Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2011

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CITY OF ROSEVILLE CALIFORNIA

CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

Prepared by
FINANCE DEPARTMENT

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CITY OF ROSEVILLE, CALIFORNIA
Comprehensive Annual Financial Report
For The Year Ended June 30, 2011

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December 16, 2011

Honorable Mayor, Members of the City Council and City Manager:

This document, the Comprehensive Annual Financial Report (CAFR) of the City of Roseville, is for the fiscal year ended June 30, 2011. The report was prepared by the Finance Department in conjunction with the City's independent auditors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The data, as presented, is accurate in all material aspects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The organization of the financial report follows the guidelines set forth by the Government Finance Officers' Association (GFOA) of the United States and Canada.

The report is divided into three sections:

I. Introductory section, including this letter of transmittal, list of City elected officials, and City's organizational chart.

II. Financial section, including the auditors' report by Maze & Associates, the City's independent certified public accountants, management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplemental information and the combining financial statements for non-major funds.

III. Statistical section, including a number of tables and graphs of un-audited data depicting 10 years of financial history about the City and information on its overlapping governmental debt.

A separate single audit report has been prepared in conformity with the provisions of the Federal Single Audit Act amendments of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments."

Finally, it is highly recommended that all readers of this report review the narrative introduction, overview, and analysis found in management's discussion and analysis (MD&A) in this CAFR's financial section.

THE REPORTING ENTITY AND ITS SERVICES

This report reflects the entity concept prescribed by generally accepted accounting principles (GAAP). It combines the financial statements of the Redevelopment Agency of the City of Roseville (the "Agency"), the Roseville Finance Authority (the "Authority"), the Roseville Natural Gas Financing Authority (the "RNGFA", the Roseville Community Development Corporation (the "RCDC") and the City of Roseville Housing Authority (the "Housing Authority") with those of the City to constitute a single reporting entity. In accordance with the criteria of the Government Accounting Standards Board (GASB) Statement 14, the basic financial statements include the financial activity of the City, the Agency, the Authority, the Housing Authority, the RNGFA and the RCDC. The Agency, the Authority, the Housing Authority the RNGFA and the RCDC are separate legal entities from the City, but have the same governing board. The Agency, RNGFA and RCDC issue their own component unit financial statements. Separate financial statements are not issued for the Authority and the Housing Authority.

Roseville is a charter law city of the State of California. The City was incorporated in 1909 and operates under a Council-Manager form of government. The City's political and legislative body is the City Council and is empowered by the City's charter to formulate citywide policy, including a fiscal program, City services, and appointment of the City Manager and City Attorney. There are five City Council members who are elected at-large for staggered four-year terms, and the Mayor is determined by which member received the highest number of votes in the previous election.

Roseville is a full-service City providing a full range of municipal utilities and services. These include: police; fire; community development; parks and recreation; public libraries; planning; building and public facility inspection; engineering; streets; electric, water, wastewater and solid waste utilities; redevelopment; housing; and general administrative services.

Residents of the City desiring to assist the City Council in forming government policy may do so by serving on a City commission, committee, or board. The commissions, committees, and boards act in an advisory capacity to the City Council. They are The Board of Appeals, Cultural Arts Committee, Design Committee, Library Board, Parks and Recreation Commission, Personnel Board, Placer Mosquito & Vector Control District, Planning Commission, Public Utilities Commission, Roseville Grants Advisory Commission, Roseville Revitalization Committee, Senior Citizen Commission, and Transportation Commission.

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The economic condition of the City in fiscal year 2011 was stable. Overall general fund revenues were slightly higher than 2010; however, part of that was due to a catch-up payment from the State on the property tax in-lieu of sales tax revenue of approximately $2 million. Property taxes trended down and development revenues were down as well. Overall, general fund revenues reflected the fits and starts of the economy trying to recover from the recession. Housing starts and commercial development were down over previous years; however, a high percent of new development for the region occurred in Roseville.

The City continued efforts to reduce costs in order to match reductions in expenses. While expecting expenses greater than revenues at the start of the year, the year ended with a balance between revenues and expenses. While savings from vacant positions helped on the expense side, reductions in spending on non-personnel items were the primary savings driver. The City also received a savings from the early retirement option offered at the end of fiscal year 2011 without dipping into reserves, and to have reduced expenses to match expected drops in revenue for fiscal year 2011.

New housing permits continued to be pulled throughout the year, totaling 473 single-family permits finaled through June 2011. Although still a small number, and a drop from last years, this accounted for a large percentage of all residential permits pulled in the Sacramento region. Commercial development halted in fiscal year 2011, with no new commercial or business professional square footage added to the City. There was some industrial development; however, there are significant vacancy rates throughout the non-residential sector.

The electric utility's budget improved in FY11, reflecting the last of three 6.2 percent rate increases starting in January 2010 and ending in January 2011. The utility ended the year with a positive available resources balance; however, most of that is tied up in inventory. The revenue to expense outlook for the next several years projects the buildup of the rate stabilization fund back to policy levels, and should result in higher cash balances for the operating fund. Many of the issues that are likely to drive future rate increases will be state and federal mandates related to renewable energy and environmental concerns.

The environmental utilities (water, wastewater, and solid waste) all ended the year within or better than budgeted. These utilities have less volatile costs that allow more predictable cost structures. The water and wastewater utilities debt instruments performed well during fiscal year 2011. The water utility's debt is fixed rate; however, the wastewater utility includes a large amount of variable-rate debt. Some of the variable rate debt was converted to fixed rate debt and a portion of the variable rate debt was sold as index notes, which pay variable rate interest but do not require a letter-of-credit backing. The interest rates on this debt remained low through fiscal year 2011.

The Golf Course enterprise fund ended the year with operating revenues less than operating expenses. This was partially due to the economy, but also reflective of issues with nine holes at Woodcreek Golf Course that severely impacted rounds and revenue for much of last year. The golf courses are expected to operate in a profitable manner as the City has negotiated a revised operating contract. Improvements to the golf courses are planned in the next few years to keep the appearance and overall utility of the courses up-to-date.

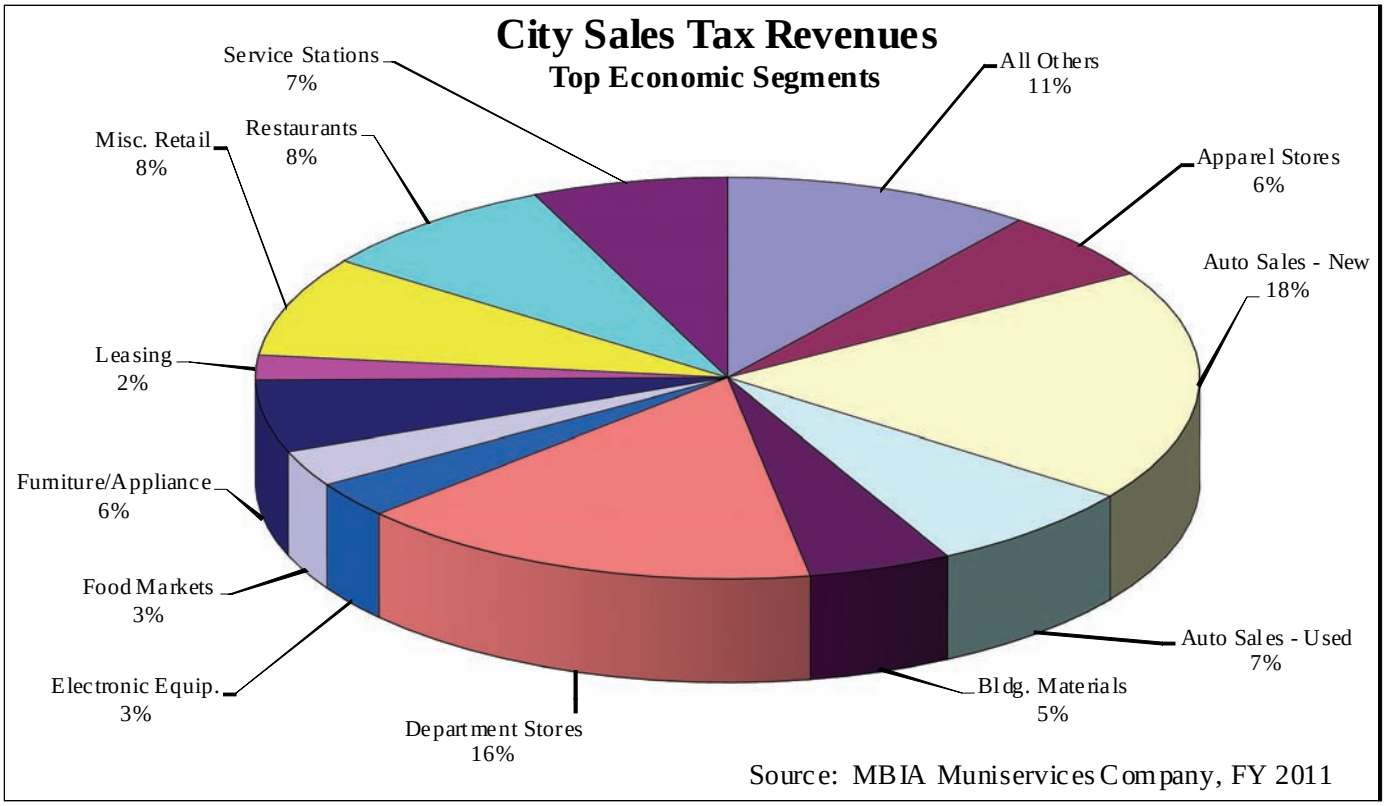
The School-Age Child Care Fund had operating revenues greater than operating expenses; however, the addition of facilities on the Johnson School Site and repayment of loans pushed total expenditures greater than revenue for the year. This program will continue to be monitored for fiscal effectiveness.

The long-term outlook for the City's economy is good. While housing starts are slow, new homes are still being built and sold. Office and retail vacancies remain significant, but this creates capacity for an economic recovery. Sales tax is trending up and new and diverse stores continue to be attracted to the retail core of the City. New auto sales were up in fiscal year 2010 compared to fiscal year 2009. This trend appears to be continuing into fiscal year 2012. Retail hardware sales continued to be down as well due to fallout from the housing slowdown.

On a short-term basis, the City will need to continue cost-cutting measures to bring costs in line with falling revenues. Since 2007, the City has been aggressive and proactive in cutting costs and has aggressively reduced materials and supply costs, defunded approximately 80 General Fund positions through attrition through fiscal year 2011, incentivized 120 employees throughout the organization to retire, and laid off 35 permanent positions in the General Fund. The City is responding to the ongoing economic challenges, and is planning cutbacks in service.

Top Sales Tax Generators by Economic Segment

The chart below provides an overview of the City's sales tax revenue by economic segment. Most sectors experienced increases over fiscal year 2010. Total sales taxes increased $5.5 million from 2010; however, about $2 million of this increase was the result of catch-up payments from the State on their property-tax in-lieu of sales tax payments. In the top five sales tax categories, four experienced increases in taxable sales. New auto sales, the largest sales-tax category, were up 9 percent from last year and up 13 percent from two years ago.



The outlook for the next two years is that sales taxes are most likely to continue increasing. The City is taking a conservative approach on sales taxes in its budgeting process.

Major Activities in the City

Many of the major activities undertaken in fiscal year 2011 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- Public Works: Various drainage, street improvements, and traffic signalization projects were completed.
- Water: Completion of the Citywide water meter retrofit program and rehabilitation of the Atlantic Street water transmission line.
- Wastewater: Ongoing improvement of treatment plants and wastewater collection system to conform to State water quality standards.
- Electric: Continued expansion of the electric distribution system.

- Parks and Recreation: Completion of the Maidu Museum and Historic Site, Fred Festersen Park, Bud Nichols Park and Harrigan Greens.
- Redevelopment: Completion of Riverside streetscape and infrastructure improvement project.

Private development has continued to be slow in fiscal year 2011. Single-family residential decreased significantly compared to last fiscal year as only 473 new units were added. Only 49 multi-family residential units were added in 2011. Commercial development and office development came to a halt in fiscal year 2011; however, industrial increased slightly during the year. Overall trends in development have been down, and it is expected that the coming 12 to 24 months will result in stagnant development in all sectors.

Development Type	Number of Units	New Square Feet Occupied
Single-family residential	473	
Multi-family residential	49	
Industrial		231,950
Commercial		0
Business professional		0

The proposed major growth areas of the Sierra Vista and Creekview Specific Plan areas are on the boundary of the West Roseville Specific Plan. The Sierra Vista and Creekview areas were annexed in November of 2011. Sierra Vista is fully entitled, the Creekview project continues to be processed. A reserve area of the Sierra Vista plan was also annexed and is going through the entitlement process. Creekview's Specific Plan is scheduled to be adopted in the spring of 2011, but may be delayed. A third development project, Amoruso Ranch, is also starting the entitlement process.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurances regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. 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 evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. Finance Department staff remains committed to improving the City's accounting system, maintaining the City's internal accounting controls to adequately safeguard assets, and providing reasonable assurances of proper recording of financial transactions. Budgetary control is directed by the City Council by ordinance when the budget is adopted each year. Expenditures may not legally exceed appropriations at the department level by major summary category. The City utilizes the encumbrance system as a management control technique to assist in controlling expenditures. Periodic reports of revenue, expense, and investment activity are prepared and distributed to the City Council and City departments to monitor spending in relation to the budget. At fiscal year-end, open encumbrances are reported as reservations of the fund balance. The City's accounting records are organized and operated on a "fund" basis, which is the basic fiscal and accounting entity in governmental accounting. Each fund is classified by category and fund type:

	Category Fund Type
Governmental Funds:	General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Permanent Funds
Proprietary Funds:	Enterprise Funds and Internal Service Funds
Fiduciary Funds:	Agency Funds, OPEB Trust Fund and Endowment Private-Purpose Trust Fund

Governmental Funds: The basic financial statements necessary to fairly present the financial position and operating results from major governmental funds are: the balance sheet, and the statement of revenues, expenditures and changes in fund balance. These funds are maintained using the modified accrual basis of accounting, which is more thoroughly explained in the Notes to the Financial Statements.

Proprietary Funds: Generally accepted accounting principles applicable to private commercial business are applicable to proprietary funds of a government agency. The basic financial statements required to present the financial position and operating results from major proprietary funds are the statement of net assets; statement of revenues, expenses, and changes in net assets; and the statement of cash flows. The full-accrual basis of accounting is utilized as explained in the Notes to the Financial Statements.

Fiduciary Funds: Fiduciary funds are used to account for assets held by a government agency acting as a trustee or agent for individuals, assessment districts, organizations, other governmental units, or other funds of the same entity. The modified accrual basis of accounting is used for Agency Funds while full-accrual basis of accounting is used for the Trust Funds as explained in the Notes to the Financial Statements.

CASH MANAGEMENT

The City has a formal investment policy, which is subject to annual review and approval by the City Council. Available cash for operations and capital was invested in the State Treasurer's Local Agency Investment Fund (LAIF), corporate notes, money market funds, commercial paper, and government securities. Restrictions on the maturity and percentage of the investments and categorization of credit risk are discussed in the Notes to the Basic Financial Statements. The City's portfolio is invested mainly in Federal Agency Issues and U.S. Treasury Coupons. The average annual yield was 1.03% on the City's month-end average investment balances. This compared with a return of 1.45% in the prior year. As of June 30, 2011, the yield to market of outstanding investments was 1.27%. This decrease was the result of an overall falling interest rate environment. Investment income includes changes in the fair market value of investments. Decreases in fair market value during the current year do not necessarily represent trends that will continue. The City's policy is to generally hold investments to maturity, and to limit sales of securities to those that show gains in market value.

Due to the ongoing financial crisis, the City closely monitors all investments. The City has exposure to financial institutions in the form of corporate notes; however, most of the corporate notes held by the City are fully FDIC insured. Additionally, the City owns a good deal of Fannie Mae and Freddie Mac agency bonds. No losses have occurred in these portfolios as a result of the financial crisis. The tables below provide a list of corporate bond exposure and federal agency funds that have been in financial difficulty.

Overall City Investment Portfolio as of 06/30/2011

ISSUER	PAR	AVG DAYS TO MATURITY	AVG YIELD TO MATURITY
Certificate of Deposits			
Barclays Bank	$ 10,500,000.00	64	0.900%
Bank of Nova Scotia	10,000,000.00	498	0.540%
	20,500,000.00		
Corporate Notes			
General Electric	9,500,000.00	809	1.930%
IBM Corp	11,650,000.00	1047	1.280%
Johnson & Johnson	11,650,000.00	1416	1.730%
JP Morgan	8,850,000.00	823	1.650%
Procter & Gamble	410,000.00	1326	1.720%
US Bancorp	6,770,000.00	806	1.420%
Wells Fargo	1,440,000.00	835	3.768%
WalMart	5,250,000.00	1142	2.173%
	55,520,000.00		
Fed Agencies/Treasury			
FHLB	45,355,000.00	528	1.366%
FHLMC	56,235,000.00	653	1.243%
FNMA	75,160,000.00	754	1.260%
USTR	60,350,000.00	785	0.838%
	237,100,000.00		
Total Investments:	**$ 313,120,000.00**		

LONG-TERM FINANCIAL PLANNING

The City of Roseville has consistently planned its budgets with an eye to the long-term needs of the City. This is accomplished through the establishment of several funds that serve to direct City revenues to long-term financial needs. This ensures that funding is available for needs as they arise. These funds include:

Operating Reserves: The City maintains an operating reserve in its General Fund of 10 percent of operating expenses, less indirect cost transfers from Enterprise Funds. Additionally, the City attempts to maintain a similar operating reserve in all of the City-owned utilities. These reserves guard against impacts from sudden changes in revenues. The Electric Utility's reserve is housed in its Rate Stabilization Fund.

Rate Stabilization Funds: The Electric Department maintains a rate stabilization fund targeted at a minimum policy level of 60 percent of operating expenses. This allows the City time to react with major changes to the cost of electricity without having to impose an emergency rate increase. The City also uses this fund as a reserve for the Electric utility. Rate stabilization funds are also used in the Environmental Utilities to help ease the impacts of rate increases over a period of years.

CIP Rehabilitation Fund: The City has set aside approximately $12.5 million in a CIP Rehabilitation Fund for the purpose of maintaining the City's investments in buildings and park facilities. These funds are used to provide necessary maintenance and improvements to City-owned facilities. The Council's goal is to increase this balance of this fund to keep pace with the improvements needed to maintain City facilities.

Automotive Replacement Fund: The City funds the cost of replacement vehicles over the useful life of the vehicle. This ensures that monies are available to keep the City's vehicle fleet operating properly and safely.

Strategic Improvement Fund: The City developed a fund several years ago that provides Council with funds that can be used for periodic, strategic investments on behalf of the City. This fund has been used to acquire land and fund improvements, primarily in redevelopment areas.

OPEB Trust: The City set up the Post-Retirement Fund in 2002 to begin setting aside monies to address the City's long-term liability for post-retirement health benefits. In addition to one-time monies transferred into this fund, the City has transferred 3 percent of the total cost of salaries for several years; however, the General Fund portion of this transfer was not made in fiscal year 2011. The City is in the process of reviewing its benefit levels. In fiscal year 2011, the City established an irrevocable trust and moved $34 million of accumulated revenues into the OPEB Trust. This has increased the longer-term investment return on the funds, thus lowering the City's unfunded liability.

INDEPENDENT AUDIT

Each year the City requires an independent annual audit of the City's financial records, the results of its operations, and cash flows. This report includes the opinion of the City's independent auditors, Maze & Associates, for the basic financial statements of the City. In addition, a separately issued document contains the auditors' reports on the internal control structure and compliance with applicable laws and regulations related specifically to the single audit.

AWARD

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 of Roseville for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government unit 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.

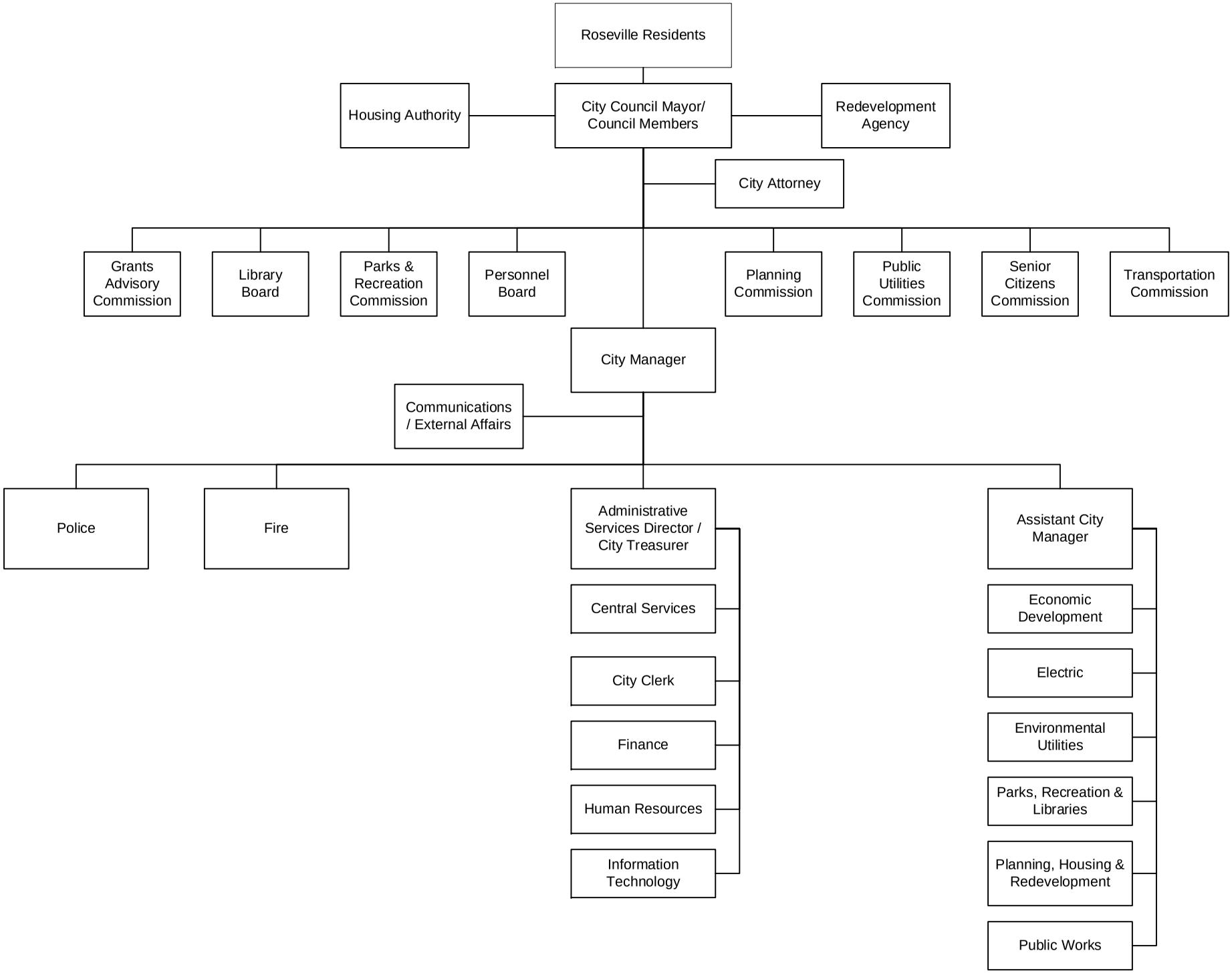
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

I extend my appreciation to the entire staff in the Finance Department and other departments who assisted in the process of compiling the information for this report. In addition, I extend a special "thank you" to the City's Accounting Division staff and our external auditors who contributed long hours to make this document possible. Their efforts and continued dedication are greatly appreciated. I sincerely thank the Mayor, members of the City Council and City Manager, for their support, interest, and integrity in directing the financial affairs of the City in a responsible, professional, and progressive manner.

Respectfully submitted,

Russ Branson
Assistant City Manager



Organizational Chart: City Wide

CITY OF ROSEVILLE

ELECTED OFFICIALS

JUNE 30, 2011

Mayor	Pauline Roccucci
Vice Mayor	Susan Rohan
Council Member	John B. Allard
Council Member	Carol Garcia
Council Member	Tim Herman

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roseville California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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

President

Executive Director

MAZE & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

Honorable Mayor and City Council
City of Roseville, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, (City) California, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the respective financial 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, 2011, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As disclosed in Note 21, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. These conditions raise substantial doubt about the ability of the Redevelopment Agency of the City of the City of Roseville, a component unit of the City, to continue as a going concern. However, on August 11, 2011, the California Supreme Court issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the partial stay did not include the section of ABx1 26 that suspends all new redevelopment activities. As a result, the accompanying financial statements have been prepared assuming that the Redevelopment Agency of the City of the City of Roseville will continue as a going concern. The activities of the Redevelopment Agency of the City of the City of Roseville are included in the Redevelopment Agency of the City of the City of Roseville Special Revenue Fund of the accompanying financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As of July 1, 2010, the City adopted the provisions of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions.* As discussed in Note 11 to the financial statements, the provisions of this statement affect the classification of fund balances reported in the financial statements.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Supplemental Information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedure applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mayer & Associates

November 21, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011

The following discussion provides readers of the City of Roseville's financial statements a narrative overview and analysis of the financial activities of the City of Roseville for the fiscal year ended June 30, 2011. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

The economy has continued to affect Roseville in reduced property taxes and charges for services, as it has for most of the state. The City's financial highlights are presented below:

FISCAL YEAR 2011 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2011 include the following:

Entity-wide:

- The City's total net assets were $2.4 billion as of June 30, 2011. Of this total, $1.1 billion were Governmental assets and $1.3 billion were Business-type assets.
- Governmental revenues include program revenues of $44.1 million and general revenues and transfers of $108.1 million for a total of $152.2 million.
- Governmental expenses were $160.1 million.
- Business-type program revenues, interest revenue and miscellaneous revenues were $291.9 million while Business-type expenses and transfers were $282.0 million.

Fund Level:

- Governmental Fund balances increased slightly to $206.8 million in fiscal year 2011, up $0.8 million from the prior year.
- Governmental Fund revenues decreased to $123.9 million in 2011, down $16.3 million from the prior year. This was primarily due to decreases of $8.9 million in subventions and grants, due to large one-time ARRA grants in fiscal year 2010; $3.0 million in miscellaneous revenues, of which $1.7 million was due to a change in presentation for certain revenues from miscellaneous in the prior year to charges for services in the current year; and $6.4 million in use of money and property. However, there were increases of $2.4 million in taxes primarily due to sales taxes increasing in fiscal year 2011, though being offset by property taxes which have continued to decline. Governmental Fund expenditures decreased to $143.8 million in fiscal year 2011, down $29.8 million from the prior year. The decreases were primarily due to $16.1 million reduction of capital outlay costs; $7.1 million from community development and planning, of which $3.4 million was from redevelopment; $1.2 million in police; and $4.5 million in interest and fiscal charges.
- Other Financing Sources provided a net of $20.8 million in fiscal year 2011, down $5.8 million from 2010, $2.8 million of which is due to the change in presentation of contributions from developers was to Revenues in the current year.

General Fund:

- General Fund revenues of $88.9 million were $2.7 million higher than the prior year as taxes increased $3.4 million.
- General Fund expenditures of $105.6 million represented a decrease of $3.1 million over the prior year.
- Other Financing Sources were $29.8 million, an increase of $8.4 million from 2010, due to the reestablishment of advances to the Redevelopment Agency totaling $9.8 million.
- The General Fund balance of $68.1 million as of June 30, 2011 was up from fiscal year 2010's fund balance of $55.1 million, primarily due to the advances to the Redevelopment Agency above.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is divided into six parts:

1) Introductory section, which includes the Transmittal Letter and general information,
2) Management's Discussion and Analysis (this section),
3) The Basic Financial Statements, which include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
4) Required Supplemental Information,
5) Combining statements for Non-major Governmental Funds and Fiduciary Funds,
6) Statistical information

The Basic Financial Statements

The Basic Financial Statements comprise the Entity-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The Entity-wide Financial Statements provide an overview of the City's activities, and are comprised of the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full-accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the City's revenues and all of its expenses, also on the full-accrual basis, with the emphasis on measuring net revenues or expenses of each the City's major functions. The Statement of Activities explains in detail the change in Net Assets for the year.

All of the City's activities are grouped into either Government Activities or Business-type Activities, as explained below. The amounts in the Statement of Net Assets and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities for the City.

