Special Revenue Fund	F-130
Assets Forfeiture Special Revenue Fund	F-131
Performing Art Center Facility Capital Reserve Special Revenue Fund	F-132
Sports Center Facility Capital Reserve Special Revenue Fund	F-133
Explorer Special Revenue Fund	F-134
California Disability Access Fee Special Revenue Fund	F-135
Affordable Linkage Fee Special Revenue Fund	F-136
UDSP Regional Traffic Fee Special Revenue Fund	F-137
Building Standard SB 1473 Special Revenue Fund	F-138
Rohnert Park Foundation Special Revenue Fund	F-139
Wilfred Dowdell Public Safety Mitigation Special Revenue Fund	F-140
Senior Bingo Special Revenue Fund	F-141
UDSP Maintenance Annuity Special Revenue Fund	F-142
Graton Mitigation Tribe Charity Special Revenue Fund	F-143
Graton Mitigation Neighborhood Upgrade Special Revenue Fund	F-144

CITY OF ROHNERT PARK
2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

Nonmajor Enterprise Funds:	
Description of Nonmajor Enterprise Funds.....	F-145
Combining Statement of Net Position.....	F-146
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	F-147
Combining Statement of Cash Flows	F-148
Internal Service Funds:	
Description of Internal Service Funds.....	F-149
Combining Statement of Net Position.....	F-150
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	F-151
Combining Statement of Cash Flows	F-152
Fiduciary Funds:	
Description of Fiduciary Funds	F-153
Private Purpose Trust Funds:	
Combining Statement of Fiduciary Net Position	F-154
Combining Statement of Changes in Fiduciary Net Position	F-155
Agency Fund:	
Combining Statement of Changes in Assets and Liabilities	F-156

STATISTICAL SECTION (UNAUDITED)

Index to Statistical Section.....	S-2
Net Position by Component – Last Ten Fiscal Years	S-3
Changes in Net Position – Last Ten Fiscal Years	S-4
Program Revenues by Function/Program – Last Ten Fiscal Years	S-6
Fund Balances of Governmental Funds – Last Ten Fiscal Years	S-7
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	S-8
Tax Revenues by Source of General Fund – Last Ten Fiscal Years.....	S-10
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	S-11
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	S-12
Property Tax Levies and Collections – Last Ten Fiscal Years	S-13
Taxable Sales by Category – Last Ten Fiscal Years.....	S-14
Top Ten Principal Property Tax Payers – Current and Nine Years Ago	S-15
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	S-16
Direct and Overlapping Governmental Activities Debt – As of June 30, 2017	S-17
Legal Debt Margin Information – Last Ten Fiscal Years	S-18
Pledged Revenue Coverage – Last Ten Fiscal Years.....	S-19
Demographic and Economic Statistics – Last Ten Fiscal Years.....	S-20
Principal Employers – Current Year and Nine Years Ago	S-21
Full-Time-Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	S-22
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	S-23
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	S-24

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January 30, 2018

City Council

Pam Stafford
Mayor

Joseph Callinan
Vice Mayor

Amy O. Ahanotu
Gina Belforte
Jake Mackenzie
Councilmembers

Darrin Jenkins
City Manager

Don Schwartz
Assistant City Manager

Michelle Marchetta Kenyon
City Attorney

Karen Murphy
Assistant City Attorney

JoAnne Buerger
City Clerk

Betsy Howze
Finance Director

Brian Masterson
Director of Public Safety

John McArthur
*Director of Public Works and
Community Services*

Mary Grace Pawson
*Director of
Development Services*

Victoria Perrault
Human Resources Director

Members of the City Council, and Citizens of the City of Rohnert Park:

The Comprehensive Annual Financial Report (CAFR) of the City of Rohnert Park (City) for the fiscal year 2016-17 is hereby submitted. This report was prepared by the Finance Department, which is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the data as presented is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in financial position of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City has prepared the CAFR using the financial reporting requirements as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. This GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY

The CAFR includes the funds of the primary government, which includes several enterprise activities, as well as all of its component units. Component units include legally separate entities for which the primary government is financially accountable and that have substantially the same board as the City or provide services entirely to the City. Accordingly, the Rohnert Park Financing Authority's and the City of Rohnert Park Foundation financial information is blended with the City's information in this report. The City was incorporated in August 1962. The City has a council-manager form of government. Five persons are elected by popular vote to serve four-year terms on the City Council. Elections are held every two years. The Mayor is separately elected to a one-year term by members of the City Council from among the City Council members. The Mayor acts as the presiding officer of the City Council. Policies established by the City Council are implemented through the office of the City Manager.

ECONOMIC CONDITION AND OUTLOOK

The City is located in beautiful Sonoma County, approximately forty-five miles north of San Francisco on US Highway 101. It is home to approximately 42,000 people, Sonoma State University, the Green Music Center and the award winning Foxtail Golf Course. A neighboring government, the Federated Indians of the Graton Rancheria (Tribe) opened a casino in November 2013. As one of the first planned communities, the City enjoys the

benefits of a coordinated system of bike trails and paths, schools and parks in every neighborhood. More than 50 restaurants including all the best national chains offer diners the flavors they crave. Residents enjoy sweeping views of Sonoma and Taylor Mountains, preserved from development forever. Rohnert Park is just minutes from popular tourism venues including hundreds of local wineries, the Pacific Ocean, and giant redwoods.

Sonoma County is an attractive international destination and outdoor recreational mecca, with wine related products, specialty foods, wellness programs and spa experiences. The close proximity to major Bay Area attractions will continue to support tourist traffic.

Sonoma County's economy continues to see positive signs of economic recovery. All of the primary sectors are expected to experience modest growth. The unemployment is 3.2 percent; sales tax revenues remain strong; hotel occupancy and room rates have increased; and property tax revenue is higher than pre-recession levels. Future growth will be attributable to Sonoma County being an attractive international destination, with close proximity to major Bay Area attractions that are a draw for many tourists.

LONG-TERM FINANCIAL PLANNING/POLICIES

Long-term financial planning is an integral part of the City's fiscal management. For the General Fund, the City has a 10 year financial forecast model that is used to develop the City's budget. It also is invaluable in helping the City to identify future resources and any downward trends in major revenue sources or increases in expenditures. For example the City is facing large increases in pension costs over the next several year. By using the financial model the City has successfully identified ways to mitigate these increases. The City also has a 5 year financial forecasts for the Water and Sewer Enterprises, including capital projects, as part of a periodic review and monitoring of service rates.

The City recently adopted a new Debt Management Policy which has guided several recent debt payoffs and refundings. The City also has several reserve policies that set monies aside for operating and contingency reserves in the event of an economic downturn or disaster, such as the recent wildfires in Sonoma County. Additionally the City has set aside monies for maintaining infrastructure, vehicle replacement and technology upgrades. The City also recently established a reserve policy for the Graton Casino Mitigation Funds. The City receives mitigation funds from the Graton Casino, and the City has set aside a portion of the funds to guard against cash flow interruptions due to unanticipated changes to Casino mitigation revenue.

MAJOR INITIATIVES

For the Current Year

The City utilizes an annually updated Strategic Plan for the City of Rohnert Park to guide its work plan. The strategic plan provides a comprehensive framework which includes vision, mission, values, accomplishments, best practices and a detailed Action Plan.

For the fourth consecutive year the City adopted a balanced budget where total sources exceeded total uses without spending down General Fund balance. This continues the City's journey toward improved financial sustainability.

The Rohnert Park Department of Public Safety serves the citizens of Rohnert Park by performing both Police and Fire functions. The Officers are trained as both police officers and firefighters as an effective way to provide a quick response to either structure fires or a crime event.

The Public Works and Community Services Department is a full-service department that is responsible for the construction, operation, maintenance, and repair of most of the City's infrastructure, facilities and community programs. In addition to performing regularly assigned duties, staff responds to over 5,000 citizen requests each year and responds to a variety of system problems and emergencies 24 hours per day, 7 days per week. The Department is organized by function into three distinct divisions: Utilities, General Services, and Community Services.

The Utilities Division consists of potable water, sewer, recycled water, and drainage systems. Most utility system functions are heavily regulated where many day-to-day functions are mandated. This division is staffed at a minimum of five days a week but is also monitored 24-7 through the City's computer-controlled wireless network.

The General Services Division consists of streets, buildings, fleet, and parks maintenance. This division is also responsible for the implementation of components of the City's Greenhouse Gas Action Plan and the administration of the Foxtail Golf Course lease agreement.

The Community Services Division operates several major City facilities including: Callinan Sports & Fitness Center, four community centers, Senior Center, pottery studio as well as several parks, community gardens, dog parks, athletic fields, tennis courts, and three swimming pools. Community Services staff also either run or oversee several youth and adult programs, sports leagues, classes, and community events. The Spreckels Performing Arts Center produces critically acclaimed Broadway style musical performances in a City-owned theatre.

The Development Services Department manages land and building development from concept to completion; maintains and implements the City's General Plan and Zoning Code; plans and builds Rohnert Park's infrastructure; plans for Rohnert Park's physical and resource needs by working with local, regional and state agencies to ensure that there is enough water supply and sewer treatment for Rohnert Park citizens and businesses now and in the future; and ensures safe structures and physically attractive neighborhoods by enforcing the California Building Standards Code. The Department has worked diligently to process land use entitlements and permits for significant land developments this year (University District Specific Plan), and as a result of this work construction is underway at this time.

For the Future

Rohnert Park is home to some of the region's most affordable, high-quality commercial space. Economic development efforts are focused on stimulating interest in locating to Rohnert Park. Recently, several companies have moved to the former Agilent site, now known as Sonoma Mountain Village.

Tourism is a key industry in Rohnert Park, contributing significantly to the tax base. The City partners with the Chamber of Commerce and the Sonoma County Tourism Bureau to promote Rohnert Park as a destination. Rohnert Park has eight hotels/motels which provide over 1,000 rooms, and plans to attract more hotels in the near future. The largest property is the Doubletree Hotel, which offers convention and meeting facilities. The Hampton Inn captures a previously un-met segment of the tourism market. Oxford Inn & Suites opened in July of 2017 adding additional mid-scale rooms to Rohnert Park's hotel inventory.

Rohnert Park offers a number of amenities for the traveler, including two 18-hole golf courses, a Performing Arts Center, and a strong base of dining experiences. The Green Music Center at Sonoma State University includes a world-class concert hall to showcase music and provides education programs year-round. The music center attracts visitors from within the region and nationwide, due to the quality of the concert experience.

The City is committed to realizing new development anticipated in its General Plan (GP). The GP articulates a vision for the City that includes an urban growth boundary correlated with a growth management program. It describes a framework of targeted growth areas, including the creation of a City Center area, the development of a mixed-use area north of the Sonoma State University to integrate with the Green Music Center, the development of balanced neighborhoods with a variety of housing types, the expansion of commercial uses to the northwest, and the continued expansion of the City's network of parks and open space.

The GP provides for an average growth rate of 1% with an ultimate build-out of approximately 20,000 housing units, 405 acres of commercial, office and industrial uses, 60 acres of mixed use, and 190 acres of open space over the next twenty years. Construction is underway on the University District Specific Plan at this time with over 100 single family home building permits issued in 2017. The Southeast Specific Plan started home construction in 2017 with about 30 building permits issued.

In 2016, Rohnert Park adopted a Priority Development Area Plan, amended its general plan, and rezoned a large section of its core area in anticipation of developing a mixed use downtown project adjacent to the new commuter rail transit station operated by SMART. SMART started regular passenger operations in August of 2017.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled timely and accurately to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The City's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The objective of budgetary controls is to assure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue and Proprietary Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Except as separately authorized by the Council, all unencumbered appropriations lapse at the end of the fiscal year.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit. Management considers an annual audit by independent certified public accountants a sound and prudent business practice. The accounting firm of Macias Gini & O'Connell LLP performed the annual audit for the City for the fiscal year ended June 30, 2017. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the thirty-fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Most notably, Manuel Orozco, Supervising Accountant, and accountants Lori Newzell and Yosselyn O. Valencia worked diligently to prepare reports, reconciliations and supporting schedules to facilitate audit completion. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Darrin Jenkins
City Manager



Betsy Howze
Finance Director



Government Finance Officers Association

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

Presented to

**City of Rohnert Park
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016



Executive Director/CEO

CITY OFFICIALS

City Council:

Jake Mackenzie, Mayor

Pam Stafford, Vice Mayor

Amy O. Ahanotu, Councilmember

Gina Belforte, Councilmember

Joseph T. Callinan, Councilmember

City Staff:

City Manager _____ Darrin Jenkins

Assistant City Manager _____ Don Schwartz

City Attorney **Michelle Marchetta Kenyon**
Burke, Williams & Sorensen, LLP

City Clerk _____ JoAnne Buergler

Finance Director _____ Betsy Howze

Director of Public Safety _____ Brian Masterson

Director of Public Works & Community Services John McArthur

Director of Human Resources _____ Victoria Perrault

Director of Development Services _____ Mary Grace Pawson

City Council Advisory Commissions, Committees, and Boards:

Bicycle and Pedestrian Advisory Committee

Mobile Home Parks Rent Appeals Board

Parks & Recreation Commission

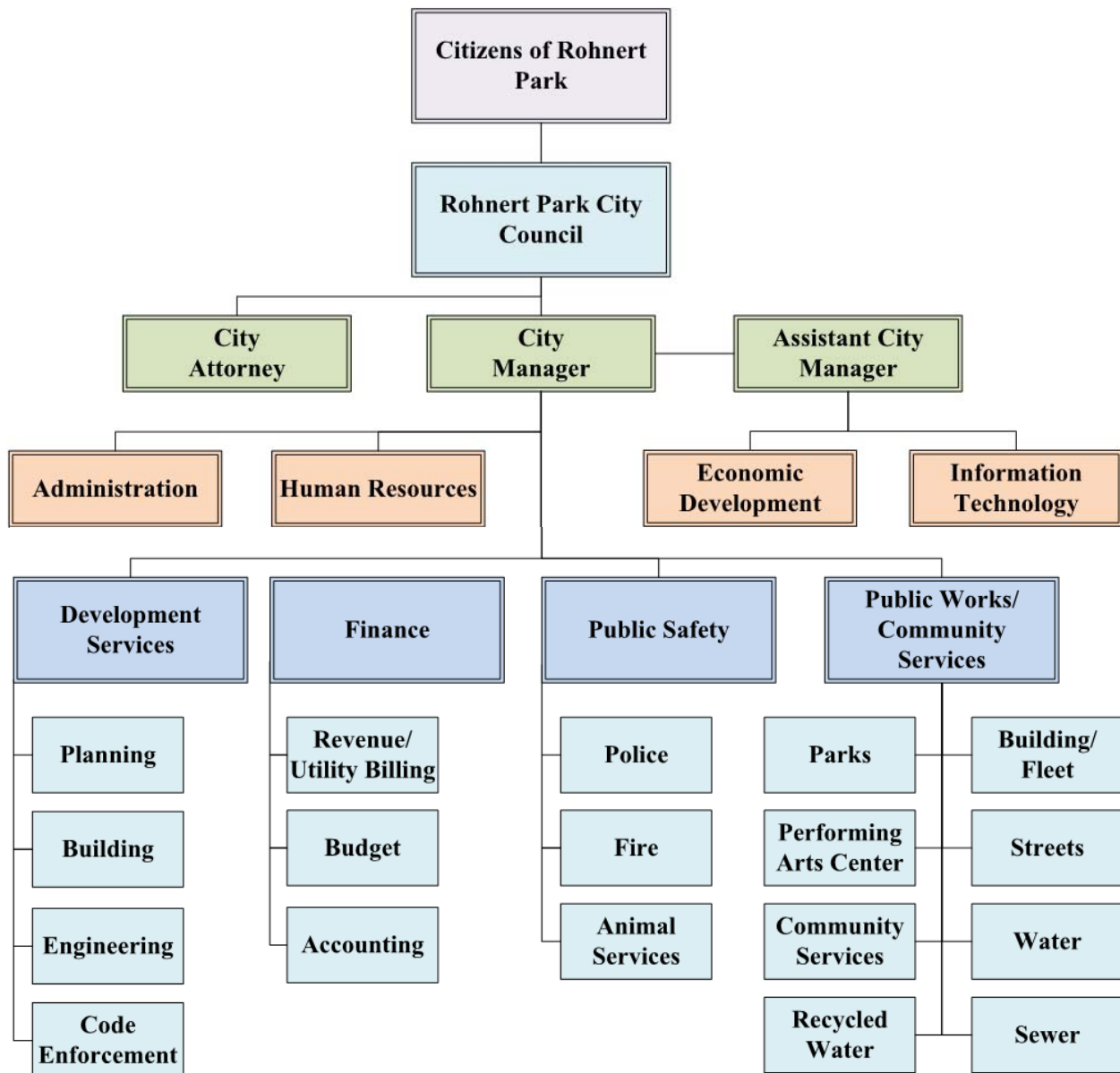
Planning Commission

Senior Citizens Advisory Commission

Sister Cities Relations Committee



ORGANIZATIONAL CHART



FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Rohnert Park, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules related to the pension and post employment health care benefits, 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California

January 30, 2018

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

As management of the City of Rohnert Park (City), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Government-wide Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$161.0 million (net position) at June 30, 2017. Of this amount, \$116.4 million represents the City's investment in capital assets, less (1) accumulated depreciation, and (2) related outstanding debt and deferred outflows and inflows of resources used to acquire those assets; \$52.5 million is available for the City's ongoing obligations related to programs with external restrictions (restricted); and (\$7.9) million (unrestricted deficit) is primarily the result of the City's unfunded pension liabilities. The City's total net position increased by \$25.5 million over the prior year:

- The \$0.4 million increase in net investment in capital assets represents the change in capital assets net of FY 16-17 retirement of related long-term debt.
- The \$9.4 million increase in restricted net position represents the change in resources that are subject to external restriction on their use.
- The \$15.7 million increase in unrestricted net position is the change in resources available to fund City programs and debt obligations. The increase was primarily due to receipt of capital contributions for capital improvements.

Governmental Funds Highlights

The City's Governmental Funds combined ending fund balance of \$64.9 million, an increase of \$11.1 million from the prior year ending balance of \$53.8 million. Fund balances available for spending are categorized into Restricted, Assigned, and Unassigned. These categories total \$61.2 million, or 94.2% of ending fund balance. Of this amount:

- Fund balance restricted by law or externally imposed requirements (e.g., for capital projects, housing projects, and debt service, etc.). increased by \$8.2 million to \$49.8 million
- Fund balance assigned by the City Council, City Manager or Finance Director in accordance with policy and/or budgetary directives (e.g., operating reserve and contingency reserve) increased by \$3.8 million to \$22.8 million.
- Unassigned Fund Balance, which represents the residual of total fund balance less the aforementioned categories, decreased by \$2.8 million to (11.4) million.

The General Fund reported total fund balance of \$25.5 million of which \$2.2 million is nonspendable, \$6.9 million is restricted, \$16.1 million is assigned, and \$0.3 million is unassigned.

The overall increase in governmental fund balance indicates relative financial success for the year.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's Basic Financial Statements. The City's Basic Financial Statements include three components:

- *Government-wide Financial Statements*
- *Fund Financial Statements*
- *Notes to the Financial Statements*

This report also contains required and other *supplementary information* in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These financial statements provide both long-term and short-term information about the City's overall financial status.

The *Statement of Net Position* presents information on all of the City's *Assets and Deferred Outflows of Resources*, and *Liabilities and Deferred Inflows of Resources* with the difference reported as *Net Position*.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

Over time, increases or decreases in net position are a useful indicator of an improving or deteriorating City financial condition.

The *Statement of Activities* presents the most recent fiscal year changes in the City's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The statement reports items resulting in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave) as revenues and expenses.

The *Government-wide Financial Statements* distinguish functions of the City principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City grouped by function include General Government, Public Safety, Public Works, Parks and Recreation, Cultural Arts Center and Interest on Long-Term Debt. The business-type activities of the City include Water, Sewer, Recycled Water, Refuse Collection, and Golf Courses.

Component units are included in Government-wide Financial Statements and are legally separate entities for which the City is financially accountable. Component units have substantially the same governing board as the City, or provide services entirely to the City. The Rohnert Park Financing Authority and the City of Rohnert Park Foundation are included as blended component units of the City.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are divided into three types: ***Governmental funds, Proprietary funds, and Fiduciary funds.***

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental funds 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. (Modified Accrual Basis of Accounting) Such information may be useful in evaluating the City's near-term financing requirements. Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains individual governmental funds organized according to their type (special revenue, debt service, capital projects and permanent funds). Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund; Housing Projects Special Revenue Fund; Financing Authority Debt Service Fund; City Capital Projects Fund; Public Facility Finance Fee Special Revenue Fund; and Graton Mitigation Supplemental Special Revenue Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation entitled "Other Governmental Funds."

Individual and combining fund data for each of these non-major governmental funds is provided as supplementary information in this report.

The City adopts an annually appropriated budget for all of its operating funds. The budget to actual comparison schedules are provided for the General Fund and Special Revenue Funds to demonstrate performance against this budget.

Proprietary funds are generally used to account for services for which the City charges external, or internal customers with the intent to recover all or a significant portion of their costs through user fees and charges. The City maintains the following two types of proprietary funds:

- *Enterprise Funds* report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water, Sewer, Recycled Water, Refuse Collection, and Golf Courses.
- *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service funds account for Information Technology, Vehicle Replacement, Fleet Management, and Infrastructure services. Since these services predominantly benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary funds financial statements provide separate information for Water, Sewer, Recycled Water, Refuse Collection, and Golf Courses activities. The four internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Fiduciary funds account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. The City reported three fiduciary funds.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

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.

Required Supplementary Information (RSI) is presented in addition to the basic financial statements and accompanying notes. This required information includes the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Plan Contributions for Pension, Schedule of Funding Progress for Post-Employment Health Care Benefits, and Budgetary Comparison Schedules for General Fund and major Special Revenue Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$161.0 million at the close of the current fiscal year. The following table is a condensed comparative analysis of the net position of governmental and business-type activities as of June 30, 2017 and June 30, 2016:

**Summary of Net Position
As of June 30, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	2017	(Restated) 2016	2017	2016	2017	(Restated) 2016
Assets:						
Current and other assets	\$ 88,649,784	\$ 74,652,530	\$ 26,181,029	\$ 19,924,652	\$ 114,830,813	\$ 94,577,182
Capital assets, net	81,296,536	80,921,627	49,809,577	49,924,030	131,106,113	130,845,657
Total assets	169,946,320	155,574,157	75,990,606	69,848,682	245,936,926	225,422,839
Deferred outflows of resources:						
Pension items	14,385,660	6,468,158	1,122,336	395,100	15,507,996	6,863,258
Liabilities:						
Current and other liabilities	15,445,890	17,629,591	1,878,788	2,552,746	17,324,678	20,182,337
Long-term liabilities	62,074,837	54,620,851	18,592,681	16,972,351	80,667,518	71,593,202
Total liabilities	77,520,727	72,250,442	20,471,469	19,525,097	97,992,196	91,775,539
Deferred inflows of resources:						
Pension items	2,258,163	4,597,828	191,522	440,487	2,449,685	5,038,315
Net position:						
Net investment in capital assets	79,984,205	79,984,403	36,440,979	36,055,113	116,425,184	116,039,516
Restricted net position	52,511,853	43,154,460	-	-	52,511,853	43,154,460
Unrestricted net position	(27,942,968)	(37,944,818)	20,008,972	14,223,085	(7,933,996)	(23,721,733)
Total net position	\$ 104,553,090	\$ 85,194,045	\$ 56,449,951	\$ 50,278,198	\$ 161,003,041	\$ 135,472,243

Analysis of Net Position

The City's total net position (government and business-type activities) increased by \$25.5 million, or 18.8% during the fiscal year.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

Net investment in Capital Assets is the largest portion of the City's net position. It is comprised of capital assets (i.e. land, building, roads, machinery and equipment) less the related outstanding long-term debt used to acquire those assets. The City uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the City's investment in its capital asset is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The \$0.4 million, or 0.3% increase in net investment in capital assets was due to the increase in net capital assets by \$0.2 million and the decrease of related long-term debt by \$0.2 million.

Restricted Net Position of \$52.5 million represents resources that are subject to external restrictions on their use, or by enabling legislation. Due to the unique nature of funding sources, the City has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is mainly comprised of amounts restricted for housing development (\$27.2 million or 51.8%), retirement benefits (\$6.8 million or 13.0%), capital and street projects (\$6.2 million or 11.8%), public safety programs (\$5.4 million or 10.2%), general redevelopment capital projects (\$2.4 million or 4.6%), performing arts center (\$1.2 million or 2.3%), and other (\$3.3 million, or 6.3%).

Restricted net position increased by \$9.4 million, or 21.7%, due to the change in resources that are subject to external restriction on their use.

Unrestricted Net Position in the amount of (\$7.9) million represents net position of the City that is not restricted for any project or purpose. The increase of \$15.8 million, or 66.6% was primarily due to the increase in deferred pension outflows of \$8.6 million and the decrease in deferred pension inflows of \$2.6 million.

Current Assets increased by \$20.3 million, or 21.4% mainly due to the increase in unrestricted and restricted cash and investments by \$21.2 million or 29.6%. The increase of cash and investments was mainly due to \$1.8 million of unanticipated tax revenues, an increase of \$3.1 million in charges for services, an increase of unspent contribution made by the Federated Indians of Graton Rancheria (Tribe) in accordance with the Memorandum of Understanding (MOU) with the City, and \$5.2 million in cash capital contributions for the construction of Water Tank # 8.

Current and Other Liabilities decreased by \$2.9 million, or 14.2% primarily due to the timing difference of payments on accounts payable.

Long Term Liabilities increased by \$9.2 million, or 12.7% primarily due to increase of net pension liability of \$9.6 million.

Deferred Outflows of Resources increased by \$8.6 million, or 126.0% while **Deferred Inflows of Resources** decreased by \$2.6 million, or 51.4% due to changes in pension related items.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

Changes in Net Position

The following table is a condensed comparative analysis of the changes in net position of governmental and business-type activities for fiscal years ended June 30, 2017 and 2016:

Changes in Net Position For the Fiscal Years Ended June 30, 2017 and 2016						
	Governmental Activities		Business-type Activities		Total	
	2017	(Restated) 2016	2017	2016	2017	(Restated) 2016
Revenues:						
Program revenues:						
Charges for services	\$ 11,827,314	\$ 10,311,747	\$ 21,097,856	\$ 19,522,256	\$ 32,925,170	\$ 29,834,003
Operating grants and contributions	14,010,389	13,510,394	-	-	14,010,389	13,510,394
Capital grants and contributions	8,680,953	8,541,829	5,237,008	-	13,917,961	8,541,829
General revenues:						
Property taxes	4,358,477	4,009,906	-	-	4,358,477	4,009,906
Property tax in lieu of vehicle license fees	3,254,816	2,917,304	-	-	3,254,816	2,917,304
Sales taxes	11,244,782	10,483,969	-	-	11,244,782	10,483,969
Franchise taxes	2,398,910	2,221,543	-	-	2,398,910	2,221,543
Other taxes	3,668,873	3,459,315	-	-	3,668,873	3,459,315
Investment income	1,810,778	500,983	119,496	94,773	1,930,274	595,756
Gain on sale of capital asset:	-	51,514	-	-	-	51,514
Other	219,349	458,554	-	-	219,349	458,554
Total revenues	61,474,641	56,467,058	26,454,360	19,617,029	87,929,001	76,084,087
Expenses:						
General government	12,254,948	10,499,931	-	-	12,254,948	10,499,931
Public safety	14,181,941	16,106,438	-	-	14,181,941	16,106,438
Public works	9,495,442	4,718,970	-	-	9,495,442	4,718,970
Parks and recreation	3,880,613	4,106,404	-	-	3,880,613	4,106,404
Cultural arts center	1,485,038	982,644	-	-	1,485,038	982,644
Interest on long-term debt	29,543	22,989	-	-	29,543	22,989
Water	-	-	6,741,027	6,020,579	6,741,027	6,020,579
Sewer	-	-	13,821,479	12,647,157	13,821,479	12,647,157
Recycled water	-	-	277,636	150,607	277,636	150,607
Refuse collection	-	-	86,585	32,070	86,585	32,070
Golf Courses	-	-	143,951	-	143,951	-
Total expenses	41,327,525	36,437,376	21,070,678	18,850,413	62,398,203	55,287,789
Increase in net position before transfers	20,147,116	20,029,682	5,383,682	766,616	25,530,798	20,796,298
Transfers	(788,071)	(925,904)	788,071	925,904	-	-
Change in net position	19,359,045	19,103,778	6,171,753	1,692,520	25,530,798	20,796,298
Net position, beginning of year	85,194,045	66,090,267	50,278,198	48,585,678	135,472,243	114,675,945
Net position, end of year	\$ 104,553,090	\$ 85,194,045	\$ 56,449,951	\$ 50,278,198	\$ 161,003,041	\$ 135,472,243

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

Analysis of Governmental Activities

Governmental Activities increased the City's net position by \$19.4 million to \$104.6 million for the year ended June 30, 2017, accounting for 75.8% of the City's total increase in net position.

Revenues

Total revenues for the City's Governmental Activities had an overall increase from the prior year of \$5.0 million, or 8.9%, to \$61.5 million. Revenues are divided into two categories: Program Revenues which derive from the program itself such as fees and charges or from outside the City's tax base, and General Revenues that are not program related such as taxes.

Program Revenues had an overall increase from the prior year of \$2.2 million, or 6.7%, to \$34.5 million.

- Charges for services increased by \$1.5 million, or 14.7%, to \$11.8 million primarily due to receipt of \$1.1 million of maintenance annuity revenues pursuant to a development agreement with the University District Specific Plan Area for the purpose of funding the increased cost of municipal services resulting from new residential development.
- Operating grants and contributions increased by \$0.5 million, or 3.7%, to \$14.0 million. Capital grants and contributions increased by \$0.2 million, or 1.6% to \$8.7 million. The increases are primarily due to increase of contribution made by the Tribe in accordance with the MOU with the City by \$0.7 million to \$12.7 million.

General Revenues had an overall increase of \$2.9 million, or 11.8%, to \$27.0 million. These revenues include general taxes which provided the City Council with the most discretionary spending ability. The increase in general revenues was due primarily to the increase of taxes due to improved economy: increase of property tax revenues of \$0.4 million; increase of property tax in lieu of vehicle licenses fees of \$0.3 million; increase in sales taxes of \$0.8 million; increase in franchise taxes of \$0.2 million; and increase in other tax revenue of \$0.2 million. Investment income also increased by \$1.3 million when compared to prior year due to the increase in rate of returns from investments as well as the recognition of interest accrual recalculation of \$0.9 million for the advances between the City and the Successor Agency to the Community Development Commission of the City of Rohnert Park (Successor Agency).

Expenses

Total expenses for Governmental Activities had an overall increase of \$4.9 million, or 13.4%, to \$41.3 million. The increase in expenses was generally attributable to the following:

- General government increased by \$1.8 million, or 16.7%, to \$12.3 million and cultural arts centers increased by \$0.5 million, or 51.1%, to \$1.5 million primarily due to an increase in employee benefit costs and reallocation of pension related balances and expenses from public safety function.
- Public safety decreased by \$1.9 million, or 11.9%, to \$14.2 million primarily due to the decrease in allocation of pension related balances and expenses to the public safety function.
- Public works increased by \$4.8 million, or 101.2%, to \$9.5 million primarily due to loss on the disposal of capital assets of \$3.2 million.

CITY OF ROHNERT PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

Analysis of Business-Type Activities

The net position of business-type activities increased by \$6.2 million to \$56.5 million due to the following:

- Charges for services revenues increased by \$1.6 million, or 8.1%, to \$21.1 million due to increased usage of services.
- Receipt of cash capital contributions in the amount of \$5.2 million as part of the funding for the development and construction of Water Tank # 8.
- Expenses increased by \$2.2 million, or 11.8%, to \$21.1 million mainly due to the increase in usage of services which lead to the increase in expenses for purchase of water, wastewater treatment, and payroll and related costs.

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCES

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources (modified accrual basis of accounting). Such information is useful in assessing the City's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2017, the City's Governmental Funds reported total fund balances of \$64.9 million, an increase of \$11.1 million, or 20.6%, in comparison with the prior year's total ending fund balances. Approximately 94.2%, or \$61.1 million of the total fund balances is spendable, which means it is available to meet the City's current and future needs. City Council, or City management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The components of total fund balance are as follows:

- Nonspendable Fund Balance, \$3.7 million consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of prepaid items, advances to the successor agency trust fund; and certain assets held in the Performing Arts Endowment Permanent Fund.
- Restricted Fund Balance, \$49.8 million consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (e.g., Sports Center Capital Facility Fund) or (2) legislated amounts (e.g., State Gasoline Tax).
- Assigned Fund Balance, \$22.8 million is assigned by the City Council, City Manager or Finance Director in accordance with policy and budgetary directives.
- Unassigned Fund Balance, (\$11.4) million, represents the residual classification for the City's General Fund and the negative fund balance in the Public Facilities Finance Fee Special Revenue Fund.

CITY OF ROHNERT PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

General Fund

The General Fund is the main operating fund of the City. The General Fund's total fund balance increased by \$6.0 million, or 30.5%, to \$25.5 million at June 30, 2017.

The spendable portion of fund balance increased by \$5.1 million to \$23.3 million, primarily due to unanticipated revenues received for the year. The nonspendable portion of fund balance increased by \$0.9 million, to \$2.2 million, due to an interest accrual recalculation of the advance to the Successor Agency.

As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 81.0% of total General Fund expenditures while spendable fund balance equates to 73.9% of total General Fund expenditures. Of the General Fund spendable fund balance, \$6.9 million is restricted; \$16.1 million is assigned; and \$0.3 million is unassigned.

Other Major Governmental Funds

The total fund balances of the other Major Governmental Funds decreased by \$0.5 million, or 2.6%, to \$19.2 million with the following significant changes:

- The Housing Projects Special Revenue Fund increased fund balance by \$1.4 million, from \$24.4 million to \$25.8 million, or 5.7%, primarily due to the sale of capital assets and receipt of proceeds of \$1.9 million.
- The Public Facility Finance Fee Special Revenue Fund decreased fund balance by \$2.5 million, from (\$9.2) million to (\$11.7) million, or 27.4% as revenues received of \$2.5 million is less than the transfer out of \$4.4 million for capital projects funding. The negative fund balance is due to the timing difference of receipt of revenues to fund its capital expenditures related to the Public Facilities Finance Plan.
- The Graton Mitigation Supplemental Special Revenue Fund increased fund balance by \$0.7 million from \$2.1 million to \$2.8 million, or 29.8% due to revenues in excess of scheduled net transfers to other funds for the year.
- The Financing Authority Debt Service Fund and City Capital Projects Fund remained consistent between the years.

