

City of Rohnert Park, California



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016



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

(Incorporated 1962)



CITY OF ROHNERT PARK, CALIFORNIA

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



Prepared by
Finance Department

CITY OF ROHNERT PARK
2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

INTRODUCTORY SECTION

| | |
|---|-----|
| Letter of Transmittal | I-1 |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | I-5 |
| List of City Officials | I-6 |
| Organizational Chart..... | I-7 |

FINANCIAL SECTION

| | |
|--|------|
| Independent Auditor's Report | F-1 |
| Management's Discussion and Analysis (Required Supplementary Information) (unaudited)..... | F-7 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | F-17 |
| Statement of Activities..... | F-18 |
| Fund Financial Statements: | |
| Governmental Funds: | |
| Balance Sheet | F-20 |
| Reconciliation of the Governmental Funds Balance Sheet to the Government- | |
| Wide Statement of Net Position – Governmental Activities | F-23 |
| Statement of the Revenues, Expenditures, and Changes in Fund Balances | F-24 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund | |
| Balances of Governmental Funds to the Government-Wide Statement of | |
| Activities – Governmental Activities..... | F-26 |
| Proprietary Funds: | |
| Statement of Fund Net Position..... | F-27 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position..... | F-28 |
| Statement of Cash Flows..... | F-29 |
| Fiduciary Funds: | |
| Statement of Fiduciary Net Position..... | F-30 |
| Statement of Changes in Fiduciary Net Position..... | F-31 |
| Notes to the Basic Financial Statements | F-33 |
| Required Supplementary Information (unaudited): | |
| Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan | F-76 |
| Schedule of Proportionate Share of the Net Pension Liability – Safety Plans | F-77 |
| Schedule of Employer Plan Contributions – Pension Plans | F-78 |
| Schedule of Funding Progress - Post Employment Health Care Benefits..... | F-79 |
| Budgetary Comparison Schedules: | |
| General Fund..... | F-80 |
| Housing Projects Special Revenue Fund | F-83 |
| Public Facility Finance Fee Special Revenue Fund..... | F-84 |
| Graton Mitigation Supplemental Special Revenue Fund..... | F-85 |
| Note to Required Supplementary Information | F-86 |

CITY OF ROHNERT PARK
2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

| | |
|---|------|
| Description of Nonmajor Governmental Funds | F-89 |
| Combining Balance Sheet | F-92 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | F-93 |

Nonmajor Special Revenue Funds:

| | |
|---|-------|
| Combining Balance Sheet | F-94 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | F-102 |

Budgetary Comparison Schedules:

| | |
|---|-------|
| Alcohol Beverage Sales Ordinance (ABSO) Special Revenue Fund | F-110 |
| Vehicle Abatement Special Revenue Fund..... | F-111 |
| Traffic Safety Special Revenue Fund | F-112 |
| General Plan Maintenance Special Revenue Fund | F-113 |
| Spay and Neuter Special Revenue Fund..... | F-114 |
| Refuse Road Impact Fee Special Revenue Fund | F-115 |
| State Gasoline Tax Special Revenue Fund | F-116 |
| Measure M Traffic Special Revenue Fund | F-117 |
| Proposition 1B Special Revenue Fund | F-118 |
| Traffic Signals Fee Special Revenue Fund | F-119 |
| Capital Outlay Fee Special Revenue Fund | F-120 |
| Supplemental Law Enforcement Services Special Revenue Fund | F-121 |
| DIVCA PEG Fee (AB2987) Special Revenue Fund | F-122 |
| Traffic Congestion Relief (AB2928) Special Revenue Fund | F-123 |
| Graton Mitigation Development Fee Special Revenue Fund | F-124 |
| Graton Mitigation Law Enforcement Special Revenue Fund | F-125 |
| Graton Mitigation Public Safety Building Special Revenue Fund | F-126 |
| Graton Mitigation Problem Gambling Special Revenue Fund | F-127 |
| Graton Mitigation Waterway Special Revenue Fund | F-128 |
| Graton Mitigation Public Services Special Revenue Fund | F-129 |
| Graton Mitigation Wilfred Maintenance Special Revenue Fund..... | F-130 |
| Graton City Vehicle Contribution Special Revenue Fund..... | F-131 |
| Measure M Fire Benefit Assessment Special Revenue Fund | F-132 |
| Mobile Home Rent Appeals Board Special Revenue Fund | F-133 |
| Copeland Creek Drainage Facility Special Revenue Fund | F-134 |
| Assets Forfeiture Special Revenue Fund | F-135 |
| Performing Art Center Facility Capital Reserve Special Revenue Fund | F-136 |
| Sports Center Facility Capital Reserve Special Revenue Fund | F-137 |
| Explorer Special Revenue Fund..... | F-138 |
| California Disability Access Fee Special Revenue Fund..... | F-139 |
| Affordable Linkage Fee Special Revenue Fund | F-140 |
| UDSP Regional Traffic Fee Special Revenue Fund | F-141 |
| Building Standard SB 1473 Special Revenue Fund..... | F-142 |
| Rohnert Park Foundation Special Revenue Fund | F-143 |
| Wilfred Dowdell Public Safety Mitigation Special Revenue Fund | F-144 |

CITY OF ROHNERT PARK
2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

Nonmajor Enterprise Funds:

| | |
|--|-------|
| Description of Nonmajor Enterprise Funds..... | F-145 |
| Combining Statement of Net Position..... | F-146 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position..... | F-147 |
| Combining Statement of Cash Flows | F-148 |

Internal Service Funds:

| | |
|--|-------|
| Description of Internal Service Funds..... | F-149 |
| Combining Statement of Net Position..... | F-150 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position..... | F-151 |
| Combining Statement of Cash Flows | F-152 |

Fiduciary Funds:

| | |
|---|-------|
| Description of Fiduciary Funds..... | F-153 |
| Combining Statement of Fiduciary Net Position..... | F-154 |
| Combining Statement of Changes in Fiduciary Net Position..... | F-155 |

STATISTICAL SECTION (UNAUDITED)

| | |
|--|------|
| Index to Statistical Section..... | S-2 |
| Net Position by Component – Last Ten Fiscal Years | S-3 |
| Changes in Net Position – Last Ten Fiscal Years | S-4 |
| Program Revenues by Function/Program – Last Ten Fiscal Years | S-6 |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years | S-7 |
| Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years | S-8 |
| Tax Revenues by Source of Governmental Funds – Last Ten Fiscal Years | S-10 |
| Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years | S-11 |
| Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years | S-12 |
| Property Tax Levies and Collections – Last Ten Fiscal Years | S-13 |
| Taxable Sales by Category – Last Ten Fiscal Years..... | S-14 |
| Top Ten Principal Property Tax Payers – Current and Nine Years Ago | S-15 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years..... | S-16 |
| Direct and Overlapping Governmental Activities Debt – As of June 30, 2016..... | S-17 |
| Legal Debt Margin Information – Last Ten Fiscal Years | S-18 |
| Pledged Revenue Coverage – Last Ten Fiscal Years..... | S-19 |
| Demographic and Economic Statistics – Last Ten Fiscal Years..... | S-20 |
| Principal Employers – Current Year and Nine Years Ago | S-21 |
| Full-Time-Equivalent City Government Employees by Function/Program | S-22 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years..... | S-23 |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years | S-24 |

This page is left intentionally blank.



City Council

Jake Mackenzie
Mayor

Pam Stafford
Vice Mayor

Amy O. Ahanotu
Gina Belforte
Joseph Callinan
Councilmembers

Darrin Jenkins
City Manager

Don Schwartz
Assistant City Manager

Michelle Marchetta Kenyon
City Attorney

Karen Murphy
Assistant City Attorney

JoAnne Buerger
City Clerk

Betsy Howze
Finance Director

Brian Masterson
Director of Public Safety

John McArthur
*Director of Public Works and
Community Services*

Mary Grace Pawson
*Director of
Development Services*

Victoria Perrault
Human Resources Director

December 22, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the City of Rohnert Park for the fiscal year 2015-16 is hereby submitted. This report was prepared by the Finance Department, which is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief the data, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in financial position of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

THE REPORTING ENTITY

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

Economic Condition and Outlook

The City is located in beautiful Sonoma County, approximately forty-five miles north of San Francisco on US Highway 101. It is home to approximately 41,000 people, Sonoma State University, the Green Music Center and the award winning Foxtail Golf Course. A neighboring government, the Federated Indians of the Graton Rancheria (Tribe) opened a casino in November 2013. As one of the first planned communities, Rohnert Park enjoys the benefits of a coordinated system of bike trails and paths, schools and parks in every neighborhood. More than 50 restaurants including all the best national chains offer diners

the flavors they crave. Residents enjoy sweeping views of Sonoma and Taylor Mountains, preserved from development forever. Rohnert Park is just minutes from popular tourism venues including hundreds of local wineries, the Pacific Ocean, and giant redwoods.

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

Sonoma County's economy continues to see positive signs of economic recovery. All of the primary sectors are expected to experience modest growth. The unemployment is 4.1 percent; sales tax revenues remain strong; hotel occupancy and room rates have increased; and property tax revenue is higher than pre-recession levels. Future growth will be attributable to Sonoma County being an attractive international destination, with close proximity to major Bay Area attractions that are a draw for many tourists.

MAJOR INITIATIVES

For the Current Year

In response to the current economic conditions, the City has taken a more proactive approach and has developed a Strategic Plan for the City of Rohnert Park for 2016-2020. The strategic plan provides a comprehensive framework which includes vision, mission, values, accomplishments, best practices and a detailed Action Plan.

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

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

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

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

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

The Community Services Division operates several major City facilities including: Callinan Sports & Fitness Center, four community centers, Senior Center, pottery studio as well as several parks, community gardens, dog parks, athletic fields, tennis courts, and three swimming pools. Community Services staff also either run or oversee several youth and adult programs, sports leagues, classes, and community events.

The Spreckels Performing Arts Center produces critically acclaimed Broadway style musical performances in a City owned theatre.

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

For the Future

Rohnert Park is home to some of the region's most affordable, high-quality commercial space. 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 to Rohnert Park. Recently, several companies have moved to the former Agilent site, now known as Sonoma Mountain Village.

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

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

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

The GP provides for an average growth rate of 1% with an ultimate build-out of approximately 20,000 housing units, 405 acres of commercial, office and industrial uses, 60 acres of mixed use, and 190 acres of open space over the next twenty years. Construction is underway on the University District Specific Plan at this time with over 100 single family home building permits issued in 2016. The Southeast Specific Plan is poised to start home construction in 2017.

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

FINANCIAL INFORMATION

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

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

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

OTHER INFORMATION


Independent Audit. Management considers an annual audit by independent certified public accountants a sound and prudent business practice. The accounting firm of Macias Gini & O'Connell LLP performed the annual audit for the City for the fiscal year ended June 30, 2016. 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, 2015. This was the thirty-fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Darrin Jenkins
City Manager



Betsy Howze
Finance Director



Government Finance Officers Association

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

Presented to

**City of Rohnert Park
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Executive Director/CEO

CITY OFFICIALS

City Council:

Gina Belforte, Mayor

Jake Mackenzie, Vice Mayor

Amy O. Ahanotu, Councilmember

Joseph T. Callinan, Councilmember

Pam Stafford, Councilmember

City Staff:

City ManagerDarrin Jenkins

Assistant City Manager _____ Don Schwartz

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

City Clerk _____ JoAnne Buergler

Finance Director _____ Betsy Howze

Director of Public Safety _____ Brian Masterson

Director of Public Works & Community Services _____ John McArthur

Director of Human Resources _____ Victoria Perrault

Director of Development Services _____ Mary Grace Pawson

City Council Advisory Commissions, Committees, and Boards:

Bicycle Advisory Committee

Cultural Arts Commission

Mobile Home Parks Rent Appeals Board

Parks & Recreation Commission

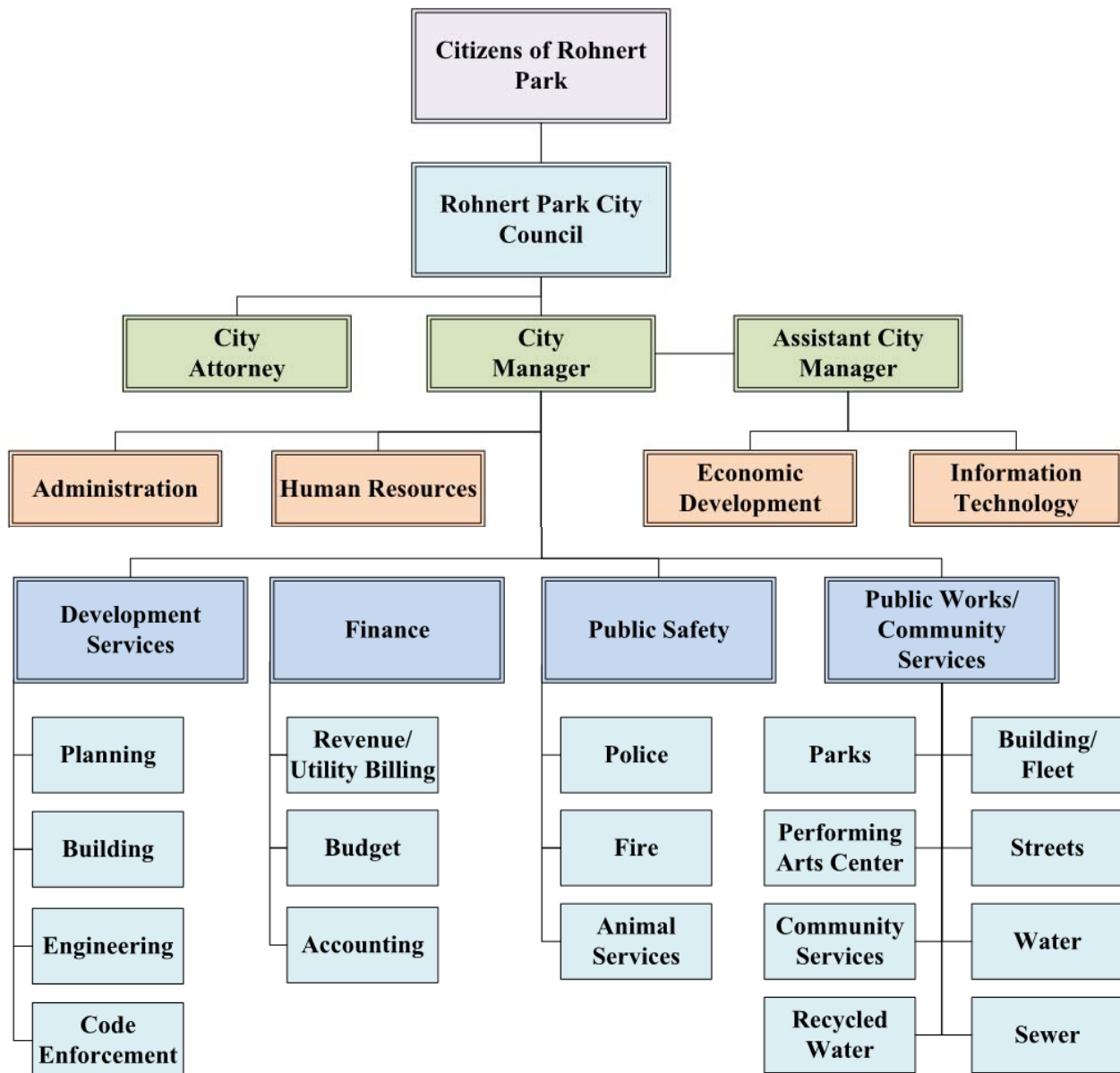
Planning Commission

Senior Citizens Advisory Commission

Sister City(s) Relations Committee



ORGANIZATIONAL CHART



This page is left intentionally blank.

FINANCIAL SECTION

This page is left intentionally blank.



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rohnert Park, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 22, 2016

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

As management of the City of Rohnert Park (City), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Government-wide Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$132.0 million (net position) at June 30, 2016. Of this amount, \$116.0 million represents the City's investment in capital assets, less (1) accumulated depreciation, and (2) related outstanding debt and deferred outflows and inflows of resources used to acquire those assets; \$39.7 million is available for the City's ongoing obligations related to programs with external restrictions (restricted); and (\$23.7) million (unrestricted deficit) is primarily the result of the City's unfunded pension. The City's total net position increased by \$17.4 million over the prior year:

- The \$8.2 million increase in net investment in capital assets represents the change in capital assets net of FY 15-16 retirement of related long-term debt.
- The \$0.2 million decrease in restricted net position represents the change in resources that are subject to external restriction on their use.
- The \$9.4 million increase in unrestricted net position is the change in resources available to fund City programs and debt obligations. The increase was primarily due to receipt of capital contributions for capital improvements.

Governmental Funds Highlights

The City's Governmental Funds combined ending fund balance of \$50.3 million increased \$2.3 million from the prior year ending balance of \$48.0 million. Amounts available for spending are categorized into Restricted, Assigned, and Unassigned Fund Balances. These categories total \$48.6 million, or 96.4% of ending fund balance. Of this amount:

- \$38.1 million is restricted by law or externally imposed requirements (e.g., for capital projects, housing projects, and debt service, etc.).
- \$19.1 million is assigned by the City Council, City Manager or Finance Director in accordance with policy and/or budgetary directives (e.g., operating reserve and contingency reserve).
- (\$8.6) million is Unassigned Fund Balance, which represents the residual of total fund balance less the aforementioned categories.
- The General Fund reported total fund balance of \$16.1 million of which \$14.8 million is spendable: \$0.1 million is restricted, \$14.1 million is assigned, and \$0.6 million is unassigned. The balance of \$1.3 million is nonspendable.

The overall increase in governmental fund balance of \$2.3 million indicates relative financial success for the year.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

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

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

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

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

Fund Financial Statements

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

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

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

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

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

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

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

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

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

Fiduciary funds account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the private purpose trust funds.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$132.0 million at the close of the current fiscal year. The following table is a condensed comparative analysis of the net position of governmental and business-type activities as of June 30, 2016 and June 30, 2015:

Summary of Net Position
As of June 30, 2016 and 2015

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets: | | | | | | |
| Current and other assets | \$ 71,228,247 | \$ 68,142,829 | \$ 19,924,652 | \$ 21,855,885 | \$ 91,152,899 | \$ 89,998,714 |
| Capital assets, net | 80,921,627 | 74,208,781 | 49,924,030 | 49,544,009 | 130,845,657 | 123,752,790 |
| Total assets | 152,149,874 | 142,351,610 | 69,848,682 | 71,399,894 | 221,998,556 | 213,751,504 |
| Deferred outflows of resources: | | | | | | |
| Deferred pensions | 6,468,158 | 4,295,181 | 395,100 | 508,951 | 6,863,258 | 4,804,132 |
| Liabilities: | | | | | | |
| Current and other liabilities | 17,629,591 | 18,282,310 | 2,552,746 | 2,401,273 | 20,182,337 | 20,683,583 |
| Long-term liabilities | 54,620,851 | 54,300,318 | 16,972,351 | 19,889,012 | 71,593,202 | 74,189,330 |
| Total liabilities | 72,250,442 | 72,582,628 | 19,525,097 | 22,290,285 | 91,775,539 | 94,872,913 |
| Deferred inflows of resources: | | | | | | |
| Deferred pensions | 4,597,828 | 7,973,896 | 440,487 | 1,032,882 | 5,038,315 | 9,006,778 |
| Net position: | | | | | | |
| Net investment in capital assets | 79,984,403 | 73,541,499 | 36,055,113 | 34,323,645 | 116,039,516 | 107,865,144 |
| Restricted net position | 39,730,177 | 39,964,837 | - | - | 39,730,177 | 39,964,837 |
| Unrestricted net position | (37,944,818) | (47,416,069) | 14,223,085 | 14,262,033 | (23,721,733) | (33,154,036) |
| Total net position | \$ 81,769,762 | \$ 66,090,267 | \$ 50,278,198 | \$ 48,585,678 | \$ 132,047,960 | \$ 114,675,945 |

Analysis of Net Position

The City's total net position (government and business-type activities) increased by \$17.4 million, or 15.1% during the fiscal year.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

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

- The \$8.2 million, or 7.6% increase in net investment in capital assets was due to the increase in net capital assets by \$7.1 million and the decrease of related long-term debt by \$1.0 million.

Restricted Net Position of \$39.7 million represents resources that are subject to external restrictions on their use, or by enabling legislation. Due to the unique nature of funding sources, the City has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is mainly comprised of amounts restricted for housing development (\$25.7 million or 64.8%), capital and street projects (\$4.9 million or 12.4%), redevelopment capital projects (\$3.6 million or 9.0%), public safety programs (\$2.9 million or 7.2%), performing arts center (\$1.2 million or 3.0%), and other (\$1.4 million, or 3.5%).

Restricted net position decreased slightly by \$0.2 million, or 0.6%.

Unrestricted Net Position in the amount of (\$23.7) million represents net position of the City that is not restricted for any project or purpose. The increase of \$9.4 million, or 28.4% was primarily due to the increase in deferred pension outflows of \$2.1 million and the decrease in deferred pension inflows of \$4.0 million.

Current Assets increased by \$1.2 million, or 1.3% primarily due to an overall increase of \$1.4 million of unanticipated tax revenues.

Current and Other Liabilities decreased by \$0.5 million, or 2.4% primarily due to the timing difference of payments on accounts payable.

Long Term Liabilities decreased by \$2.6 million, or 3.5% primarily due to early retirement of 2002 Water Revenue Bonds during the year.

Deferred Outflows of Resources increased by \$2.1 million, or 42.9% while **Deferred Inflows of Resources** decreased by \$4.0 million, or 44.1% due to changes in pension related items.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

Changes in Net Position

The following table is a condensed comparative analysis of the changes in net position of governmental and business-type activities for fiscal years ended June 30, 2016 and 2015:

| Changes in Net Position For the Fiscal Years Ended June 30, 2016 and 2015 | | | | | | |
|--|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 10,311,747 | \$ 7,499,533 | \$ 19,522,256 | \$ 19,524,173 | \$ 29,834,003 | \$ 27,023,706 |
| Operating grants and contributions | 13,510,394 | 10,148,400 | - | - | 13,510,394 | 10,148,400 |
| Capital grants and contributions | 8,541,829 | 13,065,771 | - | - | 8,541,829 | 13,065,771 |
| General revenues: | | | | | | |
| Property taxes | 4,009,906 | 3,564,329 | - | - | 4,009,906 | 3,564,329 |
| Sales taxes | 10,483,969 | 10,493,451 | - | - | 10,483,969 | 10,493,451 |
| Franchise taxes | 2,221,543 | 2,068,761 | - | - | 2,221,543 | 2,068,761 |
| Other taxes | 3,459,315 | 3,109,123 | - | - | 3,459,315 | 3,109,123 |
| Grants/contributions not restricted to specific programs: | | | | | | |
| Motor vehicle license fees | 2,917,304 | 2,948,341 | - | - | 2,917,304 | 2,948,341 |
| Investment income | 410,023 | 300,328 | 94,773 | 75,585 | 504,796 | 375,913 |
| Gain on sale of capital asset: | 51,514 | - | - | - | 51,514 | - |
| Other | 458,554 | 133,236 | - | - | 458,554 | 133,236 |
| Total revenues | 56,376,098 | 53,331,273 | 19,617,029 | 19,599,758 | 75,993,127 | 72,931,031 |
| Expenses: | | | | | | |
| General government | 13,833,254 | 10,648,148 | - | - | 13,833,254 | 10,648,148 |
| Public safety | 16,106,438 | 15,711,045 | - | - | 16,106,438 | 15,711,045 |
| Public works | 4,718,970 | 4,115,427 | - | - | 4,718,970 | 4,115,427 |
| Parks and recreation | 4,106,404 | 2,940,882 | - | - | 4,106,404 | 2,940,882 |
| Cultural arts center | 982,644 | 774,542 | - | - | 982,644 | 774,542 |
| Interest on long-term debt | 22,989 | 194,621 | - | - | 22,989 | 194,621 |
| Water | - | - | 6,020,579 | 7,875,791 | 6,020,579 | 7,875,791 |
| Sewer | - | - | 12,647,157 | 13,037,337 | 12,647,157 | 13,037,337 |
| Recycled water | - | - | 150,607 | - | 150,607 | - |
| Refuse collection | - | - | 32,070 | 3,530 | 32,070 | 3,530 |
| Total expenses | 39,770,699 | 34,384,665 | 18,850,413 | 20,916,658 | 58,621,112 | 55,301,323 |
| Increase in net position before transfers | 16,605,399 | 18,946,608 | 766,616 | (1,316,900) | 17,372,015 | 17,629,708 |
| Transfers | (925,904) | (4,275,417) | 925,904 | 4,275,417 | - | - |
| Change in net position | 15,679,495 | 14,671,191 | 1,692,520 | 2,958,517 | 17,372,015 | 17,629,708 |
| Net position, beginning of year | 66,090,267 | 51,419,076 | 48,585,678 | 45,627,161 | 114,675,945 | 97,046,237 |
| Net position, end of year | \$ 81,769,762 | \$ 66,090,267 | \$ 50,278,198 | \$ 48,585,678 | \$ 132,047,960 | \$ 114,675,945 |

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

Analysis of Governmental Activities

Governmental Activities increased the City's net position by \$15.7 million to \$81.8 million for the year ended June 30, 2016, accounting for 90.3% of the City's total increase in net position.

Revenues

Total revenues for the City's Governmental Activities had an overall increase from the prior year of \$3.0 million, or 5.7%, to \$56.4 million. Revenues are divided into two categories: Program Revenues which derive from the program itself such as fees and charges or from outside the City's tax base, and General Revenues that are not program related such as taxes.

Program Revenues had an overall increase of \$1.7 million, or 5.5%, to \$32.4 million from the prior year.

- Charges for services increased by \$2.8 million, or 37.5%, to \$10.3 million primarily due to the true up of the FY 12-13 and FY 13-14 cost allocation plan which reimbursed the General Fund for prior year services provided to proprietary funds in the amount of \$1.8 million.
- Operating grants and contributions increased by \$3.4 million, or 33.1%, to \$13.5 million primarily due to increase of \$2.8 million contribution made by the Federated Indians of Graton Rancheria (Tribe) in accordance with the Memorandum of Understanding (MOU) with the City.
- Capital grants and contributions decreased by \$4.5 million, or 34.6% primarily due to the completion of the Wilfred widening road project funded by Tribe contributions in the previous year.

General Revenues had an overall increase of \$1.4 million, or 6.2%, to \$24.0 million. These revenues include general taxes which provided the City Council with the most discretionary spending ability. The increase in general revenues was due primarily to the increase of property tax revenues of \$0.4 million; the increase in franchise taxes of \$0.2 million, the increase in other tax revenue of \$0.3 million, and the increase in other general revenues in the amount of \$0.4 million.

Expenses

Expenses had an overall increase for Governmental Activities of \$5.4 million, or 15.7%, to \$39.8 million. As a service delivery entity, the City's major cost component is salaries and benefits, amounting to 72.2% of the total City expenses. The increase in expenses was generally attributable to the following:

- General Government increased by \$3.2 million, or 29.9%, to \$13.8 million primarily due to an increase in employee benefit costs of \$3.0 million.
- Public safety increased by \$0.4 million, or 2.5%, to \$16.1 million primarily due to an increase in employee benefit costs and the filling of vacant positions.
- Public works increased by \$0.6 million, or 14.6%, to \$4.7 million primarily due to Subregional expenditure being directly charged to the Public Facility Finance Fee Special Revenue Fund (PFFF Fund). In prior years, this payment was treated as a transfer out to the Sewer Fund.
- Parks and recreation increased by \$1.2 million, or 39.6%, to \$4.1 million due to an increase in employee benefit costs; and the installation of low energy lighting.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

Analysis of Business-Type Activities

The net position of business-type activities increased by \$1.7 million, or 3.5%, to \$50.3 million due to the following:

- Continued water conservation measures kept Operating Revenue relatively flat.
- Continued water conservation measures, combined with increased use of City's well water, decreased the purchase of water expense by \$0.5 million, or 22.7% to \$1.7 million.
- The PFFF Fund's portion of the Subregional expenses in the amount of \$0.7 million was direct charged to the PFFF Fund this year, thereby reducing the Sewer system wastewater treatment expense. In prior years, this payment was treated as a transfer out by the PFFF Fund and transfer in by the Sewer Fund and the Sewer Fund recorded the entire expense.
- Payroll and related costs decreased by \$2.5 million, or 73.5% to \$0.9 million due to the implementation of the cost allocation plan that allocated central service overhead costs as opposed to direct charging them.
- Other expenses increased by \$2.2 million, or 275.0% to \$3.0 million due to change in treatment of overhead costs.

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCES

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

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

At June 30, 2016, the City's Governmental Funds reported total fund balances of \$50.4 million, an increase of \$2.3 million, or 4.8%, in comparison with the prior year's total ending fund balances. Approximately 96.4%, or \$48.6 million of the total fund balances is spendable, which means it is available to meet the City's current and future needs. City Council, or City management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The components of total fund balance are as follows:

- Nonspendable Fund Balance, \$1.8 million consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of prepaid items, advances to the successor agency trust fund; and certain assets held in the Performing Arts Endowment Permanent Fund.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

- Restricted Fund Balance, \$38.1 million consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (e.g., Sports Center Capital Facility Fund) or (2) legislated amounts (e.g., State Gasoline Tax).
- Assigned Fund Balance, \$19.1 million is assigned by the City Council, City Manager or Finance Director in accordance with policy and budgetary directives.
- Unassigned Fund Balance, (\$8.6) million, represents the residual classification for the City's General Fund and the negative fund balance in the Public Facilities Finance Fee Special Revenue Fund.

General Fund

The General Fund is the main operating fund of the City. The General Fund's total fund balance increased by \$1.9 million, or 13.4%, to \$16.1 million at June 30, 2016.

The spendable portion of fund balance increased by \$2.6 million to \$14.8 million, primarily due to unanticipated revenues. The nonspendable portion of fund balance decreased by \$0.7 million, to \$1.3 million, due to a \$0.6 million repayment on the advance to the Successor Agency and a \$0.1 million decrease in prepaid items and other assets.

As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 45.2% of total General Fund expenditures while spendable fund balance equates to 41.5% of total General Fund expenditures. Of the General Fund spendable fund balance, \$0.1 million, or 0.5%, is restricted; \$14.1 million, or 95.7% is assigned; and \$0.6 million, or 3.8%, is unassigned.

Other Major Governmental Funds

The total fund balances of the other Major Governmental Funds decreased by \$4.1 million, or 17.0%, to \$19.8 million with the following significant changes:

- The Housing Projects Special Revenue Fund increased fund balance by \$0.4 million, from \$24.0 million to \$24.4 million, or 1.7%, primarily due to the sale of the a residential real estate parcel and receipt of proceeds of \$0.4 million.
- The City Capital Projects Fund decreased fund balance by \$3.3 million, to \$2.4 million, primarily due to the completion of projects during the year.
- The PFFF Fund decreased fund balance by \$2.0 million, from (\$7.3) million to (\$9.2) million, or 27.0% as capital projects funding in the amount of \$6.6 million were transferred out. The negative Fund Balance is due to an advance from the Redevelopment Successor Agency to build new sewer services.
- The Graton Mitigation Supplemental Special Revenue Fund increased fund balance by \$0.8 million from \$1.3 million to \$2.1 million, or 61.3% due to revenues over budgeted transfers out for the year.
- The Financing Authority Debt Service Fund remaining consistent between the years.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

Nonmajor Governmental Funds

The total fund balance of Nonmajor Governmental Funds increased by \$4.5 million from \$10.0 million to \$14.5 million, or 45.0%. The significant changes occurred in the following funds:

- The Refuse Road Impact Fee fund increased by \$0.5 million to \$1.2 million due to revenues received in excess of expenditures.
- The Graton Mitigation Public Safety Building Fund increased by \$1.7 million due to the receipt of \$1.9 million of Tribe construction funding for the Westside Fire Station.
- The Graton Mitigation Public Services Fund increased by \$1.6 million, from 0.7 million to \$2.3 million due to receipt of Tribe funding for public services.

Proprietary Funds

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

- Total Enterprise Fund net position, which at year-end was comprised of the Water Fund, Sewer Fund, Recycled Water Fund and Refuse Collection Fund, increased by \$1.7 million or 3.6% from the prior year. This increase in net position is the result of a concerted effort to decrease operating expenses in the Water Fund due to water conservation efforts, combined with the change to have the PFFF Fund pay the expansion portion of the Subregional debt directly, as more fully described previously, in the Government-wide Analysis.
- Total Internal Service Fund net position increased by \$2.5 million to \$2.5 million. This increase in net position is due council direction to add to the reserves of \$0.8 million in the Vehicle Replacement Fund and \$1.7 million in the Infrastructure Fund.

Fiduciary funds

The City's fiduciary funds net positions decreased by \$1.5 million, from (\$30.0) million to (\$31.5) million, or (5.0%).