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

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The Fiduciary Statements provide financial information about the activities of the Community Facilities Districts and certain other entities for which the City acts solely as agent. The Fiduciary Statements provide information about the cash balances and activities of these Districts and other entities. These statements are separate, and their balances are excluded, from the City's basic financial statements.

The Entity-wide Financial Statements

Entity-wide financial statements, prepared on the accrual basis, measure the flow of all economic resources of the City.

The Statement of Net Assets and the Statement of Activities present information about the following:

- ***Governmental Activities***—All of the City's basic services are considered to be governmental activities. These services are supported by general City revenues such as taxes, and by specific program revenues such as user fees and charges.

  The City's governmental activities also include the activities of five separate legal entities, the Redevelopment Agency of the City of Roseville, the Roseville Finance Authority, the City of Roseville Housing Authority, the Roseville Natural Gas Financing Authority and the Roseville Community Development Corporation. The City is financially accountable for these entities.

- ***Business-type Activities***—The City's enterprise activities of electric, water, wastewater, solid waste, natural gas, golf course, local transportation, and school-age child care are reported in this area. Unlike governmental activities, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major Funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of City's activities.

In the City's case, the Redevelopment Agency of the City of Roseville Fund and the Community Facilities District Projects Fund are the only Major Governmental Funds in addition to the General Fund.

All eight of the City's Enterprise Funds are reported as Major Funds.

Fund Financial Statements include governmental and proprietary funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis. This means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Enterprise and Internal Service Fund Financial Statements are prepared on the full-accrual basis, and include all of their assets and liabilities, current and long-term.

Since the City's Internal Service Funds provide goods and services only to the City's governmental and business-type activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City Funds. These revenues are eliminated in the Entity-wide Financial Statements and any related profits or losses are returned to the activities which created them, along with any residual net assets of the Internal Service Funds.

Comparisons of Budget and Actual financial information are presented only for the General Fund and the Redevelopment Agency of the City of Roseville Fund, as required by GASB 34.

Fiduciary Statements

The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Assets and the Agency Funds' Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

This analysis focuses on the net assets and changes in net assets of the City as a whole. Tables 1, 2, and 3 focus on the City's Governmental Statement of Net Assets and Statement of Activities, while Tables 4, 5, and 6 focus on the City's Business-type Statement of Net Assets and Statement of Activities.

Governmental Activities

Table 1
Governmental Net Assets at June 30
(in Millions)

	2011	2010
Cash and Investments	$254.3	$292.7
Other Assets	53.4	49.7
Capital Assets	864.4	867.8
Total Assets	**1,172.1**	**1,210.2**
Long-Term Debt Outstanding	49.9	51.3
Other Liabilities	65.0	95.8
Total Liabilities	**114.9**	**147.1**
Net Assets:		
Invested in Capital Assets, Net of Debt	827.8	821.0
Restricted	144.6	141.9
Unrestricted	84.8	100.2
Total Net Assets	**$1,057.2**	**$1,063.1**

The City's governmental net assets amounted to $1.1 billion as of June 30, 2011, a slight decrease from fiscal year 2010. The City's net assets as of June 30, 2011 comprised the following:

- Cash and investments comprised $235.7 million in the city treasury and $18.6 million of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.

- Receivables comprised $17.2 million of which were current, along with deferred receivables of $2.2 million and notes receivable of $24.9 million that are due over longer periods of time, as explained in Notes 5 and 6 to the financial statements.

- Capital assets of $864.4 million, net of depreciation charges, includes all of the City's infrastructure as well as other capital assets used in governmental activities, as discussed in Note 8.

- Current liabilities—including accounts payable, claims, and other amounts due currently—totaled $26.9 million.

- Accrued compensated absence liabilities payable to employees of $10.5 million, as explained in Note 1G to the financial statements.

- $15.4 million of unfunded required contributions to the Other Post Employment Benefits (OPEB) as required by GASB 45 and detailed in Note 13.

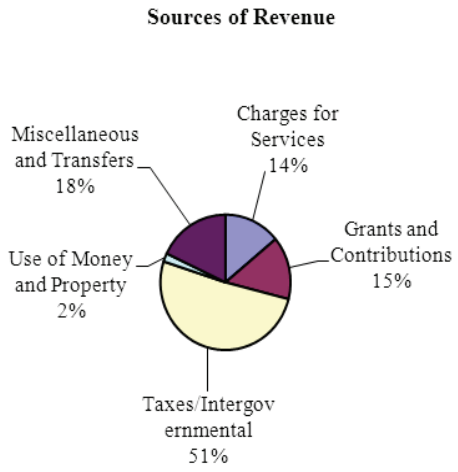
- Long-term debt of $49.9 million, of which $48.4 million is due in future years and $1.5 million is due currently, as detailed in Note 9.

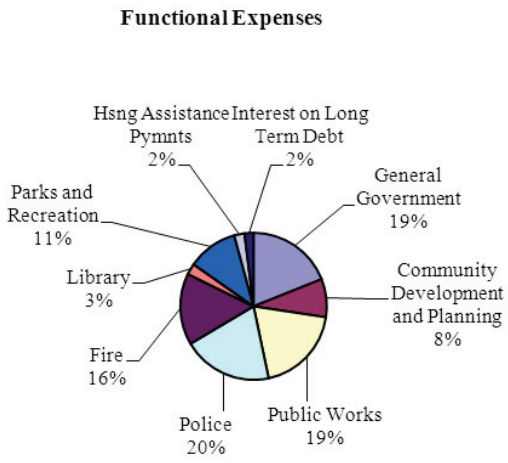
- Net assets invested in capital assets net of related debt of $827.8 million, representing the City's investment in infrastructure and other capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.

- Restricted net assets totaling $144.6 million may only be used to construct specified capital projects, for debt service, or for community development projects. The restrictions on these funds cannot be changed by the City.

- Unrestricted net assets can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had $84.8 million of unrestricted net assets as of June 30, 2011. While these assets are technically unrestricted, most of these assets are designated for a specific use.

Fiscal Year 2011 Governmental Activities





As the Sources of Revenue Chart above shows, $77.2 million, or 51% of the City's fiscal year 2011 governmental activities revenue, came from taxes and unrestricted intergovernmental revenues (motor vehicle-in-lieu), while $22.7 million or 15% came from grants and contributions, $21.4 million, or 14%, came from charges for services, and the remainder came from a variety of sources, as shown above.

The Functional Expenses Chart above includes only current year expenses; it does not include capital outlays, which are added to the City's capital assets. As the Chart shows, general government was $30.4 million, or 19% of total government expenses, community development and planning was $13.4 million, or 8%, public works was $30.9 million, or 19%, police was $31.7 million, or 20%, fire was $25.2 million, or 16%, parks and recreation was $17.7 million, or 11%, and other governmental programs and functions were the remaining 7%.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Assets are summarized below.

Table 2
Changes in Governmental Net Assets
June 30
(in Millions)

	Governmental Activities	
	2011	2010
Expenses		
General Government	$30.4	$31.6
Community Development and Planning	13.4	20.0
Public Works	30.9	33.1
Police	31.7	34.2
Fire	25.2	27.6
Library	3.9	4.7
Parks and Recreation	17.7	18.4
Housing Assistance Payments	3.7	3.6
Interest on Long-Term Debt	3.2	7.1
Total Expenses	**160.1**	**180.3**
Revenues		
Program Revenues:		
Charges for Services	21.4	21.5
Operating Grants and Contributions	11.0	15.3 *
Capital Grants and Contributions	11.7	27.1
Total Program Revenues	**44.1**	**63.9**
General Revenues:		
Taxes/Intergovernmental	77.2	75.0 *
Use of Money and Property	3.7	4.7
Miscellaneous	1.1	1.9
Total General Revenues	**82.0**	**81.6**
Total Revenues	**126.1**	**145.5**
Changes in Net Assets before Transfers	**(34.0)**	**(34.8)**
Transfers	26.1	23.8
Change in Net Assets	**(7.9)**	**(11.0)**
Net Assets-Beginning, as restated	**1,065.1**	**1,076.1**
Net Assets-Ending	**$1,057.2**	**$1,065.1**

* For the year ended June 30, 2011, certain account classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform with the 2010-11 presentation.

As the Sources of Revenue Chart and **Table 2** above show, $44.1 million, or 35.0% of the City's fiscal year 2011 governmental revenue, came from program revenues and $82.0 million, or 65.0%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of $21.4 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; $11.0 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of $11.7 million that consist mainly of street project grants, developer impact fees restricted to capital outlay. Capital grants and contributions decreased as the City had taken advantage of the federal ARRA (American Recovery and Reinvestment Act) grants to complete capital improvement projects in fiscal year 2010.

General Revenues-Taxes/Intergovernmental showed a increase of $2.2 million, as sales taxes increased but property taxes continued to decline. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

Table 3 presents the net (expense) or revenue of each of the City's governmental activities, including interest on long-term debt. Net expense is defined as total program cost less the revenues generated by those specific activities.

Table 3
Governmental Activities
June 30
(in Millions)

	Net (Expense)/Revenues from Services	
	2011	2010
General Government	($26.1)	($25.1)
Community Development and Planning	(9.4)	(9.9)
Public Works	(17.8)	(13.0)
Police	(28.7)	(31.1)
Fire	(22.7)	(24.6)
Library	(3.5)	(4.0)
Parks and Recreation	(5.7)	(4.9)
Housing Assistance Payments	1.1	0.4
Interest on Long Term Debt	(3.2)	(7.1)
Totals	**($116.0)**	**($119.3)**

Business-type Activities

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

Table 4
Business-Type Net Assets at June 30
(in Millions)

	2011	2010
Cash and Investments	$157.3	$145.9
Other Assets	452.5	450.9
Capital Assets	1,475.0	1,479.5
Total Assets	**2,084.8**	**2,076.3**
Long-Term Debt Outstanding	605.1	624.1
Other Liabilities	157.5	125.6
Total Liabilities	**762.6**	**749.7**
Net Assets:		
Invested in Capital Assets, Net of Debt	1,070.9	1,063.9
Restricted	26.8	43.6
Unrestricted	224.5	219.1
Total Net Assets	**$1,322.2**	**$1,326.6**

The net assets of business-type activities decreased to $1.322 billion in fiscal year 2011, a decrease of $4.4 million. Cash and investments increased by $11.4 million. Long-term debt outstanding decreased by $19.0 million from the combination of the issuance of refunding bonds in the current year, offset by the retirement of the refunded bonds and scheduled retirements of outstanding debt. Other assets and other liabilities increased by $1.6 million and $31.9 million respectively.

Table 5
Changes in Business-Type Net Assets
June 30
(in Millions)

	Business-Type Activities	
	2011	2010
Expenses		
Electric Fund	$148.3	$172.5
Water Fund	22.3	23.0
Wastewater Fund	29.5	29.2
Solid Waste Fund	15.0	15.2
Natural Gas	27.1	27.4
Golf Course Fund	2.8	2.8
Local Transportation Fund	6.6	7.1
School-Age Child Care Fund	4.3	4.2
Total Expenses	**255.9**	**281.4**
Revenues		
Program Revenues		
Charges for Services	256.5	250.4
Operating Grants and Contributions	6.2	6.3
Capital Grants and Contributions	16.4	26.6
Total Program Revenues	**279.1**	**283.3**
General Revenues		
Use of Property and Money	12.8	15.4
Total Revenues	**291.9**	**298.7**
Change in Net Assets before Special	**36.0**	**17.3**
Transfers	(26.1)	(23.8)
Changes in Net Assets	**9.9**	**(6.5)**
Net Assets-Beginning, as restated	**1,312.3**	**1,318.8**
Net Assets-Ending	**$1,322.2**	**$1,312.3**

Business-type program revenues, interest revenue, and miscellaneous revenues were $291.9 million while Business-type expenses and transfers were $282.0 million in 2011. Each program is discussed in the Proprietary Funds section below.

Table 6 summarizes the financial activity of the business-type programs, the detail of which is discussed under the Proprietary Funds section below.

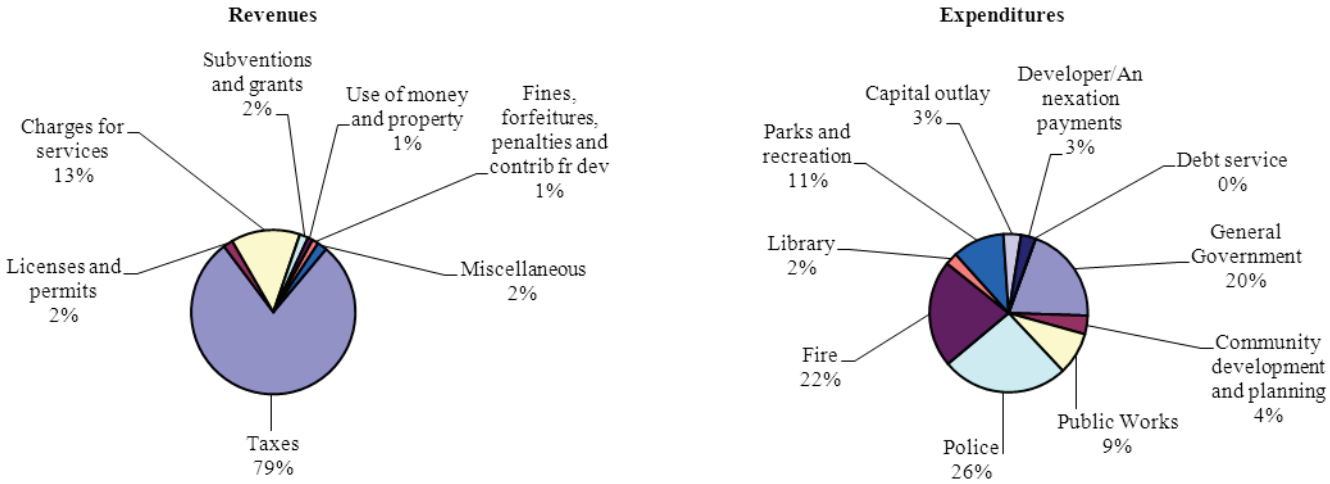
Table 6
Changes in Business-Type Net Assets
(in Millions)

	Net (Expense)/Revenues From Services	
	2011	2010
Electric Fund	$16.9	($7.0)
Water Fund	1.7	2.7
Wastewater Fund	10.1	12.2
Solid Waste Fund	5.9	5.3
Natural Gas	(10.6)	(10.8)
Golf Course Fund	(0.4)	0.0
Local Transportation Fund	(0.8)	(0.9)
School-Age Child Care Fund	0.4	0.4
Totals	**$23.2**	**$1.9**

Analyses of Major Governmental Funds

General Fund

Fiscal Year 2011 General Fund Activity



General Fund revenues increased net $2.7 million this fiscal year due primarily to an increase in sales taxes of $5.2 million, but this was offset by decreases in property taxes and use of money and property. Total actual revenues were slightly less than the final budget, with the following major breakdown:

- Taxes were more than budget by $1.2 million, due to the above mentioned sales tax increase;
- Subventions and grants were less budget by $1.0 million due to several grants and reimbursements not being paid until fiscal year 2012;
- Contributions from developers and licenses and permits were less than budget by $1.0 million and $0.3 million, respectively, due to a lack of development activity.

General Fund expenditures were $105.6 million, a decrease of $3.1 million from the prior year, as most departments continued to cut back. Expenditures were also $14.7 million less than budget. The original budget was increased by a net $6.9 million, from encumbrances and incomplete capital projects carried over from fiscal year 2010. The following is a list of the major differences:

- Information technology's operating services and supplies was under budget by $700 thousand due to several technology upgrades not completed in fiscal year 2011;
- Public works' operating services and supplies was under budget by $880 thousand due to maintenance projects being delayed by staff reductions;
- Police's salaries and benefits budget was under by $780 thousand due to positions being vacant longer than anticipated;
- Parks and recreation's salaries were under budget by $942 thousand due to vacant positions and cutbacks to programs;
- Capital outlay was under budget by $8.5 million as most capital projects were carried over to fiscal year 2012.

Other financing sources and uses reported net inflows of $29.8 million in fiscal year 2011, an increase of $8.4 million due to the reestablishment of advances to the Redevelopment Agency totaling $9.8 million.

As of June 30, 2011, the General Fund's fund balance totaled $68.1 million, including $23.7 million nonspendable, mostly for advances to other funds, $5.3 million assigned to various contracts, and the balance of $39.1 million considered unassigned. Only the unassigned portion of fund balance represents available liquid resources, since the nonspendable and assigned portions is represented by non-cash assets or by open purchase orders.

Redevelopment Agency of the City of Roseville

This Fund accounts for the Redevelopment (RDA) activity including capital projects in the downtown redevelopment area funded by tax allocation bonds. Net assets decreased by $12.0 million, of which $2.4 million was for the Supplemental Educational Revenue Augmentation Fund (SERAF) payments, $9.8 million was the result of the increase in advances from the General Fund that were used to fund various projects of the Agency and $2.2 million was for additional capital improvement projects. The RDA owes other City funds $28.5 million, which will be repaid from future tax increment revenues.

Community Facilities District Projects

This Fund accounts for capital expenditures on community facilities districts in the City. The purpose of these districts is to finance the construction of capital improvements within the boundaries of each district, through the contribution of Mello-Roos bond proceeds. The improvements are contributed to the City, which in turn acquires and pays for these facilities from the developers who actually construct the improvements. In fiscal year 2011 net assets decreased by $1.8 million. The largest projects underway in fiscal year 2011 were improvements to the North Roseville, North Central and Fiddyment developments, and the Automall.

Other Governmental Funds

These funds are not presented separately in the Basic Financial statements, but are individually presented as Supplemental Information.

Proprietary Funds

Electric Fund

Net assets of the Electric Fund increased $1.0 million in fiscal year 2011 to a total of $248.3 million. Operating revenues were $163.2 million, a slight decrease of $0.1 million from 2010. Operating expenses were $137.1 million in fiscal year 2011, a decrease of $22.9 million due to across the board lower expenses, especially power supply. This resulted in a net operating income of $26.1 million. During the fiscal year, the Fund issued the 2010 Electric System Revenue Refunding Bonds to complete a current refunding of the 2008 Electric System Revenue, Series B Bonds. Nonoperating decreases due to increased interest expenses, costs of issuance related to the above Bonds, and a decrease of the change in NCPA reserves resulted in a net nonoperating expenses of $13.5 million.

Of the fund's Net Assets of $248.3 million, $174.7 million was invested in capital assets, $16.5 million was restricted for debt service, and $57.1 million was unrestricted.

Water Fund

Net assets of the Water Fund decreased $1.6 million in fiscal year 2011. Operating revenues increased slightly by $0.5 million in fiscal year 2011 to a total of $18 million, while expenses decreased $0.4 million to a total of $20.7 million. The net result was an operating loss of $2.7 million. Rates are anticipated to be increased in fiscal year 2012. In fiscal year 2011, capital connection fees were $2.7 million, a decrease of $1.5 million; and contributions from developers were $3.1 million, a decrease of $1.6 million, as development continued to be slow. In addition, net transfers out were $3.6 million.

As of June 30, 2011, the Fund's Net Assets were $447.4 million, of which $392.1 million was invested in capital assets, $4.3 million was restricted for debt service, and $51.0 million was unrestricted as to use.

Wastewater Fund

Operating revenues decreased in fiscal year 2011 $5.5 million to a total of $30.5 million. Operating expenses increased to $27.3 million, up $0.6 million. The net result was an operating income of $3.2 million. Other items that affected net assets were: connection fees of $3.3 million; capital contributions of $5.4 million from developers and South Placer Wastewater Authority; and net transfers out of $4.3 million. During the fiscal year, the South Placer Wastewater Authority issued the 2011 Refunding Wastewater Revenue Bonds, Series A B C and D to complete a current refunding of the 2008 Refunding Wastewater Revenue Series A and B Bonds, and the Wastewater Fund recorded its share of this transaction. The total increase to net assets was $5.6 million for fiscal year 2011 to a total of $589.3 million. As of June 30, 2011, of the Fund's Net Assets, $475.2 million was invested in capital assets, $5.1 million restricted for debt service, and $109.0 million was unrestricted.

Solid Waste Fund

Operating revenues increased nominally by $0.6 million to $20.7 million while operating expenses increased slightly by $0.1 in fiscal year 2011 to $15.3 million. Net operating income was $5.4 million. Capital impact fees were $0.2 million. Rates are anticipated to be increased in fiscal year 2012. Net transfers out were $2.5 million. As of June 30, 2011, total net assets were $15.2, an increase of $3.2 million.

Roseville Natural Gas Financing Authority

This fund was created as the financing mechanism to purchase pre-paid natural gas for the Roseville Energy Park (REP), an electric power plant, through the issuance of revenue bonds. $200.9 million remain due in bonds payable, while the pre-paid natural gas is $202.7 million. $9.0 million in debt service was expensed in 2011 and interest earnings were $11.1 million. Net assets increased by $0.5 million to $2.4 million.

Golf Course Fund

Operating revenues decreased slightly by $0.4 million in fiscal year 2011 to $2.4 million. Operating expenses remained relatively flat at $2.5 million. In addition, there was a restatement of net assets of previously unrecorded interfund interest expenses of $2.0 million related to an advance from the Automotive Replacement Internal Service Fund. As a result, the Fund's net assets decreased to $7.1 million. The Fund is financed in part by advances from other City funds; as a result, it has a deficit in its unrestricted net assets, partially offsetting the $9.7 million it has invested in capital assets, net of the related debt.

Local Transportation Fund

Net assets of the Fund decreased $0.9 million in fiscal year 2011, and beginning net assets of the Fund were restated and reduced in the amount of $12.3 million due to a change to report the unspent grant allocations as unearned revenue. There was a $5.7 million operating loss in fiscal year 2011, but most of the loss was offset by subventions and grants of $4.9 million. As of June 30, 2011, of the Fund's Net Assets of $13.3 million, $13.0 million was invested in capital assets and $0.3 million was restricted for use in local transportation.

School-Age Child Care Fund

Net assets of the Fund remained relatively flat with a nominal decrease of $0.1 million in fiscal year 2011 to a total of $0.7 million. Operating revenues decreased $0.1 while operating expenses increased slightly by $0.2 million. Of the net assets, $1.3 million were invested in capital assets, which leaves a negative $0.6 million in unrestricted net assets.

CAPITAL ASSETS

In fiscal year 2002, the City started recording the cost of its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. Infrastructure includes roads, bridges, signals and similar assets used by the entire population. The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 7 below:

Table 7
Capital Assets at Year End
(in Millions)

	Balance at June 30, 2011	Balance at June 30, 2010
Governmental Activities		
Land	$27.2	$27.0
Streets (modified)	248.4	244.2
Parks (modified)	81.5	78.4
Landscaping (modified)	42.9	41.3
Construction in Progress	117.8	127.7
Buildings	126.4	124.6
Improvements	5.5	5.0
Equipment	69.6	69.2
Bike Paths	8.3	8.3
Bridges	56.4	56.4
Culverts	20.2	20.2
Curb, Gutter, Sidewalk, & Median Curbs	142.1	140.6
Drain Inlets	20.6	20.3
Flood Control Improvements	17.6	17.4
Soundwall	30.9	25.9
Stormdrains	70.9	70.3
Traffic Signals	32.8	27.8
Less: Accumulated Depreciation	(254.7)	(236.8)
Governmental Activity Capital Assets, Net	**$864.4**	**$867.8**

	Balance at June 30, 2011	Balance at June 30, 2010
Business-Type Activities		
Land	$16.4	$16.4
Landscaping (modified)	0.6	0.6
Construction in Progress	30.1	103.5
Buildings	24.6	24.4
Improvements	16.8	16.0
Machinery and Equipment	24.6	24.7
Bike Paths	3.9	3.3
Bridges	1.7	1.7
Culverts, drains, curbs	0.4	0.4
Plant and Substations	349.7	344.9
Distribution	1,159.2	1,061.6
Generation	200.9	197.6
Less: Accumulated Depreciation	(353.9)	(315.6)
Business-Type Activity Capital Assets, Net	**$1,475.0**	**$1,479.5**

Detail on capital assets, current year additions and construction in progress can be found in Note 8.

The City depreciates all its capital assets over their estimated useful lives, except for streets, parks and landscaping, which are reported using the Modified Approach. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 8 to the financial statements. The Modified Approach requires the City to employ an asset management system that maintains a current inventory of these assets, estimates annual costs to maintain them, and assesses the condition of the assets in a replicable way.

The City uses a computerized Pavement Management System to track the condition levels of each of the street sections. The City has adopted a policy of maintaining arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.8, which means that, on average, the City's streets must be maintained at no less than 78% of pavement in perfect condition.

At June 30, 2011, the City's streets averaged 8.3 PQI for arterial and collector roadways and 7.8 PQI for residential roadways. The City expended $6.4 million on preservation of its streets in fiscal year 2011, compared to the budgeted amount of $4.2, and plans to spend $5.5 million in fiscal year 2012.

The City uses a computerized Grounds Management System to track the condition levels of each of the parks and landscaping. The City has adopted a policy of maintaining parks and landscaping at an average Ground Management Index (GMI) of Level 3, which means that, on average, the City's parks and landscaping must be maintained at no less than 78% of parks and landscaping maintained at a state-of-the-art level.

At June 30, 2011, the City's parks and landscaping averaged 3 GMI. The City expended $4.4 million on preservation of its parks and landscaping in fiscal year 2011, compared to the budget of $4.7 million, and plans to spend $4.8 million in fiscal year 2012.

DEBT ADMINISTRATION

The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note 9 to the financial statements. As of June 30, the City's debt comprised:

Table 8
Outstanding Debt
(in Millions)

	Balance at June 30, 2011	Balance at June 30, 2010
Governmental Activity Debt:		
Certificates of Participation:		
2003A Public Facilities Bond, 2.0%-5.0%, due 8/1/25	$13.89	$14.56
Tax Allocation Bonds		
2002 Roseville Redevelopment Project 3%-5.14% due 9/1/33	12.28	12.59
2006 Roseville Redevelopment Project, Series A 4.5%-5.00% due 9/1/40	13.15	13.15
2006 Roseville Redevelopment Project, Series A-T 5.31%-5.90% due 9/1/28	2.78	2.87
2006 Roseville Redevelopment Project, Series H-T 5.31%-6.07% due 9/1/40	6.15	6.23
Installment Purchase Obligations		
Equipment	1.62	1.87
Total Governmental Activity Debt:	**$49.87**	**$51.27**

	Balance at June 30, 2011	Balance at June 30, 2010
Business-type Activity Debt:		
Certificates of Participation:		
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	$38.21	$38.58
Less deferred amount on refunding	(0.56)	(0.58)
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	46.94	50.15
Add deferred bond premium cost	2.85	2.96
2008 Electric System Revenue, Series A, Variable Rate, due 2/1/35	90.00	90.00
2008 Electric System Revenue, Series B, Variable Rate, due 2/1/35	0.00	61.65
2009 Electric System Revenue Refunding, 2.0-5.25%, due 2/1/24	23.85	25.31
Add deferred bond premium cost	0.34	0.37
2003B Golf Course Project, 2.0-5.0%, due 8/1/23	5.96	6.31
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	48.54	50.32
Add deferred bond premium cost	2.21	2.34
Less deferred amount on refunding	(0.59)	(0.63)
Total Certificates of Participation	**257.75**	**326.78**
Revenue Bonds:		
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	189.14	196.06
Add deferred bond premium cost	11.77	12.51
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series A, variable rate, due 11/1/35	0.00	39.28
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series B, variable rate, due 11/1/27	0.00	49.52
2010 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/37	55.84	0.00
Add: deferred bond premium cost	2.66	0.00
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds,		
Series A, variable rate, due 11/1/35	16.34	0.00
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds,		
Series B variable rate, due 11/1/35	16.34	0.00
2011 Refunding Wastewater Revenue Bonds, Series C		
1.00-5.25%, due 11/1/25	36.31	0.00
Add: deferred bond premium cost	2.66	0.00
2011 Refunding Wastewater Revenue Bonds, Series D		
variable rate (SIFMA rate plus 0.83%), due 11/1/14	16.25	0.00
Total Revenue Bonds	**347.31**	**297.37**
Total Business-type Activity Debt:	**$605.06**	**$624.15**

COMMUNITY FACILITIES/ASSESSMENT DISTRICTS DEBT

Community facilities districts and assessment districts in different parts of the City have also issued debt to finance infrastructure and facilities construction in their respective districts. As of June 30, 2011, a total of $366.3 million in community facilities district and assessment district debt was outstanding, representing fifteen issues by community facilities districts and one issue by assessment districts. This debt is secured only by special tax liens and assessments on the real property in the district issuing the debt and is not the City's responsibility; however, the City does act as the agent in the collection and remittance of special taxes and assessments for these Districts. Further detail on this debt may be found in Note 9 to the financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the City of Roseville at 311 Vernon Street, Roseville, California, 95678.