Nonmajor Governmental Funds

The total fund balance of Nonmajor Governmental Funds increased by \$5.6 million from \$14.5 million to \$20.1 million, or 38.8%. The significant changes occurred in the following funds:

- The Graton Mitigation Public Safety Building Fund increased by \$1.8 million due to the receipt of \$1.9 million of Tribe construction funding for the Westside Fire Station.
- The Graton Mitigation Public Services Fund increased by \$0.8 million due to receipt of Tribe funding for public services.
- The Graton Mitigation City Vehicle Contribution Fund increased by \$1.1 million due to receipt of Tribe funding for City vehicle purchases.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

- The UDSP Maintenance Annuity Fund increased by \$0.9 million due to receipt of developer for the funding municipal services resulting from new residential development.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

- Total Enterprise Fund net position, which at year-end was comprised of the Water Fund, Sewer Fund, Recycled Water Fund, Refuse Collection Fund, and Golf Courses Fund, increased by \$6.2 million from the prior year. This increase in net position is mainly due to the receipt of cash capital contributions as part of the funding for the development and construction of Water Tank #8, as more fully described previously, in the Government-wide Analysis.
- Total Internal Service Fund net position increased by \$3.5 million to \$5.9 million. The increase in net position is due to council direction to add to the reserves in the Vehicle Replacement Fund and the Infrastructure Fund which lead to the increase net position of the funds by \$1.1 million and \$2.6 million, respectively.

Fiduciary funds

The City's fiduciary funds net positions decreased by \$0.2 million, from (\$31.6) million to (\$31.8) million, or 0.8%.

- The Redevelopment Successor Agency decreased by \$0.2 million to (\$31.8) million. This decrease is primarily due to the intergovernmental transfer of \$0.5 million of 2007R Redevelopment capital project bond proceeds to the City Capital Project Fund. The net deficit is expected to be eliminated with future redevelopment property tax revenues distributed from the Redevelopment Property Tax Trust Fund administered by the Sonoma County.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's final budget appropriations for expenditures for the General Fund increased from the original budget by \$1.6 million or 4.6%. The major changes in appropriations are as follows:

- Nondepartmental employee benefits appropriations increased \$0.5 million mainly due to increase in Other Post-Employment Benefit (OPEB) contributions.
- Development Services appropriations increased by \$0.2 million due to an increase in reimbursable developer activities.
- Capital outlay appropriations increased by \$0.2 million due to an increase in capital activities.

Revenues: General Fund revenues were \$4.5 million more than Final Budget revenue estimates. The main reasons are as follows:

- Property taxes and real property transfer taxes outperformed revenue estimates by \$0.8 million due to increased property values and increased property sales.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

- Transient Occupancy Tax outperformed revenue estimates by \$0.5 million due to improved economic conditions resulting in strong tourism.
- Franchise Tax outperformed revenue estimates by \$0.3 million due to increases to utility usage and/or costs that are the basis for the franchise fees.
- Sales and Use Taxes outperformed revenue estimates by \$0.5 million due to improved economic conditions resulting in strong sales activities.
- Investment earnings outperformed revenue estimates by \$1.4 million due to the interest recalculation of advance between the City and the Successor Agency of \$0.9 million.

Expenditures: The variance between the final budget and actual expenditures resulted in \$5.6 million of unspent appropriations. Key variances are due to, carryover encumbrances, vacant positions, and tight controls on services, supplies and equipment spending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets (net of depreciation)
As of June 30, 2017 and 2016

	Governmental activities		Business-type activities		Total		Percent of Change
	2017	2016	2017	2016	2017	2016	
Land	\$ 5,281,289	\$ 7,029,287	\$ 3,700	\$ -	\$ 5,284,989	\$ 7,029,287	-24.8%
Construction in progress	15,782,512	13,794,401	1,371,081	4,133,601	17,153,593	17,928,002	-4.3%
Infrastructure, structures and improvements	129,998,497	129,489,384	73,367,223	66,916,474	203,365,720	196,405,858	3.5%
Equipment	13,601,870	12,151,428	4,266,217	4,220,663	17,868,087	16,372,091	9.1%
Accumulated depreciation	(83,367,632)	(81,542,873)	(29,198,644)	(25,346,708)	(112,566,276)	(106,889,581)	5.3%
Total	<u>\$ 81,296,536</u>	<u>\$ 80,921,627</u>	<u>\$ 49,809,577</u>	<u>\$ 49,924,030</u>	<u>\$ 131,106,113</u>	<u>\$ 130,845,657</u>	0.2%

During the fiscal year, the City's capital assets increased by approximately \$0.3 million, or 0.2% to \$131.1 million (net of accumulated depreciation). Capital assets include land, and improvements, structures and improvements, equipment, vehicles and infrastructure.

The City both purchases and constructs capital assets throughout the year. When a capital project will be completed in a subsequent fiscal year, related expenditures are recorded as Construction in Progress (CIP). In the year of completion, CIP is recorded to the appropriate capital asset classification(s). In the current fiscal year, CIP increased by \$2.0 million for governmental activities and decreased \$2.8 million for business-type activities.

During the year, the City completed and capitalized projects costing approximately \$9.0 million. Some of the major projects completed were as follows:

- General government – B Pool Renovation (\$1.5 million); Public Safety Main HVAC Replacement (\$1.0 million); Rohnert Park Expressway Rehabilitation Phase 2 (\$0.8 million); Community Center Parking Lot Overlay (\$0.5 million).

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

- Sewer Fund – Eastside Trunk Sewer Project Phase 3 (\$2.7 million); Sewer Pipe Lining project (\$0.8 million); Claussin and Highway 101 Rehabilitation Project (\$0.7 million).

The City transferred depreciable capital assets for golf courses with net book value of \$0.4 million from the governmental activities to the business-type activities.

The governmental activities also sold capital assets during the year with book value of \$5.2 million and received proceeds totaling \$2.1 million.

Additional information about the City's capital assets can be found in Note 6 to the financial statements.

Debt Administration

Long-Term Liabilities As of June 30, 2017 and 2016

	Governmental activities		Business-type activities		Total		Percent of Change
	2017	2016	2017	2016	2017	2016	
Certificates of participation	\$ -	\$ -	\$ 9,970,000	\$ 10,295,000	\$ 9,970,000	\$ 10,295,000	-3.2%
Lease revenue refunding bonds	355,500	387,000	-	-	355,500	387,000	-8.1%
Water revenue bonds	-	-	3,285,000	3,455,000	3,285,000	3,455,000	-4.9%
Loan payable	956,831	680,865	-	-	956,831	680,865	40.5%
Total	<u>\$ 1,312,331</u>	<u>\$ 1,067,865</u>	<u>\$ 13,255,000</u>	<u>\$ 13,750,000</u>	<u>\$ 14,567,331</u>	<u>\$ 14,817,865</u>	-1.7%

At June 30, 2017, the City's governmental activities had total outstanding long-term debt of \$1.3 million. The balance was comprised of \$0.3 million of lease revenue refunding bonds issued by the Rohnert Park Financing Authority (the Authority), and secured by the base rental payments to be made by the City under the lease between the City and the Authority; and \$1.0 million of loans payable. Governmental activities long-term debt increased by \$0.2 million during the year primarily due to the new loan obligations offset by scheduled debt service payments.

At June 30, 2017, the City's business-type activities had total outstanding long term debt of \$13.3 million, comprised of \$10.0 million of sewer system revenue certificates of participation issued by the Authority and secured by an irrevocable pledge of sewer net revenues; and \$3.3 million of water revenue bonds secured by an irrevocable pledge of water net revenues. Business-type activities long-term debt decreased by \$0.5 million during the year due to scheduled debt service payments.

The City's Ordinance imposes a limit on the amount of general obligation bonds the City can have outstanding at any given time. As of June 30, 2017, the City's debt limit (15.0% of assessed valuation) was \$687.0 million. At June 30, 2017, the City did not have any debt applicable to the limit outstanding.

Additional information about the City's long-term obligations can be found in Note 7 to the financial statements.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET ANALYSIS

The following factors were considered in preparing the City's operating budget for FY 2017-18:

- The budget is projecting continued moderate and sustainable growth in City revenues using conservative estimates.
- In general, property taxes were projected to increase by 7.7%.
- Transient Occupancy taxes were projected to increase by 13.8%.
- Retail Sales tax was projected to increase 0.4% in consideration of economic forecasts prepared by our Sales Tax consultant.
- Services and supplies expenditures to increase by 5.5% due to new labor agreements that were being negotiated during the budget development, and all other expenditures increased by approximately 2.5%.
- The budget maintains continued focus on achieving municipal solvency.
- Salaries and benefits were projected to increase approximately 5.5% due to new MOAs that were being negotiated during budget development, and all other expenditures increased by approximately 2.5%.

Overall, General Fund fiscal projections are expected to result in operating revenues sufficient to cover current baseline ongoing expense.

For the fourth consecutive year, the City adopted a balanced budget. Although the City has made significant progress, unfunded liabilities continue to present significant challenges to long-term financial solvency and service level solvency.

The City's FY 16-17 budget which includes the Five Year Capital Improvement Program budget can be found at <http://www.ci.rohnert-park.ca.us/cms/One.aspx?portalId=3037873&pageId=3344161>

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Rohnert Park Finance Director, 130 Avram Avenue, Rohnert Park, CA 94928. The City's Comprehensive Annual Financial Report can also be found on the City's website.

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CITY OF ROHNERT PARK
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and investments	\$ 47,937,981	\$ 21,082,294	\$ 69,020,275
Receivables	5,201,389	3,861,792	9,063,181
Prepaid items and other assets	1,059,471	-	1,059,471
Restricted cash and investments	23,674,128	-	23,674,128
Internal balances	(1,236,943)	1,236,943	-
Loans and notes receivable, net of allowance	9,820,358	-	9,820,358
Advances to the Successor Agency	2,193,400	-	2,193,400
Capital assets:			
Nondepreciable assets	21,063,801	1,374,781	22,438,582
Depreciable assets, net	60,232,735	48,434,796	108,667,531
Total assets	<u>169,946,320</u>	<u>75,990,606</u>	<u>245,936,926</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	<u>14,385,660</u>	<u>1,122,336</u>	<u>15,507,996</u>
LIABILITIES			
Accounts payable	3,103,629	942,553	4,046,182
Accrued liabilities	1,695,884	17,667	1,713,551
Interest payable	8,340	75,538	83,878
Deposits	905,795	843,030	1,748,825
Unearned revenue	388,017	-	388,017
Advances from the Successor Agency	9,344,225	-	9,344,225
Long-term liabilities:			
Due within one year	1,470,693	684,183	2,154,876
Due in more than one year	1,249,333	12,867,041	14,116,374
Net OPEB obligation	4,064,000	-	4,064,000
Net pension liability	55,290,811	5,041,457	60,332,268
Total liabilities	<u>77,520,727</u>	<u>20,471,469</u>	<u>97,992,196</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items	<u>2,258,163</u>	<u>191,522</u>	<u>2,449,685</u>
NET POSITION			
Net investment in capital assets	79,984,205	36,440,979	116,425,184
Restricted for:			
Nonexpendable:			
Performing arts center	500,000	-	500,000
Expendable:			
Housing projects	27,219,809	-	27,219,809
Capital and street projects	6,176,207	-	6,176,207
Redevelopment capital projects	2,425,199	-	2,425,199
Retirement benefits	6,803,693	-	6,803,693
General government programs	3,295,334	-	3,295,334
Public safety programs - police	5,234,570	-	5,234,570
Public safety programs - fire	136,121	-	136,121
Debt service	29,788	-	29,788
Performing arts center	691,132	-	691,132
Unrestricted	<u>(27,942,968)</u>	<u>20,008,972</u>	<u>(7,933,996)</u>
Total net position	<u>\$ 104,553,090</u>	<u>\$ 56,449,951</u>	<u>\$ 161,003,041</u>

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
FUNCTION/PROGRAM ACTIVITIES:				
Primary government:				
Governmental activities:				
General government	\$ 12,254,948	\$ 5,395,832	\$ 9,868,118	\$ 2,685,147
Public safety	14,181,941	1,147,291	1,933,103	1,875,000
Public works	9,495,442	3,561,595	2,198,636	4,120,806
Parks and recreation	3,880,613	1,301,630	-	-
Cultural arts center	1,485,038	420,966	10,532	-
Interest on long-term debt	29,543	-	-	-
Total governmental activities	41,327,525	11,827,314	14,010,389	8,680,953
Business-type activities:				
Water	6,741,027	7,109,819	-	5,237,008
Sewer	13,821,479	13,647,965	-	-
Recycled Water	277,636	284,558	-	-
Refuse Collection	86,585	-	-	-
Golf Courses	143,951	55,514	-	-
Total business-type activities	21,070,678	21,097,856	-	5,237,008
Total primary government	\$ 62,398,203	\$ 32,925,170	\$ 14,010,389	\$ 13,917,961
General revenues:				
Property taxes				
Property tax in lieu of vehicle licenses fee				
Intergovernmental - Sales taxes				
Franchise taxes				
Transient occupancy taxes				
Real property transfer taxes				
Investment income				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
NET POSITION, BEGINNING OF YEAR,				
AS PREVIOUSLY REPORTED				
PRIOR PERIOD ADJUSTMENT (NOTE 16)				
NET POSITION, BEGINNING OF YEAR,				
AS ADJUSTED				
NET POSITION, END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business- type Activities	Total	
\$ 5,694,149	\$ -	\$ 5,694,149	FUNCTION/PROGRAM ACTIVITIES:
(9,226,547)	-	(9,226,547)	Primary government:
385,595	-	385,595	Governmental activities:
(2,578,983)	-	(2,578,983)	General government
(1,053,540)	-	(1,053,540)	Public safety
(29,543)	-	(29,543)	Public works
(6,808,869)	-	(6,808,869)	Parks and recreation
			Cultural arts center
			Interest on long-term debt
			Total governmental activities
-	5,605,800	5,605,800	Business-type activities:
-	(173,514)	(173,514)	Water
-	6,922	6,922	Sewer
-	(86,585)	(86,585)	Recycled Water
-	(88,437)	(88,437)	Refuse Collection
-			Golf Courses
-	5,264,186	5,264,186	Total business-type activities
(6,808,869)	5,264,186	(1,544,683)	Total primary government
4,358,477	-	4,358,477	General revenues:
3,254,816	-	3,254,816	Property taxes
11,244,782	-	11,244,782	Property tax in lieu of vehicle licenses fee
2,398,910	-	2,398,910	Intergovernmental - Sales taxes
3,447,669	-	3,447,669	Franchise taxes
221,204	-	221,204	Transient occupancy taxes
1,810,778	119,496	1,930,274	Real property transfer taxes
219,349	-	219,349	Investment income
(788,071)	788,071	-	Other
26,167,914	907,567	27,075,481	Transfers
19,359,045	6,171,753	25,530,798	Total general revenues and transfers
81,769,762	50,278,198	132,047,960	Change in net position
3,424,283	-	3,424,283	NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED
85,194,045	50,278,198	135,472,243	PRIOR PERIOD ADJUSTMENT (NOTE 16)
\$ 104,553,090	\$ 56,449,951	\$ 161,003,041	NET POSITION, BEGINNING OF YEAR, AS ADJUSTED
			NET POSITION, END OF YEAR

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Housing Projects Special Revenue	Financing Authority Debt Service	City Capital Projects
ASSETS				
Cash and investments	\$ 15,345,338	\$ 3,400,910	\$ -	\$ -
Receivables:				
Taxes	2,043,310	-	-	-
Accounts	1,409,152	-	-	-
Accrued interest	116,459	-	-	-
Intergovernmental	74,202	-	-	1,084,731
Due from other funds	1,530,322	-	-	-
Prepaid items and other assets	39,998	-	-	-
Restricted cash and investments	6,803,693	13,818,542	38,128	3,013,765
Loans and notes receivable, net of allowance	-	9,820,358	-	-
Advances to the successor agency trust fund	2,193,400	-	-	-
Total assets	<u>\$ 29,555,874</u>	<u>\$ 27,039,810</u>	<u>\$ 38,128</u>	<u>\$ 4,098,496</u>
LIABILITIES				
Accounts payable	\$ 722,267	\$ 8,749	\$ -	\$ 1,489,225
Accrued liabilities	1,688,093	-	-	-
Due to other funds	-	-	-	84,033
Deposits	805,756	-	-	100,039
Unearned revenue	388,017	-	-	-
Advances from other funds	-	-	-	-
Advances from the successor agency trust fund	288,500	-	-	-
Total liabilities	<u>3,892,633</u>	<u>8,749</u>	<u>-</u>	<u>1,673,297</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>152,079</u>	<u>1,228,592</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	2,233,398	-	-	-
Restricted	6,860,247	25,802,469	38,128	2,425,199
Assigned	16,103,193	-	-	-
Unassigned	314,324	-	-	-
Total fund balances (deficits)	<u>25,511,162</u>	<u>25,802,469</u>	<u>38,128</u>	<u>2,425,199</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 29,555,874</u>	<u>\$ 27,039,810</u>	<u>\$ 38,128</u>	<u>\$ 4,098,496</u>

See accompanying notes to the basic financial statements.

Public Facility Finance Fee Special Revenue	Graton Mitigation Supplemental Special Revenue	Other Governmental Funds	Total	
\$ -	\$ 2,761,021	\$ 19,400,625	\$ 40,907,894	ASSETS
-	-	32,375	2,075,685	Cash and investments
-	-	160,732	1,569,884	Receivables:
-	-	-	116,459	Taxes
-	-	280,428	1,439,361	Accounts
-	-	-	1,530,322	Accrued interest
-	-	1,005,786	1,045,784	Intergovernmental
-	-	-	23,674,128	Due from other funds
-	-	-	9,820,358	Prepaid items and other assets
-	-	-	2,193,400	Restricted cash and investments
-	-	-	-	Loans and notes receivable, net of allowance
-	-	-	-	Advances to the successor agency trust fund
<u>\$ -</u>	<u>\$ 2,761,021</u>	<u>\$ 20,879,946</u>	<u>\$ 84,373,275</u>	Total assets
\$ 1,279	\$ -	\$ 796,797	\$ 3,018,317	LIABILITIES
-	-	7,791	1,695,884	Accounts payable
1,446,289	-	-	1,530,322	Accrued liabilities
-	-	-	905,795	Due to other funds
-	-	-	388,017	Deposits
1,236,943	-	-	1,236,943	Unearned revenue
9,055,725	-	-	9,344,225	Advances from other funds
11,740,236	-	804,588	18,119,503	Advances from the successor agency trust fund
-	-	-	1,380,671	Total liabilities
-	-	-	-	DEFERRED INFLOWS OF RESOURCES
-	-	-	-	Unavailable revenues
-	-	1,505,786	3,739,184	FUND BALANCES (DEFICITS)
-	-	14,659,772	49,785,815	Nonspendable
-	2,761,021	3,909,800	22,774,014	Restricted
(11,740,236)	-	-	(11,425,912)	Assigned
(11,740,236)	2,761,021	20,075,358	64,873,101	Unassigned
\$ -	\$ 2,761,021	\$ 20,879,946	\$ 84,373,275	Total fund balances (deficits)
-	-	-	-	Total liabilities, deferred inflows of resources and fund balances (deficits)

See accompanying notes to the basic financial statements.

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CITY OF ROHNERT PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Fund balances - total governmental funds		\$	64,873,101
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.			81,063,117
Internal service funds are used to charge the costs of management of centralized data processing services, vehicle replacement, fleet management, and infrastructure and related billings to other City departments and individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			5,916,523
Long-term receivables and interest on loans are not available to pay for current period expenditures and, therefore, are considered unavailable on the modified accrual basis of accounting.			1,380,671
Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is not accrued as a liability in the balance sheet of governmental funds.			(8,340)
Deferred outflows and inflows of resources for pension items in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Deferred outflows of resources			14,064,199
Deferred inflows of resources			(2,203,306)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.			
Net OPEB obligation	\$	(4,064,000)	
Net pension liability		(53,846,830)	
Lease revenue refunding bonds		(355,500)	
Loans payable		(858,850)	
Compensated absences		(1,407,695)	(60,532,875)
Net position of governmental activities		\$	<u>104,553,090</u>

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	Housing Projects Special Revenue	Financing Authority Debt Service	City Capital Projects
REVENUES				
Taxes	\$ 13,681,076	\$ -	\$ -	\$ -
Intergovernmental - Sales taxes	11,244,782	-	-	-
Intergovernmental	449,625	-	-	1,113,514
Intergovernmental transfer from successor agency trust fund	-	-	-	500,000
Interest and rentals	2,011,608	108,880	29	20,453
Charges for current services	5,690,591	-	-	-
Licenses, permits and fees	2,471,387	-	-	-
Fines, forfeitures and penalties	168,695	-	-	-
Donations and miscellaneous	128,102	16,952	-	56,364
Total revenues	<u>35,845,866</u>	<u>125,832</u>	<u>29</u>	<u>1,690,331</u>
EXPENDITURES				
Current:				
General government	10,673,094	604,169	-	-
Public safety	15,515,629	-	-	-
Public works	1,074,722	-	-	-
Parks and recreation	3,010,377	-	-	-
Cultural arts center	885,038	-	-	-
Capital outlay	207,439	-	-	7,470,377
Debt service:				
Principal	112,017	-	31,500	-
Interest and fiscal charges	-	-	20,931	-
Total expenditures	<u>31,478,316</u>	<u>604,169</u>	<u>52,431</u>	<u>7,470,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,367,550</u>	<u>(478,337)</u>	<u>(52,402)</u>	<u>(5,780,046)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	181,683	1,869,086	-	-
Issuance of loans	-	-	-	420,643
Transfers in	5,235,895	-	50,038	5,594,101
Transfers out	(3,821,807)	-	-	(243,836)
Total other financing sources (uses)	<u>1,595,771</u>	<u>1,869,086</u>	<u>50,038</u>	<u>5,770,908</u>
NET CHANGE IN FUND BALANCES	<u>5,963,321</u>	<u>1,390,749</u>	<u>(2,364)</u>	<u>(9,138)</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	<u>16,123,558</u>	<u>24,411,720</u>	<u>40,492</u>	<u>2,434,337</u>
PRIOR PERIOD ADJUSTMENT (NOTE 16)	<u>3,424,283</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS ADJUSTED	<u>19,547,841</u>	<u>24,411,720</u>	<u>40,492</u>	<u>2,434,337</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 25,511,162</u>	<u>\$ 25,802,469</u>	<u>\$ 38,128</u>	<u>\$ 2,425,199</u>

See accompanying notes to the basic financial statements.

Public Facility Finance Fee Special Revenue	Graton Mitigation Supplemental Special Revenue	Other Governmental Funds	Total	
\$ -	\$ -	\$ 590,081	\$ 14,271,157	REVENUES
-	-	-	11,244,782	Taxes
-	-	2,049,007	3,612,146	Intergovernmental - Sales taxes
-	-	-	500,000	Intergovernmental
1,485	19,823	105,620	2,267,898	Intergovernmental transfer from successor agency trust fund
-	-	248,709	5,939,300	Interest and rentals
2,482,366	-	2,501,574	7,455,327	Charges for current services
-	-	83,120	251,815	Licenses, permits and fees
-	5,370,989	7,826,566	13,398,973	Fines, forfeitures and penalties
2,483,851	5,390,812	13,404,677	58,941,398	Donations and miscellaneous
				Total revenues
				EXPENDITURES
				Current:
68,146	-	1,324,928	12,670,337	General government
-	-	2,579,631	18,095,260	Public safety
544,185	-	1,831,635	3,450,542	Public works
-	-	-	3,010,377	Parks and recreation
-	-	-	885,038	Cultural arts center
-	-	434,752	8,112,568	Capital outlay
-	-	-	143,517	Debt service:
9,257	-	-	30,188	Principal
621,588	-	6,170,946	46,397,827	Interest and fiscal charges
				Total expenditures
1,862,263	5,390,812	7,233,731	12,543,571	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	-	2,050,769	Proceeds from the sale of capital assets
-	-	-	420,643	Issuance of loans
-	341,941	116,096	11,338,071	Transfers in
(4,388,687)	(5,098,789)	(1,738,356)	(15,291,475)	Transfers out
(4,388,687)	(4,756,848)	(1,622,260)	(1,481,992)	Total other financing sources (uses)
(2,526,424)	633,964	5,611,471	11,061,579	NET CHANGE IN FUND BALANCES
(9,213,812)	2,127,057	14,463,887	50,387,239	FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS PREVIOUSLY REPORTED
-		-	3,424,283	PRIOR PERIOD ADJUSTMENT (NOTE 16)
(9,213,812)	2,127,057	14,463,887	53,811,522	FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS ADJUSTED
\$ (11,740,236)	\$ 2,761,021	\$ 20,075,358	\$ 64,873,101	FUND BALANCES (DEFICITS), END OF YEAR

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds \$ 11,061,579

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets additions	\$ 7,352,088	
Donated assets received	2,600,000	
Capital assets retirements	(5,201,183)	
Capital assets transferred to business-type activities	(445,649)	
Depreciation	<u>(4,151,159)</u>	154,097

Revenues recognized in the governmental funds that were earned and recognized in previous years are reported as beginning net position in the statement of activities. Revenues earned in the current year that did not meet the revenue recognition criteria for governmental funds are reported as revenues in the statement of activities.

95,748

Pension contribution made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflows of resources in the government-wide financial statements.

4,862,920

Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(2,310,774)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Issuance of loans payable		(420,643)
Principal repayments:		
Lease revenue refunding bonds	\$ 31,500	
Loans payable	<u>112,017</u>	143,517

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in net OPEB obligation	\$ 2,205,000	
Change in accrued interest payable	645	
Change in compensated absences	<u>118,479</u>	2,324,124

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

3,448,477

Change in net position of governmental activities

\$ 19,359,045

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major		Other Enterprise Funds	Total	Internal Service
	Water	Sewer			
ASSETS					
Current assets:					
Cash and investments	\$ 9,724,755	\$ 10,653,664	\$ 703,875	\$ 21,082,294	\$ 7,030,087
Accounts receivables	1,351,088	2,445,183	65,521	3,861,792	-
Prepaid items and other assets	-	-	-	-	13,687
Total current assets	11,075,843	13,098,847	769,396	24,944,086	7,043,774
Noncurrent assets:					
Advances to other funds	-	1,236,943	-	1,236,943	-
Capital assets:					
Nondepreciable assets	331,662	997,749	45,370	1,374,781	-
Depreciable assets, net	10,326,509	37,731,789	376,498	48,434,796	233,419
Total noncurrent assets	10,658,171	39,966,481	421,868	51,046,520	233,419
Total assets	21,734,014	53,065,328	1,191,264	75,990,606	7,277,193
DEFERRED OUTFLOWS OF RESOURCES					
Pension items	672,444	428,222	21,670	1,122,336	321,461
LIABILITIES					
Current liabilities:					
Accounts payable	724,550	179,331	38,672	942,553	85,312
Accrued liabilities	15,913	1,754	-	17,667	-
Interest payable	35,943	39,595	-	75,538	-
Deposits	342,602	500,428	-	843,030	-
Accrued compensated absences	112,768	51,096	-	163,864	-
Bonds and loans payable	172,707	347,612	-	520,319	32,660
Total current liabilities	1,404,483	1,119,816	38,672	2,562,971	117,972
Noncurrent liabilities:					
Net pension liability	3,020,574	1,923,545	97,338	5,041,457	1,443,981
Accrued compensated absences	12,912	5,850	-	18,762	-
Bonds and loans payable	3,081,903	9,766,376	-	12,848,279	65,321
Total liabilities	7,519,872	12,815,587	136,010	20,471,469	1,627,274
DEFERRED INFLOWS OF RESOURCES					
Pension items	114,750	73,075	3,697	191,522	54,857
NET POSITION					
Net investment in capital assets	7,403,561	28,615,550	421,868	36,440,979	135,438
Unrestricted	7,368,275	11,989,338	651,359	20,008,972	5,781,085
Total net position	\$ 14,771,836	\$ 40,604,888	\$ 1,073,227	\$ 56,449,951	\$ 5,916,523

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major		Other Enterprise Funds	Total	Internal Service
	Water	Sewer			
OPERATING REVENUES:					
Utility service charges	\$ 6,782,838	\$ 13,533,987	\$ 279,774	\$ 20,596,599	\$ -
Charges for services	-	-	55,514	55,514	1,704,899
Other	326,981	113,978	4,784	445,743	94,594
Total operating revenues	7,109,819	13,647,965	340,072	21,097,856	1,799,493
OPERATING EXPENSES:					
Purchase of water	2,034,903	-	163,548	2,198,451	-
Wastewater treatment	-	8,617,368	-	8,617,368	-
Contractual services	316,890	99,591	70,551	487,032	55,551
Rent and leases	6,884	1,855	-	8,739	58,557
Payroll and related costs	1,885,912	1,298,110	130,003	3,314,025	1,098,206
Heat, light and power	286,056	68,815	-	354,871	-
Other	790,763	1,405,240	-	2,196,003	132,435
Repairs, operations and maintenance	494,619	174,613	-	669,232	579,740
Professional services	50,396	11,037	64,941	126,374	47,520
Supplies	140,859	130,502	9,978	281,339	15,090
Depreciation	585,978	1,535,135	69,151	2,190,264	2,521
Total operating expenses	6,593,260	13,342,266	508,172	20,443,698	1,989,620
OPERATING INCOME (LOSS)	516,559	305,699	(168,100)	654,158	(190,127)
NONOPERATING REVENUES (EXPENSES)					
Investment income	46,677	68,192	4,627	119,496	27,622
Interest expense	(147,767)	(479,213)	-	(626,980)	-
Total nonoperating revenues (expenses)	(101,090)	(411,021)	4,627	(507,484)	27,622
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	415,469	(105,322)	(163,473)	146,674	(162,505)
Capital contributions	5,237,008	-	445,649	5,682,657	-
Transfers in	-	982,292	13,647	995,939	3,844,205
Transfers out	(258,219)	(395,298)	-	(653,517)	(233,223)
CHANGE IN NET POSITION	5,394,258	481,672	295,823	6,171,753	3,448,477
NET POSITION, BEGINNING OF YEAR	9,377,578	40,123,216	777,404	50,278,198	2,468,046
NET POSITION, END OF YEAR	\$ 14,771,836	\$ 40,604,888	\$ 1,073,227	\$ 56,449,951	\$ 5,916,523

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major		Other Enterprise Funds	Total	Internal Service
	Water	Sewer			
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from customers	\$ 6,997,608	\$ 13,343,464	\$ 352,278	\$ 20,693,350	\$ -
Cash receipts from interfund services provided	-	-	-	-	1,799,493
Cash paid to suppliers for goods and services	(3,871,657)	(10,864,996)	(343,079)	(15,079,732)	(863,115)
Cash paid to employees for services	(1,615,004)	(1,003,088)	(11,512)	(2,629,604)	(626,249)
Net cash provided by (used in) operating activities	1,510,947	1,475,380	(2,313)	2,984,014	310,129
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	982,292	13,647	995,939	3,844,205
Transfers out	(258,219)	(395,298)	-	(653,517)	(233,223)
Repayment to other funds	(73,796)	(59,900)	(2,865)	(136,561)	(29,172)
Net cash provided by (used in) noncapital financing activities	(332,015)	527,094	10,782	205,861	3,581,810
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Payment on capital debt and loans payable	(170,000)	(325,000)	-	(495,000)	(32,660)
Interest paid on capital debt	(147,174)	(487,887)	-	(635,061)	-
Acquisition of capital assets	(402,521)	(1,221,012)	(6,629)	(1,630,162)	(223,333)
Capital contributions from developers and others	5,237,008	-	-	5,237,008	-
Net cash provided by (used in) capital and related financing activities	4,517,313	(2,033,899)	(6,629)	2,476,785	(255,993)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	46,677	68,192	4,627	119,496	27,622
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,742,922	36,767	6,467	5,786,156	3,663,568
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,981,833	10,616,897	697,408	15,296,138	3,366,519
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,724,755	\$ 10,653,664	\$ 703,875	\$ 21,082,294	\$ 7,030,087
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 516,559	\$ 305,699	\$ (168,100)	\$ 654,158	\$ (190,127)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	585,978	1,535,135	69,151	2,190,264	2,521
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(141,430)	(204,436)	12,206	(333,660)	-
Increase in prepaid expenses	-	-	-	-	(4,931)
Increase (decrease) in accounts payable	249,713	(355,975)	5,065	(101,197)	30,709
Increase (decrease) in accrued liabilities	2,282	(1,116)	-	1,166	-
Increase (decrease) in deposits	29,219	(100,065)	-	(70,846)	-
Increase in accrued compensated absences	125,680	56,946	-	182,626	-
Increase in deferred outflows of resources - pension items	(421,260)	(284,306)	(21,670)	(727,236)	(245,084)
Increase (decrease) in deferred inflows of resources - pension items	(165,289)	(87,373)	97,338	(155,324)	(30,294)
Increase in net pension liability	729,495	610,871	3,697	1,344,063	747,335
Net cash provided by (used in) operating activities	\$ 1,510,947	\$ 1,475,380	\$ (2,313)	\$ 2,984,014	\$ 310,129
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Transfer of capital assets from governmental activities	\$ -	\$ -	\$ 445,649	\$ 445,649	\$ -
Amortization of bond premium	2,293	-	-	2,293	-
Amortization of bond discount	-	(7,612)	-	(7,612)	-

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and investments	\$ 3,737,829	\$ 2,803,604
Receivables:		
Accounts	77,385	-
Restricted cash & investments	3,421,702	-
Advances to other City funds	9,344,225	-
Capital assets:		
Nondepreciable assets	3,001,063	-
Depreciable assets, net	11,388,382	-
Total assets	<u>30,970,586</u>	<u>2,803,604</u>
LIABILITIES		
Accounts payable	1,199,174	-
Interest payable	781,671	-
Advances from other City funds	2,193,400	-
Fiduciary liabilities	-	2,803,604
Long-term debt:		
Due in one year	3,010,051	-
Due in more than one year	55,594,179	-
Total liabilities	<u>62,778,475</u>	<u>2,803,604</u>
NET POSITION		
Restricted	<u>\$ (31,807,889)</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Private Purpose Trust Funds
ADDITIONS	
Taxes	\$ 5,107,616
Interest and rentals	20,183
	<hr/>
Total additions	5,127,799
	<hr/>
DEDUCTIONS	
Current:	
Redevelopment expenses	242,798
Intergovernmental transfer to the City's Capital Project Fund	500,000
Depreciation	938,243
Interest and fiscal charges	3,693,025
	<hr/>
Total deductions	5,374,066
	<hr/>
CHANGE IN NET POSITION	(246,267)
NET POSITION, BEGINNING OF YEAR	(31,561,622)
	<hr/>
NET POSITION, END OF YEAR	\$ (31,807,889)
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

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CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rohnert Park, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (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. Reporting Entity

The City was incorporated on August 28, 1962. The City has a council-manager form of government and provides a wide range of municipal services. Component units are legally separate organizations for which the City is financially accountable or other organizations whose nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the City and its component units. The City's component units, which are described below, are either blended or fiduciary in nature.