- The Redevelopment Successor Agency decreased by \$1.5 million to (\$31.5) million. This decrease is primarily due to the intergovernmental transfer of \$1.1 million of 2007R Redevelopment capital project bond proceeds to the City Capital Project Fund. The negative net position is due to long-term bond debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's final budget appropriations for expenditures for the General Fund differ from the original budget by \$3.9 million or 11.4%. The major changes in appropriations are as follows:

- Nondepartmental employee benefits appropriations increased \$3.3 million mainly due to increase in Other Post-Employment Benefit (OPEB) contributions.
- Development Services appropriations increased by \$0.6 million due to an increase in reimbursable developer activities.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

Revenues: General Fund revenues were \$3.5 million more than Final Budget revenue estimates. The main reasons are as follows:

- Property taxes and real property transfer taxes outperformed revenue estimates by \$0.8 million or 23.8% due to increased property values and increased property sales.
- Transient Occupancy Tax outperformed revenue estimates by \$0.4 million or 12.3% due to improved economic conditions resulting in strong tourism.
- Franchise Tax outperformed revenue estimates by \$0.2 million or 11.6% due to increases to utility usage and/or costs that are the basis for the franchise fees.
- License, Permits and Fees outperformed revenue estimates by \$0.3 million, or 23.7% due to increased development.
- Charges for Services outperformed revenue estimates by \$1.9 million, or 40.0% mainly due to the true up of the FY 12-13 and FY 13-14 cost allocation plan (CAP), which reimburses the General Fund for services provided to proprietary funds; which increased unanticipated revenues by \$1.4 million, or 77.8%. In addition, engineering fees outperformed revenue estimates by \$0.2 million or 174.7%, due to increased development.

Expenditures: The variance between the final budget and actual expenditures resulted in \$2.0 million of unspent appropriations. Key variances are due to, carryover encumbrances, vacant positions, and tight controls on services, supplies and equipment spending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets (net of depreciation)
As of June 30, 2016 and 2015

| | Governmental activities | | Business-type activities | | Total | | Percent of Change |
|---|-------------------------|---------------|--------------------------|---------------|----------------|----------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | |
| Land | \$ 7,029,287 | \$ 7,029,287 | \$ - | \$ - | \$ 7,029,287 | \$ 7,029,287 | 0.0% |
| Construction in progress | 13,794,401 | 4,384,434 | 4,133,601 | 4,405,679 | 17,928,002 | 8,790,113 | 104.0% |
| Infrastructure, structures and improvements | 129,489,384 | 128,573,366 | 66,916,474 | 64,546,795 | 196,405,858 | 193,120,161 | 1.7% |
| Equipment | 12,151,428 | 11,585,093 | 4,220,663 | 4,014,480 | 16,372,091 | 15,599,573 | 5.0% |
| Accumulated depreciation | (81,542,873) | (77,363,459) | (25,346,708) | (23,422,945) | (106,889,581) | (100,786,404) | 6.1% |
| Total | \$ 80,921,627 | \$ 74,208,721 | \$ 49,924,030 | \$ 49,544,009 | \$ 130,845,657 | \$ 123,752,730 | 5.7% |

During the fiscal year, the City's investment in capital assets increased by approximately \$7.1 million, or 5.7% to \$130.8 million (net of accumulated depreciation). This investment is in a broad range of capital assets including land, and improvements, structures and improvements, equipment, vehicles and infrastructure.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

The City both purchases and constructs capital assets throughout the year. When a capital project will be completed in a subsequent fiscal year, related expenditures are recorded as Construction in Progress (CIP). In the year of completion, CIP is recorded to the appropriate capital asset classification(s). In the current fiscal year, CIP increased by \$9.4 million for governmental activities and decreased \$0.3 million for business-type activities.

During the year, the City completed and capitalized projects costing approximately \$3.6 million, of which \$2.6 million was already in CIP at June 30, 2015. Some of the major projects completed were as follows:

- General government – Callinan Sports Center Locker Room Rehabilitation (\$0.8 million); Magnolia Park Tennis Court Rehabilitation (\$0.3 million); Sidewalk Access Ramps ADA upgrade (\$0.1 million)
- Water Fund – Water System Distribution Improvements (\$2.4 million)

During the year, the City capitalized \$1.1 million in new equipment purchases, and retired \$0.3 million of equipment, and related accumulated depreciation of \$0.3 million.

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

Debt Administration

Long-Term Liabilities As of June 30, 2016 and 2015

| | Governmental activities | | Business-type activities | | Total | | Percent of Change |
|-------------------------------|-------------------------|-------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | |
| Certificates of participation | \$ - | \$ - | \$ 10,295,000 | \$ 10,610,000 | \$ 10,295,000 | \$ 10,610,000 | -3.0% |
| Lease revenue refunding bonds | 387,000 | 417,500 | - | - | 387,000 | 417,500 | -7.3% |
| Water revenue bonds | - | - | 3,455,000 | 4,625,000 | 3,455,000 | 4,625,000 | -25.3% |
| Loan payable | 680,965 | 249,782 | - | - | 680,965 | 249,782 | 172.6% |
| Total | <u>\$ 1,067,965</u> | <u>\$ 667,282</u> | <u>\$ 13,750,000</u> | <u>\$ 15,235,000</u> | <u>\$ 14,817,965</u> | <u>\$ 15,902,282</u> | -6.8% |

At June 30, 2016, the City's governmental activities had total outstanding long-term debt of \$1.1 million. The balance was comprised of \$0.4 million of lease revenue refunding bonds issued by the Rohnert Park Financing Authority (the Authority), and secured by the base rental payments to be made by the City under the lease between the City and the Authority; and \$0.6 million of loans payable. Governmental activities long-term debt increased by \$0.4 million during the year primarily due to the new loan obligations.

At June 30, 2016, the City's business-type activities had total outstanding long term debt of \$13.7 million, comprised of \$10.3 million of sewer system revenue certificates of participation issued by the Authority and secured by an irrevocable pledge of sewer net revenues; and \$3.5 million of water revenue bonds secured by an irrevocable pledge of water net revenues. During the year-ended June, 30, 2016, the City fully redeemed the 2002 Water Revenue Bonds.

The City's Ordinance imposes a limit on the amount of general obligation bonds the City can have outstanding at any given time. As of June 30, 2016, the City's debt limit (15.0% of assessed valuation) was \$639.8 million. At June 30, 2016, the City did not have any debt applicable to the limit outstanding.

CITY OF ROHNERT PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET ANALYSIS

The following factors were considered in preparing the City's operating budget for FY 2016-17:

- The budget is projecting continued moderate and sustainable growth in City revenues using conservative estimates.
- In general, property taxes were projected to increase by 3.0%.
- Transient Occupancy taxes were projected to remain flat compared to the FY 15-16 budget.
- Retail Sales tax was projected to increase 2.0% in consideration of economic forecasts prepared by our Sales Tax consultant.
- Services and supplies expenditures were held flat; and salaries and benefits were projected to increase due to the 3% negotiated COLA effective July 1, 2016.
- The budget maintains continued focus on achieving municipal solvency.

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

For the third consecutive year, the City adopted a balanced budget, however unfunded liabilities continue to present significant challenges to long-term financial solvency and service level solvency.

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

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Rohnert Park Finance Director, 130 Avram Avenue, Rohnert Park, CA 94928. The City's Comprehensive Annual Financial Report can also be found on the City's website at <http://www.ci.rohnert-park.ca.us/cms/one.aspx?pageId=3344163>

This page is left intentionally blank.

CITY OF ROHNERT PARK
STATEMENT OF NET POSITION
JUNE 30, 2016

| | Primary Government | | |
|--|----------------------------|---------------------------------|-----------------------|
| | Governmental Activities | Business- type Activities | Total |
| ASSETS | | | |
| Cash and investments | \$ 38,593,571 | \$ 15,296,138 | \$ 53,889,709 |
| Receivables | 5,076,006 | 3,528,132 | 8,604,138 |
| Prepaid items and other assets | 77,464 | - | 77,464 |
| Restricted cash and investments | 17,607,435 | - | 17,607,435 |
| Internal balances | (1,100,382) | 1,100,382 | - |
| Loans and notes receivable, net of allowance | 9,727,374 | - | 9,727,374 |
| Advances to the Successor Agency | 1,246,779 | - | 1,246,779 |
| Capital assets: | | | |
| Nondepreciable assets | 20,823,688 | 4,133,601 | 24,957,289 |
| Depreciable assets, net | 60,097,939 | 45,790,429 | 105,888,368 |
| Total assets | <u>152,149,874</u> | <u>69,848,682</u> | <u>221,998,556</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension items | <u>6,468,158</u> | <u>395,100</u> | <u>6,863,258</u> |
| LIABILITIES | | | |
| Accounts payable | 3,273,902 | 1,043,750 | 4,317,652 |
| Accrued liabilities | 1,888,015 | 16,501 | 1,904,516 |
| Interest payable | 8,985 | 78,300 | 87,285 |
| Deposits | 824,205 | 913,876 | 1,738,081 |
| Unearned revenue | 434,238 | - | 434,238 |
| Advances from the Successor Agency | 9,844,225 | - | 9,844,225 |
| Long-term liabilities: | | | |
| Due within one year | 1,412,383 | 500,319 | 1,912,702 |
| Due in more than one year | 1,181,656 | 13,368,598 | 14,550,254 |
| Net OPEB obligation | 6,269,000 | - | 6,269,000 |
| Net pension liability | 47,113,833 | 3,603,753 | 50,717,586 |
| Total liabilities | <u>72,250,442</u> | <u>19,525,097</u> | <u>91,775,539</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension items | <u>4,597,828</u> | <u>440,487</u> | <u>5,038,315</u> |
| NET POSITION | | | |
| Net investment in capital assets | 79,984,403 | 36,055,113 | 116,039,516 |
| Restricted for: | | | |
| Nonexpendable: | | | |
| Performing arts center | 500,000 | - | 500,000 |
| Expendable: | | | |
| Housing projects | 25,730,849 | - | 25,730,849 |
| Capital and street projects | 4,927,287 | - | 4,927,287 |
| Redevelopment capital projects | 3,572,315 | - | 3,572,315 |
| General government programs | 1,432,645 | - | 1,432,645 |
| Public safety programs - police | 2,738,685 | - | 2,738,685 |
| Public safety programs - fire | 114,966 | - | 114,966 |
| Debt service | 31,507 | - | 31,507 |
| Performing arts center | 681,923 | - | 681,923 |
| Unrestricted | <u>(37,944,818)</u> | <u>14,223,085</u> | <u>(23,721,733)</u> |
| Total net position | <u>\$ 81,769,762</u> | <u>\$ 50,278,198</u> | <u>\$ 132,047,960</u> |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

| | | Program Revenues | | |
|---|---------------|------------------|---------------|---------------|
| | | Charges for | Operating | Capital |
| | Expenses | Services | Grants and | Grants and |
| | | | Contributions | Contributions |
| FUNCTION/PROGRAM ACTIVITIES: | | | | |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 13,833,254 | \$ 5,076,199 | \$ 9,479,247 | \$ 17,978 |
| Public safety | 16,106,438 | 1,016,562 | 2,077,006 | 1,875,000 |
| Public works | 4,718,970 | 2,393,811 | 1,954,141 | 6,648,851 |
| Parks and recreation | 4,106,404 | 1,341,005 | - | - |
| Cultural arts center | 982,644 | 484,170 | - | - |
| Interest on long-term debt | 22,989 | - | - | - |
| Total governmental activities | 39,770,699 | 10,311,747 | 13,510,394 | 8,541,829 |
| Business-type activities: | | | | |
| Water | 6,020,579 | 6,572,737 | - | - |
| Sewer | 12,647,157 | 12,723,384 | - | - |
| Recycled Water | 150,607 | 226,135 | - | - |
| Refuse Collection | 32,070 | - | - | - |
| Total business-type activities | 18,850,413 | 19,522,256 | - | - |
| Total primary government | \$ 58,621,112 | \$ 29,834,003 | \$ 13,510,394 | \$ 8,541,829 |
| General revenues: | | | | |
| Property taxes | | | | |
| Intergovernmental - Sales taxes | | | | |
| Franchise taxes | | | | |
| Transient occupancy taxes | | | | |
| Real property transfer taxes | | | | |
| Grants/contributions not restricted to specific programs: | | | | |
| Motor vehicle license fees | | | | |
| Investment income | | | | |
| Gain on sale of capital assets | | | | |
| Other | | | | |
| Transfers | | | | |
| Total general revenues and transfers | | | | |
| Change in net position | | | | |
| NET POSITION, BEGINNING OF YEAR | | | | |
| NET POSITION, END OF YEAR | | | | |

See accompanying notes to the basic financial statements.

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---------------------------------|----------------|---|
| Primary Government | | | |
| Governmental Activities | Business- type Activities | Total | |
| \$ 740,170 | \$ - | \$ 740,170 | FUNCTION/PROGRAM ACTIVITIES: |
| (11,137,870) | - | (11,137,870) | Primary government: |
| 6,277,833 | - | 6,277,833 | Governmental activities: |
| (2,765,399) | - | (2,765,399) | General government |
| (498,474) | - | (498,474) | Public safety |
| (22,989) | - | (22,989) | Public works |
| (7,406,729) | - | (7,406,729) | Parks and recreation |
| | | | Cultural arts center |
| | | | Interest on long-term debt |
| | | | Total governmental activities |
| - | 552,158 | 552,158 | Business-type activities: |
| - | 76,227 | 76,227 | Water |
| - | 75,528 | 75,528 | Sewer |
| - | (32,070) | (32,070) | Recycled Water |
| | | | Refuse Collection |
| - | 671,843 | 671,843 | Total business-type activities |
| (7,406,729) | 671,843 | (6,734,886) | Total primary government |
| 4,009,906 | - | 4,009,906 | General revenues: |
| 10,483,969 | - | 10,483,969 | Property taxes |
| 2,221,543 | - | 2,221,543 | Intergovernmental - Sales taxes |
| 3,255,970 | - | 3,255,970 | Franchise taxes |
| 203,345 | - | 203,345 | Transient occupancy taxes |
| | | | Real property transfer taxes |
| 2,917,304 | - | 2,917,304 | Grants/contributions not restricted to specific programs: |
| 410,023 | 94,773 | 504,796 | Motor vehicle license fees |
| 51,514 | - | 51,514 | Investment income |
| 458,554 | - | 458,554 | Gain on sale of capital assets |
| (925,904) | 925,904 | - | Other |
| 23,086,224 | 1,020,677 | 24,106,901 | Transfers |
| 15,679,495 | 1,692,520 | 17,372,015 | Total general revenues and transfers |
| 66,090,267 | 48,585,678 | 114,675,945 | Change in net position |
| \$ 81,769,762 | \$ 50,278,198 | \$ 132,047,960 | NET POSITION, BEGINNING OF YEAR |
| | | | NET POSITION, END OF YEAR |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

| | General | Housing Projects Special Revenue | Financing Authority Debt Service | City Capital Projects |
|--|----------------------|---|---|--------------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 14,046,842 | \$ 2,061,880 | \$ - | \$ 1,110,088 |
| Receivables: | | | | |
| Taxes | 2,943,933 | - | - | - |
| Accounts | 1,083,304 | - | - | 3,076 |
| Accrued interest | 82,201 | - | - | - |
| Intergovernmental | 723,382 | - | - | - |
| Due from other funds | 180,003 | - | - | - |
| Prepaid items and other assets | 68,708 | - | - | - |
| Restricted cash and investments | - | 13,770,263 | 40,492 | 3,633,379 |
| Loans and notes receivable, net of allowance | 17,414 | 9,709,960 | - | - |
| Advances to the successor agency trust fund | 1,246,779 | - | - | - |
| Total assets | <u>\$ 20,392,566</u> | <u>\$ 25,542,103</u> | <u>\$ 40,492</u> | <u>\$ 4,746,543</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 713,931 | \$ 11,884 | \$ - | \$ 2,265,596 |
| Accrued liabilities | 1,888,015 | - | - | - |
| Due to other funds | - | 305 | - | - |
| Deposits | 777,595 | - | - | 46,610 |
| Unearned revenue | 434,238 | - | - | - |
| Advances from the successor agency trust fund | 288,500 | - | - | - |
| Total liabilities | <u>4,102,279</u> | <u>12,189</u> | <u>-</u> | <u>2,312,206</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenues | <u>166,729</u> | <u>1,118,194</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES (DEFICITS) | | | | |
| Nonspendable | 1,315,487 | - | - | - |
| Restricted | 80,196 | 24,411,720 | 40,492 | 2,434,337 |
| Assigned | 14,164,529 | - | - | - |
| Unassigned | 563,346 | - | - | - |
| Total fund balances (deficits) | <u>16,123,558</u> | <u>24,411,720</u> | <u>40,492</u> | <u>2,434,337</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 20,392,566</u> | <u>\$ 25,542,103</u> | <u>\$ 40,492</u> | <u>\$ 4,746,543</u> |

See accompanying notes to the basic financial statements.

| Public Facility Finance Fee Special Revenue | Graton Mitigation Supplemental Special Revenue | Other Governmental Funds | Total | |
|--|---|---|----------------------|--|
| \$ 1,570,813 | \$ 2,127,057 | \$ 14,473,673 | \$ 35,390,353 | ASSETS |
| - | - | - | 2,943,933 | Cash and investments |
| - | - | 139,209 | 1,225,589 | Receivables: |
| - | - | - | 82,201 | Taxes |
| - | - | 100,901 | 824,283 | Accounts |
| - | - | - | 180,003 | Accrued interest |
| - | - | - | 68,708 | Intergovernmental |
| - | - | - | 17,444,134 | Due from other funds |
| - | - | - | 9,727,374 | Prepaid items and other assets |
| - | - | - | 1,246,779 | Restricted cash and investments |
| | | | | Loans and notes receivable, net of allowance |
| | | | | Advances to the successor agency trust fund |
| <u>\$ 1,570,813</u> | <u>\$ 2,127,057</u> | <u>\$ 14,713,783</u> | <u>\$ 69,133,357</u> | Total assets |
| | | | | LIABILITIES |
| \$ 1,213 | \$ - | \$ 226,675 | \$ 3,219,299 | Accounts payable |
| - | - | - | 1,888,015 | Accrued liabilities |
| 1,227,687 | - | 23,221 | 1,251,213 | Due to other funds |
| - | - | - | 824,205 | Deposits |
| - | - | - | 434,238 | Unearned revenue |
| 9,555,725 | - | - | 9,844,225 | Advances from the successor agency trust fund |
| <u>10,784,625</u> | <u>-</u> | <u>249,896</u> | <u>17,461,195</u> | Total liabilities |
| | | | | DEFERRED INFLOWS OF RESOURCES |
| - | - | - | 1,284,923 | Unavailable revenues |
| | | | | FUND BALANCES (DEFICITS) |
| - | - | 500,000 | 1,815,487 | Nonspendable |
| - | - | 11,154,223 | 38,120,968 | Restricted |
| - | 2,127,057 | 2,809,664 | 19,101,250 | Assigned |
| (9,213,812) | - | - | (8,650,466) | Unassigned |
| <u>(9,213,812)</u> | <u>2,127,057</u> | <u>14,463,887</u> | <u>50,387,239</u> | Total fund balances (deficits) |
| <u>\$ 1,570,813</u> | <u>\$ 2,127,057</u> | <u>\$ 14,713,783</u> | <u>\$ 69,133,357</u> | Total liabilities, deferred inflows of resources and fund balances (deficits) |

See accompanying notes to the basic financial statements.

This page is left intentionally blank.

CITY OF ROHNERT PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

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

| | | | |
|--|----------------|---------------|---------------|
| Fund balances - total governmental funds | | \$ 50,387,239 | |
| Capital assets net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | 80,909,020 |
| Internal service funds are used to charge the costs of management of centralized data processing services, vehicle replacement, fleet management, and infrastructure and related billings to other City departments and individual funds. The assets and liabilities are included in governmental activities in the statement of net position. | | | 2,468,046 |
| Long-term receivables and interest on loans are not available to pay for current period expenditures and, therefore, are considered unavailable on the modified accrual basis of accounting. | | | 1,284,923 |
| Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is not accrued as a liability in the balance sheet of governmental funds. | | | (8,985) |
| Deferred outflows and inflows of resources for pension items in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | | |
| Deferred outflows of resources | | | 6,391,781 |
| Deferred inflows of resources | | | (4,512,677) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Net OPEB obligation | \$ (6,269,000) | | |
| Net pension liability | (46,417,187) | | |
| Lease revenue refunding bonds | (387,000) | | |
| Loans payable | (550,224) | | |
| Compensated absences | (1,526,174) | | |
| | | | (55,149,585) |
| Net position of governmental activities | | | \$ 81,769,762 |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | General | Housing Projects Special Revenue | Financing Authority Debt Service | City Capital Projects |
|--|----------------------|---|---|--------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 9,690,764 | \$ - | \$ - | \$ - |
| Intergovernmental - Sales taxes | 10,483,969 | - | - | - |
| Intergovernmental | 4,083,906 | - | - | 14,902 |
| Intergovernmental transfer from successor agency trust fund | - | - | - | 1,127,586 |
| Interest and rentals | 733,636 | 38,292 | 3 | 24,242 |
| Charges for current services | 6,532,515 | - | - | - |
| Licenses, permits and fees | 1,767,833 | - | - | - |
| Fines, forfeitures and penalties | 42,943 | - | - | - |
| Donations and miscellaneous | 346,308 | 107,144 | - | 3,076 |
| Total revenues | <u>33,681,874</u> | <u>145,436</u> | <u>3</u> | <u>1,169,806</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 14,153,385 | 121,938 | - | - |
| Public safety | 15,555,928 | - | - | - |
| Public works | 835,447 | - | - | - |
| Parks and recreation | 3,304,477 | - | - | - |
| Cultural arts center | 916,191 | - | - | - |
| Capital outlay | 850,331 | - | - | 11,053,306 |
| Debt service: | | | | |
| Principal | 39,296 | - | 30,500 | - |
| Interest and fiscal charges | - | - | 18,857 | - |
| Total expenditures | <u>35,655,055</u> | <u>121,938</u> | <u>49,357</u> | <u>11,053,306</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,973,181)</u> | <u>23,498</u> | <u>(49,354)</u> | <u>(9,883,500)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from the sale of capital assets | 150,044 | 394,778 | - | - |
| Issuance of loans | 339,738 | - | - | - |
| Transfers in | 6,099,402 | 119,642 | 49,747 | 6,581,066 |
| Transfers out | (2,712,311) | (120,488) | - | (22,668) |
| Total other financing sources (uses) | <u>3,876,873</u> | <u>393,932</u> | <u>49,747</u> | <u>6,558,398</u> |
| NET CHANGE IN FUND BALANCES | <u>1,903,692</u> | <u>417,430</u> | <u>393</u> | <u>(3,325,102)</u> |
| FUND BALANCES (DEFICITS), BEGINNING OF YEAR | <u>14,219,866</u> | <u>23,994,290</u> | <u>40,099</u> | <u>5,759,439</u> |
| FUND BALANCES (DEFICITS), END OF YEAR | <u>\$ 16,123,558</u> | <u>\$ 24,411,720</u> | <u>\$ 40,492</u> | <u>\$ 2,434,337</u> |

See accompanying notes to the basic financial statements.

| Public Facility Finance Fee Special Revenue | Graton Mitigation Supplemental Special Revenue | Other Governmental Funds | Total | |
|--|---|---|---------------|--|
| \$ - | \$ - | \$ 546,030 | \$ 10,236,794 | REVENUES |
| - | - | - | 10,483,969 | Taxes |
| - | - | 1,493,093 | 5,591,901 | Intergovernmental - Sales taxes |
| - | - | - | 1,127,586 | Intergovernmental |
| 27,187 | 12,049 | 74,488 | 909,897 | Intergovernmental transfer from successor agency trust fund |
| - | - | 203,048 | 6,735,563 | Interest and rentals |
| 5,456,086 | - | 929,474 | 8,153,393 | Charges for current services |
| - | - | 93,867 | 136,810 | Licenses, permits and fees |
| - | 5,792,600 | 6,525,222 | 12,774,350 | Fines, forfeitures and penalties |
| 5,483,273 | 5,804,649 | 9,865,222 | 56,150,263 | Donations and miscellaneous |
| | | | | Total revenues |
| | | | | EXPENDITURES |
| 66,142 | - | 1,482,652 | 15,824,117 | Current: |
| - | - | 1,310,507 | 16,866,435 | General government |
| 772,276 | - | 836,530 | 2,444,253 | Public safety |
| - | - | - | 3,304,477 | Public works |
| - | - | 12,380 | 928,571 | Parks and recreation |
| - | - | 20,797 | 11,924,434 | Cultural arts center |
| - | - | - | 69,796 | Capital outlay |
| 5,305 | - | - | 24,162 | Debt service: |
| 843,723 | - | 3,662,866 | 51,386,245 | Principal |
| | | | | Interest and fiscal charges |
| 4,639,550 | 5,804,649 | 6,202,356 | 4,764,018 | Total expenditures |
| | | | | EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES |
| - | - | - | 544,822 | OTHER FINANCING SOURCES (USES) |
| - | - | - | 339,738 | Proceeds from the sale of capital assets |
| - | 4,018 | 359,991 | 13,213,866 | Issuance of loans |
| (6,595,477) | (5,000,000) | (2,086,084) | (16,537,028) | Transfers in |
| (6,595,477) | (4,995,982) | (1,726,093) | (2,438,602) | Transfers out |
| | | | | Total other financing sources (uses) |
| (1,955,927) | 808,667 | 4,476,263 | 2,325,416 | NET CHANGE IN FUND BALANCES |
| (7,257,885) | 1,318,390 | 9,987,624 | 48,061,823 | FUND BALANCES (DEFICITS), BEGINNING OF YEAR |
| \$ (9,213,812) | \$ 2,127,057 | \$ 14,463,887 | \$ 50,387,239 | FUND BALANCES (DEFICITS), END OF YEAR |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

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

| | | |
|--|--------------------|----------------------|
| Net change in fund balances - total governmental funds | | \$ 2,325,416 |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital assets additions | \$ 11,793,739 | |
| Capital assets retirements | (493,308) | |
| Depreciation | <u>(4,600,192)</u> | 6,700,239 |
| Revenues recognized in the governmental funds that were earned and recognize in previous years are reported as beginning net position in the statement of activities. Revenues earned in the current year that did not meet the revenue recognition criteria for governmental funds are reported as revenues in the statement of activities. | | 87,968 |
| Pension contribution made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflows of resources in the government-wide financial statements. | | 4,760,780 |
| Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | (3,471,327) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | (339,738) |
| Issuance of loans payable | | |
| Principal repayments: | | |
| Lease revenue refunding bonds | \$ 30,500 | |
| Loans payable | <u>39,296</u> | 69,796 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Change in net OPEB obligation | \$ 3,232,000 | |
| Change in accrued interest payable | 1,173 | |
| Change in compensated absences | <u>(170,423)</u> | 3,062,750 |
| 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. | | <u>2,483,611</u> |
| Change in net position of governmental activities | | <u>\$ 15,679,495</u> |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---------------------------------------|--|---------------|-------------------------------|---------------|--------------------------------|
| | Major | | Other Enterprise Funds | Total | Internal Service |
| | Water | Sewer | | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 3,981,833 | \$ 10,616,897 | \$ 697,408 | \$ 15,296,138 | \$ 3,203,218 |
| Accounts receivables | 1,209,658 | 2,240,747 | 77,727 | 3,528,132 | - |
| Due from other funds | - | 1,227,687 | - | 1,227,687 | - |
| Prepaid items and other assets | - | - | - | - | 8,756 |
| Restricted cash and investments | - | - | - | - | 163,301 |
| Total current assets | 5,191,491 | 14,085,331 | 775,135 | 20,051,957 | 3,375,275 |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Nondepreciable assets | 38,890 | 4,055,970 | 38,741 | 4,133,601 | - |
| Depreciable assets, net | 10,802,738 | 34,987,691 | - | 45,790,429 | 12,607 |
| Total noncurrent assets | 10,841,628 | 39,043,661 | 38,741 | 49,924,030 | 12,607 |
| Total assets | 16,033,119 | 53,128,992 | 813,876 | 69,975,987 | 3,387,882 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension items | 251,184 | 143,916 | - | 395,100 | 76,377 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 474,837 | 535,306 | 33,607 | 1,043,750 | 54,603 |
| Accrued liabilities | 13,631 | 2,870 | - | 16,501 | - |
| Interest payable | 37,643 | 40,657 | - | 78,300 | - |
| Due to other funds | 73,796 | 50,644 | 2,865 | 127,305 | 29,172 |
| Deposits | 313,383 | 600,493 | - | 913,876 | - |
| Bonds and loans payable | 167,707 | 332,612 | - | 500,319 | 32,660 |
| Total current liabilities | 1,080,997 | 1,562,582 | 36,472 | 2,680,051 | 116,435 |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 2,291,079 | 1,312,674 | - | 3,603,753 | 696,646 |
| Bonds and loans payable | 3,254,610 | 10,113,988 | - | 13,368,598 | 97,981 |
| Total liabilities | 6,626,686 | 12,989,244 | 36,472 | 19,652,402 | 911,062 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension items | 280,039 | 160,448 | - | 440,487 | 85,151 |
| NET POSITION | | | | | |
| Net investment in capital assets | 7,419,311 | 28,597,061 | 38,741 | 36,055,113 | 12,607 |
| Unrestricted | 1,958,267 | 11,526,155 | 738,663 | 14,223,085 | 2,455,439 |
| Total net position | \$ 9,377,578 | \$ 40,123,216 | \$ 777,404 | \$ 50,278,198 | \$ 2,468,046 |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|---|--|---------------|-------------------------------|---------------|--------------------------------|
| | Major | | Other Enterprise Funds | Total | Internal Service |
| | Water | Sewer | | | |
| OPERATING REVENUES: | | | | | |
| Utility service charges | \$ 6,265,414 | \$ 12,705,947 | \$ 226,135 | \$ 19,197,496 | \$ - |
| Charges for services | - | - | - | - | 1,534,270 |
| Other | 307,323 | 17,437 | - | 324,760 | 42,260 |
| Total operating revenues | 6,572,737 | 12,723,384 | 226,135 | 19,522,256 | 1,576,530 |
| OPERATING EXPENSES: | | | | | |
| Purchase of water | 1,644,316 | - | 108,085 | 1,752,401 | - |
| Wastewater treatment | - | 8,384,638 | - | 8,384,638 | - |
| Contractual services | 434,685 | 154,941 | 31,299 | 620,925 | 105,826 |
| Rent and leases | 11,552 | 4,265 | - | 15,817 | 54,673 |
| Payroll and related costs | 799,884 | 31,096 | 41,201 | 872,181 | 569,748 |
| Heat, light and power | 353,068 | 60,569 | - | 413,637 | - |
| Other | 1,267,015 | 1,691,884 | 1,196 | 2,960,095 | 252,470 |
| Repairs, operations and maintenance | 375,770 | 162,318 | - | 538,088 | 505,876 |
| Professional services | 127,919 | 15,107 | 754 | 143,780 | - |
| Supplies | 137,012 | 36,338 | 142 | 173,492 | 12,470 |
| Depreciation | 493,714 | 1,430,049 | - | 1,923,763 | - |
| Total operating expenses | 5,644,935 | 11,971,205 | 182,677 | 17,798,817 | 1,501,063 |
| OPERATING INCOME (LOSS) | 927,802 | 752,179 | 43,458 | 1,723,439 | 75,467 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment income | 27,679 | 63,154 | 3,940 | 94,773 | 10,886 |
| Interest expense | (198,296) | (491,509) | - | (689,805) | - |
| Loss on retirement of capital assets | (177,348) | (184,443) | - | (361,791) | - |
| Total nonoperating revenues (expenses) | (347,965) | (612,798) | 3,940 | (956,823) | 10,886 |
| INCOME (LOSS) BEFORE TRANSFERS | 579,837 | 139,381 | 47,398 | 766,616 | 86,353 |
| Transfers in | - | 1,663,648 | 9,602 | 1,673,250 | 2,691,497 |
| Transfers out | (357,140) | (390,206) | - | (747,346) | (294,239) |
| CHANGE IN NET POSITION | 222,697 | 1,412,823 | 57,000 | 1,692,520 | 2,483,611 |
| NET POSITION, BEGINNING OF YEAR | 9,154,881 | 38,710,393 | 720,404 | 48,585,678 | (15,565) |
| NET POSITION, END OF YEAR | \$ 9,377,578 | \$ 40,123,216 | \$ 777,404 | \$ 50,278,198 | \$ 2,468,046 |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities |
|--|---|----------------------|------------------------|----------------------|-------------------------|
| | Major | | Other Enterprise Funds | Total | Internal Service |
| | Water | Sewer | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash receipts from customers | \$ 6,358,193 | \$ 12,469,752 | \$ 153,505 | \$ 18,981,450 | \$ - |
| Cash receipts from interfund services provided | - | - | - | - | 1,591,783 |
| Cash paid to suppliers for goods and services | (4,814,458) | (10,444,342) | (131,754) | (15,390,554) | (970,636) |
| Cash paid to employees for services | (1,408,341) | (827,999) | (41,201) | (2,277,541) | (491,792) |
| Net cash provided by (used in) operating activities | 135,394 | 1,197,411 | (19,450) | 1,313,355 | 129,355 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Transfers in | - | 1,663,648 | 9,602 | 1,673,250 | 2,691,497 |
| Transfers out | (357,140) | (390,206) | - | (747,346) | (294,239) |
| Received from other funds | (10,940) | (14,035) | 2,865 | (22,110) | 6,212 |
| Net cash provided by (used in) noncapital financing activities | (368,080) | 1,259,407 | 12,467 | 903,794 | 2,403,470 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Proceeds from issuance of loans payable | - | - | - | - | 163,301 |
| Payment on capital debt and loans payable | (1,170,000) | (315,000) | - | (1,485,000) | (32,660) |
| Interest paid on capital debt | (204,380) | (500,143) | - | (704,523) | - |
| Acquisition of capital assets | (146,664) | (2,509,309) | (9,602) | (2,665,575) | (12,607) |
| Net cash used in capital and related financing activities | (1,521,044) | (3,324,452) | (9,602) | (4,855,098) | 118,034 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest received | 32,736 | 72,195 | 4,553 | 109,484 | 11,253 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (1,720,994) | (795,439) | (12,032) | (2,528,465) | 2,662,112 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 5,702,827 | 11,412,336 | 709,440 | 17,824,603 | 704,407 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 3,981,833</u> | <u>\$ 10,616,897</u> | <u>\$ 697,408</u> | <u>\$ 15,296,138</u> | <u>\$ 3,366,519</u> |
| CASH AND CASH EQUIVALENTS: | | | | | |
| Cash and investments | \$ 3,981,833 | \$ 10,616,897 | \$ 697,408 | \$ 15,296,138 | \$ 3,203,218 |
| Restricted cash and investments | - | - | - | - | 163,301 |
| | <u>\$ 3,981,833</u> | <u>\$ 10,616,897</u> | <u>\$ 697,408</u> | <u>\$ 15,296,138</u> | <u>\$ 3,366,519</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ 927,802 | \$ 752,179 | \$ 43,458 | \$ 1,723,439 | \$ 75,467 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | |
| Depreciation | 493,714 | 1,430,049 | - | 1,923,763 | - |
| Changes in assets and liabilities: | | | | | |
| Decrease (increase) in accounts receivable | (246,269) | (270,934) | (72,630) | (589,833) | 15,253 |
| Increase in prepaid expenses | - | - | - | - | (8,756) |
| Increase (decrease) in accounts payable | (463,121) | 65,718 | 9,722 | (387,681) | (30,565) |
| Decrease in accrued liabilities | 3,225 | 54 | - | 3,279 | - |
| Decrease in deposits | 31,725 | 17,302 | - | 49,027 | - |
| Decrease (increase) in deferred outflows of resources - pension | 43,817 | 70,034 | - | 113,851 | (13,237) |
| Increase (decrease) in deferred inflows of resources - pension items | (318,645) | (273,750) | - | (592,395) | (42,988) |
| Increase (decrease) in net pension liability | (336,854) | (593,241) | - | (930,095) | 134,181 |
| Net cash provided by operating activities | <u>\$ 135,394</u> | <u>\$ 1,197,411</u> | <u>\$ (19,450)</u> | <u>\$ 1,313,355</u> | <u>\$ 129,355</u> |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

| | Total Private Purpose Trust Funds |
|---------------------------------------|--|
| ASSETS | |
| Cash and investments | \$ 5,863,919 |
| Receivables: | |
| Accounts | 77,385 |
| Restricted cash & investments | 2,121,026 |
| Advances to other City funds | 9,844,225 |
| Capital assets: | |
| Nondepreciable assets | 3,001,063 |
| Depreciable assets, net | 12,326,625 |
| Total assets | <u>33,234,243</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Unamortized loss on refunding | <u>1,639</u> |
| LIABILITIES | |
| Accounts payable | 1,814,223 |
| Interest payable | 823,079 |
| Advances from other City funds | 1,246,779 |
| Long-term debt: | |
| Due in one year | 2,712,199 |
| Due in more than one year | 57,691,471 |
| Total liabilities | <u>64,797,504</u> |
| NET POSITION | |
| Restricted | <u><u>\$ (31,561,622)</u></u> |

