

**CITY OF ROHNERT PARK, CALIFORNIA**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

Prepared by  
Finance Department

Sandra M. Lipitz  
Director of Administrative Services

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## **CITY OF ROHNERT PARK**

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# CITY OF ROHNERT PARK

## FINANCE DEPARTMENT

February 9, 2009

### City Council

Amie Breeze  
Mayor

Gina Belforte  
Vice-Mayor

Joseph T. Callinan  
Jake Mackenzie  
Pam Stafford  
Council Members

Daniel Schwarz  
Interim City Manager

Judy Hauff  
City Clerk

Michelle Marchetta Kenyon  
City Attorney

James J. Atencio  
Benjamin D. Winig  
Assistant City Attorneys

Brian Masterson  
Director of Public Safety

Ron Bendorff  
Director of Community Development

Darrin W. Jenkins  
Director of Engineering Services  
/ City Engineer

Sandra M. Lipitz  
Director of Administrative Services

John McArthur  
Director of Utilities / General Services

### Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) of the City of Rohnert Park for the fiscal year 2007-2008 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. We believe 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.

This is the seventh year that 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 and account groups 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 Community Development Commission of the City of Rohnert Park and the Rohnert Park Financing Authority are blended with the City. 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. Sonoma County's economy has declined dramatically, like the State and Nation, and continues to weaken. The unemployment rate has risen to a 15-year high at 5.7%, with much of the weakness remaining in construction and manufacturing. Fortunately, a large part of the economy still remains flat due to the diversity of industries in Sonoma County.

The tech-producing industries have a very optimistic future in the County. Biotech, medical devices, solar and geothermal power and other green industries are gaining market strength and expanding. This expansion has the potential of ending the recession in the County some time in 2009.

The recession has had a strong impact on tourism in the County. Leisure and hospitality employment is projected to fall through 2009, as there is less discretionary funds available for visits to wineries, resorts, gaming casinos and other recreational destinations. The recent reopening of the County airport for travel to and from Los Angeles, Portland and Las Vegas will help boost tourism when the economy rebounds.

Housing prices are continuing to decline and are about 35% below their peak value in 2005. At least half of all homes sales are foreclosures, which have driven the market price down, especially at the lower end of the market. On a positive note, reduced prices and a surplus inventory of homes have provided more affordable housing.

Taxes are a large part of the City's revenues and have taken the biggest hit. Sales tax declined 6% over the prior year, which is the first time that the City's diversified business mix has not been able to weather the downturn in the economy. The retail sector declined slightly, while the construction and business-to-business sectors experienced the biggest impact. As sales tax is the largest source of revenue for the City's General Fund (31%), the City is focusing on economic development to attract new business and is working with the Chamber of Commerce to assist local businesses. Based on the depressed economic conditions, the 2008-09 sales tax projection is about \$175,000 less than last year. Property tax has also been negatively impacted with the economic downturn. The assessed value of property declined by 0.65 percent over the prior year due to increase in foreclosures as well as a correction of the housing market.

To address the decline in revenues, the City froze positions, reduced medical benefits and made operational cuts by about 10 to 15 percent throughout several departments. The City will continue to evaluate operations and look for greater efficiencies, outside funding sources and partnerships with other agencies.

In summary, Sonoma County's short-term outlook is poor, but consistent with what is happening throughout the state and nation. The City is laying the groundwork to reap the full financial benefit once the economy begins to rebound.

## ***MAJOR INITIATIVES***

***For the Year.*** In preparing the 2007-08 budget, the City kept minimum staffing levels to maintain services, reduced medical benefits and funded additional personnel, facility maintenance and capital equipment through grants, private agreements and other funds. However, even with these budget measures, the City faced a \$4.6M deficit due to increased costs in salary and benefits, health premiums, legal expense and insurance. The deficit was funded through the sale of surplus property and reserves.

The State, as well as the City, continues to experience budget deficits due to an economic downturn. The following is a list of the funding received from the State of California:

<b>Funding:</b>	<b><u>2007-08 Amount</u></b>
AB 3229 (COPs)	\$ 100,000
Park Bond Grant	192,479
Rubberized Asphalt Concrete Grant	120,831
DUI Grant	1,810
Alcoholic Beverage Control Grant	<u>25,311</u>
<b>Total State Funding for FY 2007-08</b>	<b><u>\$ 440,431</u></b>

The Federated Indians of the Graton Rancheria (FIGR) announced plans to build a hotel/resort/casino outside the



City limits. The City and the FIGR entered into a Memorandum of Understanding in October 2003. The MOU provides that the FIGR will make the following payments:

- 1) \$2,664,000 one-time payment to the City in lieu of development and related fees.
- 2) \$5,000,000 per year to the City's General Fund.
- 3) \$1,000,000 per year to an educational trust fund.
- 4) \$2,000,000 per year to a charitable foundation to support projects in the Rohnert Park community.
- 5) \$1,000,000 per year to the City for neighborhood and housing upgrades.
- 6) \$17,300,000 one time payments for various capital improvements.

The MOU has a 20-year term with an automatic renewal clause. Payments will be phased in when the hotel/resort/casino is constructed and opens. During the 2004-05 fiscal year, the FIGR purchased additional property closer to the City limits. They intend to build the casino on this new property. The casino opening will be delayed due to additional environmental impact studies required on the new land. The final EIR is expected to be completed some time in 2009.

The City continued implementation of an aggressive water conservation program with the assistance of the Sonoma County Water Agency (SCWA). In cooperation with the SCWA, the City is implementing the California Urban Water Conservation Council's "Best Management Practices" (BMPs) to conserve water. The City provides rebates for front loading washing machines, high efficiency toilets, smart irrigation controllers, and irrigation system retrofits. The City's voluntary audit program, Water Smart Home, determines if there are any leaks on the property, provides efficient irrigation schedules and distributes low flow showerheads and aerators. The Large Landscape Water Conservation Program consists of notifying commercial customers of over usage based on their specific landscape material and lot size, providing free site visits to determine ways to save, including effective irrigation schedules, and offering rebates through Weather Based Irrigation Controller Rebate program for improvements made based on the site visit.

The City also continued working on several projects, including a new City Hall, rehabilitation of several city streets, maintenance of the Rohnert Park Expressway, major improvements at the Community Center, replacement of tank booster pumps and construction of the eastside sewer main. Projects completed during the year include a new roof for the sports center and Burton Avenue Recreation Center, the maintenance of citywide pavement and implementation of a new finance software system.

In 2006, the City dropped plans to build a new City Hall and instead chose to renovate an existing commercial building to a "green" building, which supports the Council's goal of sustainability. The primary source of funding for the project is the 1999 Certificates of Participation. The City relocated both employees at the old City Hall and employees at the annex to the new City Hall in October 2008. The existing City Hall will be sold as an affordable housing site. The City is still reviewing the annex property to determine its best use.

The City places a high importance on technology and information systems. The City network serves five primary facilities: City Hall, Public Safety, Public Works, Finance Annex and the Community Center Complex. These primary sites are linked using leased fiber-optic services. Data and voice information is run over these links and the appropriate firewalls, routers and switches are in place. Each facility has one or more servers on-site for local operations and all internet traffic is routed through a data center at the Finance Annex. The City leases servers, desktops, and notebooks so there is very little cost in keeping the equipment up to date and removing outdated hardware. The City licenses software using California State Master Contracts through the Department of General Services. A new enterprise agreement was signed to control software cost for the next several years. Last year the City received a refund from Microsoft for over \$7,000. These funds are being used to maintain the City's computer monitors. A plan to control energy usage per computer was started in 2009. The City began laying the foundation for a city video surveillance system along with a city master alarm system and an access control system was installed at the new City hall and public works yard to help protect City assets. Future plans are to continue to consolidate resources in an effort to control cost and maintain a high level of service. One way the City is doing this is to move all resources to a central location. We will also be auditing all telephone lines in an effort to reduce telco costs.

The Public Works Department is a full service department that is responsible for the construction, operation, maintenance, and repair of most of the City's infrastructure and facilities. In addition to normal duties, staff responds to over 4,200 service requests each year. Public Works' Department personnel serve on an after-hours standby rotation where they are available to respond to a variety of service requests and emergency situations 24

hours per day, 7 days per week. There are two primary divisions within the Public Works Department - Utilities and General Services. Although the Department is organized into two distinct divisions, each work group member is cross-trained to function effectively in either division – thus providing the community with a highly efficient work force with maximum utility per position. The Department completed several projects and initiated multiple programs including: implemented a comprehensive work order management system, initiated swimming pool chlorination upgrades, replaced 108 failed water services, streamlined and restructured landscape maintenance contracts, implemented multiple departmental programs, completed Pump Station #1 Variable Frequency Drive (VFD) and Motor Replacement Project completed Department reorganization and implemented a Performance Management Plan.

The City has a Public Safety Department in which the officers perform dual roles of police and fire. This arrangement has proven to be an extremely cost efficient way to provide these services. The focus of the department during 2007-08 was making Rohnert Park the safest city along the US 101 corridor. There are seven (7) categories of Part 1 Crimes reported by the Rohnert Public Safety Department to the California Department of Justice and the Federal Bureau of Investigation. All law enforcement agencies use the same reporting criterion, which allows crime activity to be compared between jurisdictions. The Part 1 Crimes are a standardized listing of specific serious crimes that are reported. This listing is used to measure the changes in serious crime for Rohnert Park from year to year, as well as to make comparisons between cities. 2008 saw the largest reduction in these Part 1 crimes in the history of Rohnert Park. This outstanding achievement was in large part due to City Council support in fully staffing the Agency so that staffing appropriately matched workload, service area covered, and population served. An 18.21 % increase in total arrests also sent a message to subjects who were intending to commit crime in Rohnert Park that a strong police presence would deter or apprehend law violators. The City has fully staffed the Special Enforcement Unit (SEU) whose primary focus is on gang and criminal activity as well as two K-9 units for patrol. These units are funded through the money granted by the Federated Indians of the Graton Rancheria. The Fire Division saw many changes with the hiring of Fire Commander Jack Rosevear. Significant improvements were made to increase staffing levels to 3 person Engine Companies. The Fire Division also implemented a Departmental Fire Academy Training Program for new officers which saved money by not having to send these officers through the junior college fire program. Increased training, developing new fire standard operating procedures and expanding partnerships with surrounding fire agencies are some of the significant achievements for 2008. Lastly, Tom Bullard who was the Director of Public Safety since 2002 retired and Brian Masterson who brings 28 years of law enforcement experience was selected as the new Director to continue to make Rohnert Park the safest city along the 101 corridor.

***For the Future.*** Rohnert Park is home to some of the region's most affordable, high-quality commercial space. The downsizing of the telecommunication industry in the early 2000's has left Rohnert Park with a surplus of commercial units. Economic development efforts are focused on stimulating interest in locating in Rohnert Park. Recently, several companies have moved to the former Agilent site, now known as Sonoma Mountain Village. The staff is optimistic that one or two medium-sized companies will move into the City's central office area in the coming year. The City has encouraged or directly invested in several projects to increase foot traffic and daytime presence in the City's central area, including a new civic plaza that will open in the Spring or Summer of 2009.

Tourism is a key industry in Rohnert Park, contributing significantly to the tax base. Through the Community Development Commission (the City's redevelopment agency), the City partner's with the Chamber of Commerce and the Sonoma County Tourism Bureau to promote Rohnert Park as a destination. Rohnert Park has seven hotels/motels with 911 available rooms. The largest property is the Doubletree Hotel, which offers convention and meeting facilities. A Hampton Inn recently opened in Rohnert Park, capturing a previously unmet segment of the tourism market. 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. In the next few years, the City anticipates the completion of Sonoma State University's Green Music Center. The music center will provide for music and education programs all-year round and will be a regional attraction for major indoor/outdoor concert events.

The City is committed to realizing new development anticipated in its General Plan. This Plan 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 Plan 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. The City's Public Facilities Financing Plan which outlines the developer fee for all new infrastructure, as well as a maintenance annuity fee for services. Legal challenges to the City's General Plan have been resolved in the City's favor and the City is in the midst of Development Agreements discussions with several development groups.

The City is also engaged in a major capital investment program funded through redevelopment monies. Projects anticipated in the near future include two civic plazas, roadway enhancements in key commercial corridors, mixed-use development in the City's central area, and a new fire station. These projects are designed to contribute to the quality of life of existing residents while also bringing new residents and businesses to Rohnert Park.

***Departmental Focus.*** Each year the City selects a department to highlight its efforts and accomplishments. In 2007-08, the Housing and Redevelopment Division has been selected.

The Housing and Redevelopment Division is an integral part of the City's operation and functions as staff to the Community Development Commission ("CDC") and the City's Mobile Home Rent Appeals Board. The Division's mission is "to eliminate blighting conditions in the Rohnert Park Redevelopment Area and create an environment appropriate for economic development and to preserve, improve and increase the community's supply of low and moderate income housing, in accordance with the Community Redevelopment Law of the State of California." This mission is accomplished through the implementation of the City's 40-year Redevelopment Plan, which presents a list of goals and programs to further redevelopment within the City's 1,711-acre Redevelopment Project Area. These goals and programs guide the development of needed affordable housing, the construction and repair of essential infrastructure, the construction and preservation of community facilities, the eradication of blight, economic development, and general beautification efforts. These endeavors are intended to result in a more attractive community that fosters economic activity and job growth, thereby enhancing revenues to the City. To assist in this implementation, Five Year Plans are periodically prepared that outline the specific tasks to be completed during each period.

In FY2007-2008, the Division completed the following Redevelopment activities, as directed by the CDC:

- Funded a loan to the Sonoma Mountain Business Incubator to foster economic development by adding infrastructure to allow an increase in jobs throughout the life of the loan.
- Funded the cost for a new, more user-friendly City website with an increased emphasis on economic development.
- Worked on the completion of the City's Economic Development Action Plan, which contains key strategies to further the CDC's mission.
- Assisted in the development of the Community Center Master Plan.
- Assisted in the award of a contract for the City Center Downtown Plaza & Pedestrian Improvements Project, which is funded by a combination of CDC and Transportation for Living Communities grant monies
- Acquired two sites within the City Center for future mixed-use development.
- Funded the Engineering Department's Project Manager & Construction Manager Services positions for projects within the Redevelopment Area.
- Issued an RFP for architectural services for the Fire Station 1 Expansion Project.
- Funded the Community Center ADA and Beam Replacement Project with a combination of CDC and CDBG monies.
- Funded the Corridor Studies for Commerce Boulevard, State Farm Boulevard, and Southwest Boulevard, which are intended to enhance these thoroughfares.
- Funded a loan for the Eastside Trunk Sewer Line Phase I Project.
- Implemented a Neighborhood Enhancement Program to encourage local citizen groups to take an active role in the preservation of their neighborhoods.

In FY2007-2008, the Division completed the following Housing activities, as directed by the CDC:

- Completed the disposition of the Vida Nueva site and the commencement of construction of a 24-unit

transitional housing project on this site.

- Acquired two commercial properties and the former City Hall property for a proposed affordable housing project.
- Assisted in the maintenance/repair of 5 CDC-owned Shared Living Homes that are managed by COTS.
- Began implementation of a \$600,000 CalHome Award for owner-occupied rehabilitation projects to help preserve the City's affordable housing stock.
- Funded a loan to assist in the improvement of the Copeland Creek Apartments project.
- Continued assistance to Sonoma Grove renters at risk of becoming homeless.

## 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, certain Special Revenue, Enterprise Funds and Community Development Commission Capital Project 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 departmental level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All unencumbered appropriations lapse at year-end.

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.

**Cash Management.** The following table illustrates the cash invested by the City as of June 30, 2008, by investment type:

### Cash and Investments - June 30, 2008

Sonoma County Investment Pool	\$ 159,511	0.0%
Cash, CD's and money market funds	19,273,651	19.7%
Guaranteed investment contracts	48,790,108	49.8%
State Treasurer LAIF	20,203,133	20.7%
Government securities	<u>9,489,515</u>	<u>9.8%</u>
Total Cash & Investments	<u>\$ 97,915,918</u>	<u>100.0%</u>

Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, obligations of U.S. Government Agencies, State of California Local Agency Investment Fund (LAIF), Sonoma County Investment Pool and mutual funds. The average yield on investments at June 30, 2008 for the City was 3.55% and for the Commission 4.58%. Both the City's and CDC's investment performance is higher than the yield rate of 2.36% for 1-yr U.S. Treasury Bills. The same is true for the 5-year U.S. Treasury Note at a yield rate of 3.34%. The City, through its investment management was able to take advantage of market opportunities within the scope of its investment policy, while still maintaining a balanced portfolio. The investment policy includes the criteria for selecting investments with a priority of safety first, then liquidity, and last, yield. All CDs are FDIC secured and the City works with two brokerage firms to find attractive investment opportunities. Over the past year,

interest rates have steadily declined and are forecasted to continue to decline with the downturn in the economy and credit crisis. Close to 89% of the Commission's cash is from bond proceeds that are invested in short-term treasury notes and guaranteed investment contracts for immediate liquidity for capital spending.

**Risk Management.** The City is a member of Redwood Empire Municipal Insurance Fund (REMIF), a joint powers authority composed of cities located in Northern California. The City maintains coverage for property, liability and workers' compensation through REMIF. As of June 30, 1995, REMIF discontinued its indemnity-type health insurance program and accordingly, the City presently contracts with Blue Cross. Other health related employee fringe benefit programs used to be self-administered by the City and funded by the General Fund. The City presently contracts with Delta Dental for dental benefits and V.S.P. for vision benefits. During the fiscal year, the City received a refund of \$181,255 for the liability program. For 2008-09, the City's workers' compensation premium increased 5% and the liability/property/auto premium increased 24% due to updates to the properties insured values as well as an increase in the earthquake premium.

## OTHER INFORMATION

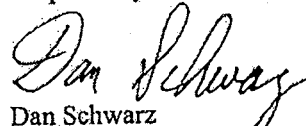
**Independent Audit.** Management considers an annual audit by independent certified public accountants a sound and prudent business practice. The accounting firm of Odenberg Ullakko Muranishi & Co. LLP performed the annual audit for the City during 2007-2008. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

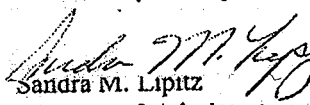
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the twenty-sixth consecutive 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 on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

  
Dan Schwarz  
Interim City Manager

  
Sandra M. Lipitz  
Director of Administrative Services/City Treasurer

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rohnert Park  
California

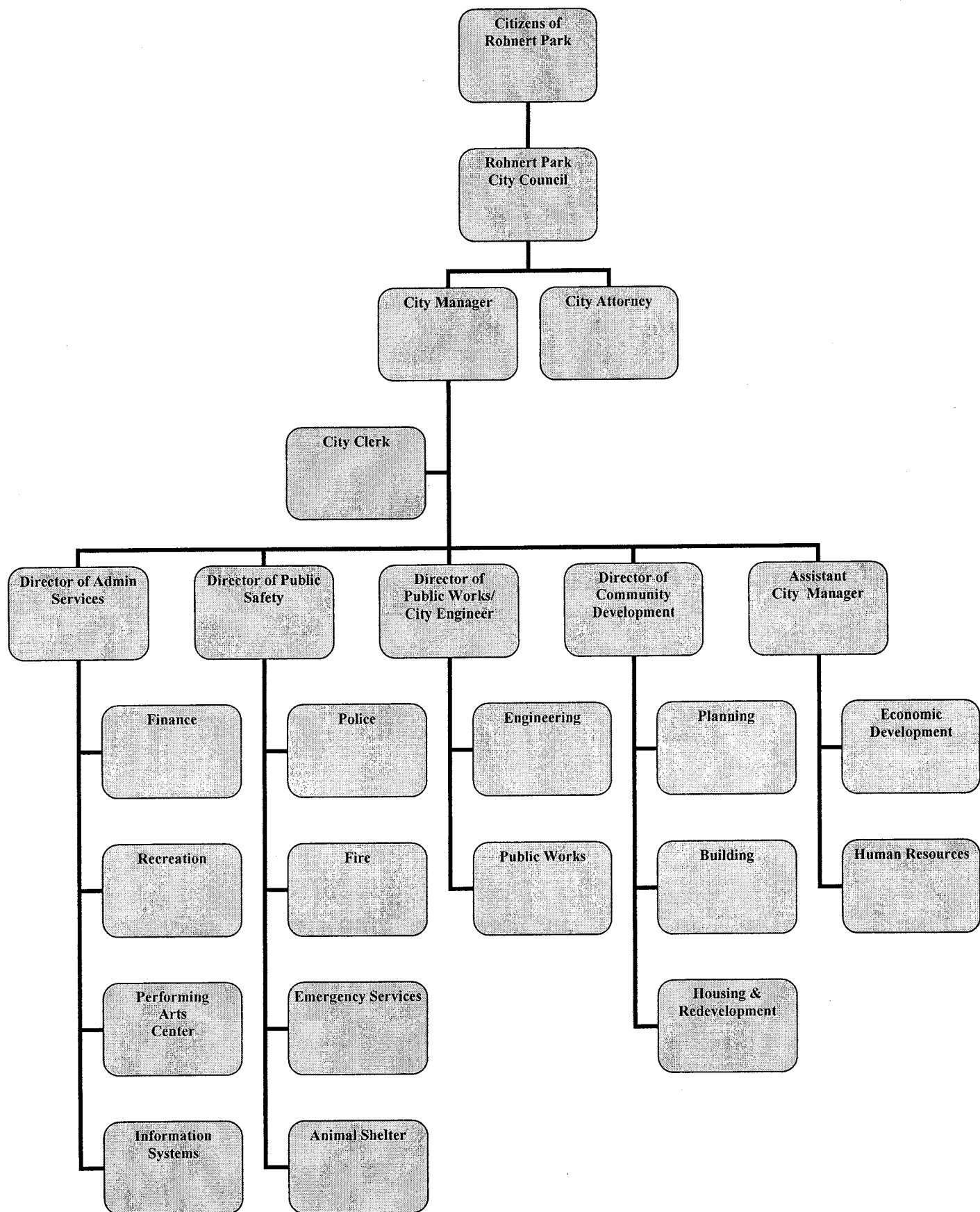
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





## **CITY OF ROHNERT PARK**

### **LIST OF PRINCIPAL OFFICIALS**

#### **City Council**

Jake Mackenzie (Mayor)

Pam Stafford (Vice Mayor)

Amie Breeze

Tim Smith

Vicki Vidak-Martinez

#### **City Staff**

City Manager

Steve Donley

Assistant City Manager

Dan Schwarz

City Attorney

Michelle Kenyon

Director of Administrative Services/City Treasurer

Sandra M. Lipitz

Director of Public Safety

Tom Bullard

Director of Engineering Services/City Engineer

Darrin Jenkins

Director of Community Development

Ron Bendorff

Director of Utilities/General Services

John McArthur

City Clerk

Judy Hauff

#### **Advisory Commissions or Committees**

Rohnert Park Association of the Arts

Mobile Home Rent Appeals Board

Parks and Recreation Commission

Planning Commission

Senior Citizens Advisory Commission

Cultural Arts Commission

Sister City Relations Committee

Bicycle Advisory Committee

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rohnert Park, California, (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic 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 for 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rohnert Park as of June 30, 2008, and the respective changes in financial position and cash flows where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 15, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying required supplementary information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rohnert Park's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 express no opinion on them.

*Odenberg Ullakko Munishi & Co LLP*

San Francisco, California

February 6, 2009

## Management's Discussion and Analysis

This section of the City of Rohnert Park's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the 2007-2008 fiscal year by \$111,878,355 (*net assets*). Of this amount, \$41,652,181 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors, \$9,584,622 is restricted for specific purposes (*restricted net assets*), and \$60,641,552 is invested in capital assets, net of related debt.
- The City's total net assets increased by \$4,165,300 during the fiscal year. Approximately three-quarters of this increase is attributable to the City's Sewer Fund.
- The City's capital assets increased by \$18,332,457 due to a major emphasis on capital projects to eliminate blight, increase affordable housing, and increase sewer capacity. This resulted in a decrease of \$17,115,748 in restricted cash and investments. Additionally, the City recorded a prior period non-cash adjustment of \$12,950,145 to reduce prior years' recorded accumulated depreciation to the correct amount (see Note 17 of the notes to the financial statements).
- As of June 30, 2008, the City's governmental funds reported combined ending fund balances of \$93,663,926, a net decrease of \$8,262,927. The decrease relates primarily to the reduction in restricted cash and investments. As mentioned above, the bond proceeds were used to purchase capital items, which are not reported on the governmental funds balance sheet. Approximately 24% of the combined fund balances, or \$22,130,992, is available to meet the City's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$13,186,254, or 44% of total General Fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains required and other **supplementary information** in addition to the basic financial statements themselves.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, and other. The business-type activities of the City include water operations, sewer operations and refuse collection operations.