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STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The purpose of the Statement of Net Assets and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets and summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business Type Activities include all its Enterprise Fund activities and any portion of the Internal Service Fund balances that service Enterprise Funds. Fiduciary activity is excluded.

The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

Both these Statements include the financial activities of the City, the Redevelopment Agency of the City of Roseville, the Roseville Finance Authority, the Roseville Natural Gas Financing Authority, the Roseville Community Development Corporation and the City of Roseville Housing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities.

CITY OF ROSEVILLE
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	$235,694,908	$129,899,259	$365,594,167
Restricted cash and investments with fiscal agents (Note 3)	18,631,574	27,362,571	45,994,145
Receivables:			
Taxes	720,688		720,688
Accounts, net of allowance for doubtful accounts	1,640,827	29,511,014	31,151,841
Accrued interest	3,393,485	497,210	3,890,695
Due from other government agencies	7,223,538	1,875,891	9,099,429
Internal balances (Note 4D)	879,912	(879,912)	
Prepaids	68,910		68,910
Deferred receivables (Note 6)	2,222,853	141,691	2,364,544
Notes receivable (Note 5)	24,887,921		24,887,921
Notes receivable from NCPA (Note 16B)		99,694	99,694
Inventories (Note 1H)	1,878,939	9,816,857	11,695,796
Land held for resale (Note 7D)	6,281,007		6,281,007
Prepaid purchased gas (Note 20)		202,727,140	202,727,140
Unamortized bond origination costs		7,374,228	7,374,228
Investment in NCPA reserves (Note 16)		4,301,677	4,301,677
Investment in SPWA reserves (Note 17)		84,754,272	84,754,272
Derivative at fair value-asset (Note 10)		53,435,364	53,435,364
Deferred out-flow assets (Notes 9P and 10A)		58,713,333	58,713,333
Capital assets (Note 8):			
Capital assets not being depreciated	517,888,634	47,045,996	564,934,630
Capital assets being depreciated, net	346,541,987	1,427,985,003	1,774,526,990
Total assets	1,167,955,183	2,084,661,288	3,252,616,471
LIABILITIES			
Accounts payable	4,146,734	5,299,966	9,446,700
Accrued liabilities	4,143,559	9,464,704	13,608,263
Due to other governments	13,913,539	1,056,368	14,969,907
Deposits	1,870,044	1,364,598	3,234,642
Unearned revenues	2,824,312	15,587,038	18,411,350
Deferred liabilities	355,415	3,275,971	3,631,386
Derivative at fair value-liability (Notes 9P and 10A)		58,713,333	58,713,333
Deferred in-flow liabilities (Note 10)		53,435,364	53,435,364
Landfill closure and post closure liability (Note 18):			
Due in more than one year		2,939,111	2,939,111
Net OPEB obligation (Note 13):			
Due in more than one year	15,409,215		15,409,215
Compensated absences (Note 1G):			
Due within one year	3,397,899	1,929,108	5,327,007
Due in more than one year	7,140,560	4,487,101	11,627,661
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	1,190,500		1,190,500
Due in more than one year	6,454,500		6,454,500
Long-term liabilities (Note 9):			
Due within one year	1,459,311	16,457,173	17,916,484
Due in more than one year	48,411,119	588,600,140	637,011,259
Total liabilities	110,716,707	762,609,975	873,326,682
NET ASSETS (Note 11):			
Invested in capital assets, net of related debt	827,793,866	1,070,888,251	1,898,682,117
Restricted for:			
Capital projects:			
Expendable	116,245,374		116,245,374
Nonexpendable	18,189,985		18,189,985
Debt service	1,512,166	26,576,288	28,088,454
Community development projects	8,636,659		8,636,659
Local transportation		249,478	249,478
Total restricted net assets	144,584,184	26,825,766	171,409,950
Unrestricted net assets	84,860,426	224,337,296	309,197,722
Total net assets	$1,057,238,476	$1,322,051,313	$2,379,289,789

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	$30,387,717	$2,914,657	$176,710	$1,223,684	($26,072,666)		($26,072,666)
Community development and planning	13,441,264	2,564,206	932,453	504,963	(9,439,642)		(9,439,642)
Public works	30,932,981	2,913,603	2,969,290	7,278,075	(17,772,013)		(17,772,013)
Police	31,720,789	1,525,433	1,211,050	313,689	(28,670,617)		(28,670,617)
Fire	25,191,924	1,203,109	658,157	635,519	(22,695,139)		(22,695,139)
Library	3,933,549	228,343	176,029		(3,529,177)		(3,529,177)
Parks and recreation	17,664,088	10,057,346	96,643	1,760,759	(5,749,340)		(5,749,340)
Housing assistance payments	3,643,394		4,722,687		1,079,293		1,079,293
Interest on long-term debt	3,181,266				(3,181,266)		(3,181,266)
Total Governmental Activities	160,096,972	21,406,697	10,943,019	11,716,689	(116,030,567)		(116,030,567)
Business-type Activities:							
Electric	148,271,687	163,234,969	618,046	1,119,999		$16,701,327	16,701,327
Water	22,335,757	17,967,074	278,760	5,786,209		1,696,286	1,696,286
Wastewater	29,516,033	30,472,704		9,138,201		10,094,872	10,094,872
Solid Waste	14,979,891	20,682,638	8,956	178,140		5,889,843	5,889,843
Natural Gas	27,106,564	16,528,513				(10,578,051)	(10,578,051)
Golf Course	2,828,099	2,415,583				(412,516)	(412,516)
Local Transportation	6,609,048	949,192	4,853,574	12,408		(793,874)	(793,874)
School-age Child Care	4,277,245	4,296,761	414,680			434,196	434,196
Total Business-type Activities	255,924,324	256,547,434	6,174,016	16,234,957		23,032,083	23,032,083
Total	$416,021,296	$277,954,131	$17,117,035	$27,951,646	(116,030,567)	23,032,083	(92,998,484)
General revenues:							
Taxes:							
Property taxes					34,721,253		34,721,253
Sales taxes					37,332,222		37,332,222
Franchise taxes					1,735,495		1,735,495
Other taxes					2,936,778		2,936,778
Intergovernmental, unrestricted:							
Motor vehicle in lieu					523,609		523,609
Use of money and property					3,645,241	12,812,162	16,457,403
Miscellaneous revenues					1,089,608		1,089,608
Transfers					26,144,153	(26,144,153)	
Total general revenues and transfers					108,128,359	(13,331,991)	94,796,368
Change in Net Assets					(7,902,208)	9,700,092	1,797,884
Net Assets-Beginning, as restated (Note 11E)					1,065,140,684	1,312,351,221	2,377,491,905
Net assets-Ending					$1,057,238,476	$1,322,051,313	$2,379,289,789

See accompanying notes to basic financial statements

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FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City in fiscal 2011. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE SPECIAL REVENUE FUND

The Redevelopment Agency of the City of Roseville Fund accounts for all activities of the Agency, including 1) tax increment allocations set aside for the purpose of increasing or improving housing for low-income residents; 2) the accumulation of property taxes for payment of interest and principal on the Redevelopment Agency tax allocation bonds issued in 2003 and 2006; 3) capital projects connected with downtown redevelopment funded by property tax increment revenues.

COMMUNITY FACILITIES DISTRICT PROJECTS FUND

This fund is used to account for specific public improvements such as streets, sewers, storm drains, sidewalks or other amenities funded by special assessments against benefited properties.

CITY OF ROSEVILLE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011

	General	Redevelopment Agency	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments in City Treasury (Note 3)	$42,074,354	$11,243,797	$8,509,663	$124,897,936	$186,725,750
Restricted cash and investments with fiscal agents (Note 3)		11,499,968	5,753,441	1,378,165	18,631,574
Receivables:					
Taxes	698,772	21,916			720,688
Accounts	1,231,487	5,667		299,931	1,537,085
Accrued interest	2,452,495	72,451	27,908	1,701,975	4,254,829
Due from other government agencies	5,956,464			1,245,070	7,201,534
Due from other funds (Note 4B)	660,927				660,927
Advances to other funds (Note 4C)	23,249,386			3,900,000	27,149,386
Prepaids	68,910				68,910
Deferred receivables (Note 6)	187,964		1,328	2,033,561	2,222,853
Notes receivable (Note 5)	15,107	7,113,629		17,759,185	24,887,921
Inventories (Note 1H)	401,145			577,618	978,763
Land held for resale (Note 7D)		6,281,007			6,281,007
Total Assets	$76,997,011	$36,238,435	$14,292,340	$153,793,441	$281,321,227
LIABILITIES					
Accounts payable	$2,289,156	$40,883	$155,165	$1,141,153	$3,626,357
Accrued liabilities	2,994,087	21,059		195,532	3,210,678
Due to other funds (Note 4B)	64,329	599,625		393,534	1,057,488
Due to other government agencies	21,626			13,891,913	13,913,539
Advances from other funds (Note 4C)	128,657	27,978,587		4,100,000	32,207,244
Deposits	1,270,044			600,000	1,870,044
Deferred revenue	2,097,557	7,159,507		4,859,021	14,116,085
Deferred liabilities		4,282,038		263,682	4,545,720
Total Liabilities	8,865,456	40,081,699	155,165	25,444,835	74,547,155
FUND BALANCES (Note 11)					
Nonspendable	23,734,548			17,411,864	41,146,412
Restricted			14,137,175	94,089,407	108,226,582
Committed				2,195,164	2,195,164
Assigned	5,328,824			14,890,220	20,219,044
Unassigned	39,068,183	(3,843,264)		(238,049)	34,986,870
TOTAL FUND BALANCES	68,131,555	(3,843,264)	14,137,175	128,348,606	206,774,072
Total Liabilities and Fund Balances	$76,997,011	$36,238,435	$14,292,340	$153,793,441	$281,321,227

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
Reconciliation of
GOVERNMENTAL FUNDS -- FUND BALANCE
with the Governmental Activities
NET ASSETS
JUNE 30, 2011

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS	$206,774,072
Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	853,496,827
ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS	
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Assets.	
Cash and investments	48,969,158
Accounts receivable	103,742
Accrued interest	3,328,961
Due from other government agencies	22,004
Inventories	900,176
Capital assets	10,933,794
Accounts payable	(520,377)
Accrued liabilities	(70,654)
Self-insurance claims payable	(7,645,000)
Compensated absences	(355,329)
Net OPEB obligation	(15,409,215)
Internal balances	6,334,331
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES	
Revenues which are deferred on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities.	11,291,773
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Long-term debt	(49,870,430)
Interest payable and other accrued liabilities, included in accrued liabilities	(862,227)
Non-current portion of compensated absences	(10,183,130)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$1,057,238,476

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	General	Redevelopment Agency of the City of Roseville	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$69,902,784	$5,658,209		$6,462,340	$82,023,333
Licenses and permits	1,651,822				1,651,822
Charges for services	12,144,559	$6,606		4,959,869	17,111,034
Subventions and grants	1,481,995	61,323		12,069,387	13,612,705
Use of money and property	881,336	258,180	$113,833	1,854,598	3,107,947
Fines, forfeitures and penalties	1,077,445			752,340	1,829,785
Contributions from developers and others	366,102		999,535	118,235	1,483,872
Miscellaneous revenues	1,351,814	22,740		1,658,123	3,032,677
Total Revenues	88,857,857	6,007,058	1,113,368	27,874,892	123,853,175
EXPENDITURES					
Current:					
General government	21,131,732			708,600	21,840,332
Community development and planning	3,992,675	3,383,130		2,853,620	10,229,425
Public works	9,196,518			1,816,949	11,013,467
Public safety:					
Police	27,379,314			32,195	27,411,509
Fire	23,052,021			212,476	23,264,497
Library	2,673,213			182,581	2,855,794
Parks and recreation	11,158,398			4,451,859	15,610,257
Housing assistance payments				3,643,394	3,643,394
Capital outlay	3,782,341	2,209,521	2,650,116	11,774,674	20,416,652
Payments under development agreements (Note 7A)	1,146,915				1,146,915
Annexation payments	2,045,843				2,045,843
Debt service (Note 9):					
Principal retirement	75,049	480,000		847,576	1,402,625
Interest and fiscal charges	14,875	2,049,081	18,428	850,077	2,932,461
Total Expenditures	105,648,894	8,121,732	2,668,544	27,374,001	143,813,171
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,791,037)	(2,114,674)	(1,555,176)	500,891	(19,959,996)
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 4A)	36,509,799	220,558		7,476,423	44,206,780
Transfers (out) (Note 4A)	(6,692,565)	(10,110,878)	(225,000)	(6,416,036)	(23,444,479)
Total Other Financing Sources (Uses)	29,817,234	(9,890,320)	(225,000)	1,060,387	20,762,301
NET CHANGE IN FUND BALANCES	13,026,197	(12,004,994)	(1,780,176)	1,561,278	802,305
FUND BALANCES AT BEGINNING OF PERIOD	55,105,358	8,161,730	15,917,351	126,787,328	205,971,767
FUND BALANCES AT END OF PERIOD	$68,131,555	($3,843,264)	$14,137,175	$128,348,606	$206,774,072

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$802,305
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay and other capitalized expenditures are therefore added back to fund balance	20,416,652
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(6,162,835)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of $3,929,362 which has already been allocated to serviced funds.)	(16,080,684)
Contributions of infrastructure and improvements by developers are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands.	1,912,670
Loss on retirement of capital assets is deducted from fund balance	(488,708)
LONG-TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	1,402,625
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Long-term compensated absences	1,059,824
Interest payable and accrued liabilities, included in accrued liabilities	(248,805)
Deferred revenues	818,096
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Assets - All Internal Service Funds	(11,333,348)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	($7,902,208)

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts Budgetary Basis	
REVENUES				
Taxes	$65,675,550	$68,691,598	$69,902,784	$1,211,186
Licenses and permits	1,053,558	1,978,558	1,651,822	(326,736)
Charges for services	10,946,260	11,886,766	12,144,559	257,793
Subventions and grants	1,637,702	2,450,335	1,481,995	(968,340)
Use of money and property	543,240	626,910	881,336	254,426
Fines, forfeitures and penalties	999,850	1,020,873	1,077,445	56,572
Contributions from developers	1,500,000	1,400,000	366,102	(1,033,898)
Miscellaneous revenues	714,752	901,994	1,351,814	449,820
TOTAL REVENUES	83,070,912	88,957,034	88,857,857	(99,177)
EXPENDITURES				
Current:				
General government				
City Council				
Salaries and benefits	38,126	37,213	37,935	(722)
Operating services and supplies	311,749	327,941	253,265	74,676
City attorney				
Salaries and benefits	1,338,926	1,321,987	1,325,721	(3,734)
Operating services and supplies	99,722	187,487	187,233	254
City manager				
Salaries and benefits	1,566,770	1,693,800	1,548,342	145,458
Operating services and supplies	152,484	367,499	444,585	(77,086)
Finance				
Salaries and benefits	4,727,307	4,755,420	4,520,135	235,285
Operating services and supplies	1,326,792	1,441,962	1,262,452	179,510
Human resources				
Salaries and benefits	1,213,546	1,187,209	1,183,174	4,035
Operating services and supplies	361,794	381,157	357,172	23,985
Information technology				
Salaries and benefits	4,146,896	3,973,191	3,901,412	71,779
Operating services and supplies	1,860,882	2,208,463	1,510,956	697,507
City clerk				
Salaries and benefits	642,399	651,795	644,682	7,113
Operating services and supplies	198,490	207,530	186,109	21,421
Central services				
Salaries and benefits	2,253,950	2,081,716	2,041,574	40,142
Operating services and supplies	1,742,949	2,025,040	1,726,985	298,055
Community development and planning				
Community development				
Salaries and benefits	741,453	747,987	752,347	(4,360)
Operating services and supplies	27,329	37,065	12,888	24,177
Planning				
Salaries and benefits	1,564,179	1,684,165	1,716,556	(32,391)
Operating services and supplies	944,040	1,492,874	1,510,884	(18,010)
Public works				
Salaries and benefits	7,141,367	6,989,946	6,936,920	53,026
Operating services and supplies	2,813,645	3,139,775	2,259,598	880,177
Public safety				
Police				
Salaries and benefits	24,745,634	24,235,189	23,455,131	780,058
Operating services and supplies	4,394,375	4,232,934	3,924,183	308,751
Fire				
Salaries and benefits	22,115,917	20,982,654	21,103,105	(120,451)
Operating services and supplies	2,143,432	2,349,050	1,948,916	400,134
Library				
Salaries and benefits	2,682,508	2,650,334	2,288,662	361,672
Operating services and supplies	410,229	407,474	384,551	22,923

(Continued)

CITY OF ROSEVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts Budgetary Basis	
Parks and recreation				
Salaries and benefits	$7,792,088	$7,611,121	$6,668,665	$942,456
Operating services and supplies	4,861,253	4,778,109	4,489,733	288,376
Capital outlay	5,112,956	12,275,887	3,782,341	8,493,546
Payments under development agreements	1,448,415	1,448,415	1,146,915	301,500
Annexation payments	2,250,000	2,250,000	2,045,843	204,157
Debt service:				
Principal retirement	180,000	132,416	75,049	57,367
Interest and fiscal charges	16,750	16,750	14,875	1,875
TOTAL EXPENDITURES	113,368,352	120,311,555	105,648,894	14,662,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,297,440)	(31,354,521)	(16,791,037)	14,563,484
OTHER FINANCING SOURCES (USES)				
Transfers in	27,403,219	42,140,588	36,509,799	(5,630,789)
Transfers (out)	(6,323,804)	(23,902,290)	(6,692,565)	17,209,725
Total Other Financing Sources (Uses)	21,079,415	18,238,298	29,817,234	11,578,936
NET CHANGE IN FUND BALANCE	($9,218,025)	($13,116,223)	13,026,197	$26,142,420
Fund balance at beginning of year			55,105,358	
Fund balance at end of year			$68,131,555	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts Budgetary Basis	Positive (Negative)
REVENUES				
Taxes	$5,153,150	$6,015,694	$5,658,209	($357,485)
Subventions and grants	53,200	63,131	61,323	(1,808)
Use of money and property	237,162	245,212	258,180	12,968
Miscellaneous revenues			29,346	29,346
Total revenues	5,443,512	6,324,037	6,007,058	(316,979)
EXPENDITURES				
Community development and planning				
Community services				
Salaries and benefits	1,017,999	478,094	435,114	42,980
Operating services and supplies	2,848,500	1,771,949	548,824	1,223,125
Pass-through payments	1,819,050	2,455,133	2,399,192	55,941
Capital outlay	2,840,000	8,973,076	2,209,521	6,763,555
Debt service:				
Principal	480,000	1,980,000	480,000	1,500,000
Interest and fiscal charges	1,231,062	1,495,062	2,049,081	(554,019)
Total expenditures	10,236,611	17,153,314	8,121,732	9,031,582
OTHER FINANCING SOURCES (USES)				
Transfers in	4,474,562		220,558	220,558
Transfers (out)	(5,451,637)	(330,837)	(10,110,878)	(9,780,041)
Total Other Financing Sources (Uses)	(977,075)	(330,837)	(9,890,320)	(9,559,483)
NET CHANGE IN FUND BALANCE	($5,770,174)	($11,160,114)	(12,004,994)	($844,880)
Fund balance at beginning of year			8,161,730	
Fund balance (deficit) at end of year			($3,843,264)	

See accompanying notes to basic financial statements

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of major funds established by GASB Statement 34 extends to Proprietary Funds. The City has identified the funds below as major proprietary funds in fiscal 2011.

GASB 34 does not provide for the disclosure of budget vs. actual comparisons regarding proprietary funds that are major funds.

ELECTRIC FUND

This fund accounts for all financial transactions relating to the City's Electric service. Services are on a user charge basis to residents and business owners located in Roseville.

WATER FUND

This fund accounts for all financial transactions relating to the City's Water service. Services are on a user charge basis to residents and business owners located in Roseville.

WASTEWATER FUND

This fund accounts for all financial transactions relating to the City's Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Roseville.

SOLID WASTE FUND

This fund accounts for all financial transactions relating to the City's Solid Waste service. Services are on a user charge basis to residents and business owners located in Roseville.

ROSEVILLE NATURAL GAS FINANCING AUTHORITY

This fund accounts for financing and purchasing pre-paid natural gas for the generation of power for the Roseville Energy Park.

GOLF COURSE FUND

This fund accounts for all financial transactions associated relating to the development, operation and maintenance of the City's public golf courses.

LOCAL TRANSPORTATION FUND

This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and the handicapped.

SCHOOL-AGE CHILD CARE FUND

This fund accounts for the receipt of parent fees and State grants used to finance child development programs.

CITY OF ROSEVILLE
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
ASSETS					
Current Assets:					
Cash and investments in City Treasury (Note 3)	$30,022,848	$47,122,054	$28,797,121	$13,166,857	$90,284
Restricted cash and investments with fiscal agents (Note 3)	16,645,128	6,049,344			4,041,529
Receivables:					
Accounts, net of allowance for doubtful accounts	19,405,751	3,343,860	3,560,731	2,364,986	
Accrued interest	145,984	172,141	92,376	39,533	257
Due from other government agencies		256,020			
Due from other funds (Note 4B)			304,736		
Inventories (Note 1H)	8,892,313	819,181	38,813	66,550	
Total Current Assets	75,112,024	57,762,600	32,793,777	15,637,926	4,132,070
Noncurrent Assets:					
Deferred receivables (Note 6)	26,908	7,763	107,020		
Notes receivable from NCPA (Note 16)	99,694				
Prepaid purchased gas (Note 20)					202,727,140
Unamortized bond origination costs	6,599,720		591,776		
Investment in NCPA reserves (Note 16)	4,301,677				
Investment in SPWA reserves (Note 17)			84,754,272		
Advances to other funds (Note 4C)			560,970		
Derivative at fair value-asset (Notes 9 and 10)					53,435,364
Deferred out-flow assets (Notes 9 and 10)	53,028,743		5,684,590		
Capital assets (Note 8):					
Land and construction in progress	12,128,043	2,025,939	25,714,751	302,018	
Capital assets being depreciated, net	422,670,470	440,199,422	537,412,770	4,589,092	
Total Noncurrent Assets	498,855,255	442,233,124	654,826,149	4,891,110	256,162,504
Total Assets	573,967,279	499,995,724	687,619,926	20,529,036	260,294,574
LIABILITIES					
Current Liabilities:					
Accounts payable	2,909,686	383,831	1,122,778	685,102	
Accrued liabilities	4,471,196	599,617	350,015	225,801	3,546,375
Due to other government agencies	80,651		975,717		
Due to other funds (Note 4B)				240,407	
Current portion of compensated absences (Note 1G)	805,533	436,618	341,602	186,837	
Current portion of long-term debt (Note 9)	5,505,000	1,870,000	1,457,173		7,265,000
Deposits	1,328,714	9,500			
Unearned revenue	1,247,895				
Self-insurance claims payable (Note 14)					
Total Current Liabilities	16,348,675	3,299,566	4,247,285	1,338,147	10,811,375
Long-Term Liabilities:					
Deferred liabilities	1		1,087,405	108,193	
Advances from other funds (Note 4C)				432,313	
Long-term debt, non-current portion (Note 9)	254,622,436	48,279,114	86,449,025		193,649,565
Landfill closure and post closure liability (Note 18)				2,939,111	
Compensated absences (Note 1G)	1,834,100	999,355	890,111	478,942	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14):					
Derivative at fair value-liability (Notes 9 and 10)	53,028,743		5,684,590		
Deferred in-flow liabilities (Notes 9 and 10)					53,435,364
Total Long-Term Liabilities	309,485,280	49,278,469	94,111,131	3,958,559	247,084,929
Total Liabilities	325,833,955	52,578,035	98,358,416	5,296,706	257,896,304
NET ASSETS (Note 11)					
Invested in capital assets, net of related debt	174,671,077	392,076,247	475,221,323	4,891,110	
Restricted for debt service	16,548,289	4,315,500	5,088,159		
Restricted for local transportation					
Unrestricted	56,913,958	51,025,942	108,952,028	10,341,220	2,398,270
Total Net Assets	$248,133,324	$447,417,689	$589,261,510	$15,232,330	$2,398,270

Some amounts reported for *business-type activities* in the Statement of Net Assets are different because certain internal service fund assets and liabilities are included with business-type activities.