Rohnert Park Financing Authority (Financing Authority) – The Financing Authority is a joint powers authority, organized pursuant to a joint exercise of powers agreement dated January 1, 1999 between the City and the Former Community Development Commission of the City of Rohnert Park (Commission). The Financing Authority was formed for the public purpose of assisting in financing activities for the benefit of the City and the Commission. The Financing Authority's governing board is the same as the City Council and a financial burden relationship exist between the City and the Financing Authority as long-term liabilities outstanding are expected to be repaid with resources of the City. The Authority's transactions are blended into the City's basic financial statements.

Successor Agency to the Community Development Commission of the City of Rohnert Park (Successor Agency) – A separate governmental entity established on February 1, 2012 for the purpose of serving as a custodian of the assets of the Commission and winding down the Commission's activities subject to the direction of a seven-member Oversight Board. Based upon the nature of the City's custodial role for the Successor Agency, the Successor Agency is reported as a private purpose trust fund of the City. Separate financial statements are not issued for the Successor Agency. Information of the Successor Agency can be found in the fiduciary fund financial statements.

City of Rohnert Park Foundation – On November 10, 2008, Focus Rohnert Park Corporation was incorporated as a nonprofit 501(c)(3) public benefit corporation, and the name of the entity was subsequently amended to City of Rohnert Park Foundation (Foundation) on October 24, 2011. The purpose of the Foundation is to raise funds in connection with the development of civic projects in the City. The Foundation's governing board is the same as the City Council. The Foundation provides services that benefit the City and the City's management has operational responsibility for the Foundation. The Foundation's transactions are blended into the City's basic financial statements and reported in the Rohnert Park Foundation nonmajor special revenue fund.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for services provided and used. These statements distinguish between the *governmental* and *business-type activities* of the City. 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 charged to external parties.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including blended component units and fiduciary funds. Separate statements for each fund category, including governmental, proprietary and fiduciary, are presented. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, deferred outflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government 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. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in any other funds.
- Housing Projects Special Revenue Fund accounts for the housing assets and functions related to the Low and Moderate Income Housing Program retained by the City following the dissolution of the Commission effective February 1, 2012. It is used to account for the restricted revenue and expenditures of the City's low and moderate income housing activities.
- Financing Authority Debt Service Fund accounts for accumulation and disbursement of financial resources that are used to make principal and interest payments on long-term debt of the City.
- City Capital Projects Fund accounts for resources used for the acquisition and construction of capital facilities except for those facilities financed by enterprise funds.
- Public Facility Finance Fee Special Revenue Fund accounts for the revenues and expenditures of the public facility finance fee imposed per City's Resolution 2008-126 related to the approved Public Facilities Finance Plan (Facilities Plan). The Facilities Plan's purpose is to manage the costs of capital facilities, maintenance, and services that are impacted by the City's new development.
- Graton Mitigation Supplemental Special Revenue Fund accounts for supplemental contributions and related activities or mitigation of potential impacts pursuant to Section 3.4.1 of the MOU between the Federated Indians of Graton Rancheria (Tribe) and the City.

The City reports the following major enterprise funds:

- Water Fund accounts for water services provided to the residents of the City. The activities necessary to provide such service are accounted for in the fund, including, but not limited to, water purchase, water operations, maintenance, financing and related debt service, and billing and collection.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

- Sewer Fund accounts for sewage disposal services provided to the residents of the City. The activities necessary to provide such service are accounted for in the fund, including, but not limited to, sewer operations, maintenance, financing and related debt service, and billing and collection.

The City reports the following additional fund types:

- Internal Service Funds account for the services provided to the other City departments, on a cost reimbursement basis, in the following areas: centralized data processing services (information technology), vehicle replacement, fleet management, and infrastructure.
- Private Purpose Trust Funds are a fiduciary fund type used to account for resources held and administered under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:
 - *Assets Seizure Fund* accounts for Federal and State seized assets held by the City in a trustee capacity until the County of Sonoma District Attorney's Office requests for remittance of the assets.
 - *Redevelopment Successor Agency Fund* was created to serve as a custodian for the assets and to wind down the affairs of the Commission. This fund accounts for the receipt of property tax revenues pursuant to the Redevelopment Dissolution Act and the assets transferred from the Commission. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution pursuant to the Recognized Obligation Payment Schedules approved by the California Department of Finance (DOF) under the Redevelopment Dissolution Act.
- Agency Funds are a fiduciary fund type used to account for resources held by the City in a custodial capacity and do not involve measurement of results of operations. The City report the following agency fund:
 - *SoMo Village Trust Fund* accounts for assets held by the City in a custodial capacity for a developer for the construction of a soccer field.

During the year, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal services funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities (i.e., the enterprise funds) are eliminated so that the net amount is included as internal balances in the business-type activities column.

Similarly, activities involving the transfers of resources between funds are reported as transfers in/out. Interfund activities, with the exception of activities between the governmental and business-type activities, are eliminated in the government-wide financial statements. Transfers between funds are eliminated so that only the net amount is included as transfers in the governmental and business-type activities columns.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The governmental funds financial statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenues are recognized in the current year if they are collected within 60 days of year-end. All other revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are taxes, licenses, intergovernmental, interest and rental, donations, and certain charges for services. All other revenues are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, certain compensated absences and claims and judgments are recognized when payments are due.

Proprietary funds and private purpose trust funds are presented on an economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges for customer services for water, sewer, recycled water, and refuse collection. The principal operating revenues of the City's internal service funds are charges to other funds for the information technology, vehicle replacement, fleet management support services, and infrastructure. Operating expenses for enterprise funds and internal service funds include the cost of sales of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate and maximize the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other fixed income investments with varying terms. Interest earned on investments is allocated to all funds based on average cash and investment balances.

For purposes of the statement of cash flows, the City considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. The proprietary funds' "deposits" in the City cash and investments pool are, in substance, demand deposits and are therefore considered cash equivalents.

Investments are presented at fair value except as noted below. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Money market investments (such as short-term, highly liquid debt instruments including bankers' acceptances) and securities (notes, bills, and obligations of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are reported at amortized cost, which approximates fair value.

Certain restricted cash and investments are held by a fiscal agent or the City for the redemption of bonded debt and for acquisition and construction of certain capital projects.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

F. Capital Assets

Capital assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value. The City defines capital assets as assets with an estimated useful life in excess of one year and an individual cost of \$5,000 or more. Capital assets are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of their estimated useful lives or the capital lease period in the government-wide and proprietary fund financial statements.

The estimated useful lives are as follows:

Infrastructure and buildings	30 years
Equipment purchased with FEMA funds	10 years
Furniture & fixtures	7 years
Vehicles	7 years
Equipment	5 years
Communication equipment	3 years

G. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims and workers' compensation claims. The estimated liability for general liability claims and workers' compensation claims includes incurred but not reported (IBNR) claims and related loss adjustment expenses.

H. Compensated Absences

In accordance with negotiated labor agreements, employees accumulate earned but unused paid time off (PTO) and other compensated leave. There is no liability for unpaid accumulated sick leave because the City does not pay any amounts when employees separate from service with the City. All PTO and other compensated leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds when due and payable only if it is expected to be settled with current financial resources.

I. Long-Term Debt and Other Long-Term Obligations

In the government-wide, proprietary fund, and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Deferred amounts on refunding are reported as deferred inflows/outflows of resources and amortized over the life of the bonds.

In the governmental fund financial statements, bond premiums, discounts and costs of issuance are recognized during the period the bonds are issued. The par value of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Unearned Revenue

Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures or when monies are received before the related services are performed. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

K. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until the future period. At June 30, 2017, the City reported pension items as deferred outflows of resources.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until the future period. At June 30, 2017, the City reported unavailable revenues on the governmental funds financial statements and pension items on the governmental-wide and proprietary funds financial statements as deferred inflows of resources.

L. Net Position and Fund Balance

Net Position Classifications

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

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, outstanding balances of debt and any debt-related deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of these assets reduce the balance of this category.

Restricted Net Position – This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The City's restricted net position for the Performing Arts Center Endowment is nonexpendable, and the remaining restricted net position is expendable.

Unrestricted Net Position – The category represents net position of the City that is not restricted for any project or purpose.

Fund Balances Classifications

Governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on how specific amounts in the funds can be spent. Fund balance is classified in five categories:

Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance, commit fund balances. Commitments may be changed or lifted only by the City Council taking the same formal actions that imposed the original constraint occurring no later than the close of the reporting period.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Assigned Fund Balance – amounts intended to be used by the City for specific purposes through budgetary actions or delegation of authority by the City Council. Intent is expressed by the City Council or an official to whom the City Council has delegated the authority (generally, the City Manager) to assign amounts to be used for specific purposes. This is also the classification for residual funds in the City’s special revenue funds.

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

M. Use of Restricted/Unrestricted Net Position and Fund Balances

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.

With respect to fund balance, the City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Additionally, the City considers committed amounts to have been spent first, assigned amounts to have been spent second, and unassigned amounts to have been spent last when an expenditure is incurred for purposes for which committed, assigned, and unassigned fund balance is available.

N. Program Revenues

The types of transactions reported as program revenues for the City are reported in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

O. Interfund Transactions

During the normal course of operations, the City has numerous transactions among funds. The significant interfund transactions that occurred during the year can be classified into two types:

- *Transfers* – Transactions to allocate resources or the occurrence of specific capital or debt service expenditures to the receiving fund. These transactions are recorded as transfers in and out in the year in which they are approved.
- *Loans Between Funds* – Transactions to loan resources from one fund to another. Short-term loans are recorded as “due from other funds” in the disbursing fund and “due to other funds” in the receiving fund. Long-term loans are recorded as “advance to other funds” in the disbursing fund and “advance from other funds” in the receiving fund.

P. Property Tax

Under California law, property taxes are assessed and collected by the counties at a rate of up to 1% of assessed value, plus other increases approved by the voters. Property taxes go into a pool and are then allocated to cities based on complex formulas. Property taxes are collected by the Auditor-Controller-Treasurer-Tax Collector of the County of Sonoma (County) and are remitted upon collection to the various taxing entities, including the City. Accordingly, the City accrues only those taxes that are received from the County within sixty days after year-end.

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Unsecured property comprises all taxable property not attached to land, such as personal property or business property. Every tax levied by a county that becomes a lien on secured

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

property has priority over all present and future private liens arising pursuant to State law on the secured property, regardless of the time of the creation of the other liens. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on other property owned by the taxpayer.

Valuation of secured property and establishment of a statutory tax lien occur as of January 1 prior to the tax year (the tax year is the July 1 – June 30 fiscal year of the State) of the related tax levy, and the secured and unsecured tax rolls are certified on or before July 31 of the tax year by the County Assessor.

The County assesses property values, levies bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien Dates	January 1	January 1
Levy Dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 (for November) April 10 (for February)	August 31

The City does not have the ability to control the levy rate or the amount of property taxes remitted by the County because these are governed by State law.

Q. Pension Plans

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 California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value.

R. Effects of New Pronouncements

The City implemented the following GASB Statements during the year:

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement addresses reporting by OPEB plans that administer benefits on behalf of governments.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68 associated with pensions provided through certain cost-sharing multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Such plans are not considered a state or local government pension plan and are used to provide benefits to both employees of state and local governments and employees of employers that are not state or local governments.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in GASB Statement No. 14, *The Financial Reporting Entity*, as amended.

Implementation of these statements did not have a significant impact on the City for the fiscal year ended June 30, 2017.

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The requirements of this statement are effective for the City's fiscal year ending June 30, 2018.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The statement provides recognition and measurement guidance for situations in which a government is a beneficiary of these agreements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2018.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The 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 the City's fiscal year ending June 30, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The 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 statement also provides guidance for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this statement are effective for the City's fiscal year ending June 30, 2020.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of the statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the City's fiscal year ending June 30, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of the 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. The requirements of this statement are effective for the City's fiscal year ending June 30, 2018.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the City's fiscal year ending June 30, 2021.

S. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of revenues and expenses. Actual results could differ from these estimates and assumptions.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances and Net Position

At June 30, 2017, the following City major fund had a deficit fund balance:

The Public Facility Finance Fee Special Revenue Fund had a deficit fund balance of \$11,740,236. The deficit is due to the timing difference of receipt of revenues to fund its capital expenditures related to the Facilities Plan. The deficit is expected to be funded by future public facility finance fees.

At June 30, 2017, the following City other funds had deficit net positions:

The Information Technology and Fleet Management internal services funds had deficit net position of \$266,994 and \$265,875, respectively. The deficit is due to the impact from the recording of pension items. The deficit is expected to be funded by future internal service charges to other City funds.

The Redevelopment Successor Agency private purpose trust fund had a deficit net position of \$31,807,889. The deficit is due to the nature of the redevelopment financing in which long-term debt were incurred for redevelopment activities. The deficit is expected to be eliminated with future redevelopment property tax revenues distributed from the Redevelopment Property Tax Trust Fund (RPTTF) administered by the County.

Excess Expenditures Over Appropriations

For the fiscal year ended June 30, 2017, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance:

<u>Fund Name</u>	<u>Amount</u>
Major Fund:	
Public Facilities Finance Fee Special Revenue	\$ 211,357
Nonmajor Special Revenue Fund:	
General Plan Maintenance	10,631
Mobile Home Rent Appeals Board	30,568

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

3. CASH AND INVESTMENTS

A. Authorized Investments

Under the provisions of the City's investment policy, the City may invest in the following types of investments:

- State of California Local Agency Investment Fund (LAIF);
- Sonoma County Investment Pool;
- Securities of the United States Government or its agencies;
- Certificates of deposits with commercial banks, savings & loan companies or credit unions;
- Negotiable certificates of deposits;
- Bankers' acceptances; and
- Money market mutual funds invested in United States government securities.

In accordance with Section 53651 of the California Government Code, the City cannot invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued under the Investment Company Act of 1940 that are authorized investments under Section 53601 of the California Government Code.

A five-year maximum maturity for each investment is allowed unless approved by the City Council.

The provisions of the bond indentures shall govern investments of restricted cash and investment held in the bond fiscal accounts.

B. Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2017:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Totals
Cash and investments	\$ 47,937,981	\$ 21,082,294	\$ 6,541,433	\$ 75,561,708
Restricted cash and investments	23,674,128	-	3,421,702	27,095,830
Total cash and investments	71,612,109	21,082,294	9,963,135	102,657,538
Less: cash and deposits not meeting the definition of investments				(38,633,096)
Total investments				\$ 64,024,442

C. Risk Disclosures

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover the deposits that are in the possession of an outside party. At June 30, 2017, the carrying and bank amounts of the City's cash and deposits were \$38,633,096 and \$38,871,323, respectively. The City is not exposed to such risks as all deposits are insured or collateralized. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Custodial Credit Risk - Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. To mitigate this risk, all of the City's investments in securities are held in the name of the City.

Credit risk - Investments

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general avoid speculative investments. The City's investment policy is to follow the investments permitted by Section 53651 of the California Government Code.

Concentration of Credit Risk - Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. The City's investment policy is to follow the investments permitted by Section 53651 of the California Government Code. The City's investment California Local Agency Investment Fund (LAIF) and Sonoma County Investment Pool (County Pool) are exempt from concentration of credit risk disclosure.

Interest rate risk - Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City has an investment policy of lengthening its maturities when rates are falling and shortening its maturities when rates are rising as a means of managing its exposure to fair value losses and to take advantage of advantageous interest rates.

As of June 30, 2017, the City's investments consisted of the following:

	Maturities (in years)		Totals	S & P Credit Ratings
	1 year or less	1 to 3 years		
Pooled Investments:				
Local Agency Investment Fund (LAIF)	\$ 7,397,123	\$ -	\$ 7,397,123	Not Rated
Sonoma County Investment Pool	-	32,545,218	32,545,218	Not Rated
Total Pooled Investments	7,397,123	32,545,218	39,942,341	
Investments Held with Fiscal Agents:				
Money Market Mutual Funds	17,278,408	-	17,278,408	AAAm
Investments Held in PARS Trust:				
Equity Mutual Funds	6,803,693	-	6,803,693	Not Rated
Total Investments	\$ 31,479,224	\$ 32,545,218	\$ 64,024,442	

D. External Investment Pools

As of June 30, 2017, the City's investment in LAIF, a State of California external investment pool, has a weighted average maturity of 194 days. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by the State, which are recorded on an amortized cost basis.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

LAIF is part of the Pooled Money Investment Account (PMIA). PMIA oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. PMIB members are the State Treasurer, State Director of Finance, and State Controller. The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The Chairman is the State Treasurer or his designated representative. Two members are qualified by training and experience in the field of investment or finance, and the State Treasurer appoints two members who are treasurers, finance or fiscal officers, or business managers employed by any county, city or local district or municipal corporation of this state. At June 30, 2017, PMIA had a total portfolio of approximately \$77.6 billion and of that amount, 97.11% was invested in non-derivative financial products and 2.89% was invested in structured notes and asset-backed securities.

As of June 30, 2017, the City's investment in the County Pool, an external investment pool has a weighted average maturity of 569 days. The County's Pool is subject to regulatory oversight by the County's Treasury Oversight Committee. The County determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. The value of the pool shares in the Sonoma County Investment Pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool. At June 30, 2017, the total amount invested by all public agencies in the Sonoma County Investment Pool was approximately \$2.2 billion.

E. Investments Held in Public Agencies Retirement Services (PARS) Trust

During the year ended June 30, 2016, the City established an irrevocable trust with PARS for the purpose of accumulating additional resources restricted for retirement benefits. PARS is the trust administrator while the City, as the plan administrator, is responsible to provide direction on the usage and distribution of the funds held in the PARS Trust. During the year ended June 30, 2017, the City contributed \$3,000,000 to the PARS Trust. At June 30, 2017, the total amount accumulated in the PARS Trust was \$6,803,693.

F. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the City's investments are not subject to the fair value hierarchy, except for investment in equity mutual funds which are valued based on Level 2 inputs.

4. LOANS AND NOTES RECEIVABLE

The following is a summary of loans and notes receivable at June 30, 2017:

<u>Fund Name</u>	<u>Gross Amount</u>	<u>Allowance Amount</u>	<u>Net Amount</u>
Governmental Fund			
Housing Projects Special Revenue Fund	\$ 11,764,474	\$ (1,944,116)	\$ 9,820,358
Fiduciary Fund			
Redevelopment Successor Agency Fund	\$ 500,000	\$ (500,000)	\$ -

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

General Fund

In August 2003, the City entered into an amendment to a ground lease dated May 29, 2001 with Rohnert Park Golf, L.P. (Tenant), whereby the tenant leases certain property and improvements from the City. The City made a one-time advance totaling \$355,000 to the Tenant for the purpose of making improvements to the golf course, and on-going capital contributions to the Tenant as defined in the agreement. Principal payments are paid in equal monthly installments over 10 years. Interest is earned by the City on the unpaid principal portion at a rate of 5% per annum. The Tenant paid off the loan during the year ended June 30, 2017.

Housing Projects Special Revenue Fund

The Commission extended various developer loans, first-time homebuyer loans, and rehabilitation loans to property owners for the rehabilitation and improvements of commercial buildings and residential homes, and other loans for families and individuals of low/moderate income. The following loans and notes receivable were transferred from the Commission to the City's Housing Projects Special Revenue Fund on February 1, 2012, when all redevelopment agencies in California ceased to exist:

On August 23, 1991, the Commission entered into a non-recourse promissory note in the amount of \$390,000 with Burbank Housing Development Corp. for the construction of 50 low income rental housing units at 781 East Cotati Avenue. The note bears interest at 8% simple interest per annum and is due on or before August 23, 2021. During the term of this note, Burbank Housing Development may request and the Commission, at its option, may cancel or extend the terms of the note. At June 30, 2017, principal and accrued interest related to this loan totaled to \$1,178,632 and an allowance of \$788,632 was recorded against the accrued interest portion of the loan.

On July 1, 1995, the Commission and Burbank Housing Development Corp. executed a loan agreement in the amount of \$260,000. The loan was for pre-development costs for the property at 120 Santa Alicia Drive for residential low income housing. The note accrues 3% per annum simple interest and is to be paid concurrently with principal on or before September 1, 2023. During the term of this loan, Burbank Housing Development may request and the Commission, at its option, may cancel or extend the terms of the note. At June 30, 2017, principal and accrued interest related to this loan totaled to \$445,900 and an allowance of \$185,900 was recorded against the accrued interest portion of the loan.

On January 27, 1998, the Commission entered into a note agreement with Muirfield Apartments for supportive housing for persons with disabilities and low income persons. The Commission advanced funds to Muirfield Apartments for the pre-development and development expenses in the amount of \$611,000 accruing 6% per annum, simple interest. Interest shall accrue and be paid concurrently with principal on or before June 30, 2039. During the term of this note, Muirfield Apartments may request and the Commission, at its option, to cancel or extend the terms of the note. At June 30, 2017, principal and accrued interest related to this note totaled to \$1,307,540 and an allowance of \$696,540 was recorded against the accrued interest portion of the note.

On September 13, 2005, the Commission entered into an Affordable Housing and Loan Agreement with Burbank Housing to develop a 56-unit affordable housing project on a City-owned City Hall Drive site. The term of the loan agreement is a non-recourse loan in the amount of \$4,015,000, which accrues interest at the rate of 2% per annum and is deferred for 55 years. At June 30, 2017, principal and accrued interest related to this loan totaled to \$4,955,789, of which the City determined the accrued interest of \$940,789 to be unavailable.

On May 23, 2006, the Commission entered into an Affordable Housing and Loan Agreement with Vida Nueva Partners for the development of the Vida Nueva Affordable Housing Project, which includes twenty-four (24) very-low income permanent supportive housing units (carrying 55-year affordability restrictions), a community building, laundry facilities, a management office and activity and counseling rooms. The loan agreement provided for the Commission to loan \$1,675,000 to Vida Nueva Partners at an accrued interest rate of 1% per annum, with the principal and accrued interest deferred for 55 years. At June 30, 2017, principal and accrued interest related to this loan totaled to \$1,848,195, of which the City determined the accrued interest of \$173,195 to be unavailable.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

On December 12, 2007, the Commission executed a loan agreement to Rainbow-Copeland Creek LLC for improvements to Copeland Creek Apartments (an all senior affordable housing complex) for \$1,200,000. The funds were primarily used for energy efficient improvements at the complex. The loan accrues interest at a rate of 1% per annum, with the principal and accrued interest deferred for 55 years, as defined in the loan agreement. At June 30, 2017, principal and accrued interest related to this loan totaled to \$1,314,608, of which the City determined the accrued interest of \$114,608 to be unavailable.

At June 30, 2017, the Housing Projects Special Revenue Fund reported Sonoma County rehabilitation loans of \$273,044 and an allowance of \$273,044 was recorded against the loan balance.

The Housing Projects Special Revenue Fund also reported CalHome loans administered by the Sonoma County. Interest is earned by the City on the unpaid principal portion at a rate of 3% per annum. At June 30, 2017, the outstanding loan balance was \$440,766.

Successor Agency

The following loan was transferred from the Commission to the Successor Agency on February 1, 2012, when all redevelopment agencies in California ceased to exist:

In December 2007, the Commission loaned \$500,000, with interest accruing at 3% simple interest per annum, to the Sonoma Mountain Business Cluster (Incubator) to pay a portion of the cost for tenant improvements at the former Agilent site. The loan terms called for continued operation of the incubator, increased occupancy and eventually job creation. The loan provides that as long as the improvements are made as specified in the agreement and continues to operate the Incubator, and is not in default of any terms of the loan, the loan and accrued interest will be forgiven ten years from the date business incubator is open for business. At June 30, 2017, the outstanding loan balance was \$500,000 and an allowance of \$500,000 was recorded against the loan balance. The loan was forgiven during December 2017.

5. INTERFUND BALANCES

Due To/From Other Funds

At June 30, 2017, the General Fund is due \$84,033 and \$1,446,289 from the City Capital Projects Fund and Public Facility Finance Fee Special Revenue Fund, respectively. The interfund balances represent current borrowing for working capital and are expected to be repaid during the following year.

Advances To/From Other Funds

The composition of advances to/from other funds at June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
Sewer Enterprise Fund	Public Facility Finance Fee Special Revenue Fund	\$ 1,236,943
General Fund	Redevelopment Successor Agency Fund	2,193,400
Redevelopment Successor Agency Fund	General Fund	288,500
Redevelopment Successor Agency Fund	Public Facility Finance Fee Special Revenue Fund	9,055,725
		<u>\$ 12,774,568</u>

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The balances between the Public Facility Finance Fee Special Revenue Fund and the Sewer Enterprise Fund represents the cumulative borrowing for the debt service payments of the 2005 Sewer System Revenue Certificates of Participation. No interest is accrued for the outstanding advance balance. At June 30, 2017, the advance balance was \$1,236,943.

The City's General Fund advanced funds to the Commission in order to construct a performing arts center. The loan was being repaid annually through installment payments of principal plus interest from property tax increment. As of June 30, 2011, the advance balance was \$2,075,000 and no interest was accrued to the balance since June 30, 2011. The advance was transferred from the Commission to the Successor Agency on February 1, 2012, when all redevelopment agencies in California ceased to exist. On September 16, 2013, the Oversight Board to the Successor Agency determined that the loan was for a legitimate redevelopment purpose and adopted Resolution No. OSB 2013-05 to support the loan repayment. The City recalculated the accrued interest for the period from July 1, 2011 to September 30, 2013 based on LAIF monthly interest rate for March, June, September, and December during the period. For the period from October 1, 2013 to June 30, 2015, interest was accrued based on LAIF monthly interest rate for September 2013. Effective July 1, 2015, the City accrued interest at 3% annually in accordance with Health and Safety Code Section 34191.4(b)(3).

On January 11, 2017, the Successor Agency Oversight Board's adoption of Resolution No. OSB 2017-02 to retroactively apply the interest at 3% annually to the outstanding principal balance since the date of origination of the advance in accordance with Health and Safety Code Section 34191.4(b)(3). The advance balance as of June 30, 2016 increased by \$911,192 based on the recalculation. During the fiscal year ended June 30, 2017, \$35,429 of interest was accrued and no repayment was made. At June 30, 2017, the advance balance was \$2,193,400. The impact from the interest recalculation and current year interest totaled to \$946,621 and are reported as part of interest and rentals revenues for the General Fund and deduction – interest for the Successor Agency private purpose trust fund on the financial statements.

On February 1, 2012, the Successor Agency purchased the Hazel Wetland Preserve for \$288,500, which is to be repaid by the General Fund upon the sale of the stadium lands. No interest is accrued for the outstanding advance balance. At June 30, 2017, the advance balance was \$288,500.

On May 22, 2007, the Commission entered into a reimbursement agreement (as amended on August 26, 2008) with the City whereby the Commission would fund 88% of the project cost of the Eastside Sewer Main Phase 1 Improvement, which is the portion of the project that lies within the project area, in advance of the City receiving the money through public facilities finance fees recorded in the Public Facility Finance Fee Special Revenue Fund. The project funded by this advance is recorded in the Sewer Enterprise Fund. The Commission funded this project from the 2007R Tax Allocation Bond proceeds. The advance was transferred from the Commission to the Successor Agency on February 1, 2012, when all redevelopment agencies in California ceased to exist. No interest is accrued for the outstanding advance balance and the Public Facility Finance Fee Special Revenue Fund repaid \$500,000 during the year ended June 30, 2017. At June 30, 2017, the advance balance was \$9,055,725.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Interfund Transfers

The composition of interfund transfers during the fiscal year ended June 30, 2017 was as follows:

Funds Receiving Transfers	Funds Making Transfers	Amount Transferred	Funding Purpose
General Fund	Graton Mitigation Supplemental Special Revenue Fund	\$ 5,000,000	Casino mitigation activities
	City Capital Project Fund	1,895	Return of overfunding of capital projects costs
	Water Enterprise Fund	147,000	Employee other post employment benefit payments
	Sewer Enterprise Fund	87,000	Employee other post employment benefit payments
		<u>5,235,895</u>	
Financing Authority Debt Service Fund	General Fund	50,038	Debt service payments
City Capital Projects Fund	Public Facility Financing Fee Special Revenue Fund	3,549,766	Capital projects funding
	Graton Mitigation Supplemental Special Revenue Fund	98,789	Capital projects funding
	Nonmajor Governmental Funds	1,700,291	Capital projects funding
	Water Enterprise Fund	6,016	Capital projects funding
	Sewer Enterprise Fund	6,016	Capital projects funding
	Internal Services Funds	<u>233,223</u>	Capital projects funding
		<u>5,594,101</u>	
Graton Mitigation Supplemental Special Revenue Fund	City Capital Project Fund	126,941	Return of overfunding of capital projects costs
	Sewer Enterprise Fund	<u>215,000</u>	Various operating activities
		<u>341,941</u>	
Sewer Enterprise Fund	General Fund	150,000	Capital projects funding
	Public Facility Financing Fee Special Revenue Fund	<u>832,292</u>	Capital projects funding
		<u>982,292</u>	
Nonmajor Governmental Funds	City Capital Projects Fund	115,000	Return of overfunding of capital projects costs
	Nonmajor Governmental Funds	<u>1,096</u>	Various operating activities
		<u>116,096</u>	
Nonmajor Enterprise Funds	General Fund	7,018	Establishment of new reporting fund
	Public Facility Financing Fee Special Revenue Fund	<u>6,629</u>	Various operating activities
		<u>13,647</u>	
Internal Services Funds	General Fund	3,614,751	Various operating activities
	Water Enterprise Fund	105,203	Various operating activities
	Sewer Enterprise Fund	87,282	Various operating activities
	Nonmajor Governmental Funds	<u>36,969</u>	Various operating activities
		<u>3,844,205</u>	
	Total Interfund Transfers	<u>\$ 16,178,215</u>	

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Intergovernmental Transfers

Upon the City Council's adoption of Resolution No. 2015-159 on September 22, 2015 and the Successor Agency Oversight Board's adoption of Resolution No. OSB 2015-05, the City and the Successor Agency entered into an Agreement Regarding Expenditure of Excess Series 2007R Bond Proceeds (2007R Excess Bond Proceeds Agreement). The Successor Agency advanced bond proceeds of the 2007R Tax Allocation Bonds in the amount of \$10,055,725 to the Public Facility Finance Fee Special Revenue Fund. The Successor Agency shall transfer the repayment received which represents remaining excess bond proceeds of the 2007R Tax Allocation Bonds to the City. The City agrees to use the excess bond proceeds for infrastructure projects consistent with the bonds covenants. On November 5, 2015, DOF approved the submitted ROPS 15-16B which included the 2007R Excess Bond Proceeds Agreement. During the fiscal year ended June 30, 2017, the Successor Agency received advance repayment of \$500,000 and transferred the balance to the City Capital Projects Fund in accordance with the 2007R Excess Bond Proceeds Agreement.