## Management's Discussion and Analysis (continued)

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate entities, the Community Development Commission of the City of Rohnert Park (the Commission), and the Rohnert Park Financing Authority (the Financing Authority), for which the City is financially accountable. Included within the governmental activities of the government-wide financial statements are the operations of the Commission and the Financing Authority.

**Fund Financial Statements** are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**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. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 several 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; Commission's Capital Projects Fund and Housing Projects Fund; Financing Authority; and the City Capital Projects 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 nonmajor governmental funds is provided as supplementary information elsewhere in this report.

**Proprietary funds** are generally used to account for services for which the City charges customers – either outside customers, or internal units of departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the water, sewer, and refuse collection operations.
- *Internal service funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses an internal service fund to account for information systems services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the City. The City's private-purpose trust fund is reported under the fiduciary funds. Since the resources of this fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for the private-purpose trust fund is much like that used for proprietary funds.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**The required supplementary information** includes the City's General Fund budgetary comparison schedule. The City adopts an annual appropriated budget for its General Fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

## Management's Discussion and Analysis (continued)

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents a comparative analysis of the net assets of governmental and business-type activities for the years ended June 30, 2008 and June 30, 2007:

Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007 (Restated)	2008	2007	2008	2007 (Restated)
Current and other assets	\$ 98,923,954	\$ 107,376,782	\$ 24,683,990	\$ 25,577,317	\$ 117,045,384 (a)	\$ 132,954,099
Capital assets, net	81,175,847	73,032,607	35,574,763	25,385,546	116,750,610	98,418,153
Total assets	180,099,801	180,409,389	60,258,753	50,962,863	233,795,994	231,372,252
Current and other liabilities	4,529,433	3,771,391	9,049,293	1,674,775	7,016,166 (a)	5,446,166
Long-term liabilities	95,913,005	98,758,029	18,988,468	19,443,227	114,901,473	118,201,256
Total liabilities	100,442,438	102,529,420	28,037,761	21,118,002	121,917,639	123,647,422
Net assets:						
Invested in capital assets, net of related debt	41,665,445	41,775,909	18,976,107	17,709,497	60,641,552	59,485,406
Restricted	9,584,622	10,227,146	-	-	9,584,622	10,227,146
Unrestricted	28,407,296	25,865,139	13,244,885	12,135,364	41,652,181	38,000,503
Total net assets	\$ 79,657,363	\$ 77,868,194	\$ 32,220,992	\$ 29,844,861	\$ 111,878,355	\$ 107,713,055

(a) The total column for 2008 includes the elimination of the advance from the CDC to the Sewer Fund of \$6,562,560, to eliminate the effects of interfund activity.

**Analysis of Net Assets** – As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$111.9 million at the close of the current fiscal year. Total assets increased by \$2.4 million during the year. This increase is comprised of a decrease in current assets of \$15.9 million and an increase in net capital assets of \$18.3 million. Restricted cash and investments accounted for most of the decrease in current assets increase (\$17.1 million), which was mainly attributable to the use of the Commission's bond proceeds for capital projects. The 2007 amounts are restated to reflect prior period adjustments, primarily related to the correction of accumulated depreciation in the amount of \$12.9 million (see Note 17 of notes to the financial statements).

Total liabilities decreased by \$1.7 million during the year. This decrease is comprised of an increase in current liabilities of \$1.6 million and a decrease in long-term liabilities of \$3.3 million. Increases in accounts and interest payable are the primary reason for the increase in the current liabilities. Long-term liabilities decreased due to the debt service payments on the outstanding bonds.

A portion of the City's net assets (38%) represents *unrestricted net assets* of \$41.7 million, which may be used to meet the City's ongoing obligations to citizens and creditors.

Another significant portion of the City's net assets is the \$60.6 million (54%) that reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

An additional portion of the City's net assets of \$9.6 million (8%) represents resources that are subject to external restrictions on how they may be used.

## Management's Discussion and Analysis (continued)

At the end of the current fiscal year, the City reported positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

The following table indicates the comparative changes in net assets for governmental and business-type activities for fiscal year June 30, 2008 and 2007:

Statement of Activities				
	Governmental Activities		Business-type Activities	
	2008	2007	2008	2007
Revenues:				
Program revenues:				
Charges for services	\$ 5,060,017	\$ 6,194,782	\$ 24,166,356	\$ 23,681,174
Operating grants and contributions	2,628,459	2,344,534	-	-
Capital grants and contributions	1,991,493	1,492,565	566,411	1,829,074
General revenues:				
Property taxes	17,054,597	16,928,529	-	-
Franchise taxes	1,440,749	1,428,827	-	-
Other taxes	2,016,907	1,606,108	-	-
State contributions not restricted to specific programs				
Sales taxes	7,236,048	7,707,375	-	-
Motor vehicle license fees	3,142,034	3,074,869	-	-
Investment income	4,256,977	2,748,789	458,866	426,769
Other	5,089,703	217,520	-	-
Total revenues	<u>49,916,984</u>	<u>43,743,898</u>	<u>25,191,633</u>	<u>25,937,017</u>
Expenses:				
General government	12,955,293	12,926,332	-	-
Public safety	20,758,556	17,349,211	-	-
Public works	4,421,182	4,522,563	-	-
Parks and recreation	4,979,212	4,198,572	-	-
Cultural Arts Center	902,319	889,073	-	-
Interest on long-term debt	4,629,601	2,690,598	-	-
Water	-	-	7,122,292	6,690,385
Sewer	-	-	9,830,647	10,085,147
Refuse collection	-	-	5,344,215	5,181,643
Total expenses	<u>48,646,163</u>	<u>42,576,349</u>	<u>22,297,154</u>	<u>21,957,175</u>
Excess (deficiency) before transfers	1,270,821	1,167,549	2,894,479	3,979,842
Transfers	518,348	294,438	(518,348)	(294,438)
Change in net assets	<u>1,789,169</u>	<u>1,461,987</u>	<u>2,376,131</u>	<u>3,685,404</u>
Net assets, beginning of year				
As previously reported	64,791,795	63,329,808	29,844,861	26,508,527
Prior period adjustment	13,076,399	13,076,399	-	(349,070)
Restated	<u>77,868,194</u>	<u>76,406,207</u>	<u>29,844,861</u>	<u>26,159,457</u>
Net assets, end of year	<u>\$ 79,657,363</u>	<u>\$ 77,868,194</u>	<u>\$ 32,220,992</u>	<u>\$ 29,844,861</u>



## Management's Discussion and Analysis (continued)

**Governmental activities.** Governmental activities increased the City's net assets by \$1,789,169.

Key elements of the change in net assets are as follows:

- The City's governmental activities investment earnings increased \$1,508,188 (55%) during the year due to interest earned on the balance of the bonds proceeds from the Commissions 2007 issuance of \$61.4 million for housing and redevelopment projects.
- The City recorded a gain of \$4,778,278 from the sale of surplus property.
- Total expenses increased by \$6,069,814 (14.3%) as a result of rising costs in salaries and benefits and increased interest expense related to the Commission's 2007 tax allocation bonds.

Additionally, there was a prior period adjustment of \$13,076,399 to correct opening net assets as of July 1, 2007, comprised of the following: The Commission's Housing Fund balance was increased by \$76,884 to correct for the recording of interest revenue in the prior year related to loans receivable. Additionally, an accrued liability of \$49,370 in the Copeland Creek Drainage Facility Special Revenue Fund was deleted as this liability was established several years ago and assumed to have been cleared as this fund no longer is active and the fee has been eliminated. Lastly, there was an adjustment to prior period accumulated depreciation related to the City's governmental activities capital assets of \$12,950,145, primarily related to an error on the conversion to a new fixed asset module computer system in 2004, which resulted in the duplicate booking of accumulated depreciation for assets purchased prior to July 1, 2004.

**Business-type activities.** Business-type activities increased the City's net assets by \$2,376,131. Key factors of this increase are as follows:

- The Water Fund net assets decreased by \$831,396 as expenditures from operations exceeded revenues. Revenue from operations decreased by \$91,454 due to water conservation measures and an increase in residential vacancies due to foreclosures. Expenses increased by \$424,707 from the prior year due mainly to an increase in professional expense to meet regulatory requirements.
- The Sewer Fund net assets increased by \$3,097,549 as revenues increased \$362,832 due to a 15% increase in sewer rates and expenses decreased \$256,683 due a decrease in the cost of the subregional sewer system. The Sewer Fund also received \$383,669 in capital contributions from developer fees for capital expansion projects.
- The refuse collection net assets increased by \$109,978. This increase was due an increase in the refuse rates to cover increased expenses.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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 resources that are available for spending. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, special revenue funds, debt service funds, capital projects funds and the Permanent Fund.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$93,663,926, a decrease of \$8,213,557 in comparison with the prior year (including a prior period adjustment of \$49,370 – See Note 17 to the financial statements). Of this total amount, \$22,130,992 constitutes *unreserved fund*

## Management's Discussion and Analysis (continued)

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$93,663,926, a decrease of \$8,213,557 in comparison with the prior year (including a prior period adjustment of \$49,370 – See Note 17 to the financial statements). Of this total amount, \$22,130,992 constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because: 1) it reflects fund equity in assets that are long-term in nature and thus, do not represent available spendable resources (\$18,246,379); 2) it is restricted for housing projects (\$20,458,636); 3) it is restricted for street projects (\$1,472,761); 4) it is restricted for community development projects (\$28,160,657); 5) it is restricted to pay debt service (\$1,772,022); 6) it represents prepaid items and other assets (\$156,628), and 7) it represents an endowment, of which the principal may not be spent (\$1,265,851).

For the fiscal year ended June 30, 2008, revenues for governmental funds totaled \$45,551,406, while expenditures totaled \$59,534,398. Expenditures from governmental funds exceeded revenues by \$13,982,992.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$13,186,254 while total fund balance was \$16,419,409. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 44% of total General Fund expenditures of \$30,139,682, while total fund balance represents 54% of that same amount.

The fund balance in the City's General Fund decreased by \$568,235 during the fiscal year, primarily due to a decline in revenues by \$360,620 and a large increase in expenditures (\$3,092,881). The City's General Fund sales tax decreased by \$471,326 or 6.1% as economic conditions declined. Interest and rentals declined by \$335,495, as a property which had a ground lease was sold to the lessee. Charges for current services increased by \$467,721, primarily due to an increase in engineering fees. Expenditures increased \$3,092,881, most of which was attributable to increases in salaries and benefits, with the enhanced pension plans implemented July 1, 2007. In addition, the City sold surplus land for a net of \$4,391,717 to help offset the deficit. Overall, the General Fund's performance resulted in expenditures in excess of revenues in the fiscal year ended June 30, 2008 by \$568,235. It is apparent that the City's major sources of revenue are far below the amount necessary to sustain the City's cost of operation, of which 70% are in salaries and benefits.

As noted above, a prior period adjustment in the Copeland Creek Drainage facility fund of \$49,370 was made to remove the accrued liability that was booked several years ago. The fee for this special revenue fund was eliminated and it is assumed that the revenue collected and booked as a liability was expended for the drainage facility some time in the past.

The Community Development Commission Capital Projects and Housing Projects funds fund balances decreased by \$1,627,909 and \$3,134,383, respectively, as restricted cash and investments was used to fund capital projects. The Financing Authority Fund balance decreased by \$3,112,196 as cash from bonds proceeds was spent on the new City Hall project. The City Capital Projects Fund balance increased by \$1,293,698 as the new City Hall project was funded in advance of expenditures incurred in 2009.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for the Water Fund were \$3,123,966, the Sewer Fund \$9,416,376, and the Refuse Collection Fund \$704,543.

The total increase in net assets for proprietary funds was \$2,376,131. Factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities.

**Fiduciary funds.** The City's fiduciary fund consists of the Special Enforcement Unit – South (Private-purpose Trust Fund). The Special Enforcement Unit – South accounts for assets seized by the Department of Public Safety. Net assets in the Special Enforcement Unit – South Fund decreased by \$13,067.

## **Management's Discussion and Analysis (continued)**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments to the 2007-08 budget. Highlights of the budget are:

- Total operating revenues were budgeted at \$24.9 million, about \$1 million higher than the 2006-07 budget. Some revenue projections, like sales tax and property tax, which were based on sales tax consultant's estimates and assessed property valuations, fell significantly below budget due to a weak economy. Declining economic conditions negatively impacted transient occupancy tax, even with the additional operator, the Hampton Inn, opening in November 2007. Recreation revenues and Performing Arts Center revenue were increased slightly, with the intention that increased marketing efforts and the implementation of an electronic funds transfer for sports center memberships would generate additional revenue. However, like taxes, these revenues fell about \$153,000 below budget. The projection for Investment income was increased based on the anticipated rise in interest rates and a projected increase in idle cash; however, interest rates fell during the year and not all of the budgeted land sales occurred, reducing the budgeted cash available for investment. Building, planning and engineering fees exceeded budget expectations by \$402,557. Overall, revenue performance was unfavorable to budget by \$878,141.
- Total expenditures (excluding enterprise fund and Community Development Commission allocations) were budgeted at \$31.2 million, an increase of \$3.2 million over the previous year's budget. There were increases in the budget categories of costs for salary and benefits due to salary increases, additional personnel and implementation of enhanced pension plans. Total expenditures were under budget by \$1,064,030 for the fiscal year, primarily due to vacancies not being filled as planned, postponement of facility maintenance and tighter controls on supplies and training.
- Total reserves were budgeted to increase by \$9.1 million, with \$4.6 million used to offset the deficit, \$1.8 million allocated to the Retired Employee Health Insurance Reserve to fully fund the required contribution) and the balance of \$7.3 million allocated to the General Fund Endowment Reserve. However, due to the delayed sale of some of the parcels and the slight increase in the deficit to \$5 million, there were no excess funds available to reserve. Total reserves at the end of fiscal year 2008 decreased by about \$300,000 to \$10.8 million.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounted to \$116,750,610 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress. Major capital asset events during the current fiscal year included the following:

- For government activities, construction in progress increased by a net of \$3,168,374 due in part to the continuance of several projects: City Hall (\$3.8 million); Rohnert Park Expressway Maintenance (\$1 million), 2007 Streets Rehab Project (\$1.1 million), Community Center Improvements (\$0.5 million) and other miscellaneous projects. In total, \$7.1 million was spent on open projects, while \$3.9 million of completed projects were transferred to structures and improvements. During the year, the City transferred \$716,850 for a new roof for the Sports Center, \$601,094 for a new roof at the Burton Avenue Recreation Center and \$1,871,206 for the Citywide Pavement Maintenance project, \$296,961 for a new finance software system and a few miscellaneous projects totaling \$418,647.
- For business-type activities, construction in progress increased by \$11,061,795, due primarily to the continuance of a few major water and sewer projects, the Booster Pumps-Tanks 1,2 and 3 (\$0.5 million), the Eastside Sewer Main project (\$10.1 million) and the Canon Manor Sewer Project (\$0.3 million). During the year, the City completed water and sewer projects, totaling \$197,046.
- As noted above, there was an adjustment to prior period accumulated depreciation for the City in the amount of \$12,950,145. The adjustment was primarily related to the correcting an error staff discovered in which the

## Management's Discussion and Analysis (continued)

conversion to the new software system in 2004 resulted in a duplicate booking of accumulated depreciation for assets purchased prior to July 1, 2004.

For government-wide financial statement presentation, all depreciable capital assets were from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	(Restated)				(Restated)		Percent
	2008	2007	2008	2007	2008	2007	of Change
Land and easements	\$ 8,564,276	\$ 2,948,157	\$ -	\$ -	\$ 8,564,276	\$ 2,948,157	190.5%
Infrastructure, structures and improvements	111,319,599	106,790,482	21,907,803	21,710,757	133,227,402	128,501,239	3.7%
Equipment	13,592,259	13,884,710	3,275,167	3,029,239	16,867,426	16,913,949	-0.3%
Construction in progress	15,146,229	11,977,855	26,167,739	15,302,990	41,313,968	27,280,845	51.4%
Accumulated depreciation	(67,446,516)	(62,568,597)	(15,775,946)	(14,657,440)	(83,222,462)	(77,226,037)	7.8%
Total	<u>\$ 81,175,847</u>	<u>\$ 73,032,607</u>	<u>\$ 35,574,763</u>	<u>\$ 25,385,546</u>	<u>\$ 116,750,610</u>	<u>\$ 98,418,153</u>	<u>18.6%</u>

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34.

Additional information about the City's capital assets can be found in Note 7 to the financial statements.

### Debt Administration

At June 30, 2008, the City had total long-term debt outstanding of \$113,496,061, excluding compensated absences, which was comprised of \$16,702,496 of certificates of participation, \$5,936,515 of lease revenue refunding bonds, \$83,072,380 of tax allocation bonds, \$6,245,972 of water revenue bonds and \$1,538,698 of capital leases. Long-term debt decreased by \$3,350,499 due to principal payments made during the year on the outstanding bonds.

The City's Ordinance imposes a limit on the amount of general obligation bonds the City can have outstanding at any give time. As of June 30, 2008, the City's debt limit (15% of assessed valuation) was \$612 million. At June 30, 2008, the City did not have any debt applicable to the limit outstanding.

## Management's Discussion and Analysis (continued)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2008	2007	2008	2007	2008	2007	Percent of Change
Special assessment bonds, net of deferred loss on refunding	\$ -	\$ 179,423	\$ -	\$ -	\$ -	\$ 179,423	-100.0%
Certificates of participation	3,960,000	4,115,000	12,742,496	12,990,108	16,702,496	17,105,108	-2.4%
Lease revenue refunding bonds including discount and deferred loss on refunding	5,936,515	6,140,297	-	-	5,936,515	6,140,297	-3.3%
Tax allocation bonds, including accretion, premium and deferred loss on refunding	83,072,380	85,190,877	-	-	83,072,380	85,190,877	-2.5%
Water revenue bonds, net of discount	-	-	6,245,972	6,453,119	6,245,972	6,453,119	-3.2%
Capital leases	1,538,698	1,777,736	-	-	1,538,698	1,777,736	-13.4%
Total	<u>\$ 94,507,593</u>	<u>\$ 97,403,333</u>	<u>\$ 18,988,468</u>	<u>\$ 19,443,227</u>	<u>\$ 113,496,061</u>	<u>\$ 116,846,560</u>	<u>-2.9%</u>

Additional information about the City's long-term obligations can be found in Note 8 to the financial statements.

### Economic Factors and Next Year's Budget and Rates

- Sonoma County's economy, like the State and Nation, has declined dramatically over the prior year and continues to contract. Unemployment rate has risen to a 15-year high at 5.7%, with much of the weakness still in construction and manufacturing. Fortunately, a large part of the economy still remains flat.
- The future for tech-producing industries remains optimistic as biotech, medical devices, solar and geothermal power and other green industries are gaining market strength and expanding. This expansion has the potential of ending the recession in the County some time in 2009.
- Housing prices are still continuing to decline and are about 35% below their peak value in 2005. Foreclosures represent about fifty percent of all home sales and have driven prices down, especially at the lower end of the market. On a positive note, reduced prices and a large inventory of homes on the market have created more affordability.
- Property taxes were reduced by .65% from prior year based on a recent valuation from the County Assessor's Office.
- Sales in Rohnert Park declined 6% over the prior year. In the past, the City's diversified business mix has always weathered downturns in the economy, but for the first time, this recession has had a small negative impact on the general retail sector. The two sectors that continue to significantly underperform are construction and business-to-business, with the construction sector experiencing a large decline in sales. As sales tax is the largest source of revenue for the Rohnert Park General Fund (31%), the City is focusing on economic development to attract new business and is working with the chamber to assist local businesses. The 2008-09 sales tax projection is about \$175,000 less than last year's receipts due the continuing impact of the recession on the economy.
- One of the sectors strongly impacted by a recession is Tourism, due to the contraction of discretionary spending. Leisure and hospitality employment is expected to fall through 2009, as there is less available money for visits to wineries, resorts, gaming casinos and other recreational destinations. The Sonoma County Airport, which reopened a few years ago for travel to and from Los Angeles, Portland and Las Vegas, is a real asset for promoting tourism.

## **Management's Discussion and Analysis (continued)**

- Based on declining economic conditions, the City froze or removed six full-time positions. The City's contribution towards health plan premiums was also reduced by 5% to 80% per the agreements with the bargaining units.
- Operations expenditures were reviewed and reduced by 10 to 15 percent, which included reductions in janitorial, telephone and other expenses; minor service level reductions in street, landscape and storm drain maintenance; less staffing for buildings, facilities and grounds maintenance; postponement of equipment purchases; installation of a photovoltaic roof to reduce energy expense and reduced performances at the Performing Arts Center.
- A concerted effort was made to fund as much capital outlay and non-routine facility maintenance through outside sources such as grants or donations. All other major equipment or maintenance projects were postponed until the City's financial condition improved
- The signed two year contracts with all bargaining groups, which included a reduction in both the active health benefit as well as the retiree medical benefit. The annual contribution required to fully fund retiree health was lowered by approximately \$865,000 per year per the actuarial valuation. Per GASB 50, the City is required to report any unfunded portion of the annual contribution in the financial statements for fiscal year 2009.
- The City's general fund deficit for fiscal year 2008 was substantially offset by the sale of surplus property. The projected deficit for the fiscal year 2009 budget was \$5.8 million based on the continuing decline in economic conditions. Based on recent revenue indicators, the deficit will most likely grow another \$1 million to \$1.5 million due to weaker than predicted sales tax and property tax performance.

All of these factors were considered in preparing the City's budget for fiscal year 2009.

### **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administrative Services, P.O. Box 1489, Rohnert Park, CA 94927-1489.

**CITY OF ROHNERT PARK**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2008**

	Primary Government			
	Governmental Activities	Business- type Activities	Eliminations	Total
<b>ASSETS</b>				
Cash and investments	\$ 23,920,643	\$ 10,894,325		\$ 34,814,968
Receivables, net of allowance	3,508,362	4,228,680		7,737,042
Prepaid items and other assets	156,628	-		156,628
Restricted cash and investments	54,031,006	9,057,609		63,088,615
Loans and notes receivable, net	9,082,014	-		9,082,014
Advances to Enterprise Fund	6,562,560	-	\$ (6,562,560)	-
Deferred costs of issuance	1,662,741	503,376		2,166,117
Capital assets:				
Nondepreciable assets	23,710,505	26,167,739		49,878,244
Depreciable assets, net of accumulated depreciation	57,465,342	9,407,024		66,872,366
	<u>180,099,801</u>	<u>60,258,753</u>	<u>(6,562,560)</u>	<u>233,795,994</u>
<b>LIABILITIES</b>				
Accounts payable	1,709,538	1,858,761		3,568,299
Accrued liabilities	703,121	-		703,121
Deposits	286,113	517,112		803,225
Advances from CDC	-	6,562,560	(6,562,560)	-
Unearned revenue	287,796	-		287,796
Interest payable	1,542,865	110,860		1,653,725
Long-term liabilities:				
Due within one year	2,449,896	469,759		2,919,655
Due in more than one year	93,463,109	18,518,709		111,981,818
	<u>100,442,438</u>	<u>28,037,761</u>	<u>(6,562,560)</u>	<u>121,917,639</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	41,665,445	18,976,107		60,641,552
Restricted for:				
Housing projects	3,502,270	-		3,502,270
Street projects	1,791,262	-		1,791,262
Community development projects	1,253,217	-		1,253,217
Debt service	1,772,022	-		1,772,022
Performing Arts Center Endowment	1,265,851	-		1,265,851
Unrestricted	28,407,296	13,244,885		41,652,181
	<u>\$ 79,657,363</u>	<u>\$ 32,220,992</u>	<u>\$ -</u>	<u>\$ 111,878,355</u>

See accompanying notes to the basic financial statements.