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
$1,712,717	$8,971,394	$15,984	$129,899,259	$48,969,158
626,570			27,362,571	
240,463	6,088	589,135	29,511,014	103,742
19,770	26,096	1,053	497,210	3,328,961
	1,602,351	17,520	1,875,891	22,004
	200,000		504,736	1,003,974
			9,816,857	900,176
2,599,520	10,805,929	623,692	199,467,538	54,328,015
			141,691	
			99,694	
			202,727,140	
182,732			7,374,228	
			4,301,677	
			84,754,272	
	4,100,000		4,660,970	4,710,554
			53,435,364	
			58,713,333	
6,007,666	867,579		47,045,996	
9,682,220	12,175,288	1,255,741	1,427,985,003	10,933,794
15,872,618	17,142,867	1,255,741	1,891,239,368	15,644,348
18,472,138	27,948,796	1,879,433	2,090,706,906	69,972,363
13,956	134,215	50,398	5,299,966	520,377
108,767	38,622	124,311	9,464,704	70,654
			1,056,368	
127,000		369,049	736,456	375,693
	52,842	105,676	1,929,108	
360,000			16,457,173	
	195	26,189	1,364,598	
	14,323,583	15,560	15,587,038	
				1,190,500
609,723	14,549,457	691,183	51,895,411	2,157,224
2,030,993		49,379	3,275,971	
3,131,000		260,000	3,823,313	490,353
5,600,000			588,600,140	
			2,939,111	
	106,994	177,599	4,487,101	355,329
				15,409,215
				6,454,500
			58,713,333	
			53,435,364	
10,761,993	106,994	486,978	715,274,333	22,709,397
11,371,716	14,656,451	1,178,161	767,169,744	24,866,621
9,729,886	13,042,867	1,255,741	1,070,888,251	10,933,794
624,340			26,576,288	
	249,478		249,478	
(3,253,804)		(554,469)	225,823,145	34,171,948
$7,100,422	$13,292,345	$701,272	1,323,537,162	$45,105,742
			(1,485,849)	
	Net assets business-type activities		$1,322,051,313	

CITY OF ROSEVILLE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
OPERATING REVENUES					
Charges for services	$146,733,798	$17,486,869	$30,402,044	$20,054,605	$16,528,513
Sale of wholesale power	11,436,040				
Other	5,065,131	480,205	70,660	628,033	
Total Operating Revenues	163,234,969	17,967,074	30,472,704	20,682,638	16,528,513
OPERATING EXPENSES					
Power supply	103,999,456				
Operations	11,701,095	10,557,552	16,147,355	14,551,905	18,140,396
Administration	2,483,289	2,153,420	346,754	711,880	
Depreciation and amortization	18,958,782	7,952,785	10,787,653	57,292	
Claims expense					
Total Operating Expenses	137,142,622	20,663,757	27,281,762	15,321,077	18,140,396
Operating Income (Loss)	26,092,347	(2,696,683)	3,190,942	5,361,561	(1,611,883)
NONOPERATING REVENUES (EXPENSES)					
Interest and rents revenue	254,723	787,850	420,140	165,536	$11,059,027
Interest and fiscal charges (expense)	(11,079,334)	(2,204,261)	(2,823,550)	(32,225)	(8,966,168)
Cost of issuance	(1,149,324)				
Subventions and grants	618,046	278,760		8,956	
Increase (decrease) in NCPA reserves	(2,309,815)				
Increase (decrease) in SPWA reserves			432,034		
Net Nonoperating Revenues (Expenses)	(13,665,704)	(1,137,651)	(1,971,376)	142,267	2,092,859
Income (Loss) Before Contributions and Transfers	12,426,643	(3,834,334)	1,219,566	5,503,828	480,976
Contributions					
Capital contributions - connection/impact fees	567,838	2,667,238	3,284,683	178,140	
Contributions in aid of construction	859,469				
Capital contributions from developers	2,002,507	3,118,971	5,421,484		
Transfers in (Note 4A)		1,136,656	82,131	21,642	
Transfers (out) (Note 4A)	(15,024,971)	(4,737,266)	(4,383,351)	(2,533,966)	(3,978)
Change in net assets	831,486	(1,648,735)	5,624,513	3,169,644	476,998
Total net assets-beginning, as restated (Note 11E)	247,301,838	449,066,424	583,636,997	12,062,686	1,921,272
Total net assets-ending	$248,133,324	$447,417,689	$589,261,510	$15,232,330	$2,398,270

Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds service

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
$2,392,109	$882,853	$4,092,933	$238,573,724	$11,530,116
			11,436,040	
23,474	66,339	203,828	6,537,670	4,152,195
2,415,583	949,192	4,296,761	256,547,434	15,682,311
			103,999,456	
2,133,874	4,686,464	4,458,839	82,377,480	22,521,362
1	498,084		6,193,428	
404,082	1,475,006	34,429	39,670,029	3,929,362
				4,279,919
2,537,957	6,659,554	4,493,268	232,240,393	30,730,643
(122,374)	(5,710,362)	(196,507)	24,307,041	(15,048,332)
26,892	98,725	(731)	12,812,162	989,588
(298,206)		(2,059)	(25,405,803)	
			(1,149,324)	
	4,853,574	414,680	6,174,016	
			(2,309,815)	
			432,034	
(271,314)	4,952,299	411,890	(9,446,730)	989,588
(393,688)	(758,063)	215,383	14,860,311	(14,058,744)
	12,408		12,408	
			6,697,899	
			859,469	
			10,542,962	
	98,710		1,339,139	6,976,171
(185,337)	(251,609)	(362,814)	(27,483,292)	(1,379,579)
(579,025)	(898,554)	(147,431)	6,828,896	(8,462,152)
7,679,447	14,190,899	848,703		53,567,894
$7,100,422	$13,292,345	$701,272		$45,105,742
			2,871,196	
Change in net assets of business-type activities			$9,700,092	

CITY OF ROSEVILLE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$158,864,145	$17,767,987	$29,903,639	$20,083,923	$16,528,513
Payments to suppliers	(98,717,163)	(7,005,201)	(10,914,413)	(10,589,501)	(10,811,285)
Payments to employees	(14,342,299)	(6,465,677)	(4,163,198)	(4,659,818)	(129,656)
Payments to OPEB trust					
Claims paid					
Other receipts	5,065,131	480,205	70,660	628,033	
Net cash provided (Used) by operating activities	50,869,814	4,777,314	14,896,688	5,462,637	5,587,572
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subventions and grants	714,605	36,411	127,509	22,286	
(Increase) decrease in due from other funds			(73,572)		
Increase (decrease) in due to other funds				9,243	
(Increase) decrease in advance to other funds			304,736		
Increase (decrease) in advances from other funds				(240,407)	
Transfers in		1,136,656	82,131	21,642	
Transfers (out)	(15,024,971)	(4,737,266)	(4,383,351)	(2,533,966)	(3,978)
Cash Flows from (Used for) Noncapital Financing Activities	(14,310,366)	(3,564,199)	(3,942,547)	(2,721,202)	(3,978)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	859,469				
Acquisition and construction of capital assets	(7,270,204)	(1,920,991)	(10,969,740)	(39,378)	
Transfer of connection fees to SPWA			(4,750,057)		
Change in restricted assets	20,542		4,161,521		
Principal payments on capital debt	(66,695,000)	(1,790,000)	(88,800,339)		(6,915,000)
Proceeds from issuance of debt	55,845,000		85,244,620		
Bond premium	2,764,207		2,839,017		
Interest and cost of issuance paid on capital debt	(12,447,010)	(2,305,144)	(3,447,920)	(32,225)	(9,702,078)
Connection fees	567,838	2,667,238	3,284,683	178,140	
Cash Flows from (Used for) Capital and Related Financing Activities	(26,355,158)	(3,348,897)	(12,438,215)	106,537	(16,617,078)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and rents received	256,173	780,836	396,777	150,994	11,058,907
Receipts from sale of (Payment to acquire) equity instruments, net	3,542,635	2,722,535			(10,568)
Cash Flows from Investing Activities	3,798,808	3,503,371	396,777	150,994	11,048,339
Net increase (decrease) in cash and cash equivalents	14,003,098	1,367,589	(1,087,297)	2,998,966	14,855
Cash and investments at beginning of period	16,019,750	45,754,465	29,884,418	10,167,891	75,429
Cash and investments at end of period	$30,022,848	$47,122,054	$28,797,121	$13,166,857	$90,284
NONCASH TRANSACTIONS:					
Contribution of SPWA capital assets to City			$7,481,209		
Contribution of capital assets from developers	$2,002,507	$3,118,971	$1,992,847		
Retirement of capital assets	($157,819)		($1,827,584)		
Amortization of bond premium and deferred amount on refunding	$218,352	$100,883	$177,439		$735,910
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	$26,092,347	($2,696,683)	$3,190,942	$5,361,561	($1,611,883)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	18,958,782	7,952,785	10,787,653	57,292	
Loss on retirement of capital assets	157,819		1,827,584		
Change in assets and liabilities:					
Receivables, net	736,655	283,618	1,842,104	29,318	
Inventories	408,800	401,709	(9,616)	25,508	
Prepaids	3,250,000				
Prepaids purchased gas					7,329,111
Net OPEB obligations					
Accounts and other payables	1,360,469	(1,164,115)	(2,741,979)	(11,042)	(129,656)
Unearned revenue	(95,058)				
Net cash provided by operating activities	$50,869,814	$4,777,314	$14,896,688	$5,462,637	$5,587,572

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
$2,236,011	$2,634,666	$3,903,620	$251,922,504	$11,522,152
(2,145,355)	(4,260,488)	(795,227)	(145,238,633)	(8,680,484)
(4,375)	(872,811)	(3,622,489)	(34,260,323)	(4,619,831)
				(38,457,645)
				(3,461,834)
23,474	66,339	203,828	6,537,670	4,085,321
109,755	(2,432,294)	(310,268)	78,961,218	(39,612,321)
(4,063)	4,632,910	450,344	5,980,002	
			(73,572)	
		10,649	19,892	(939,071)
	200,000		504,736	127,000
(127,000)			(367,407)	
	98,710		1,339,139	6,976,171
(185,337)	(251,609)	(362,814)	(27,483,292)	(1,379,579)
(316,400)	4,680,011	98,179	(20,080,502)	4,784,521
	12,408		871,877	
	(854,423)	(196,145)	(21,250,881)	(916,327)
			(4,750,057)	
			4,182,063	
(350,000)			(164,550,339)	
			141,089,620	
			5,603,224	
(298,206)		(2,059)	(28,234,642)	
			6,697,899	
(648,206)	(842,015)	(198,204)	(60,341,236)	(916,327)
34,107	90,292	(414)	12,767,672	916,416
(2,474)			6,252,128	
31,633	90,292	(414)	19,019,800	916,416
(823,218)	1,495,994	(410,707)	17,559,280	(34,827,711)
2,535,935	7,475,400	426,691	112,339,979	83,796,869
$1,712,717	$8,971,394	$15,984	$129,899,259	$48,969,158
			$7,481,209	
			$7,114,325	
			($1,985,403)	
			$1,232,584	
($122,374)	($5,710,362)	($196,507)	$24,307,041	($15,048,332)
404,082	1,475,006	34,429	39,670,029	3,929,362
			1,985,403	
(144,086)	(1,914)	215,595	2,961,290	(172,273)
			826,401	
	108,214		3,358,214	
			7,329,111	
				(29,185,353)
(27,867)	(56,935)	44,006	(2,727,119)	864,275
	1,753,697	(407,791)	1,250,848	
$109,755	($2,432,294)	($310,268)	$78,961,218	($39,612,321)

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FIDUCIARY FUNDS

Fiduciary funds are presented separately from the Government-wide and Fund financial statements. The City had the following types of fiduciary funds in Fiscal 2011:

Endowment Private-Purpose Trust funds are used to account for trust arrangements under which principal and income benefit private organizations.

Other Employee Benefit Trust Funds are used to account for assets held by the City as a trustee agent for the members and beneficiaries of other post employment benefit plans.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF ROSEVILLE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	Endowment Private-Purpose Trust Fund	Retiree Health Plan Trust Fund	Agency Funds
ASSETS			
Cash and investments in Treasury (Note 3)	$2,545,951		$126,114,620
Restricted cash and investments with fiscal agents (Note 3)			41,706,590
OPEB Plan Assets (Note 13 F)		$34,655,664	
Accounts receivable			195,575
Taxes receivable			198,523
Accrued interest receivable	6,798		356,574
Permit fees receivable			1,100,796
Due from other government agencies			516,142
Deferred receivable	504		
Total Assets	2,553,253	34,655,664	$170,188,820
LIABILITIES			
Accounts payable	11	18,841	$697,888
Accrued liabilities			771,333
Due to other government agencies			13,122
Due to member agencies			107,123,823
Due to bondholders			59,424,550
Due to others			2,158,104
Total Liabilities	11	18,841	$170,188,820
NET ASSETS			
Held in trust for private purposes	$2,553,242		
Held in trust for retiree health plan benefits		$34,636,823	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Endowment Private-Purpose Trust Fund	Retiree Health Plan Trust Fund
ADDITIONS		
Contributions from the City		$38,457,645
Investment income	$30,202	671,992
Other revenues	26,609	
Total additions	56,811	39,129,637
DEDUCTIONS		
Retiree health plan benefits		4,457,645
Other expenses	32,783	35,169
Total deductions	32,783	4,492,814
Change in net assets	24,028	34,636,823
Net assets - beginning of year	2,529,214	
Net assets - end of year	$2,553,242	$34,636,823

See accompanying notes to basic financial statements

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Roseville was incorporated on April 10, 1909 under provisions of Act 279, P.A. 1909, as amended (Home Rule City). The City operates under the Council Manager form of government and provides the following services: public safety (police and fire), streets, sanitation, water, solid waste, electric, local transportation, school-age child care, golf course, parks recreation, public improvements, planning and zoning, library, general administration services, redevelopment and housing.

The financial statements and accounting policies of the City conform with generally accepted accounting principles in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. This City's component units which are described below are all blended.

The **Redevelopment Agency of the City of Roseville** is a separate government entity whose purpose is to prepare and implement plans for improvement, rehabilitation, and development of certain areas within the City. The Agency is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the Agency. The financial activities of the Agency have been included in these financial statements in the Redevelopment Agency of the City of Roseville Special Revenue Fund.

The **Roseville Finance Authority** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Roseville Finance Authority Debt Service Fund and Capital Projects Fund.

The **City of Roseville Housing Authority** is a separate government entity whose purpose is to assist with the housing for the City's low and moderate income residents. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Housing Authority Section 8 Special Revenue Fund.

The **Roseville Natural Gas Financing Authority** is a Joint Exercise Powers Agency created on December 6, 2006, for the purpose of acquiring, financing and supplying natural gas to the City of Roseville. The members of the Authority are the City of Roseville and the City of Roseville Redevelopment Agency. The City of Roseville is governed by a five member Board. City Council serves as the governing body of the Authority and officers of the Authority are employees of the City. The financial activities of the Authority have been included in these financial statements in the Roseville Natural Gas Financing Authority Enterprise Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The **Roseville Community Development Corporation** is a California 501(c)3 nonprofit public benefit corporation formed in November 2010 by the City and the Redevelopment Agency under the California Nonprofit Corporation Laws of the State of California. The Corporation was formed for the purpose of implementing the revitalization and economic goals of the City by securing private and public capital through development of both residential and commercial properties as well as developing affordable housing, redeveloping properties to create mixed-use, commercial and office projects, business recruitment and retention, commercial loans, and ongoing property management. As a separate legal entity and non-profit corporation, the corporation can secure funding that is not legally available to the Redevelopment Agency and its activities can extend outside of the Redevelopment Plan areas.

The Corporation is governed by a volunteer five member board appointed by the City Council. The members, all from the community, have development, financing and business operations related experience. The board has operations, management, budget approval and strategy implementation authority that is separate from the City Council.

Under an operating agreement with the Redevelopment Agency, the Corporation receives funding from the Agency in the form of a start-up loan not to exceed five million dollars ($5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021, however no funds had been drawn down from the loan at June 30, 2011. The funds will be used for investments and costs that are in conformance with the Corporation's and the City's goals that are outlined in detail in the Corporation's by-laws and business plan. The Corporation has established a service agreement with the City and the Redevelopment Agency to utilize existing City and Agency staff to accomplish its initial goals. The financial activities of the Corporation are included in the Roseville Community Development Corporation Special Revenue Fund.

The **City of Roseville Retiree Health Plan Trust** is governed by the City's Resolution 10-275 and is used to account for contributions and investment income restricted to pay medical benefits. Benefit and contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Council established by the above Resolution. The financial activities of the Plan have been included in these financial statements in the Retiree Health Plan Trust Fund.

Financial statements for the Redevelopment Agency, Roseville Natural Gas Financing Authority and Roseville Community Development Corporation may be obtained from the City of Roseville at 311 Vernon Street, Roseville, California, 95678. Separate financial statements for the Roseville Finance Authority, Roseville Housing Authority and City of Roseville Retiree Health Plan Trust are not issued.

The California Joint Powers Risk Management Authority, the Local Agency Workers' Compensation Excess Joint Powers Authority, the Highway 65 Joint Powers Authority, the Disaster Recovery Joint Powers Authority, and the South Placer Wastewater Authority are not included in the accompanying basic financial statements because they do not meet the above financial accountability criteria as these entities are administered by governing boards separate from and wholly independent of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government, the City and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund - This is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

Redevelopment Agency of the City of Roseville Special Revenue Fund - The Redevelopment Agency Fund accounts for all activities of the Agency, including 1) tax increment allocations set aside for the purpose of increasing or improving housing for low-income residents; 2) the accumulation of property taxes for payment of interest and principal on the Redevelopment Agency tax allocation bonds issued in 2003 and 2006; 3) capital projects connected with downtown redevelopment funded by property tax increment revenues.

Community Facilities District Projects Fund - This fund is used to account for specific public improvements such as streets, sewers, storm drains, sidewalks or other amenities funded by special assessments against benefited properties.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

Electric Fund - This fund accounts for all financial transactions relating to the City's Electric service. Services are on a user charge basis to residents and business owners located in Roseville.

Water Fund - This fund accounts for all financial transactions relating to the City's Water service. Services are on a user charge basis to residents and business owners located in Roseville.

Wastewater Fund - This fund accounts for all financial transactions relating to the City's Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Roseville.

Solid Waste Fund - This fund accounts for all financial transactions relating to the City's Solid Waste service. Services are on a user charge basis to residents and business owners located in Roseville.

Roseville Natural Gas Financing Authority - This fund accounts for financing and purchasing pre-paid natural gas for the generation of power for the Roseville Energy Park.

Golf Course Fund – This fund accounts for all financial transactions associated relating to the development, operation and maintenance of the City's public golf courses.

Local Transportation Fund – This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and the handicapped.

School-Age Child Care Fund – This fund accounts for the receipt of parent fees and State grants used to finance child development programs.

The City also reports the following fund types:

Internal Service Funds. The funds account for automotive services, automotive replacement, workers' compensation, general liability, unemployment reserve, vision, dental, section 125, post retirement, and central stores; all of which are provided to other departments on a cost-reimbursement basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds. The Endowment Private-Purpose Trust Fund is used to account for assets held by the City as an agent for various endowment funds for the benefits of certain private-purpose trust funds. The Retiree Health Plan Trust Fund accounts for the accumulation of resources to be used for retiree medical benefit payments at appropriate amounts and times in the future. The Agency Funds are used to account for assets held by the City as an agency for certain special assessment districts in the City, the City's payroll revolving fund, various joint power authorities, Dry Creek Drainage Basin, Placer County, South Placer County Tourism Business Improvement District (SPCTBID), Placer County Transportation Authority, and various other programs for the benefits of parties outside of the City. The financial activities of these funds are excluded from the government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary, and private-purpose trust fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales and franchise taxes, certain other intergovernmental revenues, certain charges for services and interest revenue. Fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

The City follows Statements and interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenue Recognition for Electric, Water, Wastewater, and Solid Waste Funds

Revenues are recognized based on cycle billings rendered to customers. All residential and commercial utility customers are billed once per month. There are twenty-five billing cycles per month which include all types of customers, based on their location within the City. Revenues for services provided but not billed at the end of a fiscal year are accrued.

Contributions of cash or assets to proprietary funds from state and federal agencies, developers and others are recorded as revenue.

F. Property Tax

Placer County assesses properties and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the county, which retains all penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

G. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which are accrued as earned. The City's liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net Assets. Proprietary funds' liability for compensated absences is recorded in each proprietary fund.

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$11,771,201	$6,321,743	$18,092,944
Additions	2,165,157	1,301,331	3,466,488
Payments	(3,397,899)	(1,206,865)	(4,604,764)
Ending Balance	$10,538,459	$6,416,209	$16,954,668
Current Portion	$3,397,899	$1,929,108	$5,327,007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund and the Redevelopment Agency of the City of Roseville Special Revenue Fund.

H. Inventories

Inventories are valued at cost, using the weighted-average method. Inventories of the Governmental Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the Governmental Funds at the time individual inventory items are consumed. Reported Governmental Funds inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets. Inventories of the Enterprise Funds consist primarily of merchandise held for internal consumption.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. New Funds

During the year ended June 30, 2011, the City established the City of Roseville Retiree Health Plan Trust Fund and the Roseville Community Development Corporation Special Revenue Fund.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

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

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a minute order and ordinance.

4. The City Manager or designee is authorized to apply prudent monitoring procedures to assure that actual expenditures/expenses of the City do not exceed the appropriations by department of the major summary categories (salaries and benefits, operating services and supplies, capital outlay, and capital improvement projects) in conformance with the adopted policies set by the City Council. Additional appropriations or interfund transfers not included in the original budget ordinance require approval by the City Council.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

5. Expenditures may not legally exceed budgeted appropriations at the department level by major summary category within each fund.

6. Formal budgetary integration is employed as a management control device during the year.

7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. Budgets are adopted for all governmental funds, except the FEMA Special Revenue Fund.

B. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and are reappropriated in the following year. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

C. Excess of Expenditures or Expenses over Appropriations

The Major Funds below incurred expenditures in excess of their budgets in the amounts below. Sufficient resources were available within each department to finance these overages.

Fund	Department	Amount
General Fund	City Council	
	Salaries and benefits	$722
	City Attorney	
	Salaries and benefits	3,734
	City Manager	
	Operating services and supplies	77,086
	Community Development	
	Salaries and benefits	4,360
	Planning	
	Salaries and benefits	32,391
	Operating services and supplies	18,010
	Fire	
	Salaries and benefits	120,451
Redevelopment Agency Special Revenue Fund	Debt service - interest and fiscal charges	554,019

NOTE 3 - CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are carried at fair value instead of cost, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

A. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements.

Cash and investments in City Treasury	$365,594,167
Restricted cash and investments with fiscal agents	45,994,145
Total City cash and investments with primary government	411,588,312
Cash and investments in Fiduciary Funds (Separate statement)	170,367,161
Total Cash and Investments	$581,955,473

Cash and investments as of June 30, 2011, consist of the following:

Cash in bank and on hand	$30,342,087
Investments	551,613,386
Total Cash and Investments	$581,955,473

Cash and investments with original maturities of three months or less are treated as cash and equivalents for purpose of preparing Proprietary Fund statements of cash flows. Also, each Proprietary Funds' portion of the City's overall cash and investment pool is treated as cash and equivalents since these amounts are in substance demand deposits.

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality at Time of Purchase	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 Years	None	None	None
U.S. Agency Securities	5 Years	None	None	None
Mortgage Pass-Through Securities	5 Years	None	20%	None
Forward Delivery Agreements (A)	N/A	A	None	None
Local Agency Bonds	5 Years	None	None	None
Repurchase Agreements	30 days	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	10% (B)
Medium-Term Notes	5 Years	AA	30%	None
Collateralized Time Deposits	5 Years	None	None	None
Negotiable Certificates of Deposit	5 Years	AA	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None
Insured Saving Accounts	N/A	None	None	None
Money Market Mutual Funds	N/A	None	20%	10%
Shares in a California Common Law Trust	N/A	None	None	None
Interest Rate Swaps (C)	N/A	None	None	None

(A) In specified fund accounts where liquidity is not the primary investment objective, the maximum maturity can be up to ten years with granted express authority by the City Council. Such investments cannot be made less than three months following the approval of extended investment terms. All longer-term investments must be Federal Treasury or Agency securities. The specified fund accounts are:

- Citizens Benefit Permanent Fund
- Roseville Aquatics Complex Maintenance Permanent Fund
- Endowment Private-purpose Trust Fund
- All future trust and/or endowment funds established by the City with no anticipated use of principal

NOTE 3 - CASH AND INVESTMENTS (Continued)

(B) Eligible Commercial Paper may not represent more than 10% of the outstanding paper of an issuing corporation.

(C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Currently, the City does not participate in any Forward Delivery Agreements. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority, the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority.

C. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	None
U.S. Agency Securities	N/A	None
Certificates of Deposit	N/A - 30 days	None to A-1
Time Deposits	N/A - 30 days	None to A-1
Repurchase Agreements	N/A - 30 days	None to A
Bankers' Acceptances	N/A - 270 days	None to A-1
Money Market Funds	N/A	None to Aam-G
Taxable Governmental Money Market Portfolio	N/A	None
Commercial Paper	180-270 days	A-1 to AA
Special Revenue Bonds	N/A	AA
Pre-refunded Municipal Obligations	N/A	AAA
Municipal Obligations	N/A	AAA
Common Law Trust	N/A	None
California Asset Management Pool (CAMP)	N/A	None
Lawful Investments	N/A	None
Investment Agreements	N/A	A+ to AA
Local Agency Investment Fund (LAIF)	N/A	None
Placer County Investment Pool	N/A	None

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City also manages its interest rate risk by holding most investments to maturity, thus reversing unrealized market gains and losses.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

	Remaining Maturity (in Months)				
	12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months	Total
U.S. Government Securities	$40,370,351	$20,899,708	$14,365,794		$75,635,853
Federal Agency Securities	24,046,999	109,218,439	66,013,773	$3,250,575	202,529,786
Corporate Notes		1,906,262	54,134,126		56,040,388
Forward Delivery Agreement			4,603,895		4,603,895
Forward Purchase Agreement				4,041,512	4,041,512
Guaranteed Investment Contracts				7,685,332	7,685,332
Money Market Mutual Funds (U.S. Securities)	7,517,132				7,517,132
Local Agency Investment Fund	100,157,647				100,157,647
California Asset Management Pool	71,877,189				71,877,189
Collateralized Time Deposits	11,524,652	10,000,000			21,524,652
Total Investments	$255,493,970	$142,024,409	$139,117,588	$14,977,419	$551,613,386

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. At June 30, 2011 the fair value was $157,647 more than the City's cost. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2011, these investments matured in an average of 237 days.

NOTE 3 - CASH AND INVESTMENTS (Continued)

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2011, the fair value approximated is the City's cost, and these investments had an average maturity of 52 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2011, for each investment type as provided by Standard and Poor's investment rating system:

	AAAm	AAA	AA+	AA	AA-	A+	Total
Investments:							
Federal Agency Securities		$202,529,786					$202,529,786
Corporate Notes		11,684,423	$9,608,443	$5,370,892	$1,956,137	$27,420,493	56,040,388
Forward Delivery Agreement				4,603,895			4,603,895
Forward Purchase Agreement						4,041,512	4,041,512
Guaranteed Investment Contracts			7,685,332				7,685,332
California Asset Management Pool	$71,877,189						71,877,189
Money Market Mutual Funds (U.S. Securities)	7,517,132						7,517,132
Totals	$79,394,321	$214,214,209	$17,293,775	$9,974,787	$1,956,137	$31,462,005	354,295,234
Exempt from Credit Rate Disclosure:							
U.S. Government Securities							75,635,853
Not Rated:							
Local Agency Investment Fund							100,157,647
Collateralized Time Deposits							21,524,652
Total Investments							$551,613,386

On August 5, 2011, Standard & Poor's Ratings Services (S&P) lowered its long-term credit rating on the United States of America from AAA to AA+. At the same time, S&P affirmed its A-1+ short-term rating on the United States of America.

On August 8, 2011, S&P lowered its issuer credit ratings and related issue ratings on ten of twelve Federal Home Loan Banks (FHLBs) and the senior debt issued by the FHLB System from AAA to AA+. S&P also lowered the ratings on the senior debt issued by the Federal Farm Credit Banks (FFCB) from AAA to AA+, and lowered the senior issue ratings on Fannie Mae (FNMA) and Freddie Mac (FHLMC) from AAA to AA+. The A subordinated debt rating and the C rating on the preferred stock of these entities remained unchanged. Finally, S&P affirmed the short-term issue ratings for these entities at A-1+. As of June 30, 2011, the City's investments in these agencies that were subject to the downgrade were as follows: FHLB $49,861,661, FFCB $3,366,650, FNMA $85,282,961, and FHLMC $64,018,514.

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, California Local Agency Investment Fund, and California Asset Management Pool, that represent 5% or more of total Entity-wide investments are as follows at June 30, 2011:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal agency securities	$49,861,661
Federal Home Loan Mortgage Corporation	Federal agency securities	64,018,514
Federal National Mortgage Association	Federal agency securities	85,282,961

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2011:

Fund	Issuer	Investment Type	Amount
Major Enterprise Funds:			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	$4,041,512
Water	Assured Guaranty Municipal Corp.	Investment Agreement	4,217,863

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Among Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2011, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Redevelopment Agency of the City of Roseville Fund	$330,837	(A)
	Redevelopment Agency of the City of Roseville Fund	9,775,041	(B)
	Non-Major Governmental Funds	4,486,425	(A),(C),(D)
	Electric Enterprise Fund	12,384,566	(C),(D),(E)
	Water Enterprise Fund	3,563,119	(A),(D)
	Wastewater Enterprise Fund	2,384,766	(A),(D)
	Solid Waste Enterprise Fund	1,578,271	(A),(D)
	Roseville Natural Gas Finance Authority Enterprise Fund	3,978	(A)
	Golf Course Enterprise Fund	178,343	(C),(D)
	Local Transportation Enterprise Fund	238,830	(A)
	School-Age Child Care Enterprise Fund	349,897	(A)
	Internal Service Funds	1,235,726	(C),(D)
Redevelopment Agency of the City of Roseville Fund	General Fund	5,818	(D)
Non-Major Governmental Funds	General Fund	1,633,152	(C),(D)
	Redevelopment Agency of the City of Roseville Fund	5,000	(C)
	Non-Major Governmental Funds	1,895,901	(C),(D)
	Community Facilities District Fund	150,000	(D)
	Electric Enterprise Fund	1,872,514	(C)
	Water Enterprise Fund	840,544	(C),(D),(E)
	Wastewater Enterprise Fund	727,506	(C),(E)
	Solid Waste Enterprise Fund	351,806	(C),(E)
Water Enterprise Fund	Wastewater Enterprise Fund	735,089	(A)
	Solid Waste Enterprise Fund	401,567	(A)
Wastewater Enterprise Fund	Water Enterprise Fund	82,131	(D)
Solid Waste Enterprise Fund	Non-Major Governmental Funds	10,000	(D)
	Water Enterprise Fund	5,821	(D)
	Wastewater Enterprise Fund	5,821	(D)
Local Transportation Enterprise Fund	Non-Major Governmental Funds	23,710	(C)
	Community Facilities District Fund	75,000	(D)
Internal Service Funds	General Fund	5,053,595	(C)
	Electric Enterprise Fund	767,891	(C)
	Water Enterprise Fund	245,651	(C)
	Wastewater Enterprise Fund	530,169	(C)
	Solid Waste Enterprise Fund	202,322	(C)
	Golf Course Enterprise Fund	6,994	(C)
	Local Transportation Enterprise Fund	12,779	(C)
	School-Age Child Care Enterprise Fund	12,917	(C)
	Internal Service Funds	143,853	(C)
Total Interfund Transfers		$52,307,350	

(A) To pay for indirect costs
(B) To reestablish advances related to funding of projects and land acquisitions (see Note 4C below)
(C) To fund operations or indirect costs
(D) To fund various projects and/or pay debt service
(E) To transfer in lieu franchise fees or fund indirect costs or capital projects

In addition to the transfers above, Governmental Activities transferred land in the amount of $214,740 to the Redevelopment Agency of the City of Roseville Special Revenue Fund.