6. CAPITAL ASSETS

Capital asset activities for governmental activities for fiscal year ended June 30, 2017 were as follows:

	Balance 7/1/2016	Additions	Retirements	Transfers	Balance 6/30/2017
<i>Nondepreciable assets:</i>					
Land	\$ 7,029,287	\$ 2,600,000	\$ (4,347,998)	\$ -	\$ 5,281,289
Construction in progress	13,794,401	6,768,722	-	(4,780,611)	15,782,512
Total nondepreciable assets	20,823,688	9,368,722	(4,347,998)	(4,780,611)	21,063,801
<i>Depreciable assets</i>					
Infrastructure, structures and improvements	129,489,384	-	(1,028,626)	1,537,739	129,998,497
Equipment	12,151,428	806,699	(491,808)	1,135,551	13,601,870
Total depreciable assets	141,640,812	806,699	(1,520,434)	2,673,290	143,600,367
<i>Accumulated depreciation:</i>					
Infrastructure, structures and improvements	(71,440,326)	(3,717,856)	175,441	1,661,672	(73,321,069)
Equipment	(10,102,547)	(435,824)	491,808	-	(10,046,563)
Total accumulated depreciation	(81,542,873)	(4,153,680)	667,249	1,661,672	(83,367,632)
Total depreciable assets, net	60,097,939	(3,346,981)	(853,185)	4,334,962	60,232,735
Total capital assets, net	\$ 80,921,627	\$ 6,021,741	\$ (5,201,183)	\$ (445,649)	\$ 81,296,536

During the fiscal year ended June 30, 2017, the City's governmental activities a) received donated assets with fair value of \$2,600,000; b) completed projects totaling \$4,780,611 which were transferred from construction in progress to depreciable capital assets; c) transferred depreciable capital assets for golf courses with net book value of \$445,649 to the business-type activities; and d) sold capital assets during the year and received proceeds totaling \$2,050,769.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Construction in progress for governmental activities at June 30, 2017 is comprised of the following:

Project Name	Expended to June 30, 2017
Snyder Lane Widening	\$ 10,887,118
RPX Rehabilitation	2,136,171
Enterprise @ Seed Farm Street Repair	919,660
Specific Plan Developments	744,197
Corp Yard Public Safety Main Station Master Plan	221,626
Snyder Lane Rehabilitation	172,486
Westside Public Safety Station	130,408
Various Other Projects	570,846
Total construction in progress	<u>\$ 15,782,512</u>

Capital asset activities for business-type activities for fiscal year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Nondepreciable assets:					
Land	\$ -	\$ 3,700	\$ -	\$ -	\$ 3,700
Construction in progress	4,133,601	1,471,159	-	(4,233,679)	1,371,081
Total nondepreciable assets	<u>4,133,601</u>	<u>1,474,859</u>	<u>-</u>	<u>(4,233,679)</u>	<u>1,374,781</u>
Depreciable assets					
Infrastructure, structures and improvements	66,916,474	109,749	-	6,341,000	73,367,223
Equipment	4,220,663	45,554	-	-	4,266,217
Total depreciable assets	<u>71,137,137</u>	<u>155,303</u>	<u>-</u>	<u>6,341,000</u>	<u>77,633,440</u>
Accumulated depreciation:					
Infrastructure, structures and improvements	(22,297,839)	(1,950,514)	-	(1,661,672)	(25,910,025)
Equipment	(3,048,869)	(239,750)	-	-	(3,288,619)
Total accumulated depreciation	<u>(25,346,708)</u>	<u>(2,190,264)</u>	<u>-</u>	<u>(1,661,672)</u>	<u>(29,198,644)</u>
Total depreciable assets, net	<u>45,790,429</u>	<u>(2,034,961)</u>	<u>-</u>	<u>4,679,328</u>	<u>48,434,796</u>
Total capital assets, net	<u>\$ 49,924,030</u>	<u>\$ (560,102)</u>	<u>\$ -</u>	<u>\$ 445,649</u>	<u>\$ 49,809,577</u>

During the fiscal year ended June 30, 2017, the City's business-type activities a) completed projects totaling \$4,233,679 which were transferred from construction in progress to depreciable capital assets; and b) received depreciable capital assets for golf courses with net book value of \$445,649 from the governmental activities.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Construction in progress for business-type activities at June 30, 2017 is comprised of the following:

Project Name	Expended to June 30, 2017
Sewer Interceptor Phase 2	\$ 953,575
Water Tank #8 Project	327,962
Recycled Water System Expansion	45,370
Wet Well Lining 1 & 2	44,174
Total construction in progress	<u>\$ 1,371,081</u>

Depreciation expenses for governmental activities and business-type activities for the fiscal year ended June 30, 2017 were charged to the following functions:

Governmental Activities:	
General government	\$ 995,530
Public safety	525,118
Public works	2,025,331
Parks and recreation	607,701
Total governmental activities	<u>\$ 4,153,680</u>
Business-Type Activities:	
Water	\$ 585,978
Sewer	1,535,135
Golf Course	69,151
Total business-type activities	<u>\$ 2,190,264</u>

Capital asset activities for the Successor Agency for fiscal year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Nondepreciable assets:				
Land	\$ 3,001,063	\$ -	\$ -	\$ 3,001,063
Depreciable assets				
Infrastructure, structures and improvements	29,692,292	-	-	29,692,292
Equipment	692,161	-	-	692,161
Total depreciable assets	<u>30,384,453</u>	<u>-</u>	<u>-</u>	<u>30,384,453</u>
Accumulated depreciation:				
Infrastructure, structures and improvements	(17,365,667)	(938,243)	-	(18,303,910)
Equipment	(692,161)	-	-	(692,161)
Total accumulated depreciation	<u>(18,057,828)</u>	<u>(938,243)</u>	<u>-</u>	<u>(18,996,071)</u>
Total depreciable assets, net	<u>12,326,625</u>	<u>(938,243)</u>	<u>-</u>	<u>11,388,382</u>
Total capital assets, net	<u>\$ 15,327,688</u>	<u>\$ (938,243)</u>	<u>\$ -</u>	<u>\$ 14,389,445</u>

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

7. LONG-TERM LIABILITIES

The City's long-term debt payable for the governmental activities, business-type activities, and Successor Agency at June 30, 2017 are as follows:

	Final Maturity	Interest Rate	Annual Principal Installments	Original Issue Amounts	Outstanding at June 30, 2017
<i>Governmental Activities</i>					
2003 Lease Revenue Refunding Bonds	2026	4.00% - 4.75%	\$33,000 - \$47,000	\$ 695,000	\$ 355,500
Loan Payable - PG&E #1	2022	0.00%	\$7,035 - \$42,217	249,782	176,080
Loan Payable - PG&E #2	2024	0.00%	\$11,453 - \$45,807	339,738	286,488
Loan Payable - PG&E #3	2027	0.00%	\$17,703 - \$42,064	420,643	396,282
Loan Payable - Key Government Finance	2020	0.00%	\$32,660	163,301	97,981
Total Governmental Activities				<u>\$ 1,868,464</u>	<u>\$ 1,312,331</u>
<i>Business-Type Activities</i>					
2005A Water Revenue Bonds	2031	3.80% - 4.50%	\$175,000 - \$305,000	5,000,000	3,285,000
2005 Sewer System Revenue Certificates of Participation	2036	3.70% - 5.00%	\$340,000 - \$775,000	13,000,000	9,970,000
Total Business-Type Activities				<u>\$ 18,000,000</u>	<u>\$ 13,255,000</u>
<i>Successor Agency</i>					
2003 Lease Revenue Refunding Bonds	2026	4.00% - 4.75%	\$297,000 - \$423,000	\$ 6,255,000	\$ 3,199,500
1999 Tax Allocation Bonds, including accreted interest	2036	5.00% - 5.30%	\$395,000 - \$1,755,000	11,936,651	18,088,740
2001 Tax Allocation Bonds	2021	4.50% - 5.25%	\$705,000 - \$810,000	8,200,000	3,035,000
2007H Housing Tax Allocation Bonds	2038	4.00% - 5.00%	\$20,000 - \$1,385,000	26,760,000	14,710,000
2007R Redevelopment Tax Allocation Bonds	2038	4.00% - 5.00%	\$550,000 - \$2,455,000	34,680,000	18,910,000
Total Successor Agency				<u>\$ 87,831,651</u>	<u>\$ 57,943,240</u>

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The following is a summary of changes to long-liabilities for the governmental activities, business-type activities, and Successor Agency for the fiscal year ended June 30, 2017:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amount due Within One Year
<i>Governmental activities</i>					
Lease revenue refunding bonds	\$ 387,000	\$ -	\$ (31,500)	\$ 355,500	\$ 33,000
Loans payable	680,865	420,643	(144,677)	956,831	162,748
Subtotal long-term obligations	1,067,865	420,643	(176,177)	1,312,331	195,748
Compensated absences	1,526,174	1,059,495	(1,177,974)	1,407,695	1,274,945
Total governmental activities	<u>\$ 2,594,039</u>	<u>\$ 1,480,138</u>	<u>\$ (1,354,151)</u>	<u>\$ 2,720,026</u>	<u>\$ 1,470,693</u>
<i>Business-type activities</i>					
Water revenue bonds	\$ 3,455,000	\$ -	\$ (170,000)	\$ 3,285,000	\$ 175,000
Sewer revenue certificates of participation	10,295,000	-	(325,000)	9,970,000	340,000
Original issue premium	151,600	-	(7,612)	143,988	7,612
Original issue discount	(32,683)	-	2,293	(30,390)	(2,293)
Compensated absences	-	346,490	(163,864)	182,626	163,864
Total business-type activities	<u>\$ 13,868,917</u>	<u>\$ 346,490</u>	<u>\$ (664,183)</u>	<u>\$ 13,551,224</u>	<u>\$ 684,183</u>
<i>Successor Agency</i>					
Lease revenue refunding bonds	\$ 3,483,000	\$ -	\$ (283,500)	\$ 3,199,500	\$ 297,000
Tax allocation bonds	45,808,913	-	(2,163,830)	43,645,083	2,439,386
Accreted interest on capital appreciation bonds	10,417,074	912,753	(231,170)	11,098,657	240,614
Original issue premium	983,577	-	(47,450)	936,127	46,808
Original issue discount	(288,894)	-	13,757	(275,137)	(13,757)
Total Successor Agency	<u>\$ 60,403,670</u>	<u>\$ 912,753</u>	<u>\$ (2,712,193)</u>	<u>\$ 58,604,230</u>	<u>\$ 3,010,051</u>

Governmental Activities

2003 Lease Revenue Refunding Bonds

On July 1, 2003, the Financing Authority issued the Rohnert Park Financing Authority Lease Revenue Refunding Bonds, Series 2003 (2003 LRBs) in the amount of \$6,950,000 to refinance the outstanding Rohnert Park Public Safety Facility Project-the Series 1994 Certificates of Participation (1994 COPs) of \$5,780,000 and the outstanding Master Equipment Lease Program Series 1999 Certificates of Participation (1999 COPs) of \$785,000, and to provide for deposit of a surety bond in a reserve fund and to pay certain costs of issuance. The 2003 LRBs are payable from and secured by base rental payments to be made by the City under the lease between the City and the Financing Authority for the lease of the Department of Public Safety Main Station, which houses the City's Department of Safety which provides police and fire services in the City. The General Fund provides 10% of the 2003 LRBs repayments, per the agreement between the Financing Authority and the City. The remaining 90% of the repayment is made by the Successor Agency. These revenues have been pledged until the fiscal year ended June 30, 2026, the final maturity of the 2003 LRBs. The total principal and interest remaining for the 10% governmental activities' share of the 2003 LRBs COPs is \$436,443. The revenue pledged during the fiscal year ended June 30, 2017 was \$52,431 which equaled to the total debt service payment by the governmental activities.

Loans Payable

On June 18, 2015, the City entered into a loan agreement with Pacific Gas and Electric Company (PG&E) in the amount of \$249,782. Proceeds of the loan were used to replace LED Street Lights. The loan is payable over 5 years from the City's General Fund, bears no interest, and has a final maturity of August 15, 2021.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

On March 27, 2016, the City entered into a loan agreement with PG&E in the amount of \$339,738. Proceeds of the loan were used to replace LED Lighting at Honeybee Pool, various parks, the Sports Center, the Community Center, the Performing Arts Center and the Burton Recreation Center. The loan is payable over 89 months from the City's General Fund, bears no interest, and has a final maturity of September 19, 2023.

On November 3, 2016, the City entered into a loan agreement with PG&E in the amount of \$420,643. Proceeds of the loan were used to replace the City's Public Safety Main Heating, Ventilation, and Air Conditioning (HVAC) system. The loan is payable over 120 months from the City's General Fund, bears no interest, and has a final maturity of October 16, 2026.

On May 18, 2016, the City entered into a capital lease agreement with Key Government Finance, Inc. to finance and purchase information technology properties in the amount of \$163,301. The loan is payable over 5 years from the Information Technology Internal Service Fund, bears no interest, and has a final maturity of May 18, 2020.

Other Long Term Liabilities – Compensated Absences

Compensated absences are generally liquidated by the General Fund.

Business-Type Activities

2005 California Statewide Communities Development Authority Water Revenue Bonds

In October 2002, the City became a program participant in the California Statewide Communities Development Authority Water and Wastewater Pooled Financing Program (Program). As a participant in the Program, the City was able to issue California Statewide Communities Development Authority (CSCDA) Water Revenue Bonds. On May 1, 2005, the CSCDA issued the 2005A CSCDA Water Revenue Bonds (2005A Water Revenue Bonds) on behalf of the City in the amount of \$5,000,000 under the Program. Proceeds of the Bonds were used to finance the acquisition and construction of water public capital improvements. System Net Revenues, as defined in the agreement, and all amounts on deposit in the System Revenue Fund, are irrevocably pledged to the payment of the Installment Payments. The System Net Revenues will not be used for any other purpose while any of the Installment Payments remain unpaid.

System Net Revenues have been pledged until the fiscal year ended June 30, 2031, the final maturity of the 2005A Water Revenue Bonds. The total principal and interest remaining on the 2005A Water Revenue Bonds is \$4,407,639. The System Net Revenues for the fiscal year ended June 30, 2017 was \$1.15 million while the total debt service payment for the 2005A Water Revenue Bonds was \$317,174.

2005 Sewer System Revenue Certificates of Participation

On May 27, 2005, the City entered into an installment sale agreement with the Financing Authority for the issuances of Sewer System Revenue Certificates of Participation, Series 2005 (2005 Sewer COPs) in the amount of \$13,000,000. Proceeds of the 2005 Sewer COPs are being used for: a) financing certain improvements, betterments, renovations and expansions of facilities within the Sewer System of the City; b) paying capitalized interest with respect to the 2005 Sewer COPs to June 1, 2006; c) providing for the deposit of a reserve fund surety bond and; d) paying costs of delivery of the 2005 Sewer COPs. Pursuant to the Installment Purchase Agreement, all Net Revenues and all amounts on deposit in the Revenue Fund (other than amounts on deposit therein required to pay Operations and Maintenance Costs) are irrevocably pledged to the payment of the Installment Payments as provided therein. The Sewer Net Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided, that out of the Sewer Net Revenues there may be apportioned such sums for such purposes as are expressly permitted by the Installment Purchase Agreement. In addition, the Public Facility Finance Fee Special Revenue Fund is required to repay its portion of the Installment Payments that represent improvements constructed with these bond proceeds that were used to expand facility capacity.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Sewer Net Revenues have been pledged until the fiscal year ended June 30, 2036, the final maturity of the 2005 Sewer COPs. The total principal and interest remaining on the 2005 Sewer COPs is \$15,480,398. The Sewer Net Revenues for the fiscal year ended June 30, 2017 was \$1.79 million and total public facilities finance fee was \$2.5 million while the total debt service payment was \$812,887.

Successor Agency

The following long term obligations were transferred from the Commission to the Successor Agency on February 1, 2012, when all redevelopment agencies in California ceased to exist:

1999 Tax Allocation Bonds

On January 15, 1999, the Commission issued Capital Appreciation Tax Allocation Bonds, Series 1999 (1999 TABs) in the amount of \$11,936,651. The 1999 TABs were issued for the purpose of funding certain capital improvements, to fund a reserve fund and to pay the costs of issuing the Series 1999 Bonds. The 1999 TABs will mature during the fiscal year ended June 30, 2036, are limited obligations of the Successor Agency payable and secured by tax revenues to be derived from the project area.

2001 Tax Allocation Bonds

On September 25, 2001, the Commission issued the Rohnert Park Redevelopment Project Tax Allocation Refunding Bonds, Series 2001 (2001 TABs) in the amount of \$8,200,000 for the purpose of refunding a portion of the Commission's outstanding Series 1991 Bonds, funding certain capital improvements, funding a reserve fund and paying the issuance costs. The 2001 TABs will mature during the fiscal year ended June 30, 2021, are limited obligations of the Successor Agency payable and secured by tax revenues to be derived from the project area.

2007R and 2007H Tax Allocation Bonds

On March 28, 2007 the Commission issued the Rohnert Park Redevelopment Project Tax Allocation Bonds, Series 2007R (2007R TABs) in the amount of \$34,680,000, and the Rohnert Park Redevelopment Project Housing Tax Allocation Bonds (2007H TABs) in the amount of \$26,760,000, for the purpose of financing certain public improvements, including certain housing projects, purchasing municipal bond debt service reserve fund policies in order to satisfy the reserve requirements for the respective reserve accounts, and paying the costs of issuing the bonds. The 2007R and 2007H TABs, which will mature during the fiscal year ended June 30, 2038, are limited obligations of the Successor Agency payable and secured by tax revenues to be derived from the project area.

With the dissolution of the Redevelopment Agency, tax increment is no longer distributed, and instead the Successor Agency receives payments from the RPTTF that are to be used to fund the debt service on the bonds. The total principal and interest remaining on the 1999, 2001, 2007R and 2007H TABs is \$83,730,340 and total debt service payment for the year ended June 30, 2017 was \$4,142,224.

2003 Lease Revenue Refunding Bonds

As discussed in the governmental activities section, 2003 LRBs were issued to refinance the 1994 COPs and 1999 COPs. The General Fund provides 10% of the 2003 LRBs repayments, per the agreement between the Financing Authority and the City. The remaining 90% of the repayment is made by the Successor Agency. The 2003 LRBs will mature during the fiscal year ended June 30, 2026. With the dissolution of the Redevelopment Agency, tax increment is no longer distributed, and instead the Successor Agency receives payments from the RPTTF that are to be used to fund 90% of the debt service on the 2003 LRBs. As of June 30, 2017, the total principal and interest remaining for the 90% Successor Agency's share of the 2003 LRBs is \$3,927,994 and total debt service payment for the fiscal year ended June 30, 2017 was \$439,432.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Future debt service requirements (principal and interest) for governmental activities are as follows:

Fiscal year Ending June 30:	Lease Revenue Bonds (10% City portion)		Loans Payable	
	Principal	Interest	Principal	Interest
2018	\$ 33,000	\$ 15,999	\$ 162,748	\$ -
2019	34,000	14,511	162,750	-
2020	36,000	12,849	162,750	-
2021	37,500	11,103	130,266	-
2022	39,000	9,286	94,907	-
2023-2027	176,000	17,195	243,410	-
	<u>\$ 355,500</u>	<u>\$ 80,943</u>	<u>\$ 956,831</u>	<u>\$ -</u>

Future debt service requirements (principal and interest) for business-type activities are as follows:

Fiscal year Ending June 30:	Water Revenue Bonds		Sewer Revenue Certificates of Participation	
	Principal	Interest	Principal	Interest
2018	\$ 175,000	\$ 140,274	\$ 340,000	\$ 475,136
2019	185,000	132,958	355,000	461,462
2020	190,000	125,152	370,000	447,175
2021	200,000	116,912	385,000	431,950
2022	210,000	108,069	400,000	416,100
2023-2027	1,175,000	393,074	2,305,000	1,768,125
2028-2032	1,150,000	106,200	2,920,000	1,148,625
2033-2036	-	-	2,895,000	361,825
	<u>\$ 3,285,000</u>	<u>\$ 1,122,639</u>	<u>\$ 9,970,000</u>	<u>\$ 5,510,398</u>

Future debt service requirements (principal, interest, and accreted interest) for the Successor Agency are as follows:

Fiscal Year Ending June 30:	Lease Revenue Bonds (90% Successor Agency Portion)		Tax Allocation Bonds		
	Principal	Interest	Principal	Interest	Accretion
2018	\$ 297,000	\$ 143,995	\$ 2,439,386	\$ 1,650,325	\$ 240,614
2019	306,000	130,601	2,330,467	1,548,306	584,533
2020	324,000	115,639	2,396,384	1,455,225	603,616
2021	337,500	99,928	2,473,816	1,361,025	621,184
2022	351,000	83,576	2,043,597	1,283,049	1,201,403
2023-2027	1,584,000	154,755	10,795,562	5,381,799	6,414,438
2028-2032	-	-	10,979,352	3,238,594	6,965,648
2033-2037	-	-	7,711,519	1,585,205	5,888,481
2038	-	-	2,475,000	61,812	-
	<u>\$ 3,199,500</u>	<u>\$ 728,494</u>	<u>\$ 43,645,083</u>	<u>\$ 17,565,340</u>	<u>\$ 22,519,917</u>

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Legal Debt Limit

As of June 30, 2017, the City's legal debt limit (15% of valuation subject to taxation) was \$687.0 million and the City has no debt subject to the legal debt limit.

Arbitrage Liability

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 paid 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 at least every five years. At June 30, 2017, the City has no arbitrage liability.

8. EMPLOYEES' RETIREMENT PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's CalPERS plans. The City participates in five plans with CalPERS as follows:

CalPERS Plan	Type of Plan	Participants
Miscellaneous Plan	Agent multi-employer plan	City non-safety members
Safety Tier 1 Plan	Cost sharing plan	Safety members hired or join CalPERS before 7/1/2008
Safety Tier 2 Plan	Cost sharing plan	Safety members hired or join CalPERS from 7/1/2008 to 6/17/2012
Safety Tier 3 Plan	Cost sharing plan	Safety members hired or join CalPERS from 6/18/2012 and 12/31/2012
Safety PEPPRA Plan	Cost sharing plan	Safety members hired or join CalPERS since 1/1/2013

CalPERS acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. Benefit provisions and other requirements are established by State statute, employer contract with CalPERS and by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on a final average compensation period of 12 months or 36 months. The cost of living adjustments for the CalPERS plans are applied as specified by the Public Employees' Retirement Law. The California Public Employees' Pension Reform Act (PEPPRA), which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. As such members who established CalPERS membership on or after January 1, 2013 are known as "PEPPRA" members.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Miscellaneous Plan				
	Prior to July 1, 2008	From July 1, 2008 to June 30, 2011	From July 1, 2011 to December 31, 2012	On or after January 1, 2013
Hire date				
Benefit formula	2.7% @ 55 with 5.0% COLA	2.7% @ 55 with 2.0% COLA	2.0% @ 55 with 2.0% COLA	2.0% @ 62 with 2.0% COLA
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	55	55	62
Monthly benefits, as a % of eligible compensation	2.7%	2.7%	2.0%	2.0%
Required employee contribution rates	8.00%	8.00%	7.00%	6.25%
Required employer contribution rates	27.634%	27.634%	27.634%	27.634%

Safety Plans				
	Tier 1	Tier 2	Tier 3	PEPRA
	Prior to July 1, 2008	From July 1, 2008 to June 17, 2012	From June 18, 2012 to December 31, 2012	On or after January 1, 2013
Hire date				
Benefit formula	3.0% @ 50 with 5.0% COLA	3.0% @ 50 with 2.0% COLA	3.0% @ 55 with 2.0% COLA	2.7% @ 57 with 2.0% COLA
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	55	57
Monthly benefits, as a % of eligible compensation	3.0%	3.0%	3.0%	2.7%
Required employee contribution rates	9.000%	9.000%	9.000%	11.500%
Required employer contribution rates	68.967%	20.126%	16.656%	12.082%

Employees Covered

At June 30, 2016, the most recent information available, the following employees were covered by the benefit terms for the City's Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	137
Inactive employees entitled to but not yet receiving benefits	146
Active employees	126
Total	409

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Contribution

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 City's plans is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by public employees during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability

The following is a summary of net pension liability at June 30, 2017:

Governmental activities	\$ 55,290,811
Business-type activities	5,041,457
Total net pension liability	<u>\$ 60,332,268</u>

The City's net pension liability for its Safety Plans is measured as a proportionate share of the plan's net pension liability. The City's net pension liability of each of its plans is measured as of June 30, 2016, and the total pension liability for each of its 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 proportions of the net pension liability for the CalPERS plans were actuarially determined as of the valuation date. The City's proportionate share of the net pension liability for the CalPERS plans was 0.42649% or \$36,904,263, an increase of \$5,123,289 from prior year.

The net pension liability for the City's Miscellaneous Plan is measured as the total pension liability less the fiduciary net position. The change in the net pension liability for the City's Miscellaneous Plan is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2015	\$ 78,530,402	\$ 59,593,790	\$ 18,936,612
Change during the measurement period			
Service cost	1,397,366	-	1,397,366
Interest on the total pension liability	5,888,719	-	5,888,719
Differences between expected and actual experience	(31,319)	-	(31,319)
Contributions from the employer	-	1,921,639	(1,921,639)
Contributions from employees	-	545,967	(545,967)
Net investment income	-	332,086	(332,086)
Administrative expenses	-	(36,319)	36,319
Benefit payments, including refunds of employee contributions	(4,442,112)	(4,442,112)	-
Net changes during measurement period	2,812,654	(1,678,739)	4,491,393
Balance at June 30, 2016	<u>\$ 81,343,056</u>	<u>\$ 57,915,051</u>	<u>\$ 23,428,005</u>

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Pension Expense and Pension Related Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2017, the City recognized pension expense totaled to \$3,820,347. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in proportionate share, difference between actual and proportionate share of contributions, actual investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

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

	<u>Miscellaneous Plan</u>		<u>Safety Plans</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,081,149	\$ -	\$ 3,357,883	\$ -	\$ 5,439,032	\$ -
Change in assumptions	-	(450,446)	-	(1,083,957)	-	(1,534,403)
Differences between expected and actual experience	-	(439,573)	-	(248,609)	-	(688,182)
Change in employer's proportion	-	-	865,116	(227,100)	865,116	(227,100)
Differences between the employer's actual and proportionate share of contribution	-	-	743,992	-	743,992	-
Net differences between projected and actual earnings on plan investments	3,134,426	-	5,325,430	-	8,459,856	-
Total	<u>\$ 5,215,575</u>	<u>\$ (890,019)</u>	<u>\$ 10,292,421</u>	<u>\$ (1,559,666)</u>	<u>\$ 15,507,996</u>	<u>\$ (2,449,685)</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic manner. At June 30, 2017, the City reported \$5,439,032 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction to net pension liability in the year ending 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:

<u>Year Ending June 30</u>	
2018	\$ 259,599
2019	1,143,335
2020	4,002,453
2021	2,213,892
Total	<u>\$ 7,619,279</u>

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2016 are as follows:

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	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment Expenses, includes Inflation
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Allowance Floor on Purchasing Power applies, 2.75% thereafter.
Mortality	Derived using CalPERS Membership Data for all Funds (1)

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, 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 ran out of assets. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Taking into account historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11 - 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2015, are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(0.55)	(1.05)

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

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

Sensitivity of the Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability of the City's Miscellaneous plan and proportionate share of the net pension liability of the City's Safety Plans as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate -1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Miscellaneous Plan	\$ 33,871,251	\$ 23,428,005	\$ 14,770,471
Safety Plans	51,052,582	36,904,263	25,289,942
Total	<u>\$ 84,923,833</u>	<u>\$ 60,332,268</u>	<u>\$ 40,060,413</u>

Pension Plan Fiduciary Net Position

Detailed information about the each of the pension plan's fiduciary net position is available in the separately issued CalPERS financial report which can be found on the CalPERS website.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

9. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The City sponsors a single-employer defined benefit plan providing other postemployment benefits (OPEB) including medical, dental and vision to eligible retirees and their dependents in accordance with various labor agreements. Employees are eligible for OPEB if they were hired before July 1, 2007, work continuously for the City for 10 or 15 years dependent on hire date (unless disabled), and are eligible for the CalPERS pension plan. Employees hired on or after July 1, 2007 participate in a defined contribution plan that is funded monthly and are not eligible for the defined benefit OPEB plan and thus benefits provided are not included in the OPEB actuarial valuation. The City participates in the California Employers' Retiree Benefit Trust (CERBT) Fund. CERBT is administered by CalPERS and is an agent multiple-employer trust. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Offices, Lincoln Plaza East, 400 Q Street, Sacramento, California 95814.

Due to an agreement with its bargaining groups entered in June 2014, effective July 1, 2014, the City's OPEB for employees hired prior to July 1, 2007 were eliminated in exchange for the following benefit:

- 1) Eligible employees agreed to accept \$2,000 (non-sworn) and \$2,500 (sworn) for each year of continuous service as a regular, benefited employee calculated through January 1, 2015. This lump sum amount is to be deposited prior to January 15, 2015 into a Retirement Health Savings Account (RHSA) established in each individual's name; and
- 2) Eligible employees will receive \$500 per month from the month following retirement until the age of Medicare eligibility or death, whichever occurs first. This \$500 amount can either be applied as a credit toward health insurance premiums if the retiree elects to stay on the City's health plans or credited monthly to a RHSA in the retiree's name.

Eligible employees were given the option of retiring prior to January 1, 2015 under the original OPEB plan or electing the buyout option. All eligible employees employed as of January 1, 2015 will participate in the buyout option.

Funding Policy

During the fiscal year ended June 30, 2011, the City Council adopted a 20-year phase-in plan to set aside monies in the General Fund for contributions to the OPEB plan. The City started contributing to the CERBT during the fiscal year ended June 30, 2011 and continues to fund more than the pay-as-you-go amount annually.

Annual Other Postemployment Benefit Cost and Net Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed thirty years. Annual OPEB Cost (AOC) equals the plan's ARC, adjusted for historical differences between the ARC and amounts actually contributed. Based on the July 1, 2015 actuarial valuation, the City's annual required contribution for the fiscal year ended June 30, 2017 is the sum of (a) normal cost of \$248,000, and (b) level dollar amortization of the UAAL of \$1,970,000. The City's contribution amount for the fiscal year ended June 30, 2017 included (a) deposits into the CERBT of \$2,700,000, (b) implicit subsidy of \$187,000, and (c) benefit payments for retirees of \$1,342,000.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The following table shows the components of the City's annual OPEB cost for the fiscal year ended June 30, 2017, and the changes in the net OPEB obligation:

Annual required contribution	\$ 2,218,000
Interest on OPEB obligation	313,000
Adjustment to annual required contribution	<u>(507,000)</u>
Annual OPEB cost (expense)	2,024,000
Contributions made	<u>(4,229,000)</u>
Decrease in net OPEB obligation	(2,205,000)
Net OPEB obligation, beginning of year	<u>6,269,000</u>
Net OPEB obligation, end of year	<u><u>\$ 4,064,000</u></u>

Three-year historical trend information for the annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2015	\$ 1,992	139.9%	\$ 9,501
6/30/2016	1,898	270.3%	6,269
6/30/2017	2,024	208.9%	4,064

Actuarial Methods and Assumptions

The actuarial methods and significant assumptions used in the July 1, 2015 actuarial valuation for the City's annual required contributions for the fiscal year ended June 30, 2017, and July 1, 2017 actuarial valuation for the most recent funded status are as follows:

Valuation Date	July 1, 2015	July 1, 2017
Actuarial Cost Method	Entry age normal cost	Entry age normal cost
Amortization Method	Level percent of payroll	Level percent of payroll
UAAL Remaining Amortization Period	Closed 23 years as of the valuation date	Closed 21 years as of the valuation date
Asset Valuation Method	Market value	Market value
Discount Rate	6.50% with prefunding, 4.00% without prefunding, grading from 4.00% to 6.50% over 20 years for phase-in prefunding	6.5% with prefunding
Project Salary Increases	3.25%	3.00%
Inflation	3.00%	2.75%
Medical Cost Trend Growth	5.25% for Medicare Part B premium, 5.25% for dental costs, 3.25% for vision costs, and other medical premiums grading from 7.5% to an ultimate rate of 5.25% by 2021	5.00% for Medicare Part B premium, 3.00% for vision costs, pre-Medicare premiums grading from 7.50% to an ultimate rate of 4.00% by 2086, and post-Medicare premiums grading from 6.50% to an ultimate rate of 4.00% by 2076

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Funded Status and Funding Progress

The funded status and funding progress were determined as part of the July 1, 2017 actuarial valuation (the most recent valuation available). The schedule of funding progress for the OPEB plan below shows the actuarial assets value, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

Actuarial Valuation Date	Actuarial Accrued Liability - Entry Age	Actuarial Assets Value	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as Percentage of Covered Payroll
7/1/2017	\$ 23,704,000	\$ 12,526,000	\$ 11,178,000	52.8%	\$ 13,748,507	81.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability 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. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point, and, if applicable, the disclosure that the projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The schedule of funding progress, presented as required supplementary information (RSI) 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 liability for benefits.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

10. FUND BALANCE / NET POSITION

Portions of unassigned fund balance may be assigned to indicate tentative plans for financial resource utilization in a future period, such as for special purpose or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures. As of June 30, 2017, the City's governmental fund balances were classified as follows:

	General	Housing Projects Special Revenue	Financing Authority	City Capital Projects	Public Facilities Finance Fee Special Revenue	Graton Mitigation Supplemental Special Revenue	Other Governmental	Total Governmental Funds
Nonspendable:								
Prepaid and other assets	\$ 39,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,005,786	\$ 1,045,784
Advance to other funds	2,193,400	-	-	-	-	-	-	2,193,400
Performing Arts Center	-	-	-	-	-	-	500,000	500,000
Total nonspendable	<u>2,233,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,786</u>	<u>3,739,184</u>
Restricted for :								
General government programs	-	-	-	-	-	-	2,289,548	2,289,548
Public safety programs - police	-	-	-	-	-	-	5,234,570	5,234,570
Public safety programs - fire	-	-	-	-	-	-	136,121	136,121
Capital and street projects	-	-	-	-	-	-	6,176,207	6,176,207
Redevelopment capital projects	-	-	-	2,425,199	-	-	-	2,425,199
Retirement benefits	6,803,693	-	-	-	-	-	-	6,803,693
Housing projects	56,554	25,802,469	-	-	-	-	132,194	25,991,217
Performing Arts Center	-	-	-	-	-	-	69,132	69,132
Debt service	-	-	38,128	-	-	-	-	38,128
Total restricted for	<u>6,860,247</u>	<u>25,802,469</u>	<u>38,128</u>	<u>2,425,199</u>	<u>-</u>	<u>-</u>	<u>14,659,772</u>	<u>49,785,815</u>
Assigned to:								
Public safety programs - police	-	-	-	-	-	-	331,707	331,707
Capital and street projects	-	-	-	-	-	-	137,688	137,688
Graton Mitigation	-	-	-	-	-	2,761,021	3,440,405	6,201,426
Operating reserve	4,619,968	-	-	-	-	-	-	4,619,968
Contingency reserve	4,532,884	-	-	-	-	-	-	4,532,884
Infrastructure reserve	1,500,000	-	-	-	-	-	-	1,500,000
Self-insured losses reserve	1,235,092	-	-	-	-	-	-	1,235,092
Retirement reserve	2,000,000	-	-	-	-	-	-	2,000,000
Information technology	1,440,000	-	-	-	-	-	-	1,440,000
2003 Lease revenue bond reserve	335,000	-	-	-	-	-	-	335,000
Retiree health savings	59,048	-	-	-	-	-	-	59,048
Encumbrances	381,201	-	-	-	-	-	-	381,201
Total assigned to	<u>16,103,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,761,021</u>	<u>3,909,800</u>	<u>22,774,014</u>
Unassigned	<u>314,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,740,236)</u>	<u>-</u>	<u>-</u>	<u>(11,425,912)</u>
Total fund balance	<u>\$ 25,511,162</u>	<u>\$ 25,802,469</u>	<u>\$ 38,128</u>	<u>\$ 2,425,199</u>	<u>\$ (11,740,236)</u>	<u>\$ 2,761,021</u>	<u>\$20,075,358</u>	<u>\$ 64,873,101</u>

City's Reserve Policy

The City adopted budget and fiscal policies to maintain various reserve balances as follows:

- **Operating Reserve** – The City shall maintain a reserve balance of 10% of total operating expenditures. The purpose of this reserve is to adequately provide for: 1) economic uncertainties and financial hardships or downturns in the local or national economy; 2) cash flow requirements; 3) future debt or capital obligations, and 4) legal requirements.
- **Contingency Reserve** – The City shall maintain a reserve of 5% of total operating expenditures to provide adequate capital in the event of a local disaster or unanticipated fiscal crisis.
- **Infrastructure Reserve** – The City shall maintain a reserve with a target balance equivalent to the annual depreciation of the existing infrastructure and a minimum balance of 100% of the first year Capital Improvement Plan funding requirements.
- **Self-Insured Losses Reserve** – The City shall maintain a reserve of 50% of the annual premium plus the average deductible. All insurance refunds will be transferred back to this reserve.
- **Retirement Reserve** – The City shall maintain a reserve of 25% of the annual pension costs to offset fluctuations in pension contribution rates.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The City intends to use the reserve for the specific purpose as stated in the budget and fiscal policies. At June 30, 2017, the City reported these reserve balances as part of the General Fund's assigned fund balance.