**CITY OF ROHNERT PARK**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

		Program Revenues	
		Charges for Services	Operating Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES:	Expenses		
Primary government:			
Governmental activities:			
General government	\$ 12,955,293	\$ 978,440	\$ 1,452,790
Public safety	20,758,556	592,567	894,823
Public works	4,421,182	1,697,041	240,166
Parks and recreation	4,979,212	1,256,154	40,480
Cultural Arts Center	902,319	535,815	200
Interest on long-term debt	4,629,601	-	-
Total governmental activities	48,646,163	5,060,017	2,628,459
Business-type activities:			
Water	7,122,292	6,341,560	-
Sewer	9,830,647	12,370,603	-
Refuse Collection	5,344,215	5,454,193	-
Total business-type activities	22,297,154	24,166,356	-
Total primary government	\$ 70,943,317	\$ 29,226,373	\$ 2,628,459

General revenues:  
Property taxes  
Franchise taxes  
Other taxes  
State contributions not restricted to specific programs:  
Sales taxes  
Motor vehicle license fees  
Investment income  
Gain on sale of capital assets  
Other  
Transfers

Total general revenues and transfers

Change in net assets

NET ASSETS, BEGINNING OF YEAR,  
AS PREVIOUSLY REPORTED  
PRIOR PERIOD ADJUSTMENT (Note 17)  
AS RESTATED

NET ASSETS, END OF YEAR

See accompanying notes to the basic financial statements.



Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		Total
	Governmental Activities	Business- type Activities	
\$ 1,040,917	\$ (9,483,146)	\$ -	\$ (9,483,146)
-	(19,271,166)	-	(19,271,166)
950,576	(1,533,399)	-	(1,533,399)
-	(3,682,578)	-	(3,682,578)
-	(366,304)	-	(366,304)
-	(4,629,601)	-	(4,629,601)
1,991,493	(38,966,194)	-	(38,966,194)
46,628	-	(734,104)	(734,104)
519,783	-	3,059,739	3,059,739
-	-	109,978	109,978
566,411	-	2,435,613	2,435,613
<u>\$ 2,557,904</u>	<u>(38,966,194)</u>	<u>2,435,613</u>	<u>(36,530,581)</u>
	17,054,597	-	17,054,597
	1,440,749	-	1,440,749
	2,016,907	-	2,016,907
	7,236,048	-	7,236,048
	3,142,034	-	3,142,034
	4,256,977	458,866	4,715,843
	4,778,278	-	4,778,278
	311,425	-	311,425
	518,348	(518,348)	-
	40,755,363	(59,482)	40,695,881
	1,789,169	2,376,131	4,165,300
	64,791,795	29,844,861	94,636,656
	13,076,399	-	13,076,399
	77,868,194	29,844,861	107,713,055
<u>\$ 79,657,363</u>	<u>\$ 32,220,992</u>	<u>\$ 111,878,355</u>	

See accompanying notes to the basic financial statements

## CITY OF ROHNERT PARK

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	General	Community Development Commission				Financing Authority	City Capital Projects	Other Governmental Funds	Total
		Capital Projects	Housing Projects						
<b>ASSETS</b>									
Cash and investments	\$ 12,222,579	\$ 6,447,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250,114	\$ 23,920,643
Receivables, net:									
Taxes	1,889,581	-	-	-	-	-	-	389,738	2,279,319
Accounts	482,488	-	-	-	-	-	-	482,402	964,890
Accrued interest	209,943	35,111	19,099	-	-	-	-	-	264,153
Due from other funds	1,114,100	513,177	4,791	-	-	-	1,714,902	-	3,346,970
Prepaid items and other assets	156,628	-	-	-	-	-	-	-	156,628
Restricted cash and investments	232,332	28,160,657	21,291,956	-	-	2,554,039	-	1,772,022	54,031,006
Loans and notes receivable, net	229,194	-	8,852,820	-	-	-	-	-	9,082,014
Advances to other funds	2,847,333	6,562,560	-	-	-	-	-	-	9,409,893
	<u>\$ 19,404,178</u>	<u>\$ 41,719,455</u>	<u>\$ 30,168,666</u>	<u>\$ 1,714,902</u>	<u>\$ 2,554,039</u>	<u>\$ 1,714,902</u>	<u>\$ 378,471</u>	<u>\$ 7,894,276</u>	<u>\$ 103,455,516</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 824,580	\$ 50,116	\$ 297,759	\$ -	\$ -	\$ 537,083	\$ -	\$ -	\$ 1,709,538
Accrued liabilities	703,121	-	-	-	-	-	-	-	703,121
Due to other funds	517,968	56,416	16,118	-	-	1,697,085	680,912	378,471	3,346,970
Deposits	286,113	-	-	-	-	-	-	-	286,113
Deferred revenue	652,987	-	245,528	-	-	-	-	-	898,515
Advances from other funds	-	2,304,000	543,333	-	-	-	-	-	2,847,333
	<u>\$ 2,984,769</u>	<u>\$ 2,410,532</u>	<u>\$ 1,102,738</u>	<u>\$ 1,217,995</u>	<u>\$ 1,697,085</u>	<u>\$ 1,217,995</u>	<u>\$ 378,471</u>	<u>\$ 9,791,590</u>	<u>\$ 156,628</u>
<b>FUND BALANCES (DEFICIT)</b>									
Reserved for:									
Prepaid items and other assets	156,628	-	-	-	-	-	-	-	156,628
Advances, loans and notes	3,076,527	6,562,560	8,607,292	-	-	-	-	-	18,246,379
Housing projects	-	-	20,458,636	-	-	-	-	-	20,458,636
Street projects	-	-	-	-	-	-	1,472,761	-	1,472,761
Community development projects	-	28,160,657	-	-	-	-	-	-	28,160,657
Debt service	-	-	-	-	-	-	-	1,772,022	1,772,022
Performing Arts Center endowment	-	-	-	-	-	-	-	1,265,851	1,265,851
Unreserved, reported in:									
General Fund	13,186,254	-	-	-	-	-	-	-	13,186,254
Special revenue funds	-	-	-	-	-	-	-	2,910,150	2,910,150
Capital project funds	-	4,585,706	-	-	856,954	496,907	95,021	-	6,034,588
	<u>\$ 16,419,409</u>	<u>\$ 39,308,923</u>	<u>\$ 29,065,928</u>	<u>\$ 496,907</u>	<u>\$ 856,954</u>	<u>\$ 496,907</u>	<u>\$ 7,515,805</u>	<u>\$ 93,663,926</u>	<u>\$ 103,455,516</u>
Total fund balances (deficit)									
Total liabilities and fund balances	<u>\$ 19,404,178</u>	<u>\$ 41,719,455</u>	<u>\$ 30,168,666</u>	<u>\$ 1,714,902</u>	<u>\$ 2,554,039</u>	<u>\$ 1,714,902</u>	<u>\$ 7,894,276</u>	<u>\$ 103,455,516</u>	<u>\$ 103,455,516</u>

See accompanying notes to the basic financial statements.

**CITY OF ROHNERT PARK**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
GOVERNMENT WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES  
JUNE 30, 2008**

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

Fund balances - total governmental funds (page F-16)	\$	93,663,926
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		81,165,946
Internal service funds are used by management to charge the costs of management of centralized data processing services and related billings to other City departments and individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		9,901
Long-term receivables and interest on deferred loans are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis.		610,719
Costs of issuance are capitalized on the government-wide statement of net assets, whereas, they are reported as expenditures in the governmental funds.		1,662,741
Interest payable on long-term debt that 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.		(1,542,865)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Certificates of participation	\$ (9,896,515)	
Tax allocation bonds, net (including accreted interest)	(83,072,380)	
Capital leases	(1,538,698)	
Compensated absences	(1,405,412)	(95,913,005)
Net assets of governmental activities (page F-13)	\$	<u>79,657,363</u>

See accompanying notes to the basic financial statements.

# CITY OF ROHNERT PARK

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	General	Community Development Commission	City	Other	Total
		Capital Projects	Housing Projects	Capital Projects	Funds
REVENUES					
Taxes	\$ 13,894,560	\$ 13,367,124	\$ -	\$ -	\$ 27,748,301
Intergovernmental	3,678,261	293,242	-	1,040,917	6,844,504
Interest and rentals	1,773,158	1,513,712	975,985	-	4,669,700
Charges for current services	2,269,138	-	-	262,385	2,531,523
Licenses, permits and fees	1,092,267	-	-	-	1,816,859
Special assessment collections	159,701	-	-	-	159,701
Fines, forfeitures and penalties	1,109,256	1,809	-	-	1,780,818
Donations and miscellaneous					
Total revenues	23,976,341	15,175,887	1,017,067	1,303,302	3,948,091
					45,551,406
EXPENDITURES					
Current:					
General government	4,059,521	6,611,430	2,002,333	-	20,899
Public safety	19,414,226	-	-	-	19,414,226
Public works	2,255,776	-	-	-	2,255,776
Parks and recreation	3,248,052	-	-	-	3,248,052
Cultural arts center	922,319	-	-	-	902,319
Capital outlay	259,788	5,880,837	1,137,170	6,662,338	13,940,133
Debt service:					
Principal	-	-	390,000	-	3,734,038
Interest and fiscal charges	-	213,120	448,789	-	2,629,429
Cost of issuance	-	-	-	-	-
Total expenditures	30,139,682	12,705,387	3,193,836	6,662,338	59,534,398
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,163,341)	2,470,500	(2,176,769)	(5,359,036)	(13,982,992)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of capital assets	4,391,717	-	810,000	-	5,201,717
Transfers in	2,346,038	3,149,833	3,244,133	6,654,421	21,898,469
Transfers out	(1,142,649)	(7,248,242)	(5,011,747)	(1,687)	(21,380,121)
Total other financing sources (uses)	5,595,106	(4,098,409)	(957,614)	6,652,734	5,720,065
NET CHANGE IN FUND BALANCES	(568,235)	(1,627,909)	(3,134,383)	1,293,698	(8,262,927)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	16,987,644	40,936,832	32,200,311	(796,791)	101,877,483
As previously reported					
Restatement due to recording of loans receivable	-	-	-	-	49,370
As restated	-	-	-	-	101,926,853
FUND BALANCES (DEFICIT), END OF YEAR	\$ 16,419,409	\$ 39,308,923	\$ 29,065,928	\$ 496,907	\$ 93,663,926

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, 2008

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

Net change in fund balances - total governmental funds (page F-18)	\$ (8,262,927)
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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 asset additions, reported as capital outlay	\$ 13,940,137	
Basis in capital assets sold	(423,443)	
Depreciation	<u>(5,356,724)</u>	8,159,970

Revenues recognized in the governmental funds that were earned and recognized in previous years and reported as beginning net assets 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.	(412,700)
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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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments:		
Tax allocation bonds	\$ 2,915,000	
Certificates of participation	390,000	
Special assessment bonds	190,000	
Capital leases	<u>239,038</u>	3,734,038

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.

Amortization of deferred costs of issuance	\$ (89,611)	
Change in accrued interest payable	(445,632)	
Amortization of premium, discount and deferred amount on refunding	(22,114)	
Interest accretion on capital appreciation bonds	(816,184)	
Change in long-term compensated absences	<u>(50,716)</u>	(1,424,257)

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.

(4,955)

Change in net assets of governmental activities (page F-15)	<u>\$ 1,789,169</u>
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See accompanying notes to the basic financial statements.

**CITY OF ROHNERT PARK**

**STATEMENT OF FUND NET ASSETS**

**PROPRIETARY FUNDS**

**JUNE 30, 2008**

	Business-type Activities - Enterprise Funds				Governmental Activity
	Water	Sewer	Refuse Collection	Total	Internal Service
<b>ASSETS</b>					
Current assets:					
Cash and investments:					
Operating	\$ 2,268,398	\$ 8,057,471	\$ 568,456	\$ 10,894,325	\$ -
Held for capital improvements	2,449,442	6,110,417	-	8,559,859	-
Deposits	50,640	404,910	42,200	497,750	-
Total cash and investments	4,768,480	14,572,798	610,656	19,951,934	-
Accounts receivable	1,197,052	2,246,160	785,468	4,228,680	-
Total current assets	5,965,532	16,818,958	1,396,124	24,180,614	-
Noncurrent assets:					
Deferred costs of issuance	187,078	316,298	-	503,376	-
Capital assets:					
Structures and improvements	13,307,753	8,600,050	-	21,907,803	-
Furniture, fixtures and equipment	2,180,462	1,094,705	-	3,275,167	159,148
Construction in progress	3,624,727	22,543,012	-	26,167,739	-
Total capital assets	19,112,942	32,237,767	-	51,350,709	159,148
Less: accumulated depreciation	(8,970,831)	(6,805,115)	-	(15,775,946)	(149,247)
Net capital assets	10,142,111	25,432,652	-	35,574,763	9,901
Total noncurrent assets	10,329,189	25,748,950	-	36,078,139	9,901
Total assets	16,294,721	42,567,908	1,396,124	60,258,753	9,901
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	325,178	885,292	648,291	1,858,761	-
Interest payable	63,545	47,315	-	110,860	-
Deposits	66,947	406,872	43,290	517,109	-
Advances from CDC	-	6,562,560	-	6,562,560	-
Unearned revenue	-	-	-	-	-
Bonds payable	217,147	252,612	-	469,759	-
Total current liabilities	672,817	8,154,651	691,581	9,519,049	-
Noncurrent liabilities:					
Bonds payable	6,028,828	12,489,884	-	18,518,712	-
Total liabilities	6,701,645	20,644,535	691,581	28,037,761	-
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	6,469,111	12,506,996	-	18,976,107	9,901
Unrestricted	3,123,966	9,416,376	704,543	13,244,885	-
Total net assets	\$ 9,593,077	\$ 21,923,372	\$ 704,543	\$ 32,220,992	\$ 9,901

See accompanying notes to the basic financial statements.

**CITY OF ROHNERT PARK**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activity</b>
	<b>Water</b>	<b>Sewer</b>	<b>Refuse Collection</b>	<b>Total</b>	<b>Internal Service</b>
<b>OPERATING REVENUES:</b>					
Utility service charges	\$ 6,279,676	\$ 12,277,777	\$ 5,402,622	\$ 23,960,075	\$ -
Charges for services	-	-	-	-	484,776
Penalties and other	61,884	92,826	51,571	206,281	-
Total operating revenues	6,341,560	12,370,603	5,454,193	24,166,356	484,776
<b>OPERATING EXPENSES:</b>					
Contractual services	2,056,541	49,723	5,299,193	7,405,457	-
Rent and leases	5,212	6,747,426	-	6,752,638	-
Payroll and related costs	2,213,981	1,302,618	-	3,516,599	-
Heat, light and power	185,582	62,048	-	247,630	-
Other	531,437	357,423	22,108	910,968	-
Depreciation	804,140	314,365	-	1,118,505	4,955
Repairs, operations and maintenance	249,362	89,294	-	338,656	484,776
Professional services	688,635	265,734	22,914	977,283	-
Supplies	115,998	55,619	-	171,617	-
Total operating expenses	6,850,888	9,244,250	5,344,215	21,439,353	489,731
OPERATING INCOME (LOSS)	(509,328)	3,126,353	109,978	2,727,003	(4,955)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Loss on disposal of capital assets	-	-	-	-	-
Investment income	193,715	265,151	-	458,866	-
Interest expense	(271,404)	(586,397)	-	(857,801)	-
Total nonoperating revenues (expenses)	(77,689)	(321,246)	-	(398,935)	-
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(587,017)	2,805,107	109,978	2,328,068	(4,955)
Capital contributions	46,628	519,783	-	566,411	-
Transfers In	-	17,717	-	17,717	-
Transfers out	(291,007)	(245,058)	-	(536,065)	-
CHANGE IN NET ASSETS	(831,396)	3,097,549	109,978	2,376,131	(4,955)
<b>NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	10,424,473	18,825,823	594,565	29,844,861	14,856
<b>PRIOR PERIOD ADJUSTMENTS</b>	-	-	-	-	-
<b>NET ASSETS, BEGINNING OF YEAR, AS RESTATED</b>	10,424,473	18,825,823	594,565	29,844,861	14,856
<b>NET ASSETS, END OF YEAR</b>	\$ 9,593,077	\$ 21,923,372	\$ 704,543	\$ 32,220,992	\$ 9,901

See accompanying notes to the basic financial statements.

**CITY OF ROHNERT PARK**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2008**

	Business-type Activities - Enterprise Funds				Governmental Activity
	Water	Sewer	Refuse Collection	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash receipts from customers	\$ 6,315,556	\$ 12,419,758	\$ 5,435,615	\$ 24,170,929	\$ 484,776
Cash paid to suppliers for goods and services	(3,786,498)	(6,817,405)	(5,389,167)	(15,993,070)	(484,776)
Cash paid to employees for services	(2,213,981)	(1,302,618)	-	(3,516,599)	-
Net cash provided by operating activities	315,077	4,299,735	46,448	4,661,260	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers out	(291,007)	(245,058)	-	(536,065)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Payment on capital debt	(209,998)	(240,000)	-	(449,998)	-
Interest paid on capital debt	(260,110)	(583,341)	-	(843,451)	-
Acquisition of capital assets	(710,794)	(10,596,928)	-	(11,307,722)	-
Advances from CDC		6,562,560			
Contributions from developers and other agencies	46,627	519,784	-	566,411	-
Net cash used in capital and related financing activities	(1,134,275)	(4,337,925)	-	(12,034,760)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	193,715	265,151	-	458,866	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(916,490)</b>	<b>(380)</b>	<b>46,448</b>	<b>(7,432,982)</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,684,970</b>	<b>14,573,178</b>	<b>564,208</b>	<b>20,822,356</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 4,768,480</b>	<b>\$ 14,572,798</b>	<b>\$ 610,656</b>	<b>\$ 19,951,934</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income	\$ (509,328)	\$ 3,126,353	\$ 109,978	\$ 2,727,003	\$ (4,955)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	804,140	314,365	-	1,118,505	4,955
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(19,850)	43,385	(21,784)	1,751	-
Increase (decrease) in accounts payable	46,269	809,862	(44,952)	811,179	-
Increase (decrease) in deposits	(6,154)	5,770	3,206	2,822	-
Net cash provided by operating activities	\$ 315,077	\$ 4,299,735	\$ 46,448	\$ 4,661,260	\$ -
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Amortization of premiums (discounts)	\$ (2,854)	\$ 7,612	\$ -	\$ 4,758	\$ -
Book value on disposed capital assets	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements.



**CITY OF ROHNERT PARK**

**STATEMENT OF FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUND  
SPECIAL ENFORCEMENT UNIT - SOUTH  
JUNE 30, 2008**

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**ASSETS**

Cash and investments	\$	12,335
Accounts receivable		<u>732</u>
Total Assets		13,067

**LIABILITIES**

Accounts payable		<u>-</u>
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<b>NET ASSETS</b>	<b>\$</b>	<b><u><u>13,067</u></u></b>
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See accompanying notes to the basic financial statements.

**CITY OF ROHNERT PARK**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**PRIVATE PURPOSE TRUST FUND**

**SPECIAL ENFORCEMENT UNIT - SOUTH**

**FOR THE YEAR ENDED JUNE 30, 2008**

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**ADDITIONS**

Interest and rentals	\$ 1,442
Seizures and forfeitures	<u>30,108</u>
	31,550

**DEDUCTIONS**

Law enforcement costs	<u>44,287</u>
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**CHANGE IN NET ASSETS** (12,737)

**NET ASSETS:**

**BEGINNING OF THE YEAR** 25,804

**END OF YEAR** \$ 13,067

See accompanying notes to the basic financial statements.

## CITY OF ROHNERT PARK

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

#### 1. DESCRIPTION OF THE REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The basic financial statements of the City of Rohnert Park, California (City), include the financial activities of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units is combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the primary government. The City's blended and discretely presented component units have June 30 year-ends.

*Blended Component Units* - The Community Development Commission of the City of Rohnert Park (Commission) was established under the provisions of the State of California Community Redevelopment Law to assist in the rehabilitation of areas determined to be in a declining condition in the City. The Commission is governed by a board consisting of all the members of the City Council.

The Rohnert Park Financing Authority (Financing Authority) is a joint powers authority, organized pursuant to a joint exercise of powers agreement (Agreement), dated as of January 1, 1999, between the City and the Commission. The Agreement was entered into pursuant to the Government Code of the State of California, commencing with Section 6500. The Financing Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing activities for the benefit of the City and the Commission. The Financing Authority is governed by a board consisting of all the members of the City Council.

Component unit financial statements for the Commission and the Financing Authority can be obtained from the Finance Department of the City at 130 Avram Avenue, Rohnert Park, CA 94928.

The Rohnert Park Housing Financing Authority (Housing Financing Authority) was established to assist in financing the acquisition, operation and maintenance of mobile home parks in the City in order to provide affordable housing and stimulate economic development. The City Council has the responsibility to appoint all directors of the Authority, which is governed by a board consisting of a minimum of three directors, and has the ability to remove appointed directors at will. The Authority was dissolved upon the redemption of the Authority's previously defeased 1995 Revenue Bonds, which occurred on June 30, 2007. In fiscal 2008, the remaining fund balance of \$55,464 was transferred to the City's general fund for housing programs, and is included as miscellaneous revenue in the general fund in fiscal 2008.

Description of Joint Powers Participation - The City participates in a joint powers activity through a formally organized and separate entity. The financial activities of the Redwood Empire Municipal Insurance Fund are not included in the basic financial statements of the City as it is administered by a board that is separate from and independent of the City.

#### Basis of Presentation

Government-wide Financial Statements - The statement of net assets and statement of activities display information about the primary government (City) 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. These statements distinguish between the *governmental* and *business-type activities* of the City and between the City and its discretely presented component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include 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 fiduciary funds and blended component units. Separate statements for each fund category – *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, 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 general operating fund of the City. It accounts for all financial resources traditionally associated with governments, which are not required to be accounted for in another fund.
- Community Development Commission Capital Projects Fund accounts for redevelopment of designated areas within the approved project area of the City.
- Community Development Commission Housing Projects Fund accounts for 20% of tax increment revenues, which are designated by law to increase or improve low and moderate income housing in the designated areas within the approved project area of the City.
- Financing Authority Fund accounts for capital items financed by certificates of participation.
- City Capital Projects Fund accounts for resources used for the acquisition of capital facilities, except for those capital facilities financed by enterprise funds, special assessment resources or Community Development Commission resources.

The City reports the following major enterprise funds:

- Water Fund accounts for water production to the residents of the City. The activities necessary to provide such service are accounted for in the fund, including, but not limited to, operations, maintenance, financing and related debt service, and billing and collection.
- Sewer Fund accounts for sewage disposal to the residents of the City. The activities necessary to provide such service are accounted for in the fund, including, but not limited to, operations, maintenance, financing and related debt service, and billing and collection.
- Refuse Collection Fund accounts for service performed by an independent contractor. The activities necessary to provide such service are accounted for in the fund, including but not limited to contractual services and billing and collection services.

The City reports the following additional fund types:

- Permanent Fund (a governmental fund type) accounts for accumulation of capital donated for the City of Rohnert Park's Dorothy Rohnert Spreckels Performing Arts Center. The interest generated from the donations will be used for the operations of the Performing Arts Center while the corpus is permanently restricted.
- Internal Service Fund (a proprietary fund type) accounts for the activities of centralized data processing services and the related billings to other City departments and funds.
- Special Enforcement Unit - South Private-purpose Trust Fund (a fiduciary fund type) accounts for assets held by the City in a trustee capacity for the benefit of law enforcement agencies in the region.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included

on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

The government-wide, proprietary and private-purpose trust fund financial statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Operating statements of these funds present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

- Government-wide financial statements are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.
- Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The City considers property taxes as available if they are levied and collected within 60 days after year-end. The availability period for all other revenues susceptible to accrual is also 60 days. Revenues considered susceptible to accrual include property taxes, sales tax, licenses, interest and rentals, charges for services and intergovernmental revenues. All other revenues are recognized only when the cash receipts are collected. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt, compensated absences and claims are recognized when due.
- Proprietary funds and the private-purpose trust fund are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Water, sewer and refuse collection service revenues earned at June 30, but unbilled, are recognized.

For the business type activities in the government-wide statements and proprietary fund financial statements, the City has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America (GAAP) for governmental units. The City has elected not to follow subsequent private-sector guidance of FASB after November 30, 1989 for its business type activities in the government-wide or enterprise fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: water, sewer and refuse collection, and service support charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash Equivalents - 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 – Investment transactions are recorded on the trade date. Investments in nonparticipating interest-earning investment contracts (certificates of deposits and guaranteed investment contracts) are reported at cost, and all other investments are reported at fair value. Fair value is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Transactions with Joint Powers - Premiums paid to the Redwood Empire Municipal Insurance Fund are recorded as expenditures of the General Fund and expenses in the statement of activities. Dividends received are recorded as a reduction of expenditures/expenses.