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2011, interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount	
General Fund	Redevelopment Agency of the City of Roseville Special Revenue Fund	$599,625	(A)
	Traffic Safety Special Revenue Fund	61,302	(B)
Enterprise Funds:			
Wastewater	General Fund	64,329	(A)
Wastewater	Solid Waste Enterprise Fund	240,407	(A)
Local Transportation	Traffic Mitigation Special Revenue Fund	200,000	(A)
Internal Service Funds:			
Automotive Replacement	Community Development Block Grant /HOME Special Revenue Fund	132,232	(B)
Automotive Replacement	School-Age Childcare Program Enterprise Fund	369,049	(B)
Automotive Replacement	Golf Course Enterprise Fund	127,000	(A)
Automotive Replacement	Automotive Services Internal Service Fund	275,693	(B)
Workers' Compensation	Unemployment Reserve Internal Service Fund	100,000	(A)
		$2,169,637	

(A) Current portion of the advances mentioned in 4C below.
(B) To temporarily fund short-term cash flow needs.

C. Long-Term Interfund Advances

At June 30, 2011, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount
General Fund	Wastewater Enterprise Fund	$128,657
Special Revenue Funds:		
Redevelopment Agency of the City of Roseville	General Fund	23,249,386
	State Gasoline Tax Special Revenue Fund	3,900,000
	Automotive Replacement Internal Service Fund	829,201
Traffic Mitigation	Local Transportation Enterprise Fund	4,100,000
Enterprise Funds:		
Solid Waste	Wastewater Enterprise Fund	432,313
Golf Course	Automotive Replacement Internal Service Fund	3,131,000
School-Age Child Care	Automotive Replacement Internal Service Fund	260,000
Internal Service Fund:		
Unemployment Reserve	Workers' Compensation Internal Service Fund	490,353
		$36,520,910

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

General Fund advance bears interest of 0%. It will be repaid 2014.

Redevelopment Agency advances consists of six advances: (1) Advances in the amount of $5,422,789 will be repaid in fiscal year 2029. This advance bears interest at the average interest rate of the City's pooled investments. (2) Advance in the amount of $915,049 bears interest at 3.15% and will be repaid in fiscal year 2023. (3) Advance in the amount of $3,900,000 bears no interest and will be repaid in fiscal year 2029. (4) Advance in the amount of $3,000,000 bears no interest and will be repaid in fiscal year 2034. (5) Advance in the amount of $4,966,402 will be repaid in fiscal year 2031. This advance bears interest at the average rate of the City's pooled investments, plus 1%. (6) Advances in the amount of $9,774,347 will be repaid in fiscal year 2040. These advances bear interest at the average interest rate of the City's pooled investments.

Traffic Mitigation advance bears no interest and will be repaid over a period of 22 years and will be repaid in 2032.

Solid Waste advance bears interest at 3.94%. It will be repaid over a period of 10 years and will be repaid in 2016.

Golf Course advance bears interest at the average interest rate of the City's pooled investments. It will be repaid over a period of 27 years and will be repaid in 2029.

School-Age Child Care advances are being repaid over five years with one beginning in fiscal year 2007 and the other in 2010. These advances bear interest at the average interest rate of the City's pooled investments and interest is to be paid at the end of the loans.

D. Internal Balances

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

NOTE 5 - NOTES RECEIVABLE

The City and Agency engage in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, home-owners or developers who agree to spend these funds in accordance with the City's terms. Although these notes are expected to be repaid in full, their balances have been offset in the fund financial statements by deferred revenue or fund balance as they are not expected to be repaid during fiscal year 2012. These notes receivable comprised the following at June 30, 2011:

Notes	$6,634
Employee Notes	8,473
Housing Rehabilitation and Affordable Housing Notes	10,921,145
First Time Home-Buyer Notes	12,126,374
Housing Elevation Notes	15,000
Commercial Rehabilitation Notes	1,810,295
Total	$24,887,921

NOTE 5 - NOTES RECEIVABLE (Continued)

A. Notes Receivable

The City has provided loans to various homeowners and businesses for rehabilitation due to flood damage. The maximum loan amount is $5,000 carrying various interest rates and payment dates. Although these notes are expected to be repaid in full, their balance has been offset by nonspendable fund balance. The balance of these notes receivable at June 30, 2011 was $6,634.

B. Employee Notes Receivable

All full-time and part-time City employees who have completed their probationary period are eligible to obtain an interest free loan of up to $2,500 to purchase a computer. All requests for loans are subject to review by the Information Technology Department and must be approved by the Human Resources Director. Repayment of these loans is handled through payroll deductions which are spread out equally over a two year period. Employees must pay off any outstanding balance on their loans upon ending employment with the City. As of June 30, 2011, 23 employees had $8,473 in notes due to the City. As of April 1, 2010 management decided to discontinue the internal PC Loan Program after working with different companies who would offer discounted pricing on many of their computers and peripherals for City of Roseville employees.

C. Housing Rehabilitation and Affordable Housing Notes Receivable

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to home-owners or developers who agree to spend these funds in accordance with the City's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset with the liability, Due to Other Governments, as they are not expected to be repaid during fiscal year 2012 and any repayments will be used to reduce future grant draw-downs by the City. The balance of the notes receivable arising from these programs at June 30, 2011, was $10,921,145.

D. First Time Home-Buyer Notes Receivable

The City and the Agency engage in a first time home-buyer program designed to encourage home ownership among low-income persons. Under this program, grants or loans are provided at no interest and are due upon sale or transfer of the property. These loans have been offset by due to other governments and deferred revenue as they are not expected to be repaid during fiscal year 2011, and any repayments will be used to reduce future grant draw-downs by the City. The balance of the notes receivable arising from this program at June 30, 2011, was $12,126,374.

E. Housing Elevation Notes Receivable

In fiscal 1997, the Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Grant Program funds to be used for residential home elevation projects in the City at a maximum of $5,000 per household, with the total federal share not to exceed $1,493,096. The City provides matching funds to each eligible household at a maximum of $5,000 in the form of a zero percent, deferred loan payable upon sale, change of title or change of use (See Note 5A above). As of June 30, 2011, eleven loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of $15,000.

NOTE 5 - NOTES RECEIVABLE (Continued)

F. Commercial Rehabilitation Notes Receivable

The Agency engages in a commercial rehabilitation program designed to aid small business owners in renovating and rehabilitating commercial property in need of repair. These notes will be forgiven at the end of the Owner Participation Agreement term, which is five to fifteen years, if the property has not been sold. If the property is sold prior to the completion of the agreement term a proportionate amount of the note will be forgiven. The notes are secured by a deed of trust on the property. During the year ended June 30, 2011 one business owner defaulted on its loan and the Agency wrote off the loan and accrued interest totaling $141,389. At June 30, 2011, $1,810,295 in notes had been issued to three property owners.

NOTE 6 - DEFERRED RECEIVABLES

The City has entered into a number of agreements with developers to defer permit fees for various projects within the City. The terms of these agreements call for various interest rates and payment dates. Although these fees are expected to be repaid in full, their balance has been offset by deferred revenue in governmental funds, as they are not expected to be repaid early enough to be treated as a current asset. The long-term portion of these receivables at June 30, 2011, was $294,787 which has been classified as deferred receivables, and the short-term portion of these receivables, which totaled $26,102 at June 30, 2011, is included in accounts receivable.

In response to the state wide slowdown of the housing market, the City has also established a Single Family Residential Fee Deferral Program which offers deferred payment of permit fees for new single-family residences. The deferred fees will be paid to the City (1) prior to the final building inspection on the home; or (2) at close of escrow or within a year of the deed of trust being recorded which ever occurs first. As of June 30, 2011, these deferred fees were $2,095,859.

NOTE 7 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR REDEVELOPMENT

The City may enter into development agreements in an effort to provide incentives to develop new businesses and new tax revenues. The substance of these agreements is that developers or other public agencies will be paid a portion of future sales tax or traffic mitigation fee revenues produced by their developments. These payments are conditioned on the generation of sales tax revenues or traffic mitigation fee revenues by these developments and the City is not required to use any other resources to pay these amounts.

A. Galleria at Roseville

In fiscal 2001, the City entered into a lease agreement with the Galleria at Roseville regional mall. The purpose of this agreement was to share revenue with the mall developers based on the generation of certain levels of sales tax. The Developer agreed to construct the mall, along with water and storm sewer mains, a bike trail, pedestrian walks, landscaping, parking areas and infrastructure improvements to surrounding streets. The mall opened for business in August 2000 and the term of the revenue sharing agreement commenced on that date. The remaining portion of sales tax revenues to be returned approximated $4,262,886 at June 30, 2011. The agreement terminates in 2017, regardless of whether this amount has been returned; after that date all future sales tax revenues remain with the City. During fiscal year 2011, payments made to the developer under the agreement totaled $1,146,915.

NOTE 7 – DEVELOPMENT AGREEMENTS AND LAND HELD FOR REDEVELOPMENT (Continued)

B. Historic District Parking Lot

In October of 2011, construction was completed on a 158-space surface level parking lot located at 400 Lincoln in what was formerly a vacant lot. The new parking lot in the Historic District will serve the District's businesses, residents and property owners and will begin to make the area attractive to new business opportunities. It is seen by the local businesses and many of the District property owners as a vital asset to the District. A significant demand for parking in the District, particularly in the late morning/early afternoon and in the evening on the weekends, was one of the primary reasons the parking lot was constructed. The improvements to the lot included paving, striping, lights, garbage receptacles and landscaping. The final cost of the construction and improvement s was $508,172 and was funded by bond proceeds from the Redevelopment Agency's 2006A Tax Allocation Bond issue.

C. Roseville Automall Façade Improvements

In fiscal 2011, the Redevelopment Agency participated in the upgrade and improvement of the wall surrounding the Roseville Automall. The project, completed in conjunction with the Roseville Automall Association, provided substantial improvements to both the public and private right-of-way. Improvements included the repair and repainting of the surrounding wall, the addition of six external auto display platforms, and additional landscaping and signage. These represent the first significant upgrades to the wall since it was constructed nearly two decades ago.

Overall, the project budget was close to $6.0 million. The Redevelopment Agency funded nearly one-half of the project for a total cost of $2,679,941. The Roseville Automall Association funded the balance of the project and accepted the ongoing responsibility for maintaining the public improvements in good condition and repair. Construction of the project was completed in January, 2011.

D. Land held for Resale

In April 2007, the Agency purchased a parcel located at 8051 Washington Boulevard. In March 2010, the Agency purchased property at 133 Church Street. In April 2010, the Agency purchased property at 330 Vernon Street. In June 2011, the Agency purchased a parcel located at 304 Washington Boulevard. This parcel will be developed by a private developer into 71 Mixed Use residential units with commercial and parking on the first floor. These properties are accounted for at the lower of cost or net realizable value. The properties are held by the Agency for resale in the future. As of June 30, 2011, total carrying value of the properties amounted to $6,281,007.

NOTE 8 – CAPITAL ASSETS

A. Policies

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives are depreciated over their estimated useful lives. Alternatively, the "modified approach" is used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives and capitalization thresholds listed below to capital assets:

	Useful Lives	Capitalization Thresholds
Buildings	20-40 years	$10,000
Improvements	40 years	10,000
Machinery and Equipment	3-12 years	5,000
Bike Paths	20 years	10,000
Bridges	90 years	10,000
Culverts	75 years	10,000
Curb, Gutter, Sidewalks and Median Curbs	20 years	10,000
Drain Inlets	50 years	10,000
Flood Control Improvements	75 years	10,000
Soundwall	35 years	10,000
Stormdrains	75 years	10,000
Traffic Signals	20 years	10,000
Plants and Substations:		
Electric	10-120 years	10,000
Sewer	15-60 years	10,000
Water	15-75 years	10,000
Distribution Systems:		
Electric	7-100 years	10,000
Sewer	75 years	10,000
Water	75 years	10,000
Electric Generation	10-40 years	10,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

NOTE 8 - CAPITAL ASSETS (Continued)

B. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2010	Additions	Retirements	Transfers	Balance at June 30, 2011
Governmental activities					
Capital assets not being depreciated:					
Land	$27,024,509	$339,267	($214,740)	$74,370	$27,223,406
Streets (modified)	244,213,028	431,557		3,714,893	248,359,478
Parks (modified)	78,399,378			3,151,822	81,551,200
Landscaping (modified)	41,282,016	612,000		1,018,211	42,912,227
Construction in progress	127,683,953	12,916,222	(208,944)	(22,548,908)	117,842,323
Total capital assets not being depreciated	518,602,884	14,299,046	(423,684)	(14,589,612)	517,888,634
Capital assets being depreciated:					
Buildings	124,627,847			1,819,476	126,447,323
Improvements	5,012,259	449,442			5,461,701
Equipment	69,201,464	1,669,661	(2,153,881)	856,342	69,573,586
Bike paths	8,298,493				8,298,493
Bridges	56,371,753				56,371,753
Culverts	20,181,185				20,181,185
Curb, gutter, sidewalk, and median curbs	140,585,206	424,572		1,077,595	142,087,373
Drain inlets	20,342,793			231,500	20,574,293
Flood control improvements	17,396,129			178,951	17,575,080
Soundwall	25,900,940	75,000		4,980,471	30,956,411
Stormdrains	70,312,621	189,541		392,872	70,895,034
Traffic signals	27,786,850	4,582		5,052,405	32,843,837
Total capital assets being depreciated	586,017,540	2,812,798	(2,153,881)	14,589,612	601,266,069
Less accumulated depreciation for:					
Buildings	(39,469,408)	(3,105,964)			(42,575,372)
Improvements	(1,420,720)	(122,306)			(1,543,026)
Equipment	(45,673,980)	(6,921,983)	2,059,827		(50,536,136)
Bike paths	(5,156,863)	(361,403)			(5,518,266)
Bridges	(7,695,965)	(626,353)			(8,322,318)
Culverts	(4,464,569)	(269,083)			(4,733,652)
Curb, gutter, sidewalk, and median curbs	(91,172,391)	(4,901,972)			(96,074,363)
Drain inlets	(6,944,914)	(409,171)			(7,354,085)
Flood control improvements	(2,215,320)	(233,141)			(2,448,461)
Soundwall	(6,728,542)	(812,248)			(7,540,790)
Stormdrains	(11,507,370)	(941,385)			(12,448,755)
Traffic signals	(14,323,821)	(1,305,037)			(15,628,858)
Total accumulated depreciation	(236,773,863)	(20,010,046)	2,059,827		(254,724,082)
Net capital assets being depreciated	349,243,677	(17,197,248)	(94,054)	14,589,612	346,541,987
Governmental activity capital assets, net	$867,846,561	($2,898,202)	($517,738)		$864,430,621

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2010	Additions	Retirements	Transfers	Balance at June 30, 2011
Business-type activities					
Capital assets, not being depreciated:					
Land	$16,373,511				$16,373,511
Landscaping (modified)	550,000			$26,843	576,843
Streets (modified)				24,914	24,914
Construction in progress	103,460,254	$17,991,662	($1,827,584)	(89,553,604)	30,070,728
Total capital assets not being depreciated	120,383,765	17,991,662	(1,827,584)	(89,501,847)	47,045,996
Capital assets, being depreciated:					
Buildings	24,423,909			196,145	24,620,054
Improvements	16,049,285	677,787		59,630	16,786,702
Machinery and equipment	24,655,641	839,506	(914,786)	(16,410)	24,563,951
Bike paths	3,296,786	660		621,811	3,919,257
Bridges	1,702,403				1,702,403
Culverts	296,616				296,616
Curb, gutter, sidewalk, and median curbs	15,642			11,685	27,327
Drain inlets	19,817			4,846	24,663
Storm drains	31,827			6,242	38,069
Plants and substations	344,899,816	244,438		4,605,285	349,749,539
Distribution	1,061,650,890	13,727,637	(145,090)	84,012,612	1,159,246,049
Generation	197,622,798	3,250,000			200,872,798
Total capital assets being depreciated	1,674,665,430	18,740,028	(1,059,876)	89,501,846	1,781,847,428
Less accumulated depreciation for:					
Buildings	(5,512,735)	(604,880)			(6,117,615)
Improvements	(4,500,347)	(435,512)			(4,935,859)
Machinery and equipment	(13,183,378)	(1,818,345)	902,057	55,026	(14,044,640)
Bike paths	(580,498)	(183,703)		(55,026)	(819,227)
Bridges	(28,373)	(18,916)			(47,289)
Culverts	(9,887)	(3,955)			(13,842)
Curb, gutter, sidewalk, and median curbs	(1,955)	(1,074)			(3,029)
Drain inlets	(2,418)	(445)			(2,863)
Storm drains	(2,681)	(466)			(3,147)
Plants and substations	(77,441,485)	(7,868,570)			(85,310,055)
Distribution	(188,979,015)	(17,710,118)			(206,689,133)
Generation	(25,321,165)	(10,554,561)			(35,875,726)
Total accumulated depreciation	(315,563,937)	(39,200,545)	902,057		(353,862,425)
Net capital assets being depreciated	1,359,101,493	(20,460,517)	(157,819)	89,501,846	1,427,985,003
Business-type activity capital assets, net	$1,479,485,258	($2,468,855)	($1,985,403)		$1,475,030,999

NOTE 8 - CAPITAL ASSETS (Continued)

C. Depreciation Allocation

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

Governmental Activities	
General government	$2,851,162
Community development and planning	442,119
Public works	10,352,494
Police	830,371
Fire	589,316
Library	602,354
Parks and recreation	412,868
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	3,929,362
Total Governmental Activities	$20,010,046
Business-Type Activities	
Electric	$18,042,332
Water	8,053,667
Wastewater	10,932,497
Solid Waste	273,760
Golf Course	388,854
Local Transportation	1,475,006
School-age Child Care	34,429
Total Business-Type Activities	$39,200,545

D. Streets, Parks and Landscaping Covered By the Modified Approach

The City has elected to use the modified approach discussed above with respect to its roads, most of which are relatively new. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.8, instead of providing depreciation. During fiscal 2011 the City expended $6,426,462 to preserve its roads. The City estimates that it will be required to expend approximately $5,489,639 in fiscal 2012 to maintain its roads at this condition level.

The City has also elected to use the modified approach with respect to its parks and landscaping, most of which are relatively new. The City's policy based on current funding is to maintain the parks and landscape at an average Ground Management Index (GMI) of Level 3, instead of providing depreciation. During fiscal 2011 the City expended $4,435,937 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately $4,764,762 in fiscal 2012 to maintain its parks at this condition level.

NOTE 9 - LONG-TERM DEBT

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

A. Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2003A Public Facilities Refunding Bonds,						
2.0%-5.0%, due 8/1/25	$18,275,000	$14,560,000		$675,000	$13,885,000	$695,000
Tax Allocation Bonds:						
2002 Roseville Redevelopment Project						
3%-5.14%, due 9/1/33	14,500,000	12,590,000		310,000	12,280,000	325,000
2006 Roseville Redevelopment Project, Series A						
4.5%-5.00%, due 9/1/40	13,155,000	13,155,000			13,155,000	
2006 Roseville Redevelopment Project, Series A-T						
5.31%-5.90%, due 9/1/28	3,285,000	2,875,000		95,000	2,780,000	100,000
2006 Roseville Redevelopment Project, Series H-T						
5.31%-6.07%, due 9/1/40	6,505,000	6,225,000		75,000	6,150,000	80,000
Total Tax Allocation Bonds	37,445,000	34,845,000		480,000	34,365,000	505,000
Installment Purchase Obligations:						
Equipment	2,239,765	1,868,055		247,625	1,620,430	259,311
Total Governmental Activity Debt:	$57,959,765	$51,273,055		$1,402,625	$49,870,430	$1,459,311
Business-type Activity Debt:						
Certificates of Participation:						
2004 Electric System Revenue,						
3.00%-5.25%, due 2/1/34	$39,940,000	$38,575,000		$370,000	$38,205,000	$380,000
Less: deferred amount on refunding	(728,254)	(582,603)		(24,275)	(558,328)	
2005 Electric System Revenue, Series A						
3.00%-5.00%, due 2/1/23	52,900,000	50,150,000		3,210,000	46,940,000	3,325,000
Add: deferred bond premium cost	3,528,055	2,959,014		113,808	2,845,206	
2008 Electric System Revenue, Series A						
variable rate, due 2/1/35	90,000,000	90,000,000			90,000,000	
2008 Electric System Revenue, Series B						
variable rate, due 2/1/35	64,500,000	61,645,000		61,645,000		
2009 Electric System Revenue Refunding						
2.00%-5.25%, due 2/1/24	27,010,000	25,315,000		1,470,000	23,845,000	1,495,000
Add: deferred bond premium cost	396,611	370,170		26,441	343,729	
2003B Golf Course Refunding Bond,						
2.0%-5.0%, due 8/1/23	8,240,000	6,310,000		350,000	5,960,000	360,000
2007 Water Utility Revenue,						
4.0%-5.0%, due 12/1/27	53,695,000	50,325,000		1,790,000	48,535,000	1,870,000
Add: deferred bond premium cost	2,759,170	2,345,294		137,959	2,207,335	
Less: deferred amount on refunding	(920,622)	(630,297)		(37,076)	(593,221)	
Total Certificates of Participation	341,319,960	326,781,578		69,051,857	257,729,721	7,430,000
Revenue Bonds:						
2007 Gas Revenue Bonds						
4.00-5.00%, due 2/15/28	209,350,000	196,055,000		6,915,000	189,140,000	7,265,000
Add: deferred bond premium cost	15,454,116	12,510,475		735,910	11,774,565	
2008 Variable Rate Demand Refunding						
Wastewater Revenue Bonds, Series A						
variable rate, due 11/1/35	39,275,417	39,275,417		39,275,417		
2008 Variable Rate Demand Refunding						
Wastewater Revenue Bonds, Series B						
variable rate, due 11/1/27	50,296,845	49,524,922		49,524,922		
2010 Electric System Revenue Refunding						
2.00%-5.00%, due 2/1/37	55,845,000		$55,845,000		55,845,000	305,000
Add: deferred bond premium cost	2,764,207		2,764,207	102,378	2,661,829	
2011 Variable Rate Demand Refunding						
Wastewater Revenue Bonds, Series A						
variable rate, due 11/1/35	16,340,380		16,340,380		16,340,380	
2011 Variable Rate Demand Refunding						
Wastewater Revenue Bonds, Series B						
variable rate, due 11/1/35	16,337,672		16,337,672		16,337,672	
2011 Refunding Wastewater Revenue Bonds, Series C						
1.00-5.25%, due 11/1/25	36,315,568		36,315,568		36,315,568	1,457,173
Add: deferred bond premium cost	2,839,017		2,839,017	177,439	2,661,578	
2011 Refunding Wastewater Revenue Bonds, Series D						
variable rate (SIFMA rate plus 0.83%), due 11/1/14	16,251,000		16,251,000		16,251,000	
Total Revenue Bonds	461,069,222	297,365,814	146,692,844	96,731,066	347,327,592	9,027,173
Total Business-type Activity Debt:	$802,389,182	$624,147,392	$146,692,844	$165,782,923	$605,057,313	$16,457,173

NOTE 9 - LONG-TERM DEBT (Continued)

B. 2003A Public Facilities Refunding Bonds

On July 17, 2003 the City issued $18,275,000 of Public Facilities Refunding COPs to advance refund the outstanding 1993 Public Facilities COP's. The COP's are repayable from the any source of available funds of the City which includes the General Fund. Principal payments are payable annually and interest payments are due semi-annually on February 1 and August 1 through 2025.

C. 2002 Roseville Redevelopment Project Tax Allocation Bonds

On October 23, 2002, the Redevelopment Agency issued Tax Allocation Bonds in the original principal amount of $14,500,000 to fund certain redevelopment activities of benefit to properties within the Agency's Roseville Redevelopment Project Area. The Bonds are special obligations of the Agency and are secured by the Agency's tax increment revenue. As disclosed in the official statement, pledged future tax increment revenues are expected to provide coverage over debt service over the life of the Bonds. Principal payments are payable annually on September 1 and interest payments are due semi-annually on March 1 and September 1, through September 1, 2033.

D. 2006 Roseville Redevelopment Project Tax Allocation Bonds

On October 26, 2006, the Redevelopment Agency issued Tax Allocation Bonds Series 2006 A, Taxable Tax Allocation Bonds Series 2006 A-T, and Taxable Tax Allocation Bonds, Series 2006 H-T in the amounts of $13,155,000, $3,285,000, and $6,505,000, respectively, for a total principal amount of $22,945,000. The Series A bonds bear interest at 4.50%-5.00%, the Series A-T at 5.31%-5.90%, and the Series H-T at 5.31%-6.07%. The proceeds for the Series A and Series A-T bonds were used to fund redevelopment activities of benefit to properties within the Agency's Redevelopment Project Area. The proceeds for the Series H-T bonds were used to pay the costs of low-and-moderate-income housing projects of the Agency's Redevelopment Project Area. The Series A and Series A-T bonds are secured by tax revenues, which are allocated to the Agency from the Project Area. The Series H-T bonds are secured by the tax increment revenue deposited in the Agency's Low and Moderate Income Housing Fund. As disclosed in the official statement, pledged future tax increment revenues are expected to provide coverage over debt service over the life of the Bonds. Interest on the bonds is payable semiannually on March 1 and September 1. Principal for the Series A is payable annually on September 1 beginning 2028 through 2040. Principal for the Series H-T bonds is payable annually on September 1 through 2040. Principal for the Series A-T is payable annually on September 1 through 2028.

As discussed above, the Agency has pledged all future tax increment revenues of the Roseville Redevelopment Project Area, less amounts required to be set aside for Low and Moderate Income Housing, for the repayment of the 2002 Tax Allocation Bonds and the 2006 Series A and Series A-T Tax Allocation Bonds, which are considered parity obligations. The pledge of all future tax increment revenues ends upon repayment of the remaining debt service on the Bonds which is expected in 2040, and as of June 30, 2011, the total principal and interest remaining to be paid on these bonds is $54,137,237. For fiscal year 2011 net tax increment revenues amounted to $3,853,172 which represented coverage of 212% over the debt service of $1,817,534.

Also as discussed above, the Agency has pledged the tax increment revenue set aside for Low and Moderate Income Housing for the repayment of the 2006 Series H-T Tax Allocation Bonds. The pledge of all future tax increment revenues ends upon repayment of the remaining debt service on the Bonds which is expected in 2040, and as of June 30, 2011, the total principal and interest remaining to be paid on these bonds is $13,249,494. For fiscal year 2011 tax increment revenues amounted to $1,103,919 which represented coverage of 248% over the debt service of $444,703.

NOTE 9 - LONG-TERM DEBT (Continued)

E. Installment Purchase Obligations

The City has purchased various pieces of computer equipment on the installment basis. The City has also entered into long-term contracts for the lease/purchase of various public safety equipment.

F. 2004 Electric System Revenue Certificates of Participation

On July 1, 2004, the City issued $39,940,000 of Certificates of Participation to finance capital improvements to the City's Electric System. The COP's are repayable from net revenue of the Electric Utility System. The COPs bear interest at 3.00% - 5.25% and are due semi-annually on February 1 and August 1 of each year beginning February 1, 2005. Principal payments are due annually on February 1 through February 2034.

G. 2005 Electric System Revenue Certificates of Participation, Series A

On May 26, 2005, the City issued Certificates of Participation, Series A, in the original principal amount of $52,900,000 to finance certain Electric System improvements, primarily including construction of the Roseville Energy Park.

The Series A COPs bear interest at 3.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2008 through 2023.

H. 2008 Electric System Revenue Refunding Certificates of Participation Series A and Electric System Revenue Refunding Certificates of Participation Series B

On May 12, 2008, the City issued variable rate Certificates of Participation (COP's) Series A and B in the original principal amounts of $90,000,000, and $64,500,000 respectively.

The Series 2008A Bonds were issued to refund the remaining outstanding balance of the 2005 Electric System Revenue Certificates of Participation, Series B.

The Series A COPs were issued as variable rate securities with interest calculated weekly. The rate fluctuates according to the market conditions, but is capped at 12%. However, the City entered into a 27-year interest rate swap agreement for the entire amount of the Series A COP's. The combination of the variable rate Series A COPs and a floating rate swap creates synthetic fixed-rate debt for the City. The synthetic fixed rate for the Series A COPs was 3.28% at June 30, 2011. Principal payments are due annually on February 1 beginning February 1, 2023 through 2035.