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Total Private Purpose Trust Funds |
|---|--|
| ADDITIONS | |
| Taxes | \$ 5,478,109 |
| Interest and rentals | 16,998 |
| Donations | 90,026 |
| | <hr/> |
| Total additions | 5,585,133 |
| | <hr/> |
| DEDUCTIONS | |
| Current: | |
| Redevelopment expenses | 247,521 |
| Intergovernmental transfer of bond proceeds to the City's Capital Project Fund | 1,127,587 |
| Law enforcement costs | 255 |
| Depreciation | 938,243 |
| Loss on sale of capital assets | 1,423,330 |
| Payment to Sonoma County for distribution to taxing authorities | 509,753 |
| Interest and fiscal charges | 2,869,534 |
| | <hr/> |
| Total deductions | 7,116,223 |
| | <hr/> |
| CHANGE IN NET POSITION | (1,531,090) |
| NET POSITION, BEGINNING OF YEAR | (30,030,532) |
| | <hr/> |
| NET POSITION, END OF YEAR | \$ (31,561,622) |
| | <hr/> <hr/> |

See accompanying notes to the basic financial statements.

This page is left intentionally blank.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rohnert Park, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

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

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

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

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

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government and its component unit. 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. 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.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Fund Financial Statements

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

The City reports the following additional fund types:

- Internal Service Funds account for the services provided to the other city departments, on a cost reimbursement basis, in the following area: centralized data processing services (information technology), vehicle replacement, fleet management, and infrastructure.
- Private Purpose Trust Funds are a fiduciary fund type used to account for resources held and administered under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:
 - *Assets Seizure Fund* accounts for Federal and State seized assets held by the City in a trustee capacity until the County of Sonoma District Attorney's Office requests for remittance of the assets.
 - *Redevelopment Successor Agency Fund* was created to serve as a custodian for the assets and to wind down the affairs of the Commission. This fund accounts for the receipt of property tax revenues pursuant to the Redevelopment Dissolution Act and the assets transferred from the Commission. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution pursuant to the Recognized Obligation Payment Schedules approved by the California Department of Finance (DOF) under the Redevelopment Dissolution Act.

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

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

C. Measurement Focus and Basis of Accounting

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

The governmental funds financial statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenues are recognized in the current year if they are collected within 60 days of year-end. All other revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. The

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

primary revenue sources that have been treated as susceptible to accrual by the City are taxes, licenses, intergovernmental, interest and rental, donations, and certain charges for services. All other revenues are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, certain compensated absences and claims and judgements are recognized when payments are due.

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

D. Cash, Cash Equivalents, and Investments

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

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

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

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

E. Prepaid Items

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

F. Capital Assets

Capital assets are stated at historical cost or estimated historical cost if actual cost is not available. Donated assets are recorded at their estimated fair value on the date donated. The City defines capital assets as assets with an estimated useful life in excess of one year and an individual cost of \$5,000 or more. Capital assets are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of their estimated useful lives or the capital lease period in the government-wide and proprietary fund financial statements. The City changed the estimated useful lives for capital assets during the fiscal year and recalculated the accumulated depreciation retroactively in which the impact is reflected in the current year's depreciation expenses.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The estimated useful lives are as follows:

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

G. Claims Payable

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

H. Compensated Absences

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

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

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

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

J. Unearned Revenue

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

K. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until the future period. At June 30, 2016, the City reported pension items and unamortized loss on refunding as deferred outflows of resources.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until the future period. At June 30, 2016, the City reported unavailable revenues on the governmental funds financial statements and pension items on the governmental-wide and proprietary funds financial statements as deferred inflows of resources.

L. Net Position and Fund Balance

Net Position Classifications

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

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

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

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

Fund Balances Classifications

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

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

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

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

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Unassigned Fund Balance – the residual classification for the General Fund that includes amounts not contained in the other classifications.

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

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

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

N. Program Revenues

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

O. Interfund Transactions

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

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

P. Property Tax

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

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Unsecured property comprises all taxable property not attached to land, such as personal property or business property. Every tax levied by a county that becomes a lien on secured property has priority over all present and future private liens arising pursuant to State law on the secured property, regardless of the time of the creation of the other liens. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on other property owned by the taxpayer.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

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

Q. Pension Plans

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

R. Effects of New Pronouncements

The City implemented the following GASB Statements during the year:

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes requirements for those pensions and pension plans that are not administrated through a trust meeting specified criteria and thus are not covered by Statements Nos. 67 and 68.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which supersedes Statement No. 55.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The statement addresses accounting and financial reporting for certain external investment pools and pool participants.

In March 2016, GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. Statement No. 82 addresses issues raised with respect to the GASB Statements Nos. 67, 68, and 73, regarding: (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standards of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Implementation of these statements did not have a significant impact on the City for the fiscal year ended June 30, 2016.

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

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement addresses reporting by Other Postemployment Benefits (OPEB) plans that administer benefits on behalf of governments. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

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

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements: (i) brief descriptive information; (ii) the gross dollar amount of taxes abated during the period; and (iii) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68 associated with pensions provided through certain cost-sharing multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Such plans are not considered a state or local government pension plan and are used to provide benefits to both employees of state and local governments and employees of employers that are not state or local governments. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established by GASB Statement No. 14, *The Financial Reporting Entity*, as amended. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

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

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The statement addresses accounting and financial reporting for certain asset retirement obligations. The requirements of this statement are effective for the City's fiscal year ending June 30, 2019.

S. Use of Estimates

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances and Net Position

At June 30, 2016, the following City major fund had a deficit fund balance:

The Public Facility Finance Fee Special Revenue Fund had a deficit fund balance of \$9,213,812. The deficit is due to the timing difference of receipt of revenues to fund its capital expenditures related to the Facilities Plan. The deficit is expected to be funded by future public facility finance fees.

At June 30, 2016, the following City other funds had deficit net positions:

The Information Technology and Fleet Management internal services funds had deficit net position of \$135,731 and \$168,732, respectively. The deficit is due to the impact from the recording of pension items. The deficit is expected to be funded by future internal service charges to other City funds.

The Redevelopment Successor Agency private purpose trust fund had a deficit net position of \$31,578,404. The deficit is due to the nature of the redevelopment financing in which long-term debt were incurred for redevelopment activities. The deficit is expected to be eliminated with future redevelopment property tax revenues distributed from the Redevelopment Property Tax Trust Fund (RPTTF) administered by the County.

Excess Expenditures Over Appropriations

For the fiscal year ended June 30, 2016, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance:

| <u>Fund Name</u> | <u>Amount</u> |
|---|---------------|
| Major Fund: | |
| Public Facilities Finance Fee Special Revenue | \$ 777,581 |
| Nonmajor Special Revenue Fund: | |
| State Gasoline Tax | 285 |
| Proposition 1B | 42 |
| DIVCA PEG FEE (AB2987) | 2,183 |
| Graton Mitigation Wilfred Maintenance | 497 |
| Explorer | 54 |
| Rohnert Park Foundation | 4,310 |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

3. CASH AND INVESTMENTS

A. Authorized Investments

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

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

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

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

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

B. Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2016:

| | Governmental Activities | Business-Type Activities | Fiduciary Funds | Totals |
|--|----------------------------|-----------------------------|-----------------|---------------|
| Cash and investments | \$ 38,593,571 | \$ 15,296,138 | \$ 5,863,919 | \$ 59,753,628 |
| Restricted cash and investments | 17,607,435 | - | 2,121,026 | 19,728,461 |
| Total cash and investments | 56,201,006 | 15,296,138 | 7,984,945 | 79,482,089 |
| Less: cash and deposits not meeting the definition of investments | | | | (23,962,603) |
| Total investments | | | | \$ 55,519,486 |

C. Risk Disclosures

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover the deposits that are in the possession of an outside party. At June 30, 2016, the carrying and bank amounts of the City's cash and deposits were \$23,962,603 and \$24,582,421, respectively. The City is not exposed to such risks as all deposits are insured or collateralized. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Custodial Credit Risk - Investments

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

Credit risk - Investments

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

Concentration of Credit Risk - Investments

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

Interest rate risk - Investments

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

As of June 30, 2016, the City's investments consisted of the following:

| | Maturities (in years) | | Totals | S & P Credit Ratings |
|--------------------------------------|-----------------------|----------------------|----------------------|-------------------------|
| | 1 year or less | 1 to 3 years | | |
| Pooled Investments: | | | | |
| Local Agency Investment Fund (LAIF) | \$ 7,349,263 | \$ - | \$ 7,349,263 | Not Rated |
| Sonoma County Investment Pool | - | 32,238,396 | 32,238,396 | Not Rated |
| Total Pooled Investments | <u>7,349,263</u> | <u>32,238,396</u> | <u>39,587,659</u> | |
| Investments Held with Fiscal Agents: | | | | |
| Money Market Mutual Funds | <u>15,931,827</u> | <u>-</u> | <u>15,931,827</u> | AAAm |
| Total Investments | <u>\$ 23,281,090</u> | <u>\$ 32,238,396</u> | <u>\$ 55,519,486</u> | |

D. External Investment Pools

As of June 30, 2016, the City's investment in LAIF, a State of California external investment pool, has a weighted average maturity of 167 days and is not rated. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by the State, which are recorded on an amortized cost basis.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

LAIF is part of the Pooled Money Investment Account (PMIA). PMIA oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. PMIB members are the State Treasurer, State Director of Finance, and State Controller. The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The Chairman is the State Treasurer or his designated representative. Two members are qualified by training and experience in the field of investment or finance, and the State Treasurer appoints two members who are treasurers, finance or fiscal officers, or business managers employed by any county, city or local district or municipal corporation of this state. At June 30, 2016, PMIA had a total portfolio of approximately \$75.4 billion and of that amount, 97.19% was invested in non-derivative financial products and 2.81% was invested in structured notes and asset-backed securities.

As of June 30, 2016, the City's investment in the County Pool, an external investment pool has a weighted average maturity of 828 days and is not rated. The County's Pool is subject to regulatory oversight by the County's Treasury Oversight Committee. The County determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. The value of the pool shares in the Sonoma County Investment Pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool. At June 30, 2016, the total amount invested by all public agencies in the County Pool was approximately \$1.9 billion.

E. Fair Value Hierarchy

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

4. LOANS AND NOTES RECEIVABLE

The following is a summary of loans and notes receivable at June 30, 2016:

| <u>Fund Name</u> | <u>Gross Amount</u> | <u>Allowance Amount</u> | <u>Net Amount</u> |
|---------------------------------------|-------------------------|-----------------------------|-----------------------|
| Governmental Activities | | | |
| General Fund | \$ 17,414 | \$ - | \$ 17,414 |
| Housing Projects Special Revenue Fund | 11,584,323 | (1,874,363) | 9,709,960 |
| Total governmental activities | <u>\$ 11,601,737</u> | <u>\$ (1,874,363)</u> | <u>\$ 9,727,374</u> |
| Fiduciary Fund | | | |
| Redevelopment Successor Agency Fund | <u>\$ 500,000</u> | <u>\$ (500,000)</u> | <u>\$ -</u> |

General Fund

In August 2003, the City entered into an amendment to a ground lease dated May 29, 2001 with Rohnert Park Golf, L.P. (Tenant), whereby the tenant leases certain property and improvements from the City. The City made a one-time advance totaling \$355,000 to the Tenant for the purpose of making improvements to the golf course, and on-going capital contributions to the Tenant as defined in the agreement. At June 30, 2016, the outstanding balance owed to the City was \$17,414, 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.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Housing Projects Special Revenue Fund

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

On August 23, 1991, the Commission entered into a non-recourse promissory note in the amount of \$390,000 with Burbank Housing Development Corp. for the construction of 50 low income rental housing units at 781 East Cotati Avenue. The note bears interest at 8% simple interest per annum and is due on or before August 23, 2021. During the term of this note, Burbank Housing Development may request and the Commission, at its option, may cancel or extend the terms of the note. At June 30, 2016, principal and accrued interest related to this loan totaled to \$1,149,545 and an allowance of \$759,545 was recorded against the accrued interest portion of the loan.

On July 1, 1995, the Commission and Burbank Housing Development Corp. executed a loan agreement in the amount of \$260,000. The loan was for pre-development costs for the property at 120 Santa Alicia Drive for residential low income housing. The note accrues 3% per annum simple interest and is to be paid concurrently with principal on or before September 1, 2023. During the term of this loan, Burbank Housing Development may request and the Commission, at its option, may cancel or extend the terms of the note. At June 30, 2016, principal and accrued interest related to this loan totaled to \$438,100 and an allowance of \$178,100 was recorded against the accrued interest portion of the loan.

On January 27, 1998, the Commission entered into a note agreement with Muirfield Apartments for supportive housing for persons with disabilities and low income persons. The note represents an advance of funds by the Commission to Muirfield Apartments for the pre-development and development expenses in the amount of \$611,000 accruing 6% per annum, simple interest. Interest shall accrue and be paid concurrently with principal on or before June 30, 2039. During the term of this note, Muirfield Apartments may request and the Commission, at its option, to cancel or extend the terms of the note. At June 30, 2016, principal and accrued interest related to this note totaled to \$1,270,880 and an allowance of \$659,880 was recorded against the accrued interest portion of the note.

On September 13, 2005, the Commission entered into an Affordable Housing and Loan Agreement with Burbank Housing to develop a 56-unit affordable housing project on a City-owned City Hall Drive site. The term of the loan agreement is a non-recourse loan in the amount of \$4,015,000, which accrues interest at the rate of 2% per annum and is deferred for 55 years. At June 30, 2016, principal and accrued interest related to this loan totaled to \$4,874,373, of which the City determined the accrued interest of \$859,373 to be unavailable.

On May 23, 2006, the Commission entered into an Affordable Housing and Loan Agreement with Vida Nueva Partners for the development of the Vida Nueva Affordable Housing Project, which includes twenty-four (24) very-low income permanent supportive housing units (carrying 55-year affordability restrictions), a community building, laundry facilities, a management office and activity and counseling rooms. The loan agreement provided for the Commission to loan \$1,675,000 to Vida Nueva Partners at an accrued interest rate of 1% per annum, with the principal and accrued interest deferred for 55 years. At June 30, 2016, principal and accrued interest related to this loan totaled to \$1,831,213, of which the City determined the accrued interest of \$156,213 to be unavailable.

On December 12, 2007, the Commission executed a loan agreement to Rainbow-Copeland Creek LLC for improvements to Copeland Creek Apartments (an all senior affordable housing complex) for \$1,200,000. The funds were primarily used for energy efficient improvements at the complex. The loan accrues interest at a rate of 1% per annum, with the principal and accrued interest deferred for 55 years, as defined in the loan agreement. At June 30, 2016, principal and accrued interest related to this loan totaled to \$1,302,608, of which the City determined the accrued interest of \$102,608 to be unavailable.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

At June 30, 2016, the Housing Projects Special Revenue Fund reported Sonoma County rehabilitation loans of \$276,838, in which the City has recorded an allowance of \$276,838 against the full amount of the loans.

The Housing Projects Special Revenue Fund also reported CalHome loans administrated by the Sonoma County Interest is earned by the City on the unpaid principal portion at a rate of 3% per annum. At June 30, 2016, the outstanding loan balance was \$440,766.

Successor Agency

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

In December 2007, the Commission loaned \$500,000, with interest accruing at 3% simple interest per annum, to the Sonoma Mountain Business Cluster (Incubator) to pay a portion of the cost for tenant improvements at the former Agilent site. The loan terms called for continued operation of the incubator, increased occupancy and eventually job creation. The loan provides that as long as the improvements are made as specified in the agreement and continues to operate the Incubator, and is not in default of any terms of the loan, the loan and accrued interest will be forgiven ten years from the date business incubator is open for business. As of June 30, 2016, the Incubator was not in default of any terms of the loan. At June 30, 2016, the outstanding loan balance was \$500,000 in which the City has recorded an allowance of \$500,000 against the full amount of the loan.

5. INTERFUND BALANCES

Due To/From Other Funds

The composition of due to/from other funds at June 30, 2016 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|---------------------|
| General Fund | Water Enterprise Fund | \$ 73,796 |
| General Fund | Sewer Enterprise Fund | 50,644 |
| General Fund | Nonmajor Enterprise Funds | 2,865 |
| General Fund | Nonmajor Governmental Funds | 23,221 |
| General Fund | Internal Services Fund | 29,172 |
| General Fund | Housing Projects | 305 |
| | Special Revenue Fund | |
| Sewer Enterprise Fund | Public Facility Finance Fee | 1,227,687 |
| | Special Revenue Fund | |
| | | <u>\$ 1,407,690</u> |

The balances between the Public Facility Finance Fee Special Revenue Fund and the Sewer Enterprise Fund represents the cumulative borrowing for the debt service payments of the 2005 Sewer System Revenue Certificates of Participation as of June 30, 2016 and is expected to be repaid during fiscal year ended June 30, 2017. The other balances are due to timing difference between the dates that interfund goods and services are provided and the payments between funds are made.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Advances To/From Other Funds and Successor Agency

The composition of advances to/from other funds and the Successor Agency at June 30, 2016 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-------------------------------------|---|----------------------|
| General Fund | Redevelopment Successor Agency Fund | \$ 1,246,779 |
| Redevelopment Successor Agency Fund | General Fund | 288,500 |
| Redevelopment Successor Agency Fund | Public Facility Finance Fee Special Revenue Fund | 9,555,725 |
| | | <u>\$ 11,091,004</u> |

The City's General Fund advanced funds to the Commission in order to construct a performing arts center. The loan was being repaid annually through installment payments of principal plus interest from property tax increment. As of June 30, 2011, the advance balance was \$2,075,000 and no interest was accrued to the balance since June 30, 2011. The advance was transferred from the Commission to the Successor Agency on February 1, 2012, when all redevelopment agencies in California ceased to exist. On September 16, 2013, the Oversight Board to the Successor Agency determined that the loan was for a legitimate redevelopment purpose and adopted Resolution No. OSB 2013-05 to support the loan repayment. The City recalculated the accrued interest for the period from July 1, 2011 to September 30, 2013 based on LAIF monthly interest rate for March, June, September, and December during the period. For the period from October 1, 2013 to June 30, 2015, interest was accrued based on LAIF monthly interest rate for September 2013. Effective July 1, 2015, the City accrued interest at 3% annually in accordance with Health and Safety Code Section 34191.4(b)(3). During the fiscal year ended June 30, 2016, \$45,418 of interest was accrued and the Successor Agency repaid \$598,209. At June 30, 2016, the advance balance was \$1,246,779.

On February 1, 2012, the Successor Agency purchased the Hazel Wetland Preserve for \$288,500, which is to be repaid by the General Fund upon the sale of the stadium lands. No interest is accrued for the outstanding advance balance. At June 30, 2016, the advance balance was \$288,500.

On May 22, 2007, the Commission entered into a reimbursement agreement (as amended on August 26, 2008) with the City whereby the Commission would fund 88% of the project cost of the Eastside Sewer Main Phase 1 Improvement, which is the portion of the project that lies within the project area, in advance of the City receiving the money through public facilities finance fees recorded in the Public Facility Finance Fee Special Revenue Fund. The project funded by this advance is recorded in the Sewer Enterprise Fund. The Commission funded this project from the 2007R Tax Allocation Bond proceeds. The advance was transferred from the Commission to the Successor Agency on February 1, 2012, when all redevelopment agencies in California ceased to exist. No interest is accrued for the outstanding advance balance and the Public Facility Finance Fee Special Revenue Fund repaid \$500,000. At June 30, 2016, the advance balance was \$9,555,725.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Interfund Transfers

The composition of interfund transfers during the fiscal year ended June 30, 2016 was as follows:

| Funds Receiving Transfers | Funds Making Transfers | Amount Transferred | Funding Purpose |
|---|---|-----------------------|---|
| General Fund | Graton Mitigation Supplemental Special Revenue Fund | \$ 5,000,000 | Casino mitigation activities |
| | Water Enterprise Fund | 259,000 | Employee other post employment benefit payments |
| | Sewer Enterprise Fund | 291,000 | Employee other post employment benefit payments |
| | Nonmajor Governmental Funds | 498,438 | Various operating activities |
| | Internal Services Funds | 50,964 | Various operating activities |
| | | <u>6,099,402</u> | |
| Housing Projects Special Revenue Fund | General Fund | 119,642 | Various operating activities |
| Financing Authority Debt Service Fund | General Fund | 49,747 | Debt service payments |
| City Capital Projects Fund | General Fund | 41,923 | Capital projects funding |
| | Public Facility Financing Fee Special Revenue Fund | 4,922,227 | Capital projects funding |
| | Nonmajor Governmental Funds | 1,366,793 | Capital projects funding |
| | Water Enterprise Fund | 4,797 | Capital projects funding |
| | Sewer Enterprise Fund | 4,797 | Capital projects funding |
| | Internal Services Funds | 240,529 | Capital projects funding |
| | | <u>6,581,066</u> | |
| Graton Mitigation Supplemental Special Revenue Fund | Nonmajor Governmental Funds | 4,018 | Various operating activities |
| Sewer Enterprise Fund | Public Facility Financing Fee Special Revenue Fund | 1,663,648 | Capital projects funding |
| Nonmajor Governmental Funds | City Capital Projects Fund | 9,645 | Return of overfunding of capital projects costs |
| | City Capital Projects Fund | 13,023 | Establishment of new reporting fund |
| | Housing Projects Special Revenue Fund | 120,488 | Various operating activities |
| | Nonmajor Governmental Funds | 216,835 | Various operating activities |
| | | <u>359,991</u> | |
| Nonmajor Enterprise Funds | Public Facility Financing Fee Special Revenue Fund | 9,602 | Various operating activities |
| Internal Services Funds | General Fund | 2,500,999 | Various operating activities |
| | Water Enterprise Fund | 93,343 | Various operating activities |
| | Sewer Enterprise Fund | 94,409 | Various operating activities |
| | Internal Services Funds | 2,746 | Various operating activities |
| | | <u>2,691,497</u> | |
| | Total Interfund Transfers | <u>\$ 17,578,613</u> | |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Intergovernmental Transfers

Upon the City Council's adoption of Resolution No. 2015-024 on February 10, 2015 and the Successor Agency Oversight Board's adoption of Resolution No. OSB 2015-01, the City and the Successor Agency entered into an Agreement Regarding Expenditure of Excess Series 1999 Bond Proceeds (1999 Excess Bond Proceeds Agreement). The Successor Agency shall transfer the remaining excess bond proceeds of the 1999 Tax Allocation Bonds to the City and the City agrees to use the excess bond proceeds consistent with the bonds covenants to pay costs related to capital improvements of certain publicly-owned facilities. During the fiscal year ended June 30, 2016, the Successor Agency transferred \$627,546 to the City Capital Project major governmental fund in accordance with the 1999 Excess Bond Proceeds Agreement.

Upon the City Council's adoption of Resolution No. 2015-159 on September 22, 2015 and the Successor Agency Oversight Board's adoption of Resolution No. OSB 2015-05, the City and the Successor Agency entered into an Agreement Regarding Expenditure of Excess Series 2007R Bond Proceeds (2007R Excess Bond Proceeds Agreement). The Successor Agency advanced bond proceeds of the 2007R Tax Allocation Bonds in the amount of \$10,055,725 to the Public Facility Finance Fee Special Revenue Fund. The Successor Agency shall transfer the repayment received which represents remaining excess bond proceeds of the 2007R Tax Allocation Bonds to the City. The City agrees to use the excess bond proceeds for infrastructure projects consistent with the bonds covenants. On November 5, 2015, DOF approved the submitted ROPS 15-16B which included the 2007R Excess Bond Proceeds Agreement. During the fiscal year ended June 30, 2016, the Successor Agency received advance repayment of \$500,000 and transferred the balance to the City Capital Project major governmental fund in accordance with the 2007R Excess Bond Proceeds Agreement.

6. CAPITAL ASSETS

Capital asset activities for governmental activities for fiscal year ended June 30, 2016 were as follows:

| | Balance 7/1/2015 | Additions | Retirements | Transfers | Balance 6/30/2016 |
|---|----------------------|---------------------|---------------------|-------------|----------------------|
| <i>Nondepreciable assets:</i> | | | | | |
| Land | \$ 7,029,287 | \$ - | \$ - | \$ - | \$ 7,029,287 |
| Construction in progress | 4,384,494 | 10,920,639 | (228,035) | (1,282,697) | 13,794,401 |
| Total nondepreciable assets | 11,413,781 | 10,920,639 | (228,035) | (1,282,697) | 20,823,688 |
| <i>Depreciable assets</i> | | | | | |
| Infrastructure, structures and improvements | 128,573,366 | | (366,679) | 1,282,697 | 129,489,384 |
| Equipment | 11,585,093 | 885,707 | (319,372) | - | 12,151,428 |
| Total depreciable assets | 140,158,459 | 885,707 | (686,051) | 1,282,697 | 141,640,812 |
| <i>Accumulated depreciation:</i> | | | | | |
| Infrastructure, structures and improvements | (67,451,420) | (4,132,587) | 143,681 | - | (71,440,326) |
| Equipment | (9,912,039) | (467,605) | 277,097 | - | (10,102,547) |
| Total accumulated depreciation | (77,363,459) | (4,600,192) | 420,778 | - | (81,542,873) |
| Total depreciable assets, net | 62,795,000 | (3,714,485) | (265,273) | 1,282,697 | 60,097,939 |
| Total capital assets, net | \$ 74,208,781 | \$ 7,206,154 | \$ (493,308) | \$ - | \$ 80,921,627 |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Construction in progress for governmental activities at June 30, 2016 is comprised of the following:

| Project Name | Expended to June 30, 2016 |
|---|------------------------------|
| Snyder Lane Widening | \$ 7,368,478 |
| RPX Rehabilitation | 2,048,176 |
| B-Pool Renovation | 1,472,598 |
| Public Safety Main Station HVAC Replacement | 984,823 |
| Specific Plan Developments | 697,023 |
| Community Center Parking Lot Overlay | 394,041 |
| RPX Rehabilitation Phase 2 | 386,338 |
| Honeybee Pool Heater/Filter Replacement | 148,447 |
| Enterprise @ Seed Farm Street Repair | 136,974 |
| Senior Center Roof Replacement | 26,598 |
| Various Other Projects | 130,905 |
| Total construction in progress | <u>\$ 13,794,401</u> |

During the fiscal year ended June 30, 2016, the City completed governmental activities projects totaling \$1,282,697 which were transferred from construction in progress to depreciable capital assets. The City also sold capital assets during the year and received proceeds totaling \$544,822.

Capital asset activities for business-type activities for fiscal year ended June 30, 2016 were as follows:

| | Balance June 30, 2015 | Additions | Retirements | Transfers | Balance June 30, 2016 |
|---|--------------------------|-------------------|---------------------|----------------|--------------------------|
| Nondepreciable assets: | | | | | |
| Construction in progress | \$ 4,405,679 | \$ 2,453,883 | \$ (361,791) | \$ (2,364,170) | \$ 4,133,601 |
| Depreciable assets | | | | | |
| Infrastructure, structures and improvements | 64,546,795 | 5,509 | - | 2,364,170 | 66,916,474 |
| Equipment | 4,014,480 | 206,183 | - | - | 4,220,663 |
| Total depreciable assets | 68,561,275 | 211,692 | - | 2,364,170 | 71,137,137 |
| Accumulated depreciation: | | | | | |
| Infrastructure, structures and improvements | (20,491,529) | (1,806,310) | - | - | (22,297,839) |
| Equipment | (2,931,416) | (117,453) | - | - | (3,048,869) |
| Total accumulated depreciation | (23,422,945) | (1,923,763) | - | - | (25,346,708) |
| Total depreciable assets, net | 45,138,330 | (1,712,071) | - | 2,364,170 | 45,790,429 |
| Total capital assets, net | <u>\$ 49,544,009</u> | <u>\$ 741,812</u> | <u>\$ (361,791)</u> | <u>\$ -</u> | <u>\$ 49,924,030</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Construction in progress for business-type activities at June 30, 2016 is comprised of the following:

| Project Name | Expended to June 30, 2016 |
|------------------------------------|------------------------------|
| Eastside Trunk Sewer Phase III | \$ 2,175,088 |
| Sewer Interceptor Phase 2 | 953,575 |
| Sewer Pipe Lining Project | 781,520 |
| Claussin @ Highway 101 Sewer Rehab | 141,980 |
| Water tank #8 Project | 38,890 |
| Sewer Pond Lining | 3,807 |
| Recycled Water System Expansion | 38,741 |
| Total construction in progress | <u>\$ 4,133,601</u> |

During the fiscal year ended June 30, 2016, the City completed business-type activities projects totaling \$2,364,170 that were transferred from construction in progress to infrastructure, structures and improvements.