Bond Discounts, Premiums, Issuance Costs, and Deferred Amounts on Refundings - For governmental fund financial statements, bond premiums and discounts, as well as issuance costs are recognized during the period the bonds are issued. Bonds issued are reported as other financing sources including any applicable premiums. Discounts are reported as a separate financing use. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Gains or losses occurring from advance refunding are deferred and amortized into expense for both business-type activities and proprietary funds. For governmental activities, they are deferred and amortized into expense if they occurred subsequent to June 30, 2001. Bonds payable are reported net of deferred amounts on refundings.

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.

Capital Assets - are valued at historical cost or, for donated capital assets, at their fair market value on the date donated. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvement including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The City defines capital assets as assets with an estimated useful life in excess of one year and a value of \$5,000 or more. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary fund financial statements. The estimated useful lives are as follows:

	Primary Government
Infrastructure	30 years
Structures and improvements	35 years
Furniture, fixtures and equipment	3 - 35 years

Accumulated Unpaid Vacation and Sick Pay - It is the policy of the City to permit employees to accumulate earned but unused vacation and sick leave benefits. Vested or accumulated vacation and sick leave are reported as long-term liabilities on the statement of net assets. If amounts are due and payable at fiscal year-end, they are recorded as liabilities in the governmental funds.

Claims Liabilities - The City has accrued for claim liabilities including estimated claims incurred but not yet reported and related allocated loss adjustment expenses.

Property Tax Levy, Collection and Maximum Rates - 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 debt or assessments has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased no more than two percent per year unless the property is sold, transferred or improved. 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. Sonoma County assesses properties, bills for and collects property taxes as follows:

	Secured	Unsecured
Lien dates	January 1	January 1
Levy dates	July 1	July 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 term “unsecured” refers to taxes on personal property other than land and buildings. Secured taxes are secured by liens on the property being taxed.

Property tax revenues are recognized in the fiscal year for which the taxes have been levied.

**Interfund Transactions** - Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans and residual balances outstanding in the fund financial statements are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (e.g., the current portion of interfund loans) or “advances to/from other funds” (e.g., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### *Fund Deficits*

At June 30, 2008, there were no funds that had a deficit fund balance.

## 3. CASH AND INVESTMENTS

The City maintains a cash and investments pool that is available for use by all funds, except the Community Development Commission and the Housing Financing Authority. In addition, cash is separately held by several of the City's funds. Cash and investments are comprised of the following amounts as shown on the financial statements:

Primary government:	
Unrestricted	\$ 34,814,968
Restricted	63,088,615
Private-purpose Trust Fund	<u>12,335</u>
Total cash and investments	<u>\$ 97,915,918</u>

## Deposits

### *Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2008 the carrying value of the City's deposits and cash on hand was \$11,729,889. The City is not exposed to such risks as all deposits are insured or collateralized.

## Investments

Investments permitted by the City's investment policy include the following:

- 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,
- Mutual funds invested in United States Government securities.

United States Government and agency investments are required to be of the highest rating available at the time of purchase. Certificates of deposit, bankers' acceptances and savings type accounts must be fully insured or collateralized.

### *Credit risk*

Credit risk relates to the possibility that an issuer/counterparty to an investment will be unable to fulfill its obligations. 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 includes investments permitted by the California Government Code and limits medium-term negotiable certificates of deposits, bankers' acceptances and commercial paper investments as follows:

- Medium-term corporate notes, including bank notes and deposits notes, must be issued by corporations doing business in the United States as outlined in the California Government Code. Issuers must possess an acceptable long-term senior debt rating by two of the nationally recognized rating services; i.e., Moody's Investors Services, Standard & Poor's Fitch or Duff & Phelps for maturities of five years or less, a minimum rating of "AAA" or better.
- Negotiable certificates of deposit must be issued by a federal or state chartered bank or a state saving association or a state licensed, domestic bank of a foreign bank. Issuers must possess an acceptable long-term senior debt rating by two of the nationally recognized rating services; i.e., Moody's Investors Services, Standard & Poor's Fitch or Duff & Phelps for maturities of five years or less, a minimum rating of "AAA" or better.
- Commercial Paper- State law limits investments in commercial paper to be of "prime" quality of the highest ranking of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO).

### *Interest rate risk*

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. The City has about 32% of its investments in maturities of less than 1 year in order to take advantage of anticipated rising interest rates.



As of June 30, 2008, the City's investments consisted of the following:

Investment Type	Fair Value	Maturities			Credit Rating
		Less than 1 year	1-3 years	More than 3 years	
Federal Home Loan Bank	\$ 4,001,250	\$ -	\$ -	\$ 4,001,250	AAA
Federal Home Loan Mortgage Corp.	3,986,860	-	998,760	2,988,100	AAA
Federal National Mortgage Association	1,501,405	-	501,095	1,000,310	AAA
State Local Agency Investment Fund	20,203,133	20,203,133	-	-	Not rated
Sonoma County Investment Pool	159,511	-	159,511	-	Not rated
Guaranteed investment contracts	48,790,108	-	-	48,790,108	Not rated
Money market funds	7,543,762	7,543,762	-	-	AAAm
	<u>\$ 86,186,029</u>	<u>\$ 27,746,895</u>	<u>\$ 1,659,366</u>	<u>\$ 56,779,768</u>	

As of June 30, 2008, the City's investment in LAIF was \$20,203,133, which has a weighted average maturity of 212 days. The total amount invested by all public agencies in LAIF at that date is approximately \$25.2 billion. The City's proportionate share of structured notes and asset-backed securities held by the LAIF was \$2,246,588 or 11.12% of the City's investment in LAIF. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF 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. The City's investment in LAIF is unrated for credit risk.

As of June 30, 2008, the City's investment in the County's Pool was \$159,511, which has a weighted average maturity of 394 days. The total amount invested by the County's Pool at that date is approximately \$1.6 billion. The County's Pool is subject to regulatory oversight by the Treasury Oversight Committee. The value of the pool shares in the County 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. The City's investment in the County Pool is unrated for credit risk.

#### *Concentration of credit risk*

The City's investment policy does not place restrictions within the permitted categories of investment that may be entered into and how much may be held by individual issuers. More than 5% of the City's investments are invested in Royal Bank of Canada guaranteed investment contracts (56.6%).

#### **4. LOANS AND NOTES RECEIVABLE, NET**

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 ongoing capital contributions to the Tenant as defined in the agreement. At June 30, 2008, the outstanding balance owed to the City was \$228,205, and principal payments of the advance 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 Commission extends 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 Commission has a secured interest in the properties for which the loans were made. Management has established an allowance for bad debts in the amount of \$1,837,391 based on historical payment history on forgivable loans. This allowance represents 90% of the 1998 First-Time Homebuyers loans (\$555,000) and 100% of the Sonoma County Rehabilitation loans (\$696,990), both of which are forgivable, as well as 100% of the accrued interest on the two Burbank notes (\$640,900). Interest amounting to \$245,528 on these receivables is reported as deferred revenue in the fund financial statements. Additionally, the Commission has established an allowance of \$366,600 related to accrued interest on certain of the loans. Interest amounting to \$245,528 on the Commission's loans and notes receivable is reported as deferred revenue in the fund financial statements.

On April 1, 2001, the Commission entered into an agreement with Millennium Housing of California ("Millennium") to aid in Millennium's purchase of a mobile home park from the Rohnert Park Finance Authority. The Commission loaned Millennium \$250,000 for costs associated with the sale. The loan accrues simple interest at 3% per annum, with no payments due until April 14, 2016. Beginning April 2016, total unpaid principal and interest are to be paid in thirty equal annual installments.

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 Commission purchased the site from the City and assisted Burbank with the financing and pre-development costs. Burbank purchased the land from the Commission for \$1,335,000 (the amount paid by the Commission to the City for the property). The term of the loan agreement is a non-recourse loan in the amount of \$4,015,000, which will accrue interest at the rate of 2% per annum and is deferred for 55 years. Principal and accrued interest totaling \$4,222,293 related to this loan is included in loans and notes receivable on the accompanying financial statements.

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 Commission purchased the site from the City at the appraised value of \$1,630,000 to be financed over a three-year period beginning in fiscal 2006-07. The City's basis in the land was \$390,000. 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. Principal and accrued interest totaling \$1,687,485 related to this loan is included in loans and notes receivable on the accompanying financial statements. Vida Nueva Partners purchased the site from the Commission for \$810,000 during the fiscal year ended June 30, 2008.

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 call 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. As of June 30, 2008, the Incubator was not in default of any terms of the loan. The Commission has recorded an allowance against the full amount of the loan as of June 30, 2008.

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 \$1.2 million. 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 agreement.

## 5. DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues not considered available to liquidate liabilities of the current period (unavailable). Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned).

At June 30, 2008, the unavailable and unearned revenues reported were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>Governmental activities:</b>			
Major funds:			
General Fund:			
Due from governmental agencies	\$ 136,986	\$ -	\$ 136,986
Courseco loan receivable	228,205	-	228,205
Parks and recreation and other advances	-	287,796	287,796
Community Development Commission -			
Housing Projects Fund:			
Housing loans	<u>245,528</u>	<u>-</u>	<u>245,528</u>
Total governmental activities	<u>\$ 610,719</u>	<u>\$ 287,796</u>	<u>\$ 898,515</u>

## 6. INTERFUND TRANSACTIONS

*Interfund Receivables/Payables* - The composition of interfund balances as of June 30, 2008 was as follows:

<u>Fund reporting receivable</u>	<u>Fund reporting payable</u>	<u>Amount</u>
<b>Due to/from other funds:</b>		
General Fund	City Capital Projects Fund	\$ 680,912
	CDC Capital Projects Fund	38,599
	CDC Housing Projects Fund	16,118
	FIGR Fund	378,471
CDC Capital Projects Fund	General Fund	513,177
CDC Housing Projects Fund	CDC Capital Projects Fund	4,791
City Capital Projects Fund	RPFA Capital Projects Fund	1,697,085
	CDC Capital Projects Fund	17,817
		<u>\$ 3,346,970</u>
<b>Advances to/from other funds:</b>		
General Fund	CDC Capital Projects Fund	\$ 2,304,000
	CDC Housing Projects Fund	543,333
CDC Capital Projects Fund	Sewer Enterprise Fund	6,562,560
		<u>\$ 9,409,893</u>

The General Fund loaned \$4,200,000 to the Community Development Commission Capital Projects Fund to construct the Rohnert Park Performing Arts Center. The loan bears interest at a rate of 9 percent per annum. At June 30, 2008, the outstanding balance remaining on this loan is \$2,304,000. The General Fund sold to the Community Development Commission Housing Projects Fund land for \$1,630,000 during the year, which the Community Development Commission Housing Projects Fund is repaying in equal installments over three years. The second installment of \$543,333 was paid during the year leaving a balance of \$543,333 at June 30, 2008.

The General Fund funded certain City capital projects for a total of \$680,912 and will be reimbursed as payments are received.

The City entered into a Memorandum of Understanding with the Federated Indians of the Graton (FIGR). Included in the agreement was funding for the Public Safety Special Enforcement Unit, for which FIGR reimburses the City. The Tribe paid the City \$328,471 in December 2008, and the balance is expected to be repaid by the end of fiscal 2009.

The Community Development Commission Capital Projects Fund purchased the Hazel Wetland Preserve for \$288,500, which is to be reimbursed by the General Fund upon the sale of stadium lands. In addition, the General Fund recorded deposits during fiscal year 2008 totaling \$224,677 which were meant for the Commission. The amounts were transferred back to the Commission in fiscal year 2009.

The City Capital Projects Fund advanced the costs for construction of the new City Hall. A claim for reimbursement from the 1999 Certificates of Participation proceeds in the amount of \$1,697,085 was filed at the end of fiscal year 2008 and paid shortly after.

On May 22, 2007 (amended August 26, 2008), the Commission entered into a reimbursement agreement 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. The Commission is funding this project from the 2007R Tax Allocation Bond proceeds, and pursuant to the terms of the reimbursement agreement, the maximum amount to be funded by the Commission is \$12,144,000. As of June 30, 2008, the Commission had advanced \$6,562,560 to the Sewer Fund for this project.

*Interfund Transfers* - The composition of interfund transfers during the fiscal year ended June 30, 2008 was as follows:

<u>Fund Reporting Transfer In</u>	<u>Fund Reporting Transfer Out</u>	<u>Amount</u>
General Fund	CDC Capital Projects Fund	\$ 126,127 d
	CDC Housing Projects Fund	78,543 a
	Nonmajor governmental funds	1,605,303 c
	Water Enterprise Fund (1)	14,374 d
	Sewer Enterprise Fund (1)	9,582 d
	Water Enterprise Fund (1)	131,597 g
	Sewer Enterprise Fund (1)	169,205 g
	Water Enterprise Fund (1)	145,037 f
	Sewer Enterprise Fund (1)	66,270 f
		<u>2,346,038</u>
CDC Capital Projects Fund	City Capital Projects Fund	1,688 h
	CDC Housing Projects Fund	3,148,145 b
		<u>3,149,833</u>
CDC Housing Projects Fund	CDC Capital Projects Fund	3,244,133 g
Financing Authority Fund	General Fund	511,618 d
	CDC Capital Projects Fund	329,826 d
		<u>841,444</u>
City Capital Projects fund	General Fund	301,645 b
	Financing Authority Fund	3,245,569 b
	Nonmajor governmental funds	3,107,207 b
		<u>6,654,421</u>
Nonmajor governmental funds	General Fund	329,386 d
	CDC Capital Projects Fund	3,548,156 d
	CDC Housing Projects Fund	1,785,058 d
		<u>5,662,600</u>
Sewer Enterprise Fund	Nonmajor governmental funds	17,717 i
Total		<u>\$ 21,916,186</u>

<sup>(1)</sup> Net amount reported as transfers between governmental and business-type activities in the government-wide statement of activities, and the remaining transfers are eliminated.

The purpose for the interfund transfers during the fiscal year ended June 30, 2008 are as follows:

- a) These transfers were to reimburse the General Fund for 85% of the salary and benefits of the Housing Manager and to reimburse the General Fund for the City Council's attendance at the CDC board meetings.
- b) These transfers represent reimbursement of capital project costs.
- c) This transfer is to repay the General Fund for programs funded through other sources.
- d) These transfers are made for the payment of debt service.
- e) The General Fund transferred interest earnings to the proprietary funds during the year.
- f) This transfer was made to reimburse the General Fund for the Enterprise Fund's share of retiree medical costs.
- g) This transfer represent 20% of the tax increment earned for the year ended June 30, 2008, which is required to be set aside in a separate fund to provide adequate housing for families and individuals with low or moderate income (\$2,477,091). The CDC Capital Projects Fund also reimbursed the Housing Fund for \$500,000 for the Sonoma Mountain Village Business Cluster Loan, which should have been funded by the Projects Fund. The CDC Capital Projects Fund also provided the cash shortfall in the Housing Fund (\$267,042).
- h) This transfer was made to reimburse the CDC Capital Projects Fund for the Martin Avenue Storm Drain project, which was originally set up as a City project.
- i) This transfer was to fund the Eastside Trunk Sewer Project-Phase II from the Public Facilities Finance Fee.

## 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	Balance June 30, 2007 (Restated)	Additions	Retirements	Transfers	Balance June 30, 2008
<b>Governmental activities</b>					
<i>Capital assets, not being depreciated;</i>					
Land	\$ 2,948,157	\$ 6,006,119	\$ (390,000)	\$ -	\$ 8,564,276
Construction in progress	11,977,855	7,073,132	-	(3,904,758)	15,146,229
Total capital assets, not being depreciated	14,926,012	13,079,251	(390,000)	(3,904,758)	23,710,505
<i>Capital assets, being depreciated</i>					
Infrastructure, structures and improvements	106,790,482	601,093		3,928,024	111,319,599
Equipment	13,884,710	259,792	(528,977)	(23,266)	13,592,259
Total capital assets, being depreciated	120,675,192	860,886	(528,977)	3,904,758	124,911,858
<i>Less accumulated depreciation for:</i>					
Infrastructure, structures and improvements	(52,911,604)	(4,046,359)	-	(11,775)	(56,969,738)
Equipment	(9,656,993)	(1,315,320)	495,535	-	(10,476,778)
Total accumulated depreciation	(62,568,597)	(5,361,679)	495,535	(11,775)	(67,446,516)
Total capital assets, being depreciated, net	58,106,595	(4,500,793)	(33,443)	3,892,983	57,465,342
<b>Governmental activities capital assets, net</b>	<b>\$ 73,032,607</b>	<b>\$ 8,578,458</b>	<b>\$ (423,443)</b>	<b>\$ (11,775)</b>	<b>\$ 81,175,847</b>
<b>Business-type activities</b>					
<i>Capital assets, not being depreciated</i>					
Construction in progress	\$ 15,302,990	\$ 11,061,795	\$ -	\$ (197,046)	\$ 26,167,739
<i>Capital assets, being depreciated</i>					
Structures and improvements	21,710,757	-	-	197,046	21,907,803
Equipment	3,029,239	245,928	-	-	3,275,167
Total capital assets, being depreciated	24,739,996	245,928	-	197,046	25,182,970
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(13,357,000)	(869,748)	-	-	(14,226,748)
Equipment	(1,300,440)	(248,758)	-	-	(1,549,198)
Total accumulated depreciation	(14,657,440)	(1,118,506)	-	-	(15,775,946)
Total capital assets, being depreciated, net	10,082,556	(872,578)	-	197,046	9,407,024
<b>Business-type activities capital assets, net</b>	<b>\$ 25,385,546</b>	<b>\$ 10,189,217</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,574,763</b>

The governmental activities net capital assets as of June 30, 2007 were restated to decrease prior accumulated depreciation by \$12,950,145 (see Note 17).

Construction in progress for governmental activities at June 30, 2008 is comprised of the following:

	<u>Project Authorization</u>	<u>Expended to June 30, 2008</u>	<u>Project Funds Unexpended</u>
City Projects:			
City Hall Project	\$ 6,788,000	\$ 6,028,118	\$ 759,882
Citywide pavement maintenance	2,291,201	2,328,321	(37,120)
Water Supply Assessment Project	N/A	1,247,121	N/A
Citywide Bike Path Projects	N/A	169,295	N/A
University District Specific Plan	N/A	433,678	N/A
Various other projects	341,607	2,662,464	(2,320,857)
Community Development Commission Projects:			
Stadium Lands Salvage Project	365,000	203,357	161,643
BARC Roof Replacement	635,000	626,761	8,239
West-side Public Safety Facility	13,113,320	57,572	13,055,748
Various other projects	<u>2,599,750</u>	<u>1,389,542</u>	<u>1,210,208</u>
Total	<u>\$ 26,133,877</u>	<u>\$ 15,146,229</u>	<u>\$ 12,837,743</u>

During the year, the City completed governmental activities projects totaling \$3,904,758 that were transferred from construction in progress to improvements.

Construction in progress for business-type activities at June 30, 2008 is comprised of the following:

	<u>Project Authorization</u>	<u>Expended to June 30, 2008</u>	<u>Project Funds Unexpended</u>
Commercial Water Meter Retrofit Project	\$ 2,711,224	\$ 2,711,224	\$ -
Parallel Sewer Interceptor Project	12,260,000	10,217,777	2,042,223
Eastside Sewer Project	6,558,600	11,803,475	(5,244,875)
Various other projects	<u>19,855,000</u>	<u>1,435,262</u>	<u>18,419,738</u>
Total	<u>\$ 41,384,824</u>	<u>\$ 26,167,739</u>	<u>\$ 15,217,085</u>

During the year, the City completed business-type activities projects totaling \$197,046 that were transferred from construction in progress to structures and improvements.

Depreciation expense was charged to governmental functions as follows:

General government	\$ 115,828
Public safety	1,344,330
Public works	2,165,406
Parks and recreation	1,731,160
Depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets.	<u>4,955</u>
Total depreciation expense – governmental functions	<u>\$ 5,361,679</u>

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 804,140
Sewer	<u>314,366</u>
Total depreciation expense – business-type functions	<u>\$ 1,118,506</u>

## 8. LONG-TERM LIABILITIES

The City's long-term debt payable at June 30, 2008 follows:

	Final Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2008
Governmental Activities					
(a) Special Assessment Debt with Governmental Commitment:					
2001 Consolidated Reassessment	2009	2.90-4.45%	\$165,000-330,000	\$ 1,825,000	\$ -
(b) 1991 Tax Allocation Refunding Bonds:					
Redevelopment Project (includes accreted interest)	2021	5.90-6.80%	150,551-965,000	13,099,895	1,945,245
(b) 1999 Tax Allocation Bonds:					
Redevelopment Project (includes accreted interest)	2036	3.60-5.30%	154,386-553,597	11,936,651	13,927,512
(c) 1999 Certificates of Participation:					
Capital Facilities Project	2025	3.60-5.00%	120,000-330,000	5,055,000	3,960,000
(c) 2003 Lease Revenue Refunding Bonds:					
Master Equipment Lease Project and Public Safety Facility	2025	2.50-4.80%	240,000-470,000	6,950,000	6,020,000
(c) 2001 Tax Allocation Bonds:					
Redevelopment Project	2021	3.50-5.25%	55,000-810,000	8,200,000	6,865,000
(b) 2007 Tax Allocation Bonds:					
Redevelopment Project	2038	3.60 - 5.00%	290,000 - 3,465,000	34,680,000	33,470,000
Housing	2038	3.50 - 5.00%	25,000 - 1,790,000	26,760,000	26,045,000
(e) Capital leases	2020	Various	Various	Various	1,538,698
Total Governmental Activities					<u>93,771,455</u>
Business-Type Activities					
(f) 2002 Water Revenue Bonds	2023	2.00-4.50%	80,000-145,000	2,090,000	1,675,000
(d) 2005 Sewer System Revenue Certificates of Participation					
Capital Facilities Project	2036	3.00-5.00%	230,000-775,000	13,000,000	12,530,000
(f) 2005 Water Revenue Bonds	2030	2.50-4.50%	120,000-305,000	5,000,000	4,630,000
Total Business-Type Activities					<u>18,835,000</u>
Total governmental and business-type activities – bonds, certificates of participation, capital leases, and accreted interest on capital appreciation bonds					<u>\$ 112,606,455</u>

Debt service payments, as listed in the table above, are generally made from the following sources:

- (a) Special assessment collections recorded in the Special Assessments Debt Service Fund. The City is “obligated in some manner” (as defined by GASB No. 6) for special assessment debt because it must cover delinquencies of special assessments bonds in excess of debt service reserves with other resources until foreclosure proceeds are received or because it has indicated that it may do so.
- (b) Property tax increment allocated to the Community Development Commission Capital Projects Fund.
- (c) Lease revenues from the General Fund, as provided for by an agreement between the Financing Authority and the City.
- (d) 75% Utility billing from the Sewer Department and 25% from new development.
- (e) General revenues of the City.
- (f) Utility billing from the Water department.

## **Governmental Activities:**

### ***1991 Tax Allocation Refunding Bonds***

On May 1, 1991, the CDC issued Tax Allocation Refunding Bonds in the amount of \$13,099,895 ("Series 1991 Bonds"). The bonds were issued for the purpose of advance refunding all of the outstanding \$11,765,000 principal amount of the 1988 Rohnert Park Redevelopment Project Tax Allocation Bonds, to fund a reserve account and to pay the costs of issuance of the 1991 Tax Allocation Refunding Bonds. The 1991 Tax Allocation Refunding Bonds are limited obligations of the CDC payable from and secured by tax revenues to be derived from the Rohnert Park Redevelopment Project and from interest earnings on the funds and accounts on deposit with the Trustee. The pledge of future revenues ends upon final payment scheduled to occur in 2021.

### ***1999 Tax Allocation Bonds***

On January 15, 1999, the CDC issued 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 1991 TABs are limited obligations of the CDC payable from and secured by tax revenues to be derived from the project area. The pledge of future revenues ends upon final payment scheduled to occur in 2036.

### ***1999 Certificates of Participation***

On January 15, 1999, the Financing Authority issued the 1999 Certificates of Participation ("1999 COPs") in the amount of \$5,055,000. The 1999 COPs were issued to provide funding for the acquisition by the Financing Authority of the site and improvements for the community center complex.

### ***2003 Lease Revenue Refunding Bonds***

On July 1, 2003 the Financing Authority issued the Rohnert Park Financing Authority Lease, Series 2003 ("2003 LRBs") to refinance the Refunding Certificates of Participation (Rohnert Park Public Safety Facility Project-the Series 1994 Certificates) outstanding principal amount of \$5,780,000 and the Certificates of Participation (Master Equipment Lease Program- Series 1999 Certificates) outstanding principal balance 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 pledge of future revenues ends upon final payment scheduled to occur in 2025. In fiscal 2008, revenues pledged totaled \$493,431 and the required debt service was \$491,369.