The Series 2008B Bonds were issued to refund the remaining outstanding balance of the 2005 Electric System Revenue Certificates of Participation, Series C.

NOTE 9 - LONG-TERM DEBT (Continued)

The Series B COP's were issued as variable rate securities with interest calculated weekly. The rate fluctuates according to the market conditions, but is capped at 12%.

Interest rates on the 2008 Bonds are reset periodically, using the "put" mechanism described below. The Bonds are periodically subject to repurchase at a purchase price equal to the principal amount thereof plus accrued interest, referred to as a "put". Once a put occurs, a remarketing agent resells Bonds at par by setting new interest rates and repurchase dates. The City has obtained a Letter of Credit in the amounts of $90,000,000 and $64,500,000 to be used in the event the remarketing agent is unable to resell any 2008A or 2008B Bonds and to ensure the City will not be required to repurchase the 2008A or 2008B Bonds before they mature. The Letter of Credit expired May 13, 2011. The City paid $788,104 in fees for the Letter of Credit during the year ended June 30, 2011.

The interest rate of the 2008 Bonds cannot exceed 12% per year and may be converted by the City into commercial paper rate, daily rate, auction rate, or long-term rate, subject to certain conditions defined in the indenture agreements. The Bonds may be prepaid, at a purchase price equal to the principal amount thereof plus accrued interest, at any time provided the interest rate mode are either the weekly rate or daily rate. The Bonds are subject to mandatory prepayment, once the interest rate has been converted to a commercial paper rate, auction rate, or long-term rate, subject to certain conditions defined in the indenture.

As of June 30, 2011, the Series B COP's were refinanced by the 2010 Electric System Revenue Refunding Bonds, as discussed in Note 9 N below.

I. 2009 Electric System Revenue Refunding Certificates of Participation

On November 24, 2009, the City issued Certificates of Participation (COP's) in the original principal amount of $27,010,000.

The Bonds were issued to refinance the remaining outstanding balance of the 2002 Electric System Revenue Certificates of Participation.

The COPs bear interest at 2.00%-5.25% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2010 through 2024.

J. 2003B Golf Course Refunding Certificates of Participation

On July 17, 2003, the City issued $8,240,000 of Golf Course Refunding COPs, the proceeds of which are to be used to advance refund the outstanding 1993 Golf Course COP's. The COP's are repayable from the any source of available funds of the City which includes the General Fund. Interest payments are due semi-annually on February 1 and August 1. Principal payments are due annually on August 1 through 2024.

NOTE 9 - LONG-TERM DEBT (Continued)

K. 2007 Water Utility Revenue Certificates of Participation

The City issued Certificates of Participation in the original principal amount of $53,695,000 on October 16, 2007, to refund the remaining balance of 1997 Water Utility Revenue Certificates of Participation, and to finance the acquisition and the construction of certain capital improvements and additions to the City's Water Utility System. The COP's are repayable from net revenue from the Water Utility System. Principal payments are payable annually on December 1 and interest payments are due semi-annually on December 1 and June 1, through December 1, 2027.

As of June 30, 2011, the total principal and interest remaining to be paid on the bonds was $71,659,237. As disclosed in the official statement, all net revenues of the Water Utility System are expected to provide coverage over debt service of 120% over the life of the Bonds. For fiscal year 2011 net revenues amounted to $5,670,061 which represented coverage of 142% over the $4,006,943 in debt service.

L. 2007 Roseville Natural Gas Financing Authority Gas Revenue Bonds

On January 24, 2007, the Authority issued $209,350,000 of Gas Revenue Bonds, Series 2007, to finance a lump sum prepayment to a Gas Supplier (See Note 20A) in order to acquire a supply of natural gas to be delivered over a period of twenty-years. The gas purchased by the Authority will be sold to the City pursuant to a Natural Gas Supply Agreement (See Note 20B) to produce revenues to be used for debt service on the Bonds.

Principal payments are due annually commencing on February 15, 2009 through 2028 and interest is payable semiannually on February 15 and August 15, commencing August 15, 2007. As of June 30, 2011, the total principal and interest to be paid on the bonds was $285,329,745. For fiscal year 2011 net revenues amounted to $27,580,535 which represented coverage of 166% over the $16,717,078 in debt service.

M. 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds

On April 3, 2008, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2008A and 2008B in the original principal amounts of $72,504,000 and $92,850,000 respectively. The City's share of this obligation was determined to be 54.17%.

The Series 2008A Bonds were issued to refund the remaining outstanding balance of the 2000 Variable Rate Demand Wastewater Revenue Bonds, Series B.

The Series 2008B Bonds were issued to refund the remaining outstanding balance of the 2003 Wastewater Refunding Revenue Bonds. A portion of the proceeds from the Series 2008B Bonds were also used to advance refund the remaining outstanding balance of the 2000 Wastewater Revenue Bonds, Series A by purchasing certain noncallable direct obligations of the United States of America which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2000 Series A Bonds (Refunded Bonds). As a result, the Refunded Bonds are considered to be defeased and the liability for those obligations was removed along with the trust assets from the City and Authority financial statements.

As of June 30, 2011, the 2008 Bonds were refinanced by 2011 South Placer Wastewater Authority Refunding Revenue Bonds, as discussed in Note 9 O below.

NOTE 9 - LONG-TERM DEBT (Continued)

N. 2010 Electric System Revenue Refunding Bonds

On October 21, 2011, the City issued Revenue Bonds in the original principal amount of $55,845,000.

The Bonds were issued to refinance the remaining outstanding balance of the 2008 Electric System Revenue Refunding Certificates of Participation Series B, discussed above in Note 9 H.

The Revenue Bonds bear interest at 2.00%-5.00% and are due semi-annually on February 1 and August 1 of each year. Principal payments are due annually beginning February 1, 2012 through 2037.

As of June 30, 2011, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COP's, 2005 Electric System Revenue COP's, 2008 Electric System Revenue Refunding COP's, 2009 Electric System Revenue Refunding COP's, and 2010 Electric System Revenue Refunding Revenue Bonds was $416,741,089. As disclosed in the official statements, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the lives of the Bonds. For fiscal year 2011, net revenues amount to $32,561,896 which represent coverage of 202% over the $16,091,428 in debt service.

O. 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A, B, C, and D

On April 7, 2011, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2011A and 2011B in the original principal amounts of $30,165,000 and $30,160,000, respectively, and Revenue Refunding Bonds Series 2011C and 2011D (SIFMA Index Bonds) in the original principal amount of $67,040,000 and $30,000,000, respectively. The City's share of this obligation was determined to be 54.17%.

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B, discussed above in Note 9 M.

As of June 30, 2011, the total principal and interest remaining to be paid on the Series A, Series B, Series C, and Series D Bonds was $218,469,751. As disclosed in the official statement, net revenues of the respective systems of the participants are expected to provide coverage over debt service of 110% over the lives of the Bonds. For fiscal year 2011, net revenue amounts to $6,388,173 which represented coverage of 110% over the $5,791,207 in debt service.

Interest rates on the 2011 Series A and Series B Bonds are reset periodically, using the "put" mechanism described below. The Bonds are periodically subject to repurchase at a purchase price equal to the principal amount thereof plus accrued interest, referred to as a "put". Once a put occurs, a remarketing agent resells Bonds at par by setting new interest rates and repurchase dates. The interest rate at June 30, 2011 was 0.04%. The Authority has obtained a Letter of Credit in the amounts of $30,165,000 and $30,000,000 to be used in the event the remarketing agent is unable to resell any 2011A or 2011B Bonds and to ensure the City will not be required to repurchase the 2011A or 2011B Bonds before they mature. The Letter of Credit expires April 7, 2013. The Authority paid $189,951 in fees for the Letter of Credit during the year ended June 30, 2011.

NOTE 9 - LONG-TERM DEBT (Continued)

The interest rate of the 2011 Bonds cannot exceed 12% per year and may be converted by the City into commercial paper rate, daily rate, auction rate, or long-term rate, subject to certain conditions defined in the indenture agreements. The Bonds may be prepaid, at a purchase price equal to the principal amount thereof plus accrued interest, at any time provided the interest rate mode are either the weekly rate or daily rate. The Bonds are subject to mandatory prepayment, once the interest rate has been converted to a commercial paper rate, auction rate, or long-term rate, subject to certain conditions defined in the indenture.

Interest rates on the Series 2011D Bonds will be a per annum rate equal to the Adjusted SIFMA Rate (the sum of the SIFMA Index Rate and an additional interest rate of 0.832%), applied on the basis of the actual number of days in the applicable Interest Period divided by 365 or 366, as applicable. "SIFMA Index" is defined under the Indenture to mean the SIFMA Municipal Swap Index (formerly The Bond Market Association Municipal Swap Index), a seven–day high–grade market index composed of selected tax–exempt variable–rate demand obligations meeting specific criteria. The SIFMA Index is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Index is not available, there will be used in its place such index as the Trustee, following consultation with the Authority and the Calculation Agent, as applicable for the applicable Interest Rate Period, from time to time determines most closely approximates the SIFMA Index. The interest rate at June 30, 2011 was 0.09%.

The Authority originally entered into a 19 year interest rate swap agreement for the entire amount of the 2008 B Bonds, and as part of the issuance of the 2011 ABCD Bonds, the swap agreement was amended and remains in effect, but the notional amount of the swap is based on the notional amount of the 2008 B Bonds. The payments under the swap are on parity with the 2011 Bonds. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the A and B Bonds at June 30, 2011 was 3.33% and the rate for the D Bonds was 0.92%.

P. Interest Rate Swap Agreements

The City entered into interest swap agreements in connection with the 2008 Electric Revenue Certificates of Participation, Series A. In addition, the City has a 54.17% interest in the Authority which entered into an interest swap agreement in connection with the 2008 Refunding Wastewater Revenue Bonds, Series B. The Authority amended the swap with the issuance of the 2011 ABCD Bonds, but the swap continues to be based on the notional amount of the 2008 B Bonds.

These transactions allow the City to create synthetic fixed rates on the COPs and Revenue Bonds, protecting it against increases in short-term interest rates. The terms, fair value and credit risk of the swap agreements are disclosed below.

Terms. The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2011, are included below. The swap agreements contain scheduled reductions to the outstanding notional amount that are expected to follow scheduled reductions in the associated bond issues.

NOTE 9 - LONG-TERM DEBT (Continued)

Related Bond Issue	Notional Amount	Effective Date	Counterparty	Credit Rating	Fixed Rate Paid	Variable Rate Received	Termination Date
2008 Electric System Revenue COP, Series A	$36,000,000	5/13/2008	Bank of America, N.A.	A	3.364%	70.5% of 1m LIBOR	2/1/2035
2008 Electric System Revenue COP, Series A	54,000,000	5/13/2008	Morgan Stanley Capital Services Inc.	A	3.321%	70.5% of 1m LIBOR	2/1/2035
2011 Refunding Wastewater Revenue Bonds, series A, B, C and D (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B)	49,118,648 (A)	9/17/2003, amended 4/10/2008	Morgan Stanley Capital Services Inc.	A	3.665%	62% of 1m LIBOR plus 26 bps	11/1/2027
	$139,118,648						

(A) The Authority's swap agreement is based on the notional amount of $90,675,000 related to the 2008B Bonds. The City's share of these underlying Bonds is 54.17%, or $49,118,648. Only the City's portion of the swap agreement is shown above, since the City was only obligated for that portion of the Authority's bonds.

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

Fair value. Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. Fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by each swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. As of June 30, 2011, the fair value of the swaps were not in favor of the City as follows:

Related Bond Issue	Fair Value 2011	Fair Value 2010
2008 Electric System Revenue COP, Series A		
Bank of America N.A.	($3,354,161)	($4,636,778)
Morgan Stanley Capital Services Inc.	(4,716,470)	(6,622,568)
2011 Refunding Wastewater Revenue Bonds, series A, B, C and D (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B) (A)	(5,684,590)	(6,706,557)
	($13,755,221)	($17,965,903)

(A) The Authority's swap agreement is based on the notional amount of $90,675,000 equivalent to the notional balance on the 2008B Bonds. The City's share of these underlying Bonds was 54.17%, or $49,118,648. Only the City's portion of the swap agreement is shown above, since the City is only obligated for that portion of the Authority's 2011 bonds.

NOTE 9 - LONG-TERM DEBT (Continued)

Credit risk. The City would be exposed to credit risk on the outstanding swaps if the swaps had positive fair values. These amounts may increase if interest rates increase in the future. However, if interest rates decline and fair values of the swaps were to become negative, the City would no longer be exposed to credit risk. The City will be exposed to interest rate risk only if a counterparty to a swap defaults or if the swap is terminated.

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

A portion of this basis risk is tax risk. The City is exposed to tax risk when the relationship between the taxable LIBOR based swaps and tax-exempt variable rate bonds changes as a result of a reduction in federal and state income tax rates. Should the relationship between LIBOR and the underlying tax-exempt variable rate bonds converge the City is exposed to this basis risk.

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

Rollover Risk. Rollover risk is the risk that the swap associated with a debt issue matures or may be terminated prior to the maturity of the associated debt. When the swap terminates or a termination option is exercised by the counterparty, the City will be re-exposed to the risks being hedged by the swap. The swap based on the 2008 Refunding Wastewater Revenue Bonds, Series B, associated with the 2011 A and B Variable Rate Demand Refunding Wastewater Revenue Bonds and 2011 C and D Refunding Wastewater Revenue Bonds, exposes the City to rollover risk because the swap terminates on November 1, 2027 while the 2011 A and B mature on November 1, 2035, the 2011 C Bonds mature on November 1, 2025 and the 2011 D Bonds mature on November 1, 2014.

NOTE 9 - LONG-TERM DEBT (Continued)

Swap payments and associated debt. Using rates as of June 30, 2011, debt service requirements of the City's outstanding swap-related variable-rate and fixed rate debt and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary. These payments below are included in the Debt Service Requirements at June 30, 2011:

For the Year Ending June 30	Variable-Rate and Fixed Rate Bond		Interest Rate Swaps, Net	
	Principal	Interest	Interest	Total
2012	$1,457,173	$2,061,375	$4,455,050	$7,973,598
2013	1,646,768	1,914,195	4,383,168	7,944,131
2014	1,746,983	1,854,554	4,308,762	7,910,299
2015	1,874,282	1,772,757	4,231,385	7,878,424
2016	2,009,707	1,680,289	4,151,187	7,841,183
2017 - 2021	12,491,604	6,699,964	19,447,809	38,639,377
2022 - 2026	40,304,005	2,915,338	15,627,972	58,847,315
2027 - 2031	56,594,482	424,885	8,412,379	65,431,746
2032 - 2036	57,119,616	71,999	2,241,713	59,433,328
Totals	$175,244,620	$19,395,356	$67,259,427	$261,899,403

Q. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	$1,459,311	$2,440,414	$16,457,173	$26,405,069
2013	1,521,549	2,381,374	17,351,768	25,533,751
2014	1,535,321	2,319,133	18,156,983	24,664,198
2015	1,551,387	2,255,885	19,019,282	23,771,735
2016	1,620,828	2,188,398	19,974,707	22,779,116
2017 - 2021	8,447,034	9,769,689	116,446,604	96,897,446
2022 - 2026	10,260,000	7,408,831	148,604,000	62,601,965
2027 - 2031	5,945,000	5,279,752	118,209,483	28,145,010
2032 - 2036	7,660,000	3,518,018	93,789,620	12,752,463
2037 - 2041	9,870,000	1,266,788	15,705,000	785,250
Total	$49,870,430	$38,828,282	583,714,620	$324,336,003

Reconciliation of long-term debt	
Add deferred bond premium costs	22,494,242
Less deferred amount on refunding	(1,151,549)
Net long-term debt	$605,057,313

NOTE 9 - LONG-TERM DEBT (Continued)

R. Special Assessment Districts

Special Assessment Districts, including Mello Roos Districts, in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not recorded as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2011, is as follows:

Northeast Roseville Community Facilities District #2	$7,895,000
North Roseville Community Facilities District #1	17,095,000
North Central Roseville Community Facilities District #1, Series 2010	23,080,000
Northwest Roseville Community Facilities District #1	17,920,000
Woodcreek West Community Facilities District #1, Series 2005	17,805,000
Stone Point Community Facilities District # 1	9,625,000
Fiddyment Ranch Community Facilities District # 1	77,645,000
Longmeadow Parkside Community Facilities District # 1	8,535,000
Westpark Community Facilities District # 1	77,400,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	33,640,000
Stone Point Community Facilities District #5, Series 2006	5,245,000
Diamond Creek Community Facilities District #1, Series 2007	7,025,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	39,820,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	9,345,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,200,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	3,000,000
Total	$366,275,000

NOTE 10 – DERIVATIVE INSTRUMENTS

A. Summary of Notional Amounts and Fair Values

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

The City applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow hedge on the consolidated balance sheet. For the reporting period, all of the City's derivatives meet the effectiveness tests.

For energy derivatives, fair values are estimated by comparing contract prices to forward market prices quoted by third party market participants or provided in relevant industry publications.

NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2011.

	2011 Change in Fair Value		Fair Value, End of Fiscal Year 2011		Notional
	Classification	Amount	Classification	Amount	
Effective Cash Flow Hedges					
Electric Fund					
Pay Fix SWAP, Natural Gas	Deferred Outflow	$8,680,905	Derivative	($42,366,003)	18,557,500 mmBtu
Pay Fixed SWAP, Electric	Deferred Outflow	(425,034)	Derivative	(2,592,109)	241,630 MWh
				($44,958,112)	
Roseville Natural Gas Financing Authority					
Pay Fix SWAP, Natural Gas	Deferred Inflow	($736,409)	Derivative	$21,637,785	39,212,500 mmBtu
Receive Fix SWAP, Natural Gas	Deferred Inflow	31,797,579	Derivative	31,797,579	76,000-372,000 monthly mmBtu
				$53,435,364	

B. Objective and Terms of Hedging Derivative Instruments

The objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2011, are summarized in the next table. The table is aggregated by the credit ratings of the City's counterparties. For counterparties having multiple ratings, the rating indicating the greatest degree of risk is used.

Objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2011 are summarized in the table below:

Type and Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty	Counterparty Rating
Forward Contracts, Gas:						
Hedge Cash Flows on PG&E citygate Gas	$3,841,000	1/1/2012	12/31/2013	Pay $7.56; Receive NGI PG&E citygate price	BP Corporation	BBB+
Hedge Cash Flows on PG&E citygate Gas	828,000	10/1/2011	9/30/2013	Pay $5.55; Receive NGI PG&E citygate price	ConocoPhillips	A
Hedge Cash Flows on PG&E citygate Gas	382,500	8/1/2011	12/31/2011	Pay $7.30; Receive NGI PG&E citygate price	Constellation Energy Commodities	BBB-
Hedge Cash Flows on PG&E citygate Gas	795,000	8/1/2011	12/31/2011	Pay $8.69; Receive NGI PG&E citygate price	J Aron & Company	A
Hedge Cash Flows on PG&E citygate Gas	1,444,000	7/1/2011	9/30/2013	Pay $7.74; Receive NGI PG&E citygate price	J.P. Morgan Ventures Energy Corporation	A+
Hedge Cash Flows on PG&E citygate Gas	736,000	7/1/2012	12/31/2013	Pay $5.26; Receive NGI PG&E citygate price	Powerex Corporation	AAA
Hedge Cash Flows on PG&E citygate Gas	10,531,000	8/1/2011	12/31/2015	Pay $7.49; Receive NGI PG&E citygate price	Shell Energy North America	A-
Forward Contracts, Power:						
Hedge Cash Flows on NP15 Purchases	187,055	7/1/2011	3/31/2012	Pay $45.40; Receive CAISO NP15 price	Powerex Corporation	AAA
Hedge Cash Flows on NP15 Purchases	54,575	1/1/2012	3/31/2012	Pay $57.75; Receive CAISO NP15 price	Shell Energy North America	A-
Commodity Swaps, Gas:						
Prepayment 20-year supply of Natural Gas	39,212,500	1/1/2008	12/31/2027	Pay index minus 0.68; Receive NGI	Merrill Lynch	A2
Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas	From 76,000 to 372,000 per month	1/24/2007	1/25/2028	Pay NGI PG&E citygate price; Receive $7.7224 per MMBtu	JPMorgan Chase Bank, NA	AA-

NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)

C. Risks of Derivative Instruments

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

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

D. Subsequent Downgrade of Counterparty

On November 29, 2011, Standard and Poor's downgraded JPMorgan Chase Bank, NA, the counterparty for the gas commodity swap noted above, from AA- to A+. Under the terms of the credit support annex for the swap, this downgrade event requires the counterparty to post collateral with the City on the next payment date which is scheduled for December 27, 2011. The City has estimated the amount of the required collateral to be $4.6 million, which is based on the three month rolling summation of the swap volumes multiplied by the swap prices.

NOTE 11 – NET ASSETS AND FUND BALANCES

A. Net Assets

Net Assets is the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets, which is determined only for proprietary funds and at the Government-wide level, and are described below:

Invested in capital assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects (expended) or contributions received in permanent funds (unexpended), debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Assets which is not restricted to use.

NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)

B. Fund Balances, Reserves and Designations

In the Fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions,* which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City's Fund Balances, as of June 30, 2011, are below:

NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)

Func Balance Classifications	General Fund	Special Revenue Redevelopment Agency	Capital Projects Community Facilities District Projects	Other Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Prepaid Expenses					
Notes Receivable					
Inventories					
Advances to other funds	7,011,136				7,011,136
Subtotal	7,011,136				7,011,136
Amounts required to maintained intact:					
Permanent funds					
Total Nonspendable Fund Balances	7,011,136				7,011,136
Restricted for:					
Community facilities districts			$17,466,033		17,466,033
Debt Service				1,538,213	1,538,213
Lighting and landscaping				6,483,893	6,483,893
Street projects				9,804,571	9,804,571
Affordable housing				4,427,340	4,427,340
Library services and projects				592,871	592,871
Public safety services and projects				8,055,005	8,055,005
Bike trail/open space maintenance				264,378	264,378
Animal control shelter				274,371	274,371
Traffic projects				16,479,377	16,479,377
Public facilities				10,720,427	10,720,427
Park development				19,421,176	19,421,176
Pleasant Grove drain basin				7,327,779	7,327,779
Tree propagation				4,174,132	4,174,132
Community development block grant and HOME programs				138,778	138,778
Aquatics Complex Maintenance				4,975	4,975
Citizens' Benefits				18,348,310	18,348,310
Other capital projects				225,797	225,797
Total Restricted Fund Balances			17,466,033	108,281,393	125,747,426
Committed to:					
Utility exploration center				78,354	78,354
Park services and projects				462,132	462,132
Building projects				1,702,778	1,702,778
Total Committed Fund Balances				2,243,264	2,243,264
Assigned to:					
EAM Project	1,500,000				1,500,000
Information Technology Storage Area Network	260,000				260,000
Parking lot repair	200,000				200,000
Various contracts	2,210,924				2,210,924
Building and general rehabilitation projects				15,284,386	15,284,386
Total Assigned Fund Balances	4,170,924			15,284,386	19,455,310
Unassigned:					
General fund	38,056,222				38,056,222
Other governmental fund deficit residuals		$8,161,730		(238,049)	7,923,681
Total Unassigned Fund Balances	38,056,222	8,161,730		(238,049)	45,979,903
Total Fund Balances	$49,238,282	$8,161,730	$17,466,033	$125,570,994	$200,437,039

NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)

C. Economic Reserves

The Ordinance adopting the City's annual budget requires the City to implement and maintain fund balances of approximately 10% of General Fund and Utility Fund operating expenditures for economic uncertainties. As of June 30, 2011, the General Fund Reserve for Economic Uncertainties, which is reported within the unassigned fund balance of the General Fund, had a balance of $11,584,253. As of June 30, 2011, the Utility Fund Economic Uncertainties balances, which are reported within the unrestricted net assets of the Electric, Water, Wastewater and Solid Waste Enterprise Funds had balances of $10,886,759, $1,867,100, $2,563,000, and $1,826,400, respectively. The balance of the Electric Enterprise Fund reserve for Economic Uncertainties is $10,886,759; the required level is $14,119,068. The City's policy is to maintain the electric reserve in the Electric Rate Stabilization Fund which had a balance of $31,051,163 as of June 30, 2011, which is a component of the Electric Enterprise Fund.

D. Fund Balance and Net Assets Deficits

The Redevelopment Agency of the City of Roseville Special Revenue Fund had a deficit fund balance at June 30, 2011 of $3,843,264. Future tax increment revenues are expected to eliminate this deficit.

The Roseville Community Development Corporation Special Revenue Fund had deficit fund balance at June 30, 2011 of $238,049. Future contributions and revenues are expected to eliminate this deficit.

The Unemployment Reserve Internal Service Fund had a deficit fund balance at June 30, 2011, in the amount of $622,802. Future rate increases are expected to offset this deficit.

The Post Retirement Internal Service Fund had a deficit fund balance at June 30, 2011, in the amount of $12,811,572. Future rate increases are expected to offset this deficit.

E. Restatements of Net Assets

During the year ended June 30, 2011, the City determined that interest related to an advance from the Automotive Replacement Internal Service Fund to the Golf Enterprise Fund had not been accrued since the inception of the advance and beginning net assets have been increased and decreased in the funds, respectively, in the amount of $1,997,452 to reflect the interest receivable and interest payable.

During the year ended June 30, 2011, the City determined that unspent grant allocations received by the Local Transportation Enterprise Fund should be reported as unearned revenue. As a result, beginning net assets of the Fund were decreased in the amount of $12,271,386 and unearned revenue was increased in the same amount.

NOTE 12 - PENSION PLAN

CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service; one year of credited service is equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2011, are summarized as follows:

	Safety	Miscellaneous
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	3%	2.7%
Required employee contribution rates	9%	8%
Required employer contribution rates	29.293%	15.572%
Actuarially required contributions	$7,510,598	$12,074,150

The City's labor contracts require it to pay employee contributions as well as its own.

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. The City paid 100% of the contributions required by CALPERS, for the years ended June 30, 2011, 2010, and 2009. Actuarial required contributions, as well as the Annual Pension costs for the years ended June 30, 2011, 2010 and 2009 amounted to $23,659,235, $27,377,992 and $25,847,110, respectively. The City does not have a net pension obligation since it pays these actuarially required contributions monthly.

NOTE 12 - PENSION PLAN (Continued)

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

The Plans' actuarial value (which differs from market value) and funding progress over the past three years are set forth below at their actuarial valuation date of June 30:

Safety Plan:

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2008	$150,031,140	$109,790,798	$40,240,342	73.2%	$23,293,483	172.754%
2009	166,512,851	121,354,582	45,158,269	72.9%	23,943,280	188.605%
2010	176,319,541	133,291,736	43,027,805	75.6%	23,685,286	181.665%

Miscellaneous Plan:

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2008	$290,677,152	$220,147,529	$70,529,623	75.7%	$70,445,359	100.120%
2009	342,328,270	241,893,471	100,434,799	70.7%	64,296,771	156.205%
2010	367,490,532	261,053,910	106,436,622	71.0%	63,122,632	168.619%

Audited annual financial statements and ten-year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

NOTE 13 – POST-EMPLOYMENT BENEFITS

A. Plan Provisions

The City provides medical benefits to substantially all retirees under the City of Roseville Other Post Employment Benefit Plan, a sole employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. The Plan does not issue separate financial statements. As of June 30, 2011, there were 520 participants receiving these health care benefits.

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees under third-party insurance plans. A summary of eligibility and benefits offered are shown below:

■ Eligibility	• Service or disability retirement from City (or 5 years City service if hired after January 1, 2004)	
■ Benefit	Hired before January 1, 2004 (a) • City paid premium, subject to the following caps: Group — 2011 Management/Confidential — $1,116.75 Stationary Engineers Local 39 — 1,190.57 Roseville Police Association — 1,088.50 Roseville Police Officers Association — 1,186.62 Roseville Firefighters Association — 1,005.00 International Brotherhood of Electrical Workers — 1,158.60 (a) January 1, 2005 for Police Officers Association and Local 39	Hired after January 1, 2004 (a) • 100/90 formula, subject to vesting schedule: CalPERS Service — Vesting 10 to 20 years — 50% to 100% • 100/90 formula rates: 2009 — 2010 Single — $478.00 — $493.00 Two-Party — 909.00 — 936.00 Family — 1,167.00 — 1,202.00 • Five years City service required
■ Dental, Vision and Life	• None	
■ Surviving Spouse Continuation	• Retiree medical benefit continues to surviving spouse if retiree elects CalPERS survivor annuity.	