Depreciation expenses for governmental activities and business-type activities for the fiscal year ended June 30, 2016 were charged to the following functions:

| | |
|--------------------------------|---------------------|
| Governmental Activities: | |
| General government | \$ 1,183,925 |
| Public safety | 446,040 |
| Public works | 2,334,624 |
| Parks and recreation | <u>635,603</u> |
| Total governmental activities | <u>\$ 4,600,192</u> |
| Business-Type Activities: | |
| Water | \$ 493,714 |
| Sewer | <u>1,430,049</u> |
| Total business-type activities | <u>\$ 1,923,763</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Capital asset activities for the Successor Agency for fiscal year ended June 30, 2016 were as follows:

| | Balance June 30, 2015 | Additions | Retirements | Balance June 30, 2016 |
|---|--------------------------|---------------------|-----------------------|--------------------------|
| Nondepreciable assets: | | | | |
| Land | \$ 4,934,146 | \$ - | \$ (1,933,083) | \$ 3,001,063 |
| Depreciable assets | | | | |
| Infrastructure, structures and improvements | 29,692,292 | - | - | 29,692,292 |
| Equipment | 692,161 | - | - | 692,161 |
| Total depreciable assets | 30,384,453 | - | - | 30,384,453 |
| Accumulated depreciation: | | | | |
| Infrastructure, structures and improvements | (16,427,424) | (938,243) | - | (17,365,667) |
| Equipment | (692,161) | - | - | (692,161) |
| Total accumulated depreciation | (17,119,585) | (938,243) | - | (18,057,828) |
| Total depreciable assets, net | 13,264,868 | (938,243) | - | 12,326,625 |
| Total capital assets, net | <u>\$ 18,199,014</u> | <u>\$ (938,243)</u> | <u>\$ (1,933,083)</u> | <u>\$ 15,327,688</u> |

During the fiscal year ended June 30, 2016, the Successor Agency sold capital assets during the year and received proceeds totaling \$509,753. The Successor Agency subsequently disbursed the proceeds to the County for distributions to other taxing authorities.

7. LONG-TERM LIABILITIES

The City's long-term debt payable for the governmental activities, business-type activities, and Successor Agency at June 30, 2016 are as follows:

| | Final Maturity | Interest Rate | Annual Principal Installments | Original Issue Amounts | Outstanding at June 30, 2016 |
|--|-------------------|------------------|-------------------------------------|------------------------------|---------------------------------|
| Governmental Activities | | | | | |
| 2003 Lease Revenue Refunding Bonds | 2026 | 4.00% - 4.75% | \$31,500 - \$47,000 | \$ 695,000 | \$ 387,000 |
| Loan Payable - PG&E #1 | 2022 | 0.00% | \$7,035 - \$42,217 | 249,782 | 218,120 |
| Loan Payable - PG&E #2 | 2024 | 0.00% | \$11,453 - \$45,807 | 339,738 | 332,104 |
| Loan Payable - Key Government Finance | 2020 | 0.00% | \$32,660 | 163,301 | 130,641 |
| Total Governmental Activities | | | | <u>\$ 1,447,821</u> | <u>\$ 1,067,865</u> |
| Business-Type Activities | | | | | |
| 2005 Water Revenue Bonds | 2031 | 3.80% - 4.50% | \$170,000 - \$305,000 | 5,000,000 | 3,455,000 |
| 2005A Sewer Revenue Certificates of Participation | 2036 | 3.70% - 5.00% | \$325,000 - \$775,000 | 13,000,000 | 10,295,000 |
| Total Business-Type Activities | | | | <u>\$ 18,000,000</u> | <u>\$ 13,750,000</u> |
| Successor Agency | | | | | |
| 2003 Lease Revenue Refunding Bonds | 2026 | 4.00% - 4.75% | \$283,500 - \$423,000 | \$ 6,255,000 | \$ 3,483,000 |
| 1999 Tax Allocation Bonds, including accreted interest | 2036 | 5.00% - 5.30% | \$395,000 - \$1,755,000 | 11,936,651 | 17,570,987 |
| 2001 Tax Allocation Bonds | 2021 | 4.50% - 5.25% | \$705,000 - \$810,000 | 8,200,000 | 3,810,000 |
| 2007H Housing Tax Allocation Bonds | 2038 | 4.00% - 5.00% | \$20,000 - \$1,385,000 | 26,760,000 | 15,125,000 |
| 2007R Redevelopment Tax Allocation Bonds | 2038 | 4.00% - 5.00% | \$550,000 - \$2,455,000 | 34,680,000 | 19,720,000 |
| Total Successor Agency | | | | <u>\$ 87,831,651</u> | <u>\$ 59,708,987</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following is a summary of changes to long-liabilities for the governmental activities, business-type activities, and Successor Agency for the fiscal year ended June 30, 2016:

| | Balance July 1, 2015 | Additions | Retirements | Balance June 30, 2016 | Amount due Within One Year |
|---|-------------------------|---------------------|-----------------------|--------------------------|----------------------------------|
| <i>Governmental activities</i> | | | | | |
| Lease revenue refunding bonds | \$ 417,500 | \$ - | \$ (30,500) | \$ 387,000 | \$ 31,500 |
| Loans payable | 249,782 | 503,039 | (71,956) | 680,865 | 120,684 |
| Subtotal long-term obligations | 667,282 | 503,039 | (102,456) | 1,067,865 | 152,184 |
| Compensated absences | 1,355,751 | 1,392,989 | (1,222,566) | 1,526,174 | 1,260,199 |
| Total governmental activities | <u>\$ 2,023,033</u> | <u>\$ 1,896,028</u> | <u>\$ (1,325,022)</u> | <u>\$ 2,594,039</u> | <u>\$ 1,412,383</u> |
| <i>Business-type activities</i> | | | | | |
| Water revenue bonds | \$ 4,625,000 | \$ - | \$ (1,170,000) | \$ 3,455,000 | \$ 170,000 |
| Sewer revenue certificates of participation | 10,610,000 | - | (315,000) | 10,295,000 | 325,000 |
| Original issue premium | 159,212 | - | (7,612) | 151,600 | 7,612 |
| Original issue discount | (39,048) | - | 6,365 | (32,683) | (2,293) |
| Total business-type activities | <u>\$ 15,355,164</u> | <u>\$ -</u> | <u>\$ (1,486,247)</u> | <u>\$ 13,868,917</u> | <u>\$ 500,319</u> |
| <i>Successor Agency</i> | | | | | |
| Lease revenue refunding bonds | \$ 3,757,500 | \$ - | \$ (274,500) | \$ 3,483,000 | \$ 283,500 |
| Tax allocation bonds | 47,797,595 | - | (1,988,682) | 45,808,913 | 2,163,830 |
| Accreted interest on capital appreciation bonds | 9,752,232 | 886,160 | (221,318) | 10,417,074 | 231,170 |
| Original issue premium | 1,038,145 | - | (54,568) | 983,577 | 47,456 |
| Original issue discount | (302,651) | - | 13,757 | (288,894) | (13,757) |
| Total Successor Agency | <u>\$ 62,042,821</u> | <u>\$ 886,160</u> | <u>\$ (2,525,311)</u> | <u>\$ 60,403,670</u> | <u>\$ 2,712,199</u> |

Governmental Activities

2003 Lease Revenue Refunding Bonds

On July 1, 2003, the Financing Authority issued the Rohnert Park Financing Authority Lease Revenue Refunding Bonds, Series 2003 (2003 LRBs) in the amount of \$6,950,000 to refinance the outstanding Rohnert Park Public Safety Facility Project-the Series 1994 Certificates of Participation (1994 COPs) of \$5,780,000 and the outstanding Master Equipment Lease Program Series 1999 Certificates of Participation (1999 COPs) of \$785,000, and to provide for deposit of a surety bond in a reserve fund and to pay certain costs of issuance. The 2003 LRBs are payable from and secured by base rental payments to be made by the City under the lease between the City and the Financing Authority for the lease of the Department of Public Safety Main Station, which houses the City's Department of Safety which provides police and fire services in the City. The General Fund provides 10% of the 2003 LRBs repayments, per the agreement between the Financing Authority and the City. The remaining 90% of the repayment is made by the Successor Agency. These revenues have been pledged until the fiscal year ended June 30, 2026, the final maturity of the 2003 LRBs. The total principal and interest remaining for the 10% governmental activities' share of the 2003 LRBs COPs is \$485,269. The revenue pledged during the fiscal year ended June 30, 2016 was \$49,082 which equaled to the total debt service payment by the governmental activities.

Loans Payable

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

Other Long Term Liabilities – Compensated Absences

Compensated absences are generally liquidated by the General Fund.

Business-Type Activities

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 (CSCDA) Water Revenue Bonds. During October 2002, the CSCDA issued the 2002 CSCDA Water Revenue Bonds (2002 Water Revenue Bonds) on behalf of the City in the amount of \$2,090,000. The proceeds are to be used for water improvement projects. During the fiscal year ended June 30, 2016, the City fully redeemed the 2002 Water Revenue Bonds.

On May 1, 2005, the CSCDA issued the 2005A CSCDA Water Revenue Bonds (2005A Water Revenue Bonds) on behalf of the City in the amount of \$5,000,000 under the Program. Proceeds of the Bonds were used to finance the acquisition and construction of water public capital improvements System Net Revenues, as defined in the agreement, and all amounts on deposit in the System Revenue Fund, are irrevocably pledged to the payment of the Installment Payments and the System Net Revenues will not be used for any other purpose while any of the Installment Payments remain unpaid.

System Net Revenues have been pledged until the fiscal year ended June 30, 2031, the final maturity of the 2005A Water Revenue Bonds. The total principal and interest remaining on the 2005A Water Revenue Bonds is \$4,735,919. The System Net Revenues for the fiscal year ended June 30, 2016 was \$1,421,516 while the total debt service payment for the 2002 and 2005A Water Revenue Bonds was \$1,365,033.

2005 Sewer System Revenue Certificates of Participation

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Sewer Net Revenues have been pledged until the fiscal year ended June 30, 2036, the final maturity of the 2005 Sewer COPs. The total principal and interest remaining on the 2005 Sewer COPs is \$16,293,289. The Sewer Net Revenues for the fiscal year ended June 30, 2016 was \$2,182,228 and total public facilities finance fee was \$5,456,086 while the total debt service payment was \$815,143.

Successor Agency

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

1999 Tax Allocation Bonds

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

2001 Tax Allocation Bonds

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

2007R and 2007H Tax Allocation Bonds

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

With the dissolution of the Redevelopment Agency, tax increment is no longer distributed, and instead the Successor Agency receives payments from the RPTTF that are to be used to fund the debt service on the bonds. The total principal and interest remaining on the 1999, 2001, 2007R and 2007H TABs is \$87,872,565 and total debt service payment for the year ended June 30, 2016 was \$4,041,150.

2003 Lease Revenue Refunding Bonds

As discussed in the governmental activities section, 2003 LRBs were issued to refinance the 1994 COPs and 1999 COPs. The General Fund provides 10% of the 2003 LRBs repayments, per the agreement between the Financing Authority and the City. The remaining 90% of the repayment is made by the Successor Agency. The 2003 LRBs will mature during the fiscal year ended June 30, 2026. With the dissolution of the Redevelopment Agency, tax increment is no longer distributed, and instead the Successor Agency receives payments from the RPTTF that are to be used to fund 90% of the debt service on the 2003 LRBs. As of June 30, 2016, the total principal and interest remaining for the 90% Successor Agency's share of the 2003 LRBs is \$4,367,425 and total debt service payment for the fiscal year ended June 30, 2016 was \$441,734.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

| Fiscal year Ending June 30: | Lease Revenue Bonds (10% City portion) | | Loans Payable | |
|--------------------------------|---|------------------|-------------------|-------------|
| | Principal | Interest | Principal | Interest |
| 2017 | \$ 31,500 | \$ 17,326 | \$ 120,684 | \$ - |
| 2018 | 33,000 | 15,999 | 120,684 | - |
| 2019 | 34,000 | 14,511 | 120,684 | - |
| 2020 | 36,000 | 12,849 | 120,685 | - |
| 2021 | 37,500 | 11,103 | 88,025 | - |
| 2022-2026 | 215,000 | 26,481 | 110,103 | - |
| | <u>\$ 387,000</u> | <u>\$ 98,269</u> | <u>\$ 680,865</u> | <u>\$ -</u> |

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

| Fiscal year Ending June 30: | Water Revenue Bonds | | Sewer Revenue Certificates of Participation | |
|--------------------------------|---------------------|---------------------|--|---------------------|
| | Principal | Interest | Principal | Interest |
| 2017 | \$ 170,000 | \$ 158,277 | \$ 325,000 | \$ 487,888 |
| 2018 | 175,000 | 140,274 | 340,000 | 475,138 |
| 2019 | 185,000 | 132,958 | 355,000 | 461,463 |
| 2020 | 190,000 | 125,153 | 370,000 | 447,175 |
| 2021 | 200,000 | 116,913 | 385,000 | 431,950 |
| 2022-2026 | 1,130,000 | 443,656 | 2,200,000 | 1,875,500 |
| 2027-2031 | 1,405,000 | 163,688 | 2,785,000 | 1,284,625 |
| 2032-2036 | - | - | 3,535,000 | 534,550 |
| | <u>\$ 3,455,000</u> | <u>\$ 1,280,919</u> | <u>\$ 10,295,000</u> | <u>\$ 5,998,289</u> |

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

| Fiscal Year Ending June 30: | Lease Revenue Bonds (90% Successor Agency Portion) | | Tax Allocation Bonds | | |
|--------------------------------|---|-------------------|----------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Accretion |
| 2017 | \$ 283,500 | \$ 155,932 | \$ 2,163,830 | \$ 1,747,225 | \$ 231,169 |
| 2018 | 297,000 | 143,994 | 2,439,386 | 1,650,325 | 240,614 |
| 2019 | 306,000 | 130,601 | 2,330,467 | 1,548,306 | 584,533 |
| 2020 | 324,000 | 115,639 | 2,396,384 | 1,455,225 | 603,616 |
| 2021 | 337,500 | 99,928 | 2,473,816 | 1,361,025 | 621,184 |
| 2022-2026 | 1,935,000 | 238,331 | 10,571,591 | 5,746,473 | 6,283,409 |
| 2027-2031 | - | - | 12,002,861 | 3,683,829 | 6,867,140 |
| 2032-2036 | - | - | 6,535,578 | 1,874,470 | 7,319,421 |
| 2037-2038 | - | - | 4,895,000 | 245,688 | - |
| | <u>\$ 3,483,000</u> | <u>\$ 884,425</u> | <u>\$ 45,808,913</u> | <u>\$ 19,312,566</u> | <u>\$ 22,751,086</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Legal Debt Limit

As of June 30, 2016, the City's legal debt limit (15% of valuation subject to taxation) was \$639.8 million and the City has no debt subject to the legal debt limit.

Arbitrage Liability

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. At June 30, 2016, the City has no arbitrage liability.

8. EMPLOYEES' RETIREMENT PLAN

Plan Description

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

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

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

Benefits Provided

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The CalPERS' provisions and benefits in effect at June 30, 2016, are summarized as follows:

| Miscellaneous Plan | | | | |
|---|--------------------------|---------------------------------------|---|--------------------------------|
| | Prior to July 1, 2008 | From July 1, 2008 to June 30, 2011 | From July 1, 2011 to December 31, 2012 | On or after January 1, 2013 |
| Hire date | | | | |
| Benefit formula | 2.7% @ 55 with 5.0% | 2.7% @ 55 with 2.0% | 2.0% @ 55 with 2.0% | 2.0% @ 62 with 2.0% |
| | COLA | COLA | COLA | COLA |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life | Monthly for life | Monthly for life |
| Retirement age | 55 | 55 | 55 | 62 |
| Monthly benefits, as a % of eligible compensation | 2.7% | 2.7% | 2.0% | 2.0% |
| Required employee contribution rates | 8.00% | 8.00% | 7.00% | 6.25% |
| Required employer contribution rates | 26.850% | 26.850% | 26.850% | 26.850% |

| Safety Plans | | | | |
|---|--------------------------|---------------------------------------|--|--------------------------------|
| | Tier 1 | Tier 2 | Tier 3 | PERPA |
| | Prior to July 1, 2008 | From July 1, 2008 to June 17, 2012 | From June 18, 2012 to December 31, 2012 | On or after January 1, 2013 |
| Hire date | | | | |
| Benefit formula | 3.0% @ 50 with 5.0% | 3.0% @ 50 with 2.0% | 3.0% @ 55 with 2.0% | 2.7% @ 57 with 2.0% |
| | COLA | COLA | COLA | COLA |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life | Monthly for life | Monthly for life |
| Retirement age | 50 | 50 | 55 | 57 |
| Monthly benefits, as a % of eligible compensation | 3.0% | 3.0% | 3.0% | 2.7% |
| Required employee contribution rates | 9.000% | 9.000% | 9.000% | 11.500% |
| Required employer contribution rates | 60.128% | 19.067% | 15.627% | 11.153% |

Employees Covered

At June 30, 2015, the most recent information available, the following employees were covered by the benefit terms for the City's Miscellaneous Plan:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 123 |
| Inactive employees entitled to but not yet receiving benefits | 125 |
| Active employees | 127 |
| Total | <u>375</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Contribution

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the City's plans is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by public employees during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability

The following is a summary of net pension liability at June 30, 2016:

| | |
|-----------------------------|----------------------|
| Governmental activities | \$ 47,113,833 |
| Business-type activities | 3,603,753 |
| Total net pension liability | <u>\$ 50,717,586</u> |

The City's net pension liability for its Safety Plans is measured as a proportionate share of the plan's net pension liability. The City's net pension liability of each of its plans is measured as of June 30, 2015, and the total pension liability for each of its plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. The City's proportions of the net pension liability for the CalPERS plans were actuarially determined as of the valuation date. The City's proportionate share of the net pension liability for the CalPERS plans was 0.46302% or \$31,780,974, an increase of \$2,591,370 from prior year.

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

| | <u>Increase (Decrease)</u> | | |
|---|--|--|----------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| Balance at June 30, 2014 | \$ 78,032,007 | \$ 59,911,478 | \$ 18,120,529 |
| Change during the measurement period | | | |
| Service cost | 1,359,834 | - | 1,359,834 |
| Interest on the total pension liability | 5,671,935 | - | 5,671,935 |
| Change in assumptions | (1,351,340) | - | (1,351,340) |
| Differences between expected and actual experience | (1,253,233) | - | (1,253,233) |
| Contributions from the employer | - | 1,776,325 | (1,776,325) |
| Contributions from employees | - | 543,693 | (543,693) |
| Net investment income | - | 1,358,173 | (1,358,173) |
| Administrative expenses | - | (67,078) | 67,078 |
| Benefit payments, including refunds of employee contributions | (3,928,801) | (3,928,801) | - |
| Net changes during measurement period | 498,395 | (317,688) | 816,083 |
| Balance at June 30, 2015 | <u>\$ 78,530,402</u> | <u>\$ 59,593,790</u> | <u>\$ 18,936,612</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Pension Expense and Pension Related Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2016, the City recognized pension expense totaled to \$2,612,121. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in proportionate share, difference between actual and proportionate share of contributions, actual investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | <u>Miscellaneous Plan</u> | | <u>Safety Plans</u> | | <u>Total</u> | |
|---|---|--|---|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Pension contributions subsequent to measurement date | \$ 2,076,131 | \$ - | \$ 3,156,126 | \$ - | \$ 5,232,257 | \$ - |
| Change in assumptions | - | (900,893) | - | (1,488,317) | - | (2,389,210) |
| Differences between expected and actual experience | - | (835,489) | - | (323,592) | - | (1,159,081) |
| Change in employer's proportion | - | - | 1,345,736 | (157,495) | 1,345,736 | (157,495) |
| Differences between the employer's actual and proportionate share of contribution | - | - | 285,265 | - | 285,265 | - |
| Net differences between projected and actual earnings on plan investments | - | (578,241) | - | (754,288) | - | (1,332,529) |
| Total | <u>\$ 2,076,131</u> | <u>\$ (2,314,623)</u> | <u>\$ 4,787,127</u> | <u>\$ (2,723,692)</u> | <u>\$ 6,863,258</u> | <u>\$ (5,038,315)</u> |

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic manner. At June 30, 2016, the City reported \$5,232,257 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction to net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ending June 30</u> | |
|----------------------------|-----------------------|
| 2016 | \$ (1,937,955) |
| 2017 | (1,945,648) |
| 2018 | (1,079,115) |
| 2019 | 1,555,404 |
| Total | <u>\$ (3,407,314)</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2015 are as follows:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2014 |
| Measurement Date | June 30, 2015 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.65% |
| Inflation | 2.75% |
| Payroll Growth | 3.00% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 7.65% Net of Pension Plan Investment Expenses, includes Inflation |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Allowance Floor on Purchasing Power applies, 2.75% thereafter. |
| Mortality | Derived using CalPERS Membership Data for all Funds (1) |

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

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change in Assumptions - GASB Statement No. 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2014, are as follows:

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 ¹ | Real Return Years 11+ ² |
|-------------------------------|-----------------------------|--|---------------------------------------|
| Global Equity | 51.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0 | 0.99 | 2.43 |
| Inflation Sensitive | 6.0 | 0.45 | 3.36 |
| Private Equity | 10.0 | 6.83 | 6.95 |
| Real Estate | 10.0 | 4.50 | 5.13 |
| Infrastructure and Forestland | 2.0 | 4.50 | 5.09 |
| Liquidity | 2.0 | (0.55) | (1.05) |

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

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

Sensitivity of the Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability of the City's Miscellaneous plan and proportionate share of the net pension liability of the City's Safety Plans as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

| | Discount Rate -1% (6.65%) | Current Discount Rate (7.65%) | Discount Rate +1% (8.65%) |
|--------------------|------------------------------|-------------------------------------|------------------------------|
| Miscellaneous Plan | \$ 29,123,697 | \$ 18,936,612 | \$ 10,492,593 |
| Safety Plans | 45,560,216 | 31,780,974 | 20,482,249 |
| Total | <u>\$ 74,683,913</u> | <u>\$ 50,717,586</u> | <u>\$ 30,974,842</u> |

Pension Plan Fiduciary Net Position

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

9. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

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

The City reached new agreement with its bargaining groups during June 2014. Effective July 1, 2014, the City's OPEB for employees hired prior to July 1, 2007 were eliminated in exchange for the following benefit:

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

Eligible employees were given the option of retiring prior to January 1, 2015 under the original OPEB plan or electing the buyout option. All eligible employees employed as of January 1, 2015 will participate in the buyout option. The City performed an actuarial valuation as of July 1, 2015 factoring in the impact of the buyout option.

Funding Policy

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

Annual Other Postemployment Benefit Cost and Net Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed thirty years. Annual OPEB Cost (AOC) equals the plan's ARC, adjusted for historical differences between the ARC and amounts actually contributed. Based on the July 1, 2015 actuarial valuation, the City's annual required contribution for the fiscal year ended June 30, 2015 is the sum of (a) normal cost of \$251,000, and (b) level dollar amortization of the UAAL of \$1,961,000. The City's contribution amount for the fiscal year ended June 30, 2016 included (a) deposits into the CERBT of \$3,600,000, (b) implicit subsidy of \$158,000, and (c) benefit payments for retirees of \$1,372,000.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following table shows the components of the City's annual OPEB cost for the fiscal year ended June 30, 2016, and the changes in the net OPEB obligation:

| | |
|--|---------------------|
| Annual required contribution | \$ 2,212,000 |
| Interest on OPEB obligation | 430,000 |
| Adjustment to annual required contribution | (744,000) |
| Annual OPEB cost (expense) | 1,898,000 |
| Contributions made | (5,130,000) |
| Decrease in net OPEB obligation | (3,232,000) |
| Net OPEB obligation, beginning of year | 9,501,000 |
| Net OPEB obligation, end of year | <u>\$ 6,269,000</u> |

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

| Fiscal Year Ended | Annual OPEB Cost (AOC) | Percentage of AOC Contributed | Net OPEB Obligation |
|------------------------------|---------------------------------------|--|--------------------------------|
| 6/30/2014 | \$ 3,360 | 95.5% | \$ 10,296 |
| 6/30/2015 | 1,992 | 139.9% | 9,501 |
| 6/30/2016 | 1,898 | 270.3% | 6,269 |

Actuarial Methods and Assumptions

The actuarial methods and significant assumptions used in the July 1, 2015 actuarial valuation for the City's funded status and annual required contributions for the fiscal year ended June 30, 2016 is as follows:

| | |
|---------------------------------------|--|
| Valuation Date | July 1, 2015 |
| Actuarial Cost Method | Entry age normal cost |
| Amortization Method | Level percent of payroll |
| UAAL Remaining Amortization Period | Closed 23 years as of the valuation date |
| Asset Valuation Method | Market value |
| Discount Rate | 6.5% with prefunding, 4.0% without prefunding, grading from 4.0% to 6.5% over 20 years for phase-in prefunding |
| Project Salary Increases | 3.25% |
| Inflation | 3.00% |
| Medical Cost Trend Growth | 5.25% for Medicare Part B premium, 5.25% for dental costs, 3.25% for vision costs, and other medical premiums grading from 7.5% to an ultimate rate of 5.25% by 2021 |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Funded Status and Funding Progress

The funded status and funding progress were determined as part of the July 1, 2015 actuarial valuation (the most recent valuation available). The schedule of funding progress for the OPEB plan below shows the actuarial assets value, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

| Actuarial Valuation Date | Actuarial Accrued Liability - Entry Age | Actuarial Assets Value | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as Percentage of Covered Payroll |
|--------------------------------|--|------------------------------|--|-----------------|------------------------------|--|
| 7/1/2015 | \$ 29,770,000 | \$ 5,008,000 | \$ 24,762,000 | 16.8% | \$ 12,262,602 | 201.9% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point, and, if applicable, the disclosure that the projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

10. FUND BALANCE / NET POSITION

Portions of unassigned fund balance may be assigned to indicate tentative plans for financial resource utilization in a future period, such as for special purpose or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures. As of June 30, 2016, the City's governmental fund balances were classified as follows:

| | General | Housing Projects Special Revenue | Financing Authority | City Capital Projects | Public Facilities Finance Fee Special Revenue | Graton Mitigation Supplemental Special Revenue | Other Governmental | Total Governmental Funds |
|---------------------------------|----------------------|-------------------------------------|------------------------|--------------------------|--|---|-----------------------|--------------------------------|
| Nonspendable: | | | | | | | | |
| Prepaid and other assets | \$ 68,708 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 68,708 |
| Advance to other funds | 1,246,779 | - | - | - | - | - | - | 1,246,779 |
| Performing Arts Center | - | - | - | - | - | - | 500,000 | 500,000 |
| Total nonspendable | <u>1,315,487</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>500,000</u> | <u>1,815,487</u> |
| Restricted for: | | | | | | | | |
| Special revenue programs | - | - | - | - | - | - | 1,553,384 | 1,553,384 |
| Public safety programs - police | - | - | - | - | - | - | 2,738,685 | 2,738,685 |
| Public safety programs - fire | - | - | - | - | - | - | 114,966 | 114,966 |
| Capital and street projects | - | - | - | - | - | - | 6,065,265 | 6,065,265 |
| Redevelopment capital projects | - | - | - | 2,434,337 | - | - | - | 2,434,337 |
| Housing projects | 80,196 | 24,411,720 | - | - | - | - | - | 24,491,916 |
| Performing Arts Center | - | - | - | - | - | - | 681,923 | 681,923 |
| Debt service | - | - | 40,492 | - | - | - | - | 40,492 |
| Total restricted for | <u>80,196</u> | <u>24,411,720</u> | <u>40,492</u> | <u>2,434,337</u> | <u>-</u> | <u>-</u> | <u>11,154,223</u> | <u>38,120,968</u> |
| Assigned to: | | | | | | | | |
| Public safety programs - police | - | - | - | - | - | - | 218,078 | 218,078 |
| Capital and street projects | - | - | - | - | - | - | 106,131 | 106,131 |
| Graton Mitigation | - | - | - | - | - | 2,127,057 | 2,485,455 | 4,612,512 |
| Operating reserve | 4,219,968 | - | - | - | - | - | - | 4,219,968 |
| Contingency reserve | 3,732,884 | - | - | - | - | - | - | 3,732,884 |
| Infrastructure reserve | 2,200,000 | - | - | - | - | - | - | 2,200,000 |
| Self-insured losses reserve | 1,143,788 | - | - | - | - | - | - | 1,143,788 |
| Retirement reserve | 500,000 | - | - | - | - | - | - | 500,000 |
| Vehicle replacement | 400,000 | - | - | - | - | - | - | 400,000 |
| Information technology | 500,000 | - | - | - | - | - | - | 500,000 |
| 2003 Lease revenue bond reserve | 534,000 | - | - | - | - | - | - | 534,000 |
| Stadium land reserve | 150,000 | - | - | - | - | - | - | 150,000 |
| Retiree health savings | 41,327 | - | - | - | - | - | - | 41,327 |
| Encumbrances | 742,562 | - | - | - | - | - | - | 742,562 |
| Total assigned to | <u>14,164,529</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,127,057</u> | <u>2,809,664</u> | <u>19,101,250</u> |
| Unassigned | <u>563,346</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,213,812)</u> | <u>-</u> | <u>-</u> | <u>(8,650,466)</u> |
| Total fund balance | <u>\$ 16,123,558</u> | <u>\$ 24,411,720</u> | <u>\$ 40,492</u> | <u>\$ 2,434,337</u> | <u>\$ (9,213,812)</u> | <u>\$ 2,127,057</u> | <u>\$14,463,887</u> | <u>\$ 50,387,239</u> |

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

City's Reserve Policy

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

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

The City intends to use the reserve for the specific purpose as stated in the budget and fiscal policies. At June 30, 2016, the City reported these reserve balances as part of the General Fund's assigned fund balance.

11. RISK MANAGEMENT

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

As of June 30, 2016, the City's deductibles and maximum coverage through its participation in REMIF is as follows:

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

A summary of audited financial information of REMIF as of and for year ended June 30, 2015, the most current available audited financial information, is as follows (amounts in thousands).

| | |
|---|-------------------|
| Total assets and deferred outflows of resources | \$ 18,601 |
| Total liabilities and deferred inflows of resources | <u>21,288</u> |
| Net position | <u>\$ (2,687)</u> |
| Total revenues | \$ 8,748 |
| Total expenses | <u>12,424</u> |
| Change in net position | <u>\$ (3,676)</u> |

The City contributes its pro-rata share of anticipated losses to a pool administered by REMIF. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro-rata share of the deficit. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro-rata share of the excess. The City paid insurance premiums and deductibles of \$1,408,423 during the fiscal year ended June 30, 2016. 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, 2016 the amount of these IBNR liabilities was \$43,420. This liability is the City's best estimate based on available information.

Changes in the claims liability (reported in accrued liabilities of General Fund) during the past two fiscal years ended June 30, 2016 and 2015, are as follows:

| | <u>Year Ended June 30,</u> | |
|---|----------------------------|-------------------|
| | <u>2016</u> | <u>2015</u> |
| Claims liability, beginning of year | \$ 219,329 | \$ 126,500 |
| Current year claim deductibles and changes in estimates | 167,830 | 120,486 |
| Net payments | <u>(290,188)</u> | <u>(27,657)</u> |
| Claims liability, end of year | <u>\$ 96,971</u> | <u>\$ 219,329</u> |

At June 30, 2016, the City assigned \$1,143,788 of General Fund's fund balance for future claims liabilities.

12. JOINT VENTURES

Sonoma County Waste Management Agency

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

A summary of audited financial information of SCWMA as of and for fiscal year ended June 30, 2015, the most current available audited financial information, is as follows (amounts in thousands).

| | |
|------------------------|-------------------|
| Total assets | \$ 8,414 |
| Total liabilities | <u>1,557</u> |
| Net position | <u>\$ 6,857</u> |
| Total revenues | \$ 5,527 |
| Total expenses | <u>7,921</u> |
| Change in net position | <u>\$ (2,394)</u> |

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

Sonoma County Public Safety Consortium

The Sonoma County Public Safety Consortium (SCPSC) was formed by a joint powers agreement on July 1, 2008 to efficiently and effectively operate, maintain and improve a public safety communication and data management system in the County. SCPSC members are the City, the cities of Cotati, Petaluma, Santa Rosa, Sonoma, Town of Windsor, Redwood Empire Dispatch Communications Authority, the Santa Rosa Junior College, and the County. In addition to the SCPSC members, other public safety entities have limited access to system as non-affiliated agencies. As a member, the City pays its proportionate share percentage of the total costs incurred by the SCPSC. For the fiscal year ended June 30, 2016, the City paid \$305,803 to the SCPSC.