### ***2001 Tax Allocation Bonds***

On September 25, 2001, the CDC issued the Rohnert Park Redevelopment Project Tax Allocation Refunding Bonds, Series 2001 ("2001 TABs") for the purpose of refunding a portion of the CDC's outstanding Series 1991 Bonds, funding certain capital improvements, funding a reserve fund and paying the issuance costs. The 2001 TABs are limited obligation bonds of the CDC payable from and secured by a portion of tax increment revenues. The pledge of future revenues ends upon final payment scheduled to occur in 2021.

### ***2007 Tax Allocation Bonds***

On March 28, 2007 the CDC issued the Rohnert Park Redevelopment Project Tax Allocation Bonds, Series 2007R ("2007 Redevelopment Project Bonds") in the amount of \$34,680,000, and the Rohnert Park Redevelopment Project Housing Tax Allocation Bonds ("2007 Housing Bonds") 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 2007 Redevelopment Project Bonds are special obligations of the CDC payable from and secured by tax revenues. The pledge of future revenues ends upon final payment scheduled to occur in 2038 for both of the 2007 Tax Allocation Bonds



In fiscal year 2008, pledged revenues for the Series 1991 Bonds, 1999 TABs, 2001 TABs, and 2007 Redevelopment Project Bonds totaled \$10,890,033, and required debt service was \$3,811,909, as follows: 1991 Bonds - \$585,000; 1999 TABs - \$387,810; 2001 TABs - \$381,230; and 2007 Redevelopment Project Bonds - \$2,457,869. The 2007 Housing Bonds are special obligations of the CDC and payable from and secured by the housing set-aside amount. Revenues pledged in fiscal year 2008 for the 2007 Housing Bonds were \$2,477,091, and the required debt service was \$1,609,067.

#### **Business-Type Activities:**

##### ***2005 Sewer System Revenue Certificates of Participation***

On May 27, 2005, the City issued Sewer System Revenue Certificates of Participation, Series 2005 (Certificates) in the amount of \$13,000,000. Proceeds of the Certificates 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 Certificates to June 1, 2006, c) providing for the deposit of a reserve fund surety bond and d) paying costs of delivery of the Certificates. The Certificates will mature in the year 2036 and carry interest rates ranging from 3.00% - 5.00%. The City has pledged future sewer services charges, net of specified operating expenses, to repay the debt. In fiscal 2008, net revenues available for debt service totaled \$3,440,718, and debt service was \$815,729.

##### ***2002 and 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 (Authority) Water Revenue Bonds. The 2002 Water Revenue Bonds were authorized and issued by the California Statewide Communities Development Authority on behalf of the City in the amount of \$2,090,000. The proceeds are to be used for water improvement projects. System net revenues, as defined in the agreement, are irrevocably pledged for the debt service payments until maturity.

On May 1, 2005, the City issued Series 2005A (Bonds) in the amount of \$5,000,000 under the program. Proceeds of the Bonds were used to finance the acquisition and construction of water and wastewater public capital improvements. The Bonds will mature in 2030 and carry interest rates from 2.5% to 4.5%. The City entered into an Installment Purchase Agreement with the Authority that provides that all system net revenues are pledged to the payment of the installment payments until maturity.

In fiscal 2008, system net revenues available to fund the 2002 and 2005 Water Revenue Bonds totaled \$294,812 and debt service was \$466,949.

The following is a summary of changes to long-term liabilities for the year ended June 30, 2008:

	Balance July 1, 2007	Additions/ Accretions	Retirements	Balance June 30, 2008	Amount due Within One Year
Governmental activities:					
Special assessment bonds	\$ 190,000	\$ -	\$ 190,000	\$ -	\$ -
Certificates of participation	4,115,000	-	155,000	3,960,000	160,000
Lease revenue refunding bonds	6,255,000	-	235,000	6,020,000	240,000
Tax allocation bonds	78,692,664	-	2,528,415	76,164,249	928,993
Capital leases	1,777,736	-	239,038	1,538,698	227,989
Accreted interest on capital appreciation bonds	5,658,909	816,184	386,585	6,088,508	396,007
Total long-term debt	96,689,309	816,184	3,734,038	93,771,455	1,952,989
Original issue premium	1,407,227	-	52,318	1,354,909	52,318
Original issue discount	(412,765)	-	(14,279)	(398,486)	(14,279)
Deferred amount on refunding	(280,438)	-	(60,153)	(220,285)	(49,576)
Compensated absences	1,354,696	865,894	815,178	1,405,412	508,444
Total governmental activities	\$ 98,758,029	\$ 1,682,078	\$ 4,527,102	\$ 95,913,005	\$ 2,449,896
Business-type activities:					
Water revenue bonds	\$ 6,515,000	\$ -	\$ 210,000	\$ 6,305,000	\$ 220,000
Sewer revenue certificates of participation	12,770,000	-	240,000	12,530,000	245,000
Original issue premium	220,108	-	7,612	212,496	7,612
Original issue discount	(61,881)	-	(2,853)	(59,028)	(2,853)
Total business-type activities	\$ 19,443,227	\$ -	\$ 454,759	\$ 18,988,468	\$ 469,759

For the governmental activities, compensated absences are generally liquidated by the General Fund.

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

Fiscal Year Ending June 30:	Certificates of Participation		Lease Revenue Bonds		Tax Allocation Bonds		Accreted
	Principal	Interest	Principal	Interest	Principal	Interest	Interest
2009	\$ 160,000	\$ 186,120	\$ 240,000	\$ 250,431	\$ 928,993	\$ 3,037,245	\$ 396,007
2010	165,000	179,538	245,000	243,756	1,057,092	3,004,455	407,908
2011	175,000	172,480	255,000	236,129	1,045,355	2,973,953	579,645
2012	180,000	164,935	265,000	227,704	1,041,810	2,947,940	603,190
2013	190,000	156,885	270,000	218,373	1,988,453	2,900,860	186,547
2014 - 2018	1,075,000	641,408	1,520,000	924,933	11,831,848	13,211,302	1,103,152
2019 - 2023	1,370,000	338,750	1,875,000	551,356	12,532,763	10,622,007	4,242,237
2024 - 2028	645,000	32,625	1,350,000	98,092	12,383,292	8,482,666	6,536,708
2029 - 2033	-	-	-	-	14,435,758	5,836,687	7,059,242
2034 - 2038	-	-	-	-	18,918,885	2,362,078	4,441,115
Total	\$ 3,960,000	\$ 1,872,741	\$ 6,020,000	\$ 2,750,774	\$ 76,164,249	\$ 55,379,193	\$ 25,555,751

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
2009	\$ 220,000	\$ 251,196	\$ 245,000	\$ 567,779
2010	225,000	245,016	255,000	559,604
2011	230,000	238,284	265,000	551,129
2012	240,000	230,918	275,000	542,074
2013	245,000	222,951	280,000	532,386
2014 – 2018	1,370,000	971,111	1,580,000	2,496,890
2018 – 2023	1,665,000	659,601	1,930,000	2,153,263
2024 – 2028	1,230,000	339,978	2,415,000	1,655,625
2029 – 2033	880,000	60,526	3,065,000	1,006,000
2034 – 2037	-	-	2,220,000	220,374
Total	<u>\$ 6,305,000</u>	<u>\$ 3,219,581</u>	<u>\$ 12,530,000</u>	<u>\$ 10,285,124</u>

#### Legal Debt Limit

As of June 30, 2008, the City's legal debt limit (15% of valuation subject to taxation) was \$611,773,290. Currently, the City has no debt subject to the debt limit.

#### Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield 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 (IRS) at least every five years. During the current year, Municipal Finance Corporation performed calculations of excess investment earnings on various bonds and financings and at June 30, 2008, the City has no liability.

#### Conduit Debt

The City has issued a Multifamily Housing Revenue Bond and four Mobile Home Park Revenue Bonds to provide funds to builders for the construction of a multifamily housing project and two mobile home park projects. The bonds are payable solely from the revenue collected by the builders of the projects. The City is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the City's basic financial statements.

The aggregate principal amount payable for the five series of bonds as of June 30, 2008 are as follows:

Multifamily Housing Revenue Bonds 1995 Series A (Crossbrooks Apartments)	\$ 8,715,000
Mobile Home Park Revenue Bonds 2001 Series A (Las Casitas De Sonoma)	4,515,000
Mobile Home Park Revenue Bonds 2001 Series B (Las Casitas De Sonoma)	456,644
Mobile Home Park Revenue Bonds Series 2003A (Rancho Feliz MHP)	12,595,000
Mobile Home Park Revenue Bonds Series 2003B (Rancho Feliz MHP)	3,390,000

#### Capital Leases

The City has entered into long-term capital lease agreements with various financing agencies to lease public safety patrol and fire protection vehicles and other equipment. The following is a summary of future minimum lease payments as of June 30, 2008:

Fiscal Year ending June 30:	Principal	Interest
2009	\$ 227,989	\$ 59,838
2010	191,205	51,392
2011	164,625	44,552
2012	136,727	39,060
2013	106,079	33,831
2014-18	430,173	114,154
2019-22	281,900	16,487
Total	<u>\$ 1,538,698</u>	<u>\$ 359,314</u>

Payment for capital lease obligations are made from various revenue sources recorded in the General Fund and transferred to the General Debt Service Fund. At June 30, 2008, equipment under the capital leases of \$3,527,991 is included in the statement of net assets.

## 9. EMPLOYEES' RETIREMENT PLAN

Plan Description – All permanent employees are eligible to participate in the Public Employees' Retirement Fund (the Fund) of the State of California's Public Employees Retirement System (CALPERS). The Fund is an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. However, the Fund is pooled for the City's safety employees, therefore the safety plan is considered a cost-sharing plan from the City's perspective. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age fifty. These benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the Fund's annual financial report may be obtained from CALPERS' executive office: 400 P. Street, Sacramento, CA 95814. A separate report for the City's plan within the Fund is not available.

Funding Policy – The City pays the employee contribution for both safety and miscellaneous employees, which are 9% and 8% of their annual covered salary to the Fund, respectively. The City is required to contribute at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the Fund's Board of Administration. The required employer contribution rates for fiscal year ended June 30, 2008 were 34.332% for safety employees and 16.677% for miscellaneous employees of annual covered payroll. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost – The City's annual pension cost for the Fund was equal to the City's required and actual contributions, which was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases from 3.25% to 14.45% depending on age, service and type of employment. Both (a) and (b) include an inflation component of 3%. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. The actuarial value of City's assets was determined using a 15 year smoothed market technique.

**Schedule of Employer Contributions  
Safety Plan (Cost-Sharing Multiple-Employer Plan)  
(dollar amounts in thousands)**

<u>Fiscal Year Ended</u>	<u>Required Contributions</u>	<u>Percentage Contributed</u>
6/30/06	\$ 1,608	100%
6/30/07	1,581	100
6/30/08	2,705	100

**Schedule of Employer Contributions  
Miscellaneous Plan (Agent Multiple-Employer Plan)  
(dollar amounts in thousands)**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 713	100%	-
6/30/07	871	100	-
6/30/08	1,488	100	-

The PERS schedule of funding progress following the notes to the financial statements presents multi-year trend information.

#### 10. POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. The City's memorandum of understanding with its employees establishes the provisions for these post-employment health care benefits. Substantially all of the City's employees may become eligible for these benefits if they work for the City at least fifteen years and they reach normal retirement age while working for the City. These benefits are not available unless the retired employee is also receiving benefits from CalPERS. The cost of retiree health care and life insurance benefits are recognized as expenditures as claims are paid. For 2008, these costs totaled \$988,606. At June 30, 2008, ninety-nine participants were eligible to receive these benefits.

An actuarial valuation of the post-retirement benefit program was performed in 1999. The study determined that the actuarial accrued liability as of June 30, 1999 was \$8,968,000. Based on the tremendous rise in health plan premiums, an increasing retiree base and lower interest rates, the City Council commissioned an update of the study. The results were dramatic, with the unfunded actuarial accrued liability rising to \$38.5 million as of July 1, 2003. Another study was performed July 1, 2005, due to continuous increases in health plan premiums. This study showed the unfunded actuarial accrued liability jumping to \$52.3 million. The study indicates that the new annual contribution required to fund the reserve over a thirty-year period is \$4.6 million per year. The actuarial assumptions used were: 1) an interest rate of 4.5%, 2) an inflation rate of 3.5%, 3) a medical increase trend rate starting at 12.5% and decreasing gradually to an ultimate rate of 5.75%, and 4) demographic assumptions utilized by CalPERS, modified to reflect anticipated increased life expectancy and Rohnert Park's lower turnover rates. Management and the City Council will be developing a plan over future years to pay for this unfunded liability.

In 2007 the City negotiated new labor contracts to reduce the retiree medical benefit for health. As a result of the benefit reduction, and assuming a higher investment return rate for trust funds, the unfunded liability went down to \$27.6 million. The City will create a trust fund and if funds are available, intends to set aside at least \$3 million from the retiree medical reserve into this fund during the next fiscal year.

The City has designated a portion of General Fund's fund balance for future retiree health care benefits in the event that claims cannot be paid from future operations. At June 30, 2008, the General Fund designated fund balance for retired employee medical insurance was \$3,178,807.

#### 11. FUND BALANCE / NET ASSETS

Fund Balance - In the fund financial statements, governmental funds report fund balance reserves for amounts that are not appropriable for expenditure or legally or contractually segregated for a specific future use. Fund balance designations result from City management or City Council action. Such designations are at the discretion of management or Council and may be changed by future management or Council action.

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies 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, 2008, unreserved, designated fund balances were as follows:

Fund balance designations for:	
General Fund:	
Contingencies	\$ 4,622,113
Self-insurance	838,726
Infrastructure	282,384
Recreational facilities	52,214
Retired employee medical insurance	3,178,807
Housing programs	511,862
Retirement costs/miscellaneous	350,000
Equipment replacement	957,078
Donations	<u>228,206</u>
Total General Fund	<u>\$ 11,021,390</u>
Nonmajor Governmental Funds:	
Capital projects	<u>\$ 95,021</u>

In government-wide statements equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

## 12. 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 (risk-sharing pool) established in May 1976 to provide an independently managed 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.

The City’s deductibles and maximum coverage follows:

Coverage:	Deductible	REMIF	Excess Coverage
General liability	\$ 5,000	\$ 500,000	\$ 39,500,000
Workers’ compensation	5,000	1,000,000	Statutory
Property damage	5,000	25,000	300,000,000
Automobile liability	5,000	10,000	39,500,000
Earthquake and flood	100,000	-	40,000,000
Fidelity	5,000	25,000	2,000,000

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 that deficiency. 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 \$1,238,373 and received REMIF refunds of \$181,255 during the year ended June 30, 2008. 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, 2008 the amount of these IBNR liabilities was \$17,600. This liability is the City's best estimate based on available information.

Changes in the reported liability resulted from the following:

Liability at June 30, 2006	\$ 203,706
Current year claim deductibles and changes in estimates	115,852
Net payments	(210,986)
Liability at June 30, 2007 (reported in accrued liabilities)	108,572
Current year claim deductibles and changes in estimates	93,548
Net payments	(124,460)
Liability at June 30, 2008 (reported in accrued liabilities)	<u>\$ 77,660</u>

At June 30, 2008, management designated \$838,726 of fund balance in the General Fund for future claims liabilities.

### 13. COMMITMENTS AND CONTINGENCIES

The City is a defendant in several lawsuits arising in the normal course of business. In the opinion of the City Attorney and City Management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially effect the basic financial statements of the City.

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

The Commission purchased the properties located at 6230 State Farm Drive and an adjacent property located at 415 City Center Drive for a total cost of \$1.7 million in November and December 2007, which are included in construction in progress at June 30, 2008. Both of these acquisitions were funded through the 2007R tax allocation bond proceeds. The Commission intends to acquire one more parcel adjacent to these sites, which is currently owned by the City for an estimated value of \$3 million. The Commission intends to solicit interest from developers to construct a mixed-use project on these sites (2.96 acres).

The Commission received \$1,150,000 of MTC TLC funds in the fiscal year 2005-06 for the development of the City Center Plaza and Pedestrian Improvements. The Commission set aside \$600,000 in its 2006-07 budget as matching funds towards this project. Numerous community workshops were held to receive public input on the design. The design has been approved by the Planning Commission and the City Council. Construction commenced in late calendar 2008 and is anticipated to be completed in the summer of 2009.

The Commission received an award of \$600,000 on June 29, 2007 from the State of California Department of Housing and Community Development for the purpose of operating an Owner-Occupied Rehabilitation loan program. All program documents have been approved and the Commission has submitted a draw request. The Commission expects to receive the funds from this first draw request in early calendar 2009. A receivable has not been recorded on the accompanying financial statements for the draw request. The funds will be recorded as revenue upon receipt.

The Commission amended its Redevelopment Plan at a public hearing on May 22, 2007. The plan amendment programmed redevelopment and housing projects from the \$34,680,000 Tax Allocation Bonds, Series 2007R and \$26,760,000 Housing Tax Allocation Bonds, Series 2007H. The amended redevelopment plan expires in fiscal year 2008-09.

#### 14. LEASES

The City has entered into an operating lease contract whereby the City leases golf courses to a third party. The lease commenced May 2001 and was amended April 2005. The term of the lease is for twenty years, with an optional extension of ten years. The costs of the golf course improvements are \$2.1 million with associated accumulated depreciation of \$1.1 million at June 30, 2008.

The future minimum rentals to be received from the aforementioned operating lease as of June 30, 2008 are as follows (in thousands):

Fiscal Year Ending June 30,	
2009	\$ 150
2010	150
2011	175
2012	175
2013 - 2017	925
2018 - 2022	1,050
2023 - 2027	1,175
2028 - 2032	1,250
2033	250
Future minimum lease rentals	<u>\$ 5,300</u>

These future minimum rentals are based upon annual rates agreed to by the lessee. In addition to the future minimum rentals disclosed above, the City leases various other properties, and the City expects to receive approximately \$398,000 monthly from month-to-month rentals in fiscal year 2008-09.

#### 15. NEW GASB PRONOUNCEMENTS

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. GASB Statement No. 48 established the criteria to determine whether certain transactions should be regarded as sales or collateralized borrowings. It also requires employers to disclose future revenues pledged to support debt and intra-entity transfers of assets and future revenues. The requirements of this Statement are effective for fiscal periods beginning after December 15, 2006. The adoption of GASB Statement No. 48 did not have an impact on the financial position, results of operations, or cash flows of the City.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures*. GASB Statement No. 50 is an amendment of GASB Statements No. 25 and No. 27. This statement more closely aligns the financial requirements for pensions with those of other postemployment benefits. The adoption of GASB Statement No. 50 did not have an impact on the financial position, results of operations, or cash flows of the City.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the City's fiscal year ending June 30, 2009. The City provides certain health care benefits for retired employees, which historically have been funded on a pay-as-you-go basis, as described in Note 10.



In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the statement excludes pollution prevention or control obligations with respect to current operations and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning. Application of this statement is effective for the City's fiscal year ending June 30, 2009.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. Application of this statement is effective for the City's fiscal year ending June 30, 2010.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement specifically requires governments to measure and report most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The requirement of reporting the derivative instruments at fair value on the face of the financial statements gives the users of financial statements a clearer look into the risks their governments are sometimes exposed to when they enter into these transactions and how those risks are managed. The statement also addresses hedge accounting requirements and improves disclosures, providing a summary of the government's derivative instrument activity, its objectives for entering into derivative instruments, and their significant terms and risks. Application of this statement is effective for the City's fiscal year ending June 30, 2010.

## **16. SUBSEQUENT EVENTS**

In September 2008, the City received \$1 million from a developer towards the purchase of certain parcels known as the Stadium Lands under an Option to Purchase and Purchase Agreement, dated April 8, 2003. Various option payments are due as certain milestones are met. Including the \$1 million received by the City in September 2008, total payments received by the City amount to \$2.6 million. The total purchase price of the Stadium Lands will be \$8.6 million, with credits given against the purchase price for all option payments.

On November 4, 2008, the Sewer Rollback Initiative (Measure L) passed which requires the City to rollback the sewer rates to the rate in effect on January 1, 2006 for all sewer customers. Upon certification of the initiative, the sewer rates were rolled back on December 14, 2008. The expected impact of the rollback is a reduction in annual sewer revenue of approximately \$3.7 million.

## **17. PRIOR PERIOD ADJUSTMENTS**

Beginning of year net assets were increased by \$13,076,399, comprised of the following: The Commission's Housing Fund balance was increased by \$76,884 to correct for the recording of interest revenue in the prior year related to loans receivable. Additionally, an accrued liability of \$49,370 in the Copeland Creek Drainage Facility Special Revenue Fund was deleted as this liability was established several years ago and assumed to have been cleared as this fund no longer is active and the fee has been eliminated. Lastly, there was an adjustment to prior period accumulated depreciation related to the City's governmental activities capital assets of \$12,950,145, primarily related to an error on the conversion to a new fixed asset module computer system in 2004, which resulted in the duplicate booking of accumulated depreciation for assets purchased prior to July 1, 2004.

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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**PERS Schedule of Funding Progress for Miscellaneous Plan (dollar amounts in thousands)**  
**(Unaudited)**

Actuarial Valuation Date	(A) Actuarial Asset Value	(B) Entry Age Actuarial Accrued Liability	(C) Unfunded (Overfunded) Actuarial Accrued Liability [(B) - (A)]	(D) Funded Ratio [(A) / (B)]	(E) Covered Payroll	(F) Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll [(C)/(E)]
6/30/03	\$ 30,828	\$ 33,464	\$ 2,636	92.12%	\$ 7,532	35.0%
6/30/04	35,096	37,400	2,304	93.84%	6,796	33.9%
6/30/05	39,278	40,055	777	98.06%	7,129	10.9%
6/30/06	43,431	46,062	2,631	94.29%	7,685	34.2%
6/30/07	51,658	50,121	(1,537)	103.07%	8,544	-18.0%
6/30/08			** information not available**			

**PERS Schedule of Funding Progress for Safety Plan (dollar amounts in thousands)**  
**(Unaudited)**

Actuarial Valuation Date	(A) Actuarial Asset Value	(B) Entry Age Actuarial Accrued Liability	(C) Unfunded (Overfunded) Actuarial Accrued Liability [(B) - (A)]	(D) Funded Ratio [(A) / (B)]	(E) Covered Payroll	(F) Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll [(C)/(E)]
6/30/03	\$ 3,577,742	\$ 4,270,574	\$ 692,832	83.78%	\$ 476,090	145.5%
6/30/04	4,424,587	5,383,922	959,335	82.18%	575,296	166.8%
6/30/05	5,295,150	6,367,049	1,071,899	83.16%	664,148	161.4%
6/30/06	6,102,615	7,278,049	1,175,434	83.85%	754,730	155.7%
6/30/07	6,826,599	7,986,055	1,159,456	85.48%	831,608	139.4%
6/30/08			** information not available**			

Note: safety plan is part of a much larger pool. Figures shown above are pool figures.