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

B. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.25% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 8.40% to 9.30% in 2011 to 4.50% for years starting 2017. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll, on a closed basis, using a 30 year amortization period with 28 years remaining.

C. Trend Information

The following table provides three years of historical information of the Annual OPEB Cost:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2009	$19,170,038	$3,292,355	17%	$30,581,892
6/30/2010	17,851,892	3,839,216	22%	45,855,741
6/30/2011	9,272,292	38,457,645	415%	15,409,215

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2007	$0	$164,567,000	($164,567,000)	0.00%	$80,302,000	-204.94%
6/30/2009	34,000,000	180,097,000	(146,097,000)	18.88%	80,664,000	-181.12%

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

D. Funding Progress and Funded Status

During the fiscal year ended June 30, 2011, the City has recorded a Net OPEB Obligation in the Post Retirement Internal Service Fund, representing the difference between the ARC and actual contributions, as presented below:

Annual required contribution	$10,329,000
Interest on net OPEB obligation	3,233,106
Adjustment to annual required contribution	(4,289,814)
Annual OPEB cost	9,272,292
Contributions:	
Pay-as-you-go premiums	(4,457,645)
Contribution to the Trust	(34,000,000)
Change in net OPEB obligation	(29,185,353)
Net OPEB obligation at June 30, 2010	44,594,568
Net OPEB Obligation at June 30, 2011	$15,409,215

E. Investments Authorized for the Retiree Health Plan Trust

The authorized investments for the Retiree Health Plan Trust were established pursuant to the Trust Agreement. The City, as trustee, has elected to invest the Trust assets in up to six months of cash, cash equivalent and/or money market funds for near term Trust benefits and expenses. All remaining assets will be invested in longer-term securities and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries. To achieve the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to attempt to achieve a long-term average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate as described above.

	Asset Weightings	
Asset Classes	Range	Target
Domestic Equity	18-38%	28%
International Equity	7-27%	17%
REITs	0-10%	2.50%
Inflation Hedge	0-10%	2.50%
Fixed Income	35-75%	50%
Cash Equivalent	0-20%	0%

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

F. Retiree Health Plan Assets

At June 30, 2011 the Plan reported assets available for benefits of $34,655,664. The composition of these assets at June 30, 2011 is shown below. For actuarial purposes, the value of the Plan's assets was determined to be fair value.

Domestic Equity	$9,959,747
International Equity	5,830,394
REITs	872,538
Inflation Hedge	820,970
Fixed Income Securities	17,128,613
Cash Equivalent	43,402
Assets available for benefits at June 30, 2011	$34,655,664

NOTE 14 - RISK MANAGEMENT

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member agencies. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

A. Risk Coverage

General Liability, Property and Boiler and Machinery

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims, property, and boiler and machinery losses. Once the City's SIR is met, CJPRMA becomes responsible for payment of all claims up to the limit.

General liability claims are covered up to $40,000,000 with a self-insured retention or deductible of $500,000. The City's premium was $516,665. Once the City's self-insured retention for general liability claims is met, CJPRMA becomes responsible for payment of all claims up to the limit.

CJPRMA has purchased commercial insurance against property damage and boiler and machinery claims.

NOTE 14 - RISK MANAGEMENT (Continued)

Property damage is covered up to $5,000,000 with a self-insured retention or deductible of $25,000. The City's premium was $245,644 (coverage limit of $300,000,000).

Boiler and machinery damage is covered up to $21,250,000 with a self-insured retention or deductible of $5,000. The annual premium paid was $33,164.

Financial statements for the risk pool may be obtained from CJPRMA, 3252 Constitution Drive, Livermore, CA 94551.

Workers' Compensation

The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX).

Workers' compensation claims are covered up to $5,000,000 and provides additional coverage up to statutory limit. The City has a self-insured retention of up to $350,000 per claim. During the fiscal year ended June 30, 2011, the City contributed $469,550 for current year coverage plus $26,011 towards a 1997-98 assessment for a grand total of $522,561.

Financial statements for the risk pool may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The contributions made to CJPRMA and LAWCX risk pools equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

B. Insurance Internal Service Funds

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

The change in the Workers' Compensation Internal Service Fund's claims liability, including claims incurred but not reported is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2011	2010
Claims liability, beginning of year	$5,402,000	$4,877,000
Current year claims	2,100,000	2,000,000
Change in prior year claims	(690,000)	(1,075,000)
Claims paid, current year claims	(335,000)	(384,000)
Claims paid, prior year claims	(624,000)	(16,000)
Claims liability, end of year	$5,853,000	$5,402,000
Current claims liabilities	$679,500	$435,000

NOTE 14 - RISK MANAGEMENT (Continued)

The City's liability for uninsured general liability claims, including claims incurred but not reported is reported in the General Liability Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2011	2010
Claims liability, beginning of year	$1,502,000	$1,751,000
Current year claims	1,000,000	830,000
Change in prior year claims	141,000	(908,000)
Claims paid, current year claims	(179,000)	(59,000)
Claims paid, prior year claims	(672,000)	(112,000)
Claims liability, end of year	$1,792,000	$1,502,000
Current claims liabilities	$511,000	$258,500

NOTE 15 - PREPAID PURCHASED ELECTRICITY

During fiscal 1999 the City paid $6,138,335 to the Northern California Power Agency (NCPA) (see Note 16) as a capital contribution for the Geothermal and Hydroelectric Projects debt refinancing. This contribution has been capitalized on the City's balance sheet and is being amortized in conjunction with the related debt service savings. The amount amortized for fiscal year 2011 was $792,083 and as of June 30, 2011, the balance of prepaid purchased electricity was zero.

NOTE 16 - NORTHERN CALIFORNIA POWER AGENCY (NCPA)

A. General

The City participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of the City.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the Board.

The City is a member of NCPA, a joint powers agency which operates under a joint powers agreement among seventeen public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

NOTE 16 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

The City receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine The City's equity in NCPA as a whole. NCPA reports only The City's share of its General Operating Reserve, comprised of cash and investments, and The City's share of those Projects in which the City is a participant. These amounts are reflected in the financial statements as Investment in NCPA Reserve.

During the year ended June 30, 2011, the City incurred expenses totaling $3,716,112 for purchased power and assessments and prepaid assets paid to NCPA.

The City's interest in certain NCPA Projects and Reserve, as computed by NCPA using unaudited information, is set forth below.

	June 30, 2011
General Operating Reserve (including advances)	$831,239
Associated Member Services (including advances)	269,615
Purchased Power and Transmission	544,816
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	948,070
Calaveras Hydroelectric Project	508,774
Combustion Turbine Project No. 1	610,402
Combustion Turbine Project No. 2	588,761
	$4,301,677

The General Operating Reserve represents the City's portion of funds which resulted from the settlement with third parties of issues with financial consequences and reconciliations of several prior years' budgets for programs. It is recognized that all the funds credited to the City are linked to the collection of revenue from the City's ratepayers, or to the settlement of disputes relating to electric power supply and that the money was collected from the City's ratepayers to pay power bills. Additionally, the NCPA Commission identified and approved the funding of specific reserves for working capital, accumulated employees post-retirement medical benefits, and billed property taxes for the geothermal project. The Commission also identified a number of contingent liabilities that may or may not be realized, the cost of which in most cases is difficult to estimate at this time. One such contingent liability is the steam field depletion which will require funding to cover debt service and operational costs in excess of the expected value of the electric power. The General Operating Reserve is intended to minimize the number and amount of individual reserves needed for each project, protect NCPA's financial condition and maintain its credit worthiness. These funds are available on demand, but the City has left them with NCPA as a reserve against these contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

NOTE 16 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

B. Projects

Geothermal Projects

A purchased power agreement with NCPA obligates the City for 7.883% of the operating costs and debt service of the two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2.

NCPA's Geothermal Project has experienced a greater than originally anticipated decline in steam production from geothermal wells on its leasehold property. NCPA will continue to monitor the wells while pursuing alternatives for improving and extending reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA, along with other steam field operators, has observed a substantial increase in steam production in the vicinity of reinjection wells and is attempting to increase water reinjection at strategic locations. NCPA, other steam developers, and the Lake County Sanitation District have constructed a wastewater pipeline project that greatly increased the amount of water available for reinjection.

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, when compared to local investor-owned utility rates, while meeting all electric system obligations including those to NCPA. In January 1996, NCPA issued $167,940,000 (1996 Refunding Series B), and $5,420,000 (1996 Taxable Series C) in variable rate revenue bonds, the proceeds of which were used to refund a portion of the 1987 Refunding Series A Revenue Bonds. In August 1998, NCPA remarketed $121,590,000 (1996 Refunding Series A) of revenue bonds changing the interest rate from a weekly interest rate to a long term rate. The City is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2011, the book value of this Project's plant, equipment and other assets was $89,514,056 while its long-term debt totaled $36,177,249 and other liabilities totaled $55,336,807. The City's share of the Project's long-term debt amounted to $2,850,767 at that date.

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of NCPA main office building located in Roseville. The expansion is included as part of the Geothermal Projects funded by the bonds mentioned above. The City will recover its 7.883% share of the cost of the expansion which was $204,958, with a 5% return on the investment over a ten year period. As of June 30, 2011, the City was owed $99,694.

NOTE 16 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

Calaveras Hydroelectric Project

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project and to finance its construction. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. Under its power purchase agreement with NCPA, the City is obligated to pay 12% of this Project's debt service and operating costs. On April 16, 2002, NCPA completed the $86,620,000 refunding of revenue bonds at a weekly variable interest rate, initially set at 5.097%, and a net present value savings of $10,160,431. During fiscal year 2002 the City paid $11.6 million to NCPA for its share of refunding the 1992 Refunding Series A Bonds and costs of issuance related to the 2002 Refunding Series A, B and C Bonds. At June 30, 2011, the book value of this Project's plant, equipment and other assets was $418,736,755 while its long-term debt totaled $376,078,286 and other liabilities totaled $42,658,469. The City's share of the Project's long-term debt amounted to $45,129,394 at that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities, began full commercial operation in June 1986, providing reserve and peaking power. In December 1989, NCPA issued $68,958,257 in fixed rate revenue bonds, the proceeds of which were used to defease the bonds then outstanding. The bonds expired in August 2010. Under the NCPA power purchase agreement, the City is obligated to pay 13.5840% of this Project's debt service and operating costs. At June 30, 2011, the book value of this Project's plant, equipment and other assets was $2,540,268 while its long-term debt and other liabilities were zero. In October 2007, Roseville purchased a portion of Lodi's share of CT1 sufficient to control 40% of the project and completely control the two project turbines located in Roseville.

Geothermal Public Power Line

In 1983, NCPA, Sacramento Municipal Utility District, the City of Santa Clara and the Modesto Irrigation District (joint owners) initiated studies for a Geothermal Public Power Line (GPPL) which would carry power generated at several existing and planned geothermal plants in the Geysers area to a location where the joint owners could receive it for transmission to their load centers. NCPA has an 18.5% share of this Project and the City has a 14.1756% participation in NCPA's share. In 1989, the development of the proposed Geothermal Public Power Line was discontinued because NCPA was able to contract for sufficient transmission capacity to meet its needs in the Geysers. However, because the project financing provided funding for an ownership interest in a PG&E transmission line, a central dispatch facility and a performance bond pursuant to the Interconnection Agreement with PG&E, as well as an ownership interest in the proposed GPPL, NCPA issued $16,000,000 in long-term, fixed-rate revenue bonds in November 1989 to defease the remaining variable rate refunding bonds used to refinance this project. The City is obligated to pay its 14.1756% share of the related debt service, but debt service costs are covered through NCPA billing mechanisms that allocate the costs to members based on use of the facilities and services.

At June 30, 2011, the Project had no assets or liabilities.

NOTE 16 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)

The City is a participant in a 49.8 megawatt Steam Injected Gas Turbine project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued $152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project, a similar project for the Turlock Irrigation District in Ceres, and Lodi system facilities. Under the NCPA power purchase agreement, the City is obligated to pay 36.50% of the debt service and operating costs for the Lodi unit.

The City's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, the City and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. The City is obligated to pay 17.9218%.

At June 30, 2011, the book value of this Project's plant, equipment and other assets was $57,992,108, while its long-term debt totaled $54,184,857 and other liabilities totaled $3,807,251. The City's share of the Project's long-term debt amounted to $19,777,472 at that date.

C. NCPA Financial Information

NCPA's financial statements can be obtained from NCPA, 180 Cirby Way, Roseville, CA 95678.

NOTE 17 – SOUTH PLACER WASTEWATER AUTHORITY

The City is a member of the South Placer Wastewater Authority (SPWA), a joint powers agency which operates under a joint powers agreement among three public agencies, the City of Roseville, South Placer Municipal Utility District and Placer County. The purpose of SPWA is to provide for the planning, financing, acquisition, ownership, construction and operation of the Regional Wastewater Facilities.

Under the terms of a funding agreement, the City will own and operate the Regional Wastewater Facilities. Under the terms of this agreement the member agencies will share the operating costs of the Facilities after construction is complete. The Regional Wastewater Facilities include the Dry Creek Plant and the Pleasant Grove Plant. In November 2000, the SPWA issued Revenue Bonds Series A and Series B in the original principal amounts of $109,775,000 and $70,000,000 respectively. The purpose of these bonds is to partially finance the costs of acquisition and construction of the Pleasant Grove Wastewater Treatment Plant. On September 2003, the SPWA issued Refunding Revenue Bonds in the original principal amounts of $97,000,000. The purpose of the 2003 bonds is to advance refund the 2000 Revenue Bonds Series A. On April 3, 2008, the SPWA issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2008A and 2008B in the original principal amounts of $72,504,000 and $92,850,000 respectively. The purpose of the 2008A bonds is to refund the remaining outstanding balance of the 2000 Revenue Bonds Series B. The 2008B bonds were issued to refund the remaining outstanding balance of the 2003 Refunding Revenue Bonds and to advance refund the remaining outstanding balance of the 2000 Revenue Bonds Series A. On April 7, 2011 the SPWA issued Refunding Wastewater Revenue Bonds Series A, B, C and D in the original principal amounts of $30,165,000, $30,160,000, $67,040,000 and $30,000,000, respectively. The purpose of the 2011 Bonds is to refund the remaining outstanding balance of the 2008A and 2008B Bonds. The three agencies are responsible for the repayment all of these Revenue Bonds. The City's share of this obligation was determined to be 54.17%. As a result, this portion of the debt was recorded on the City's financial statements, as discussed in Note 9.

NOTE 17 – SOUTH PLACER WASTEWATER AUTHORITY (Continued)

During the year ended June 30, 2011, the City paid $3,134,356 to SPWA based on connection fees collected during the fiscal year.

The City records its share of income and expenses from SPWA in the Wastewater Enterprise Fund and these changes are reflected in the Statement of Revenues, Expenses and Changes in Net Assets. The City's investment in SPWA Reserves at June 30, 2011, was $84,754,272.

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

NOTE 18 - MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the Roseville sanitary landfill site, which is closed, through the year 2024. Accordingly, the City has recorded a liability and expense in the Enterprise Solid Waste Fund for the estimated postclosure care cost. The recorded amount is based on applicable state and local laws and regulations concerning closure and postclosure care. If additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may result in increased charges to future landfill users or the usage of future tax revenues. During fiscal year 2011, the changes of landfill closure liabilities were as follows:

Beginning Balance	$3,155,579
Deductions	(216,468)
Ending Balance	$2,939,111

NOTE 19 – COMMITMENTS AND CONTINGENT LIABILITIES

Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 16. The City's estimated share of such debt outstanding at June 30, 2011, was $67,757,634. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, other than disclosed above, which is likely to have a material adverse effect on the financial position of the City.

NOTE 19 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

In addition, the City has a long-term obligation to the United States Department of Energy, Western Area Power Administration, for 4.5817% of the output of the Central Valley Project, California. This contract, also known as the Western Base Resource, obligates the City to make payments on a "take-or-pay" basis through December 31, 2024. The City expects to pay approximately $3.5 million annually for the term of this contract. The City receives approximately 153,000 MWh of energy per year under average hydro and storage conditions.

Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end may be reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2011 by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:	
General Fund	$5,328,824
Redevelopment Agency	284,424
Non-Major Governmental Funds	5,548,550
Total Encumbrances	$11,161,798

Other Commitments

The City had the following outstanding significant commitments at June 30, 2011:

Projects	Amounts (in millions)
Enterprise Asset Management	$5.0
REP long-term service agreement	14.6
Natural Gas Forward Obligations	54.5
Electric Forward Obligations	82.8

NOTE 20 – GAS SUPPLY ACQUISITION AND RESALE

The City operates certain electrical generating plants which provide power for sale to the public and needs reliable, economic supplies of natural gas to generate the needed electricity. In pursuit of that objective the City and its component unit, the City of Roseville Redevelopment Agency formed the Authority for the purpose of acquiring, financing and supplying natural gas to the City. Summarized below are various agreements entered into by the Authority to achieve its purpose.

A. Prepaid Gas Agreement

Pursuant to an Agreement for the Purchase and Sale of Natural Gas dated January 24, 2007, the Authority used a portion of the proceeds of its $209,350,000 of Gas Revenue Bonds, Series 2007 (the Bonds) to prepay Merrill Lynch Commodities, Inc. (Gas Supplier) for a twenty year supply of natural gas. Commencing January 1, 2008, and continuing through December 31, 2027, the Gas Supplier is obligated to deliver daily contract quantities of natural gas on a firm basis to the designated delivery point. Daily contract quantities vary from month to month but not from year to year. This commitment totals 2,352,000 MMBtus (millions of British thermal units) per year or 47,040,000 MMBtus for the twenty year contract period. The Authority has recorded a Prepaid Natural Gas asset which is to be amortized as daily contract quantities are delivered.

The agreement provides for payments to be made by the Gas Supplier if it fails to deliver the daily contract quantities and may be terminated by the Authority in the event of non-performance by the Supplier. The Agreement will automatically terminate if there is a termination of the Commodity Swap (See Note 20 D below) which is not due to default by the Authority or if there is an event of default under the swap agreement entered into by the Gas Supplier and a third party. Upon early termination, whether due to the above or due to any other optional termination event as defined in the agreement, the Gas Supplier is required to make a termination payment to the Authority that is expected to be sufficient, together with other available funds, to redeem the Bonds. The Gas Supplier's commitments under this agreement are guaranteed by its parent company, Merrill Lynch & Co. Inc. under a guarantee agreement with the Authority.

As of June 30, 2011, prepaid gas under this agreement amounted to $202,727,140.

B. Funding Agreement

Under certain conditions specified in a Funding and Assignment Agreement dated January 24, 2007 between the Authority and Gas Supplier, the Gas Supplier has agreed to advance funds to the Trustee to pay debt service when due or to redeem bonds in the event of early termination. Advances are required under covered swap deficiencies and covered termination deficiencies and optional advances may also be made. Advances are repayable from by the responsible party causing the deficiency requiring an advance under this agreement. This agreement is coterminous with the Bonds. The Gas Supplier's commitment under this agreement is guaranteed by its parent company, Merrill Lynch & Co. Inc. under a guarantee agreement with the Authority.

There were no advances outstanding as of June 30, 2011.

NOTE 20 – GAS SUPPLY ACQUISITION AND RESALE (Continued)

C. Supply Agreement

Pursuant to a Natural Gas Supply Agreement dated February 1, 2007, the Authority has agreed to sell to the City a twenty year supply of natural gas. This Supply Agreement is coterminous with and provides for the delivery of natural gas in quantities which are matched to the Prepaid Gas Agreement, discussed above. For each MMBtu delivered (sold) to the City, the Authority will receive a variable revenue stream based on a first of the month index for the delivery location.

The Agreement terminates upon termination of the Prepaid Gas Agreement or upon the City's failure to make any required payment within two business days of the due date.

D. Commodity Swap Agreement

In order to have its gas price exposure consistent with prevailing market rates, the Authority entered into a natural gas Commodity Swap Agreement with JPMorgan Chase Bank (Counterparty). For the term of deliveries under the Prepaid Gas Agreement and the Supply Agreement, the Authority will pay an index price per MMBtu to the Counterparty, and the Counterparty will pay a fixed price to the Authority. The index price paid by the Authority is expected to approximate the price paid by the City under the Supply Agreement.

The monthly quantity and term of the Commodity Swap Agreement are matched to those of the Supply Agreement.

Detail of the commodity swap agreement is discussed in Note 10.

NOTE 21 – PROPOSED DISSOLUTION OF REDEVELOPMENT AGENCIES

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by the City opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. Concurrently with these two measures, the State passed various budget and trailer bills that are related and collectively constitute the Redevelopment Restructuring Acts. If all sponsoring communities were to opt-in to the voluntary program, these contributions amount to an estimated $1.7 billion for fiscal year 2012 and an estimated $400 million in each succeeding year. If the City fails to make the voluntary program payment, the Agency would become subject to the dissolution provisions of ABx1 26.

NOTE 21 – PROPOSED DISSOLUTION OF REDEVELOPMENT AGENCIES (Continued)

On July 18, 2011, the California Redevelopment Association, the League of California Cities and others challenged the validity and constitutionality of ABx1 26 and 27 to the California Supreme Court on numerous grounds, including that the acts violate certain provisions of the California Constitution. On August 11, 2011, as modified on August 17, 2011, the California Supreme Court agreed to hear the case and issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the stay did not include the section of ABx1 26 that suspends all new redevelopment activities. It is anticipated that the Court will render its decision before January 15, 2012, the date the first voluntary program payment is due.

The suspension provisions of ABx1 26 prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26. During the suspension period, an agency is required to prepare an Enforceable Obligation Payment Schedule no later than August 29, 2011, that allows it to continue to pay certain obligations. The Agency adopted its Enforceable Obligation Payment Schedule on August 25, 2011.

In addition, the suspension provisions require the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the State Controller is required to order the asset returned to the redevelopment agency. The State Controller's Office has not yet provided any information about the timing or the process for this statewide asset transfer review.

The continuation of the Agency beyond October 1, 2011 will initially depend upon whether the Supreme Court rules in favor of the petitioners. There are three possible consequences to the Agency from a decision of the Supreme Court, when it is rendered:

1. The City adopted an Ordinance to opt-in to the alternative voluntary redevelopment program on August 25, 2011, which subsequently was finally passed at a second reading of the ordinance, therefore if the Supreme Court determines that both ABx1 26 and ABx1 27 are valid, the City will implement the Ordinance. The City would then be required to make annual payments to the County Auditor-Controller and the Agency would no longer be subject to the suspension provisions. The State Department of Finance calculated the City's Voluntary Program payment for fiscal year 2012 to be $1,867,259.

2. If the Supreme Court determines that both ABx1 26 and ABx1 27 are valid and the City decides not to participate in the alternative voluntary redevelopment program, or if the Supreme Court determines that ABx1 26 is valid, but ABx1 27 is not valid, the Agency will continue to be subject to the suspension provisions and would be dissolved in accordance with certain provisions of ABx1 26. Prior to dissolution, any transfers of Agency assets subsequent to January 1, 2011 to the City and the Roseville Community Development Corporation, including those discussed in Notes 1 and 4, that were not obligated to third parties or encumbered may be subject to the State Controller's review discussed above and may be required to be returned to the Agency. Upon dissolution, all assets and obligations of the Agency would be transferred to a successor agency.

NOTE 21 – PROPOSED DISSOLUTION OF REDEVELOPMENT AGENCIES (Continued)

3. If the Supreme Court determines that both ABx1 26 and ABx1 27 are invalid, the Agency would no longer be subject to the suspension provisions and would continue in existence under California Redevelopment Law as it existed prior to the enactment of ABx1 26 and ABx1 27.

As of November 21, 2011, the Supreme Court has not ruled on the case and the Agency is subject to the suspension provisions as discussed above.

MODIFIED APPROACH TO REPORTING STREET PAVEMENT COSTS AND PARKS AND LANDSCAPING COSTS

GASB Statement 34 allows the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The Modified Approach may be used if two requirements are met:

1) The City must have an asset management system (AMS) with certain features.

- ✓ It must maintain an up-to-date inventory of the infrastructure assets.
- ✓ It must estimate the annual costs to maintain and preserve those assets at the condition level the City has established and disclosed through administrative or executive policy or legislative action.
- ✓ The AMS must be used to assess the condition of the assets periodically, using a measurement scale.
- ✓ The condition assessments must be replicable as those that are based on sufficiently understandable and complete measurement methods such that different measurers using the same methods would reach substantially similar results.

2) The City must document that the roads, parks and landscaping are being preserved approximately at or above the condition level the City has established and disclosed. This documentation must include the results of the three most recent complete condition assessments and must provide reasonable assurance that the assets are being preserved approximately at or above the intended condition level.

Street Pavement

The City has elected to use the Modified Approach to report street pavement costs. The City uses a computerized Pavement Management System to track the condition levels of each of the street sections.

The condition of the pavement is based on a weighted average of seven distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 10 for pavement with perfect condition. The condition index is used to classify pavement in good or better condition (7.0-10.0), fair condition (5.5–6.9), and substandard condition (less than 5.5).

The City's maintenance costs are budgeted to be $5,489,639 in fiscal 2012 The Pavement Quality Index (PQI) for the City's street pavement for the last ten years is as follows:

Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/ Collector	Residential		
01/02	7.8	7.5	$2,784,660	$3,730,265
02/03	7.8	7.9	4,766,980	2,665,863
03/04	7.6	7.6	5,733,500	2,925,909
04/05	7.5	7.9	6,499,729	4,284,993
05/06	7.5	7.9	7,794,196	7,213,261
06/07	7.7	8.0	5,521,428	10,289,440
07/08	7.9	8.0	5,929,683	5,641,810
08/09	7.8	7.9	4,728,208	4,749,229
09/10	8.2	7.9	4,736,644	6,044,401
10/11	8.3	7.8	4,241,928	6,426,462
11/12	-	-	5,489,639	N/A

The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.8. This rating allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended $6,426,462 for street preservation in fiscal 2011.

Parks and Landscaping

The City has also elected to use the Modified Approach to report parks and landscaping costs. The City uses a computerized Grounds Management System to track the condition levels of each of the parks and landscaping.

The condition of the parks and landscaping is based on a weighted average of six levels of condition. The ground management system uses a measurement scale that is based on various levels ranging from six for an undeveloped natural area to one for parks and landscaping with high-quality, diverse landscaping with state-of-the art maintenance. The condition index is used to classify parks and landscaping in the following levels: state-of-the-art to high-level maintenance (1-2), moderate to moderately low level maintenance (3-4), minimum-level maintenance (5), and natural area that is not developed (6).

The City's maintenance costs are budgeted to be $4,764,762 in fiscal 2012. The Ground Management Index (GMI) for the City's parks and landscaping maintenance for the last ten years is as follows:

Fiscal Year	GMI (Level) Parks and Landscaping	Maintenance Budget	Actual Maintenance
01/02	2	$3,213,790	$3,078,263
02/03	2	3,796,952	3,439,081
03/04	2	3,946,547	3,648,683
04/05	2	4,349,147	3,879,242
05/06	2	4,633,558	4,309,606
06/07	2	5,111,124	5,028,402
07/08	2	5,309,367	5,314,121
08/09	3	5,019,740	4,445,082
09/10	3	4,483,608	4,154,376
10/11	3	4,651,367	4,435,937
11/12	-	4,764,762	N/A

The City's policy based on current funding is to maintain parks and landscape at an average Ground Management Index (GMI) of Level 3. This rating allows for moderate maintenance and is the recommended level for most organizations. The City expended $4,435,937 for maintenance for fiscal 2011.

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.

Lighting and Landscape and Service Districts Fund. To account for the collection of assessment revenue from property owners for the maintenance of surrounding park and landscaping improvements within the boundaries of each district.

State Gasoline Tax Fund. To account for revenue apportioned to the City from the State-collected gas tax revenues and spent for construction and maintenance of City streets.

Home Improvement Fund. To account for loan activities for the production of affordable housing under the City's former program that was discontinued.

California Library Services Fund. To account for revenues and grants from the State to be expended for library related materials

Traffic Safety Fund. To account for the City's share of fines generated from violations of the State Motor Vehicle Code.

FEMA Fund. To record revenues received from FEMA and OES for federal and/or state recognized disaster claims.

Trench Cut Recovery Fund. To account for the collection of fees charged by the City for cutting trenches in paved roadway and spent for maintaining the street if useful life is decreased.

Law Enforcement Block Grants Fund. To account for the collection of grants from the Federal Department of Justice Assistance and expended for front line law enforcement.