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City reports all of its risk management activities in its General Fund. The City participates in the Redwood Empire Municipal Insurance Fund (REMIF), a joint powers agency established in May 1976 to provide an independently managed risk sharing self-insurance program for member cities. The purpose of REMIF is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its costs.

As of June 30, 2017, the City's deductibles and maximum coverage through its participation in REMIF is as follows:

Coverage:	Deductible	REMIF Coverage	Excess Coverage
General liability	\$ 5,000	\$ 500,000	\$ 40,000,000
Workers' compensation	5,000	1,000,000	Statutory
Property damage	5,000	25,000	400,000,000
Automobile liability	5,000	10,000	5,000,000
Earthquake and flood	5% of actual value of unit subject to \$100,000 minimum	100,000	20,000,000
Pollution and Environmental	5,000	25,000	5,000,000
Boiler and Machinery	5,000	5,000	100,000,000
Cyber	50,000	None	2,000,000

A summary of audited financial information of REMIF as of and for year ended June 30, 2016, the most current available audited financial information, is as follows (amounts in thousands).

Total assets and deferred outflows of resources	\$ 19,498
Total liabilities and deferred inflows of resources	<u>22,123</u>
Net position	<u>\$ (2,625)</u>
Total revenues	\$ 23,922
Total expenses	<u>23,860</u>
Change in net position	<u>\$ 62</u>

The City contributes its pro-rata share of anticipated losses to a pool administered by REMIF. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro-rata share of the deficit. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro-rata share of the excess. The City paid insurance premiums and deductibles of \$1,427,789 during the fiscal year ended June 30, 2017. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

Claims expenditures and liabilities are reported for self-insured deductibles when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). At June 30, 2017 the amount of these IBNR liabilities was \$95,668.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

This liability is the City's best estimate based on available information.

Changes in the claims liability (reported in accrued liabilities of General Fund) during the past two fiscal years ended June 30, 2017 and 2016, are as follows:

	Year Ended June 30,	
	2017	2016
Claims liability, beginning of year	\$ 96,971	\$ 219,329
Current year claim deductibles and changes in estimates	89,758	167,830
Net payments	(91,061)	(290,188)
Claims liability, end of year	<u>\$ 95,668</u>	<u>\$ 96,971</u>

At June 30, 2017, the City assigned \$1,235,092 of General Fund's fund balance for future claims liabilities.

12. JOINT VENTURES

Sonoma County Waste Management Agency

The City participates in the Sonoma County Waste Management Agency (SCWMA), a joint power authority of nine incorporated cities and the County formed in April 1992. Each member of the joint venture has a representative on the Board of Directors of SCWMA. The SCWMA Board of Directors is responsible for governing the joint power authority as a separate entity. The SCWMA Board of Directors, or a designee, is responsible for the preparation of an annual budget, assessing fees, and entering into contracts and is authorized to sue and become obligated when sued. The purpose of SCWMA is to conduct a yard waste composting, wood waste recovery system, household hazardous material recovery program, and a public education program in the County.

The expenditures of SCWMA are primarily funded by dumping fees collected when reusable resources are disposed of at the County landfill site. Funding for SCWMA also comes from the sale of composted and recycled products. No direct funding is required from the participants to the joint power authority.

A summary of audited financial information of SCWMA as of and for fiscal year ended June 30, 2016, the most current available audited financial information, is as follows (amounts in thousands).

Total assets	\$ 8,109
Total liabilities	<u>1,155</u>
Net position	<u>\$ 6,954</u>
Total revenues	\$ 7,237
Total expenses	<u>7,140</u>
Change in net position	<u>\$ 97</u>

Complete financial statements for SCWMA can be obtained from SCWMA office at 2300 County Center Drive, Suite B 100, Santa Rosa, CA 95403.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Sonoma County Public Safety Consortium

The Sonoma County Public Safety Consortium (SCPSC) was formed by a joint powers agreement on July 1, 2008 to efficiently and effectively operate, maintain and improve a public safety communication and data management system in the County. SCPSC members are the City, the cities of Cotati, Petaluma, Santa Rosa, Sonoma, Town of Windsor, Redwood Empire Dispatch Communications Authority, the Santa Rosa Junior College, and the County. In addition to the SCPSC members, other public safety entities have limited access to system as non-affiliated agencies. As a member, the City pays its proportionate share percentage of the total costs incurred by the SCPSC. For the fiscal year ended June 30, 2017, the City paid \$309,489 to the SCPSC.

A summary of audited financial information of SCPSC as of and for fiscal year ended June 30, 2016, the most current available audited financial information, is as follows (amounts in thousands).

Total assets	\$	5,657
Total liabilities		<u>383</u>
Net position	\$	<u>5,274</u>
Total revenues	\$	3,122
Total expenses		<u>2,475</u>
Change in net position	\$	<u>647</u>

Complete financial statements for SCPSC can be obtained from SCPSC office at 585 Fiscal Drive, Suite 100, Santa Rosa, CA 95403.

13. COMMITMENTS AND CONTINGENCIES

Claims and Litigations

The City is directly and indirectly involved in various suits relating principally to claims arising from construction contracts, personal injury, and property damage. In the opinion of the City Attorney and City's management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially affect the basic financial statements of the City. As a result, no liability has been accrued by the City relating to these matters as of June 30, 2017.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as part of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. At June 30, 2017, encumbrances of \$381,201 were outstanding for the General Fund.

14. MEMORANDUM OF UNDERSTANDING WITH FEDERATED INDIANS OF GRATON RANCHERIA

During the fiscal year ended June 30, 2013, the City entered into a Memorandum of Understanding (MOU) with the Federated Indians of Graton Rancheria (Tribe) relating to their establishment and operation of a casino just outside the City limits boundary. The MOU provides for contributions from the Tribe to the City to fund mitigation efforts to lessen the impact of the casino on the community. The MOU provided for initial, one-time contributions to cover mitigation costs before the opening of the casino, then ongoing, quarterly contribution distributed through the State of California's Graton Mitigation Fund.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

During the fiscal year ended June 30, 2017, the City received \$12,656,612 of contributions for seven contribution areas as described in the MOU. Contribution amounts are adjusted each year to reflect increases in the Consumer Price Index for Urban Consumers in the San Francisco Bay Area, per Section 5.5 of the MOU. The MOU sections, descriptions, and amounts received are as follows:

<u>MOU Section</u>	<u>Description</u>	<u>Amount</u>
2.3.1	Public Safety Building Contribution	\$ 1,875,000
2.3.2	City Vehicle Fire Truck Contribution	1,200,000
3.1	Law Enforcement Recurring Contribution	597,385
3.2	Problem Gambling Recurring Contribution	134,275
3.3	Waterway Recurring Contribution	53,709
3.4.1	Supplemental Recurring Contribution	5,370,989
3.4.2	Recurring Public Services Contribution	2,544,774
4.1	Non-Guarantee School Contribution	270,323
4.2.1	Non-Guarantee Charitable Contribution to the Rohnert Park Foundation	69,511
4.2.2	Non-Guarantee Charitable Contribution to Other Charitable Organization	270,323
4.3	Non-Guarantee Community Contribution	270,323
		<u>\$ 12,656,612</u>

15. OPERATING LEASES

The City has entered into an operating lease contract whereby the City leases golf courses to a third party. The lease commenced July 1, 2012. The term of the lease is for twenty years, with an optional extension of ten additional years.

The future minimum rentals to be received from the aforementioned operating lease as of June 30, 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2018	\$ 79,298
2019	84,281
2020	88,316
2021	92,492
2022	96,814
2023-2027	554,390
2028-2032	687,532
	<u>\$ 1,683,123</u>

During the year ended June 30, 2017, the City received operating lease revenue of \$55,514.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

16. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2016, the City contributed \$3,333,323 to the PARS Trust, an irrevocable trust for the purpose of accumulating additional resources restricted for retirement benefits. Investment income of \$90,960 was earned during the year. The City expensed the contribution during the year and did not record the interest earned. The City should have reported the contribution into PARS Trust as an asset and record the interest earned during the year. Effective July 1, 2016, the City corrected this accounting error by recording a prior period adjustment to increase the restricted cash and investments and the fund balance/net position of the General Fund/governmental activities by \$3,424,283.

17. SUBSEQUENT EVENTS

Issuance of Sewer Revenue Refunding Bonds Series 2017

On August 3, 2017, the City issued Sewer System Revenue Refunding Bonds, Series 2017 (2017 Sewer Refunding Bonds) with principal amount of \$9,270,000 to current refund the 2005 Sewer COPS with outstanding principal of \$9,970,000. The 2005 Sewer COPS were redeemed on September 5, 2017. The 2017 Sewer Refunding Bonds bear fixed interest rates ranging from 2.00% to 5.00% with a final maturity date of June 1, 2036.

Early Redemption of 2005A Water Revenue Bonds

On September 1, 2017, the City's redeemed the outstanding 2005A Water Revenue Bonds with outstanding principal of \$3,285,000 by borrowing from the Water Enterprise Fund and other governmental funds in the amount of \$345,000 and \$3,000,000, respectively. The interfund loans bear interest rate of the higher of 3.00% or the rate of return of the Sonoma County Investment Pool. The interfund loan will be repaid in full no later than July 31, 2022 and may be renewed for up to two additional five-year periods.

Sonoma County Wildfires

On October 8, 2017, wildfires caused one of the worst disasters in the County's history. The City's staff performed emergency response duties throughout the event. On October 10, 2017, the City Council adopted Resolution 10-10-2017 ratifying the City Manager's local emergency proclamation in order to align the City with the opportunity to seek reimbursement for expenses incurred during the disaster response. The California Governor declared a State of Emergency for the Northern California counties affected by the wildfires on October 10, 2017. The President of the United States also issued a formal "Major Disaster Declaration for the California Wildfires" in response to the request by the California Governor on October 10, 2017. On October 24, 2017, the City Council adopted Resolution 10-24-2017 to terminate the City's local emergency status. The City spent approximately \$211,400 in responding to the disaster. The City is eligible as a non-State agency subrecipient to apply for disaster relief and expects to recover a majority of the cost incurred.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROHNERT PARK

REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –

MISCELLANEOUS PLAN

(Dollar amount in thousands)

	Fiscal Year Ended June 30,		
	2017	2016	2015
Measurement period	2016	2015	2014
Total pension liability			
Service cost	\$ 1,397	\$ 1,360	\$ 1,393
Interest on the total pension liability	5,889	5,672	5,526
Changes of assumptions	-	(1,351)	-
Differences between expected and actual experience	(31)	(1,253)	-
Benefit payments, including refunds of employee contributions	(4,442)	(3,929)	(3,746)
Net change in total pension liability	2,813	499	3,173
Total pension liability, beginning	78,531	78,032	74,859
Total pension liability, ending	\$ 81,344	\$ 78,531	\$ 78,032
Plan fiduciary net position			
Contributions, employer	\$ 1,922	\$ 1,777	\$ 1,658
Contributions, employee	546	544	535
Investment income	332	1,358	9,021
Benefit payments, including refunds of employee contributions	(4,442)	(3,929)	(3,746)
Administrative expenses	(36)	(67)	-
Net change in plan fiduciary net position	(1,678)	(317)	7,468
Plan fiduciary net position, beginning	59,594	59,911	52,443
Plan fiduciary net position, ending	\$ 57,916	\$ 59,594	\$ 59,911
Plan net pension liability	\$ 23,428	\$ 18,937	\$ 18,121
Plan fiduciary net position as a percentage of the total pension liability	71.2%	75.9%	76.8%
Covered payroll	\$ 7,418	\$ 6,953	\$ 6,788
Plan net pension liability as a percentage of covered payroll	315.83%	272.36%	266.96%

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent starting measurement period 2015.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only three years of information is shown. This schedule is intended to show information for ten years, and additional years' information will be added as it becomes available.

CITY OF ROHNERT PARK**REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)****SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –****SAFETY PLANS****(Dollar amount in thousands)**

	Fiscal Year Ended June 30,		
	2017	2016	2015
	<hr/>	<hr/>	<hr/>
Measurement period	2016	2015	2014
Proportion of net pension liability	0.42649%	0.46302%	0.46909%
Proportionate share of the net pension liability	\$ 36,904	\$ 31,781	\$ 29,190
Covered payroll	\$ 6,009	\$ 5,310	\$ 5,664
Proportionate share of the net pension liability as a percentage of covered payroll	614.15%	598.51%	515.36%
CalPERS Miscellaneous Plan's fiduciary net position as a percentage of total pension liability	74.06%	78.40%	80.43%

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent starting measurement period 2015.

- * Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only three years of information is shown. This schedule is intended to show information for ten years, and additional years' information will be added as it becomes available.

CITY OF ROHNERT PARK

REQUIRED SUPPLEMENTAL INFORMATION (Unaudited) SCHEDULE OF EMPLOYER PLAN CONTRIBUTIONS – PENSION PLANS (Dollar amount in thousands)

Miscellaneous Plan	Fiscal Year Ended June 30,			
	2017	2016	2015	2014
Actuarially determined contributions (ADC)	\$ 2,081	\$ 1,922	\$ 1,777	\$ 1,658
Contributions in relation to the ADC	(2,081)	(1,922)	(1,777)	(1,658)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,835	\$ 7,418	\$ 6,953	\$ 6,788
Contributions as a percentage of covered payroll	26.56%	25.91%	25.56%	24.43%
Safety Plans				
	Fiscal Year Ended June 30,			
	2017	2016	2015	2014
Contractually required contributions (actuarially determined) (CRC)	\$ 3,358	\$ 3,156	\$ 2,417	\$ 2,382
Contributions in relation to the CRC	(3,358)	(3,156)	(2,417)	(2,382)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,913	\$ 6,009	\$ 5,310	\$ 5,664
Contributions as a percentage of covered payroll	56.79%	52.52%	45.52%	42.06%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2017 were as follows:

ADC for fiscal year	June 30, 2017
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.75%
Salary increases	Varies by entry age and services
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only four years of information is shown. This schedule is intended to show information for ten years, and additional years' information will be added as it becomes available.

CITY OF ROHNERT PARK**REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)****SCHEDULE OF FUNDING PROGRESS - POST EMPLOYMENT HEALTH CARE BENEFITS****(Dollar amount in thousands)**

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 % of covered payroll ((b-a)/c)
7/1/2013	\$ 2,487	\$ 49,130	\$ 46,643	5.1%	\$ 14,498	321.7%
7/1/2015	5,008	29,770	24,762	16.8%	12,263	201.9%
7/1/2017	12,526	23,704	11,178	52.8%	13,749	81.3%

See Note 9 to the basic financial statements for actuarial assumptions and other information related to the schedule of funding progress.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 3,674,692	\$ 3,674,692	\$ 4,358,477	\$ 683,785
Property tax in lieu of vehicle licenses fee	2,900,000	2,900,000	3,254,816	354,816
Real property transfer	140,000	140,000	221,204	81,204
Transient occupancy	2,900,000	2,900,000	3,447,669	547,669
Franchises	2,060,000	2,060,000	2,398,910	338,910
Subtotal	11,674,692	11,674,692	13,681,076	2,006,384
Licenses, permits and fees:				
Business licenses	496,000	496,000	492,342	(3,658)
Animal licenses	60,000	60,000	44,508	(15,492)
Building permits	1,203,665	1,203,665	1,021,943	(181,722)
Plan check	541,486	541,486	912,594	371,108
Subtotal	2,301,151	2,301,151	2,471,387	170,236
Fines, forfeitures and penalties:				
Parking fines	40,000	40,000	54,357	14,357
Other court	1,200	1,200	114,338	113,138
Subtotal	41,200	41,200	168,695	127,495
Interest and rentals:				
Investment earnings	25,000	25,000	1,416,468	1,391,468
Rent - other	597,510	597,510	595,140	(2,370)
Subtotal	622,510	622,510	2,011,608	1,389,098
Intergovernmental:				
Sales and use	10,700,000	10,745,000	11,244,782	499,782
Public Safety Augmentation Fund	230,000	230,000	258,845	28,845
Grants	316,800	316,800	116,110	(200,690)
Reimbursements	40,000	90,000	74,670	(15,330)
Subtotal	11,286,800	11,381,800	11,694,407	312,607
Charges for current services:				
Zoning and subdivision fees	233,552	233,552	317,724	84,172
General plan maintenance fee	16,000	16,000	16,440	440
Sales of maps and lists	-	-	101	101
Special public safety services	27,000	27,000	26,331	(669)
Animal shelter fees	100,000	100,000	91,992	(8,008)
Engineering fees	230,000	230,000	356,033	126,033
Library ground maintenance	8,370	8,370	8,382	12
Developer engineering building fee	700,000	700,000	622,053	(77,947)
Administrative fees	212,519	212,519	257,761	45,242
Finance charges	42,000	42,000	53,315	11,315
Cost allocation charges	1,807,223	1,807,223	2,310,456	503,233

(continued)

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
(Continued)				
REVENUES (Continued)				
Recreation:				
Recreation centers	\$ 1,100,598	\$ 1,100,598	\$ 1,110,700	\$ 10,102
Swimming pools	182,900	182,900	132,427	(50,473)
Contract classes and other	30,000	30,000	11,076	(18,924)
Performing Arts Center admissions	460,500	457,500	375,800	(81,700)
Subtotal	5,150,662	5,147,662	5,690,591	542,929
Donations and miscellaneous	148,137	135,982	128,102	(7,880)
Total revenues	31,225,152	31,304,997	35,845,866	4,540,869
EXPENDITURES				
Current:				
General government:				
City Council	137,195	137,195	112,550	24,645
City Manager	957,634	987,712	964,686	23,026
Finance and accounting	1,659,805	1,706,955	1,512,383	194,572
Legal services	595,150	595,150	592,774	2,376
Development services	2,971,617	3,219,475	2,667,993	551,482
Development services programs	-	77,215	-	77,215
Human Resources	577,920	577,920	529,429	48,491
City office building	229,703	229,703	54,051	175,652
City office annex	29,851	29,851	23,025	6,826
General government-nondepartmental	3,302,771	3,283,354	165,917	3,117,437
Nondepartmental-employee benefits	3,886,340	4,386,340	4,050,286	336,054
Subtotal	14,347,986	15,230,870	10,673,094	4,557,776
Public safety:				
Public safety protections	14,918,454	15,116,821	14,732,222	384,599
Animal control	440,988	440,988	447,911	(6,923)
Animal shelter	50,158	60,434	51,901	8,533
Main station	218,421	214,956	197,143	17,813
North station	24,615	24,615	29,682	(5,067)
South station	14,562	21,062	17,953	3,109
Civil defense	3,000	3,000	326	2,674
Public safety programs	166,800	166,800	38,491	128,309
Subtotal	15,836,998	16,048,676	15,515,629	533,047
Public works:				
General	524,570	711,738	460,686	251,052
Maintenance of streets/bikepaths	399,138	426,081	488,049	(61,968)
Storm drains and drainage	147,433	147,433	125,987	21,446
Wilfred maintenance	-	2,773	-	2,773
Subtotal	1,071,141	1,288,025	1,074,722	213,303

(continued)

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
(Continued)				
EXPENDITURES (Continued)				
Parks and recreation:				
Parks maintenance-general	\$ 952,500	\$ 957,491	\$ 904,351	\$ 53,140
Recreation centers	1,467,840	1,562,995	1,493,575	69,420
Swimming pools	494,377	467,824	443,060	24,764
Recreation administration and programs	159,134	170,134	133,305	36,829
Library	13,170	36,587	36,086	501
Subtotal	<u>3,087,021</u>	<u>3,195,031</u>	<u>3,010,377</u>	<u>184,654</u>
Cultural Arts Center:				
Performing Arts Center	613,982	613,982	631,881	(17,899)
Performing Arts Center productions	257,429	254,429	253,157	1,272
Subtotal	<u>871,411</u>	<u>868,411</u>	<u>885,038</u>	<u>(16,627)</u>
Capital outlay	84,000	312,639	207,439	105,200
Debt service				
Principal	112,017	112,017	112,017	-
Subtotal expenditures	<u>35,410,574</u>	<u>37,055,669</u>	<u>31,478,316</u>	<u>5,577,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,185,422)</u>	<u>(5,750,672)</u>	<u>4,367,550</u>	<u>10,118,222</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	181,683	181,683
Transfers in	5,234,000	5,234,000	5,235,895	1,895
Transfers out	(1,033,577)	(3,833,577)	(3,821,807)	11,770
Total other financing sources (uses)	<u>4,200,423</u>	<u>1,400,423</u>	<u>1,595,771</u>	<u>195,348</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,001</u>	<u>\$ (4,350,249)</u>	<u>5,963,321</u>	<u>\$ 10,313,570</u>
FUND BALANCES, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			16,123,558	
PRIOR PERIOD ADJUSTMENT			<u>3,424,283</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED			<u>19,547,841</u>	
FUND BALANCE, END OF YEAR			<u>\$ 25,511,162</u>	

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
HOUSING PROJECTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 2,100	\$ 2,100	\$ 108,880	\$ 106,780
Donations and miscellaneous	-	-	16,952	16,952
Total revenues	2,100	2,100	125,832	123,732
EXPENDITURES				
Current:				
General government	92,253	1,225,170	604,169	621,001
DEFICIENCY OF REVENUES				
UNDER EXPENDITURES	(90,153)	(1,223,070)	(478,337)	744,733
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	1,869,086	1,869,086
NET CHANGE IN FUND BALANCE	<u>\$ (90,153)</u>	<u>\$ (1,223,070)</u>	1,390,749	<u>\$ 2,613,819</u>
FUND BALANCE, BEGINNING OF YEAR			24,411,720	
FUND BALANCE, END OF YEAR			<u>\$ 25,802,469</u>	

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITY FINANCE FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 1,485	\$ 1,485
Licenses, permits and fees	2,627,587	2,627,587	2,482,366	(145,221)
Total revenues	2,627,587	2,627,587	2,483,851	(143,736)
EXPENDITURES				
Current:				
General government	66,142	66,142	68,146	(2,004)
Public works	-	344,089	544,185	(200,096)
Debt service:				
Interest and fiscal charges	-	-	9,257	(9,257)
Total expenditures	66,142	410,231	621,588	(211,357)
EXCESS OF REVENUES OVER EXPENDITURES	2,561,445	2,217,356	1,862,263	(355,093)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,854,186)	(6,247,194)	(4,388,687)	1,858,507
NET CHANGE IN FUND BALANCE	<u>\$ 707,259</u>	<u>\$ (4,029,838)</u>	<u>(2,526,424)</u>	<u>\$ 1,503,414</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(9,213,812)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (11,740,236)</u>	

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION SUPPLEMENTAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 19,823	\$ 19,823
Donations and miscellaneous	5,343,544	5,343,544	5,370,989	27,445
Total revenues	5,343,544	5,343,544	5,390,812	47,268
OTHER FINANCING SOURCES (USES)				
Transfers in	-	341,941	341,941	-
Transfers out	(5,222,383)	(5,322,383)	(5,098,789)	223,594
Total other financing sources (uses)	(5,222,383)	(4,980,442)	(4,756,848)	223,594
NET CHANGE IN FUND BALANCE	<u>\$ 121,161</u>	<u>\$ 363,102</u>	633,964	<u>\$ 270,862</u>
FUND BALANCE, BEGINNING OF YEAR			2,127,057	
FUND BALANCE, END OF YEAR			<u>\$ 2,761,021</u>	

See note to required supplementary information.

CITY OF ROHNERT PARK

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Budgets and Budgetary Accounting

The City operates under the general laws of the State of California and annually adopts a budget for its General Fund to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. The legal level of budgetary control is the fund level. The City Manager may authorize transfers from one account to another within the same department. All unencumbered appropriations lapse at year-end.

Annual budgets for all of the City's major funds and nonmajor special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, with the exception of proceeds from the sale of capital assets, which are treated as revenues on the budgetary basis. The City prefers to leave its original budget unaltered during the year, unless there are substantial changes to budget forecasts, so that the effectiveness of individual departments in meeting budget objectives can be evaluated and the adequacy of the budget itself can be judged. Expenditures in excess of budgeted amounts are allowed by law but must be approved individually by the City Manager and are required to be disclosed per GAAP.

Encumbrance accounting, under which purchase orders, contracts, and other commitments of expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. At June 30, 2017, encumbrances of \$381,201 were outstanding for the General Fund.

OTHER SUPPLEMENTARY INFORMATION

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CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following summarizes the City's Special Revenue Funds:

Alcoholic Beverage Sales Ordinance (ABSO) Fund - Annual permit fee that is received from all businesses that sell alcohol in the City pursuant to City's Ordinance No. 780. The permit from the ordinance requires the business owner to comply with operational standards and training requirements and creates conditions and requirements upon the local alcohol sales licenses for the purpose of law enforcement compliance checks, police services necessary to monitor and enforce operational stands established with the license.

Abandoned Vehicle Abatement Fund - Revenues received from the Sonoma County Abandoned Vehicle Abatement Program, pursuant to the terms of an agreement with the Service Authority authorized by City Council Resolution No. 95-16, providing for the abatement of abandoned vehicles in the City.

Traffic Safety Fund - Revenues received pursuant to Vehicle Code Section 42200 for the purpose of maintenance of traffic control devices and traffic law enforcement and traffic accident prevention.

General Plan Maintenance Fund - Revenues received from a surcharge pursuant to City's Resolution No. 2008-03 on certain building permits and based on a percentage of project valuation, for the purpose of updating and maintaining the Rohnert Park General Plan.

Spay and Neuter Fund - Revenues received from \$2 of each animal license, pursuant to City's Resolution 2008-03, for the purpose of supplementing the costs of spay and neuter activities.

Refuse Road Impact Fee Fund - Revenues received from Rohnert Park Disposal pursuant to the Second Amended and Restated Agreement between the City and Rohnert Park Disposal, Inc. for expenses incurred by the City for repairing and maintaining the City's public streets caused by normal and ongoing use of Rohnert Park Disposal's collection vehicles.

State Gasoline Tax Fund - Revenues received pursuant to Street and Highway Code Sections 2105, 2106, 2107, and 2107.5 and other funds for the purpose of maintenance and construction of the City streets.

Measure M Traffic Fund - Revenues received from County of Sonoma on one quarter cent sales tax for street improvements.

Traffic Signals Fee Fund - Revenues received from fees imposed on developers for the purpose of constructing traffic signals.

Supplemental Law Enforcement Services Fund - Revenues received from the State of California pursuant to AB 3229 for the purpose of ensuring public safety.

DIVCA PEG Fee (AB 2987) Fund - Revenues received pursuant to Assembly Bill 2987 for activities related to public, educational and governmental access channels.

Traffic Congestion Relief (AB 2928) Fund - Revenues received pursuant to Assembly Bill 2928 for the purpose of maintenance and reconstruction of streets and roads.

Graton Mitigation School Contribution Fund - Accounts for contributions pass-through to the Cotati-Rohnert Park Unified School District pursuant to Section 4.1 of the memorandum of understanding (MOU) between the Federated Indians of the Graton Rancheria (Tribe) and the City.

Graton Mitigation Law Enforcement Fund - Accounts for contributions and related activities for special law enforcement pursuant to Section 3.1 of the MOU between the Tribe and the City.

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Graton Mitigation Public Safety Building Fund - Accounts for contributions and related activities for the construction of a new public safety building pursuant to Section 2.3.1 of the MOU between the Tribe and the City.

Graton Mitigation Problem Gambling Fund - Accounts for contributions and related activities for mitigation of social impacts pursuant to Section 3.2 of the MOU between the Tribe and the City. The City shall grant such payment to an organization dedicated to the treatment and prevention of problem gambling or pathological gambling disorders.

Graton Mitigation Waterway Fund - Accounts for contributions and related activities for storm water drainage pursuant to Section 3.3 of the MOU between the Tribe and the City.

Graton Mitigation Public Services Fund - Accounts for contributions and related activities for public services pursuant to Section 3.4.2 of the MOU between the Tribe and the City.

Graton Mitigation Wilfred Maintenance Fund - Accounts for contributions and related activities for the maintenance of the Wilfred Avenue pursuant to Section 6.6 of the Joint Exercise of Powers Agreement for implementation of mitigation measure for widening Wilfred Avenue between the Tribe and the City.

Graton City Vehicle Contribution Fund - Accounts for contributions and related activities for the purchase of public safety or other City vehicles pursuant to Section 2.3.2 and 2.3.3 of the MOU between the Tribe and the City.

Measure M Fire Benefit Assessment Fund - Revenues received pursuant to the voter approved fire benefit assessment district. Purpose is to finance enhancements of fire suppression activities.

Mobile Home Rent Appeals Board Fund - Revenues received pursuant to City of Rohnert Park Ordinance 494 authorizing the collection of registration fees from mobile home parks. Purpose is to fund the Mobile Home Rent Appeals Board.

Copeland Creek Drainage Facility Fund - Revenues received from fees imposed on developers in a specific area serviced by the Copeland Creek drainage improvements. Purpose is to repay the costs of the Copeland Creek drainage improvements.

Asset Forfeiture Fund - Revenues from assets seizures returned after Federal and State seized asset court cases have been adjudicated and finalized.

Performing Arts Center Facility Capital Reserve Fund - Revenues received from two dollars per ticket fees which is set aside for improvements at the Performing Arts Center.

Sports Center Facility Capital Reserve Fund - Revenues received from two dollars per sports center memberships which is set aside for improvements at the Sports Center.

Explorer Fund - Revenues received from Public Safety Explorer Scouts fundraising activities that can only be used for Explorer Scouts goods and services.

California Disability Access Fee Fund - Revenues received on each business licenses pursuant to SB1186 for costs associated with hiring a Certified Access Specialists and other related costs.

Affordable Linkage Fee Fund - Revenues received pursuant to Ordinance 771 which established fees to be imposed upon nonresidential development to be used for land acquisition, construction, rehabilitation, subsidization, assistance to other governments, private organizations or individuals to expand affordable housing opportunities to low and moderate income households.

UDSP Regional Traffic Fee Fund - Revenues received pursuant to a developer agreement in the University District Specific Plan area for the purpose of mitigating the regional traffic impacts of the development.

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Building Standards SB 1473 Fund – Revenues received pursuant to Senate Bill 1473 which imposed fees on building permit applicants for the purpose of funding the development of State building standards. 90% of the fees are remitted to the State, and 10% is retained by the City for administrative costs and code enforcement education.

Rohnert Park Foundation Fund - A nonprofit public benefit corporation organized for charitable purposes and revenues received from donations in connection with the development of civic projects in the City. Also accounts for Tribe charitable contributions pursuant to Section 4.2.1 of the MOU between the Tribe and the City.

Wilfred Dowdell Public Safety Mitigation Fund - Revenues received from fees imposed on developers to mitigate impacts to the Public Safety Department as a result of development in the Wilfred Dowdell Specific Plan Area.

Senior Center Bingo Fund – Revenues received through “Friends of the Rohnert Park Senior Center” Bingo games. Revenues collected are for the benefit of Senior Citizens administered by the Rohnert Park Senior Center program for senior programs and building enhancements.

UDSP Maintenance Annuity Fund – Revenues received pursuant to a development agreement with the University District Specific Plan Area for the purpose of funding the increased cost of municipal services resulting from new residential development in this specific plan area. Fees received are invested in a segregated annuity or investment account for the purpose of creating a stream of income to mitigate the development impacts to the residential units.

Graton Mitigation Tribe Charity Fund – Accounts for tribe charitable contributions and related activities pursuant to Section 4.2.2 of the MOU between the Tribe and the City. Contributions are paid to organizations designated by the Tribe per the MOU.

Graton Mitigation Neighborhood Upgrade Fund - Accounts for contributions and related activities for City’s neighborhood upgrade or workforce housing programs pursuant to Section 4.3 of the MOU between the Tribe and the City.

PERMANENT FUND

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City’s programs. The following summarizes the City’s Permanent Fund:

Performing Arts Center Endowment Permanent Fund - Capital donated for the City’s Dorothy Rohnert Sprekels Performing Arts Center. The interest generated from the donations is used for operating costs of the Performing Arts Center.