**CITY OF ROHNERT PARK**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 3,335,000	\$ 3,335,000	\$ 3,200,856	\$ (134,144)
Real property transfer	175,000	175,000	117,545	(57,455)
Transient occupancy	2,000,000	2,000,000	1,899,362	(100,638)
Sales and use	7,900,000	7,900,000	7,236,048	(663,952)
Franchises	1,445,000	1,445,000	1,440,749	(4,251)
	<u>14,855,000</u>	<u>14,855,000</u>	<u>13,894,560</u>	<u>(960,440)</u>
Licenses, permits and fees:				
Business licenses	497,000	497,000	487,437	(9,563)
Animal licenses	55,000	55,000	54,059	(941)
Building permits	346,500	346,500	385,572	39,072
Plan check	175,000	175,000	165,199	(9,801)
	<u>1,073,500</u>	<u>1,073,500</u>	<u>1,092,267</u>	<u>18,767</u>
Fines, forfeitures and penalties:				
Vehicle code	90,000	90,000	79,145	(10,855)
Parking fines	70,000	70,000	45,629	(24,371)
Impound fees	15,000	15,000	25,600	10,600
Other court	20,000	20,000	9,327	(10,673)
	<u>195,000</u>	<u>195,000</u>	<u>159,701</u>	<u>(35,299)</u>
Interest and rentals:				
Investment earnings	1,600,000	1,600,000	1,266,309	(333,691)
Rent - golf courses	150,000	150,000	150,000	-
Rent - other	419,750	419,750	356,849	(62,901)
Subtotal	<u>2,169,750</u>	<u>2,169,750</u>	<u>1,773,158</u>	<u>(396,592)</u>
Intergovernmental:				
State motor vehicle in-lieu tax	3,090,000	3,090,000	3,142,034	52,034
Off-highway motor vehicle license fee	-	-	-	-
Public Safety Augmentation Fund	230,000	230,000	226,461	(3,539)
Grants	18,000	18,000	121,086	103,086
Reimbursements	10,000	10,000	39,891	29,891
Other	160,000	160,000	148,789	(11,211)
Subtotal	<u>3,508,000</u>	<u>3,508,000</u>	<u>3,678,261</u>	<u>170,261</u>

(continued)

## CITY OF ROHNERT PARK

## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
(Continued)				
REVENUES (Continued)				
Charges for current services:				
Zoning and subdivision fees	50,000	50,000	113,460	63,460
General plan maintenance fee	50,000	50,000	20,694	(29,306)
Sales of maps and lists	25,500	25,500	10,410	(15,090)
Special public safety services	50,000	50,000	30,905	(19,095)
Fire Inspection Fees	250,000	250,000	261,526	11,526
Vehicle abatement revenue	28,000	28,000	27,734	(266)
Animal shelter fees	50,000	50,000	53,342	3,342
Engineering fees	300,000	300,000	639,132	339,132
Library ground maintenance	8,000	8,000	9,870	1,870
Recreation:				
Recreation centers	795,300	795,300	760,032	(35,268)
Swimming pools	208,200	208,200	184,984	(23,216)
Contract classes and other	150,000	150,000	157,049	7,049
Subtotal	1,965,000	1,965,000	2,269,138	304,138
Donations and miscellaneous:				
Cultural Arts Center	637,600	637,600	535,815	(101,785)
Refuse administration	302,632	302,632	303,098	466
Donations	-	-	48,173	48,173
Miscellaneous	148,000	148,000	222,170	74,170
Subtotal	1,088,232	1,088,232	1,109,256	21,024
Total revenues	24,854,482	24,854,482	23,976,341	(878,141)

(continued)

**CITY OF ROHNERT PARK**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)				
<b>EXPENDITURES</b>				
Current:				
General government:				
City Council	106,447	106,447	131,227	(24,780)
City Manager	965,571	965,571	895,778	69,793
Finance and accounting	1,368,473	1,368,473	1,397,011	(28,538)
Information Services	577,418	577,418	484,776	92,642
Legal services	350,000	350,000	536,912	(186,912)
Planning Department/Commission	905,565	905,565	491,115	414,450
Personnel	353,420	353,420	499,077	(145,657)
Rent appeals board	139,763	139,763	97,833	41,930
City Office building	139,900	139,900	131,579	8,321
City Office annex	67,600	67,600	54,891	12,709
Property tax administration fee	100,000	100,000	105,980	(5,980)
General government-nondepartmental	1,749,380	1,749,380	1,449,186	300,194
Nondepartmental-employee benefits	1,098,061	1,098,061	988,606	109,455
General government-nondepartmental T/O	-	-	-	-
Enterprise fund cost allocation	(1,894,000)	(1,894,000)	(1,894,000)	-
Community Development Commission cost allocation	(1,310,450)	(1,310,450)	(1,310,450)	-
Subtotal	<u>4,717,148</u>	<u>4,717,148</u>	<u>4,059,521</u>	<u>657,627</u>
Public safety:				
Personnel	15,517,771	15,517,771	16,572,178	(1,054,407)
Police protection	1,554,744	1,554,744	1,479,011	75,733
Fire protection	296,160	296,160	253,743	42,417
Fire prevention	418,456	418,456	147,816	270,640
Animal control	480,873	480,873	389,058	91,815
Animal shelter	92,160	92,160	57,906	34,254
Civil defense/hazardous materials	29,100	29,100	6,675	22,425
Southwest station	3,900	3,900	1,000	2,900
Main station	488,500	488,500	328,327	160,173
North station	27,300	27,300	31,847	(4,547)
South station	26,000	26,000	18,446	7,554
Booking fees	135,000	135,000	1,465	133,535
Sexual assault examination fees	10,000	10,000	6,972	3,028
Youth and Family Program	125,464	125,464	119,782	5,682
Subtotal	<u>19,205,428</u>	<u>19,205,428</u>	<u>19,414,226</u>	<u>(208,798)</u>

(continued)

## CITY OF ROHNERT PARK

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)				
<b>EXPENDITURES (Continued)</b>				
Current:				
Public works:				
Engineering	1,008,027	1,008,027	960,618	47,409
Inspection	570,044	570,044	553,490	16,554
General	668,220	668,220	750,240	(82,020)
Maintenance of parkways	286,718	286,718	138,440	148,278
Maintenance of streets/bikepaths	509,777	509,777	466,703	43,074
Maintenance of school grounds	3,100	3,100	3,160	(60)
Street lighting	264,237	264,237	264,039	198
Traffic signals	100,000	100,000	88,212	11,788
Storm drains and drainage	60,000	60,000	35,978	24,022
Weed abatement	6,000	6,000	2,446	3,554
Enterprise fund cost allocation	(831,000)	(831,000)	(831,000)	-
Community Development Commission cost allocation	(176,550)	(176,550)	(176,550)	-
Subtotal	<u>2,468,573</u>	<u>2,468,573</u>	<u>2,255,776</u>	<u>212,797</u>
Parks and recreation:				
Parks	402,900	402,900	626,253	(223,353)
Parks maintenance-general	659,503	659,503	381,402	278,101
Recreation centers	1,185,509	1,185,509	1,058,623	126,886
Swimming pools	514,517	514,517	571,958	(57,441)
Recreation administration and program:	583,234	583,234	600,230	(16,996)
Golf courses	-	-	20	(20)
Library	9,100	9,100	9,566	(466)
Subtotal	<u>3,354,763</u>	<u>3,354,763</u>	<u>3,248,052</u>	<u>106,711</u>
Cultural Arts Center	<u>964,600</u>	<u>964,600</u>	<u>902,319</u>	<u>62,281</u>
Capital outlay	<u>493,200</u>	<u>493,200</u>	<u>259,788</u>	<u>233,412</u>
Subtotal expenditures	<u>31,203,712</u>	<u>31,203,712</u>	<u>30,139,682</u>	<u>1,064,030</u>

(continued)



**CITY OF ROHNERT PARK**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)				
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(6,349,230)</u>	<u>(6,349,230)</u>	<u>(6,163,341)</u>	<u>185,889</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	13,743,333	13,743,333	4,391,717	(9,351,616)
Transfers in	3,200,600	3,200,600	2,346,038	(854,562)
Transfers out	<u>(671,497)</u>	<u>(671,497)</u>	<u>(1,142,649)</u>	<u>(471,152)</u>
Total other financing sources (uses)	<u>16,272,436</u>	<u>16,272,436</u>	<u>5,595,106</u>	<u>(10,677,330)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,923,206</u>	<u>\$ 9,923,206</u>	<u>(568,235)</u>	<u>\$ (10,491,441)</u>
FUND BALANCE, BEGINNING OF YEAR:			<u>16,987,644</u>	
FUND BALANCE, END OF YEAR			<u>\$ 16,419,409</u>	

See note to required supplementary information.

## **CITY OF ROHNERT PARK**

### **NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

#### *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 the City General Fund, State Gasoline Tax Special Revenue Fund, Traffic Signals Fee Special Revenue Fund, Capital Outlay Fee Special Revenue Fund, Public Facilities Finance Fee Special Revenue Fund, Transportation Equity Act Special Revenue Fund, Local Law Enforcement Block Grant Special Revenue Fund, Supplemental Law Enforcement Services Special Revenue Fund, Measure M Traffic Fund, Traffic Congestion Relief (AB2928) Special Revenue Fund, Measure M Fire Benefit Assessment Special Revenue Fund, Mobile Home Rent Appeals Board Special Revenue Fund, F.I.G.R Special Revenue Fund, Copeland Creek Drainage Facility Special Revenue Fund 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 is 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.

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. No encumbrances were outstanding at June 30, 2008.

## **OTHER SUPPLEMENTARY INFORMATION**

## **CITY OF ROHNERT PARK**

### **DESCRIPTION OF OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2008**

#### **NONMAJOR SPECIAL REVENUE FUNDS**

To account for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government. The various funds and sources are:

State Gasoline Tax Special Revenue Fund – From 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 Streets Fund – From revenues received from County on one quarter cent sales tax for street improvements.

Traffic Signals Fee Special Revenue Fund – From revenues received from fees imposed on developers for the purpose of constructing traffic signals.

Capital Outlay Fee Special Revenue Fund – From revenues received from fees imposed on developers for the purpose of park development, open space, and community facilities such as fire stations, libraries, auditoriums, stadiums, etc.

Local Law Enforcement Block Grant Special Revenue Fund – From revenues received from the U.S. Department of Justice for the purpose of reducing crime and improving public safety.

Supplemental Law Enforcement Services Special Revenue Fund – From revenues received from the State of California pursuant to AB 3229 for the purpose of ensuring public safety.

Traffic Congestion Relief (AB 2928) Special Revenue Fund – From revenues received pursuant to Assembly Bill 2928 for the purpose of maintenance and reconstruction of streets and roads.

Measure M Fire Benefit Assessment Special Revenue Fund – From 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 Special Revenue Fund – From 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.

F.I.G.R. Special Revenue Fund – From revenues received pursuant to the memorandum of agreement with the Federated Indians of the Graton Rancheria. The purpose is to fund public safety neighborhood enforcement.

Copeland Creek Drainage Facility Special Revenue Fund – From 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.

#### **NONMAJOR DEBT SERVICE FUNDS**

To accumulate monies of payment of general long-term obligations, including capital leases and general obligation bonds.

General Debt Service Fund – To accumulate monies for payment of capital leases. Leases are financed by various revenues of the General Fund.

Special Assessments Debt Service Fund – To accumulate monies for payment of 1915 Act special assessment bonds. Financing is provided by special assessment taxes.

Community Development Commission Debt Service Fund – To accumulate monies for payment of Tax Allocation Refunding Bonds, Tax Allocation Bonds, Refunding Certificate of Participation, and other indebtedness. Financing is provided by a specific annual property tax increment, as well as lease revenues received from the City.

#### **NONMAJOR CAPITAL PROJECTS FUNDS**

To account for financial resources to be used for the acquisition of construction of major capital facilities (other than those financed by the proprietary fund types.)

Special Assessments Capital Projects Fund – To account for the acquisition of capital facilities financed from special assessment resources.

#### **NONMAJOR PERMANENT FUND**

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 (i.e., for the benefit of the City or its citizenry).

Performing Arts Center Endowment Permanent Fund – To account for 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  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	Nonmajor Special Revenue Funds	Community Development Debt Service Fund	Special Assessments Capital Projects Fund	Performing Arts Center Endowment Permanent Fund	Total
<b>ASSETS</b>					
Cash and investments	\$ 3,889,242	\$ -	\$ 95,021	\$ 1,265,851	\$ 5,250,114
Receivables:					
Taxes	389,738	-	-	-	389,738
Accounts	482,402	-	-	-	482,402
Restricted cash and investments		1,772,022	-	-	1,772,022
Total assets	<u>\$ 4,761,382</u>	<u>\$ 1,772,022</u>	<u>\$ 95,021</u>	<u>\$ 1,265,851</u>	<u>\$ 7,894,276</u>
<b>LIABILITIES</b>					
Due to other funds	<u>\$ 378,471</u>				<u>\$ 378,471</u>
<b>FUND BALANCES</b>					
Reserved for:					
Street projects	1,472,761	-	-	-	1,472,761
Debt service		1,772,022	-	-	1,772,022
Performing Arts Center endowment		-	-	1,265,851	1,265,851
Unreserved, reported in:					
Special revenue funds	2,910,150	-	-	-	2,910,150
Capital project fund		-	95,021	-	95,021
Total fund balances	<u>4,382,911</u>	<u>1,772,022</u>	<u>95,021</u>	<u>1,265,851</u>	<u>7,515,805</u>
Total liabilities and fund balances	<u>\$ 4,761,382</u>	<u>\$ 1,772,022</u>	<u>\$ 95,021</u>	<u>\$ 1,265,851</u>	<u>\$ 7,894,276</u>

**CITY OF ROHNERT PARK**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Special Assessment Capital Projects Fund	Performing Arts Center Endowment Permanent Fund	Total Other Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 486,187	\$ -	\$ 430	\$ -	\$ 486,617
Intergovernmental	1,832,084	-	-	-	1,832,084
Interest and rentals	154,116	63,342	-	58,669	276,127
Licenses, permits and fees	724,592	-	-	-	724,592
Donations	628,471	-	-	200	628,671
	<u>3,825,450</u>	<u>63,342</u>	<u>430</u>	<u>58,869</u>	<u>3,948,091</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
General government	20,469	-	430	-	20,899
Debt service:					
Principal	-	3,344,038	-	-	3,344,038
Interest and fiscal charges	-	2,629,429	-	-	2,629,429
	<u>20,469</u>	<u>5,973,467</u>	<u>430</u>	<u>-</u>	<u>5,994,366</u>
Total expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,804,981</u>	<u>(5,910,125)</u>	<u>-</u>	<u>58,869</u>	<u>(2,046,275)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	21,914	5,640,686	-	-	5,662,600
Transfers out	(4,671,558)	-	-	(58,669)	(4,730,227)
	<u>(4,649,644)</u>	<u>5,640,686</u>	<u>-</u>	<u>(58,669)</u>	<u>932,373</u>
Total other financing sources (uses)					
<b>NET CHANGE IN FUND BALANCES</b>	<u>(844,663)</u>	<u>(269,439)</u>	<u>-</u>	<u>200</u>	<u>(1,113,902)</u>
<b>FUND BALANCES:</b>					
BEGINNING OF THE YEAR	5,178,204	2,041,461	95,021	1,265,651	8,580,337
<b>PRIOR PERIOD ADJUSTMENT TO FUND BALANCE</b>	<u>49,370</u>				<u>49,370</u>
<b>END OF YEAR</b>	<u>\$ 4,382,911</u>	<u>\$ 1,772,022</u>	<u>\$ 95,021</u>	<u>\$ 1,265,851</u>	<u>\$ 7,515,805</u>

## CITY OF ROHNERT PARK

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2008**

	State Gasoline Tax	Measure M Traffic	Prop 1B	Traffic Signals Fee	Capital Outlay Fee	Public Facility Finance Fee	Measure M Fire Benefit Assessment	Mobile Home Rent Appeals Board	F.I.G.R.	Copeland Creek Drainage Facility	Total
<b>ASSETS</b>											
Cash and investments	\$ 502,629	\$ 38,680	\$ 671,146	\$ 1,785,466	\$ 217,574	\$ 621,633	\$ -	\$ 52,114	\$ -	\$ -	\$ 3,889,242
Receivables (net of allowance for uncollectibles):											
Taxes	-	-	-	-	-	-	11,267	-	378,471	-	389,738
Accounts	260,306	-	-	-	-	222,096	-	-	-	-	482,402
Total assets	\$ 762,935	\$ 38,680	\$ 671,146	\$ 1,785,466	\$ 217,574	\$ 843,729	\$ 11,267	\$ 52,114	\$ 378,471	\$ -	\$ 4,761,382
<b>LIABILITIES</b>											
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	378,471	-	378,471
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES (DEFICIT)</b>											
Reserved for street projects	762,935	38,680	671,146	-	217,574	843,729	11,267	52,114	-	-	1,472,761
Unreserved	-	-	-	1,785,466	-	-	-	-	-	-	2,910,150
Total fund balances (deficit)	762,935	38,680	671,146	1,785,466	217,574	843,729	11,267	52,114	-	-	4,382,911
Total liabilities and fund balances (deficit)	\$ 762,935	\$ 38,680	\$ 671,146	\$ 1,785,466	\$ 217,574	\$ 843,729	\$ 11,267	\$ 52,114	\$ 378,471	\$ -	\$ 4,761,382



CITY OF ROHNERT PARK

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICIT)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

REVENUES	State Gasoline Tax	Measure M Traffic	Prop 1B	Traffic Signals Fee	Capital Outlay Fee	Public Facility Finance Fee	Supplemental Law Enforcement Services	Measure M Fire Benefit Assessment	Mobile Home Rent Appeals Board	F.I.G.R.	Copeland Creek Drainage Facility	Total
Measure M assessments	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ 486,187	\$ -	\$ -	\$ -	\$ 486,187
Intergovernmental	781,508	259,610	690,966	-	-	-	100,000	-	-	-	-	1,832,084
Interest and rentals	15,954	1,929	4,080	76,956	9,298	43,160	2,739	-	-	-	-	154,116
Licenses, permits and fees	-	-	-	5,300	2,280	717,012	-	-	-	-	-	724,592
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	628,471	-	628,471
Total revenues	797,462	261,539	695,046	82,256	11,578	760,172	102,739	486,187	-	628,471	-	3,825,450
EXPENDITURES												
Current:												
General government	20,469	-	-	-	-	-	-	-	-	-	-	20,469
EXCESS OF REVENUES OVER EXPENDITURES	776,993	261,539	695,046	82,256	11,578	760,172	102,739	486,187	-	628,471	-	3,804,981
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	-	-	21,914	-	-	21,914
Transfers out	(671,954)	(535,495)	(23,900)	(35,626)	(204)	(2,179,697)	(102,739)	(493,472)	-	(628,471)	-	(4,671,558)
Total other financing sources (uses)	(671,954)	(535,495)	(23,900)	(35,626)	(204)	(2,179,697)	(102,739)	(493,472)	21,914	(628,471)	-	(4,649,644)
NET CHANGE IN FUND BALANCES	105,039	(273,956)	671,146	46,630	11,374	(1,419,525)	-	(7,285)	21,914	-	-	(844,663)
FUND BALANCES (DEFICIT):												
BEGINNING OF THE YEAR	657,896	312,636	-	1,738,836	206,200	2,263,254	-	18,552	30,200	-	(49,370)	5,178,204
PRIOR PERIOD ADJUSTMENT TO FUND BALANCE	-	-	-	-	-	-	-	-	-	-	-	-
END OF YEAR	\$ 762,935	\$ 38,680	\$ 671,146	\$ 1,785,466	\$ 217,574	\$ 843,729	\$ -	\$ 11,267	\$ 52,114	\$ -	\$ -	\$ 4,382,911

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****STATE GASOLINE TAX SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses, permits and fees:				
Traffic signals				
Capital outlay				
Interest and rentals	\$ -	\$ -	\$ 15,954	\$ 15,954
Intergovernmental:				
Section 2105, maintenance	260,000	260,000	254,141	(5,859)
Section 2106, construction	190,000	190,000	181,282	(8,718)
Section 2107, maintenance	350,000	350,000	340,085	(9,915)
Section 2107.5, engineering	6,000	6,000	6,000	-
Total revenues	806,000	806,000	797,462	(8,538)
<b>EXPENDITURES</b>				
Current:				
General government	20,000	20,000	20,469	(469)
EXCESS OF REVENUES OVER EXPENDITURES	786,000	786,000	776,993	(9,007)
<b>OTHER FINANCING USES</b>				
Transfers out	(831,000)	(831,000)	(671,954)	159,046
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (45,000)</u>	<u>\$ (45,000)</u>	105,039	<u>\$ 150,039</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>657,896</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 762,935</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****MEASURE M TRAFFIC SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses, permits and fees:				
Measure M Streets Allocation	\$ 246,603	\$ 246,603	\$ 259,610	\$ 13,007
Interest and rentals	-	-	1,929	1,929
Total revenues	246,603	246,603	261,539	14,936
<b>OTHER FINANCING USES</b>				
Transfers out	(252,708)	(252,708)	(535,495)	(282,787)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (6,105)</u>	<u>\$ (6,105)</u>	(273,956)	<u>\$ (267,851)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>312,636</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 38,680</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE  
PROP 1B SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses, permits and fees:				
Prop 1B Streets Allocation	\$ 692,760	\$ 692,760	\$ 690,966	\$ (1,794)
Interest and rentals	-	-	4,080	4,080
Total revenues	692,760	692,760	695,046	2,286
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(23,900)	(23,900)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 692,760</u>	<u>\$ 692,760</u>	671,146	<u>\$ (21,614)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 671,146</u>	

**CITY OF ROHNERT PARK**

**BUDGETARY COMPARISON SCHEDULE**

**TRAFFIC SIGNALS FEE SPECIAL REVENUE FUND**

**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses, permits and fees:				
Traffic signals	\$ -	\$ -	\$ 5,300	\$ 5,300
Interest and rentals	\$ -	\$ -	\$ 76,956	\$ 76,956
Total revenues	-	-	82,256	82,256
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(35,626)	(35,626)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	46,630	<u>\$ 46,630</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,738,836</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,785,466</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE  
CAPITAL OUTLAY FEE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Licenses, permits and fees:	\$ -	\$ -	\$ 2,280	\$ 2,280
Interest and rentals	-	-	9,298	9,298
Total revenues	-	-	11,578	11,578
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(204)	(204)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	11,374	<u>\$ 11,374</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>206,200</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 217,574</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****PUBLIC FACILITIES FINANCE FEE SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses, permits and fees:	\$ -	\$ -	\$ 717,012	\$ 717,012
Interest and rentals	-	-	43,160	43,160
Total revenues	-	-	760,172	760,172
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			-	-
Transfers out	(1,894,390)	(1,894,390)	(2,179,697)	(285,307)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,894,390)</u>	<u>\$ (1,894,390)</u>	(1,419,525)	<u>\$ 474,865</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>2,263,254</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 843,729</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****SUPPLEMENTAL LAW ENFORCEMENT SERVICES SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Interest and rentals	\$ 100,000	\$ 100,000	\$ 2,739	\$ (97,261)
Intergovernmental	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total revenues	100,000	100,000	102,739	2,739
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(102,739)</u>	<u>(102,739)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>-</u>	<u>\$ (100,000)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	



**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****MEASURE M FIRE BENEFIT ASSESSMENT SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Measure M assessments	\$ 470,000	\$ 470,000	\$ 486,187	\$ 16,187
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(470,000)</u>	<u>(470,000)</u>	<u>(493,472)</u>	<u>(23,472)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(7,285)</u>	<u>\$ (7,285)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>18,552</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 11,267</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****MOBILE HOME RENT APPEALS BOARD SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses, permits and fees:	\$ -	\$ -	\$ -	\$ -
<b>OTHER FINANCING USES</b>				
Transfers in			21,914	21,914
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	21,914	<u>\$ 21,914</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>30,200</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 52,114</u>	

**CITY OF ROHNERT PARK****BUDGETARY COMPARISON SCHEDULE****F.I.G.R. FUND****FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Donations	<u>\$ 653,000</u>	<u>\$ 653,000</u>	<u>\$ 628,471</u>	<u>\$ (24,529)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(653,000)</u>	<u>(653,000)</u>	<u>(628,471)</u>	<u>24,529</u>
Total other financing sources (uses)	<u>(653,000)</u>	<u>(653,000)</u>	<u>(628,471)</u>	<u>24,529</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u><u>\$ -</u></u>	

**CITY OF ROHNERT PARK**

**BUDGETARY COMPARISON SCHEDULE**

**COPELAND CREEK DRAINAGE FACILITY SPECIAL REVENUE FUND**

**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>OTHER FINANCING USES</b>				
Transfers out				
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>(49,370)</u>	
<b>PRIOR PERIOD ADJUSTMENT TO FUND BALANCE</b>			<u>\$ 49,370</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**CITY OF ROHNERT PARK****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Community Development Debt Service Fund</b>	<b>Special Assessments Debt Service</b>	<b>General Debt Service</b>	<b>Totals</b>
<b>REVENUES</b>				
Interest and rentals	\$ 60,170	\$ 3,172	\$ -	\$ 63,342
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,915,000	190,000	239,038	3,344,038
Interest and fiscal charges	2,505,344	55,652	68,433	2,629,429
Total expenditures	5,420,344	245,652	307,471	5,973,467
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,360,174)	(242,480)	(307,471)	(5,910,125)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	5,420,515	-	307,471	5,727,986
Transfers out	(87,300)	-	-	(87,300)
Total other financing sources (uses)	5,333,215	-	307,471	5,640,686
<b>NET CHANGE IN FUND BALANCES</b>	(26,959)	(242,480)	-	(269,439)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	1,798,636	242,825	-	2,041,461
<b>FUND BALANCE, END OF YEAR</b>	\$ 1,771,677	\$ 345	\$ -	\$ 1,772,022

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## 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.*

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>S-2</b>
<i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	<b>S-5</b>
<i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	
<b>Debt Capacity</b>	<b>S-18</b>
<i>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.</i>	
<b>Demographic and Economic Information</b>	<b>S-23</b>
<i>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.</i>	
<b>Operating Information</b>	<b>S-25</b>
<i>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.</i>	