A summary of audited financial information of SCPSC as of and for fiscal year ended June 30, 2014, the most current available audited financial information, is as follows (amounts in thousands).

| | |
|------------------------|-----------------|
| Total assets | \$ 4,842 |
| Total liabilities | <u>581</u> |
| Net position | <u>\$ 4,261</u> |
| Total revenues | \$ 2,159 |
| Total expenses | <u>2,158</u> |
| Change in net position | <u>\$ 1</u> |

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

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

13. COMMITMENTS AND CONTINGENCIES

Claims and Litigations

The City is directly and indirectly involved in various suits relating principally to claims arising from construction contracts, personal injury, and property damage. In the opinion of the City Attorney and City's management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially affect the basic financial statements of the City. As a result, no liability has been accrued by the City relating to these matters as of June 30, 2016.

Long Range Property Management Plan

On April 26, 2013, the DOF granted a Finding of Completion for the Successor Agency. On September 23, 2013, the Successor Agency submitted a Long Range Property Management Plan (LRPMP) addressing the disposition and use of real properties held by the Successor Agency to the DOF for approval. The Successor Agency submitted a revised LRPMP to DOF on April 10, 2014. The DOF approved the LRPMP on June 19, 2014. For the year ended June 30, 2016, the City sold three parcels of land with total book value of \$1,933,083.

14. MEMORANDUM OF UNDERSTANDING WITH FEDERATED INDIANS OF GRATON RANCHERIA

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

During the fiscal year ended June 30, 2016, the City received \$11,985,540 of recurring contributions for seven contribution areas as described in the MOU. Contribution amounts are adjusted each year to reflect increases in the Consumer Price Index for Urban Consumers in the San Francisco Bay Area, per Section 5.5 of the MOU. The MOU sections, descriptions, and amounts received are as follows:

| MOU Section | Description | Amount | Notation |
|-------------|---|------------|----------|
| 3.1 | Law Enforcement Recurring Contribution | \$ 591,524 | A |
| 3.2 | Problem Gambling Recurring Contribution | 162,954 | B |
| 3.3 | Waterway Recurring Contribution | 65,179 | C |
| 3.4.1 | Supplemental Recurring Contribution | 5,792,600 | D |
| 3.4.2 | Recurring Public Services Contribution | 3,088,283 | E |
| 2.3.1 | Public Safety Building Contribution | 1,875,000 | F |
| 2.3.3 | City Vehicle Contribution | 410,000 | G |

- A. In accordance with MOU Section 3.1, Law Enforcement Recurring Contribution - Following the Opening Date, the Tribe shall make a recurring cash contribution to the City of five hundred thousand dollars (\$500,000) per annum for Special Enforcement Activities to mitigate the ongoing impacts of the Project on public safety in the City. The above-referenced contribution shall be made by the Tribe in four (4) successive, equal, quarterly installments commencing on the first business day of the third (3rd) Quarter after the Opening Date and on the first business day of every Quarter thereafter. The City received payments totaling \$591,524 during fiscal year ended June 30, 2016.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

- B. In accordance with MOU Section 3.2, Problem Gambling Recurring Contribution - Following the Opening Date, the Tribe shall make a recurring cash contribution to the City of one hundred twenty five thousand dollars (\$125,000) per annum to mitigate the social impacts of the Project on the City. The City shall grant such payment to an organization dedicated to the treatment and prevention of problem gambling or pathological gambling disorders. The recipient organization shall be determined by the City, with approval by the Tribe, which approval shall not be unreasonably withheld. The above-referenced contribution shall be made by the Tribe in four (4) successive, equal, quarterly installments commencing on the first business day of the third (3rd) Quarter after the Opening Date and on the first business day of every Quarter thereafter. The City received payments totaling \$162,954 during fiscal year ended June 30, 2016.
- C. In accordance with MOU Section 3.3, Waterway Recurring Contribution - Following the Opening Date, the Tribe shall make a recurring cash contribution to the City of fifty thousand dollars (\$50,000) per annum to be used solely to address storm water drainage matters to mitigate potential impacts of the Project on storm water drainage. The above referenced contribution shall be made by the Tribe in four (4) successive, equal, quarterly installments commencing on the first business day of the third (3rd) Quarter after the Opening Date and on the first business day of every Quarter thereafter. The City received payments totaling \$65,179 during fiscal year ended June 30, 2016.
- D. In accordance with MOU Section 3.4.1, Supplemental Recurring Contribution - Following the Opening Date, the Tribe shall make a recurring cash contribution to the City of five million dollars (\$5,000,000) per annum to mitigate potential impacts of the Project on the City. The above-referenced contribution shall be made by the Tribe in four (4) successive, equal, quarterly installments commencing on the first business day of the third (3rd) Quarter after the Opening Date and on the first business day of every Quarter thereafter. These payments shall be paid from the Graton Mitigation Fund which is expected to include deposits made by the Tribe within thirty (30) days of the close of the prior calendar quarter. The City received payments totaling \$5,792,600 during fiscal year ended June 30, 2016.
- E. In accordance with MOU Section 3.4.2, Recurring Public Services Contribution - Following the Opening Date, the Tribe shall make a recurring cash contribution to the City of two million three hundred sixty nine thousand dollars (\$2,369,000) per annum to mitigate potential impacts of the Project on City services. It is the intent of the City to use these funds in part to provide for additional staffing levels to mitigate the potential impacts on public safety and/or other City services. The above-referenced contribution shall be made by the Tribe in four (4) successive, equal, quarterly installments commencing on the first business day of the third (3rd) Quarter after the Opening Date and on the first business day of every Quarter thereafter. These payments shall be paid from the Graton Mitigation Fund which is expected to include deposits made by the Tribe within thirty (30) days of the close of the prior calendar quarter. The City received payments totaling \$3,088,283 during fiscal year ended June 30, 2016.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

- F. In accordance with MOU Section 2.3.1, Fire and Public Safety Contributions After Opening, Public Safety Building Contribution – The Tribe shall make a non-recurring cash contribution to the City of three million seven hundred fifty thousand dollars (\$3,750,000) to develop and construct a new public safety building west of Highway 101 within the City (Public Safety Building). The above-referenced contribution shall be made in eight (8) successive, quarterly installments of equal amounts commencing on the first business day of the seventh (7th) Quarter after the Opening Date. If the amount paid exceeds the actual cost of the Public Safety Building, the City shall (i) within one hundred twenty (120) days after a certificate of occupancy is issued for the Public Safety Building, provide written notification to the Tribe of the amount of the excess payment, and (ii) set aside the excess amount and credit such amount against the next payment due to the City from the Tribe pursuant to this MOU. The City received payments totaling \$1,875,000 during fiscal year ended June 30, 2016
- G. In accordance with MOU Section 2.3.3, Fire and Public Safety Contributions After Opening, City Vehicle Contribution – The Tribe shall make a non-recurring cash contribution to the City of four hundred ten thousand dollars (\$410,000) to be used by the City solely for the purchase of public safety and/or other City vehicles required to mitigate impacts of the Project. The above-referenced contribution shall be made in four (4) successive, quarterly installments of one hundred two thousand five hundred dollars (\$102,500) commencing on the first business day of the seventh (7th) Quarter after the Opening Date. The City received payments totaling \$410,000 during fiscal year ended June 30, 2016.

15. OPERATING LEASES

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

The future minimum rentals to be received from the aforementioned operating lease as of June 30, 2016 are as follows:

| <u>Fiscal Year Ending</u> | <u>Amount</u> |
|---------------------------|---------------------|
| 2017 | \$ 75,779 |
| 2018 | 78,614 |
| 2019 | 82,361 |
| 2020 | 85,348 |
| 2021 | 88,413 |
| 2022-2026 | 490,965 |
| 2027-2031 | 580,718 |
| 2032 | 128,156 |
| | <u>\$ 1,610,354</u> |

During the year ended June 30, 2016, the City received operating lease revenue of \$73,787.

This page is left intentionally blank.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROHNERT PARK

REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –

MISCELLANEOUS PLAN

(Dollar amount in thousands)

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

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - The discount rate was changed from 7.50 percent (net of administrative expense) in 2015 to 7.65% in 2016.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only two years of information is shown.

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

| | Fiscal Year Ended June 30, | |
|---|-----------------------------------|-------------|
| | 2016 | 2015 |
| Measurement period | 2015 | 2014 |
| Proportion of net pension liability | 0.46302% | 0.46909% |
| Proportionate share of the net pension liability | \$ 31,781 | \$ 29,190 |
| Covered payroll | \$ 5,310 | \$ 5,664 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 598.51% | 515.36% |
| CalPERS Miscellaneous Plan's fiduciary net position as a percentage of total pension liability | 78.40% | 80.43% |

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - The discount rate was changed from 7.50 percent (net of administrative expense) in 2015 to 7.65% in 2016.

- * Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only two years of information is shown.

CITY OF ROHNERT PARK

REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)

SCHEDULE OF EMPLOYER PLAN CONTRIBUTIONS – PENSION PLANS

(Dollar amount in thousands)

Miscellaneous Plan

| | Fiscal Year Ended June 30, | | |
|--|----------------------------|----------|----------|
| | 2016 | 2015 | 2014 |
| Actuarially determined contributions (ADC) | \$ 2,076 | \$ 1,777 | \$ 1,658 |
| Contributions in relation to the ADC | (2,076) | (1,777) | (1,658) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| Covered payroll | \$ 7,418 | \$ 6,953 | \$ 6,788 |
| Contributions as a percentage of covered payroll | 27.99% | 25.56% | 24.43% |

Safety Plans

| | Fiscal Year Ended June 30, | | |
|---|----------------------------|----------|----------|
| | 2016 | 2015 | 2014 |
| Contractually required contributions (actuarially determined) (CRC) | \$ 3,156 | \$ 2,417 | \$ 2,382 |
| Contributions in relation to the CRC | (3,156) | (2,417) | (2,382) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| Covered payroll | \$ 6,009 | \$ 5,310 | \$ 5,664 |
| Contributions as a percentage of covered payroll | 52.52% | 45.52% | 42.06% |

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2016 were as follows:

| | |
|---------------------------|---|
| ADC for fiscal year | June 30, 2016 |
| Actuarial valuation date | June 30, 2013 |
| Actuarial cost method | Entry-Age Normal Cost Method |
| Asset valuation method | Actuarial value of assets |
| Inflation | 2.75% |
| Salary increases | Varies by entry age and services |
| Payroll growth | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment and administrative expenses, includes inflation. |
| Retirement age | The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007. |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only three years of information is shown.

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

| Actuarial valuation date | Actuarial value of assets (a) | Actuarial accrued liability (AAL) entry age (b) | Unfunded AAL (UAAL) (b-a) | Funded ratio (a/b) | Covered payroll (c) | UAAL as a % of covered payroll ((b-a)/c) |
|---|--|--|--|-----------------------------------|------------------------------------|---|
| 7/1/2012 | \$ 1,654 | \$ 41,857 | \$ 40,203 | 4.0% | \$ 14,299 | 281.2% |
| 7/1/2013 | 2,487 | 49,130 | 46,643 | 5.1% | 14,498 | 321.7% |
| 7/1/2015 | 5,008 | 29,770 | 24,762 | 16.8% | 12,263 | 201.9% |

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

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|------------------------------------|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 3,290,000 | \$ 3,290,000 | \$ 4,009,906 | \$ 719,906 |
| Real property transfer | 114,500 | 114,500 | 203,345 | 88,845 |
| Transient occupancy | 2,900,000 | 2,900,000 | 3,255,970 | 355,970 |
| Franchises | 1,990,000 | 1,990,000 | 2,221,543 | 231,543 |
| Subtotal | 8,294,500 | 8,294,500 | 9,690,764 | 1,396,264 |
| Licenses, permits and fees: | | | | |
| Business licenses | 496,000 | 496,000 | 505,976 | 9,976 |
| Animal licenses | 50,000 | 50,000 | 65,769 | 15,769 |
| Building permits | 403,193 | 403,193 | 566,807 | 163,614 |
| Plan check | 480,000 | 480,000 | 629,281 | 149,281 |
| Subtotal | 1,429,193 | 1,429,193 | 1,767,833 | 338,640 |
| Fines, forfeitures and penalties: | | | | |
| Parking fines | 40,000 | 40,000 | 33,000 | (7,000) |
| Other court | 1,200 | 1,200 | 9,943 | 8,743 |
| Subtotal | 41,200 | 41,200 | 42,943 | 1,743 |
| Interest and rentals: | | | | |
| Investment earnings | 25,000 | 25,000 | 112,209 | 87,209 |
| Rent - golf courses | 65,000 | 65,000 | 71,273 | 6,273 |
| Rent - other | 522,754 | 529,454 | 550,154 | 20,700 |
| Subtotal | 612,754 | 619,454 | 733,636 | 114,182 |
| Intergovernmental: | | | | |
| Sales and use | 11,039,300 | 11,039,300 | 10,483,969 | (555,331) |
| State motor vehicle in-lieu tax | 2,918,000 | 2,918,000 | 2,917,304 | (696) |
| Public Safety Augmentation Fund | 230,000 | 230,000 | 251,294 | 21,294 |
| Grants | 341,895 | 752,244 | 883,765 | 131,521 |
| Reimbursements | 20,000 | 20,000 | 31,543 | 11,543 |
| Subtotal | 14,549,195 | 14,959,544 | 14,567,875 | (391,669) |
| Charges for current services: | | | | |
| Zoning and subdivision fees | 172,200 | 172,200 | 238,430 | 66,230 |
| General plan maintenance fee | 16,000 | 16,000 | 18,630 | 2,630 |
| Sales of maps and lists | - | - | 119 | 119 |
| Special public safety services | 27,000 | 27,000 | 43,558 | 16,558 |
| Animal shelter fees | 90,000 | 90,000 | 102,900 | 12,900 |
| Engineering fees | 125,000 | 125,000 | 343,374 | 218,374 |
| Library ground maintenance | 8,370 | 8,370 | 8,371 | 1 |
| Developer engineering building fee | - | 640,000 | 639,378 | (622) |
| Administrative fees | - | - | 234,150 | 234,150 |
| Finance charges | 35,000 | 35,000 | 45,597 | 10,597 |
| Cost allocation charges | 1,807,223 | 1,807,223 | 3,188,980 | 1,381,757 |

(continued)

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|------------------------------------|----------------------------|-------------------------|--------------------------|---|
| (Continued) | | | | |
| REVENUES (Continued) | | | | |
| Recreation: | | | | |
| Recreation centers | \$ 1,061,818 | \$ 1,061,818 | \$ 1,062,565 | \$ 747 |
| Swimming pools | 187,000 | 187,000 | 148,389 | (38,611) |
| Contract classes and other | 40,000 | 40,000 | 19,084 | (20,916) |
| Performing Arts Center admissions | 458,150 | 458,150 | 438,990 | (19,160) |
| Subtotal | 4,027,761 | 4,667,761 | 6,532,515 | 1,864,754 |
| Donations and miscellaneous | 160,237 | 160,237 | 346,308 | 186,071 |
| Total revenues | 29,114,840 | 30,171,889 | 33,681,874 | 3,509,985 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| City Council | 133,455 | 133,455 | 129,749 | 3,706 |
| City Manager | 979,884 | 1,050,805 | 964,332 | 86,473 |
| Economic Development | - | - | - | - |
| Finance and accounting | 1,671,293 | 1,671,293 | 1,561,802 | 109,491 |
| Legal services | 425,150 | 425,150 | 467,682 | (42,532) |
| Development services | 1,381,476 | 2,068,610 | 1,816,943 | 251,667 |
| Development services programs | 61,890 | 251,371 | 74,071 | 177,300 |
| Human Resources | 549,188 | 549,188 | 548,367 | 821 |
| City office building | 214,503 | 220,087 | 202,614 | 17,473 |
| City office annex | 25,150 | 47,093 | 39,652 | 7,441 |
| General government-nondepartmental | 5,360,625 | 3,693,948 | 3,375,531 | 318,417 |
| Nondepartmental-employee benefits | 2,034,200 | 5,334,200 | 4,972,642 | 361,558 |
| Subtotal | 12,836,814 | 15,445,200 | 14,153,385 | 1,291,815 |
| Public safety: | | | | |
| Public safety protections | 14,567,851 | 14,777,125 | 14,700,670 | 76,455 |
| Animal control | 452,337 | 452,337 | 452,593 | (256) |
| Animal shelter | 49,030 | 62,615 | 46,963 | 15,652 |
| Main station | 222,912 | 234,648 | 196,120 | 38,528 |
| North station | 27,654 | 27,654 | 31,416 | (3,762) |
| South station | 13,332 | 13,332 | 11,004 | 2,328 |
| Civil defense | 3,000 | 3,000 | 3,405 | (405) |
| Public safety programs | 73,000 | 214,661 | 113,757 | 100,904 |
| Subtotal | 15,409,116 | 15,785,372 | 15,555,928 | 229,444 |
| Public works: | | | | |
| General | 366,010 | 553,734 | 228,577 | 325,157 |
| Maintenance of streets/bikepaths | 498,699 | 501,528 | 464,795 | 36,733 |
| Storm drains and drainage | 168,476 | 168,476 | 146,233 | 22,243 |
| Wilfred maintenance | (4,158) | (4,158) | (4,158) | - |
| Subtotal | 1,029,027 | 1,219,580 | 835,447 | 384,133 |

(continued)

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| (Continued) | | | | |
| EXPENDITURES (Continued) | | | | |
| Parks and recreation: | | | | |
| Parks maintenance-general | \$ 756,485 | \$ 756,485 | \$ 1,127,488 | \$ (371,003) |
| Recreation centers | 1,380,238 | 1,395,169 | 1,441,313 | (46,144) |
| Swimming pools | 518,630 | 521,019 | 504,687 | 16,332 |
| Recreation administration and programs | 145,593 | 145,593 | 162,680 | (17,087) |
| Golf courses | 22,439 | 22,439 | 48,700 | (26,261) |
| Library | 12,579 | 23,507 | 19,609 | 3,898 |
| Subtotal | <u>2,835,964</u> | <u>2,864,212</u> | <u>3,304,477</u> | <u>(440,265)</u> |
| Cultural Arts Center: | | | | |
| Performing Arts Center | 649,912 | 662,759 | 635,997 | 26,762 |
| Performing Arts Center productions | 252,147 | 252,147 | 280,194 | (28,047) |
| Subtotal | <u>902,059</u> | <u>914,906</u> | <u>916,191</u> | <u>(1,285)</u> |
| Capital outlay | 763,900 | 1,402,713 | 850,331 | 552,382 |
| Debt service | | | | |
| Principal | 39,296 | 39,296 | 39,296 | - |
| Subtotal expenditures | <u>33,816,176</u> | <u>37,671,279</u> | <u>35,655,055</u> | <u>2,016,224</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(4,701,336)</u> | <u>(7,499,390)</u> | <u>(1,973,181)</u> | <u>5,526,209</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from the sale of capital assets | - | - | 150,044 | 150,044 |
| Issuance of loans | - | - | 339,738 | 339,738 |
| Transfers in | 5,788,700 | 6,179,200 | 6,099,402 | (79,798) |
| Transfers out | (1,087,364) | (2,662,364) | (2,712,311) | (49,947) |
| Total other financing sources (uses) | <u>4,701,336</u> | <u>3,516,836</u> | <u>3,876,873</u> | <u>360,037</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (3,982,554)</u> | <u>1,903,692</u> | <u>\$ 5,886,246</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>14,219,866</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 16,123,558</u> | |

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
HOUSING PROJECTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ 1,800 | \$ 1,800 | \$ 38,292 | \$ 36,492 |
| Donations and miscellaneous | 1,500 | 1,500 | 107,144 | 105,644 |
| Total revenues | 3,300 | 3,300 | 145,436 | 142,136 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 88,541 | 748,242 | 121,938 | 626,304 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (85,241) | (744,942) | 23,498 | 768,440 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | - | - | 394,778 | 394,778 |
| Transfers in | (65,000) | (65,000) | 119,642 | 184,642 |
| Total other financing sources (uses) | (65,000) | 55,488 | 393,932 | 338,444 |
| NET CHANGE IN FUND BALANCE | <u>\$ (150,241)</u> | <u>\$ (689,454)</u> | 417,430 | <u>\$ 1,106,884</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 23,994,290 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 24,411,720</u> | |

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITY FINANCE FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|------------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 27,187 | \$ 27,187 |
| Licenses, permits and fees | 9,595,932 | 9,595,932 | 5,456,086 | (4,139,846) |
| Total revenues | 9,595,932 | 9,595,932 | 5,483,273 | (4,112,659) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 66,142 | 66,142 | 66,142 | - |
| Public works | - | - | 772,276 | (772,276) |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 5,305 | (5,305) |
| Total expenditures | 66,142 | 66,142 | 843,723 | (777,581) |
| EXCESS OF REVENUES OVER EXPENDITURES | 9,529,790 | 9,529,790 | 4,639,550 | (4,890,240) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (7,558,749) | (10,695,579) | (6,595,477) | 4,100,102 |
| NET CHANGE IN FUND BALANCE | <u>\$ 1,971,041</u> | <u>\$ (1,165,789)</u> | <u>(1,955,927)</u> | <u>\$ (790,138)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>(7,257,885)</u> | |
| FUND BALANCE (DEFICIT), END OF YEAR | | | <u><u>\$ (9,213,812)</u></u> | |

See note to required supplementary information.

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION SUPPLEMENTAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 12,049 | \$ 12,049 |
| Donations and miscellaneous | 5,177,913 | 5,177,913 | 5,792,600 | 614,687 |
| Total revenues | 5,177,913 | 5,177,913 | 5,804,649 | 626,736 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (5,000,000) | (5,000,000) | (5,000,000) | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 177,913</u> | <u>\$ 182,413</u> | 808,667 | <u>\$ 626,254</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 1,318,390 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 2,127,057</u> | |

See note to required supplementary information.

CITY OF ROHNERT PARK

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Budgets and Budgetary Accounting

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments of expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. At June 30, 2016, encumbrances of \$742,562 were outstanding for the General Fund.

OTHER SUPPLEMENTARY INFORMATION

This page is left intentionally blank.

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Proposition 1B Fund - Revenues received from the States issued general obligation bond proceeds to City for maintenance and improvements of local transportation facilities.

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

Capital Outlay Fee Fund - 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.

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

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

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

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Graton Mitigation Development Fee Fund – Accounts for nonrecurring development fee contributions and related activities pursuant to Section 2.1 of the memorandum of understanding (MOU) between the Federated Indians of the Graton Rancheria (Tribe) and the City.

Graton Mitigation Law Enforcement Fund - Accounts for contributions and related activities for special law enforcement pursuant to Section 2.2 and Section 3.1 of the MOU between the Tribe and the City.

Graton Mitigation Public Safety Building Fund - Accounts for contributions and related activities for the construction of a new public safety building and purchase of public safety equipment and vehicles pursuant to Section 2.3 of the MOU between the Tribe and the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

Rohnert Park Foundation Fund - A nonprofit public benefit corporation organized for charitable purposes and revenues received from funds raised in connection with the development of civic projects in the City.

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

PERMANENT FUND

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

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

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

| | Nonmajor Special Revenue Funds | Performing Arts Center Endowment Permanent Fund | Total |
|-------------------------------------|---|--|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 13,291,750 | \$ 1,181,923 | \$ 14,473,673 |
| Receivables, net: | | | |
| Accounts | 139,209 | - | 139,209 |
| Intergovernmental | 100,901 | - | 100,901 |
| | | | |
| Total assets | <u>\$ 13,531,860</u> | <u>\$ 1,181,923</u> | <u>\$ 14,713,783</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 226,675 | \$ - | \$ 226,675 |
| Due to other funds | 23,221 | - | 23,221 |
| | | | |
| Total liabilities | <u>249,896</u> | <u>-</u> | <u>249,896</u> |
| FUND BALANCES | | | |
| Nonspendable | - | 500,000 | 500,000 |
| Restricted | 10,472,300 | 681,923 | 11,154,223 |
| Assigned | 2,809,664 | - | 2,809,664 |
| | | | |
| Total fund balances | <u>13,281,964</u> | <u>1,181,923</u> | <u>14,463,887</u> |
| | | | |
| Total liabilities and fund balances | <u>\$ 13,531,860</u> | <u>\$ 1,181,923</u> | <u>\$ 14,713,783</u> |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Nonmajor Special Revenue Funds | Performing Arts Center Endowment Permanent Fund | Total |
|--|---|--|---------------|
| REVENUES | | | |
| Taxes | \$ 546,030 | \$ - | \$ 546,030 |
| Intergovernmental | 1,493,093 | - | 1,493,093 |
| Interest and rentals | 67,947 | 6,541 | 74,488 |
| Charges for current services | 203,048 | - | 203,048 |
| Licenses, permits and fees | 929,474 | - | 929,474 |
| Fines, forfeitures and penalties | 93,867 | - | 93,867 |
| Donations and miscellaneous | 6,525,222 | - | 6,525,222 |
| Total revenues | 9,858,681 | 6,541 | 9,865,222 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,482,652 | - | 1,482,652 |
| Public safety | 1,310,507 | - | 1,310,507 |
| Public works | 836,530 | - | 836,530 |
| Cultural arts center | - | 12,380 | 12,380 |
| Capital outlay | 20,797 | - | 20,797 |
| Total expenditures | 3,650,486 | 12,380 | 3,662,866 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 6,208,195 | (5,839) | 6,202,356 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 359,991 | - | 359,991 |
| Transfers out | (2,086,084) | - | (2,086,084) |
| Total other financing sources (uses) | (1,726,093) | - | (1,726,093) |
| NET CHANGE IN FUND BALANCES | 4,482,102 | (5,839) | 4,476,263 |
| FUND BALANCES, BEGINNING OF YEAR | 8,799,862 | 1,187,762 | 9,987,624 |
| FUND BALANCES, END OF YEAR | \$ 13,281,964 | \$ 1,181,923 | \$ 14,463,887 |

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

| | Alcohol Beverage Sales Ordinance (ABSO) | Vehicle Abatement Fund | Traffic Safety | General Plan Maintenance | Spay and Neuter |
|--|--|---------------------------------------|---------------------------|---|----------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 78,203 | \$ 326,443 | \$ 56,974 | \$ 392,434 | \$ 42,349 |
| Receivables, net: | | | | | |
| Accounts | - | - | - | - | 6,563 |
| Intergovernmental | - | 22,244 | 14,618 | - | - |
| Total assets | <u>\$ 78,203</u> | <u>\$ 348,687</u> | <u>\$ 71,592</u> | <u>\$ 392,434</u> | <u>\$ 48,912</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | 2,507 | - | - | - |
| Total liabilities | <u>-</u> | <u>2,507</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted | 78,203 | 346,180 | 71,592 | 392,434 | 48,912 |
| Assigned | - | - | - | - | - |
| Total fund balances | <u>78,203</u> | <u>346,180</u> | <u>71,592</u> | <u>392,434</u> | <u>48,912</u> |
| Total liabilities and fund balances | <u>\$ 78,203</u> | <u>\$ 348,687</u> | <u>\$ 71,592</u> | <u>\$ 392,434</u> | <u>\$ 48,912</u> |

| Refuse Road Impact Fee | State Gasoline Tax | Measure M Traffic | Proposition 1B | Traffic Signals Fee | |
|-----------------------------------|-----------------------------------|------------------------------|---------------------------|------------------------------------|--|
| \$ 1,149,701 | \$ 2,161,022 | \$ 242,571 | \$ - | \$ 1,507,869 | ASSETS |
| 30,263 | - | - | - | - | Cash and investments |
| - | - | 62,024 | - | - | Receivables, net: |
| | | | | | Accounts |
| | | | | | Intergovernmental |
| <u>\$ 1,179,964</u> | <u>\$ 2,161,022</u> | <u>\$ 304,595</u> | <u>\$ -</u> | <u>\$ 1,507,869</u> | Total assets |
| | | | | | LIABILITIES |
| \$ 13,900 | \$ 15,755 | \$ - | \$ - | \$ 1,699 | Accounts payable |
| - | - | - | - | - | Due to other funds |
| <u>13,900</u> | <u>15,755</u> | <u>-</u> | <u>-</u> | <u>1,699</u> | Total liabilities |
| | | | | | FUND BALANCES |
| 1,166,064 | 2,145,267 | 304,595 | - | 1,506,170 | Restricted |
| - | - | - | - | - | Assigned |
| <u>1,166,064</u> | <u>2,145,267</u> | <u>304,595</u> | <u>-</u> | <u>1,506,170</u> | Total fund balances |
| <u>\$ 1,179,964</u> | <u>\$ 2,161,022</u> | <u>\$ 304,595</u> | <u>\$ -</u> | <u>\$ 1,507,869</u> | Total liabilities and fund balances |

(continued)

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

| | Capital Outlay Fee | Supplemental Law Enforcement Services | DIVCA PEG Fee (AB2987) | Traffic Congestion Relief (AB2928) | Graton Mitigation Development Fee |
|--|-----------------------------------|--|---|---|--|
| ASSETS | | | | | |
| Cash and investments | \$ - | \$ 205,311 | \$ 468,863 | \$ 1,096 | \$ - |
| Receivables, net: | | | | | |
| Accounts | - | - | 30,472 | - | - |
| Intergovernmental | - | - | - | - | - |
| Total assets | <u>\$ -</u> | <u>\$ 205,311</u> | <u>\$ 499,335</u> | <u>\$ 1,096</u> | <u>\$ -</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted | - | 205,311 | 499,335 | 1,096 | - |
| Assigned | - | - | - | - | - |
| Total fund balances | <u>-</u> | <u>205,311</u> | <u>499,335</u> | <u>1,096</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 205,311</u> | <u>\$ 499,335</u> | <u>\$ 1,096</u> | <u>\$ -</u> |

| Graton Mitigation Law Enforcement | Graton Mitigation Public Safety Building | Graton Mitigation Problem Gambling | Graton Mitigation Waterway | Graton Mitigation Public Services | |
|--|---|---|---|--|--|
| \$ 225,156 | \$ 1,663,425 | \$ 130,537 | \$ 106,847 | \$ 2,380,572 | ASSETS |
| - | - | - | - | - | Cash and investments |
| - | - | - | - | - | Receivables, net: |
| | | | | | Accounts |
| | | | | | Intergovernmental |
| <u>\$ 225,156</u> | <u>\$ 1,663,425</u> | <u>\$ 130,537</u> | <u>\$ 106,847</u> | <u>\$ 2,380,572</u> | Total assets |
| | | | | | LIABILITIES |
| \$ - | \$ - | \$ - | \$ - | \$ 14,190 | Accounts payable |
| 7,078 | - | - | 716 | 11,464 | Due to other funds |
| <u>7,078</u> | <u>-</u> | <u>-</u> | <u>716</u> | <u>25,654</u> | Total liabilities |
| | | | | | FUND BALANCES |
| - | 1,663,425 | - | - | - | Restricted |
| 218,078 | - | 130,537 | 106,131 | 2,354,918 | Assigned |
| <u>218,078</u> | <u>1,663,425</u> | <u>130,537</u> | <u>106,131</u> | <u>2,354,918</u> | Total fund balances |
| <u>\$ 225,156</u> | <u>\$ 1,663,425</u> | <u>\$ 130,537</u> | <u>\$ 106,847</u> | <u>\$ 2,380,572</u> | Total liabilities and fund balances |
| (continued) | | | | | |

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

| | Graton Mitigation Wilfred Maintenance | Graton City Vehicle Contribution | Measure M Fire Benefit Assessment | Mobile Home Rent Appeals Board | Copeland Creek Drainage Facility |
|-------------------------------------|--|---|--|---|---|
| ASSETS | | | | | |
| Cash and investments | \$ 633,429 | \$ 293,935 | \$ 114,966 | \$ 160,117 | \$ 54,147 |
| Receivables, net: | | | | | |
| Accounts | - | - | - | 71,062 | - |
| Intergovernmental | - | - | - | - | - |
| Total assets | <u>\$ 633,429</u> | <u>\$ 293,935</u> | <u>\$ 114,966</u> | <u>\$ 231,179</u> | <u>\$ 54,147</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 5,797 | \$ - | \$ - | \$ 10,162 | \$ - |
| Due to other funds | 1,322 | - | - | 134 | - |
| Total liabilities | <u>7,119</u> | <u>-</u> | <u>-</u> | <u>10,296</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted | 626,310 | 293,935 | 114,966 | 220,883 | 54,147 |
| Assigned | - | - | - | - | - |
| Total fund balances | <u>626,310</u> | <u>293,935</u> | <u>114,966</u> | <u>220,883</u> | <u>54,147</u> |
| Total liabilities and fund balances | <u>\$ 633,429</u> | <u>\$ 293,935</u> | <u>\$ 114,966</u> | <u>\$ 231,179</u> | <u>\$ 54,147</u> |

| Asset Forfeiture | Performing Art Center Facility Capital Reserve | Sports Center Facility Capital Reserve | Explorer | California Disability Access Fee | |
|-----------------------------|---|---|-----------------|---|-----------------------|
| \$ 314,588 | \$ 78,741 | \$ 75,111 | \$ 8,644 | \$ 7,882 | ASSETS |
| - | - | - | - | 849 | Cash and investments |
| 2,015 | - | - | - | - | Receivables, net: |
| | | | | | Accounts |
| | | | | | Intergovernmental |
| <u>\$ 316,603</u> | <u>\$ 78,741</u> | <u>\$ 75,111</u> | <u>\$ 8,644</u> | <u>\$ 8,731</u> | Total assets |
| | | | | | LIABILITIES |
| \$ 185 | \$ - | \$ - | \$ - | \$ 64 | Accounts payable |
| - | - | - | - | - | Due to other funds |
| 185 | - | - | - | 64 | Total liabilities |
| | | | | | FUND BALANCES |
| 316,418 | 78,741 | 75,111 | 8,644 | 8,667 | Restricted |
| - | - | - | - | - | Assigned |
| 316,418 | 78,741 | 75,111 | 8,644 | 8,667 | Total fund balances |
| | | | | | Total liabilities and |
| <u>\$ 316,603</u> | <u>\$ 78,741</u> | <u>\$ 75,111</u> | <u>\$ 8,644</u> | <u>\$ 8,731</u> | fund balances |

CITY OF ROHNERT PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

| | Affordable Linkage Fee | UDSP Regional Traffic Fee | Building Standard SB 1473 | Rohnert Park Foundation | Wilfred Dowdell Public Safety Mitigation | Total |
|--|---------------------------------------|--|--|--|---|----------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 120,739 | \$ 259,591 | \$ 34 | \$ 17,357 | \$ 13,096 | \$ 13,291,750 |
| Receivables, net: | | | | | | |
| Accounts | - | - | - | - | - | 139,209 |
| Intergovernmental | - | - | - | - | - | 100,901 |
| Total assets | <u>\$ 120,739</u> | <u>\$ 259,591</u> | <u>\$ 34</u> | <u>\$ 17,357</u> | <u>\$ 13,096</u> | <u>\$ 13,531,860</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 164,923 | \$ - | \$ - | \$ - | \$ 226,675 |
| Due to other funds | - | - | - | - | - | 23,221 |
| Total liabilities | <u>-</u> | <u>164,923</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>249,896</u> |
| FUND BALANCES | | | | | | |
| Restricted | 120,739 | 94,668 | 34 | 17,357 | 13,096 | 10,472,300 |
| Assigned | - | - | - | - | - | 2,809,664 |
| Total fund balances | <u>120,739</u> | <u>94,668</u> | <u>34</u> | <u>17,357</u> | <u>13,096</u> | <u>13,281,964</u> |
| Total liabilities and fund balances | <u>\$ 120,739</u> | <u>\$ 259,591</u> | <u>\$ 34</u> | <u>\$ 17,357</u> | <u>\$ 13,096</u> | <u>\$ 13,531,860</u> |

This page is left intentionally blank.