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Nonmajor Special Revenue Funds	Performing Arts Center Endowment Permanent Fund	Total
ASSETS			
Cash and investments	\$ 18,209,493	\$ 1,191,132	\$ 19,400,625
Receivables, net:			
Taxes	32,375	-	32,375
Accounts	160,732	-	160,732
Intergovernmental	280,428	-	280,428
Prepaid items and other assets	1,005,786	-	1,005,786
Total assets	<u>\$ 19,688,814</u>	<u>\$ 1,191,132</u>	<u>\$ 20,879,946</u>
LIABILITIES			
Accounts payable	\$ 796,797	\$ -	\$ 796,797
Accrued liabilities	7,791	-	7,791
Total liabilities	<u>804,588</u>	<u>-</u>	<u>804,588</u>
FUND BALANCES			
Nonspendable	1,005,786	500,000	1,505,786
Restricted	13,968,640	691,132	14,659,772
Assigned	3,909,800	-	3,909,800
Total fund balances	<u>18,884,226</u>	<u>1,191,132</u>	<u>20,075,358</u>
Total liabilities and fund balances	<u>\$ 19,688,814</u>	<u>\$ 1,191,132</u>	<u>\$ 20,879,946</u>

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Nonmajor Special Revenue Funds	Performing Arts Center Endowment Permanent Fund	Total
REVENUES			
Taxes	\$ 590,081	\$ -	\$ 590,081
Intergovernmental	2,049,007	-	2,049,007
Interest and rentals	98,176	7,444	105,620
Charges for current services	248,709	-	248,709
Licenses, permits and fees	2,501,574	-	2,501,574
Fines, forfeitures and penalties	83,120	-	83,120
Donations and miscellaneous	7,816,034	10,532	7,826,566
Total revenues	13,386,701	17,976	13,404,677
EXPENDITURES			
Current:			
General government	1,324,928	-	1,324,928
Public safety	2,579,631	-	2,579,631
Public works	1,831,635	-	1,831,635
Cultural arts center	-	-	-
Capital outlay	425,985	8,767	434,752
Total expenditures	6,162,179	8,767	6,170,946
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,224,522	9,209	7,233,731
OTHER FINANCING SOURCES (USES)			
Transfers in	116,096	-	116,096
Transfers out	(1,738,356)	-	(1,738,356)
Total other financing sources (uses)	(1,622,260)	-	(1,622,260)
NET CHANGE IN FUND BALANCES	5,602,262	9,209	5,611,471
FUND BALANCES, BEGINNING OF YEAR	13,281,964	1,181,923	14,463,887
FUND BALANCES, END OF YEAR	\$ 18,884,226	\$ 1,191,132	\$ 20,075,358

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Alcohol Beverage Sales Ordinance (ABSO)	Abandoned Vehicle Abatement	Traffic Safety	General Plan Maintenance	Spay and Neuter
ASSETS					
Cash and investments	\$ 77,011	\$ 316,938	\$ 83,337	\$ 505,328	\$ 63,215
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	1,400	-	-	-	6,432
Intergovernmental	-	25,566	12,798	-	-
Prepaid items and other assets	-	-	-	-	-
Total assets	<u>\$ 78,411</u>	<u>\$ 342,504</u>	<u>\$ 96,135</u>	<u>\$ 505,328</u>	<u>\$ 69,647</u>
LIABILITIES					
Accounts payable	\$ 30	\$ 1,097	\$ 3,784	\$ 5,180	\$ -
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>30</u>	<u>1,097</u>	<u>3,784</u>	<u>5,180</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	78,381	341,407	92,351	500,148	69,647
Assigned	-	-	-	-	-
Total fund balances	<u>78,381</u>	<u>341,407</u>	<u>92,351</u>	<u>500,148</u>	<u>69,647</u>
Total liabilities and fund balances	<u>\$ 78,411</u>	<u>\$ 342,504</u>	<u>\$ 96,135</u>	<u>\$ 505,328</u>	<u>\$ 69,647</u>

Refuse Road Impact Fee	State Gasoline Tax	Measure M Traffic	Traffic Signals Fee	
\$ 1,347,455	\$ 1,877,016	\$ 5,248	\$ 1,071,300	ASSETS
-	-	-	-	Cash and investments
32,965	-	-	-	Receivables, net:
-	-	65,694	-	Taxes
-	-	-	-	Accounts
-	-	-	-	Intergovernmental
-	-	-	-	Prepaid items and other assets
<u>\$ 1,380,420</u>	<u>\$ 1,877,016</u>	<u>\$ 70,942</u>	<u>\$ 1,071,300</u>	Total assets
				LIABILITIES
\$ -	\$ -	\$ -	\$ -	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Total liabilities
				FUND BALANCES
-	-	-	-	Nonspendable
1,380,420	1,877,016	70,942	1,071,300	Restricted
-	-	-	-	Assigned
<u>1,380,420</u>	<u>1,877,016</u>	<u>70,942</u>	<u>1,071,300</u>	Total fund balances
<u>\$ 1,380,420</u>	<u>\$ 1,877,016</u>	<u>\$ 70,942</u>	<u>\$ 1,071,300</u>	Total liabilities and fund balances

(continued)

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Supplemental Law Enforcement Services	DIVCA PEG Fee (AB2987)	Traffic Congestion Relief (AB2928)	Graton Mitigation School Contribution	Graton Mitigation Law Enforcement
ASSETS					
Cash and investments	\$ 286,036	\$ 541,215	\$ -	\$ -	\$ 332,804
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	-	30,007	-	-	-
Intergovernmental	-	-	-	-	-
Prepaid items and other assets	-	-	-	-	-
Total assets	<u>\$ 286,036</u>	<u>\$ 571,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,804</u>
LIABILITIES					
Accounts payable	\$ -	\$ 47,811	\$ -	\$ -	\$ 1,097
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>47,811</u>	<u>-</u>	<u>-</u>	<u>1,097</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	286,036	523,411	-	-	-
Assigned	-	-	-	-	331,707
Total fund balances	<u>286,036</u>	<u>523,411</u>	<u>-</u>	<u>-</u>	<u>331,707</u>
Total liabilities and fund balances	<u>\$ 286,036</u>	<u>\$ 571,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,804</u>

Graton Mitigation Public Safety Building	Graton Mitigation Problem Gambling	Graton Mitigation Waterway	Graton Mitigation Public Services	
\$ 3,443,696	\$ 266,024	\$ 141,378	\$ 3,270,080	ASSETS
-	-	-	-	Cash and investments
-	-	-	-	Receivables, net:
-	-	-	-	Taxes
-	-	-	-	Accounts
-	-	-	-	Intergovernmental
-	-	-	-	Prepaid items and other assets
<u>\$ 3,443,696</u>	<u>\$ 266,024</u>	<u>\$ 141,378</u>	<u>\$ 3,270,080</u>	Total assets
				LIABILITIES
\$ -	\$ 30,502	\$ 3,690	\$ 63,662	Accounts payable
-	-	-	1,535	Accrued liabilities
<u>-</u>	<u>30,502</u>	<u>3,690</u>	<u>65,197</u>	Total liabilities
				FUND BALANCES
-	-	-	-	Nonspendable
3,443,696	-	-	-	Restricted
<u>-</u>	<u>235,522</u>	<u>137,688</u>	<u>3,204,883</u>	Assigned
<u>3,443,696</u>	<u>235,522</u>	<u>137,688</u>	<u>3,204,883</u>	Total fund balances
<u>\$ 3,443,696</u>	<u>\$ 266,024</u>	<u>\$ 141,378</u>	<u>\$ 3,270,080</u>	Total liabilities and fund balances

(continued)

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Graton Mitigation Wilfred Maintenance	Graton City Vehicle Contribution	Measure M Fire Benefit Assessment	Mobile Home Rent Appeals Board	Copeland Creek Drainage Facility
ASSETS					
Cash and investments	\$ 505,666	\$ 378,661	\$ 103,746	\$ 168,691	\$ 54,489
Receivables, net:					
Taxes	-	-	32,375	-	-
Accounts	-	-	-	89,034	-
Intergovernmental	-	-	-	-	-
Prepaid items and other assets	-	1,005,786	-	-	-
Total assets	<u>\$ 505,666</u>	<u>\$ 1,384,447</u>	<u>\$ 136,121</u>	<u>\$ 257,725</u>	<u>\$ 54,489</u>
LIABILITIES					
Accounts payable	\$ 1,171	\$ 23,873	\$ -	\$ 3,951	\$ -
Accrued liabilities	1,214	-	-	5,042	-
Total liabilities	<u>2,385</u>	<u>23,873</u>	<u>-</u>	<u>8,993</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	1,005,786	-	-	-
Restricted	503,281	354,788	136,121	248,732	54,489
Assigned	-	-	-	-	-
Total fund balances	<u>503,281</u>	<u>1,360,574</u>	<u>136,121</u>	<u>248,732</u>	<u>54,489</u>
Total liabilities and fund balances	<u>\$ 505,666</u>	<u>\$ 1,384,447</u>	<u>\$ 136,121</u>	<u>\$ 257,725</u>	<u>\$ 54,489</u>

<u>Asset Forfeiture</u>	<u>Performing Art Center Facility Capital Reserve</u>	<u>Sports Center Facility Capital Reserve</u>	<u>Explorer</u>	<u>California Disability Access Fee</u>	
\$ 758,907	\$ 112,730	\$ 116,261	\$ 10,536	\$ 10,231	ASSETS
-	-	-	-	-	Cash and investments
-	-	-	-	894	Receivables, net:
176,370	-	-	-	-	Taxes
-	-	-	-	-	Accounts
					Intergovernmental
					Prepaid items and other assets
<u>\$ 935,277</u>	<u>\$ 112,730</u>	<u>\$ 116,261</u>	<u>\$ 10,536</u>	<u>\$ 11,125</u>	Total assets
					LIABILITIES
\$ 22,761	\$ -	\$ 42,432	\$ -	\$ 76	Accounts payable
-	-	-	-	-	Accrued liabilities
<u>22,761</u>	<u>-</u>	<u>42,432</u>	<u>-</u>	<u>76</u>	Total liabilities
					FUND BALANCES
-	-	-	-	-	Nonspendable
912,516	112,730	73,829	10,536	11,049	Restricted
-	-	-	-	-	Assigned
<u>912,516</u>	<u>112,730</u>	<u>73,829</u>	<u>10,536</u>	<u>11,049</u>	Total fund balances
<u>\$ 935,277</u>	<u>\$ 112,730</u>	<u>\$ 116,261</u>	<u>\$ 10,536</u>	<u>\$ 11,125</u>	Total liabilities and fund balances

(continued)

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Affordable Linkage Fee	UDSP Regional Traffic Fee	Building Standard SB 1473	Rohnert Park Foundation	Wilfred Dowdell Public Safety Mitigation
ASSETS					
Cash and investments	\$ 132,194	\$ 632,516	\$ 1,092	\$ 86,393	\$ 13,179
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Prepaid items and other assets	-	-	-	-	-
Total assets	<u>\$ 132,194</u>	<u>\$ 632,516</u>	<u>\$ 1,092</u>	<u>\$ 86,393</u>	<u>\$ 13,179</u>
LIABILITIES					
Accounts payable	\$ -	\$ 542,500	\$ 779	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>542,500</u>	<u>779</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	132,194	90,016	313	86,393	13,179
Assigned	-	-	-	-	-
Total fund balances	<u>132,194</u>	<u>90,016</u>	<u>313</u>	<u>86,393</u>	<u>13,179</u>
Total liabilities and fund balances	<u>\$ 132,194</u>	<u>\$ 632,516</u>	<u>\$ 1,092</u>	<u>\$ 86,393</u>	<u>\$ 13,179</u>

Senior Center Bingo	UDSP Maintenance Annuity	Graton Mitigation Tribe Charity	Graton Mitigation Neighborhood Upgrade	Total	
\$ 26,327	\$ 929,005	\$ 270,323	\$ 270,465	\$ 18,209,493	ASSETS
-	-	-	-	32,375	Cash and investments
-	-	-	-	160,732	Receivables, net:
-	-	-	-	280,428	Taxes
-	-	-	-	1,005,786	Accounts
					Intergovernmental
					Prepaid items and other assets
<u>\$ 26,327</u>	<u>\$ 929,005</u>	<u>\$ 270,323</u>	<u>\$ 270,465</u>	<u>\$ 19,688,814</u>	Total assets
					LIABILITIES
\$ 2,401	\$ -	\$ -	\$ -	\$ 796,797	Accounts payable
-	-	-	-	7,791	Accrued liabilities
<u>2,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>804,588</u>	Total liabilities
					FUND BALANCES
-	-	-	-	1,005,786	Nonspendable
23,926	929,005	270,323	270,465	13,968,640	Restricted
-	-	-	-	3,909,800	Assigned
<u>23,926</u>	<u>929,005</u>	<u>270,323</u>	<u>270,465</u>	<u>18,884,226</u>	Total fund balances
<u>\$ 26,327</u>	<u>\$ 929,005</u>	<u>\$ 270,323</u>	<u>\$ 270,465</u>	<u>\$ 19,688,814</u>	Total liabilities and fund balances

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Alcohol Beverage Sales Ordinance (ABSO)	Abandoned Vehicle Abatement	Traffic Safety	General Plan Maintenance	Spay and Neuter
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Interest and rentals	483	2,046	441	2,843	294
Charges for current services	27,175	100,032	-	121,502	-
Licenses, permits and fees	-	-	-	-	11,610
Fines, forfeitures and penalties	-	-	83,120	-	-
Donations and miscellaneous	100	-	-	-	14,455
Total revenues	<u>27,758</u>	<u>102,078</u>	<u>83,561</u>	<u>124,345</u>	<u>26,359</u>
EXPENDITURES					
Current:					
General government	-	-	-	16,631	-
Public safety	27,580	106,851	-	-	5,624
Public works	-	-	-	-	-
Capital outlay	-	-	62,802	-	-
Total expenditures	<u>27,580</u>	<u>106,851</u>	<u>62,802</u>	<u>16,631</u>	<u>5,624</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>178</u>	<u>(4,773)</u>	<u>20,759</u>	<u>107,714</u>	<u>20,735</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>178</u>	<u>(4,773)</u>	<u>20,759</u>	<u>107,714</u>	<u>20,735</u>
FUND BALANCES, BEGINNING OF YEAR	<u>78,203</u>	<u>346,180</u>	<u>71,592</u>	<u>392,434</u>	<u>48,912</u>
FUND BALANCES, END OF YEAR	<u>\$ 78,381</u>	<u>\$ 341,407</u>	<u>\$ 92,351</u>	<u>\$ 500,148</u>	<u>\$ 69,647</u>

Refuse Road Impact Fee	State Gasoline Tax	Measure M Traffic	Traffic Signals Fee	
\$ -	\$ -	\$ -	\$ -	REVENUES
-	809,605	278,639	-	Taxes
8,221	12,769	919	9,043	Intergovernmental
-	-	-	-	Interest and rentals
519,293	-	-	-	Charges for current services
-	-	-	-	Licenses, permits and fees
-	-	-	-	Fines, forfeitures and penalties
-	-	-	-	Donations and miscellaneous
<u>527,514</u>	<u>822,374</u>	<u>279,558</u>	<u>9,043</u>	Total revenues
				EXPENDITURES
-	-	-	-	Current:
-	-	-	-	General government
29,710	637,254	-	107,819	Public safety
-	-	-	-	Public works
<u>29,710</u>	<u>637,254</u>	<u>-</u>	<u>107,819</u>	Capital outlay
				Total expenditures
<u>497,804</u>	<u>185,120</u>	<u>279,558</u>	<u>(98,776)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	1,096	-	-	Transfers in
<u>(283,448)</u>	<u>(454,467)</u>	<u>(513,211)</u>	<u>(336,094)</u>	Transfers out
<u>(283,448)</u>	<u>(453,371)</u>	<u>(513,211)</u>	<u>(336,094)</u>	Total other financing sources (uses)
214,356	(268,251)	(233,653)	(434,870)	NET CHANGE IN FUND BALANCES
<u>1,166,064</u>	<u>2,145,267</u>	<u>304,595</u>	<u>1,506,170</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 1,380,420</u>	<u>\$ 1,877,016</u>	<u>\$ 70,942</u>	<u>\$ 1,071,300</u>	FUND BALANCES, END OF YEAR

(continued)

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Supplemental Law Enforcement Services	DIVCA PEG Fee (AB2987)	Traffic Congestion Relief (AB2928)	Graton Mitigation School Contribution	Graton Mitigation Law Enforcement
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	179,065	-	-	-	-
Interest and rentals	1,660	3,226	-	-	1,816
Charges for current services	-	-	-	-	-
Licenses, permits and fees	-	118,220	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Donations and miscellaneous	-	-	-	270,323	597,385
Total revenues	<u>180,725</u>	<u>121,446</u>	<u>-</u>	<u>270,323</u>	<u>599,201</u>
EXPENDITURES					
Current:					
General government	-	1,747	-	270,323	-
Public safety	100,000	-	-	-	474,517
Public works	-	-	-	-	-
Capital outlay	-	95,623	-	-	-
Total expenditures	<u>100,000</u>	<u>97,370</u>	<u>-</u>	<u>270,323</u>	<u>474,517</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>80,725</u>	<u>24,076</u>	<u>-</u>	<u>-</u>	<u>124,684</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,096)	-	(11,055)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,096)</u>	<u>-</u>	<u>(11,055)</u>
NET CHANGE IN FUND BALANCES	<u>80,725</u>	<u>24,076</u>	<u>(1,096)</u>	<u>-</u>	<u>113,629</u>
FUND BALANCES, BEGINNING OF YEAR	<u>205,311</u>	<u>499,335</u>	<u>1,096</u>	<u>-</u>	<u>218,078</u>
FUND BALANCES, END OF YEAR	<u>\$ 286,036</u>	<u>\$ 523,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,707</u>

Graton Mitigation Public Safety Building	Graton Mitigation Problem Gambling	Graton Mitigation Waterway	Graton Mitigation Public Services	
\$ -	\$ -	\$ -	\$ -	REVENUES
-	-	-	-	Taxes
18,342	1,212	770	17,446	Intergovernmental
-	-	-	-	Interest and rentals
-	-	-	-	Charges for current services
-	-	-	-	Licenses, permits and fees
-	-	-	-	Fines, forfeitures and penalties
1,875,000	134,275	53,709	2,544,774	Donations and miscellaneous
1,893,342	135,487	54,479	2,562,220	Total revenues
				EXPENDITURES
-	30,502	-	559,179	Current:
-	-	-	1,246,490	General government
-	-	22,922	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital outlay
-	30,502	22,922	1,805,669	Total expenditures
1,893,342	104,985	31,557	756,551	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
				OTHER FINANCING SOURCES (USES)
-	-	-	115,000	Transfers in
(113,071)	-	-	(21,586)	Transfers out
(113,071)	-	-	93,414	Total other financing sources (uses)
1,780,271	104,985	31,557	849,965	NET CHANGE IN FUND BALANCES
1,663,425	130,537	106,131	2,354,918	FUND BALANCES, BEGINNING OF YEAR
\$ 3,443,696	\$ 235,522	\$ 137,688	\$ 3,204,883	FUND BALANCES, END OF YEAR

(continued)

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Graton Mitigation Wilfred Maintenance	Graton City Vehicle Contribution	Measure M Fire Benefit Assessment	Mobile Home Rent Appeals Board	Copeland Creek Drainage Facility
REVENUES					
Taxes	\$ -	\$ -	\$ 590,081	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Interest and rentals	2,367	2,758	1,074	1,027	342
Charges for current services	-	-	-	-	-
Licenses, permits and fees	-	-	-	98,090	-
Fines, forfeitures and penalties	-	-	-	-	-
Donations and miscellaneous	320,776	1,200,000	-	-	-
Total revenues	323,143	1,202,758	591,155	99,117	342
EXPENDITURES					
Current:					
General government	-	28,287	-	71,268	-
Public safety	-	-	570,000	-	-
Public works	441,844	-	-	-	-
Capital outlay	-	107,832	-	-	-
Total expenditures	441,844	136,119	570,000	71,268	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(118,701)	1,066,639	21,155	27,849	342
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(4,328)	-	-	-	-
Total other financing sources (uses)	(4,328)	-	-	-	-
NET CHANGE IN FUND BALANCES	(123,029)	1,066,639	21,155	27,849	342
FUND BALANCES, BEGINNING OF YEAR	626,310	293,935	114,966	220,883	54,147
FUND BALANCES, END OF YEAR	\$ 503,281	\$ 1,360,574	\$ 136,121	\$ 248,732	\$ 54,489

Asset Forfeiture	Performing Art Center Facility Capital Reserve	Sports Center Facility Capital Reserve	Explorer	California Disability Access Fee	
\$ -	\$ -	\$ -	\$ -	\$ -	REVENUES
781,698	-	-	-	-	Taxes
3,966	654	624	56	59	Intergovernmental
-	-	-	-	-	Interest and rentals
-	45,166	47,427	-	2,323	Charges for current services
-	-	-	-	-	Licenses, permits and fees
-	-	-	-	-	Fines, forfeitures and penalties
-	-	-	3,747	-	Donations and miscellaneous
<u>785,664</u>	<u>45,820</u>	<u>48,051</u>	<u>3,803</u>	<u>2,382</u>	Total revenues
					EXPENDITURES
-	-	-	1,911	-	Current:
48,569	-	-	-	-	General government
-	-	42,433	-	-	Public safety
140,997	11,831	6,900	-	-	Public works
<u>189,566</u>	<u>11,831</u>	<u>49,333</u>	<u>1,911</u>	<u>-</u>	Capital outlay
					Total expenditures
<u>596,098</u>	<u>33,989</u>	<u>(1,282)</u>	<u>1,892</u>	<u>2,382</u>	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
					OTHER FINANCING SOURCES (USES)
-	-	-	-	-	Transfers in
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Transfers out
-	-	-	-	-	Total other financing sources (uses)
<u>596,098</u>	<u>33,989</u>	<u>(1,282)</u>	<u>1,892</u>	<u>2,382</u>	NET CHANGE IN FUND BALANCES
<u>316,418</u>	<u>78,741</u>	<u>75,111</u>	<u>8,644</u>	<u>8,667</u>	FUND BALANCES, BEGINNING OF YEAR
<u>\$ 912,516</u>	<u>\$ 112,730</u>	<u>\$ 73,829</u>	<u>\$ 10,536</u>	<u>\$ 11,049</u>	FUND BALANCES, END OF YEAR

(continued)

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Affordable Linkage Fee	UDSP Regional Traffic Fee	Building Standard SB 1473	Rohnert Park Foundation	Wilfred Dowdell Public Safety Mitigation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Interest and rentals	790	2,501	4	152	83
Charges for current services	-	-	-	-	-
Licenses, permits and fees	10,665	542,500	275	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Donations and miscellaneous	-	-	-	77,154	-
Total revenues	<u>11,455</u>	<u>545,001</u>	<u>279</u>	<u>77,306</u>	<u>83</u>
EXPENDITURES					
Current:					
General government	-	-	-	8,270	-
Public safety	-	-	-	-	-
Public works	-	549,653	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>549,653</u>	<u>-</u>	<u>8,270</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,455</u>	<u>(4,652)</u>	<u>279</u>	<u>69,036</u>	<u>83</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>11,455</u>	<u>(4,652)</u>	<u>279</u>	<u>69,036</u>	<u>83</u>
FUND BALANCES, BEGINNING OF YEAR	<u>120,739</u>	<u>94,668</u>	<u>34</u>	<u>17,357</u>	<u>13,096</u>
FUND BALANCES, END OF YEAR	<u>\$ 132,194</u>	<u>\$ 90,016</u>	<u>\$ 313</u>	<u>\$ 86,393</u>	<u>\$ 13,179</u>

Senior Center Bingo	UDSP Maintenance Annuity	Graton Mitigation Tribe Charity	Graton Mitigation Neighborhood Upgrade	Total	
\$ -	\$ -	\$ -	\$ -	\$ 590,081	REVENUES
-	-	-	-	2,049,007	Taxes
46	-	-	142	98,176	Intergovernmental
-	-	-	-	248,709	Interest and rentals
-	1,106,005	-	-	2,501,574	Charges for current services
-	-	-	-	83,120	Licenses, permits and fees
183,690	-	270,323	270,323	7,816,034	Fines, forfeitures and penalties
183,736	1,106,005	270,323	270,465	13,386,701	Donations and miscellaneous
					Total revenues
					EXPENDITURES
159,810	177,000	-	-	1,324,928	Current:
-	-	-	-	2,579,631	General government
-	-	-	-	1,831,635	Public safety
-	-	-	-	425,985	Public works
159,810	177,000	-	-	6,162,179	Capital outlay
					Total expenditures
23,926	929,005	270,323	270,465	7,224,522	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
					OTHER FINANCING SOURCES (USES)
-	-	-	-	116,096	Transfers in
-	-	-	-	(1,738,356)	Transfers out
-	-	-	-	(1,622,260)	Total other financing sources (uses)
23,926	929,005	270,323	270,465	5,602,262	NET CHANGE IN FUND BALANCES
-	-	-	-	13,281,964	FUND BALANCES, BEGINNING OF YEAR
\$ 23,926	\$ 929,005	\$ 270,323	\$ 270,465	\$ 18,884,226	FUND BALANCES, END OF YEAR

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****ALCOHOL BEVERAGE SALES ORDINANCE (ABSO) SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 75	\$ 75	\$ 483	\$ 408
Charges for current services	26,825	26,825	27,175	350
Donations and miscellaneous	-	-	100	100
Total revenues	26,900	26,900	27,758	858
EXPENDITURES				
Current:				
Public safety	45,807	45,807	27,580	18,227
NET CHANGE IN FUND BALANCE	<u>\$ (18,907)</u>	<u>\$ (18,907)</u>	178	<u>\$ 19,085</u>
FUND BALANCE, BEGINNING OF YEAR			78,203	
FUND BALANCE, END OF YEAR			<u>\$ 78,381</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
ABANDONED VEHICLE ABATEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 2,046	\$ 2,046
Charges for current services	120,000	120,000	100,032	(19,968)
Total revenues	120,000	120,000	102,078	(17,922)
EXPENDITURES				
Current:				
Public safety	108,966	108,966	106,851	2,115
NET CHANGE IN FUND BALANCE	<u>\$ 11,034</u>	<u>\$ 11,034</u>	(4,773)	<u>\$ (15,807)</u>
FUND BALANCE, BEGINNING OF YEAR			346,180	
FUND BALANCE, END OF YEAR			<u>\$ 341,407</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 100	\$ 100	\$ 441	\$ 341
Fines, forfeitures and penalties	95,500	95,500	83,120	(12,380)
Total revenues	95,600	95,600	83,561	(12,039)
EXPENDITURES				
Current:				
Public safety	8,000	8,000	-	8,000
Capital outlay	90,000	90,000	62,802	27,198
Total expenditures	98,000	98,000	62,802	35,198
NET CHANGE IN FUND BALANCE	<u>\$ (2,400)</u>	<u>\$ (2,400)</u>	20,759	<u>\$ 23,159</u>
FUND BALANCE, BEGINNING OF YEAR			71,592	
FUND BALANCE, END OF YEAR			<u>\$ 92,351</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****GENERAL PLAN MAINTENANCE SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 400	\$ 400	\$ 2,843	\$ 2,443
Charges for current services	229,485	229,485	121,502	(107,983)
Total revenues	229,885	229,885	124,345	(105,540)
EXPENDITURES				
Current:				
General government	6,000	6,000	16,631	(10,631)
NET CHANGE IN FUND BALANCE	<u>\$ 223,885</u>	<u>\$ 223,885</u>	107,714	<u>\$ (116,171)</u>
FUND BALANCE, BEGINNING OF YEAR			392,434	
FUND BALANCE, END OF YEAR			<u>\$ 500,148</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
SPAY AND NEUTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 50	\$ 50	\$ 294	\$ 244
Licenses, permits and fees	10,140	10,140	11,610	1,470
Donations and miscellaneous	-	-	14,455	14,455
Total revenues	10,190	10,190	26,359	16,169
EXPENDITURES				
Current:				
Public safety	15,000	15,000	5,624	9,376
NET CHANGE IN FUND BALANCE	<u>\$ (4,810)</u>	<u>\$ (4,810)</u>	20,735	<u>\$ 25,545</u>
FUND BALANCE, BEGINNING OF YEAR			48,912	
FUND BALANCE, END OF YEAR			<u>\$ 69,647</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
REFUSE ROAD IMPACT FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 500	\$ 500	\$ 8,221	\$ 7,721
Licenses, permits and fees	425,000	425,000	519,293	94,293
Total revenues	425,500	425,500	527,514	102,014
EXPENDITURES				
Current:				
Public works	100,000	383,840	29,710	354,130
Total expenditures	100,000	383,840	29,710	354,130
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	325,500	41,660	497,804	456,144
OTHER FINANCING SOURCES (USES)				
Transfers out	200,000	734,422	(283,448)	(1,017,870)
NET CHANGE IN FUND BALANCE	<u>\$ 525,500</u>	<u>\$ 776,082</u>	214,356	<u>\$ (561,726)</u>
FUND BALANCE, BEGINNING OF YEAR			1,166,064	
FUND BALANCE, END OF YEAR			<u>\$ 1,380,420</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 845,729	\$ 845,729	\$ 809,605	\$ (36,124)
Interest and rentals	-	-	12,769	12,769
Total revenues	845,729	845,729	822,374	(23,355)
EXPENDITURES				
Current:				
Public works	633,380	654,687	637,254	17,433
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	212,349	191,042	185,120	(5,922)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	194,968	1,096	(193,872)
Transfers out	(200,000)	(1,330,914)	(454,467)	876,447
Total other financing sources (uses)	(200,000)	(1,135,946)	(453,371)	682,575
NET CHANGE IN FUND BALANCE	<u>\$ 12,349</u>	<u>\$ (944,904)</u>	(268,251)	<u>\$ 676,653</u>
FUND BALANCE, BEGINNING OF YEAR			2,145,267	
FUND BALANCE, END OF YEAR			<u>\$ 1,877,016</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
MEASURE M TRAFFIC SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 270,469	\$ 270,469	\$ 278,639	\$ 8,170
Interest and rentals	-	-	919	919
Total revenues	270,469	270,469	279,558	9,089
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(627,353)	(513,211)	114,142
NET CHANGE IN FUND BALANCE	<u>\$ 220,469</u>	<u>\$ (356,884)</u>	(233,653)	<u>\$ 123,231</u>
FUND BALANCE, BEGINNING OF YEAR			304,595	
FUND BALANCE, END OF YEAR			<u>\$ 70,942</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
TRAFFIC SIGNALS FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ 2,500	\$ 2,500	\$ 9,043	\$ 6,543
EXPENDITURES				
Current:				
Public works	-	140,580	107,819	32,761
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,500	(138,080)	(98,776)	39,304
OTHER FINANCING SOURCES (USES)				
Transfers out	(400,000)	(744,000)	(336,094)	407,906
NET CHANGE IN FUND BALANCE	<u>\$ (397,500)</u>	<u>\$ (882,080)</u>	(434,870)	<u>\$ 447,210</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,506,170</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,071,300</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****SUPPLEMENTAL LAW ENFORCEMENT SERVICES SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 179,065	\$ 79,065
Interest and rentals	-	-	1,660	1,660
Total revenues	100,000	100,000	180,725	80,725
EXPENDITURES				
Current:				
Public safety	100,000	100,000	100,000	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	80,725	<u>\$ 80,725</u>
FUND BALANCE, BEGINNING OF YEAR			205,311	
FUND BALANCE, END OF YEAR			<u>\$ 286,036</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
DIVCA PEG FEE (AB2987) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 3,226	\$ 3,226
Licenses, permits and fees	120,000	120,000	118,220	(1,780)
Total revenues	120,000	120,000	121,446	1,446
EXPENDITURES				
Current:				
General government	-	-	1,747	(1,747)
Capital outlay	100,000	100,000	95,623	4,377
Total expenditures	100,000	100,000	97,370	2,630
NET CHANGE IN FUND BALANCE	<u>\$ 20,000</u>	<u>\$ 20,000</u>	24,076	<u>\$ 4,076</u>
FUND BALANCE, BEGINNING OF YEAR			499,335	
FUND BALANCE, END OF YEAR			<u>\$ 523,411</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONGESTION RELIEF (AB2928) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(1,096)	(1,096)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(1,096)</u>	<u>\$ (1,096)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,096</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION SCHOOL CONTRIBUTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Donations and miscellaneous	\$ -	\$ 270,323	\$ 270,323	\$ -
EXPENDITURES				
Current:				
General government	-	270,323	270,323	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 1,816	\$ 1,816
Donations and miscellaneous	531,721	531,721	597,385	65,664
Total revenues	531,721	531,721	599,201	67,480
EXPENDITURES				
Current:				
Public safety	515,342	515,342	474,517	40,825
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,379	16,379	124,684	108,305
OTHER FINANCING SOURCES (USES)				
Transfers out	(11,055)	(11,055)	(11,055)	-
NET CHANGE IN FUND BALANCE	<u>\$ 5,324</u>	<u>\$ 5,324</u>	113,629	<u>\$ 108,305</u>
FUND BALANCE, BEGINNING OF YEAR			218,078	
FUND BALANCE, END OF YEAR			<u>\$ 331,707</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION PUBLIC SAFETY BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 18,342	\$ 18,342
Donations and miscellaneous	1,875,000	1,875,000	1,875,000	-
Total revenues	1,875,000	1,875,000	1,893,342	18,342
OTHER FINANCING USES				
Transfers out	(400,000)	(3,532,307)	(113,071)	3,419,236
NET CHANGE IN FUND BALANCE	<u>\$ 1,475,000</u>	<u>\$ (1,657,307)</u>	1,780,271	<u>\$ 3,437,578</u>
FUND BALANCE, BEGINNING OF YEAR			1,663,425	
FUND BALANCE, END OF YEAR			<u>\$ 3,443,696</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION PROBLEM GAMBLING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 1,212	\$ 1,212
Donations and miscellaneous	132,932	132,932	134,275	1,343
Total revenues	132,932	132,932	135,487	2,555
EXPENDITURES				
Current:				
General government	134,029	230,029	30,502	199,527
NET CHANGE IN FUND BALANCE	<u>\$ (1,097)</u>	<u>\$ (97,097)</u>	104,985	<u>\$ 202,082</u>
FUND BALANCE, BEGINNING OF YEAR			130,537	
FUND BALANCE, END OF YEAR			<u>\$ 235,522</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION WATERWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 770	\$ 770
Donations and miscellaneous	53,171	53,171	53,709	538
Total revenues	53,171	53,171	54,479	1,308
EXPENDITURES				
Current:				
Public works	146,419	146,419	22,922	123,497
NET CHANGE IN FUND BALANCE	<u>\$ (93,248)</u>	<u>\$ (93,248)</u>	31,557	<u>\$ 124,805</u>
FUND BALANCE, BEGINNING OF YEAR			106,131	
FUND BALANCE, END OF YEAR			<u>\$ 137,688</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION PUBLIC SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 17,446	\$ 17,446
Donations and miscellaneous	2,519,300	2,519,300	2,544,774	25,474
Total revenues	2,519,300	2,519,300	2,562,220	42,920
EXPENDITURES				
Current:				
General government	809,054	807,122	559,179	247,943
Public safety	1,410,097	1,410,097	1,246,490	163,607
Total expenditures	2,219,151	2,217,219	1,805,669	411,550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	300,149	302,081	756,551	454,470
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	115,000	115,000
Transfers out	(299,203)	(299,203)	(21,586)	277,617
Total other financing sources (uses)	(299,203)	(299,203)	93,414	392,617
NET CHANGE IN FUND BALANCE	<u>\$ 946</u>	<u>\$ 2,878</u>	849,965	<u>\$ 847,087</u>
FUND BALANCE, BEGINNING OF YEAR			2,354,918	
FUND BALANCE, END OF YEAR			<u>\$ 3,204,883</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION WILFRED MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 2,367	\$ 2,367
Donations and miscellaneous	311,073	311,073	320,776	9,703
Total revenues	311,073	311,073	323,143	12,070
EXPENDITURES				
Current:				
Public works	622,550	610,477	441,844	168,633
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(311,477)	(299,404)	(118,701)	180,703
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,328)	(4,328)	(4,328)	-
NET CHANGE IN FUND BALANCE	<u>\$ (315,805)</u>	<u>\$ (303,732)</u>	(123,029)	<u>\$ 180,703</u>
FUND BALANCE, BEGINNING OF YEAR			626,310	
FUND BALANCE, END OF YEAR			<u>\$ 503,281</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON CITY VEHICLE CONTRIBUTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 2,758	\$ 2,758
Donations and miscellaneous	1,200,000	1,200,000	1,200,000	-
Total revenues	1,200,000	1,200,000	1,202,758	2,758
EXPENDITURES				
Current:				
General government	-	1,200,000	28,287	1,171,713
Capital outlay	1,335,000	135,000	107,832	27,168
Total expenditures	1,335,000	1,335,000	136,119	1,198,881
NET CHANGE IN FUND BALANCE	<u>\$ (135,000)</u>	<u>\$ (135,000)</u>	1,066,639	<u>\$ 1,201,639</u>
FUND BALANCE, BEGINNING OF YEAR			293,935	
FUND BALANCE, END OF YEAR			<u>\$ 1,360,574</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
MEASURE M FIRE BENEFIT ASSESSMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 570,000	\$ 570,000	\$ 590,081	\$ 20,081
Interest and rentals	-	-	1,074	1,074
Total revenues	570,000	570,000	591,155	21,155
EXPENDITURES				
Current:				
Public safety	570,000	570,000	570,000	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	21,155	<u>\$ 21,155</u>
FUND BALANCE, BEGINNING OF YEAR			114,966	
FUND BALANCE, END OF YEAR			<u>\$ 136,121</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
MOBILE HOME RENT APPEALS BOARD SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 1,027	\$ 1,027
Licenses, permits and fees	111,568	111,568	98,090	(13,478)
Total revenues	111,568	111,568	99,117	(12,451)
EXPENDITURES				
Current:				
General government	40,700	40,700	71,268	(30,568)
NET CHANGE IN FUND BALANCE	<u>\$ 70,868</u>	<u>\$ 70,868</u>	27,849	<u>\$ (43,019)</u>
FUND BALANCE, BEGINNING OF YEAR			220,883	
FUND BALANCE, END OF YEAR			<u>\$ 248,732</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
COPELAND CREEK DRAINAGE FACILITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 342	\$ 342
OTHER FINANCING USES				
Transfers out	-	(53,547)	-	53,547
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (53,547)</u>	342	<u>\$ 53,889</u>
FUND BALANCE, BEGINNING OF YEAR			54,147	
FUND BALANCE, END OF YEAR			<u>\$ 54,489</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
ASSETS FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 781,698	\$ 281,698
Interest and rentals	-	-	3,966	3,966
Total revenues	500,000	500,000	785,664	285,664
EXPENDITURES				
Current:				
Public safety	43,000	124,000	48,569	75,431
Capital outlay	135,000	324,000	140,997	183,003
Total expenditures	178,000	448,000	189,566	258,434
NET CHANGE IN FUND BALANCE	<u>\$ 322,000</u>	<u>\$ 52,000</u>	596,098	<u>\$ 544,098</u>
FUND BALANCE, BEGINNING OF YEAR			316,418	
FUND BALANCE, END OF YEAR			<u>\$ 912,516</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****PERFORMING ART CENTER FACILITY CAPITAL RESERVE SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 654	\$ 654
Licenses, permits and fees	40,000	40,000	45,166	5,166
Total revenues	40,000	40,000	45,820	5,820
EXPENDITURES				
Current:				
Public works	-	6,169	-	6,169
Capital outlay	-	35,831	11,831	24,000
Total expenditures	-	42,000	11,831	30,169
NET CHANGE IN FUND BALANCE	<u>\$ 40,000</u>	<u>\$ (2,000)</u>	33,989	<u>\$ 35,989</u>
FUND BALANCE, BEGINNING OF YEAR			78,741	
FUND BALANCE, END OF YEAR			<u>\$ 112,730</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****SPORTS CENTER FACILITY CAPITAL RESERVE SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 624	\$ 624
Licenses, permits and fees	41,000	41,000	47,427	6,427
Total revenues	41,000	41,000	48,051	7,051
EXPENDITURES				
Current:				
Public works	-	72,600	42,433	30,167
Capital outlay	-	-	6,900	(6,900)
Total expenditures	-	72,600	49,333	23,267
NET CHANGE IN FUND BALANCE	<u>\$ 41,000</u>	<u>\$ (31,600)</u>	(1,282)	<u>\$ 30,318</u>
FUND BALANCE, BEGINNING OF YEAR			75,111	
FUND BALANCE, END OF YEAR			<u>\$ 73,829</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
EXPLORER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 56	\$ 56
Donations and miscellaneous	2,000	2,000	3,747	1,747
Total revenues	2,000	2,000	3,803	1,803
EXPENDITURES				
Current:				
General government	8,546	8,546	1,911	6,635
NET CHANGE IN FUND BALANCE	<u>\$ (6,546)</u>	<u>\$ (6,546)</u>	1,892	<u>\$ 8,438</u>
FUND BALANCE, BEGINNING OF YEAR			8,644	
FUND BALANCE, END OF YEAR			<u>\$ 10,536</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
CALIFORNIA DISABILITY ACCESS FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 59	\$ 59
Licenses, permits and fees	3,100	3,100	2,323	(777)
Total revenues	3,100	3,100	2,382	(718)
EXPENDITURES				
Current:				
General government	5,000	5,000	-	5,000
NET CHANGE IN FUND BALANCE	<u>\$ (1,900)</u>	<u>\$ (1,900)</u>	2,382	<u>\$ 4,282</u>
FUND BALANCE, BEGINNING OF YEAR			8,667	
FUND BALANCE, END OF YEAR			<u>\$ 11,049</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
AFFORDABLE LINKAGE FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 790	\$ 790
Licenses, permits and fees	-	-	10,665	10,665
Total revenues	-	-	11,455	11,455
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	11,455	<u>\$ 11,455</u>
FUND BALANCE, BEGINNING OF YEAR			120,739	
FUND BALANCE, END OF YEAR			<u>\$ 132,194</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
UDSP REGIONAL TRAFFIC FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 2,501	\$ 2,501
Licenses, permits and fees	-	542,500	542,500	-
Total revenues	-	542,500	545,001	2,501
EXPENDITURES				
Current:				
Public works	-	636,772	549,653	87,119
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (94,272)</u>	(4,652)	<u>\$ 89,620</u>
FUND BALANCE, BEGINNING OF YEAR			94,668	
FUND BALANCE, END OF YEAR			<u>\$ 90,016</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
BUILDING STANDARD SB 1473 SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 4	\$ 4
Licenses, permits and fees	2,000	2,000	275	(1,725)
Total revenues	2,000	2,000	279	(1,721)
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	<u>\$ 2,000</u>	279	<u>\$ (1,721)</u>
FUND BALANCE, BEGINNING OF YEAR			34	
FUND BALANCE, END OF YEAR			<u>\$ 313</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
ROHNERT PARK FOUNDATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 152	\$ 152
Donations and miscellaneous	-	7,500	77,154	69,654
Total revenues	-	7,500	77,306	69,806
EXPENDITURES				
Current:				
General government	-	12,500	8,270	4,230
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (5,000)</u>	69,036	<u>\$ 74,036</u>
FUND BALANCE, BEGINNING OF YEAR			17,357	
FUND BALANCE, END OF YEAR			<u>\$ 86,393</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
WILFRED DOWDELL PUBLIC SAFETY MITIGATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 83	\$ 83
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	83	<u>\$ 83</u>
FUND BALANCE, BEGINNING OF YEAR			<u>13,096</u>	
FUND BALANCE, END OF YEAR			<u>\$ 13,179</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
SENIOR CENTER BINGO SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 46	\$ 46
Donations and miscellaneous	-	168,600	183,690	15,090
Total revenues	-	168,600	183,736	15,136
EXPENDITURES				
Current:				
General government	-	168,600	159,810	8,790
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	23,926	<u>\$ 23,926</u>
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ 23,926</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
UDSP MAINTENANCE ANNUITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses, permits and fees	\$ -	\$ -	\$ 1,106,005	\$ 1,106,005
EXPENDITURES				
Current:				
General government	-	177,000	177,000	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (177,000)</u>	929,005	<u>\$ 1,106,005</u>
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ 929,005</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION TRIBE CHARITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Donations and miscellaneous	\$ -	\$ -	\$ 270,323	\$ 270,323
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	270,323	<u>\$ 270,323</u>
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ 270,323</u>	