**City of Rohnert Park**  
**Net Assets by Component,**  
**Last Six Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year						
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
		(Restated)					
Governmental activities							
Invested in capital assets, net of related debt	\$ 41,665,445	\$ 41,775,909	\$ 28,259,799	\$ 30,487,238	\$ 24,399,786	\$ 25,838,048	\$ 31,477,114
Restricted	9,584,622	10,227,146	5,955,759	8,551,078	8,569,188	8,351,086	9,562,972
Unrestricted	<u>28,407,296</u>	<u>25,865,139</u>	<u>29,407,530</u>	<u>23,317,496</u>	<u>33,121,656</u>	<u>26,564,128</u>	<u>18,130,605</u>
Total governmental activities net assets	<u>\$ 79,657,363</u>	<u>\$ 77,868,194</u>	<u>\$ 63,623,088</u>	<u>\$ 62,355,812</u>	<u>\$ 66,090,630</u>	<u>\$ 60,753,262</u>	<u>\$ 59,170,691</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 18,976,107	\$ 17,709,497	\$ 14,867,127	\$ 16,741,255	\$ 9,464,157	\$ 8,986,376	\$ 8,977,397
Unrestricted	<u>13,244,885</u>	<u>12,135,364</u>	<u>11,641,400</u>	<u>7,886,726</u>	<u>15,200,557</u>	<u>13,044,521</u>	<u>12,245,744</u>
Total business-type activities net assets	<u>\$ 32,220,992</u>	<u>\$ 29,844,861</u>	<u>\$ 26,508,527</u>	<u>\$ 24,627,981</u>	<u>\$ 24,664,714</u>	<u>\$ 22,030,897</u>	<u>\$ 21,223,141</u>
Primary government							
Invested in capital assets, net of related debt	\$ 60,641,552	\$ 59,485,406	\$ 43,126,926	\$ 47,228,493	\$ 33,863,943	\$ 34,824,424	\$ 40,454,511
Restricted	9,584,622	10,227,146	5,955,759	8,551,078	8,569,188	8,351,086	9,562,972
Unrestricted	<u>41,652,181</u>	<u>38,000,503</u>	<u>41,048,930</u>	<u>31,204,222</u>	<u>48,322,213</u>	<u>39,608,649</u>	<u>30,376,349</u>
Total primary government net assets	<u>\$ 111,878,355</u>	<u>\$ 107,713,055</u>	<u>\$ 90,131,615</u>	<u>\$ 86,983,793</u>	<u>\$ 90,755,344</u>	<u>\$ 82,784,159</u>	<u>\$ 80,393,832</u>

**Note:** The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**Source:** City Finance Department



**City of Rohnert Park**  
**Changes in Net Assets, Last Six Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>							
Governmental activities:							
General government	\$ 12,955,293	\$ 12,926,332	\$ 11,455,704	11,762,224	8,280,697	7,692,265	7,479,018
Public Safety	20,758,556	17,349,211	16,703,386	15,087,248	13,459,313	12,098,684	11,719,180
Public Works	4,421,182	4,522,563	4,220,758	4,408,673	4,369,470	4,585,522	4,583,848
Parks and recreation	4,979,212	4,198,572	4,167,196	3,968,774	3,834,955	4,007,338	4,025,817
Other	902,319	889,073	1,504,207	1,411,055	1,043,298	1,129,467	1,072,704
Interest on long-term debt	4,629,601	2,690,598	2,038,944	2,060,965	1,991,137	2,014,601	2,738,905
Total governmental activities expenses	<u>48,646,163</u>	<u>42,576,349</u>	<u>40,090,195</u>	<u>38,698,939</u>	<u>32,978,870</u>	<u>31,527,877</u>	<u>31,619,472</u>
Business-type activities:							
Water	7,122,292	6,690,385	6,454,568	5,650,092	5,593,980	4,543,407	4,370,136
Sewer	9,830,647	10,085,147	9,697,231	8,851,372	7,465,887	8,628,125	8,837,099
Refuse Collection	5,344,215	5,181,643	4,548,674	4,321,260	3,505,939	4,106,036	3,701,253
Total business-type activities expenses	<u>22,297,154</u>	<u>21,957,175</u>	<u>20,700,473</u>	<u>18,822,724</u>	<u>16,565,806</u>	<u>17,277,568</u>	<u>16,908,488</u>
Total primary government expenses	<u>\$ 70,943,317</u>	<u>\$ 64,533,524</u>	<u>\$ 60,790,668</u>	<u>\$ 57,521,663</u>	<u>\$ 49,544,676</u>	<u>\$ 48,805,445</u>	<u>\$ 48,527,960</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 978,440	\$ 1,221,652	\$ 1,476,260	\$ 539,150	\$ 341,098	\$ 107,932	\$ 220,042
Public safety	592,567	517,742	450,057	508,709	1,240,792	478,730	413,473
Public works	1,697,041	2,836,987	2,542,293	2,316,181	1,522,550	1,096,429	953,483
Parks and recreation	1,791,969	1,618,401	1,640,881	1,287,849	1,181,314	1,321,204	1,226,166
Other	-	-	1,429	-	-	100,386	133,839
Operating grants and contributions	2,628,459	2,344,534	2,719,200	2,234,947	3,286,244	3,369,440	3,150,589
Capital grants and contributions	1,991,493	1,492,565	546,563	514,534	714,594	702,025	283,899
Total governmental activities program revenues	<u>9,679,969</u>	<u>10,031,881</u>	<u>9,376,683</u>	<u>7,401,370</u>	<u>8,286,592</u>	<u>7,176,146</u>	<u>6,381,491</u>
Business-type activities:							
Charges for services:							
Water	6,341,560	6,433,014	6,406,197	4,933,151	4,622,425	4,877,155	3,248,895
Sewer	12,370,603	12,007,771	9,955,355	8,402,521	7,474,704	7,013,757	6,559,543
Refuse Collection	5,454,193	5,240,389	4,723,623	3,919,872	3,722,449	3,862,580	4,024,527
Operating grants and contributions	-	-	-	-	-	1,308,893	-
Capital grants and contributions	566,411	1,829,074	1,186,735	1,028,338	3,348,132	504,589	395,165
Total business-type activities program revenues	<u>24,732,767</u>	<u>25,510,248</u>	<u>22,271,910</u>	<u>18,283,882</u>	<u>19,167,710</u>	<u>17,566,974</u>	<u>14,228,130</u>
Total primary government program revenues	<u>\$ 34,412,736</u>	<u>\$ 35,542,129</u>	<u>\$ 31,648,593</u>	<u>\$ 25,685,252</u>	<u>\$ 27,454,302</u>	<u>\$ 24,743,120</u>	<u>\$ 20,609,621</u>

**City of Rohnert Park**  
**Changes in Net Assets, Last Six Fiscal Years (Continued)**  
*(accrual basis of accounting)*

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ 38,966,194	\$ 32,544,468	\$ 30,713,512	\$ 31,297,569	\$ 24,692,278	\$ 24,351,731	\$ 25,237,981
Business-type activities	<u>(2,435,613)</u>	<u>(3,553,073)</u>	<u>(1,571,437)</u>	<u>538,842</u>	<u>(2,601,904)</u>	<u>(289,406)</u>	<u>2,680,358</u>
Total primary government net expense	<u>\$ 36,530,581</u>	<u>\$ 28,991,395</u>	<u>\$ 29,142,075</u>	<u>\$ 31,836,411</u>	<u>\$ 22,090,374</u>	<u>\$ 24,062,325</u>	<u>\$ 27,918,339</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes							
Property taxes	\$ 17,054,597	\$ 16,928,529	\$ 15,504,905	\$ 13,810,490	\$ 12,900,727	\$ 10,415,445	\$ 10,265,292
Franchise taxes	1,440,749	1,428,827	1,308,839	1,263,721	1,725,402	1,073,224	1,051,411
Sales taxes	7,236,048	7,707,375	7,386,925	6,953,294	6,834,708	6,088,866	5,982,666
Motor vehicle license fees	3,142,034	3,074,869	2,572,107	2,804,619	1,968,325	2,436,209	2,379,893
Other taxes	2,016,907	1,606,108	1,855,821	931,074	1,776,800	2,311,692	1,604,441
Rental Income	-	-	-	-	803,898	448,626	592,042
Investment earnings	4,256,977	3,155,613	1,964,903	1,064,234	1,126,080	1,406,240	2,018,299
Gain on sale of capital assets	4,778,278	-	1,109,814	974,079	2,779,073	326,535	5,992,368
Other	311,425	217,520	-	-	-	-	-
Transfers	<u>518,348</u>	<u>294,438</u>	<u>277,474</u>	<u>(238,760)</u>	<u>114,633</u>	<u>306,350</u>	<u>151,989</u>
Total governmental activities	<u>40,755,363</u>	<u>34,413,279</u>	<u>31,980,788</u>	<u>27,562,751</u>	<u>30,029,646</u>	<u>24,813,187</u>	<u>30,038,401</u>
Business-type activities:							
Investment earnings	458,866	426,769	586,583	263,349	146,546	206,350	365,973
Transfers	<u>(518,348)</u>	<u>(294,438)</u>	<u>(277,474)</u>	<u>238,760</u>	<u>(114,633)</u>	<u>(306,350)</u>	<u>(151,989)</u>
Total business-type activities	<u>(59,482)</u>	<u>132,331</u>	<u>309,109</u>	<u>502,109</u>	<u>31,913</u>	<u>(100,000)</u>	<u>213,984</u>
Total primary government	<u>\$ 40,695,881</u>	<u>\$ 34,545,610</u>	<u>\$ 32,289,897</u>	<u>\$ 28,064,860</u>	<u>\$ 30,061,559</u>	<u>\$ 24,713,187</u>	<u>\$ 30,252,385</u>
<b>Change in Net Assets</b>							
Governmental activities	\$ 1,789,169	\$ 1,868,811	\$ 1,267,276	\$ (3,734,818)	\$ 5,337,368	\$ 461,456	\$ 4,800,420
Business-type activities	<u>2,376,131</u>	<u>3,685,404</u>	<u>1,880,546</u>	<u>(36,733)</u>	<u>2,633,817</u>	<u>189,406</u>	<u>(2,466,374)</u>
Total primary government	<u>\$ 4,165,300</u>	<u>\$ 5,554,215</u>	<u>\$ 3,147,822</u>	<u>\$ (3,771,551)</u>	<u>\$ 7,971,185</u>	<u>\$ 650,862</u>	<u>\$ 2,334,046</u>

**Notes:** The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**Source:** City Finance Department

**City of Rohnert Park**  
**Program Revenues by Function/Program,**  
**Last Six Fiscal Years**  
*(accrual basis of accounting)*

	<b>Program Revenues</b>						
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Function/Program</b>							
Governmental activities:							
General government	\$ 3,472,147	\$ 4,104,573	\$ 2,683,313	\$ 2,710,589	\$ 2,667,970	\$ 3,111,005	\$ 2,328,346
Public safety	1,487,390	748,521	729,783	727,990	1,448,729	677,196	786,050
Public works	2,887,783	3,117,622	3,412,799	2,461,662	1,632,181	1,303,664	1,087,046
Parks and recreation	1,832,649	1,618,401	1,655,338	1,287,849	1,181,314	1,321,204	1,276,166
Other	-	442,764	895,450	213,280	1,356,398	763,077	903,883
Subtotal governmental activities	<u>9,679,969</u>	<u>10,031,881</u>	<u>9,376,683</u>	<u>7,401,370</u>	<u>8,286,592</u>	<u>7,176,146</u>	<u>6,381,491</u>
Business-type activities:							
Water	6,388,188	6,330,481	6,530,394	5,187,983	4,987,705	6,347,016	3,534,404
Wastewater	12,890,386	13,590,308	11,017,893	9,176,027	10,457,556	7,357,378	6,669,199
Refuse	5,454,193	5,240,389	4,723,623	3,919,872	3,722,449	3,862,580	4,024,527
Subtotal business-type activities	<u>24,732,767</u>	<u>25,161,178</u>	<u>22,271,910</u>	<u>18,283,882</u>	<u>19,167,710</u>	<u>17,566,974</u>	<u>14,228,130</u>
Total primary government	<u>\$ 34,412,736</u>	<u>\$ 35,193,059</u>	<u>\$ 31,648,593</u>	<u>\$ 25,685,252</u>	<u>\$ 27,454,302</u>	<u>\$ 24,743,120</u>	<u>\$ 20,609,621</u>

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 3,527,900	\$ 3,938,570	\$ 2,849,457	\$ 2,662,671	\$ 2,713,333	\$ 2,626,791	\$ 2,943,767	\$ 2,805,375	\$ 3,904,011	\$ 3,233,155
Unreserved	7,173,414	4,883,879	7,808,883	12,714,181	12,979,444	15,782,442	15,385,235	15,225,455	13,083,633	13,186,254
Total general fund	\$ 10,701,314	\$ 8,822,449	\$ 10,658,340	\$ 15,376,852	\$ 15,692,777	\$ 18,409,233	\$ 18,329,002	\$ 18,030,830	\$ 16,987,644	\$ 16,419,409
All Other Governmental Funds										
Reserved	\$ 12,710,618	\$ 12,552,249	\$ 12,848,114	\$ 12,899,397	\$ 11,392,576	\$ 11,986,252	\$ 11,807,568	\$ 13,321,727	\$ 73,308,593	\$ 68,299,779
Unreserved, reported in:										
Special revenue funds	1,959,508	1,232,999	1,190,344	1,136,747	1,245,070	2,567,278	2,537,723	3,730,841	4,520,308	2,910,150
Capital projects funds	14,164,901	14,235,395	13,207,167	7,063,180	4,840,759	7,106,995	7,607,850	6,653,690	8,154,368	6,034,588
Total all other governmental funds	\$ 28,835,027	\$ 28,020,643	\$ 27,245,625	\$ 21,099,324	\$ 17,478,405	\$ 21,660,525	\$ 21,953,141	\$ 23,706,258	\$ 85,983,269	\$ 77,244,517

Source: City Finance Department

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>										
Taxes	\$ 12,826,675	\$ 13,414,411	\$ 17,583,820	\$ 18,446,597	\$ 19,369,070	\$ 23,265,761	\$ 23,729,707	\$ 26,055,840	\$ 28,010,839	\$ 27,748,301
Intergovernmental	3,159,066	3,724,763	4,710,598	4,776,614	4,946,037	4,677,326	4,697,723	4,385,363	6,470,275	6,844,504
Interest and rentals	3,093,597	3,938,253	3,992,384	2,614,565	1,852,394	1,934,571	1,726,379	2,214,033	3,434,813	4,669,700
Charges for services	1,479,749	1,466,442	1,574,574	1,699,307	1,789,670	1,746,714	1,708,557	2,461,399	2,312,537	2,531,523
Licenses, permits and fees	1,311,205	697,062	1,571,547	1,061,085	1,132,715	2,376,101	2,083,725	1,796,443	2,550,850	1,816,859
Special assessment collection	679,036	661,555	638,824	586,108	351,885	160,866	327,225	306,495	210,435	-
Fines, forfeitures and penalties	178,679	191,171	192,609	186,611	185,715	174,550	181,727	216,368	197,134	159,701
Donations and miscellaneous	496,169	503,714	564,161	925,838	1,239,855	1,496,736	1,023,983	1,656,272	1,241,335	1,780,818
Total revenues	23,224,176	24,597,371	30,828,517	30,296,725	30,867,341	35,832,625	35,479,026	39,092,213	44,428,218	45,551,406
<b>Expenditures</b>										
General government	4,137,202	3,626,506	5,159,063	7,262,653	7,491,692	8,230,662	11,480,332	11,184,075	12,654,518	12,694,183
Public safety	9,255,627	10,144,499	10,252,230	10,833,756	11,181,015	12,601,586	14,346,107	15,442,477	16,126,814	19,414,226
Public works	2,221,362	2,375,015	2,449,578	2,478,932	2,430,335	1,852,072	1,962,617	1,841,831	2,085,443	2,255,776
Parks and recreation	2,858,730	2,908,449	2,993,507	3,018,190	2,836,600	2,419,161	2,611,590	2,875,257	2,983,531	3,248,052
Other	1,724,328	1,314,758	1,905,946	1,029,440	1,076,102	997,196	1,094,895	1,187,748	889,073	902,319

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Capital outlay	3,552,851	3,773,549	4,574,201	9,112,580	6,226,317	3,114,073	3,098,196	5,065,505	7,324,188	13,940,133
Debt service										
Interest	1,559,091	1,959,923	1,812,554	1,474,316	1,381,577	1,242,520	1,179,094	1,196,955	1,188,507	3,345,671
Cost of issuance									1,316,741	-
Principal	1,765,568	2,024,288	2,220,417	2,436,395	2,640,957	1,731,907	1,694,815	1,896,222	2,039,651	3,734,038
Total expenditures	27,074,759	28,126,987	31,367,496	37,646,262	35,264,595	32,189,177	37,467,646	40,690,070	46,608,466	59,534,398
Excess of revenues over (under) expenditures	(3,850,583)	(3,529,616)	(538,979)	(7,349,537)	(4,397,254)	3,643,448	(1,988,620)	(1,597,857)	(2,180,248)	(13,982,992)
Other Financing Sources (Uses)										
Issuance of debt	18,793,689	-	-	-	-	6,950,000	-	-	61,440,000	-
Discount on debt	-	-	-	-	-	-	-	-	(391,516)	-
Premium on debt	-	-	-	-	-	-	-	-	1,344,163	-
Refunding bonds issued	-	-	-	10,140,112	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(10,745,780)	361,460	(7,078,675)	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	5,999,529	297,232	3,269,170	1,263,800	1,956,704	-	5,201,717
Lease proceeds	958,000	-	683,000	-	-	-	1,175,965	818,624	-	-
Transfers in	7,848,851	8,398,830	8,713,766	9,957,707	10,757,175	7,056,503	9,150,655	9,245,675	12,377,738	21,898,489
Transfers out	(7,208,154)	(7,682,669)	(8,227,612)	(9,805,718)	(10,450,825)	(6,941,870)	(9,389,415)	(8,968,201)	(12,083,300)	(21,380,121)
Total other financing sources (uses)	20,392,386	716,161	1,169,154	5,545,850	965,042	3,255,128	2,201,005	3,052,802	62,687,085	5,720,065
Net change in fund balances	\$ 16,541,803	\$ (2,813,455)	\$ 630,175	\$ (1,803,687)	\$ (3,432,212)	\$ 6,898,576	\$ 212,385	\$ 1,454,945	\$ 60,506,837	\$ (8,262,927)
Debt service as a percentage of noncapital expenditures	14.1%	16.4%	15.1%	13.7%	13.9%	10.2%	8.4%	8.7%	11.6%	15.5%

Source: City Finance Department

City of Rohnert Park  
Tax Revenues by Source, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

<u>Fiscal</u> <u>Year</u>	<u>Property</u>	<u>Sales &amp; Use</u>	<u>a</u> <u>Occupancy</u>	<u>b</u> <u>Franchise</u>	<u>c</u> <u>Real</u> <u>Property</u> <u>Transfer</u>	<u>Total</u>
1998	\$ 1,912,680	\$ 4,795,502	\$ 1,132,168	\$ 519,802	\$ 212,668	\$ 8,572,820
1999	1,953,084	5,591,943	1,200,823	594,508	253,750	9,594,108
2000	2,072,921	5,601,413	1,300,239	560,643	253,086	9,788,302
2001	2,109,747	6,332,766	1,664,211	840,710	319,352	11,266,786
2002	2,293,881	5,977,738	1,339,175	1,051,411	257,774	10,919,979
2003	2,426,786	6,088,867	1,363,690	1,073,224	352,817	11,305,384
2004	2,517,925	6,834,708	1,367,259	1,725,403	265,430	12,710,725
2005	2,739,642	6,953,294	1,451,781	1,263,721	250,421	12,658,859
2006	3,127,448	7,386,925	1,601,587	1,308,839	253,584	13,678,383
2007	3,167,241	7,707,375	1,771,527	1,428,827	174,581	14,249,551
2008	3,199,831	7,237,073	1,899,362	1,440,749	117,545	13,894,560
Change						
1998-2008	67.3%	50.9%	67.8%	177.2%	-44.7%	62.1%

**Notes:**

<sup>a</sup> The transient occupancy tax rate was increased from 11% to 12% on January 1, 2003

<sup>b</sup> In FY 2004, the City received a large payment from Empire Waste Management for underpayment of prior year franchise fees

<sup>c</sup> The real property transfer tax rate was reduced from \$1.10/\$1,000 value of assessed property to the appropriate rate of \$0.55/\$1,000 in FY 2002

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax-Exempt Property	Total Taxable Assessed Value
1998	\$ 1,696,613	\$ 348,827	not available	not available	not available	\$ 67,142	\$ 2,045,440
1999	1,704,489	363,757	not available	not available	not available	77,851	2,068,246
2000	1,825,240	371,470	not available	not available	not available	78,036	2,196,710
2001	1,947,693	402,248	not available	not available	not available	81,075	2,349,941
2002	1,961,462	420,042	not available	not available	not available	82,224	2,381,504
2003	2,452,866	433,238	not available	not available	not available	85,312	2,886,104
2004	2,657,037	444,520	not available	not available	not available	86,148	3,101,557
2005	2,525,881	327,262	\$ 12,712	\$ 390,994	\$ 132,125	91,159	3,297,815
2006	2,759,526	339,198	\$ 10,301	\$ 387,682	\$ 153,029	95,424	3,554,312
2007	3,059,684	354,768	\$ 11,948	\$ 366,935	\$ 189,487	110,294	3,872,528
2008	3,262,949	434,387	\$ 12,582	\$ 373,261	\$ 123,628	128,319	4,078,488

Source: 2007-08: County Assessor, County Auditor-Controller, and MuniServices LLC  
2006 and prior: Sonoma County Tax Collector, Assessor and Auditor-Controller

Notes: Tax rates are per \$1,000 of assessed value.

- (1) Total Direct Tax Rate is represented by TRA 007-000  
(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sales prices.  
Based on these calculations, a multiplier value was extrapolated and applied to current assessed values.

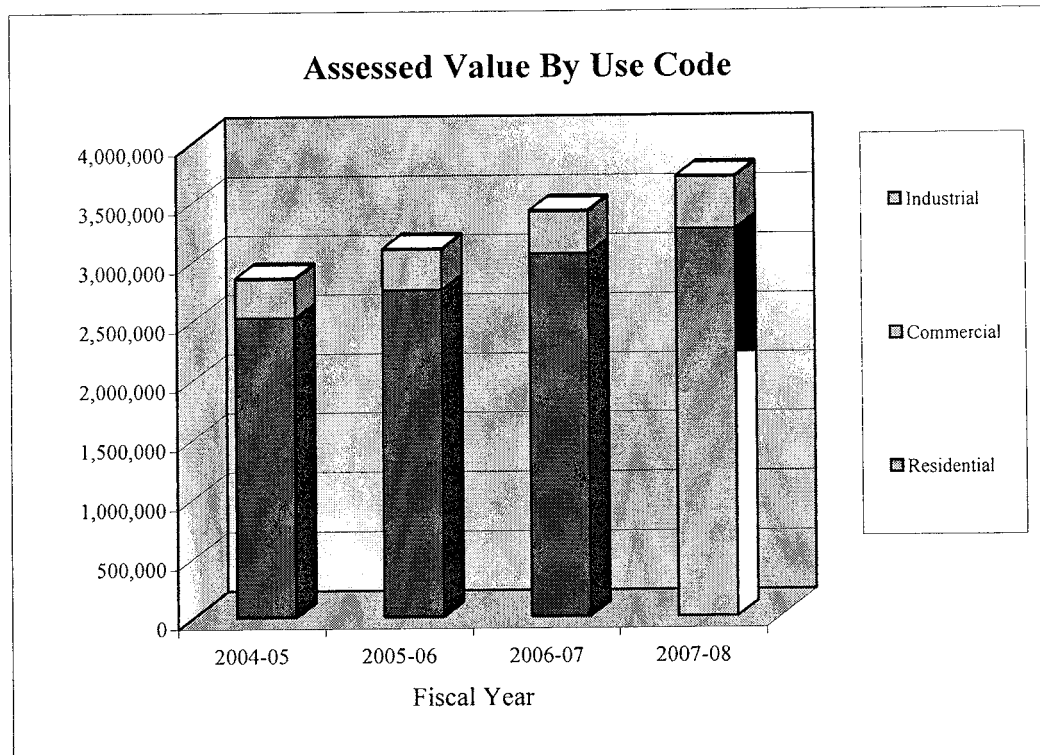


# City of Rohnert Park

## Assessed Value of Property by Use Code, Citywide Last Three Fiscal Years (In Thousands)

Category	2004-05	2005-06	2006-07	2007-08
Residential	2,525,881	2,759,526	3,059,684	3,262,949
Commercial	327,262	339,198	354,768	434,387
Industrial	12,712	10,301	11,948	12,582
Other & Unsecured	390,994	387,682	366,935	373,261
Gross Secured Value	3,256,849	3,496,707	3,793,335	4,083,179
Unsecured Value	132,125	153,029	189,487	123,628
Exemptions	91,159	95,424	110,294	128,319
Net Taxable Value	3,297,815	3,554,312	3,872,528	4,078,488

Source: 2006-08 County Assessor data, MuniServices, LLC  
Use code categories are based on Sonoma County Assessor's data



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

Fiscal Year	Basic City and County Levy			Overlapping Rates <sup>a</sup>							Total Tax Rate
	City of Rohnert Park	County of Sonoma	Total	Rohnert Park		Santa			Santa		
				Cotati School District	Warm Spring Dam	Rosa Junior College	Rosa High School	Bellvue School District	Total		
1998	n/a	n/a	\$ 1.00	\$	0.11	\$ 0.007	\$ 0.025	\$ 0.0300	\$ 0.025	\$ 0.1970	\$ 1.1970
1999	n/a	n/a	1.00		0.11	0.007	0.025	0.0300	0.025	0.1970	1.1970
2000	n/a	n/a	1.00		0.11	0.007	0.025	0.0300	0.025	0.1970	1.1970
2001	n/a	n/a	1.00		0.11	0.007	0.025	0.0300	0.025	0.1970	1.1970
2002	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2003	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2004	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2005	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2006	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2007	\$ 0.17485	\$ 0.82515	1.00		0.11	0.007	0.025	-	-	0.1420	1.1420
2008	\$ 0.17485	\$ 0.82515	1.00		0.11	0.007	0.025	-	-	0.1420	1.1420

Source: 2007-08: County Auditor-Controller, MuniServices, LLC  
2006 and prior: Sonoma County Auditor-Controller, Tax Collector

Notes:

<sup>a</sup> 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.