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Alcohol Beverage Sales Ordinance (ABSO) | Vehicle Abatement Fund | Traffic Safety | General Plan Maintenance | Spay and Neuter |
|--|--|---------------------------------------|---------------------------|---|----------------------------|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - |
| Interest and rentals | 433 | 2,226 | 1,460 | 2,643 | 254 |
| Charges for current services | 26,750 | 84,236 | - | 92,062 | - |
| Licenses, permits and fees | - | - | - | - | 10,404 |
| Fines, forfeitures and penalties | - | - | 93,867 | - | - |
| Donations and miscellaneous | - | - | - | - | - |
| Total revenues | <u>27,183</u> | <u>86,462</u> | <u>95,327</u> | <u>94,705</u> | <u>10,658</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | - | 132,863 | - |
| Public safety | 21,070 | 84,451 | 8,000 | - | 9,750 |
| Public works | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>21,070</u> | <u>84,451</u> | <u>8,000</u> | <u>132,863</u> | <u>9,750</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>6,113</u> | <u>2,011</u> | <u>87,327</u> | <u>(38,158)</u> | <u>908</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | (245,415) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(245,415)</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>6,113</u> | <u>2,011</u> | <u>(158,088)</u> | <u>(38,158)</u> | <u>908</u> |
| FUND BALANCES, BEGINNING OF YEAR | <u>72,090</u> | <u>344,169</u> | <u>229,680</u> | <u>430,592</u> | <u>48,004</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 78,203</u> | <u>\$ 346,180</u> | <u>\$ 71,592</u> | <u>\$ 392,434</u> | <u>\$ 48,912</u> |

| Refuse Road Impact Fee | State Gasoline Tax | Measure M Traffic | Proposition 1B | Traffic Signals Fee | |
|---------------------------|--------------------------|----------------------|-------------------|---------------------------|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | REVENUES |
| - | 876,190 | 266,480 | - | - | Taxes |
| 4,840 | 10,688 | 3,200 | - | 8,308 | Intergovernmental |
| - | - | - | - | - | Interest and rentals |
| 500,962 | - | - | - | - | Charges for current services |
| - | - | - | - | - | Licenses, permits and fees |
| - | - | - | - | - | Fines, forfeitures and penalties |
| - | 42 | - | - | - | Donations and miscellaneous |
| 505,802 | 886,920 | 269,680 | - | 8,308 | Total revenues |
| | | | | | EXPENDITURES |
| - | - | - | - | - | Current: |
| - | - | - | - | - | General government |
| 20,194 | 646,785 | - | 42 | 9,420 | Public safety |
| - | - | - | - | - | Public works |
| 20,194 | 646,785 | - | 42 | 9,420 | Capital outlay |
| | | | | | Total expenditures |
| 485,608 | 240,135 | 269,680 | (42) | (1,112) | EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES |
| | | | | | OTHER FINANCING SOURCES (USES) |
| - | 216,835 | - | - | - | Transfers in |
| (243) | (10,232) | (591,550) | - | - | Transfers out |
| (243) | 206,603 | (591,550) | - | - | Total other financing sources (uses) |
| 485,365 | 446,738 | (321,870) | (42) | (1,112) | NET CHANGE IN FUND BALANCES |
| 680,699 | 1,698,529 | 626,465 | 42 | 1,507,282 | FUND BALANCES, BEGINNING OF YEAR |
| \$ 1,166,064 | \$ 2,145,267 | \$ 304,595 | \$ - | \$ 1,506,170 | FUND BALANCES, END OF YEAR |

(continued)

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Capital Outlay Fee | Supplemental Law Enforcement Services | DIVCA PEG Fee (AB2987) | Traffic Congestion Relief (AB2928) | Graton Mitigation Development Fee |
|--|-----------------------------------|--|---|---|--|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 127,737 | - | - | - |
| Interest and rentals | - | 1,238 | 2,276 | 1,096 | - |
| Charges for current services | - | - | - | - | - |
| Licenses, permits and fees | - | - | 122,843 | - | - |
| Fines, forfeitures and penalties | - | - | - | - | - |
| Donations and miscellaneous | - | - | - | - | - |
| Total revenues | - | 128,975 | 125,119 | 1,096 | - |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | 6,113 | - | - |
| Public safety | - | 100,000 | - | - | - |
| Public works | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | - | 100,000 | 6,113 | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | 28,975 | 119,006 | 1,096 | - |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 9,645 | - | - | - | - |
| Transfers out | (214,767) | - | - | (216,835) | (4,019) |
| Total other financing sources (uses) | (205,122) | - | - | (216,835) | (4,019) |
| NET CHANGE IN FUND BALANCES | (205,122) | 28,975 | 119,006 | (215,739) | (4,019) |
| FUND BALANCES, BEGINNING OF YEAR | 205,122 | 176,336 | 380,329 | 216,835 | 4,019 |
| FUND BALANCES, END OF YEAR | \$ - | \$ 205,311 | \$ 499,335 | \$ 1,096 | \$ - |

| Graton Mitigation Law Enforcement | Graton Mitigation Public Safety Building | Graton Mitigation Problem Gambling | Graton Mitigation Waterway | Graton Mitigation Public Services | |
|--|---|---|---|--|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | REVENUES |
| - | - | - | - | - | Taxes |
| 2,297 | 5,763 | 536 | 442 | 11,087 | Intergovernmental |
| - | - | - | - | - | Interest and rentals |
| - | - | - | - | - | Charges for current services |
| - | - | - | - | - | Licenses, permits and fees |
| - | - | - | - | - | Fines, forfeitures and penalties |
| 591,524 | 1,875,000 | 162,954 | 65,179 | 3,088,283 | Donations and miscellaneous |
| 593,821 | 1,880,763 | 163,490 | 65,621 | 3,099,370 | Total revenues |
| | | | | | EXPENDITURES |
| - | - | 160,000 | - | 1,129,764 | Current: |
| 462,867 | - | - | - | - | General government |
| - | - | - | 10,308 | - | Public safety |
| - | - | - | - | - | Public works |
| - | - | - | - | - | Capital outlay |
| 462,867 | - | 160,000 | 10,308 | 1,129,764 | Total expenditures |
| 130,954 | 1,880,763 | 3,490 | 55,313 | 1,969,606 | EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES |
| - | - | - | - | - | OTHER FINANCING SOURCES (USES) |
| - | (200,000) | - | - | (350,000) | Transfers in |
| - | (200,000) | - | - | (350,000) | Transfers out |
| - | (200,000) | - | - | (350,000) | Total other financing sources (uses) |
| 130,954 | 1,680,763 | 3,490 | 55,313 | 1,619,606 | NET CHANGE IN FUND BALANCES |
| 87,124 | (17,338) | 127,047 | 50,818 | 735,312 | FUND BALANCES, BEGINNING OF YEAR |
| \$ 218,078 | \$ 1,663,425 | \$ 130,537 | \$ 106,131 | \$ 2,354,918 | FUND BALANCES, END OF YEAR |

(continued)

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Graton Mitigation Wilfred Maintenance | Graton City Vehicle Contribution | Measure M Fire Benefit Assessment | Mobile Home Rent Appeals Board | Copeland Creek Drainage Facility |
|--|--|---|--|---|---|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ 546,030 | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - |
| Interest and rentals | 2,653 | 1,238 | 952 | 701 | 297 |
| Charges for current services | - | - | - | - | - |
| Licenses, permits and fees | - | - | - | 106,600 | - |
| Fines, forfeitures and penalties | - | - | - | - | - |
| Donations and miscellaneous | 310,509 | 410,000 | - | - | - |
| Total revenues | 313,162 | 411,238 | 546,982 | 107,301 | 297 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | - | 49,548 | - |
| Public safety | - | - | 546,030 | - | - |
| Public works | 144,054 | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 144,054 | - | 546,030 | 49,548 | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 169,108 | 411,238 | 952 | 57,753 | 297 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | (117,303) | - | - | - |
| Total other financing sources (uses) | - | (117,303) | - | - | - |
| NET CHANGE IN FUND BALANCES | 169,108 | 293,935 | 952 | 57,753 | 297 |
| FUND BALANCES, BEGINNING OF YEAR | 457,202 | - | 114,014 | 163,130 | 53,850 |
| FUND BALANCES, END OF YEAR | \$ 626,310 | \$ 293,935 | \$ 114,966 | \$ 220,883 | \$ 54,147 |

| Asset Forfeiture | Performing Art Center Facility Capital Reserve | Sports Center Facility Capital Reserve | Explorer | California Disability Access Fee | |
|-----------------------------|---|---|-----------------|---|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | REVENUES |
| 222,686 | - | - | - | - | Taxes |
| 2,040 | 312 | 318 | 47 | 38 | Intergovernmental |
| - | - | - | - | - | Interest and rentals |
| - | 45,180 | 39,694 | - | 3,561 | Charges for current services |
| - | - | - | - | - | Licenses, permits and fees |
| - | - | - | - | - | Fines, forfeitures and penalties |
| - | - | - | 105 | - | Donations and miscellaneous |
| <u>224,726</u> | <u>45,492</u> | <u>40,012</u> | <u>152</u> | <u>3,599</u> | Total revenues |
| | | | | | EXPENDITURES |
| - | - | - | 54 | - | Current: |
| 78,339 | - | - | - | - | General government |
| - | - | - | - | - | Public safety |
| 20,797 | - | - | - | - | Public works |
| <u>99,136</u> | <u>-</u> | <u>-</u> | <u>54</u> | <u>-</u> | Capital outlay |
| | | | | | Total expenditures |
| <u>125,590</u> | <u>45,492</u> | <u>40,012</u> | <u>98</u> | <u>3,599</u> | EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES |
| | | | | | OTHER FINANCING SOURCES (USES) |
| - | - | - | - | - | Transfers in |
| <u>(135,720)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | Transfers out |
| <u>(135,720)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | Total other financing sources (uses) |
| (10,130) | 45,492 | 40,012 | 98 | 3,599 | NET CHANGE IN FUND BALANCES |
| <u>326,548</u> | <u>33,249</u> | <u>35,099</u> | <u>8,546</u> | <u>5,068</u> | FUND BALANCES, BEGINNING OF YEAR |
| <u>\$ 316,418</u> | <u>\$ 78,741</u> | <u>\$ 75,111</u> | <u>\$ 8,644</u> | <u>\$ 8,667</u> | FUND BALANCES, END OF YEAR |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Affordable Linkage Fee | UDSP Regional Traffic Fee | Building Standard SB 1473 | Rohnert Park Foundation | Wilfred Dowdell Public Safety Mitigation | Total |
|--|---------------------------------------|--|--|--|---|---------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 546,030 |
| Intergovernmental | - | - | - | - | - | 1,493,093 |
| Interest and rentals | 55 | 395 | - | 41 | 73 | 67,947 |
| Charges for current services | - | - | - | - | - | 203,048 |
| Licenses, permits and fees | 196 | 100,000 | 34 | - | - | 929,474 |
| Fines, forfeitures and penalties | - | - | - | - | - | 93,867 |
| Donations and miscellaneous | - | - | - | 21,626 | - | 6,525,222 |
| Total revenues | 251 | 100,395 | 34 | 21,667 | 73 | 9,858,681 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | 4,310 | - | 1,482,652 |
| Public safety | - | - | - | - | - | 1,310,507 |
| Public works | - | 5,727 | - | - | - | 836,530 |
| Capital outlay | - | - | - | - | - | 20,797 |
| Total expenditures | - | 5,727 | - | 4,310 | - | 3,650,486 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 251 | 94,668 | 34 | 17,357 | 73 | 6,208,195 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 120,488 | - | - | - | 13,023 | 359,991 |
| Transfers out | - | - | - | - | - | (2,086,084) |
| Total other financing sources (uses) | 120,488 | - | - | - | 13,023 | (1,726,093) |
| NET CHANGE IN FUND BALANCES | 120,739 | 94,668 | 34 | 17,357 | 13,096 | 4,482,102 |
| FUND BALANCES, BEGINNING OF YEAR | - | - | - | - | - | 8,799,862 |
| FUND BALANCES, END OF YEAR | \$ 120,739 | \$ 94,668 | \$ 34 | \$ 17,357 | \$ 13,096 | \$ 13,281,964 |

This page is left intentionally blank.

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****ALCOHOL BEVERAGE SALES ORDINANCE (ABSO) SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2016**

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ 75 | \$ 75 | \$ 433 | \$ 358 |
| Charges for current services | 26,750 | 26,750 | 26,750 | - |
| Total revenues | 26,825 | 26,825 | 27,183 | 358 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 34,581 | 34,581 | 21,070 | 13,511 |
| NET CHANGE IN FUND BALANCE | <u>\$ (7,756)</u> | <u>\$ (7,756)</u> | 6,113 | <u>\$ 13,869</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 72,090 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 78,203</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
VEHICLE ABATEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 2,226 | \$ 2,226 |
| Charges for current services | 120,000 | 120,000 | 84,236 | (35,764) |
| Total revenues | 120,000 | 120,000 | 86,462 | (33,538) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 97,044 | 97,044 | 84,451 | 12,593 |
| NET CHANGE IN FUND BALANCE | <u>\$ 22,956</u> | <u>\$ 22,956</u> | 2,011 | <u>\$ (20,945)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 344,169 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 346,180</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ 100 | \$ 100 | \$ 1,460 | \$ 1,360 |
| Fines, forfeitures and penalties | 105,500 | 105,500 | 93,867 | (11,633) |
| Total revenues | 105,600 | 105,600 | 95,327 | (10,273) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 8,000 | 8,000 | 8,000 | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 97,600 | 97,600 | 87,327 | (10,273) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | 200,000 | 245,500 | (245,415) | (490,915) |
| NET CHANGE IN FUND BALANCE | <u>\$ 297,600</u> | <u>\$ 343,100</u> | (158,088) | <u>\$ (501,188)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 229,680 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 71,592</u> | |

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****GENERAL PLAN MAINTENANCE SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2016**

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ 200 | \$ 200 | \$ 2,643 | \$ 2,443 |
| Charges for current services | 20,000 | 20,000 | 92,062 | 72,062 |
| Total revenues | 20,200 | 20,200 | 94,705 | 74,505 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 182,925 | 213,755 | 132,863 | 80,892 |
| NET CHANGE IN FUND BALANCE | <u>\$ (162,725)</u> | <u>\$ (193,555)</u> | (38,158) | <u>\$ 155,397</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 430,592 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 392,434</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
SPAY AND NEUTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ 50 | \$ 50 | \$ 254 | \$ 204 |
| Licenses, permits and fees | 10,140 | 10,140 | 10,404 | 264 |
| Total revenues | 10,190 | 10,190 | 10,658 | 468 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 11,000 | 11,000 | 9,750 | 1,250 |
| NET CHANGE IN FUND BALANCE | <u>\$ (810)</u> | <u>\$ (810)</u> | 908 | <u>\$ 1,718</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 48,004 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 48,912</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
REFUSE ROAD IMPACT FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ 500 | \$ 500 | \$ 4,840 | \$ 4,340 |
| Licenses, permits and fees | 379,286 | 379,286 | 500,962 | 121,676 |
| Total revenues | 379,786 | 379,786 | 505,802 | 126,016 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 175,000 | 283,667 | 20,194 | 263,473 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 204,786 | 96,119 | 485,608 | 389,489 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | 250,000 | 404,666 | (243) | (404,909) |
| NET CHANGE IN FUND BALANCE | <u>\$ 454,786</u> | <u>\$ 500,785</u> | 485,365 | <u>\$ (15,420)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 680,699 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,166,064</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 922,130 | \$ 922,130 | \$ 876,190 | \$ (45,940) |
| Interest and rentals | - | - | 10,688 | 10,688 |
| Donations and miscellaneous | - | - | 42 | 42 |
| Total revenues | 922,130 | 922,130 | 886,920 | (35,210) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 632,000 | 646,500 | 646,785 | (285) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 290,130 | 275,630 | 240,135 | (35,495) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 216,835 | 216,835 |
| Transfers out | (200,000) | (718,050) | (10,232) | 707,818 |
| Total other financing sources (uses) | (200,000) | (718,050) | 206,603 | 924,653 |
| NET CHANGE IN FUND BALANCE | <u>\$ 90,130</u> | <u>\$ (442,420)</u> | 446,738 | <u>\$ 889,158</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 1,698,529 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 2,145,267</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
MEASURE M TRAFFIC SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 266,782 | \$ 266,782 | \$ 266,480 | \$ (302) |
| Interest and rentals | - | - | 3,200 | 3,200 |
| Total revenues | 266,782 | 266,782 | 269,680 | 2,898 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (263,085) | (1,168,903) | (591,550) | 577,353 |
| NET CHANGE IN FUND BALANCE | <u>\$ 3,697</u> | <u>\$ (902,121)</u> | (321,870) | <u>\$ 580,251</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 626,465 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 304,595</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
PROPOSITION 1B SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|--------------------------|---|
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | \$ - | \$ - | \$ 42 | \$ (42) |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (42) | <u>\$ (42)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 42 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ -</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
TRAFFIC SIGNALS FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 142,500 | \$ 142,500 | \$ - | \$ (142,500) |
| Interest and rentals | 2,500 | 2,500 | 8,308 | 5,808 |
| Total revenues | 145,000 | 145,000 | 8,308 | (136,692) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | - | 150,000 | 9,420 | 140,580 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 145,000 | (5,000) | (1,112) | 3,888 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (240,000) | - | 240,000 |
| NET CHANGE IN FUND BALANCE | <u>\$ 145,000</u> | <u>\$ (245,000)</u> | (1,112) | <u>\$ 243,888</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 1,507,282 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,506,170</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| OTHER FINANCING USES | | | | |
| Transfers in | \$ - | \$ - | \$ 9,645 | \$ 9,645 |
| Transfers out | - | (205,122) | (214,767) | (9,645) |
| Total other financing sources (uses) | - | (205,122) | (205,122) | - |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (205,122)</u> | (205,122) | <u>\$ -</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 205,122 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ -</u> | |

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****SUPPLEMENTAL LAW ENFORCEMENT SERVICES SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2016**

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 100,000 | \$ 100,000 | \$ 127,737 | \$ 27,737 |
| Interest and rentals | - | - | 1,238 | 1,238 |
| Total revenues | 100,000 | 100,000 | 128,975 | 28,975 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 100,000 | 100,000 | 100,000 | - |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 28,975 | <u>\$ 28,975</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 176,336 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 205,311</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
DIVCA PEG FEE (AB2987) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 2,276 | \$ 2,276 |
| Licenses, permits and fees | 85,000 | 85,000 | 122,843 | 37,843 |
| Total revenues | 85,000 | 85,000 | 125,119 | 40,119 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | 3,930 | 6,113 | (2,183) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 85,000 | 81,070 | 119,006 | 37,936 |
| OTHER FINANCING USES | | | | |
| Transfers out | (100,000) | (100,000) | - | 100,000 |
| NET CHANGE IN FUND BALANCE | <u>\$ (15,000)</u> | <u>\$ (18,930)</u> | 119,006 | <u>\$ 137,936</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 380,329 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 499,335</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONGESTION RELIEF (AB2928) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 1,096 | \$ 1,096 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | (216,835) | (216,835) |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | (215,739) | <u>\$ (215,739)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 216,835 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,096</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION DEVELOPMENT FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| OTHER FINANCING USES | | | | |
| Transfers out | - | (4,500) | (4,019) | 481 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (4,500)</u> | (4,019) | <u>\$ 481</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 4,019 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ -</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 2,297 | \$ 2,297 |
| Donations and miscellaneous | 517,791 | 517,791 | 591,524 | 73,733 |
| Total revenues | 517,791 | 517,791 | 593,821 | 76,030 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 517,791 | 517,791 | 462,867 | 54,924 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 130,954 | <u>\$ 130,954</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 87,124 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 218,078</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION PUBLIC SAFETY BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 5,763 | \$ 5,763 |
| Donations and miscellaneous | 1,875,000 | 1,875,000 | 1,875,000 | - |
| Total revenues | 1,875,000 | 1,875,000 | 1,880,763 | 5,763 |
| OTHER FINANCING USES | | | | |
| Transfers out | (200,000) | (200,000) | (200,000) | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 1,675,000</u> | <u>\$ 1,675,000</u> | 1,680,763 | <u>\$ 5,763</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | (17,338) | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,663,425</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION PROBLEM GAMBLING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 536 | \$ 536 |
| Donations and miscellaneous | 129,448 | 256,000 | 162,954 | (93,046) |
| Total revenues | 129,448 | 256,000 | 163,490 | (92,510) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 129,448 | 256,000 | 160,000 | 96,000 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 3,490 | <u>\$ 3,490</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 127,047 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 130,537</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION WATERWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 442 | \$ 442 |
| Donations and miscellaneous | 51,777 | 51,777 | 65,179 | 13,402 |
| Total revenues | 51,777 | 51,777 | 65,621 | 13,844 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 53,269 | 53,269 | 10,308 | 42,961 |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,492)</u> | <u>\$ (1,492)</u> | 55,313 | <u>\$ 56,805</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 50,818 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 106,131</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON MITIGATION PUBLIC SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 11,087 | \$ 11,087 |
| Donations and miscellaneous | 2,453,295 | 2,453,295 | 3,088,283 | 634,988 |
| Total revenues | 2,453,295 | 2,453,295 | 3,099,370 | 646,075 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 1,597,182 | 1,350,029 | 1,129,764 | 220,265 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 856,113 | 1,103,266 | 1,969,606 | 866,340 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (350,000) | (350,000) | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 856,113</u> | <u>\$ 753,266</u> | 1,619,606 | <u>\$ 866,340</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 735,312 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 2,354,918</u> | |

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****GRATON MITIGATION WILFRED MAINTENANCE SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2016**

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 2,653 | \$ 2,653 |
| Donations and miscellaneous | 303,463 | 303,463 | 310,509 | 7,046 |
| Total revenues | 303,463 | 303,463 | 313,162 | 9,699 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 126,404 | 143,557 | 144,054 | (497) |
| NET CHANGE IN FUND BALANCE | <u>\$ 177,059</u> | <u>\$ 159,906</u> | 169,108 | <u>\$ 9,202</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 457,202 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 626,310</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
GRATON CITY VEHICLE CONTRIBUTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 1,238 | \$ 1,238 |
| Donations and miscellaneous | 410,000 | 410,000 | 410,000 | - |
| Total revenues | 410,000 | 410,000 | 411,238 | 1,238 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (135,000) | (135,000) | (117,303) | 17,697 |
| NET CHANGE IN FUND BALANCE | <u>\$ 275,000</u> | <u>\$ 275,000</u> | 293,935 | <u>\$ 18,935</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | - | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 293,935</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
MEASURE M FIRE BENEFIT ASSESSMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Taxes | \$ 618,000 | \$ 618,000 | \$ 546,030 | \$ (71,970) |
| Interest and rentals | - | - | 952 | 952 |
| Total revenues | 618,000 | 618,000 | 546,982 | (71,018) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 618,000 | 618,000 | 546,030 | 71,970 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 952 | <u>\$ 952</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 114,014 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 114,966</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
MOBILE HOME RENT APPEALS BOARD SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 701 | \$ 701 |
| Licenses, permits and fees | 111,568 | 111,568 | 106,600 | (4,968) |
| Total revenues | 111,568 | 111,568 | 107,301 | (4,267) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 66,047 | 66,047 | 49,548 | 16,499 |
| NET CHANGE IN FUND BALANCE | <u>\$ 45,521</u> | <u>\$ 45,521</u> | 57,753 | <u>\$ 12,232</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 163,130 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 220,883</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
COPELAND CREEK DRAINAGE FACILITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 297 | \$ 297 |
| OTHER FINANCING USES | | | | |
| Transfers out | - | (107,849) | - | 107,849 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (107,849)</u> | 297 | <u>\$ 108,146</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 53,850 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 54,147</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
ASSETS FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 222,686 | \$ 222,686 |
| Interest and rentals | - | - | 2,040 | 2,040 |
| Total revenues | - | - | 224,726 | 224,726 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | 95,669 | 78,339 | 17,330 |
| Capital outlay | - | 28,650 | 20,797 | 7,853 |
| Total expenditures | - | 124,319 | 99,136 | 25,183 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | (124,319) | 125,590 | 249,909 |
| OTHER FINANCING USES | | | | |
| Transfers out | (115,000) | (160,000) | (135,720) | 24,280 |
| NET CHANGE IN FUND BALANCE | <u>\$ (115,000)</u> | <u>\$ (284,319)</u> | (10,130) | <u>\$ 274,189</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 326,548 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 316,418</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
PERFORMING ART CENTER FACILITY CAPITAL RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 312 | \$ 312 |
| Licenses, permits and fees | 10,000 | 10,000 | 45,180 | 35,180 |
| Total revenues | 10,000 | 10,000 | 45,492 | 35,492 |
| NET CHANGE IN FUND BALANCE | <u>\$ 10,000</u> | <u>\$ 10,000</u> | 45,492 | <u>\$ 35,492</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 33,249 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 78,741</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
SPORTS CENTER FACILITY CAPITAL RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 318 | \$ 318 |
| Licenses, permits and fees | 36,500 | 36,500 | 39,694 | 3,194 |
| Total revenues | 36,500 | 36,500 | 40,012 | 3,512 |
| NET CHANGE IN FUND BALANCE | <u>\$ 36,500</u> | <u>\$ 36,500</u> | 40,012 | <u>\$ 3,512</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 35,099 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 75,111</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
EXPLORER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 47 | \$ 47 |
| Donations and miscellaneous | - | - | 105 | 105 |
| Total revenues | - | - | 152 | 152 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | 54 | (54) |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 98 | <u>\$ 98</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 8,546 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 8,644</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
CALIFORNIA DISABILITY ACCESS FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 38 | \$ 38 |
| Licenses, permits and fees | - | - | 3,561 | 3,561 |
| Total revenues | - | - | 3,599 | 3,599 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 3,599 | <u>\$ 3,599</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | 5,068 | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 8,667</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
AFFORDABLE LINKAGE FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 55 | \$ 55 |
| Licenses, permits and fees | - | - | 196 | 196 |
| Total revenues | - | - | 251 | 251 |
| OTHER FINANCING USES | | | | |
| Transfers in | - | 120,488 | 120,488 | - |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 120,488</u> | 120,739 | <u>\$ 251</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | - | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 120,739</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
UDSP REGIONAL TRAFFIC FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 395 | \$ 395 |
| Licenses, permits and fees | - | 100,000 | 100,000 | - |
| Total revenues | - | 100,000 | 100,395 | 395 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | - | 100,000 | 5,727 | 94,273 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 94,668 | <u>\$ 94,668</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | - | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 94,668</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
BUILDING STANDARD SB 1473 SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Licenses, permits and fees | \$ - | \$ - | \$ 34 | \$ 34 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 34 | <u>\$ 34</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | - | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 34</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
ROHNERT PARK FOUNDATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 41 | \$ 41 |
| Donations and miscellaneous | - | - | 21,626 | 21,626 |
| Total revenues | - | - | 21,667 | 21,667 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | 4,310 | (4,310) |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 17,357 | <u>\$ 17,357</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | - | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 17,357</u> | |

CITY OF ROHNERT PARK
BUDGETARY COMPARISON SCHEDULE
WILFRED DOWDELL PUBLIC SAFETY MITIGATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| REVENUES | | | | |
| Interest and rentals | \$ - | \$ - | \$ 73 | \$ 73 |
| OTHER FINANCING USES | | | | |
| Transfers in | - | - | 13,023 | 13,023 |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 13,096 | <u>\$ 13,096</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | - | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 13,096</u> | |

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

CITY OF ROHNERT PARK
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2016

| | Recycled Water | Refuse Collection | Total |
|----------------------------------|---------------------------|------------------------------|--------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 34,640 | \$ 662,768 | \$ 697,408 |
| Accounts receivables | 72,519 | 5,208 | 77,727 |
| Total current assets | 107,159 | 667,976 | 775,135 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Nondepreciable assets | 38,741 | - | 38,741 |
| Total assets | 145,900 | 667,976 | 813,876 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 28,577 | 5,030 | 33,607 |
| Due to other funds | 2,865 | - | 2,865 |
| Total liabilities | 31,442 | 5,030 | 36,472 |
| NET POSITION | | | |
| Net investment in capital assets | 38,741 | - | 38,741 |
| Unrestricted | 75,717 | 662,946 | 738,663 |
| Total net position | \$ 114,458 | \$ 662,946 | \$ 777,404 |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Recycled Water | Refuse Collection | Total |
|---|---------------------------|------------------------------|-------------------|
| OPERATING REVENUES: | | | |
| Utility service charges | \$ 226,135 | \$ - | \$ 226,135 |
| OPERATING EXPENSES: | | | |
| Purchase of water | 108,085 | - | 108,085 |
| Contractual services | 425 | 30,874 | 31,299 |
| Payroll and related costs | 41,201 | - | 41,201 |
| Other | - | 1,196 | 1,196 |
| Professional services | 754 | - | 754 |
| Supplies | 142 | - | 142 |
| Total operating expenses | 150,607 | 32,070 | 182,677 |
| OPERATING INCOME (LOSS) | 75,528 | (32,070) | 43,458 |
| NONOPERATING REVENUES | | | |
| Investment income | 184 | 3,756 | 3,940 |
| INCOME (LOSS) BEFORE TRANSFERS | 75,712 | (28,314) | 47,398 |
| Transfers in | 9,602 | - | 9,602 |
| CHANGE IN NET POSITION | 85,314 | (28,314) | 57,000 |
| NET POSITION, BEGINNING OF YEAR, | 29,144 | 691,260 | 720,404 |
| NET POSITION, END OF YEAR | <u>\$ 114,458</u> | <u>\$ 662,946</u> | <u>\$ 777,404</u> |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Recycled Water | Refuse Collection | Total |
|---|---------------------------|------------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash receipts from customers | \$ 153,616 | \$ (111) | \$ 153,505 |
| Cash paid to suppliers for goods and services | (104,714) | (27,040) | (131,754) |
| Cash paid to employees for services | (41,201) | - | (41,201) |
| Net cash provided by (used in) operating activities | 7,701 | (27,151) | (19,450) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Transfers in | 9,602 | - | 9,602 |
| Received from other funds | 2,865 | - | 2,865 |
| Net cash provided by noncapital financing activities | 12,467 | - | 12,467 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Acquisition of capital assets | (9,602) | - | (9,602) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest received | 186 | 4,367 | 4,553 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 10,752 | (22,784) | (12,032) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 23,888 | 685,552 | 709,440 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 34,640 | \$ 662,768 | \$ 697,408 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 75,528 | \$ (32,070) | \$ 43,458 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Changes in assets and liabilities: | | | |
| Increase in accounts receivable | (72,519) | (111) | (72,630) |
| Increase in accounts payable | 4,692 | 5,030 | 9,722 |
| Net cash provided by (used in) operating activities | \$ 7,701 | \$ (27,151) | \$ (19,450) |