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION NEIGHBORHOOD UPGRADE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 142	\$ 142
Donations and miscellaneous	-	-	270,323	270,323
Total revenues	-	-	270,465	270,465
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	270,465	<u>\$ 270,465</u>
FUND BALANCE, BEGINNING OF YEAR			-	
FUND BALANCE, END OF YEAR			<u>\$ 270,465</u>	

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Enterprise Funds account for operations that operate in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed primarily through user charges. The following summarizes the City's nonmajor Enterprise Funds:

Recycled Water Fund – Accounts for the activities of recycled water operations provided to recycled water customers based on user agreement. The activities include but not limited to, recycled water operations, maintenance, billing and collection.

Refuse Collection Fund – Accounts for the remaining assets held in the Refuse Collection Fund. Ordinance No. 851 adopted by the City Council on November 27, 2012 transferred refuse billing and rate setting responsibilities from the City to an independent contractor in accordance with the Second Amended and Restated Agreement.

Golf Courses Fund – Accounts for the lease revenues and certain golf course maintenance and improvement projects. The City entered into a master lease agreement with Rohnert Park Golf LP, a California Limited Partnership doing business as Foxtail Golf Course, to facilitate the improvement, operation, and maintenance of the City's two golf courses.

CITY OF ROHNERT PARK
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2017

	Recycled Water	Refuse Collection	Golf Courses	Total
ASSETS				
Current assets:				
Cash and investments	\$ 112,038	\$ 577,457	\$ 14,380	\$ 703,875
Accounts receivables	60,214	5,307	-	65,521
Total current assets	172,252	582,764	14,380	769,396
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	45,370	-	-	45,370
Depreciable assets, net	-	-	376,498	376,498
Total noncurrent assets	45,370	-	376,498	421,868
Total assets	217,622	582,764	390,878	1,191,264
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	18,491	-	3,179	21,670
LIABILITIES				
Current liabilities:				
Accounts payable	21,264	2,453	14,955	38,672
Noncurrent liabilities:				
Net pension liabilities	83,059	-	14,279	97,338
Total liabilities	104,323	2,453	29,234	136,010
DEFERRED INFLOWS OF RESOURCES				
Pension items	3,155	-	542	3,697
NET POSITION				
Net investment in capital assets	45,370	-	376,498	421,868
Unrestricted	83,265	580,311	(12,217)	651,359
Total net position	\$ 128,635	\$ 580,311	\$ 364,281	\$ 1,073,227

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Recycled Water	Refuse Collection	Golf Courses	Total
OPERATING REVENUES:				
Utility service charges	\$ 279,774	\$ -	\$ -	\$ 279,774
Charges for services	-	-	55,514	55,514
Other	4,784	-	-	4,784
Total operating revenues	284,558	-	55,514	340,072
OPERATING EXPENSES:				
Purchase of water	163,548	-	-	163,548
Contractual services	48	70,503	-	70,551
Payroll and related costs	110,440	-	19,563	130,003
Professional services	830	16,082	48,029	64,941
Supplies	2,770	-	7,208	9,978
Depreciation	-	-	69,151	69,151
Total operating expenses	277,636	86,585	143,951	508,172
OPERATING INCOME (LOSS)	6,922	(86,585)	(88,437)	(168,100)
NONOPERATING REVENUES				
Investment income	626	3,950	51	4,627
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	7,548	(82,635)	(88,386)	(163,473)
Capital contributions	-	-	445,649	445,649
Transfers in	6,629	-	7,018	13,647
CHANGE IN NET POSITION	14,177	(82,635)	364,281	295,823
NET POSITION, BEGINNING OF YEAR,	114,458	662,946	-	777,404
NET POSITION, END OF YEAR	<u>\$ 128,635</u>	<u>\$ 580,311</u>	<u>\$ 364,281</u>	<u>\$ 1,073,227</u>

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Recycled Water	Refuse Collection	Golf Courses	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 296,863	\$ (99)	\$ 55,514	\$ 352,278
Cash paid to suppliers for goods and services	(174,509)	(89,162)	(79,408)	(343,079)
Cash paid to employees for services	(42,717)	-	31,205	(11,512)
Net cash provided by (used in) operating activities	<u>79,637</u>	<u>(89,261)</u>	<u>7,311</u>	<u>(2,313)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	6,629	-	7,018	13,647
Repayment to other funds	(2,865)	-	-	(2,865)
Net cash provided by noncapital financing activities	<u>3,764</u>	<u>-</u>	<u>7,018</u>	<u>10,782</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(6,629)	-	-	(6,629)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	626	3,950	51	4,627
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>77,398</u>	<u>(85,311)</u>	<u>14,380</u>	<u>6,467</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>34,640</u>	<u>662,768</u>	<u>-</u>	<u>697,408</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 112,038</u>	<u>\$ 577,457</u>	<u>\$ 14,380</u>	<u>\$ 703,875</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 6,922	\$ (86,585)	\$ (88,437)	\$ (168,100)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	69,151	69,151
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	12,305	(99)	-	12,206
Increase (decrease) in accounts payable	(7,313)	(2,577)	14,955	5,065
Increase in deferred outflows of resources - pension items	(18,491)	-	(3,179)	(21,670)
Increase in deferred inflows of resources - pension items	83,059	-	14,279	97,338
Increase in net pension liabilities	3,155	-	542	3,697
Net cash provided by (used in) operating activities	<u>\$ 79,637</u>	<u>\$ (89,261)</u>	<u>\$ 7,311</u>	<u>\$ (2,313)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer of capital assets from governmental activities	\$ -	\$ -	\$ 445,649	\$ 445,649

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION DESCRIPTION OF INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Internal Service Funds are used to account for the accumulation of resources and the allocation and reimbursement of costs for service provided between City departments and functions. The following summarizes the City's Internal Service Funds:

Information Technology Fund - Accounts for the cost of providing information technology services to City departments including: purchasing, operating and maintaining the City's voice, data, computer systems and its infrastructure.

Vehicle Replacement Fund - Accounts for the accumulation of resources, and related expenses incurred for future replacement of major equipment and vehicles in the City.

Fleet Management Fund – Accounts for the cost of providing fleet management services to City departments with services including: vehicle repairs, preventative maintenance and quality control inspections.

Infrastructure Fund – Accounts for the accumulation of resources, and related expense incurred for future replacement of City infrastructure.

CITY OF ROHNERT PARK
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICES FUNDS
JUNE 30, 2017

	Information Technology	Vehicle Replacement	Fleet Management	Infrastructure	Total
ASSETS					
Current assets:					
Cash and investments	\$ 475,267	\$ 2,348,803	\$ 105,428	\$ 4,100,589	\$ 7,030,087
Prepaid expenses	13,687	-	-	-	13,687
Total current assets	488,954	2,348,803	105,428	4,100,589	7,043,774
Noncurrent assets:					
Depreciable assets, net	214,009	-	19,410	-	233,419
Total assets	702,963	2,348,803	124,838	4,100,589	7,277,193
DEFERRED OUTFLOWS OF RESOURCES					
Pension items	218,930	-	102,531	-	321,461
LIABILITIES					
Current liabilities:					
Accounts payable	70,128	-	15,184	-	85,312
Bonds and loans payable	32,660	-	-	-	32,660
Total current liabilities	102,788	-	15,184	-	117,972
Noncurrent liabilities:					
Net pension liability	983,418	-	460,563	-	1,443,981
Bonds and loans payable	65,321	-	-	-	65,321
Total liabilities	1,151,527	-	475,747	-	1,627,274
DEFERRED INFLOWS OF RESOURCES					
Pension items	37,360	-	17,497	-	54,857
NET POSITION					
Net investment in capital assets	116,028	-	19,410	-	135,438
Unrestricted	(383,022)	2,348,803	(285,285)	4,100,589	5,781,085
Total net position	\$ (266,994)	\$ 2,348,803	\$ (265,875)	\$ 4,100,589	\$ 5,916,523

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICES FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Information Technology	Vehicle Replacement	Fleet Management	Infrastructure	Total
OPERATING REVENUES:					
Charges for services	\$ 1,141,848	\$ -	\$ 563,051	\$ -	\$ 1,704,899
Other	-	93,844	750	-	94,594
Total operating revenues	1,141,848	93,844	563,801	-	1,799,493
OPERATING EXPENSES:					
Contractual services	32,745	-	22,806	-	55,551
Rent and leases	58,557	-	-	-	58,557
Payroll and related costs	743,198	-	355,008	-	1,098,206
Other	97,052	-	35,383	-	132,435
Repairs, operations and maintenance	324,858	-	254,882	-	579,740
Professional services	6,098	-	1,422	40,000	47,520
Supplies	12,992	-	2,098	-	15,090
Depreciation	-	-	2,521	-	2,521
Total operating expenses	1,275,500	-	674,120	40,000	1,989,620
OPERATING INCOME (LOSS)	(133,652)	93,844	(110,319)	(40,000)	(190,127)
NONOPERATING REVENUES					
Investment income	2,389	11,045	569	13,619	27,622
INCOME (LOSS) BEFORE TRANSFERS	(131,263)	104,889	(109,750)	(26,381)	(162,505)
Transfers in	-	944,205	-	2,900,000	3,844,205
Transfers out	-	-	-	(233,223)	(233,223)
CHANGE IN NET POSITION	(131,263)	1,049,094	(109,750)	2,640,396	3,448,477
NET POSITION, BEGINNING OF YEAR	(135,731)	1,299,709	(156,125)	1,460,193	2,468,046
NET POSITION, END OF YEAR	<u>\$ (266,994)</u>	<u>\$ 2,348,803</u>	<u>\$ (265,875)</u>	<u>\$ 4,100,589</u>	<u>\$ 5,916,523</u>

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Information Technology	Vehicle Replacement	Fleet Management	Infrastructure	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from interfund services provided	\$ 1,141,848	\$ 93,844	\$ 563,801	\$ -	\$ 1,799,493
Cash paid to suppliers for goods and services	(488,457)	-	(334,658)	(40,000)	(863,115)
Cash paid to employees for services	(381,843)	-	(244,406)	-	(626,249)
Net cash provided by (used in) operating activities	271,548	93,844	(15,263)	(40,000)	310,129
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	944,205	-	2,900,000	3,844,205
Transfers out	-	-	-	(233,223)	(233,223)
Repayment to other funds	(16,304)	-	(12,868)	-	(29,172)
Net cash provided by noncapital financing activities	(16,304)	944,205	(12,868)	2,666,777	3,581,810
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Payment on loans payable	(32,660)	-	-	-	(32,660)
Acquisition of capital assets	(214,009)	-	(9,324)	-	(223,333)
Net cash provided by (used in) capital and related financing activities	(246,669)	-	(9,324)	-	(255,993)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	2,389	11,045	569	13,619	27,622
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,964	1,049,094	(36,886)	2,640,396	3,663,568
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	464,303	1,299,709	142,314	1,460,193	3,366,519
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 475,267</u>	<u>\$ 2,348,803</u>	<u>\$ 105,428</u>	<u>\$ 4,100,589</u>	<u>\$ 7,030,087</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (133,652)	\$ 93,844	\$ (110,319)	\$ (40,000)	\$ (190,127)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	2,521	-	2,521
Changes in assets and liabilities:					
Increase in prepaid expenses	(4,931)	-	-	-	(4,931)
Increase (decrease) in accounts payable	48,776	-	(18,067)	-	30,709
Increase in deferred outflows of resources - pension items	(171,237)	-	(73,847)	-	(245,084)
Decrease in deferred inflows of resources - pension items	(15,812)	-	(14,482)	-	(30,294)
Increase in net pension liability	548,404	-	198,931	-	747,335
Net cash provided by (used in) operating activities:	<u>\$ 271,548</u>	<u>\$ 93,844</u>	<u>\$ (15,263)</u>	<u>\$ (40,000)</u>	<u>\$ 310,129</u>

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION DESCRIPTION OF FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Fund is a fiduciary fund type used to account for resources held and administrated under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:

Assets Seizure Fund - Accounts for Federal and State seized assets held by the City in a trustee capacity until the County of Sonoma District Attorney's Office requests for remittance of the assets.

Redevelopment Successor Agency Fund – Accounts for the assets and activities to wind down the affairs of the former Community Development Commission (Commission). This fund accounts for the receipt of property tax revenues pursuant to the Redevelopment Dissolution Act and the assets transferred from the Commission. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution pursuant to the Recognized Obligation Payment Schedules approved by the California Department of Finance under the Redevelopment Dissolution Act.

AGENCY FUNDS

Agency fund is a fiduciary fund type used to account for resources held by the City in a custodial capacity and do not involve measurement of results of operations. The City report the following agency fund:

SoMo Village Trust - Accounts for assets held by the City in a custodial capacity for a developer for the construction of a soccer field.

CITY OF ROHNERT PARK
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Assets Seizure	Redevelopment Successor Agency	Total Private Purpose Trust Funds
ASSETS			
Cash and investments	\$ 1,217,559	\$ 2,520,270	\$ 3,737,829
Accounts Receivable	-	77,385	77,385
Restricted cash & investments	-	3,421,702	3,421,702
Advances to other City funds	-	9,344,225	9,344,225
Capital assets:			
Nondepreciable assets	-	3,001,063	3,001,063
Depreciable assets, net	-	11,388,382	11,388,382
Total assets	<u>1,217,559</u>	<u>29,753,027</u>	<u>30,970,586</u>
LIABILITIES			
Accounts payable	1,197,174	2,000	1,199,174
Interest payable	-	781,671	781,671
Advances from other City funds	-	2,193,400	2,193,400
Long-term debt:			
Due in one year	-	3,010,051	3,010,051
Due in more than one year	-	55,594,179	55,594,179
Total liabilities	<u>1,197,174</u>	<u>61,581,301</u>	<u>62,778,475</u>
NET POSITION			
Restricted	<u>\$ 20,385</u>	<u>\$ (31,828,274)</u>	<u>\$ (31,807,889)</u>

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Assets Seizure	Redevelopment Successor Agency	Total Private Purpose Trust Funds
ADDITIONS			
Taxes	\$ -	\$ 5,107,616	\$ 5,107,616
Interest and rentals	3,603	16,580	20,183
Total additions	3,603	5,124,196	5,127,799
DEDUCTIONS			
Redevelopment expenses	-	242,798	242,798
Intergovernmental transfer to the City's Capital Project Fund	-	500,000	500,000
Depreciation	-	938,243	938,243
Recalculation of outstanding balances for advances from other City funds	-	-	-
Interest expenses	-	3,693,025	3,693,025
Total deductions	-	5,374,066	5,374,066
CHANGE IN NET POSITION	3,603	(249,870)	(246,267)
NET POSITION, BEGINNING OF YEAR	16,782	(31,578,404)	(31,561,622)
NET POSITION, END OF YEAR	\$ 20,385	\$ (31,828,274)	\$ (31,807,889)

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
SOMO Trust				
Assets:				
Cash and investments	\$ -	2,803,604	-	2,803,604
Liabilities:				
Fiduciary liabilities	\$ -	2,803,604	-	2,803,604

STATISTICAL SECTION

Index to Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	S-3
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S-10
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	S-16
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	S-20
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	S-22
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

City of Rohnert Park
Net Position by Component (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 79,984,205	\$ 79,984,403	\$ 73,541,501	\$ 66,373,255	\$ 49,803,902	\$ 52,293,588	\$ 25,958,726	\$ 45,009,673	\$ 46,572,533	\$ 56,608,019
Restricted	51,427,122	43,154,460	41,834,834	32,362,423	33,166,020	27,482,966	17,346,572	2,418,812	13,873,842	5,730,424
Unrestricted	(27,942,968)	(37,944,818)	(49,286,068)	(610,478)	17,562,930	5,287,237	16,293,462	16,995,866	13,927,933	17,318,920
Total governmental activities net position	<u>\$ 103,468,359</u>	<u>\$ 85,194,045</u>	<u>\$ 66,090,267</u>	<u>\$ 98,125,200</u>	<u>\$ 100,532,852</u>	<u>\$ 85,063,791</u>	<u>\$ 59,598,760</u>	<u>\$ 64,424,351</u>	<u>\$ 74,374,308</u>	<u>\$ 79,657,363</u>
Business-type activities										
Net investment in capital assets	\$ 36,440,979	\$ 36,055,113	\$ 34,323,645	\$ 29,762,623	\$ 23,820,293	\$ 25,277,232	\$ 25,501,383	\$ 27,364,564	\$ 17,081,819	\$ 25,538,667
Unrestricted	20,008,972	14,223,085	14,262,033	21,058,424	5,662,653	1,287,885	1,062,428	2,435,608	14,654,310	6,682,325
Total business-type activities net position	<u>\$ 56,449,951</u>	<u>\$ 50,278,198</u>	<u>\$ 48,585,678</u>	<u>\$ 50,821,047</u>	<u>\$ 29,482,946</u>	<u>\$ 26,565,117</u>	<u>\$ 26,563,811</u>	<u>\$ 29,800,172</u>	<u>\$ 31,736,129</u>	<u>\$ 32,220,992</u>
Primary government										
Net investment in capital assets	\$ 116,425,184	\$ 116,039,516	\$ 107,865,146	\$ 96,135,878	\$ 73,624,195	\$ 77,570,820	\$ 51,460,109	\$ 72,374,237	\$ 63,654,352	\$ 82,146,686
Restricted	51,427,122	43,154,460	41,834,834	32,362,423	33,166,020	27,482,966	17,346,572	2,418,812	13,873,842	5,730,424
Unrestricted	(7,933,996)	(23,721,733)	(35,024,035)	20,447,946	23,225,583	6,575,122	17,355,890	19,431,474	28,582,243	24,001,245
Total primary government net position	<u>\$ 159,918,310</u>	<u>\$ 135,472,243</u>	<u>\$ 114,675,945</u>	<u>\$ 148,946,247</u>	<u>\$ 130,015,798</u>	<u>\$ 111,628,908</u>	<u>\$ 86,162,571</u>	<u>\$ 94,224,523</u>	<u>\$ 106,110,437</u>	<u>\$ 111,878,355</u>

Source: City Finance Department.

City of Rohnert Park
Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 12,254,948	\$ 10,499,931	\$ 10,648,148	\$ 9,202,607	\$ 10,772,401	\$ 14,359,626	\$ 16,306,249	\$ 18,388,212	\$ 16,036,110	\$ 12,955,293
Public safety	14,181,941	16,106,438	15,711,045	14,888,571	14,347,850	14,403,785	15,455,097	16,930,100	19,823,047	20,758,556
Public works	9,495,442	4,718,970	4,115,427	2,840,825	2,840,555	3,530,589	3,416,002	4,228,872	4,050,312	4,421,182
Parks and recreation	3,880,613	4,106,404	2,940,882	3,342,205	3,085,681	3,266,821	3,659,993	3,650,692	4,687,184	4,979,212
Cultural arts center	1,485,038	982,644	774,542	648,630	704,021	587,931	417,011	646,355	841,126	902,319
Interest on long-term debt	29,543	22,989	194,621	153,921	499,028	1,920,730	3,856,319	5,939,204	4,586,047	4,629,601
Total governmental activities expenses	41,327,525	36,437,376	34,384,665	31,076,759	32,249,536	38,069,482	43,110,671	49,783,435	50,023,826	48,646,163
Business-type activities:										
Water	6,741,027	6,020,579	7,875,791	6,036,836	5,929,852	7,095,841	6,791,475	5,702,115	6,306,127	7,122,292
Sewer	13,821,479	12,647,157	13,037,337	11,963,155	11,768,056	10,659,707	12,071,585	11,252,707	11,318,825	9,830,647
Recycled Water	277,636	150,607	-	-	-	-	-	-	-	-
Refuse Collection	86,585	32,070	3,530	4,828	3,039,046	5,534,555	5,330,582	5,547,595	5,390,186	5,344,215
Golf Courses	143,951	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	21,070,678	18,850,413	20,916,658	18,004,819	20,736,954	23,290,103	24,193,642	22,502,417	23,015,138	22,297,154
Total primary government expenses	\$ 62,398,203	\$ 55,287,789	\$ 55,301,323	\$ 49,081,578	\$ 52,986,490	\$ 61,359,585	\$ 67,304,314	\$ 72,285,852	\$ 73,038,964	\$ 70,943,317
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,395,832	\$ 5,076,199	\$ 2,740,546	\$ 1,423,854	\$ 855,997	\$ 1,339,978	\$ 1,076,171	\$ 1,076,152	\$ 1,137,111	\$ 978,440
Public safety	1,147,291	1,016,562	1,102,207	1,196,933	661,454	407,871	592,952	621,490	623,483	592,567
Public works	3,561,595	2,393,811	2,015,070	1,114,354	879,340	703,948	474,124	388,237	859,348	1,697,041
Parks and recreation	1,301,630	1,341,005	1,297,774	1,406,770	1,192,894	1,337,034	1,319,042	1,187,022	1,156,550	1,791,969
Cultural arts center	420,966	484,170	343,936	330,906	403,728	398,004	301,631	386,317	448,970	-
Operating grants and contributions	14,010,389	13,510,394	10,148,400	5,784,503	15,128,681	2,125,258	2,441,258	2,796,402	3,366,714	2,572,995
Capital grants and contributions	7,596,222	8,541,829	13,065,771	13,745,990	4,323,246	651,077	1,492,542	2,257,720	1,480,622	1,991,493
Total governmental activities program revenues	33,433,925	32,363,970	30,713,704	25,003,310	23,445,340	6,963,170	7,697,720	8,713,340	9,072,798	9,624,505
Business-type activities:										
Charges for services:										
Water	7,109,819	6,572,737	6,307,513	7,020,887	7,421,931	6,631,136	6,466,678	6,384,464	6,630,287	6,341,560
Sewer	13,647,965	12,723,384	13,216,660	13,416,857	12,522,826	10,934,425	8,407,237	8,117,101	10,304,507	12,370,603
Recycled Water	284,558	226,135	-	-	-	-	-	-	-	-
Refuse Collection	-	-	-	-	2,697,879	5,442,977	5,526,939	5,635,222	5,554,993	5,454,193
Golf Courses	55,514	-	-	-	-	-	-	-	-	-
Capital grants and contributions	5,237,008	-	-	270,063	769,406	268,029	192,260	235,742	214,617	566,411
Total business-type activities program revenues	26,334,864	19,522,256	19,524,173	20,707,807	23,412,042	23,276,567	20,593,114	20,372,529	22,704,404	24,732,767
Total primary government program revenues	\$ 59,768,789	\$ 51,886,226	\$ 50,237,877	\$ 45,711,117	\$ 46,857,382	\$ 30,239,737	\$ 28,290,834	\$ 29,085,869	\$ 31,777,202	\$ 34,357,272

City of Rohnert Park
Changes in Net Position (Unaudited)
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental activities	\$ (7,893,600)	\$ (4,073,406)	\$ (3,670,961)	\$ (6,073,449)	\$ (8,804,196)	\$ (31,106,312)	\$ (35,412,951)	\$ (41,070,095)	\$ (40,951,028)	\$ (39,021,658)
Business-type activities	5,264,186	671,843	(1,392,485)	2,702,988	2,675,088	(13,536)	(3,600,528)	(2,129,888)	(310,734)	2,435,613
Total primary government net expense	<u>\$ (2,629,414)</u>	<u>\$ (3,401,563)</u>	<u>\$ (5,063,446)</u>	<u>\$ (3,370,461)</u>	<u>\$ (6,129,108)</u>	<u>\$ (31,119,848)</u>	<u>\$ (39,013,479)</u>	<u>\$ (43,199,983)</u>	<u>\$ (41,261,762)</u>	<u>\$ (36,586,045)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,358,477	\$ 4,009,906	\$ 3,564,329	\$ 3,875,521	\$ 3,517,309	\$ 16,106,337	\$ 15,595,902	\$ 16,632,581	\$ 16,989,860	\$ 17,054,597
Property tax in lieu of vehicle licenses fee	3,254,816	2,917,304	2,948,341	2,747,818	2,630,122	2,722,876	2,908,809	2,947,584	3,042,186	3,142,034
Sales taxes	11,244,782	10,483,969	10,493,451	10,541,059	9,555,854	9,062,981	8,237,144	5,735,600	6,172,593	7,236,048
Franchise taxes	2,398,910	2,221,543	2,068,761	1,981,803	1,682,427	1,695,706	1,500,461	1,700,371	1,411,622	1,440,749
Other taxes	3,668,873	3,459,315	3,109,123	2,945,367	2,329,689	2,054,212	1,816,893	1,574,857	1,812,696	2,016,907
Rental Income	-	-	-	-	-	-	-	-	31,823	-
Investment earnings	1,810,778	500,983	300,328	246,098	38,876	962,474	1,605,298	2,538,119	3,726,188	4,792,727
Gain (Loss) on sale of capital assets	-	51,514	-	4,000	-	-	-	(159,537)	997,720	4,778,278
Gain (Loss) on retirement of bonds	-	-	-	-	-	-	-	-	759,614	-
Other	219,349	458,554	133,236	1,292,275	4,348,120	181,941	415,518	176,370	197,023	311,425
Transfers	(788,071)	(925,904)	(4,275,417)	(7,909,865)	(171,499)	65,415	(255,089)	(25,807)	526,648	573,812
Extraordinary item - dissolution of RDA	-	-	-	-	-	23,719,400	-	-	-	-
Total governmental activities	<u>26,167,914</u>	<u>23,177,184</u>	<u>18,342,152</u>	<u>15,724,076</u>	<u>23,930,898</u>	<u>56,571,343</u>	<u>31,824,937</u>	<u>31,120,138</u>	<u>35,667,973</u>	<u>41,346,577</u>
Business-type activities:										
Investment earnings	119,496	94,773	75,585	52,305	71,242	80,257	109,076	168,124	352,519	458,866
Transfers	788,071	925,904	4,275,417	7,909,865	171,499	(65,415)	255,089	25,807	(526,648)	(518,348)
Total business-type activities	<u>907,567</u>	<u>1,020,677</u>	<u>4,351,002</u>	<u>7,962,170</u>	<u>242,741</u>	<u>14,842</u>	<u>364,165</u>	<u>193,931</u>	<u>(174,129)</u>	<u>(59,482)</u>
Total primary government	<u>\$ 27,075,481</u>	<u>\$ 24,197,861</u>	<u>\$ 22,693,154</u>	<u>\$ 23,686,246</u>	<u>\$ 24,173,639</u>	<u>\$ 56,586,185</u>	<u>\$ 32,189,102</u>	<u>\$ 31,314,069</u>	<u>\$ 35,493,844</u>	<u>\$ 41,287,095</u>
Change in Net Position										
Governmental activities	\$ 18,274,314	\$ 19,103,778	\$ 14,671,191	\$ 9,650,627	\$ 15,126,702	\$ 25,465,031	\$ (3,588,014)	\$ (9,949,957)	\$ (5,283,055)	\$ 2,324,919
Business-type activities	6,171,753	1,692,520	2,958,517	10,665,158	2,917,829	1,306	(3,236,363)	(1,935,957)	(484,863)	2,376,131
Total primary government	<u>\$ 24,446,067</u>	<u>\$ 20,796,298</u>	<u>\$ 17,629,708</u>	<u>\$ 20,315,785</u>	<u>\$ 18,044,531</u>	<u>\$ 25,466,337</u>	<u>\$ (6,824,377)</u>	<u>\$ (11,885,914)</u>	<u>\$ (5,767,918)</u>	<u>\$ 4,701,050</u>

Source: City Finance Department.