TRA 007-000 is represented for this table

City of Rohnert Park  
Principal Property Taxpayers,  
Current Year and Two Years Ago

Taxpayer	2008			2007			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sonoma Mountain Village LLC	\$ 41,207,201	1	1.01 %						
Columbia Redwood Creek LLC	37,900,722	2	0.93						
Crossbrook Apartments	29,873,167	3	0.73	\$ 28,716,668	8	0.74 %	\$ 23,105,472	4	0.65 %
Coddling Enterprises	26,459,526	4	0.65	37,101,189	4	0.96			
Knickerbocker Properties, Inc.	25,961,806	5	0.64	25,000,876	10	0.64	24,534,496	3	0.69
Santa Rosa Press Democrat	24,991,746	6	0.61	35,524,311	6	0.92	22,141,758	5	0.62
State Farm Mutual Auto Insur.	22,416,146	7	0.55				21,287,225	6	0.60
Costco Wholesale Corp.	21,620,344	8	0.53				20,294,835	7	0.57
RLH Partnership	21,001,789	9	0.51				18,000,000	8	0.51
Expressway Partners LLC	18,006,728	10	0.44						
Hertz Equipment Rental Corp				45,607,230	1	1.18			
Rohnert Park Ridge LLC				42,979,276	2	1.11	41,520,846	2	1.17
Scarpa Steven J				41,661,656	3	1.08			
Sonoma Green LLC				36,747,040	5	0.95	75,795,414	1	2.13
KSL Rohnert Park LP				31,332,522	7	0.81			
Spanos Corporation				28,715,334	9	0.74	16,534,623	9	0.46
GI Realty Trust 1997							15,296,520	10	0.43
Millennium Housing Corporation									
Total	\$ 269,439,175		6.61 %	\$ 353,386,102		9.13 %	\$ 278,511,189		3.02 %

Source: 2006 : Sonoma County Tax Collector Metroscon database  
2007 and 2008: County Assessor, MuniServices, LLC

Note: Data not available for years prior to 2006

City of Rohnert Park  
Property Tax Levies and Collections,  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the		Collected within the		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year	Amount	Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 1,881,393	\$ 1,865,496	99.16	%	15,897	\$ 1,881,393	100.00
1999	1,922,145	1,881,670	97.89		40,475	1,922,145	100.00
2000	1,985,000	1,975,045	99.50		9,760	1,984,805	99.99
2001	2,049,232	2,046,938	99.89		20,041	2,048,939	99.99
2002	2,099,148	2,093,456	99.73		5,318	2,098,774	99.98
2003	2,298,857	2,291,796	99.69		6,459	2,298,255	99.97
2004	2,303,177	2,295,714	99.68		5,738	2,301,452	99.93
2005	2,747,507	2,739,642	99.71		-	2,739,642	99.71
2006	3,127,448	3,113,048	99.54		-	3,113,048	99.54
2007	3,167,241	3,148,920	99.42		-	3,148,920	99.42
2008	3,200,856	3,188,844	99.62		-	3,188,844	99.62

Sources: Sonoma County Auditor-Controller

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007Q3*	2008Q3*
All other outlets	98,122	94,697	116,599	100,176	78,390	73,646	75,051	82,371	83,199	95,037	88,437
Apparel stores	\$ 7,222	\$ 13,748	\$ 15,347	\$ 15,036	\$ 15,062	\$ 13,786	\$ 13,691	\$ 13,927	\$ 14,154	\$ 14,504	\$ 13,838
Auto dealers and supplies	19,337	17,828	24,811	26,306	20,821	22,528	21,451	19,923	20,365	20,065	17,967
Building materials and farm tools	90,189	98,845	107,922	109,540	109,063	114,615	126,268	126,436	125,132	103,043	77,388
Eating and drinking establishments	45,415	48,049	52,850	55,632	56,357	60,000	68,442	72,279	73,091	73,939	70,627
Food stores	27,885	29,806	30,996	31,844	35,023	34,990	38,929	39,765	40,923	36,466	38,581
General merchandise	69,739	71,061	75,118	79,458	104,242	164,097	179,419	191,443	194,974	199,921	206,342
Home furnishings and appliances	18,261	26,776	29,134	29,521	45,674	39,276	36,601	32,707	29,879	32,777	27,509
Other retail stores	66,849	72,554	81,210	72,700	71,914	70,868	71,228	76,111	74,799	64,939	57,796
Service stations	21,191	27,814	33,728	31,010	29,556	31,805	31,960	34,155	36,395	39,181	45,281
<b>Packaged Liquor and Drug Stores</b>										<b>7,558</b>	<b>7,988</b>
<b>Total</b>	<b>\$ 464,210</b>	<b>\$ 501,179</b>	<b>\$ 567,714</b>	<b>\$ 551,223</b>	<b>\$ 566,101</b>	<b>\$ 625,611</b>	<b>\$ 663,040</b>	<b>\$ 689,114</b>	<b>\$ 692,912</b>	<b>\$ 687,430</b>	<b>\$ 651,734</b>
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Department of Commerce.

Notes: Retail sales information is not available on a fiscal-year basis.

\* NOTE: Taxable Sales to reflect amounts through 2007Q1-2007Q3

City of Rohnert Park  
Direct and Overlapping Sales Tax Rates,  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Sonoma County</u>	<u>State</u>
1998	1.00 %	0.25 %	6.00 %
1999	1.00	0.25	6.00
2000	1.00	0.25	6.00
2001	1.00	0.25	6.00
2002	1.00	0.25	5.75
2003	1.00	0.25	6.00
2004	1.00	0.25	6.00
2005	0.75	0.50	6.25
2006	0.75	0.50	6.25
2007	0.75	0.25	6.25
2008	0.75	0.25	6.25

City of Rohnert Park  
Principal Sales Tax Remitters,  
Current Year and Nine Years Ago

2008		1999	
TAXPAYER	BUSINESS TYPE	TAXPAYER	BUSINESS TYPE
101 INTERNATIONAL TRUCK SALES	AUTO SALES - NEW	101 INTERNATIONAL TRUCK SALES	AUTO SALES - NEW
ASHLEY FURNITURE	HOMESTORE	CASTINO RESTRNT EQPMNT SUPPLY	FOOD PROCESSING EQP
BURLINGTON COAT FACTORY	APPAREL STORES	CHEVRON SERVICE STATIONS	SERVICE STATIONS
CASTINO RESTRNT EQPMNT SUPPLY	FOOD PROCESSING EQP	DOUBLETREE HOTEL	RESTAURANTS
CHEVRON SERVICE STATIONS	SERVICE STATIONS	EXXON SERVICE STATIONS	SERVICE STATIONS
COSTCO WHOLESALE	DEPARTMENT STORES	FOOD 4 LESS	FOOD MARKETS
EXXON SERVICE STATIONS	SERVICE STATIONS	HERTZ EQUIPMENT RENTAL	LEASING
FOOD MAXX	FOOD MARKETS	HEWLETT-PACKARD	ELECTRONIC EQUIPMENT
HERTZ EQUIPMENT RENTAL	LEASING	HOME DEPOT	BLDG MATLS - RETAIL
HOME DEPOT	BLDG MATLS - RETAIL	LEVITZ FURNITURE	FURNITURE/APPLIANCE
IN-IN-OUT BURGERS	RESTAURANT	LONGS DRUG STORES	DRUG STORES
J.E.HIGGINS LUMBER COMPANY	BLDG MATLS - RETAIL	NEXT LEVEL COMMUNICATIONS	LEASING
LINENS N THINGS	MISCELLANEOUS RETAIL	NORTRAX WEST	BLDG MATLS - WHSLE
MCPHAIL'S APPLIANCES	FURNITURE/APPLIANCE	OFFICE DEPOT	OFFICE EQUIPMENT
O'DELL PRINTING COMPANY	LIGHT INDUSTRY	PETSMART	MISCELLANEOUS RETAIL
PAPE MACHINERY	BLDG MATLS - WHSLE	RALEY'S SUPERMARKET	FOOD MARKETS
PETSMART	MISCELLANEOUS RETAIL	ROSS STORES	APPAREL STORES
RALEY'S SUPERMARKET	FOOD MARKETS	SAFEWAY STORES	FOOD MARKETS
ROSS STORES	APPAREL STORES	SEARS HOMELIFE FURNITURE STORE	FURNITURE/APPLIANCE
ROTTEN ROBBIE	SERVICE STATIONS	SHELL SERVICE STATIONS	SERVICE STATIONS
SAFEWAY STORES	FOOD MARKETS	TARGET STORES	DEPARTMENT STORES
SHELL SERVICE STATIONS	SERVICE STATIONS	UNITED FURNITURE	FURNITURE/APPLIANCE
TARGET STORES	DEPARTMENT STORES	W.W.GRAINGER	LIGHT INDUSTRY
W.W.GRAINGER	LIGHT INDUSTRY	WAL MART STORES	DEPARTMENT STORES
WAL MART STORES	DEPARTMENT STORES	YARDBIRDS HOME CENTER	BLDG MATLS - RETAIL

Source: State Board of Equalization, MuniServices, LLC

Note: Sales Tax paid is confidential information and cannot be reported

City of Rohnert Park  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years  
(dollars in thousands, except per capita)

Fiscal Year	Government-type Activities				Business-type Activities				a Total Primary Government	Percentage of Personal Income <sup>b</sup>	Per Capita <sup>b</sup>
	Redevelopment Bonds	Certificates of Participation	Lease Revenue Bonds	Special Assessment Bonds	Capital Leases	Water Revenue Bonds	Certificates of Participation				
1998	\$ 11,240	\$ 7,340	\$ -	\$ 4,255	\$ -	\$ -	\$ -	\$ 22,835	1.86	%	\$ 577
1999	22,772	13,991	-	3,765	-	-	-	40,528	3.14		1,012
2000	23,557	13,572	-	3,295	-	-	-	40,424	2.78		1,012
2001	23,462	13,017	-	2,700	-	-	-	39,179	2.55		928
2002	23,649	12,247	-	2,010	799	-	-	38,705	2.49		908
2003	23,444	11,530	-	1,495	602	2,090	-	39,161	2.52		928
2004	23,347	4,545	6,950	1,185	449	2,010	-	38,486	2.35		914
2005	23,244	4,405	6,710	910	1,485	6,930	13,000	56,684	not available		1,335
2006	23,082	4,265	6,485	620	2,027	6,725	13,000	56,204	not available		1,306
2007	84,351	4,115	6,255	190	1,778	6,515	12,770	115,974	9.69		2,700
2008	82,253	3,960	6,020	-	1,539	6,305	12,530	112,607	9.69		2,615

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

<sup>a</sup> The city issued \$7 million of new certificates of participation and \$11 million of tax allocation bonds in 1999.

<sup>a</sup> The city issued \$2 million in water revenue bonds in 2003 and \$13 million of sewer revenue bonds and \$5M of water revenue bonds in 2005.

<sup>b</sup> See Schedule 20 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.



**City of Rohnert Park**  
**Ratios of General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	Redevelopment Bonds	Total		
1998	\$ 11,240	\$ 11,240	0.5495 %	\$ 284.08
1999	22,772	22,772	1.1010	568.84
2000	23,557	23,557	1.0724	589.63
2001	23,462	23,462	0.9984	555.50
2002	23,649	23,649	0.9930	554.49
2003	23,444	23,444	0.8123	555.57
2004	23,347	23,347	0.7528	554.21
2005	23,244	23,244	0.7048	547.63
2006	23,082	23,082	0.6494	536.45
2007	84,351	84,351	2.1782	1,963.52
2008	82,253	82,253	2.0168	1,910.11

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**City of Rohnert Park**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2008**  
*(dollars in thousands)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Cotati-Rohnert Park Unified School District	\$ 76,721,850	82.233%	\$ 63,090,315
Subtotal, overlapping debt			63,090,315
<b>City direct debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u>\$ 63,090,315</u>

**Source:** Sonoma County Tax Collector

**Notes:** 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 Statistical. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

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

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 4,078,488
Debt limit (15% of assessed value)	611,773
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	611,773
Legal debt margin	\$ 611,773

	Fiscal Year										
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 324,781	\$ 325,508	\$ 343,238	\$ 369,559	\$ 445,713	\$ 478,156	\$ 487,694	\$ 526,849	\$ 534,506	\$ 580,879	\$ 611,773
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 324,781</u>	<u>\$ 325,508</u>	<u>\$ 343,238</u>	<u>\$ 369,559</u>	<u>\$ 445,713</u>	<u>\$ 478,156</u>	<u>\$ 487,694</u>	<u>\$ 526,849</u>	<u>\$ 534,506</u>	<u>\$ 580,879</u>	<u>\$ 611,773</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%	0.00%

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

Fiscal Year	Water Revenue Bonds						Sewer Revenue Bonds						Special Assessment Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage		
				Principal	Interest					Principal	Interest			Principal	Interest			
1998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 688	\$ 400	\$ 282	1.01			
1999	-	-	-	-	-	-	-	-	-	-	-	679	420	260	1.00			
2000	-	-	-	-	-	-	-	-	-	-	-	662	440	235	0.98			
2001	-	-	-	-	-	-	-	-	-	-	-	639	465	209	0.95			
2002	-	-	-	-	-	-	-	-	-	-	-	644	495	180	0.95			
2003	-	-	-	-	-	-	-	-	-	-	-	382	330	46	1.02			
2004	4,622	5,061	(439)	80	72	(2.89)	-	-	-	-	-	317	295	56	0.90			
2005	4,933	5,031	(98)	80	70	(0.65)	-	-	-	-	-	340	270	46	1.08			
2006	6,406	5,480	926	205	237	2.10	9,955	9,112	843	-	n/a	319	290	37	0.98			
2007	6,084	5,700	384	210	262	0.81	12,008	9,501	2,507	-	n/a	456	430	21	1.01			
2008	6,342	6,851	(509)	220	251	(1.08)	12,371	9244	3,127	-	n/a	-	-	-	-			

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

City of Rohnert Park  
Demographic and Economic Statistics,  
Last Ten Calendar Years

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	County Unemployment Rate	City Unemployment Rate
1998	39,567	\$ 1,225,350	\$ 30,969	not available	7,983	not available	3.8%
1999	40,032	1,290,271	32,231	38.4	7,756	not available	3.2%
2000	39,952	1,455,771	36,438	35.5	8,033	not available	3.1%
2001	42,236	1,539,207	36,443	35.7	7,829	not available	3.3%
2002	42,650	1,553,612	36,427	35.9	7,836	not available	4.7%
2003	42,198	1,554,743	36,844	36.0	7,678	not available	4.8%
2004	42,127	1,638,782	38,901	38.9	7,482	not available	5.3%
2005	42,445	1,703,333	38,793	38.9	7,260	not available	4.1%
2006	43,027	1,803,380	43,318	31.5 est*	6,816	not available	3.9%
2007	42,959	1,197,439	27,874	31.5 est*	6,847	4.0%	3.9%
2008	43,062	not available	not available	31.5 est*	6,179	6.5%	6.4%

**Sources:** 1998-2006 & 2008: Personal Income information provided by U.S. Department of Commerce, Bureau of Economic Analysis. Median Age information provided by U.S. Census Bureau, American Community Survey. Unemployment information provided by State of California Employment Development Department. School Enrollment information provided by Cotati-Rohnert Park School District. Population information provided by State Department of Finance.  
2007: MuniServices LLC

**Note:** Personal Income is reported at a County-wide level. Local information is not available.

\* Represents Median Age taken from the 2000 Census Data. 2007 Census Data is not yet available.

City of Statistical  
Principal Employers,  
Current Year and Last Two Years

Employer	2008			2007			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sonoma State University	1,483	1	13.79 %	1,478	1	5.87 %	1,532	1	14.25 %
State Farm Insurance	468	2	4.35	501	2	1.99	625	2	5.81
Wal-Mart	360	3	3.35	272	4	1.08	600	3	5.58
Costco	242	4	2.25	254	5	1.01	190	6	1.77
Target	213	5	1.98	315	3	1.25	210	5	1.95
City of Rohnert Park	190	6	1.77	188	7	0.75	182	7	1.69
Home Depot	178	8	1.66	178	9	0.71			
Securitas Security Services	177	7	1.65	187	8	0.74	160	8	1.49
Cross Check	143	9	1.33	194	6	0.77	285	4	2.65
Parker Hannifin Corp	126	10	1.17	160	10	0.63	137	9	1.27
Alvarado Street Bakery							116	10	1.08
Total	3,580		33.30 %	3,727		14.79 %	4,037		37.54 %
Total City Employment (1)	10,752								

Source: 2006 and prior: Chamber of Commerce for top employers and [www.epodunk.com](http://www.epodunk.com) for total employment  
2007-08: Direct correspondence with City's local businesses

(1) Total City Employment provided by EDD Labor Force data.

Note: Data not available for years prior to 2006

**City of Rohnert Park**  
**Full-time-Equivalent City Government Employees by Function/Program,**  
**Last Ten Fiscal Years**

	Full-time-Equivalent Employees as of June 30										
<u>Function/Program</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government											
City Manager's Office	5	5	6	6	6	6	4	5	5	7	7
Finance	12	12	13	12	12	11	10	11	12	12	12
Information Systems	1	1	2	2	2	2	2	2	2	2	2
Planning	2	3	3	3	3	3	2	2	3	3	3
Human Resource	2	2	2	2	3	3	2	2	2	2	2
Other	4	4	3	3	3	3	1	2	2	-	0
Public Safety											
Officers <sup>a</sup>	61	63	67	67	70	70	70	76	77	78	78
Civilians	33	33	33	33	31	31	30	30	30	31	32
Building Inspection	3	4	4	4	4	4	2	2	3	3	3
Public Works											
Engineering <sup>b</sup>	4	4	4	4	4	4	3	4	5	6	6
Public Works	23	24	28	28	28	27	23	25	25	29	29
Park Maintenance	9	9	9	9	9	9	7	6	5	4	5
Parks and recreation	10	10	10	10	10	10	7	7	7	7	7
Performing Arts Center	4	4	4	4	4	4	3	4	4	4	4
Total	173	178	188	187	189	187	166	178	182	188	190

**Source:** City Budget Office.

City of Rohnert Park  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years

Function/Program	Fiscal Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government											
Building permits issued	623	818	712	800	746	801	634	736	574	663	650
Building inspections conducted	not available	not available	not available	not available	not available	not available	not available	2,228	1,875	1,560	1,393
Police											
Physical arrests	not available	not available	not available	not available	not available	not available	1,839	2,174	2,485	2,474	3,076
Parking violations	not available	not available	not available	not available	not available	not available	1,111	3,583	3,794	2,554	2,448
Traffic violations	not available	not available	not available	not available	not available	not available	265	286	264	1,402	1,695
Fire											
Emergency responses	168	185	111	123	119	103	107	113	134	3,164	3,007
Inspections	not available	not available	not available	not available	not available	not available	not available	not available	not available	1,713	1,869
Refuse collection <sup>a</sup>											
Refuse collected (tons per day)	not available	not available	not available	not available	not available	65.6	65.3	61.3	64.3	68.2	59.7
Recyclables collected (tons per day)	not available	not available	not available	not available	not available	29.5	27.4	27.5	30.9	31.4	28.89
Parks and recreation											
Sports & Fitness Center Attendance	135,919	136,434	130,000	113,926	127,530	113,552	135,259	136,490	119,803	111,655	124,261
Community Center Attendance <sup>b</sup>	not available	not available	not available	65,071	85,511	86,121	71,069	41,120	42,019	46,495	42,240
Library											
Volumes in collection	55,452	56,127	56,740	59,031	57,179	60,254	65,078	74,868	75,718	84,369	84,381
Water											
Water main breaks	not available	not available	not available	not available	not available	not available	not available	2	2	0	1
Average daily consumption (millions of gallons)	6.56	6.99	6.72	6.61	6.33	6.31	6.18	5.42	5.00	4.90	4.4
Peak daily consumption (millions of gallons)	10.38	9.70	9.42	9.20	9.87	10.18	8.81	8.44	7.86	7.15	6.7
Wastewater											
Average daily sewage treatment (millions of gallons)	not available	4.24	3.90	3.64	3.80	3.69	3.60	3.88	3.87	3.16	3.42

Sources: Various city departments.

Notes:

<sup>a</sup> The City of Rohnert Park entered into a new garbage contract July 1, 2001. Data is not available prior to the new contract.

<sup>b</sup> Community Center Attendance is not available prior to implementation of CLASS Software.



City of Rohnert Park  
Capital Asset Statistics by Function/Program,  
Last Ten Fiscal Years

Function/Program	Fiscal Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police											
Stations	4	4	4	4	4	4	4	4	4	4	4
Patrol officers	43	43	43	43	44	44	48	48	48	48	48
Fire stations	4	4	4	4	4	4	4	4	4	4	4
Refuse Collection <sup>a</sup>											
Collection trucks	not available	not available	not available	not available	not available	13	11	11	11	10	10
Street Sweepers	not available	not available	not available	not available	not available	2	2	2	1	1	1
Other public works											
Streets (miles)	82.67	82.67	82.67	82.67	85.12	85.12	85.12	85.12	85.12	85.12	85.12
Streetlights	2,668	2,682	2,750	2,756	2,794	2,794	2,794	2,794	2,794	2,794	2,794
Parks and recreation											
Acreage	102	102	102	102	102	102	102	102	102	102	102
Playgrounds	30	30	30	30	30	30	30	30	30	30	30
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14	14
Soccer/football fields	9	9	9	9	9	9	9	9	9	9	9
Tennis courts	25	25	25	25	25	25	25	25	25	25	25
Water											
Water mains (miles)	82.67	82.67	82.67	82.67	82.81	82.81	115.70	115.70	115.70	115.70	115.70
Fire hydrants	not available	not available	not available	not available	not available	not available	not available	not available	1,450	1,458	1,458
Storage capacity (thousands of gallons)	2,250.8	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6
Wastewater											
Sanitary sewers (miles)	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0	80.0	77.0	77.0
Storm sewers (miles)	30.9	30.9	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Treatment capacity (thousands of gallons) <sup>o</sup>	not available	5.13	4.79	4.36	4.75	4.68	4.44	5.11	5.41	3.13	3.83

Sources: Various city departments.

Notes: No capital asset indicators are available for the general government or library function.

<sup>a</sup> The City of Rohnert Park entered into a new garbage contract July 1, 2001. Data is not available prior to the new contract.

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