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION DESCRIPTION OF INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

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

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

CITY OF ROHNERT PARK
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICES FUNDS
JUNE 30, 2016

| | Information Technology | Vehicle Replacement | Fleet Management | Infrastructure | Total |
|---------------------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------|--------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 301,002 | \$ 1,299,709 | \$ 142,314 | \$ 1,460,193 | \$ 3,203,218 |
| Prepaid expenses | 8,756 | - | - | - | 8,756 |
| Restricted cash and investments | 163,301 | - | - | - | 163,301 |
| Total current assets | 473,059 | 1,299,709 | 142,314 | 1,460,193 | 3,375,275 |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Depreciable assets, net | - | - | 12,607 | - | 12,607 |
| Total assets | 473,059 | 1,299,709 | 154,921 | 1,460,193 | 3,387,882 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension items | 47,693 | - | 28,684 | - | 76,377 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 21,352 | - | 33,251 | - | 54,603 |
| Due to other funds | 16,304 | - | 12,868 | - | 29,172 |
| Bonds and loans payable | 32,660 | - | - | - | 32,660 |
| Total current liabilities | 70,316 | - | 46,119 | - | 116,435 |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 435,014 | - | 261,632 | - | 696,646 |
| Bonds and loans payable | 97,981 | - | - | - | 97,981 |
| Total liabilities | 603,311 | - | 307,751 | - | 911,062 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension items | 53,172 | - | 31,979 | - | 85,151 |
| NET POSITION | | | | | |
| Net investment in capital assets | - | - | 12,607 | - | 12,607 |
| Unrestricted | (135,731) | 1,299,709 | (168,732) | 1,460,193 | 2,455,439 |
| Total net position | \$ (135,731) | \$ 1,299,709 | \$ (156,125) | \$ 1,460,193 | \$ 2,468,046 |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICES FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Information Technology | Vehicle Replacement | Fleet Management | Infrastructure | Total |
|--|-----------------------------------|--------------------------------|-----------------------------|-----------------------|---------------------|
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 1,008,231 | \$ - | \$ 526,039 | \$ - | \$ 1,534,270 |
| Other | 740 | 40,126 | 1,394 | - | 42,260 |
| Total operating revenues | 1,008,971 | 40,126 | 527,433 | - | 1,576,530 |
| OPERATING EXPENSES: | | | | | |
| Contractual services | 85,341 | - | 20,485 | - | 105,826 |
| Rent and leases | 54,673 | - | - | - | 54,673 |
| Payroll and related costs | 375,494 | - | 194,254 | - | 569,748 |
| Other | 219,057 | - | 33,413 | - | 252,470 |
| Repairs, operations and maintenance | 260,324 | - | 245,552 | - | 505,876 |
| Supplies | 12,258 | - | 212 | - | 12,470 |
| Total operating expenses | 1,007,147 | - | 493,916 | - | 1,501,063 |
| OPERATING INCOME (LOSS) | 1,824 | 40,126 | 33,517 | - | 75,467 |
| NONOPERATING REVENUES | | | | | |
| Investment income | 889 | 3,708 | 603 | 5,686 | 10,886 |
| INCOME BEFORE TRANSFERS | 2,713 | 43,834 | 34,120 | 5,686 | 86,353 |
| Transfers in | 200,130 | 762,760 | 12,607 | 1,716,000 | 2,691,497 |
| Transfers out | - | (30,000) | (2,746) | (261,493) | (294,239) |
| CHANGE IN NET POSITION | 202,843 | 776,594 | 43,981 | 1,460,193 | 2,483,611 |
| NET POSITION, BEGINNING OF YEAR | (338,574) | 523,115 | (200,106) | - | (15,565) |
| NET POSITION, END OF YEAR | <u>\$ (135,731)</u> | <u>\$ 1,299,709</u> | <u>\$ (156,125)</u> | <u>\$ 1,460,193</u> | <u>\$ 2,468,046</u> |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Information Technology | Vehicle Replacement | Fleet Management | Infrastructure | Total |
|--|-----------------------------------|--------------------------------|-----------------------------|-----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash receipts from interfund services provided | \$ 1,008,971 | \$ 55,379 | \$ 527,433 | \$ - | \$ 1,591,783 |
| Cash paid to suppliers for goods and services | (655,338) | - | (315,298) | - | (970,636) |
| Cash paid to employees for services | (309,857) | - | (181,935) | - | (491,792) |
| Net cash provided by operating activities | 43,776 | 55,379 | 30,200 | - | 129,355 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Transfers in | 200,130 | 762,760 | 12,607 | 1,716,000 | 2,691,497 |
| Transfers out | - | (30,000) | (2,746) | (261,493) | (294,239) |
| Interfund borrowing received from other funds | 2,431 | - | 3,781 | - | 6,212 |
| Net cash provided by noncapital financing activities | 202,561 | 732,760 | 13,642 | 1,454,507 | 2,403,470 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Proceeds from issuance of loans payable | 163,301 | - | - | - | 163,301 |
| Payment on loans payable | (32,660) | - | - | - | (32,660) |
| Acquisition of capital assets | - | - | (12,607) | - | (12,607) |
| Net cash provided by (used in) capital and related financing activities | 130,641 | - | (12,607) | - | 118,034 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest received | 931 | 3,981 | 655 | 5,686 | 11,253 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 377,909 | 792,120 | 31,890 | 1,460,193 | 2,662,112 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 86,394 | 507,589 | 110,424 | - | 704,407 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 464,303 | \$ 1,299,709 | \$ 142,314 | \$ 1,460,193 | \$ 3,366,519 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | |
| Operating income | \$ 1,824 | \$ 40,126 | \$ 33,517 | \$ - | \$ 75,467 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Changes in assets and liabilities: | | | | | |
| Decrease in accounts receivable | - | 15,253 | - | - | 15,253 |
| Increase in prepaid expenses | (8,756) | - | - | - | (8,756) |
| Decrease in accounts payable | (14,929) | - | (15,636) | - | (30,565) |
| Increase in deferred outflows of resources - pension | (9,972) | - | (3,265) | - | (13,237) |
| Decrease in deferred inflows of resources - pension | (23,380) | - | (19,608) | - | (42,988) |
| Increase in net pension liability | 98,989 | - | 35,192 | - | 134,181 |
| Net cash provided by operating activities: | \$ 43,776 | \$ 55,379 | \$ 30,200 | \$ - | \$ 129,355 |

CITY OF ROHNERT PARK

OTHER SUPPLEMENTAL INFORMATION DESCRIPTION OF FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's private-purpose trust funds are reported as fiduciary funds to account for resources held and administered under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:

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

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

CITY OF ROHNERT PARK
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2016

| | Assets Seizure | Redevelopment Successor Agency | Total Private Purpose Trust Funds |
|---------------------------------------|---------------------------|---|--|
| ASSETS | | | |
| Cash and investments | \$ 1,831,005 | \$ 4,032,914 | \$ 5,863,919 |
| Accounts Receivable | - | 77,385 | 77,385 |
| Restricted cash & investments | - | 2,121,026 | 2,121,026 |
| Advances to other City funds | - | 9,844,225 | 9,844,225 |
| Capital assets: | | | |
| Nondepreciable assets | - | 3,001,063 | 3,001,063 |
| Depreciable assets, net | - | 12,326,625 | 12,326,625 |
| Total assets | <u>1,831,005</u> | <u>31,403,238</u> | <u>33,234,243</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized loss on refunding | - | 1,639 | 1,639 |
| LIABILITIES | | | |
| Accounts payable | 1,814,223 | - | 1,814,223 |
| Accrued liabilities | - | 509,753 | 509,753 |
| Interest payable | - | 823,079 | 823,079 |
| Advances from other City funds | - | 1,246,779 | 1,246,779 |
| Long-term debt: | | | |
| Due in one year | - | 2,712,199 | 2,712,199 |
| Due in more than one year | - | 57,691,471 | 57,691,471 |
| Total liabilities | <u>1,814,223</u> | <u>62,983,281</u> | <u>64,797,504</u> |
| NET POSITION | | | |
| Restricted | <u>\$ 16,782</u> | <u>\$ (31,578,404)</u> | <u>\$ (31,561,622)</u> |

CITY OF ROHNERT PARK
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Assets Seizure | Redevelopment Successor Agency | Total Private Purpose Trust Funds |
|---|---------------------------|---|--|
| ADDITIONS | | | |
| Taxes | \$ - | \$ 5,478,109 | \$ 5,478,109 |
| Interest and rentals | 5,505 | 11,493 | 16,998 |
| Other | - | 90,026 | 90,026 |
| Total additions | 5,505 | 5,579,628 | 5,585,133 |
| DEDUCTIONS | | | |
| Redevelopment expenses | - | 247,521 | 247,521 |
| Intergovernmental transfer of bond proceeds to the City's Capital Project Fund | | 1,127,587 | 1,127,587 |
| Law enforcement costs | 255 | - | 255 |
| Depreciation | - | 938,243 | 938,243 |
| Loss on sale of capital assets | - | 1,423,330 | 1,423,330 |
| Payments to Sonoma County for distributions to taxing authorities | - | 509,753 | 509,753 |
| Interest expenses | - | 2,869,534 | 2,869,534 |
| Total deductions | 255 | 7,115,968 | 7,116,223 |
| CHANGE IN NET POSITION | 5,250 | (1,536,340) | (1,531,090) |
| NET POSITION, BEGINNING OF YEAR | 11,532 | (30,042,064) | (30,030,532) |
| NET POSITION, END OF YEAR | \$ 16,782 | \$ (31,578,404) | \$ (31,561,622) |

This page is left intentionally blank.

STATISTICAL SECTION

Index to Statistical Section

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

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

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 79,984,403 | \$ 73,541,501 | \$ 66,373,255 | \$ 49,803,902 | \$ 52,293,588 | \$ 25,958,726 | \$ 45,009,673 | \$ 46,572,533 | \$ 56,608,019 | \$ 36,112,457 |
| Restricted | 39,730,177 | 41,834,834 | 32,362,423 | 33,166,020 | 27,482,966 | 17,346,572 | 2,418,812 | 13,873,842 | 5,730,424 | 11,318,076 |
| Unrestricted | (37,944,818) | (49,286,068) | (610,478) | 17,562,930 | 5,287,237 | 16,293,462 | 16,995,866 | 13,927,933 | 17,318,920 | 19,471,114 |
| Total governmental activities net position | <u>\$ 81,769,762</u> | <u>\$ 66,090,267</u> | <u>\$ 98,125,200</u> | <u>\$ 100,532,852</u> | <u>\$ 85,063,791</u> | <u>\$ 59,598,760</u> | <u>\$ 64,424,351</u> | <u>\$ 74,374,308</u> | <u>\$ 79,657,363</u> | <u>\$ 66,901,647</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 36,055,113 | \$ 34,323,645 | \$ 29,762,623 | \$ 23,820,293 | \$ 25,277,232 | \$ 25,501,383 | \$ 27,364,564 | \$ 17,081,819 | \$ 25,538,667 | \$ 17,709,497 |
| Unrestricted | 14,223,085 | 14,262,033 | 21,058,424 | 5,662,653 | 1,287,885 | 1,062,428 | 2,435,608 | 14,654,310 | 6,682,325 | 11,737,893 |
| Total business-type activities net position | <u>\$ 50,278,198</u> | <u>\$ 48,585,678</u> | <u>\$ 50,821,047</u> | <u>\$ 29,482,946</u> | <u>\$ 26,565,117</u> | <u>\$ 26,563,811</u> | <u>\$ 29,800,172</u> | <u>\$ 31,736,129</u> | <u>\$ 32,220,992</u> | <u>\$ 29,447,390</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 116,039,516 | \$ 107,865,146 | \$ 96,135,878 | \$ 73,624,195 | \$ 77,570,820 | \$ 51,460,109 | \$ 72,374,237 | \$ 63,654,352 | \$ 82,146,686 | \$ 53,821,954 |
| Restricted | 39,730,177 | 41,834,834 | 32,362,423 | 33,166,020 | 27,482,966 | 17,346,572 | 2,418,812 | 13,873,842 | 5,730,424 | 11,318,076 |
| Unrestricted | (23,721,733) | (35,024,035) | 20,447,946 | 23,225,583 | 6,575,122 | 17,355,890 | 19,431,474 | 28,582,243 | 24,001,245 | 31,209,007 |
| Total primary government net position | <u>\$ 132,047,960</u> | <u>\$ 114,675,945</u> | <u>\$ 148,946,247</u> | <u>\$ 130,015,798</u> | <u>\$ 111,628,908</u> | <u>\$ 86,162,571</u> | <u>\$ 94,224,523</u> | <u>\$ 106,110,437</u> | <u>\$ 111,878,355</u> | <u>\$ 96,349,037</u> |

Source: City Finance Department.

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

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 13,833,254 | \$ 10,648,148 | \$ 9,202,607 | \$ 10,772,401 | \$ 14,359,626 | \$ 16,306,249 | \$ 18,388,212 | \$ 16,036,110 | \$ 12,955,293 | \$ 12,926,332 |
| Public safety | 16,106,438 | 15,711,045 | 14,888,571 | 14,347,850 | 14,403,785 | 15,455,097 | 16,930,100 | 19,823,047 | 20,758,556 | 17,349,211 |
| Public works | 4,718,970 | 4,115,427 | 2,840,825 | 2,840,555 | 3,530,589 | 3,416,002 | 4,228,872 | 4,050,312 | 4,421,182 | 4,522,563 |
| Parks and recreation | 4,106,404 | 2,940,882 | 3,342,205 | 3,085,681 | 3,266,821 | 3,659,993 | 3,650,692 | 4,687,184 | 4,979,212 | 4,198,572 |
| Cultural arts center | 982,644 | 774,542 | 648,630 | 704,021 | 587,931 | 417,011 | 646,355 | 841,126 | 902,319 | 889,073 |
| Interest on long-term debt | 22,989 | 194,621 | 153,921 | 499,028 | 1,920,730 | 3,856,319 | 5,939,204 | 4,586,047 | 4,629,601 | 2,690,598 |
| Total governmental activities expenses | 39,770,699 | 34,384,665 | 31,076,759 | 32,249,536 | 38,069,482 | 43,110,671 | 49,783,435 | 50,023,826 | 48,646,163 | 42,576,349 |
| Business-type activities: | | | | | | | | | | |
| Water | 6,020,579 | 7,875,791 | 6,036,836 | 5,929,852 | 7,095,841 | 6,791,475 | 5,702,115 | 6,306,127 | 7,122,292 | 6,690,385 |
| Sewer | 12,647,157 | 13,037,337 | 11,963,155 | 11,768,056 | 10,659,707 | 12,071,585 | 11,252,707 | 11,318,825 | 9,830,647 | 10,085,147 |
| Recycled Water | 150,607 | - | - | - | - | - | - | - | - | - |
| Refuse Collection | 32,070 | 3,530 | 4,828 | 3,039,046 | 5,534,555 | 5,330,582 | 5,547,595 | 5,390,186 | 5,344,215 | 5,181,643 |
| Total business-type activities expenses | 18,850,413 | 20,916,658 | 18,004,819 | 20,736,954 | 23,290,103 | 24,193,642 | 22,502,417 | 23,015,138 | 22,297,154 | 21,957,175 |
| Total primary government expenses | <u>\$ 58,621,112</u> | <u>\$ 55,301,323</u> | <u>\$ 49,081,578</u> | <u>\$ 52,986,490</u> | <u>\$ 61,359,585</u> | <u>\$ 67,304,314</u> | <u>\$ 72,285,852</u> | <u>\$ 73,038,964</u> | <u>\$ 70,943,317</u> | <u>\$ 64,533,524</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 5,076,199 | \$ 2,740,546 | \$ 1,423,854 | \$ 855,997 | \$ 1,339,978 | \$ 1,076,171 | \$ 1,076,152 | \$ 1,137,111 | \$ 978,440 | \$ 1,221,652 |
| Public safety | 1,016,562 | 1,102,207 | 1,196,933 | 661,454 | 407,871 | 592,952 | 621,490 | 623,483 | 592,567 | 517,742 |
| Public works | 2,393,811 | 2,015,070 | 1,114,354 | 879,340 | 703,948 | 474,124 | 388,237 | 859,348 | 1,697,041 | 2,836,987 |
| Parks and recreation | 1,341,005 | 1,297,774 | 1,406,770 | 1,192,894 | 1,337,034 | 1,319,042 | 1,187,022 | 1,156,550 | 1,791,969 | 1,618,401 |
| Cultural arts center | 484,170 | 343,936 | 330,906 | 403,728 | 398,004 | 301,631 | 386,317 | 448,970 | - | - |
| Operating grants and contributions | 13,510,394 | 10,148,400 | 5,784,503 | 15,128,681 | 2,125,258 | 2,441,258 | 2,796,402 | 3,366,714 | 2,572,995 | 2,344,534 |
| Capital grants and contributions | 8,541,829 | 13,065,771 | 13,745,990 | 4,323,246 | 651,077 | 1,492,542 | 2,257,720 | 1,480,622 | 1,991,493 | 1,492,565 |
| Total governmental activities program revenues | 32,363,970 | 30,713,704 | 25,003,310 | 23,445,340 | 6,963,170 | 7,697,720 | 8,713,340 | 9,072,798 | 9,624,505 | 10,031,881 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water | 6,572,737 | 6,307,513 | 7,020,887 | 7,421,931 | 6,631,136 | 6,466,678 | 6,384,464 | 6,630,287 | 6,341,560 | 6,433,014 |
| Sewer | 12,723,384 | 13,216,660 | 13,416,857 | 12,522,826 | 10,934,425 | 8,407,237 | 8,117,101 | 10,304,507 | 12,370,603 | 12,007,771 |
| Recycled Water | 226,135 | - | - | - | - | - | - | - | - | - |
| Refuse Collection | - | - | - | 2,697,879 | 5,442,977 | 5,526,939 | 5,635,222 | 5,554,993 | 5,454,193 | 5,240,389 |
| Capital grants and contributions | - | - | 270,063 | 769,406 | 268,029 | 192,260 | 235,742 | 214,617 | 566,411 | 1,829,074 |
| Total business-type activities program revenues | 19,522,256 | 19,524,173 | 20,707,807 | 23,412,042 | 23,276,567 | 20,593,114 | 20,372,529 | 22,704,404 | 24,732,767 | 25,510,248 |
| Total primary government program revenues | <u>\$ 51,886,226</u> | <u>\$ 50,237,877</u> | <u>\$ 45,711,117</u> | <u>\$ 46,857,382</u> | <u>\$ 30,239,737</u> | <u>\$ 28,290,834</u> | <u>\$ 29,085,869</u> | <u>\$ 31,777,202</u> | <u>\$ 34,357,272</u> | <u>\$ 35,542,129</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (7,406,729) | \$ (3,670,961) | \$ (6,073,449) | \$ (8,804,196) | \$ (31,106,312) | \$ (35,412,951) | \$ (41,070,095) | \$ (40,951,028) | \$ (39,021,658) | \$ (32,544,468) |
| Business-type activities | 671,843 | (1,392,485) | 2,702,988 | 2,675,088 | (13,536) | (3,600,528) | (2,129,888) | (310,734) | 2,435,613 | 3,553,073 |
| Total primary government net expense | <u>\$ (6,734,886)</u> | <u>\$ (5,063,446)</u> | <u>\$ (3,370,461)</u> | <u>\$ (6,129,108)</u> | <u>\$ (31,119,848)</u> | <u>\$ (39,013,479)</u> | <u>\$ (43,199,983)</u> | <u>\$ (41,261,762)</u> | <u>\$ (36,586,045)</u> | <u>\$ (28,991,395)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 4,009,906 | \$ 3,564,329 | \$ 3,875,521 | \$ 3,517,309 | \$ 16,106,337 | \$ 15,595,902 | \$ 16,632,581 | \$ 16,989,860 | \$ 17,054,597 | \$ 16,928,529 |
| Sales taxes | 10,483,969 | 10,493,451 | 10,541,059 | 9,555,854 | 9,062,981 | 8,237,144 | 5,735,600 | 6,172,593 | 7,236,048 | 7,707,375 |
| Franchise taxes | 2,221,543 | 2,068,761 | 1,981,803 | 1,682,427 | 1,695,706 | 1,500,461 | 1,700,371 | 1,411,622 | 1,440,749 | 1,428,827 |
| Motor vehicle license fees | 2,917,304 | 2,948,341 | 2,747,818 | 2,630,122 | 2,722,876 | 2,908,809 | 2,947,584 | 3,042,186 | 3,142,034 | 3,074,869 |
| Other taxes | 3,459,315 | 3,109,123 | 2,945,367 | 2,329,689 | 2,054,212 | 1,816,893 | 1,574,857 | 1,812,696 | 2,016,907 | 1,606,108 |
| Rental Income | - | - | - | - | - | - | - | 31,823 | - | - |
| Investment earnings | 410,023 | 300,328 | 246,098 | 38,876 | 962,474 | 1,605,298 | 2,538,119 | 3,726,188 | 4,792,727 | 3,155,613 |
| Gain (Loss) on sale of capital assets | 51,514 | - | 4,000 | - | - | - | (159,537) | 997,720 | 4,778,278 | - |
| Gain (Loss) on retirement of bonds | - | - | - | - | - | - | - | 759,614 | - | - |
| Other | 458,554 | 133,236 | 1,292,275 | 4,348,120 | 181,941 | 415,518 | 176,370 | 197,023 | 311,425 | 217,520 |
| Transfers | (925,904) | (4,275,417) | (7,909,865) | (171,499) | 65,415 | (255,089) | (25,807) | 526,648 | 573,812 | 294,438 |
| Extraordinary item - dissolution of RDA | - | - | - | - | 23,719,400 | - | - | - | - | - |
| Total governmental activities | <u>23,086,224</u> | <u>18,342,152</u> | <u>15,724,076</u> | <u>23,930,898</u> | <u>56,571,343</u> | <u>31,824,937</u> | <u>31,120,138</u> | <u>35,667,973</u> | <u>41,346,577</u> | <u>34,413,279</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 94,773 | 75,585 | 52,305 | 71,242 | 80,257 | 109,076 | 168,124 | 352,519 | 458,866 | 426,769 |
| Transfers | 925,904 | 4,275,417 | 7,909,865 | 171,499 | (65,415) | 255,089 | 25,807 | (526,648) | (518,348) | (294,438) |
| Total business-type activities | <u>1,020,677</u> | <u>4,351,002</u> | <u>7,962,170</u> | <u>242,741</u> | <u>14,842</u> | <u>364,165</u> | <u>193,931</u> | <u>(174,129)</u> | <u>(59,482)</u> | <u>132,331</u> |
| Total primary government | <u>\$ 24,106,901</u> | <u>\$ 22,693,154</u> | <u>\$ 23,686,246</u> | <u>\$ 24,173,639</u> | <u>\$ 56,586,185</u> | <u>\$ 32,189,102</u> | <u>\$ 31,314,069</u> | <u>\$ 35,493,844</u> | <u>\$ 41,287,095</u> | <u>\$ 34,545,610</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 15,679,495 | \$ 14,671,191 | \$ 9,650,627 | \$ 15,126,702 | \$ 25,465,031 | \$ (3,588,014) | \$ (9,949,957) | \$ (5,283,055) | \$ 2,324,919 | \$ 1,868,811 |
| Business-type activities | 1,692,520 | 2,958,517 | 10,665,158 | 2,917,829 | 1,306 | (3,236,363) | (1,935,957) | (484,863) | 2,376,131 | 3,685,404 |
| Total primary government | <u>\$ 17,372,015</u> | <u>\$ 17,629,708</u> | <u>\$ 20,315,785</u> | <u>\$ 18,044,531</u> | <u>\$ 25,466,337</u> | <u>\$ (6,824,377)</u> | <u>\$ (11,885,914)</u> | <u>\$ (5,767,918)</u> | <u>\$ 4,701,050</u> | <u>\$ 5,554,215</u> |

Source: City Finance Department.

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

| | Fiscal Year | | | | | | | | | |
|-----------------------------------|----------------------|---------------------------|----------------------|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Function/Program | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 14,573,424 | \$ 10,844,875 | \$ 15,333,596 | \$ 14,143,255 ⁽¹⁾ | \$ 1,636,799 | \$ 1,147,579 | \$ 1,230,469 | \$ 1,842,155 | \$ 3,416,683 | \$ 4,104,573 |
| Public safety | 4,968,568 | 2,413,054 | 2,603,116 | 1,257,721 | 1,008,050 | 910,988 | 1,626,916 | 1,477,094 | 858,919 | 748,521 |
| Public works | 10,996,803 | 15,814,065 ⁽²⁾ | 5,328,922 | 6,447,742 | 2,583,283 | 4,018,480 | 1,519,461 | 4,081,609 | 2,887,783 | 3,117,622 |
| Parks and recreation | 1,341,005 | 1,297,774 | 1,406,770 | 1,192,894 | 1,337,034 | 1,319,042 | 1,691,952 | 1,156,550 | 1,791,969 | 1,618,401 |
| Other | 484,170 | 343,936 | 330,906 | 403,728 | 398,004 | 301,631 | 386,822 | 515,390 | 669,151 | 442,764 |
| Subtotal governmental activities | <u>32,363,970</u> | <u>30,713,704</u> | <u>25,003,310</u> | <u>23,445,340</u> | <u>6,963,170</u> | <u>7,697,720</u> | <u>6,455,620</u> | <u>9,072,798</u> | <u>9,624,505</u> | <u>10,031,881</u> |
| Business-type activities: | | | | | | | | | | |
| Water | 6,572,737 | 6,307,513 | 7,020,887 | 7,432,612 | 6,775,045 | 6,466,678 | 6,384,464 | 6,794,666 | 6,388,188 | 6,330,481 |
| Wastewater | 12,723,384 | 13,216,660 | 13,686,920 | 13,281,551 | 11,058,545 | 8,599,497 | 8,352,843 | 10,354,745 | 12,890,386 | 13,590,308 |
| Recycled water | 226,135 | - | - | - | - | - | - | - | - | - |
| Refuse | - | - | - | 2,697,879 | 5,442,977 | 5,526,939 | 5,635,222 | 5,554,993 | 5,454,193 | 5,240,389 |
| Subtotal business-type activities | <u>19,522,256</u> | <u>19,524,173</u> | <u>20,707,807</u> | <u>23,412,042</u> | <u>23,276,567</u> | <u>20,593,114</u> | <u>20,372,529</u> | <u>22,704,404</u> | <u>24,732,767</u> | <u>25,161,178</u> |
| Total primary government | <u>\$ 51,886,226</u> | <u>\$ 50,237,877</u> | <u>\$ 45,711,117</u> | <u>\$ 46,857,382</u> | <u>\$ 30,239,737</u> | <u>\$ 28,290,834</u> | <u>\$ 26,828,149</u> | <u>\$ 31,777,202</u> | <u>\$ 34,357,272</u> | <u>\$ 35,193,059</u> |

Notes:

(1) The increases in general government program revenues starting fiscal year 2013 when compared to prior years were mainly due to the receipt of fees and contributions from the Federated Indians of the Graton Rancheria.

(2) Public works program revenues for fiscal year 2015 included one-time intergovernmental transfer received from successor agency trust fund of \$5.7 million.

Source: City Finance Department.

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 ⁽¹⁾ | 2010 | 2009 | 2008 | 2007 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 1,315,487 | \$ 1,970,598 | \$ 2,441,659 | \$ 2,719,913 | \$ 2,360,946 | \$ 2,382,742 | N/A | N/A | N/A | N/A |
| Restricted | 80,196 | 172,998 | 186,413 | 2,041,125 | 2,429,224 | 927,747 | N/A | N/A | N/A | N/A |
| Committed | - | - | - | - | - | 3,592,593 | N/A | N/A | N/A | N/A |
| Assigned | 14,164,529 | 12,042,682 | 9,786,317 | 2,391,104 | 3,553,613 | 1,567,135 | N/A | N/A | N/A | N/A |
| Unassigned | 563,346 | 33,588 | 207,845 | 4,100,959 | 1,208,071 | - | N/A | N/A | N/A | N/A |
| Reserved | - | - | - | - | - | - | \$ 2,466,224 | \$ 2,578,952 | \$ 3,233,155 | \$ 3,904,011 |
| Unreserved | - | - | - | - | - | - | 6,871,421 | 9,589,701 | 13,186,254 | 13,083,633 |
| Total general fund | <u>\$ 16,123,558</u> | <u>\$ 14,219,866</u> | <u>\$ 12,622,234</u> | <u>\$ 11,253,101</u> | <u>\$ 9,551,854</u> | <u>\$ 8,470,217</u> | <u>\$ 9,337,645</u> | <u>\$ 12,168,653</u> | <u>\$ 16,419,409</u> | <u>\$ 16,987,644</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 500,000 | \$ 500,000 | \$ 2,212,970 | \$ 10,613,660 | \$ 10,519,393 | \$ 20,231,490 | N/A | N/A | N/A | N/A |
| Restricted | 38,040,772 | 38,294,470 | 29,149,054 | 29,433,741 | 16,816,229 | 26,492,563 | N/A | N/A | N/A | N/A |
| Committed | - | - | - | 2,604,735 | 2,710,553 | 2,895,378 | N/A | N/A | N/A | N/A |
| Assigned | 4,936,721 | 2,322,710 | 3,267,686 | - | - | - | N/A | N/A | N/A | N/A |
| Unassigned | (9,213,812) | (7,275,223) | (5,178,461) | (465,303) | (473,022) | (311,900) | N/A | N/A | N/A | N/A |
| Reserved | - | - | - | - | - | - | \$ 62,746,031 | \$ 56,532,084 | \$ 68,299,779 | \$ 73,308,593 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | 3,237,597 | 3,249,461 | 2,910,150 | 4,520,308 |
| Capital projects funds | - | - | - | - | - | - | (600,372) | 5,013,206 | 6,034,588 | 8,154,368 |
| Total all other governmental funds | <u>\$ 34,263,681</u> | <u>\$ 33,841,957</u> | <u>\$ 29,451,249</u> | <u>\$ 42,186,833</u> | <u>\$ 29,573,153</u> | <u>\$ 49,307,531</u> | <u>\$ 65,383,256</u> | <u>\$ 64,794,751</u> | <u>\$ 77,244,517</u> | <u>\$ 85,983,269</u> |

Notes:

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

Source: City Finance Department.