City of Rohnert Park
Program Revenues by Function/Program (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/Program										
Governmental activities:										
General government	\$ 17,949,097	\$ 14,573,424	\$ 10,844,875	\$ 15,333,596	\$ 14,143,255 ⁽¹⁾	\$ 1,636,799	\$ 1,147,579	\$ 1,230,469	\$ 1,842,155	\$ 3,416,683
Public safety	4,955,394	4,968,568	2,413,054	2,603,116	1,257,721	1,008,050	910,988	1,626,916	1,477,094	858,919
Public works	8,796,306	10,996,803	15,814,065 ⁽²⁾	5,328,922	6,447,742	2,583,283	4,018,480	3,777,181	4,081,609	2,887,783
Parks and recreation	1,301,630	1,341,005	1,297,774	1,406,770	1,192,894	1,337,034	1,319,042	1,691,952	1,156,550	1,791,969
Other	431,498	484,170	343,936	330,906	403,728	398,004	301,631	386,822	515,390	669,151
Subtotal governmental activities	33,433,925	32,363,970	30,713,704	25,003,310	23,445,340	6,963,170	7,697,720	8,713,340	9,072,798	9,624,505
Business-type activities:										
Water	12,346,827	6,572,737	6,307,513	7,020,887	7,432,612	6,775,045	6,466,678	6,384,464	6,794,666	6,388,188
Wastewater	13,647,965	12,723,384	13,216,660	13,686,920	13,281,551	11,058,545	8,599,497	8,352,843	10,354,745	12,890,386
Recycled water	284,558	226,135	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	2,697,879	5,442,977	5,526,939	5,635,222	5,554,993	5,454,193
Golf Courses	55,514	-	-	-	-	-	-	-	-	-
Subtotal business-type activities	26,334,864	19,522,256	19,524,173	20,707,807	23,412,042	23,276,567	20,593,114	20,372,529	22,704,404	24,732,767
Total primary government	\$ 59,768,789	\$ 51,886,226	\$ 50,237,877	\$ 45,711,117	\$ 46,857,382	\$ 30,239,737	\$ 28,290,834	\$ 29,085,869	\$ 31,777,202	\$ 34,357,272

Notes:

- (1) The increases in general government program revenues starting fiscal year 2013 when compared to prior years were mainly due to the receipt of fees and contributions from the Federated Indians of the Graton Rancheria.
- (2) Public works program revenues for fiscal year 2015 included one-time intergovernmental transfer received from successor agency trust fund of \$5.7 million.

Source: City Finance Department.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011 ⁽¹⁾	2010	2009	2008
General Fund										
Nonspendable	\$ 2,233,398	\$ 1,315,487	\$ 1,970,598	\$ 2,441,659	\$ 2,719,913	\$ 2,360,946	\$ 2,382,742	N/A	N/A	N/A
Restricted	6,860,247	3,504,479	172,998	186,413	2,041,125	2,429,224	927,747	N/A	N/A	N/A
Committed	-	-	-	-	-	-	3,592,593	N/A	N/A	N/A
Assigned	16,103,193	14,164,529	12,042,682	9,786,317	2,391,104	3,553,613	1,567,135	N/A	N/A	N/A
Unassigned	314,324	563,346	33,588	207,845	4,100,959	1,208,071	-	N/A	N/A	N/A
Reserved	-	-	-	-	-	-	-	\$ 2,466,224	\$ 2,578,952	\$ 3,233,155
Unreserved	-	-	-	-	-	-	-	6,871,421	9,589,701	13,186,254
Total general fund	<u>\$ 25,511,162</u>	<u>\$ 19,547,841</u>	<u>\$ 14,219,866</u>	<u>\$ 12,622,234</u>	<u>\$ 11,253,101</u>	<u>\$ 9,551,854</u>	<u>\$ 8,470,217</u>	<u>\$ 9,337,645</u>	<u>\$ 12,168,653</u>	<u>\$ 16,419,409</u>
All Other Governmental Funds										
Nonspendable	\$ 1,505,786	\$ 500,000	\$ 500,000	\$ 2,212,970	\$ 10,613,660	\$ 10,519,393	\$ 20,231,490	N/A	N/A	N/A
Restricted	41,840,837	38,040,772	38,294,470	29,149,054	29,433,741	16,816,229	26,492,563	N/A	N/A	N/A
Committed	-	-	-	-	2,604,735	2,710,553	2,895,378	N/A	N/A	N/A
Assigned	6,670,821	4,936,721	2,322,710	3,267,686	-	-	-	N/A	N/A	N/A
Unassigned	(11,740,236)	(9,213,812)	(7,275,223)	(5,178,461)	(465,303)	(473,022)	(311,900)	N/A	N/A	N/A
Reserved	-	-	-	-	-	-	-	\$ 62,746,031	\$ 56,532,084	\$ 68,299,779
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	3,237,597	3,249,461	2,910,150
Capital projects funds	-	-	-	-	-	-	-	(600,372)	5,013,206	6,034,588
Total all other governmental funds	<u>\$ 38,277,208</u>	<u>\$ 34,263,681</u>	<u>\$ 33,841,957</u>	<u>\$ 29,451,249</u>	<u>\$ 42,186,833</u>	<u>\$ 29,573,153</u>	<u>\$ 49,307,531</u>	<u>\$ 65,383,256</u>	<u>\$ 64,794,751</u>	<u>\$ 77,244,517</u>

Notes:

(1) New Fund Balance Classification based on GASB Statement No. 54 starting fiscal year 2011.

Source: City Finance Department.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 25,515,939	\$ 23,638,067	\$ 22,747,034	\$ 22,561,396	\$ 19,715,401	\$ 31,642,113	\$ 30,059,209	\$ 28,590,993	\$ 29,428,957	\$ 30,890,335
Intergovernmental	2,527,415	2,674,597	2,838,422	2,437,927	3,283,454	2,783,848	3,205,589	2,659,724	4,209,711	3,647,006
Intergovernmental transfer from successor agency trust fund	500,000	1,127,586	5,695,287	-	-	-	-	-	-	-
Interest and rentals	2,267,898	1,000,857	923,317	679,090	373,516	1,462,569	2,146,774	3,045,486	4,208,902	4,669,700
Charges for services	5,939,300	6,735,563	4,076,764	2,357,628	1,769,053	1,649,569	1,952,202	1,823,791	1,812,427	2,531,523
Licenses, permits and fees	7,455,327	8,153,393	5,739,963	3,855,530	14,407,014	1,129,495	888,402	870,585	837,678	1,816,859
Fines, forfeitures and penalties	251,815	136,810	176,490	174,637	200,266	184,386	146,940	193,392	212,849	159,701
Donations and miscellaneous	13,398,973	12,774,350	8,647,864	16,206,168	7,581,291	876,716	518,210	1,148,005	1,512,347	1,780,818
Total revenues	57,856,667	56,241,223	50,845,141	48,272,376	47,329,995	39,728,697	38,917,327	38,331,976	42,222,871	45,495,942
Expenditures										
General government	12,670,337	12,490,794	10,802,462	8,099,455	6,909,977	12,969,980	13,914,331	15,592,370	12,731,601	12,694,183
Public safety	18,095,260	16,866,435	15,642,763	14,724,998	13,884,510	13,788,261	14,687,084	16,117,857	18,978,007	19,414,226
Public works	3,450,542	2,444,253	1,914,825	1,353,085	1,242,943	726,480	656,651	1,643,398	1,715,606	2,255,776
Parks and recreation	3,010,377	3,304,477	2,660,915	2,598,935	2,300,901	2,312,924	2,270,907	2,266,260	3,062,625	3,248,052
Cultural arts center	885,038	928,571	787,168	643,463	704,021	587,931	417,011	646,355	841,126	902,319
Capital outlay	8,112,568	11,924,434	6,335,556	13,623,069	7,165,820	1,748,317	174,963	3,523,917	11,268,721	13,940,133
Debt service										
Principal	143,517	69,796	3,565,534	325,314	460,000	1,188,430	1,604,925	16,043,885	11,682,136	3,734,038
Interest and fiscal charges	30,188	24,162	266,586	200,938	420,257	2,463,746	3,028,229	3,254,018	3,924,833	3,345,671
Total expenditures	46,397,827	48,052,922	41,975,809	41,569,257	33,088,429	35,786,069	36,754,101	59,088,060	64,204,655	59,534,398
Excess (deficiency) of revenues over (under) expenditures	11,458,840	8,188,301	8,869,332	6,703,119	14,241,566	3,942,628	2,163,226	(20,756,084)	(21,981,784)	(14,038,456)

City of Rohnert Park
Changes in Fund Balances of Governmental Funds (Unaudited)
Last Ten Fiscal Years (Continued)
(modified accrual basis of accounting)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other Financing Sources (Uses)										
Issuance of debt and loans	\$ 420,643	\$ 339,738	\$ 249,782	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding bonds issued	-	-	-	-	-	-	-	-	759,614	-
Proceeds from the sale of capital assets	2,050,769	544,822	1,442,823	4,000	-	-	-	1,255,263	3,995,000	5,201,717
Transfers in	11,338,071	13,213,866	15,775,752	10,242,332	5,005,015	30,274,573	10,206,357	24,626,604	24,118,981	21,953,933
Transfers out	(15,291,475)	(16,537,028)	(20,349,349)	(18,266,807)	(5,274,014)	(30,309,158)	(10,461,446)	(24,652,411)	(23,592,333)	(21,380,121)
Total other financing sources (uses)	(1,481,992)	(2,438,602)	(2,880,992)	(7,870,475)	(268,999)	(34,585)	(255,089)	1,229,456	5,281,262	5,775,529
Net change in fund balances	<u>\$ 9,976,848</u>	<u>\$ 5,749,699</u>	<u>\$ 5,988,340</u>	<u>\$ (1,167,356)</u>	<u>\$ 13,972,567</u>	<u>\$ 3,908,042</u>	<u>\$ 1,908,137</u>	<u>\$ (19,526,628)</u>	<u>\$ (16,700,522)</u>	<u>\$ (8,262,927)</u>
Debt service as a percentage of noncapital expenditures	0.5%	0.3%	10.4%	1.9%	3.4%	10.7%	12.7%	34.7%	29.5%	15.5%

City of Rohnert Park
Tax Revenues by Source of General Fund (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Property In-Lieu			Franchise	Transient Occupancy	Real Property Transfer	Total
	Property	Vehicle Licenses Fee	(a) Sales & Use				
2008	\$ 3,199,831	\$ 3,142,034	\$ 7,236,048	\$ 1,440,749	\$ 1,899,362	\$ 117,545	\$ 17,035,569
2009	3,029,029	3,042,186	6,172,593	1,411,622	1,722,049	90,647	15,468,126
2010	2,845,643	2,947,584	5,735,600	1,700,371	1,574,857	84,087	14,888,142
2011	2,679,110	2,908,809	8,237,144	1,500,461	1,747,659	69,234	17,142,417
2012	3,252,056	2,722,876	9,062,981	1,695,706	1,940,536	113,677	18,787,832
2013	3,517,309	2,630,122	9,555,854	1,682,427	2,202,885	126,804	19,715,401
2014	3,875,521	2,747,818	10,541,059	1,981,803	2,814,059	131,308	22,091,568
2015	3,564,329	2,948,341	10,493,451	2,068,761	2,980,129	128,994	22,184,005
2016	4,009,906	2,917,304	10,483,969	2,221,543	3,255,970	203,345	23,092,037
2017	4,358,477	3,254,816	11,244,782	2,398,910	3,447,669	221,204	24,925,858
Change 2008–2017	36.2%	3.6%	55.4%	66.5%	81.5%	88.2%	46.3%

Notes:

(a) The City direct tax rate of 0.50% (Rohnert Park Essential City Services Temporary Funding Measure E) was approved by Rohnert Park citizens on June 8, 2010 and went into effect on October 1, 2010. This tax rate expired on Sept 30, 2015. It has been extended by Measure A (Rohnert Park Continuation of Essential City Services Funding Measure) which was approved by the voters on November 5, 2013. Measure A shall not expire, unless terminated by a unanimous vote of the City Council.

Source: City Finance Department.

City of Rohnert Park**Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)****Last Ten Fiscal Years***(in thousands of dollars)*

Fiscal Year	Real Property Assessed/ Market Value	Personal Property Assessed/ Market Value	Total Assessed/ Market Value	Percentage of Change in Market Value	Basic Direct Rate
2008	\$ 3,957,436	\$ 121,053	\$ 4,078,489	5.32%	1.00%
2009	3,921,550	116,899	4,038,449	-0.98%	1.00%
2010	3,782,228	118,715	3,900,943	-3.40%	1.00%
2011	3,605,471	114,596	3,720,067	-4.64%	1.00%
2012	3,611,567	107,759	3,719,326	-0.02%	1.00%
2013	3,509,762	103,730	3,613,492	-2.85%	1.00%
2014	3,633,619	114,420	3,748,039	3.72%	1.00%
2015	3,907,910	119,759	4,027,669	7.46%	1.00%
2016	4,143,111	122,372	4,265,483	5.90%	1.00%
2017	4,461,643	118,089	4,579,732	7.37%	1.00%

Notes:

(a) The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII A and may be adjusted no more than two percent per year unless the property is improved, sold or transferred. Because of this method of assessment, the City does not have a reasonable basis for estimating the actual value of taxable property and this information is not presented above.

(b) The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the counties, cities, school districts and other districts.

Source: Sonoma County Auditor-Controller Treasurer-Tax Collector.

City of Rohnert Park
Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	Basic Direct Rate (b)	Overlapping Rates (a)						Total Tax Rate (c)
		Rohnert Park Cotati School District	Warm Springs Dam	Santa Rosa Junior College	Santa Rosa High School	Bellevue School District	Total	
2008	1.00	0.110	0.007	0.025	0.053	0.240	0.435	1.435
2009	1.00	0.110	0.007	0.025	0.049	0.024	0.215	1.215
2010	1.00	0.110	0.007	0.025	0.049	0.030	0.221	1.221
2011	1.00	0.110	0.007	0.025	0.049	0.054	0.245	1.245
2012	1.00	0.110	0.007	0.025	0.058	0.068	0.268	1.268
2013	1.00	0.100	0.007	0.021	0.058	0.071	0.256	1.256
2014	1.00	0.110	0.007	0.019	0.055	0.074	0.265	1.265
2015	1.00	0.120	0.007	0.018	0.052	0.088	0.285	1.285
2016	1.00	0.151	0.007	0.016	0.075	0.086	0.335	1.335
2017	1.00	0.139	0.007	0.040	0.071	0.086	0.343	1.343

Notes:

(a) Overlapping rates are those of local and county governments that apply to property owners within the City of Rohnert Park. Not all overlapping rates apply to all Rohnert Park property owners; for example, school districts' rates apply only to property owners within those districts' geographic boundaries.

(b) In 1978, California voters passed Proposition 13, which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(c) Rates for Sonoma County Tax Rate Areas 007-000 through 007-019 are represented in this table.

Source: Sonoma County Auditor-Controller Treasurer-Tax Collector.

City of Rohnert Park
Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 3,003,697	\$ 3,003,697	100%	\$ -	\$ 3,003,697	100%
2009	2,820,894	2,820,894	100%	-	2,820,894	100%
2010	2,641,026	2,641,026	100%	-	2,641,026	100%
2011	2,489,903	2,489,903	100%	-	2,489,903	100%
2012	2,539,634	2,539,634	100%	-	2,539,634	100%
2013	2,440,436	2,440,436	100%	-	2,440,436	100%
2014	2,651,430	2,651,430	100%	-	2,651,430	100%
2015	2,870,668	2,870,668	100%	-	2,870,668	100%
2016	3,041,634	3,041,634	100%	-	3,041,634	100%
2017	3,169,350	3,169,350	100%	-	3,169,350	100%

Note: The City participates in the Sonoma County Teeter Plan whereby all taxes are remitted to the City each year. Amounts reported are for secured property taxes only.

Source: Sonoma County Auditor-Controller Treasurer-Tax Collector.

City of Rohnert Park
Taxable Sales by Category (Unaudited)
Last Ten Years
(in thousands of dollars)

	For the Year Ended									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
All other outlets	\$ 2,411	\$ 1,990	\$ 2,288	\$ 2,233	\$ 2,424	\$ 2,370	\$ 2,097	\$ 2,282	\$ 2,302	\$ 2,645
Apparel stores	15,823	14,988	15,045	12,902	14,621	13,808	14,246	13,862	14,123	14,430
Auto dealers and supplies	26,291	25,084	23,225	21,223	20,733	19,169	19,432	22,019	22,787	29,550
Building materials and farm tools	92,297	95,634	98,521	99,472	92,139	79,426	75,866	77,547	94,237	103,245
Eating and drinking establishments	98,917	97,659	103,267	96,427	75,454	70,882	68,767	69,713	74,122	77,691
Food stores	33,344	33,323	34,957	34,972	35,416	38,032	36,031	35,005	36,776	37,620
General merchandise	261,648	242,180	244,789	243,471	252,386	239,845	234,926	234,059	239,889	267,954
Home furnishings and appliances	48,077	36,485	31,495	29,076	29,099	24,899	24,676	25,173	22,351	30,997
Other retail stores	52,456	45,394	37,550	34,261	34,733	41,245	57,868	45,584	41,326	48,679
Service stations	41,602	42,013	47,065	53,506	47,070	38,765	35,138	32,355	34,879	43,328
Packaged Liquor and Drug Stores	7,249	7,592	7,463	8,434	7,376	6,917	6,768	6,799	8,051	7,864
Total	<u>\$ 680,115</u>	<u>\$ 642,342</u>	<u>\$ 645,665</u>	<u>\$ 635,977</u>	<u>\$ 611,451</u>	<u>\$ 575,358</u>	<u>\$ 575,815</u>	<u>\$ 564,398</u>	<u>\$ 590,843</u>	<u>\$ 664,003</u>
City direct sales tax rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.00%	0.00%

Source: Muni Services Sales Tax & Economic Review for the City of Rohnert Park.

City of Rohnert Park
Top Ten Principal Property Tax Payers (Unaudited)
Current and Nine Years Ago
(in thousands of dollars)

	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Antheia LP	\$ 60,778	1	1.33%	\$ -	-	-
Kotlier Ernest M Et Al	50,525	2	1.10%	-	-	-
Scarpa Steven J	49,222	3	1.07%	-	-	-
Sonoma Mountain Village LLC Et Al	45,725	4	1.00%	41,207	1	1.01%
Columbia Redwood Creek LLC	42,758	5	0.93%	37,901	2	0.93%
Penn Grove Mountain LLC	37,806	6	0.83%	-	-	-
CLPF - Oak View at Sonoma Hills LP	38,803	7	0.85%	-	-	-
Crossbrook Apartments LP Et Al	33,936	8	0.74%	29,873	3	0.73%
Knickerbocker Properties Inc XXXVIII	29,334	9	0.64%	25,962	5	0.64%
4855 Snyder Lane LLC	28,700	10	0.63%	-	-	0.00%
Codding Enterprises	-	-	-	26,460	4	0.65%
Santa Rosa Press Democrat	-	-	-	24,992	6	0.61%
State Farm Mutual Automobile	-	-	-	22,416	7	0.55%
Costco Wholesale Corp	-	-	-	21,620	8	0.53%
RHL Partnership	-	-	-	21,002	9	0.51%
Expressway Partners LLC	-	-	-	18,007	10	0.44%
Total	<u>\$ 417,587</u>		<u>9.12%</u>	<u>\$ 269,440</u>		<u>6.61%</u>

Source: County of Sonoma Auditor-Controller Treasurer-Tax Collector.

City of Rohnert Park
Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Government-type Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income (d)	Per Capita (d)
	Redevelopment Bonds (a)	Certificates of Participation	Lease Revenue Bonds (b)	Loan Payable	Capital Leases	Water Revenue Bonds (c)	Sewer Certificates of Participation (c)			
2008	\$ 82,253	\$ 3,960	\$ 6,020	\$ -	\$ 1,539	\$ 6,305	\$ 12,530	\$ 112,607	9.05	\$ 2,615
2009	72,120	3,800	5,780	-	1,212	6,085	12,285	101,282	8.27	2,354
2010	59,513	3,635	5,535	-	982	5,860	12,030	87,555	7.32	2,017
2011	51,553	3,460	5,280	-	846	5,630	11,765	78,534	7.05	1,917
2012	-	3,280	465	-	705	5,390	11,624	21,464	1.88	523
2013	-	3,090	473	-	594	5,145	11,340	20,642	1.86	501
2014	-	2,895	447	127	515	4,848	11,082	19,914	1.81	489
2015	-	-	418	250	-	4,586	10,769	16,023	1.39	390
2016	-	-	387	681	-	3,422	10,447	14,937	1.24	356
2017	-	-	356	957	-	3,255	10,114	14,682	1.16	349

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) Due to the dissolution of the RDA during fiscal year 2012, the bond liability was transferred to the Successor Agency.

(b) Due to the dissolution of the RDA during fiscal year 2012, 90% of the LRRB bond liability was transferred to the Successor Agency.

(c) During fiscal year 2005, the City issued \$13 million of sewer certificates of participation and \$5 million of water revenue bonds.

(d) See Schedule S-20 for personal income and population data. These ratios are calculated using personal income and

Source: City Finance Department.

City of Rohnert Park
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2017
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Cotati-Rohnert Park Unified School District			
#17R	\$ 8,680	79.510%	\$ 6,901
2014A	25,040	79.510%	19,909
2014B	25,495	79.510%	20,271
2015C	25,000	79.510%	19,878
2015D	500	79.510%	398
Sonoma County Junior College District			
#3	3,615	5.683%	205
#4	2,970	5.683%	169
#2R	148,365	5.683%	8,431
Subtotal, overlapping debt	239,665		76,162
City direct debt			<u>1,313</u>
Total direct and overlapping debt			<u><u>\$ 77,475</u></u>

Notes:

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the city.

Source: Sonoma County Auditor-Controller Treasurer-Tax Collector.

City of Rohnert Park
Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2017

Total Assessed value	\$4,579,732
Debt limit (15% of assessed value)	686,960
Debt applicable to limit:	
General obligation bonds	<u>-</u>
Legal debt margin	<u><u>\$ 686,960</u></u>

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 686,960	\$ 639,823	\$ 604,150	\$ 562,206	\$ 542,024	\$ 564,587	\$ 564,732	\$ 591,965	\$ 612,688	\$ 611,773
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 686,960</u></u>	<u><u>\$ 639,823</u></u>	<u><u>\$ 604,150</u></u>	<u><u>\$ 562,206</u></u>	<u><u>\$ 542,024</u></u>	<u><u>\$ 564,587</u></u>	<u><u>\$ 564,732</u></u>	<u><u>\$ 591,965</u></u>	<u><u>\$ 612,688</u></u>	<u><u>\$ 611,773</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Sonoma County Auditor-Controller Treasurer-Tax Collector.

City of Rohnert Park
Pledged-Revenue Coverage (Unaudited)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water Revenue Bonds						Sewer Revenue Certificate of Participation (a)						Special Assessment Bonds			
	Utility Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest					Principal	Interest			Principal	Interest	
2008	\$ 6,535	\$ 6,046	\$ 489	\$ 215	\$ 257	1.04	\$ 12,636	\$ 8,930	\$ 3,706	\$ 240	\$ 575	4.55	\$ 456	\$ 430	\$ 21	1.01
2009	6,694	4,952	1,742	220	251	3.70	12,173	9,648	2,525	245	568	3.11	-	-	-	-
2010	6,429	4,690	1,739	225	245	3.70	8,352	9,392	(1,040)	255	560	(1.28)	-	-	-	-
2011	6,508	5,326	1,182	230	238	2.53	8,353	9,392	(1,039)	265	549	(1.28)	-	-	-	-
2012	6,566	4,577	1,989	240	231	4.22	10,934	9,910	1,024	275	542	1.25	-	-	-	-
2013	7,450	5,091	2,359	245	223	5.04	12,523	11,061	1,462	280	532	1.80	-	-	-	-
2014	7,040	5,149	1,891	255	215	4.02	13,417	10,951	2,466	295	522	3.02	-	-	-	-
2015	6,332	5,750	582	265	206	1.24	13,217	11,928	1,289	305	512	1.58	-	-	-	-
2016	6,600	5,151	1,449	265	205	3.08	12,723	10,621	2,102	315	500	2.58	-	-	-	-
2017	7,157	6,007	1,150	170	147	3.63	13,648	11,862	1,786	325	488	2.20	-	-	-	-

Notes:

(a) The Sewer Revenue Certificates of Participation were issued by the Rohnert Park Financing Authority pursuant to an Installment Purchase Agreement with the City of Rohnert Park. All Net Revenues and amounts on deposit in the Revenue Fund (other than amounts on deposit therein required to pay Operation and Maintenance Costs) are irrevocably pledged to the payment of the Installment Payments and the Net Revenues shall not be used for any other purpose while any of the Installment payments remain unpaid.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Water utility revenues includes operating revenues and investment income while sewer utility revenues includes operating revenues only.
Water and sewer operating expenses do not include depreciation expenses. Sewer operating expenses also includes capital outlay for equipment.

Source: City Finance Department.

City of Rohnert Park
Demographic and Economic Statistics (Unaudited)
Last Ten Fiscal Years

Year	City Population	Personal Income (a) (b)	Per Capita Income (b)	School Enrollment	County Unemployment Rate (c)	City Unemployment Rate (c)
2008	43,062	\$ 1,243,889	\$ 28,886	6,655	5.5%	6.4%
2009	43,020	1,224,435	28,462	6,429	10.1%	10.0%
2010	43,398	1,196,136	27,562	6,206	10.6%	10.2%
2011	40,971	1,113,510	27,178	6,003	10.1%	10.1%
2012	41,034	1,143,864	27,876	5,946	9.0%	8.1%
2013	41,184	1,107,355	26,888	5,770	7.1%	6.6%
2014	40,722	1,098,965	26,987	5,788	6.0%	5.9%
2015	41,077	1,151,553	28,034	5,765	5.2%	5.2%
2016	42,003	1,208,762	28,778	5,855	4.3%	4.4%
2017	42,067	1,267,731	30,136	5,839	3.2%	3.3%

Notes: (a) Dollars in thousands.
(b) Calendar year.
(c) Average unemployment rate as of June.

Source: Population, Per Capita Income: Sonoma County Economic Development Board from the ESRI Business Analyst Report.
Personal Income is a calculated amount: Population x Per Capital Income.
School Enrollment: Cotati-Rohnert Park Unified School District.
Unemployment Rates: California Employment Development Board Labor Force Statistics.

City of Rohnert Park
Principal Employers (Unaudited)
Current Year and Nine Years Ago

<u>Employer</u>	2017			2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Sonoma State University	1,505	1	6.57%	1,483	1	5.88%
Cotati-Rohnert Park Unified School District	590	2	2.58%	-	-	-
City of Rohnert Park	289	3	1.26%	190	6	0.75%
Wal-Mart Store #1755	241	4	1.05%	360	3	1.43%
Comcast Cable Communications	210	5	0.92%	-	-	-
Costco Wholesale #659	173	6	0.76%	242	4	0.96%
Marmot Mountain LLC	131	7	0.57%	-	-	-
Pacific Bell	124	8	0.54%	-	-	-
Idex Health Science, LLC	124	9	0.54%	-	-	-
Home Depot #641	119	10	0.52%	178	8	0.71%
Target 852	-	-	-	213	5	0.85%
Parker Hannifin Corp; EMN	-	-	-	126	10	0.50%
State Farm Insurance	-	-	-	468	2	1.86%
Securitas Security Services	-	-	-	177	7	0.70%
Cross Check	-	-	-	143	9	0.57%
Total	3,506		15.31%	3,580		14.21%
Total City Employment	22,900			25,200		

Notes: Sonoma State University is not within the Rohnert Park City limits, but has been included in the schedule because it is a significant contributor to the City's economy.

Source: 2008 City of Rohnert Park CAFR.

2017 City of Rohnert Park Business Licensing; <http://www.sonoma.edu>; <http://www.crpud.org>.

2017 Total City Employment from <http://www.labormarketinfo.edd.ca.gov/data/labor-force-and-unemployment-for-cities-and-censu>

City of Rohnert Park
Full-Time-Equivalent City Government Employees by Function/Program (Unaudited)
Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General government										
City Manager's Office	6.60	6.70	6.59	6.50	6.40	6.00	5.85	6.70	7.00	7.00
Finance	12.00	12.00	9.70	10.50	10.50	10.00	9.75	11.00	11.00	12.00
Information Systems	4.18	3.20	2.75	2.75	2.00	2.00	2.00	2.00	2.00	2.00
Planning (a)	-	-	-	-	-	-	-	1.70	3.00	3.00
Development Services (a)	14.55	13.49	12.33	11.78	11.08	11.00	11.00	-	-	-
Human Resource	4.00	4.00	3.24	3.24	2.25	2.25	2.25	2.25	3.00	2.00
Other	0.05	-	-	-	-	-	-	-	-	-
Public Safety	101.38	96.35	90.39	88.76	81.25	80.75	83.75	90.75	110.00	110.00
Building Inspection (a)	-	-	-	-	-	-	-	2.30	3.00	3.00
Public Works										
Engineering (a)	-	-	-	-	-	-	-	8.00	8.00	6.00
Public Works	44.01	44.72	43.45	38.47	34.72	34.65	30.30	27.40	29.00	29.00
Park Maintenance (b)	-	-	-	-	-	-	-	6.60	5.00	5.00
Parks and Recreation (b)	-	-						2.00	6.00	7.00
Community Services (b)	24.93	25.54	20.28	9.06	8.51	5.30	5.10	-	-	-
Performing Arts Center	<u>9.56</u>	<u>11.02</u>	<u>5.68</u>	<u>3.50</u>	<u>3.65</u>	<u>2.00</u>	<u>2.00</u>	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>
Total	<u>221.26</u>	<u>217.02</u>	<u>194.41</u>	<u>174.56</u>	<u>160.36</u>	<u>153.95</u>	<u>152.00</u>	<u>163.70</u>	<u>191.00</u>	<u>190.00</u>

Notes:

(a) FY 2010-11 New Department combining Planning, Building Inspection, and Engineering.

(b) FY 2010-11 New Department combining Park Maintenance and Parks and Recreation.

Source: City of Rohnert Park FY 2016-17 Adopted Budget.

City of Rohnert Park
Operating Indicators by Function/Program (Unaudited)
Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General government										
Building permits issued	1,747	1,345	1,306	1,068	722	658	622	575	515	650
Building inspections conducted	8,228	836	3,343	1,452	946	902	1,168	815	1,664	1,393
Department of Public Safety - Police										
Physical arrests	2,320	2,522	2,014	2,075	2,015	1,819	2,214	2,323	3,156	3,076
Parking violations	1,804	1,632	1,710	1,753	2,136	2,106	2,034	2,419	3,248	2,448
Traffic violations	784	728	1,218	1,559	1,539	1,248	1,232	1,438	1,452	1,695
Department of Public Safety - Fire										
Emergency responses	4,060	4,118	3,948	3,560	3,189	3,325	3,156	3,263	3,262	3,007
Inspections	2,847	1,787	1,690	1,441	1,268	1,427	2,031	1,555	1,966	1,869
Refuse collection										
Refuse collected (average tons per day)	67.68	63.33	46.93	47.28	51.37	54.35	49.00	53.39	58.41	59.70
Recyclables collected (average tons per day)	16.49	19.03	14.37	19.41	23.45	22.64	19.00	18.39	28.91	28.89
Parks and recreation										
Sports & Fitness Center Attendance	122,000	107,000	116,700	113,540	114,138	110,710	112,330	125,321	101,253	124,261
Community Center Attendance	59,000	59,000	58,400	52,000	54,819	44,912	36,170	43,253	48,682	42,240
Library										
Volumes in collection	121,947	109,762	108,744	100,979	100,000	97,382	90,538	90,478	90,478	84,381
Water										
Water main breaks	0	3	2	1	1	1	1	1	3	1
Average daily consumption (millions of gallons)	2.18	2.13	3.89	4.57	4.43	3.94	3.90	3.90	4.38	4.40
Peak daily consumption (millions of gallons)	4.30	5.10	5.50	5.48	6.03	5.60	5.40	5.70	6.40	6.70
Wastewater										
Average daily sewage treatment (millions of gallons)	3.80	2.80	3.11	3.30	3.40	3.18	3.48	3.28	3.12	3.42

Source: Various City Departments; Sonoma County Library.

City of Rohnert Park
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Department of Public Safety										
Public Safety Stations -Police & Fire combined	3	3	3	3	3	3	3	3	4	4
Refuse Collection										
Collection trucks	8	8	8	8	8	10	10	10	10	10
Street Sweepers	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	92	92	92	90	90	86	86	86	85	85
Streetlights	3,945	2,941	2,941	2,941	2,837	2,817	2,817	2,817	2,794	2,794
Parks and recreation										
Acreage	116	116	116	107	107	105	105	105	105	102
Playgrounds	20	20	20	24	24	24	24	25	25	30
Baseball/softball diamonds	10	10	10	10	10	10	10	10	10	14
Soccer/football fields	12	12	12	12	12	11	11	11	11	9
Tennis courts	23	23	23	25	25	25	25	26	26	25
Water										
Water mains (miles)	118	116	116	116	116	116	116	116	116	116
Fire hydrants	1,477	1,470	1,470	1,470	1,470	1,462	1,462	1,462	1,462	1,458
Storage capacity (thousands of gallons)	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375
Wastewater										
Sanitary sewers (miles)	86	85	85	85	85	83	83	83	83	77
Storm sewers (miles)	34	33	33	33	33	32	32	32	32	32
Treatment capacity (thousands of gallons)	4	4	4	4	4	4	3	3	3	4

Source: Various City Departments.