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

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 20,720,763 | \$ 19,798,693 | \$ 19,931,274 | \$ 17,085,279 | \$ 28,919,237 | \$ 27,150,400 | \$ 25,643,409 | \$ 26,386,771 | \$ 27,748,301 | \$ 28,010,839 |
| Intergovernmental | 5,591,901 | 5,786,763 | 5,068,049 | 5,913,576 | 5,506,724 | 6,114,398 | 5,607,308 | 7,251,897 | 6,789,040 | 6,470,275 |
| Intergovernmental transfer from successor agency trust fund | 1,127,586 | 5,695,287 | - | - | - | - | - | - | - | - |
| Interest and rentals | 909,897 | 923,317 | 679,090 | 373,516 | 1,462,569 | 2,146,774 | 3,045,486 | 4,208,902 | 4,669,700 | 3,434,813 |
| Charges for services | 6,735,563 | 4,076,764 | 2,357,628 | 1,769,053 | 1,649,569 | 1,952,202 | 1,823,791 | 1,812,427 | 2,531,523 | 2,312,537 |
| Licenses, permits and fees | 8,153,393 | 5,739,963 | 3,855,530 | 14,407,014 | 1,129,495 | 888,402 | 870,585 | 837,678 | 1,816,859 | 2,550,850 |
| Special assessment collection | - | - | - | - | - | - | - | - | - | 210,435 |
| Fines, forfeitures and penalties | 136,810 | 176,490 | 174,637 | 200,266 | 184,386 | 146,940 | 193,392 | 212,849 | 159,701 | 197,134 |
| Donations and miscellaneous | 12,774,350 | 8,647,864 | 16,206,168 | 7,581,291 | 876,716 | 518,210 | 1,148,005 | 1,512,347 | 1,780,818 | 1,241,335 |
| Total revenues | 56,150,263 | 50,845,141 | 48,272,376 | 47,329,995 | 39,728,697 | 38,917,327 | 38,331,976 | 42,222,871 | 45,495,942 | 44,428,218 |
| Expenditures | | | | | | | | | | |
| General government | 15,824,117 | 10,802,462 | 8,099,455 | 6,909,977 | 12,969,980 | 13,914,331 | 15,592,370 | 12,731,601 | 12,694,183 | 12,654,518 |
| Public safety | 16,866,435 | 15,642,763 | 14,724,998 | 13,884,510 | 13,788,261 | 14,687,084 | 16,117,857 | 18,978,007 | 19,414,226 | 16,126,814 |
| Public works | 2,444,253 | 1,914,825 | 1,353,085 | 1,242,943 | 726,480 | 656,651 | 1,643,398 | 1,715,606 | 2,255,776 | 2,085,443 |
| Parks and recreation | 3,304,477 | 2,660,915 | 2,598,935 | 2,300,901 | 2,312,924 | 2,270,907 | 2,266,260 | 3,062,625 | 3,248,052 | 2,983,531 |
| Cultural arts center | 928,571 | 787,168 | 643,463 | 704,021 | 587,931 | 417,011 | 646,355 | 841,126 | 902,319 | 889,073 |
| Capital outlay | 11,924,434 | 6,335,556 | 13,623,069 | 7,165,820 | 1,748,317 | 174,963 | 3,523,917 | 11,268,721 | 13,940,133 | 7,324,188 |
| Debt service | | | | | | | | | | |
| Cost of issuance | - | - | - | - | - | - | - | - | - | 1,316,741 |
| Principal | 69,796 | 3,565,534 | 325,314 | 460,000 | 1,188,430 | 1,604,925 | 16,043,885 | 11,682,136 | 3,734,038 | 2,039,651 |
| Interest and fiscal charges | 24,162 | 266,586 | 200,938 | 420,257 | 2,463,746 | 3,028,229 | 3,254,018 | 3,924,833 | 3,345,671 | 1,188,507 |
| Total expenditures | 51,386,245 | 41,975,809 | 41,569,257 | 33,088,429 | 35,786,069 | 36,754,101 | 59,088,060 | 64,204,655 | 59,534,398 | 46,608,466 |
| Excess (deficiency)of revenues over (under) expenditures | 4,764,018 | 8,869,332 | 6,703,119 | 14,241,566 | 3,942,628 | 2,163,226 | (20,756,084) | (21,981,784) | (14,038,456) | (2,180,248) |

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

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|-----------------------|----------------------|---------------------|---------------------|------------------------|------------------------|-----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of debt and loans | \$ 339,738 | \$ 249,782 | \$ 150,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 61,440,000 |
| Discount on debt | - | - | - | - | - | - | - | - | - | (391,516) |
| Premium on debt | - | - | - | - | - | - | - | - | - | 1,344,163 |
| Refunding bonds issued | - | - | - | - | - | - | - | 759,614 | - | - |
| Proceeds from the sale of capital assets | 544,822 | 1,442,823 | 4,000 | - | - | - | 1,255,263 | 3,995,000 | 5,201,717 | - |
| Transfers in | 13,213,866 | 15,775,752 | 10,242,332 | 5,005,015 | 30,274,573 | 10,206,357 | 24,626,604 | 24,118,981 | 21,953,933 | 12,377,738 |
| Transfers out | (16,537,028) | (20,349,349) | (18,266,807) | (5,274,014) | (30,309,158) | (10,461,446) | (24,652,411) | (23,592,333) | (21,380,121) | (12,083,300) |
| Total other financing sources (uses) | (2,438,602) | (2,880,992) | (7,870,475) | (268,999) | (34,585) | (255,089) | 1,229,456 | 5,281,262 | 5,775,529 | 62,687,085 |
| Net change in fund balances | <u>\$ 2,325,416</u> | <u>\$ 5,988,340</u> | <u>\$ (1,167,356)</u> | <u>\$ 13,972,567</u> | <u>\$ 3,908,042</u> | <u>\$ 1,908,137</u> | <u>\$ (19,526,628)</u> | <u>\$ (16,700,522)</u> | <u>\$ (8,262,927)</u> | <u>\$ 60,506,837</u> |
| Debt service as a percentage of noncapital expenditures | 0.2% | 10.4% | 1.9% | 3.4% | 10.7% | 12.7% | 34.7% | 29.5% | 15.5% | 11.6% |

Source: City Finance Department.

City of Rohnert Park
Tax Revenues by Source of Governmental Funds (Unaudited)
Last Ten Fiscal Years

| Fiscal Year | Property | (a) Sales & Use | (b) Franchise | Transient Occupancy | Real Property Transfer | Total |
|------------------------|-----------------|--------------------------------|--------------------------|--------------------------------|---------------------------------------|---------------|
| 2007 | \$ 3,167,241 | \$ 7,707,375 | \$ 1,428,827 | \$ 1,771,527 | \$ 174,581 | \$ 14,249,551 |
| 2008 | 3,199,831 | 7,236,048 | 1,440,749 | 1,899,362 | 117,545 | 13,893,535 |
| 2009 | 3,029,029 | 6,172,593 | 1,411,622 | 1,722,049 | 90,647 | 12,425,940 |
| 2010 | 2,845,643 | 5,735,600 | 1,700,371 | 1,574,857 | 84,087 | 11,940,558 |
| 2011 | 2,679,110 | 8,237,144 | 1,500,461 | 1,747,659 | 69,234 | 14,233,608 |
| 2012 | 3,252,056 | 9,062,981 | 1,695,706 | 1,940,536 | 113,677 | 16,064,956 |
| 2013 | 3,517,309 | 9,555,854 | 1,682,427 | 2,202,885 | 126,804 | 17,085,279 |
| 2014 | 3,875,521 | 10,541,059 | 1,981,803 | 2,814,059 | 131,308 | 19,343,750 |
| 2015 | 3,564,329 | 10,493,451 | 2,068,761 | 2,980,129 | 128,994 | 19,235,664 |
| 2016 | 4,009,906 | 10,483,969 | 2,221,543 | 3,255,970 | 203,345 | 20,174,733 |

Change

| | | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|
| 2007–2016 | 26.6% | 36.0% | 55.5% | 83.8% | 16.5% | 41.6% |
|-----------|-------|-------|-------|-------|-------|-------|

Notes:

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

(b) In FY 2010, the City received a donation for franchise fees.

Source: City Finance Department.

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

| Fiscal Year | Real Property Assessed/ Market Value | Personal Property Assessed/ Market Value | Total Assessed/ Market Value | Percentage of Change in Market Value | Basic Direct Rate |
|------------------------|---|---|---|---|----------------------------------|
| 2007 | \$ 3,685,609 | \$ 187,036 | \$ 3,872,645 | 6.11% | 1.00% |
| 2008 | 3,957,436 | 121,053 | 4,078,489 | 5.32% | 1.00% |
| 2009 | 3,921,550 | 116,899 | 4,038,449 | -0.98% | 1.00% |
| 2010 | 3,782,228 | 118,715 | 3,900,943 | -3.40% | 1.00% |
| 2011 | 3,605,471 | 114,596 | 3,720,067 | -4.64% | 1.00% |
| 2012 | 3,611,567 | 107,759 | 3,719,326 | -0.02% | 1.00% |
| 2013 | 3,509,762 | 103,730 | 3,613,492 | -2.85% | 1.00% |
| 2014 | 3,633,619 | 114,420 | 3,748,039 | 3.72% | 1.00% |
| 2015 | 3,907,910 | 119,759 | 4,027,669 | 7.46% | 1.00% |
| 2016 | 4,143,111 | 122,372 | 4,265,483 | 5.90% | 1.00% |

Notes:

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

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

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

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

| Fiscal Year | Basic Direct Rate (b) | Overlapping Rates (a) | | | | | | Total Tax Rate (c) |
|------------------------|--------------------------------------|--|---------------------------------|--|---|---|--------------|-----------------------------------|
| | | Rohnert Park Cotati School District | Warm Springs Dam | Santa Rosa Junior College | Santa Rosa High School | Bellevue School District | Total | |
| 2007 | 1.00 | 0.110 | 0.007 | 0.025 | 0.054 | 0.250 | 0.446 | 1.446 |
| 2008 | 1.00 | 0.110 | 0.007 | 0.025 | 0.053 | 0.240 | 0.435 | 1.435 |
| 2009 | 1.00 | 0.110 | 0.007 | 0.025 | 0.049 | 0.024 | 0.215 | 1.215 |
| 2010 | 1.00 | 0.110 | 0.007 | 0.025 | 0.049 | 0.030 | 0.239 | 1.239 |
| 2011 | 1.00 | 0.110 | 0.007 | 0.025 | 0.049 | 0.054 | 0.245 | 1.245 |
| 2012 | 1.00 | 0.110 | 0.007 | 0.025 | 0.058 | 0.068 | 0.268 | 1.268 |
| 2013 | 1.00 | 0.100 | 0.007 | 0.021 | 0.058 | 0.071 | 0.256 | 1.256 |
| 2014 | 1.00 | 0.110 | 0.007 | 0.019 | 0.055 | 0.074 | 0.265 | 1.265 |
| 2015 | 1.00 | 0.120 | 0.007 | 0.018 | 0.052 | 0.088 | 0.285 | 1.285 |
| 2016 | 1.00 | 0.151 | 0.007 | 0.016 | 0.075 | 0.086 | 0.335 | 1.335 |

Notes:

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

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

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

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

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2007 | \$ 2,959,694 | \$ 2,959,694 | 100% | \$ - | \$ 2,959,694 | 100% |
| 2008 | 3,003,697 | 3,003,697 | 100% | - | 3,003,697 | 100% |
| 2009 | 2,820,894 | 2,820,894 | 100% | - | 2,820,894 | 100% |
| 2010 | 2,641,026 | 2,641,026 | 100% | - | 2,641,026 | 100% |
| 2011 | 2,489,903 | 2,489,903 | 100% | - | 2,489,903 | 100% |
| 2012 | 2,539,634 | 2,539,634 | 100% | - | 2,539,634 | 100% |
| 2013 | 2,440,436 | 2,440,436 | 100% | - | 2,440,436 | 100% |
| 2014 | 2,651,430 | 2,651,430 | 100% | - | 2,651,430 | 100% |
| 2015 | 2,870,668 | 2,870,668 | 100% | - | 2,870,668 | 100% |
| 2016 | 3,041,634 | 3,041,634 | 100% | - | 3,041,634 | 100% |

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

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

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

| | For the year Ended | | | | | | | | | |
|------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| All other outlets | \$ 1,990 | \$ 2,288 | \$ 2,233 | \$ 2,424 | \$ 2,370 | \$ 2,097 | \$ 2,282 | \$ 2,302 | \$ 2,645 | \$ 1,847 |
| Apparel stores | 14,988 | 15,045 | 12,902 | 14,621 | 13,808 | 14,246 | 13,862 | 14,123 | 14,430 | 14,599 |
| Auto dealers and supplies | 25,084 | 23,225 | 21,223 | 20,733 | 19,169 | 19,432 | 22,019 | 22,787 | 29,550 | 32,154 |
| Building materials and farm tools | 95,634 | 98,521 | 99,472 | 92,139 | 79,426 | 75,866 | 77,547 | 94,237 | 103,245 | 126,919 |
| Eating and drinking establishments | 97,659 | 103,267 | 96,427 | 75,454 | 70,882 | 68,767 | 69,713 | 74,122 | 77,691 | 78,202 |
| Food stores | 33,323 | 34,957 | 34,972 | 35,416 | 38,032 | 36,031 | 35,005 | 36,776 | 37,620 | 39,287 |
| General merchandise | 242,180 | 244,789 | 243,471 | 252,386 | 239,845 | 234,926 | 234,059 | 239,889 | 267,954 | 266,732 |
| Home furnishings and appliances | 36,485 | 31,495 | 29,076 | 29,099 | 24,899 | 24,676 | 25,173 | 22,351 | 30,997 | 33,880 |
| Other retail stores | 45,394 | 37,550 | 34,261 | 34,733 | 41,245 | 57,868 | 45,584 | 41,326 | 48,679 | 61,156 |
| Service stations | 42,013 | 47,065 | 53,506 | 47,070 | 38,765 | 35,138 | 32,355 | 34,879 | 43,328 | 38,967 |
| Packaged Liquor and Drug Stores | 7,592 | 7,463 | 8,434 | 7,376 | 6,917 | 6,768 | 6,799 | 8,051 | 7,864 | 7,542 |
| Total | <u>\$ 642,342</u> | <u>\$ 645,665</u> | <u>\$ 635,977</u> | <u>\$ 611,451</u> | <u>\$ 575,358</u> | <u>\$ 575,815</u> | <u>\$ 564,398</u> | <u>\$ 590,843</u> | <u>\$ 664,003</u> | <u>\$ 701,285</u> |
| City direct sales tax rate | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.00% | 0.00% | 0.00% |

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

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

| | 2016 | | | 2007 | | |
|--|---------------------------|------|--|---------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Antheia LP | \$ 59,750 | 1 | 1.40% | \$ - | - | - |
| Kotlier Ernest M Et Al | 49,529 | 2 | 1.16% | - | - | - |
| Scarpa Steven J | 48,086 | 3 | 1.13% | - | - | - |
| Sonoma Mountain Village LLC Et Al | 47,175 | 4 | 1.11% | - | - | - |
| Columbia Redwood Creek LLC | 41,882 | 5 | 0.98% | 37,032 | 3 | 0.96% |
| Redwood Equities Investments LLC Et Al | 40,450 | 6 | 0.95% | - | - | - |
| CLPF - Oak View at Sonoma Hills LP | 38,015 | 7 | 0.89% | - | - | - |
| Crossbrook Apartments LP Et Al | 33,245 | 8 | 0.78% | 29,289 | 6 | 0.76% |
| Codding Enterprises | 28,163 | 9 | 0.66% | 29,464 | 5 | 0.76% |
| Knickerbocker Properties Inc XXXVIII | 28,768 | 10 | 0.67% | 25,476 | 7 | 0.66% |
| Rohnert Park Ridge LLC Et Al | - | - | - | 43,836 | 1 | 1.13% |
| Sonoma Green LLC Et Al | - | - | - | 37,616 | 2 | 0.97% |
| KLS Rohnert Park LP | - | - | - | 31,970 | 4 | 0.83% |
| Santa Rosa Press Democrat | - | - | - | 25,190 | 8 | 0.65% |
| Healthcare REIT Inc | - | - | - | 24,861 | 9 | 0.64% |
| State Farm Mutual Automobile | - | - | - | 22,005 | 10 | 0.57% |
| Total | <u>\$ 415,063</u> | | <u>9.73%</u> | <u>\$ 306,739</u> | | <u>7.92%</u> |

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

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

| Fiscal Year | Government-type Activities | | | | | | Business-type Activities | | Total Primary Government | Percentage of Personal Income (d) | Per Capita (d) |
|-------------|----------------------------|-------------------------------|-------------------------|--------------------------|--------------|----------------|--------------------------|---|--------------------------|-----------------------------------|----------------|
| | Redevelopment Bonds (a) | Certificates of Participation | Lease Revenue Bonds (b) | Special Assessment Bonds | Loan Payable | Capital Leases | Water Revenue Bonds (c) | Sewer Certificates of Participation (c) | | | |
| 2007 | \$ 84,351 | \$ 4,115 | \$ 6,255 | \$ 190 | \$ - | \$ 1,778 | \$ 6,515 | \$ 12,770 | \$ 115,974 | 9.32 | \$ 2,693 |
| 2008 | 82,253 | 3,960 | 6,020 | - | - | 1,539 | 6,305 | 12,530 | 112,607 | 9.20 | 2,618 |
| 2009 | 72,120 | 3,800 | 5,780 | - | - | 1,212 | 6,085 | 12,285 | 101,282 | 8.47 | 2,334 |
| 2010 | 59,513 | 3,635 | 5,535 | - | - | 982 | 5,860 | 12,030 | 87,555 | 7.86 | 2,137 |
| 2011 | 51,553 | 3,460 | 5,280 | - | - | 846 | 5,630 | 11,765 | 78,534 | 6.87 | 1,917 |
| 2012 | - | 3,280 | 465 | - | - | 705 | 5,390 | 11,624 | 21,464 | 1.94 | 523 |
| 2013 | - | 3,090 | 473 | - | - | 594 | 5,145 | 11,340 | 20,642 | 1.88 | 501 |
| 2014 | - | 2,895 | 447 | - | 127 | 515 | 4,848 | 11,082 | 19,914 | 1.80 | 489 |
| 2015 | - | - | 418 | - | 250 | - | 4,586 | 10,769 | 16,023 | 1.39 | 390 |
| 2016 | - | - | 387 | - | 681 | - | 3,422 | 10,447 | 14,937 | 1.24 | 356 |

Notes:

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

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

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

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

(d) See Schedule S-21 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: City Finance Department.

City of Rohnert Park
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2016
(dollars in thousands)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|---|------------------------------------|---|--|
| Debt repaid with property taxes | | | |
| Cotati-Rohnert Park Unified School District | | | |
| #16 | \$ 225 | 79.073% | \$ 178 |
| #17R | 9,945 | 79.073% | 7,864 |
| #18R | 820 | 79.073% | 648 |
| 2014A | 25,355 | 79.073% | 20,049 |
| 2014B | 28,850 | 79.073% | 22,813 |
| 2015C | 25,000 | 79.073% | 19,768 |
| 2015D | 500 | 79.073% | 395 |
| Sonoma County Junior College District | | | |
| #2 | 23,510 | 5.605% | 1,318 |
| #3 | 3,615 | 5.605% | 203 |
| #4 | 8,555 | 5.605% | 479 |
| #2R | 128,265 | 5.605% | 7,189 |
| Warm Springs Dam | | 5.583% | <u>1</u> |
| Subtotal, overlapping debt | 88,267 | | 80,905 |
| City direct debt | | | <u>1,068</u> |
| Total direct and overlapping debt | | | <u><u>\$ 81,973</u></u> |

Notes:

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|------------------------------------|--------------------------|
| Assessed value | \$4,265,483 |
| Debt limit (15% of assessed value) | 639,823 |
| Debt applicable to limit: | |
| General obligation bonds | <u>-</u> |
| Legal debt margin | <u><u>\$ 639,823</u></u> |

| | Fiscal Year | | | | | | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Debt limit | \$ 639,823 | \$ 604,150 | \$ 562,206 | \$ 542,024 | \$ 564,587 | \$ 564,732 | \$ 591,965 | \$ 612,688 | \$ 611,773 | \$ 580,879 |
| Total net debt applicable to limit | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Legal debt margin | <u><u>\$ 639,823</u></u> | <u><u>\$ 604,150</u></u> | <u><u>\$ 562,206</u></u> | <u><u>\$ 542,024</u></u> | <u><u>\$ 564,587</u></u> | <u><u>\$ 564,732</u></u> | <u><u>\$ 591,965</u></u> | <u><u>\$ 612,688</u></u> | <u><u>\$ 611,773</u></u> | <u><u>\$ 580,879</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

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

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

| Fiscal Year | Water Revenue Bonds | | | | | | Sewer Revenue Certificate of Participation (a) | | | | | | Special Assessment Bonds | | | |
|----------------|---------------------|-----------|-----------|--------------|----------|----------|--|-----------|-----------|--------------|----------|----------|--------------------------|--------------|----------|----------|
| | Utility | Less: | Net | Debt Service | | | Utility | Less: | Net | Debt Service | | | Special | Debt Service | | |
| | Service | Operating | Available | Principal | Interest | Coverage | Service | Operating | Available | Principal | Interest | Coverage | Assessment | Principal | Interest | Coverage |
| | Charges | Expenses | Revenue | | | | Charges | Expenses | Revenue | | | | Collections | | | |
| 2007 | \$ 6,084 | \$ 5,700 | \$ 384 | \$ 210 | \$ 262 | 0.81 | \$ 12,008 | \$ 9,501 | \$ 2,507 | \$ 230 | \$ 583 | n/a | \$ 456 | \$ 430 | \$ 21 | 1.01 |
| 2008 | 6,342 | 6,851 | (509) | 215 | 257 | (1.08) | 12,371 | 9,244 | 3,127 | 240 | 575 | n/a | - | - | - | - |
| 2009 | 6,630 | 5,715 | 915 | 220 | 251 | 1.94 | 10,304 | 10,740 | (436) | 245 | 568 | n/a | - | - | - | - |
| 2010 | 6,384 | 5,445 | 939 | 225 | 245 | 2.00 | 8,117 | 10,682 | (2,565) | 255 | 560 | n/a | - | - | - | - |
| 2011 | 6,360 | 6,542 | (182) | 230 | 238 | (0.39) | 8,180 | 11,510 | (3,330) | 265 | 552 | n/a | - | - | - | - |
| 2012 | 6,631 | 6,273 | 358 | 240 | 231 | 0.76 | 10,934 | 8,984 | 1,950 | 275 | 542 | n/a | - | - | - | - |
| 2013 | 7,422 | 5,091 | 2,331 | 245 | 223 | 4.98 | 12,523 | 10,168 | 2,355 | 280 | 532 | n/a | - | - | - | - |
| 2014 | 7,021 | 5,150 | 1,871 | 255 | 215 | 3.98 | 13,417 | 10,383 | 3,034 | 295 | 522 | n/a | - | - | - | - |
| 2015 | 6,308 | 5,750 | 558 | 265 | 206 | 1.19 | 13,217 | 11,460 | 1,757 | 305 | 512 | n/a | - | - | - | - |
| 2016 | 6,573 | 5,151 | 1,422 | 1,170 | 204 | 1.03 | 12,723 | 10,541 | 2,182 | 315 | 500 | n/a | - | - | - | - |

Notes:

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

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

Source: City Finance Department.

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

| Year (a) | City Population | Personal Income (a) (b) | Per Capita Income (b) | School Enrollment | County Unemployment Rate (c) | City Unemployment Rate (c) |
|-----------------|----------------------------|------------------------------------|--------------------------------------|------------------------------|---|---|
| 2007 | 42,959 | \$ 1,129,736 | \$ 26,298 | 6,847 | 4.3% | 3.9% |
| 2008 | 43,062 | 1,243,889 | 28,886 | 6,655 | 5.5% | 6.4% |
| 2009 | 43,020 | 1,224,435 | 28,462 | 6,429 | 10.1% | 10.0% |
| 2010 | 43,398 | 1,196,136 | 27,562 | 6,206 | 10.6% | 10.2% |
| 2011 | 40,971 | 1,113,510 | 27,178 | 6,003 | 10.1% | 10.1% |
| 2012 | 41,034 | 1,143,864 | 27,876 | 5,946 | 9.0% | 8.1% |
| 2013 | 41,184 | 1,107,355 | 26,888 | 5,770 | 7.1% | 6.6% |
| 2014 | 40,722 | 1,098,965 | 26,987 | 5,788 | 6.0% | 5.9% |
| 2015 | 41,077 | 1,151,553 | 28,034 | 5,765 | 5.2% | 5.2% |
| 2016 | 42,003 | 1,208,762 | 28,778 | 5,855 | 4.3% | 4.4% |

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

Source: Population, Per Capita Income: Sonoma County Economic Development Board from the ESRI Business Analyst Report.

Personal Income is a calculated amount: Population x Per Capital Income.

School Enrollment: Cotati-Rohnert Park Unified School District.

Unemployment Rates: California Employment Development Board Labor Force Statistics.

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

| <u>Employer</u> | 2016 | | | 2007 | | |
|---|-------------------------|--------------------|---|-------------------------|--------------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Sonoma State University | 1,505 | 1 | 6.75% | 1,478 | 1 | 5.87% |
| Cotati-Rohnert Park Unified School District | 583 | 2 | 2.61% | - | - | - |
| City of Rohnert Park | 266 | 3 | 1.19% | 188 | 7 | 0.75% |
| Wal-Mart Store #1755 | 220 | 4 | 0.99% | 272 | 4 | 1.08% |
| Costco Wholesale #659 | 184 | 5 | 0.83% | 254 | 5 | 1.01% |
| Pacific Bell | 131 | 6 | 0.59% | - | - | - |
| Target 852 | 116 | 7 | 0.52% | 315 | 3 | 1.25% |
| Parker Hannifin Corp; EMN | 116 | 8 | 0.52% | - | - | - |
| Home Depot #641 | 111 | 9 | 0.50% | 178 | 9 | 0.71% |
| Lemo USA | 107 | 10 | 0.48% | - | - | - |
| State Farm Insurance | - | - | - | 501 | 2 | 1.99% |
| Cross Check | - | - | - | 194 | 6 | 0.77% |
| Securitas Security Services | - | - | - | 187 | 8 | 0.74% |
| Parker Hannifin Corporation | - | - | - | 160 | 10 | 0.63% |
| Total | <u><u>3,339</u></u> | | <u><u>14.97%</u></u> | <u><u>3,727</u></u> | | <u><u>14.79%</u></u> |
| Total City Employment | 22,300 | | | 25,200 | | |

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

Source: 2007 City of Rohnert Park CAFR.

2016 City of Rohnert Park Business Licensing; <http://www.sonoma.edu>; <http://www.crpud.org>.

2016 Total City Employment from www.labormarketinfo.edd.ca.gov.

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

| <u>Function/Program</u> | Fiscal Year | | | | | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| General government | | | | | | | | | | |
| City Manager's Office | 6.70 | 6.59 | 6.50 | 6.40 | 6.00 | 5.85 | 6.70 | 7.00 | 7.00 | 7.00 |
| Finance | 12.00 | 9.70 | 10.50 | 10.50 | 10.00 | 9.75 | 11.00 | 11.00 | 12.00 | 12.00 |
| Information Systems | 3.20 | 2.75 | 2.75 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Planning (a) | - | - | - | - | - | - | 1.70 | 3.00 | 3.00 | 3.00 |
| Development Services (a) | 13.49 | 12.33 | 11.78 | 11.08 | 11.00 | 11.00 | - | - | - | - |
| Human Resource | 4.00 | 3.24 | 3.24 | 2.25 | 2.25 | 2.25 | 2.25 | 3.00 | 2.00 | 2.00 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Public Safety | 96.35 | 90.39 | 88.76 | 81.25 | 80.75 | 83.75 | 90.75 | 110.00 | 110.00 | 109.00 |
| Building Inspection (a) | - | - | - | - | - | - | 2.30 | 3.00 | 3.00 | 3.00 |
| Public Works | | | | | | | | | | |
| Engineering (a) | - | - | - | - | - | - | 8.00 | 8.00 | 6.00 | 6.00 |
| Public Works | 44.72 | 43.45 | 38.47 | 34.72 | 34.65 | 30.30 | 27.40 | 29.00 | 29.00 | 29.00 |
| Park Maintenance (b) | - | - | - | - | - | - | 6.60 | 5.00 | 5.00 | 4.00 |
| Parks and Recreation (b) | - | | | | | | 2.00 | 6.00 | 7.00 | 7.00 |
| Community Services (b) | 25.54 | 20.28 | 9.06 | 8.51 | 5.30 | 5.10 | - | - | - | - |
| Performing Arts Center | <u>11.02</u> | <u>5.68</u> | <u>3.50</u> | <u>3.65</u> | <u>2.00</u> | <u>2.00</u> | <u>3.00</u> | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> |
| Total | <u>217.02</u> | <u>194.41</u> | <u>174.56</u> | <u>160.36</u> | <u>153.95</u> | <u>152.00</u> | <u>163.70</u> | <u>191.00</u> | <u>190.00</u> | <u>188.00</u> |

Notes:

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

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

Source: City of Rohnert Park FY 2015-16 Adopted Budget.

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

| <u>Function/Program</u> | Fiscal Year | | | | | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| General government | | | | | | | | | | |
| Building permits issued | 1,345 | 1,306 | 1,068 | 722 | 658 | 622 | 575 | 515 | 650 | 663 |
| Building inspections conducted | 836 | 3,343 | 1,452 | 946 | 902 | 1,168 | 815 | 1,664 | 1393 | 1,560 |
| Department of Public Safety - Police | | | | | | | | | | |
| Physical arrests | 2,522 | 2,014 | 2,075 | 2,015 | 1,819 | 2,214 | 2,323 | 3,156 | 3,076 | 2,474 |
| Parking violations | 1,632 | 1,710 | 1,753 | 2,136 | 2,106 | 2,034 | 2,419 | 3,248 | 2,448 | 2,554 |
| Traffic violations | 728 | 1,218 | 1,559 | 1,539 | 1,248 | 1,232 | 1,438 | 1,452 | 1,695 | 1,402 |
| Department of Public Safety - Fire | | | | | | | | | | |
| Emergency responses | 4,118 | 3,948 | 3,560 | 3,189 | 3,325 | 3,156 | 3,263 | 3,262 | 3,007 | 3,164 |
| Inspections | 1,787 | 1,690 | 1,441 | 1,268 | 1,427 | 2,031 | 1,555 | 1,966 | 1,869 | 1,713 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (average tons per day) | 63.33 | 46.93 | 47.28 | 51.37 | 54.35 | 49.00 | 53.39 | 58.41 | 59.70 | 68.20 |
| Recyclables collected (average tons per day) | 19.03 | 14.37 | 19.41 | 23.45 | 22.64 | 19.00 | 18.39 | 28.91 | 28.89 | 31.40 |
| Parks and recreation | | | | | | | | | | |
| Sports & Fitness Center Attendance | 107,000 | 116,700 | 113,540 | 114,138 | 110,710 | 112,330 | 125,321 | 101,253 | 124,261 | 111,655 |
| Community Center Attendance | 59,000 | 58,400 | 52,000 | 54,819 | 44,912 | 36,170 | 43,253 | 48,682 | 42,240 | 46,495 |
| Library | | | | | | | | | | |
| Volumes in collection | 109,762 | 108,744 | 100,979 | 100,000 | 97,382 | 90,538 | 90,478 | 90,478 | 84,381 | 84,369 |
| Water | | | | | | | | | | |
| Water main breaks | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 3 | 1 | 0 |
| Average daily consumption (millions of gallons) | 2.13 | 3.89 | 4.57 | 4.43 | 3.94 | 3.90 | 3.90 | 4.38 | 4.40 | 4.90 |
| Peak daily consumption (millions of gallons) | 5.10 | 5.50 | 5.48 | 6.03 | 5.60 | 5.40 | 5.70 | 6.40 | 6.70 | 7.15 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (millions of gallons) | 2.80 | 3.11 | 3.30 | 3.40 | 3.18 | 3.48 | 3.28 | 3.12 | 3.42 | 3.16 |

Source: Various City Departments; Sonoma County Library.

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

| <u>Function/Program</u> | Fiscal Year | | | | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Department of Public Safety | | | | | | | | | | |
| Public Safety Stations -Police & Fire combined | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Public Safety Officers-Police & Fire combined | 59 | 62 | 61 | 59 | 60 | 63 | 70 | 80 | 79 | 77 |
| Refuse Collection | | | | | | | | | | |
| Collection trucks | 8 | 8 | 8 | 8 | 10 | 10 | 10 | 10 | 10 | 10 |
| Street Sweepers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other public works | | | | | | | | | | |
| Streets (miles) | 100 | 101 | 90 | 90 | 86 | 86 | 86 | 85 | 85 | 85 |
| Streetlights | 2,941 | 2,941 | 2,941 | 2,837 | 2,817 | 2,817 | 2,817 | 2,794 | 2,794 | 2,794 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 116 | 116 | 107 | 107 | 105 | 105 | 105 | 105 | 102 | 102 |
| Playgrounds | 20 | 20 | 24 | 24 | 24 | 24 | 25 | 25 | 30 | 30 |
| Baseball/softball diamonds | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 14 | 14 |
| Soccer/football fields | 12 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 9 | 9 |
| Tennis courts | 23 | 23 | 25 | 25 | 25 | 25 | 26 | 26 | 25 | 25 |
| Water | | | | | | | | | | |
| Water mains (miles) | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 |
| Fire hydrants | 1,470 | 1,470 | 1,470 | 1,470 | 1,462 | 1,462 | 1,462 | 1,462 | 1,458 | 1,458 |
| Storage capacity (thousands of gallons) | 4,375 | 4,375 | 4,375 | 4,375 | 4,375 | 4,375 | 4,375 | 4,375 | 4,375 | 4,375 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 85 | 85 | 85 | 85 | 83 | 83 | 83 | 83 | 77 | 77 |
| Storm sewers (miles) | 33 | 33 | 33 | 33 | 32 | 32 | 32 | 32 | 32 | 32 |
| Treatment capacity (thousands of gallons) | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 4 | 3 |

Source: Various City Departments.