Fire Facilities Fund. To account for fees applied to new construction and expended for construction or repair of fire facilities and equipment for which it creates a need.

Public Facilities Fund. To account for fees applied to new construction and expended for the development of public facilities for which it creates a need.

Utility Exploration Center Fund. To account for the operations of the state-of-the-art Utilities Exploration Center, funded by the utility funds.

Park Development Fund. To account for collection fees applied to new construction and expended for neighborhood and community park and recreation facilities.

Pleasant Grove Drain Basin Fund. To account for collection of fees applied to new construction and expended for mitigation of developmental impacts on the Pleasant Grove watershed.

Tree Propagation Fund. To account for fees assessed on oak tree removal and expended on the continuation and preservation of tree planting within the City.

Air Quality Mitigation Fund. To account for mitigation fees to fund future emission reduction projects for air quality.

Community Development Block Grant/HOME Fund. To account for monies received from the Department of Housing & Urban Development and expended for programs and activities to benefit low-income residents, and to account for funds received from the Federal government used to produce affordable housing and rehabilitate existing residential units.

Housing Authority Section 8 Fund. To account for monies received from the U.S. Department of Housing and Urban Development and expended for rental assistance to low income households within the Roseville and Rocklin areas.

Affordable Housing Fund. To account for monies received from property whose land use was changed from residential to commercial and from affordable housing agreements. These monies are then used to fund other affordable housing projects.

Miscellaneous Fire Fund. To account for various Fire funds including child car seat safety and fire museum donations.

Miscellaneous General Government Fund. To account for Cable TV PEG funds.

Miscellaneous Library Fund. To account for an adult literacy program for the Library.

Miscellaneous Police Fund. To account for confiscated property and evidence funds for the Police department.

Miscellaneous Park Fund. To account for donations and revenues for Park and Recreation facilities and youth sports, and the Olympus Pointe Sculpture Park maintenance.

Storm Water Management Fund. To accumulate expenditures for future storm water mandates.

Traffic Signal Fund. To account for traffic signal coordination and maintenance funded by developers and the Electric Fund.

South Placer Animal Control Shelter Fund. To account for the collection of fees for the construction of an animal shelter.

Bike Trail/Open Space Maintenance Fund. To account for the accumulation of funding for the maintenance of the City's bike trails and open spaces.

Traffic Mitigation Fund. To account for revenues and expenditures related to major roadways and related structures such as bridges or interchanges.

Roseville Community Development Corporation Fund. To account for revenues and expenditures of the Corporation for economic development, affordable housing and other community programs.

DEBT SERVICE FUND

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Roseville Finance Authority Fund. To account for the accumulation of resources from lease payments and the payment of long-term debt incurred by the Finance Authority.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Building Fund. To account for approved capital projects within the City funded by various fees and sources.

General Capital Improvement Projects Rehabilitation Fund. To account for the approved rehabilitation of existing City property funded by the General Fund.

PERMANENT FUNDS

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

Roseville Aquatics Complex Maintenance Fund. A permanent fund established to account for contribution from the High School District. Only the interest earnings can be spent on helping maintain the Aquatics Complex.

Citizens' Benefit Fund. A permanent fund established to account for the proceeds from the sale of any municipally owned Hospital and interest earnings expended for improving the quality of life for the citizens of the City of Roseville.

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
ASSETS					
Cash and investments in City Treasury	$7,179,134	$6,745,366	$369,465	$312,860	
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	234,165	3,440			
Accrued interest	17,074	977,345	19,958	1,050	
Due from other government agencies		43,195			$62,368
Due from other funds					
Advances to other funds		3,900,000			
Deferred receivables					
Notes receivables			29,888		
Inventories					
Total Assets	$7,430,373	$11,669,346	$419,311	$313,910	$62,368
LIABILITIES					
Accounts payable	$340,661	$34,712		$20	$1,066
Accrued liabilities					
Due to other funds					61,302
Due to other government agencies					
Advances from other funds					
Deposits					
Deferred revenue		726,755	$15,000		
Deferred liabilities					
Total Liabilities	340,661	761,467	15,000	20	62,368
FUND BALANCES					
Nonspendable					
Restricted	7,089,712	10,907,879	404,311	313,890	
Committed					
Assigned					
Unassigned					
TOTAL FUND BALANCES	7,089,712	10,907,879	404,311	313,890	
Total Liabilities and Fund Balances	$7,430,373	$11,669,346	$419,311	$313,910	$62,368

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery Fund	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Utility Exploration Center	Park Development	Pleasant Grove Drain Basin
	$75,301	$88,906	$6,697,313	$11,678,237	$92,455	$18,916,938	$7,619,985
	252	554	23,106	38,725	211	130,861	25,085
$219,577		26,780	56,489			9,648	
			172,882	395,067		669,926	
$219,577	$75,553	$116,240	$6,949,790	$12,112,029	$92,666	$19,727,373	$7,645,070
			$30,449	$74,288	$4,250	$15,736	
					10,156		
		$115,464				11,032	
						263,162	
		115,464	30,449	74,288	14,406	289,930	
$219,577	$75,553	776	6,919,341	12,037,741		19,437,443	$7,645,070
					78,260		
219,577	75,553	776	6,919,341	12,037,741	78,260	19,437,443	7,645,070
$219,577	$75,553	$116,240	$6,949,790	$12,112,029	$92,666	$19,727,373	$7,645,070

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
ASSETS					
Cash and investments in City Treasury	$3,808,626	$163,387		$1,223,060	$3,404,140
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts					540
Accrued interest	13,695	487			175,534
Due from other government agencies			$318,894	27,677	90,699
Due from other funds					
Advances to other funds					
Deferred receivables		7,267			
Notes receivables			13,511,602		4,217,695
Inventories					
Total Assets	$3,822,321	$171,141	$13,830,496	$1,250,737	$7,888,608
LIABILITIES					
Accounts payable	$27,464		$6,247	$22,140	$9,953
Accrued liabilities			4,139	97,302	636
Due to other funds			132,232		
Due to other government agencies			13,511,602		380,311
Advances from other funds					
Deposits					
Deferred revenue					3,889,174
Deferred liabilities					
	27,464		13,654,220	119,442	4,280,074
FUND BALANCES					
Nonspendable					
Restricted	3,794,857	$171,141	176,276	1,131,295	3,608,534
Committed					
Assigned					
Unassigned					
TOTAL FUND BALANCES	3,794,857	171,141	176,276	1,131,295	3,608,534
Total Liabilities and Fund Balances	$3,822,321	$171,141	$13,830,496	$1,250,737	$7,888,608

SPECIAL REVENUE FUNDS

Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	South Placer Animal Control Shelter
$31,656	$162,319	$267,272	$244,384	$307,151	$142,629	$2,406,440	$315,561
	49,517						
112	361	922	802	1,522	831	8,992	945
						333,484	
						5,994	30,030
						577,618	
$31,768	$212,197	$268,194	$245,186	$308,673	$143,460	$3,332,528	$346,536
	$2,050		$229		$2,507	$5,867	
					9,083	34,796	
	2,050		229		11,590	40,663	
						577,618	
$31,768	210,147	$268,194	244,957		131,870	2,714,247	$346,536
				$308,673			
31,768	210,147	268,194	244,957	308,673	131,870	3,291,865	346,536
$31,768	$212,197	$268,194	$245,186	$308,673	$143,460	$3,332,528	$346,536

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011

	SPECIAL SERVICE FUNDS			DEBT SERVICE FUND
	Bike Trail/ Open Space Maintenance	Traffic Mitigation	Roseville Community Development Corporation	Roseville Finance Authority
ASSETS				
Cash and investments in City Treasury	$961,318	$16,190,871		$145,201
Restricted cash and investments with fiscal agents				1,378,165
Receivables:				
Accounts		5,019		
Accrued interest	3,264	53,312		28,220
Due from other government agencies		56,259		
Due from other funds				
Advances to other funds				
Deferred receivables		752,395		
Notes receivables				
Inventories				
Total Assets	$964,582	$17,057,856		$1,551,586
LIABILITIES				
Accounts payable	$68,170	$211,765	$238,049	
Accrued liabilities				$39,420
Due to other funds		200,000		
Due to other government agencies				
Advances from other funds		4,100,000		
Deposits				
Deferred revenue		101,596		
Deferred liabilities		520		
Total Liabilities	68,170	4,613,881	238,049	39,420
FUND EQUITY				
Nonspendable				
Restricted	896,412	12,443,975		1,512,166
Committed				
Assigned				
Unassigned			(238,049)	
TOTAL FUND BALANCES	896,412	12,443,975	(238,049)	1,512,166
Total Liabilities and Fund Balances	$964,582	$17,057,856		$1,551,586

CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		
Building	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	Total Nonmajor Governmental Funds
$1,847,449	$14,839,523	$626,091	$18,034,898	$124,897,936
				1,378,165
			7,250	299,931
6,035	50,697	545	121,478	1,701,975
				1,245,070
				3,900,000
				2,033,561
				17,759,185
				577,618
$1,853,484	$14,890,220	$626,636	$18,163,626	$153,793,441
$45,253			$277	$1,141,153
				195,532
				393,534
				13,891,913
				4,100,000
		$600,000		600,000
				4,859,021
				263,682
45,253		600,000	277	25,444,835
			$16,834,246	17,411,864
		26,636	1,329,103	94,089,407
1,808,231				2,195,164
	$14,890,220			14,890,220
				(238,049)
1,808,231	14,890,220	26,636	18,163,349	128,348,606
$1,853,484	$14,890,220	$626,636	$18,163,626	$153,793,441

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
REVENUES					
Taxes	$5,950,153				
Charges for services		$79,418			
Subventions and grants		5,488,105		$74,250	
Use of money and property	64,847	77,322	$3,921	20,447	
Fines, forfeitures and penalties					$739,465
Contributions from developers					
Miscellaneous revenues	3,050	7,238	(2,104)	26,387	
Total Revenues	6,018,050	5,652,083	1,817	121,084	739,465
EXPENDITURES					
Current:					
General government					
Community development and planning					
Public works					
Public safety:					
Fire					
Police					
Library				162,581	
Parks and recreation	3,618,352				
Housing assistance payments					
Capital outlay		4,802,423			
Debt service:					
Principal retirement					
Interest and fiscal charges	115,518				
Total Expenditures	3,733,870	4,802,423		162,581	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,284,180	849,660	1,817	(41,497)	739,465
OTHER FINANCING SOURCES (USES)					
Transfers in		1,899,316			
Transfers (out)	(1,678,361)	(1,645,668)	(135,439)	(2,625)	(739,465)
Total Other Financing Sources (Uses)	(1,678,361)	253,648	(135,439)	(2,625)	(739,465)
Net change in fund balances	605,819	1,103,308	(133,622)	(44,122)	
Fund balances at the beginning of the period	6,483,893	9,804,571	537,933	358,012	
Fund balances at the end of period	$7,089,712	$10,907,879	$404,311	$313,890	

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Utility Exploration Center	Park Development	Pleasant Grove Drain Basin
			$512,187				
			1,416	$994,776	$13,936	$2,323,997	$210,773
$219,577		$116,278	251,965			14,147	
	$950	1,826	84,906	150,700	851	249,697	152,702
			11,880		22,551	60,456	
219,577	950	118,104	862,354	1,145,476	37,338	2,648,297	363,475
							6,783
					347,241		
			196,346				
						3,500	
			497,518	840,004		2,774,014	25,755
			172,576				
			72,673			2,059	
			939,113	840,004	347,241	2,779,573	32,538
219,577	950	118,104	(76,759)	305,472	(309,903)	(131,276)	330,937
				114,996	341,700	317,989	
	(35)	(130,660)	(255,657)	(59,841)	(31,891)	(170,446)	(7,188)
	(35)	(130,660)	(255,657)	55,155	309,809	147,543	(7,188)
219,577	915	(12,556)	(332,416)	360,627	(94)	16,267	323,749
	74,638	13,332	7,251,757	11,677,114	78,354	19,421,176	7,321,321
$219,577	$75,553	$776	$6,919,341	$12,037,741	$78,260	$19,437,443	$7,645,070

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
REVENUES					
Taxes					
Charges for services	$40,650	$31,981			
Subventions and grants			$854,151	$4,636,773	
Use of money and property	50,058	1,641	6,210	94	$59,943
Fines, forfeitures and penalties					
Contributions from developers					95,044
Miscellaneous revenues	70		464,225	85,820	546,312
Total Revenues	90,778	33,622	1,324,586	4,722,687	701,299
EXPENDITURES					
Current:					
General government					
Community development and planning			1,149,381	606,513	422,152
Public works					
Public safety:					
Fire					
Police					
Library					
Parks and recreation	449,969				
Housing assistance payments				3,643,394	
Capital outlay	14,724				
Debt service:					
Principal retirement					
Interest and fiscal charges					16,375
Total Expenditures	464,693		1,149,381	4,249,907	438,527
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(373,915)	33,622	175,205	472,780	262,772
OTHER FINANCING SOURCES (USES)					
Transfers in			5,000		
Transfers (out)	(5,360)	(284)	(25,000)	(72,585)	(15,896)
Total Other Financing Sources (Uses)	(5,360)	(284)	(20,000)	(72,585)	(15,896)
Net change in fund balances	(379,275)	33,338	155,205	400,195	246,876
Fund balances at the beginning of the period	4,174,132	137,803	21,071	731,100	3,361,658
Fund balances at the end of period	$3,794,857	$171,141	$176,276	$1,131,295	$3,608,534

SPECIAL REVENUE FUNDS

Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	South Placer Animal Control Shelter
	$233			$46,995			$68,381
			$114				
$511	1,611	$4,251	3,103	6,051	$3,295	$32,257	4,234
12,875							
						23,191	
5,007	228,907	13,000	43,691	840		22,742	
18,393	230,751	17,251	46,908	53,886	3,295	78,190	72,615
	65,654						
					430,292		450
						1,469,708	
16,130							
			32,195				
		20,000					
				485			
						216,975	
16,130	65,654	20,000	32,195	485	430,292	1,686,683	450
2,263	165,097	(2,749)	14,713	53,401	(426,997)	(1,608,493)	72,165
					359,376	1,703,930	
	(618)			(206,860)	(8,975)	(153,127)	
	(618)			(206,860)	350,401	1,550,803	
2,263	164,479	(2,749)	14,713	(153,459)	(76,596)	(57,690)	72,165
29,505	45,668	270,943	230,244	462,132	208,466	3,349,555	274,371
$31,768	$210,147	$268,194	$244,957	$308,673	$131,870	$3,291,865	$346,536

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND
	Bike Trail/ Open Space Maintenance	Traffic Mitigation	Roseville Community Development Corporation	Roseville Finance Authority
REVENUES				
Taxes				
Charges for services		$1,147,313		
Subventions and grants		414,027		
Use of money and property	$12,477	198,350		$54,596
Fines, forfeitures and penalties				
Contributions from developers				
Miscellaneous revenues	32,783			
Total Revenues	45,260	1,759,690		54,596
EXPENDITURES				
Current:				
General government				
Community development and planning			$238,049	
Public works				
Public safety:				
Fire				
Police				
Library				
Parks and recreation	379,553			
Housing assistance payments				
Capital outlay	25,478	2,100,340		
Debt service:				
Principal retirement				675,000
Interest and fiscal charges				643,452
Total Expenditures	405,031	2,100,340	238,049	1,318,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(359,771)	(340,650)	(238,049)	(1,263,856)
OTHER FINANCING SOURCES (USES)				
Transfers in	441,615	496,741		1,237,809
Transfers (out)	(75,198)	(412,267)		
Total Other Financing Sources (Uses)	366,417	84,474		1,237,809
Net change in fund balances	6,646	(256,176)	(238,049)	(26,047)
Fund balances at the beginning of the period	889,766	12,700,151		1,538,213
Fund balances at the end of period	$896,412	$12,443,975	($238,049)	$1,512,166

CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		
Building	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	Total Nonmajor Governmental Funds
				$6,462,340
				4,959,869
				12,069,387
$21,987	$189,178	$21,661	$374,921	1,854,598
				752,340
				118,235
2,822			82,446	1,658,123
24,809	189,178	21,661	457,367	27,874,892
			642,946	708,600
				2,853,620
				1,816,949
				212,476
				32,195
				182,581
				4,451,859
				3,643,394
410,156	67,287			11,774,674
				847,576
				850,077
410,156	67,287		642,946	27,374,001
(385,347)	121,891	21,661	(185,579)	500,891
557,333			618	7,476,423
(66,533)	(516,057)			(6,416,036)
490,800	(516,057)		618	1,060,387
105,453	(394,166)	21,661	(184,961)	1,561,278
1,702,778	15,284,386	4,975	18,348,310	126,787,328
$1,808,231	$14,890,220	$26,636	$18,163,349	$128,348,606

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	$6,261,442	$5,950,153	($311,289)			
Charges for services					$79,418	$79,418
Subventions and grants				$6,849,973	5,488,105	(1,361,868)
Use of money and property	65,041	64,847	(194)	58,152	77,322	19,170
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues		3,050	3,050		7,238	7,238
Total Revenues	6,326,483	6,018,050	(308,433)	6,908,125	5,652,083	(1,256,042)
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	4,134,445	3,618,352	516,093			
Housing assistance payments						
Capital outlay				10,011,372	4,802,423	5,208,949
Debt service:						
Principal retirement						
Interest and fiscal charges	116,072	115,518	554			
Total Expenditures	4,250,517	3,733,870	516,647	10,011,372	4,802,423	5,208,949
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,075,966	2,284,180	208,214	(3,103,247)	849,660	3,952,907
OTHER FINANCING SOURCES (USES)						
Transfers in				5,994,128	1,899,316	(4,094,812)
Transfers (out)	(1,713,385)	(1,678,361)	35,024	(4,324,970)	(1,645,668)	2,679,302
Total Other Financing Sources (Uses)	(1,713,385)	(1,678,361)	35,024	1,669,158	253,648	(1,415,510)
NET CHANGE IN FUND BALANCES	$362,581	605,819	$243,238	($1,434,089)	1,103,308	$2,537,397
Fund balances at beginning of year		6,483,893			9,804,571	
Fund balances at end of year		$7,089,712			$10,907,879	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$60,000	$74,250	$14,250			
$5,611	$3,921	($1,690)	29,602	20,447	(9,155)			
						$998,900	$739,465	($259,435)
	(2,104)	(2,104)	16,825	26,387	9,562			
5,611	1,817	(3,794)	106,427	121,084	14,657	998,900	739,465	(259,435)
110,000		110,000						
			167,043	162,581	4,462			
110,000		110,000	167,043	162,581	4,462			
(104,389)	1,817	106,206	(60,616)	(41,497)	19,119	998,900	739,465	(259,435)
(135,439)	(135,439)		(2,625)	(2,625)		(998,900)	(739,465)	259,435
(135,439)	(135,439)		(2,625)	(2,625)		(998,900)	(739,465)	259,435
($239,828)	(133,622)	$106,206	($63,241)	(44,122)	$19,119			
	537,933			358,012				
	$404,311			$313,890				

(Continued)

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TRENCH CUT RECOVERY			LAW ENFORCEMENT BLOCK GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services	$500		($500)			
Subventions and grants				$100,000	$116,278	$16,278
Use of money and property	1,058	$950	(108)	2,271	1,826	(445)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues						
Total Revenues	1,558	950	(608)	102,271	118,104	15,833
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,558	950	(608)	102,271	118,104	15,833
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(35)	(35)		(140,056)	(130,660)	9,396
Total Other Financing Sources (Uses)	(35)	(35)		(140,056)	(130,660)	9,396
NET CHANGE IN FUND BALANCES	$1,523	915	($608)	($37,785)	(12,556)	$25,229
Fund balances at beginning of year		74,638			13,332	
Fund balances at end of year		$75,553			$776	

FIRE FACILITIES			PUBLIC FACILITIES			UTILITY EXPLORATION CENTER		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$475,000	$512,187	$37,187						
	1,416	1,416	$1,200,000	$994,776	($205,224)	$18,500	$13,936	($4,564)
322,500	251,965	(70,535)						
98,346	84,906	(13,440)	150,001	150,700	699	727	851	124
	11,880	11,880				43,000	22,551	(20,449)
895,846	862,354	(33,492)	1,350,001	1,145,476	(204,525)	62,227	37,338	(24,889)
						343,731	296,609	47,122
						72,900	50,632	22,268
240,000	196,346	43,654						
549,577	497,518	52,059	1,127,305	840,004	287,301	189,929		189,929
172,576	172,576							
72,673	72,673							
1,034,826	939,113	95,713	1,127,305	840,004	287,301	606,560	347,241	259,319
(138,980)	(76,759)	62,221	222,696	305,472	82,776	(544,333)	(309,903)	234,430
			114,996	114,996		582,660	341,700	(240,960)
(5,217,129)	(255,657)	4,961,472	(6,099,777)	(59,841)	6,039,936	(31,891)	(31,891)	
(5,217,129)	(255,657)	4,961,472	(5,984,781)	55,155	6,039,936	550,769	309,809	(240,960)
($5,356,109)	(332,416)	$5,023,693	($5,762,085)	360,627	$6,122,712	$6,436	(94)	($6,530)
	7,251,757			11,677,114			78,354	
	$6,919,341			$12,037,741			$78,260	

(Continued)

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PARK DEVELOPMENT			PLEASANT GROVE DRAIN BASIN		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services	$1,860,050	$2,323,997	$463,947	$170,000	$210,773	$40,773
Subventions and grants	16,665	14,147	(2,518)			
Use of money and property	250,250	249,697	(553)	122,765	152,702	29,937
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	71,988	60,456	(11,532)			
Total Revenues	2,198,953	2,648,297	449,344	292,765	363,475	70,710
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies					6,783	(6,783)
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	500	3,500	(3,000)			
Housing assistance payments						
Capital outlay	5,435,653	2,774,014	2,661,639	940,172	25,755	914,417
Debt service:						
Principal retirement						
Interest and fiscal charges		2,059	(2,059)			
Total Expenditures	5,436,153	2,779,573	2,656,580	940,172	32,538	907,634
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,237,200)	(131,276)	3,105,924	(647,407)	330,937	978,344
OTHER FINANCING SOURCES (USES)						
Transfers in	1,091,194	317,989	(773,205)			
Transfers (out)	(1,147,103)	(170,446)	976,657	(7,188)	(7,188)	
Total Other Financing Sources (Uses)	(55,909)	147,543	203,452	(7,188)	(7,188)	
NET CHANGE IN FUND BALANCES	($3,293,109)	16,267	$3,309,376	($654,595)	323,749	$978,344
Fund balances at beginning of year		19,421,176			7,321,321	
Fund balances at end of year		$19,437,443			$7,645,070	

TREE PROPAGATION			AIR QUALITY MITIGATION			COMMUNITY DEVELOPMENT BLOCK GRANT/ HOME		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$40,650	$40,650		$22,000	$31,981	$9,981			
						$1,678,550	$854,151	($824,399)
58,926	50,058	($8,868)	1,937	1,641	(296)	6,210	6,210	
	70	70				1,075,125	464,225	(610,900)
99,576	90,778	(8,798)	23,937	33,622	9,685	2,759,885	1,324,586	(1,435,299)
						113,815	114,107	(292)
						2,704,081	1,035,274	1,668,807
497,959	449,969	47,990						
273,243	14,724	258,519						
771,202	464,693	306,509				2,817,896	1,149,381	1,668,515
(671,626)	(373,915)	297,711	23,937	33,622	9,685	(58,011)	175,205	233,216
						100,000	5,000	(95,000)
(5,360)	(5,360)		(284)	(284)		(25,000)	(25,000)	
(5,360)	(5,360)		(284)	(284)		75,000	(20,000)	(95,000)
($676,986)	(379,275)	$297,711	$23,653	33,338	$9,685	$16,989	155,205	$138,216
	4,174,132			137,803			21,071	
	$3,794,857			$171,141			$176,276	

(Continued)

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	HOUSING AUTHORITY SECTION 8			AFFORDABLE HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services						
Subventions and grants	$4,085,282	$4,636,773	$551,491			
Use of money and property	4,290	94	(4,196)	$61,415	$59,943	($1,472)
Fines, forfeitures and penalties						
Contributions from developers				88,000	95,044	7,044
Miscellaneous revenues	22,000	85,820	63,820	150,000	546,312	396,312
Total Revenues	4,111,572	4,722,687	611,115	299,415	701,299	401,884
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits	438,915	384,340	54,575	22,687	21,647	1,040
Operating services and supplies	57,882	222,173	(164,291)	987,565	400,505	587,060
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments	3,529,200	3,643,394	(114,194)			
Capital outlay						
Debt service:						
Principal retirement				1,500,000		1,500,000
Interest and fiscal charges				18,000	16,375	1,625
Total Expenditures	4,025,997	4,249,907	(223,910)	2,528,252	438,527	2,089,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	85,575	472,780	387,205	(2,228,837)	262,772	2,491,609
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(72,585)	(72,585)		(15,896)	(15,896)	
Total Other Financing Sources (Uses)	(72,585)	(72,585)		(15,896)	(15,896)	
NET CHANGE IN FUND BALANCES	$12,990	400,195	$387,205	($2,244,733)	246,876	$2,491,609
Fund balances at beginning of year		731,100			3,361,658	
Fund balances at end of year		$1,131,295			$3,608,534	

MISCELLANEOUS FIRE			MISCELLANEOUS GENERAL GOVERNMENT			MISCELLANEOUS LIBRARY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				$233	$233			
$470	$511	$41	$870	1,611	$741	$3,909	$4,251	$342
15,000	12,875	(2,125)						
10,000	5,007	(4,993)						
			166,000	228,907	62,907	13,000	13,000	
25,470	18,393	(7,077)	166,870	230,751	63,881	16,909	17,251	342
			157,910	65,654	92,256			
18,000	16,130	1,870						
						20,000	20,000	
18,000	16,130	1,870	157,910	65,654	92,256	20,000	20,000	
7,470	2,263	(5,207)	8,960	165,097	156,137	(3,091)	(2,749)	342
			(625)	(618)	7			
			(625)	(618)	7			
$7,470	2,263	($5,207)	$8,335	164,479	$156,144	($3,091)	(2,749)	$342
	29,505			45,668			270,943	
	$31,768			$210,147			$268,194	

(Continued)

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	MISCELLANEOUS POLICE			MISCELLANEOUS PARK		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services				$50,000	$46,995	($3,005)
Subventions and grants		$114	$114			
Use of money and property	$3,811	3,103	(708)	6,710	6,051	(659)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	9,810	43,691	33,881		840	840
Total Revenues	13,621	46,908	33,287	56,710	53,886	(2,824)
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies	33,201	32,195	1,006			
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies				500	485	15
Housing assistance payments						
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	33,201	32,195	1,006	500	485	15
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,580)	14,713	34,293	56,210	53,401	(2,809)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(330,000)	(206,860)	123,140
Total Other Financing Sources (Uses)				(330,000)	(206,860)	123,140
NET CHANGE IN FUND BALANCES	($19,580)	14,713	$34,293	($273,790)	(153,459)	$120,331
Fund balances at beginning of year		230,244			462,132	
Fund balances at end of year		$244,957			$308,673	

STORM WATER MANAGEMENT			TRAFFIC SIGNAL			SOUTH PLACER ANIMAL CONTROL SHELTER		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$8,000		($8,000)	$75,000	$68,381	($6,619)
$3,058	$3,295	$237	36,570	$32,257	($4,313)	3,699	4,234	535
500		(500)						
			25,000	23,191	(1,809)			
			4,000	22,742	18,742			
3,558	3,295	(263)	73,570	78,190	4,620	78,699	72,615	(6,084)
386,972	311,030	75,942						
156,111	119,262	36,849				7,000	450	6,550
			971,237	979,914	(8,677)			
			463,922	489,794	(25,872)			
			3,790,098	216,975	3,573,123			
543,083	430,292	112,791	5,225,257	1,686,683	3,538,574	7,000	450	6,550
(539,525)	(426,997)	112,528	(5,151,687)	(1,608,493)	3,543,194	71,699	72,165	466
359,377	359,376	(1)	1,703,930	1,703,930				
(8,975)	(8,975)		(175,441)	(153,127)	22,314	(118,301)		118,301
350,402	350,401	(1)	1,528,489	1,550,803	22,314	(118,301)		118,301
($189,123)	(76,596)	$112,527	($3,623,198)	(57,690)	$3,565,508	($46,602)	72,165	$118,767
	208,466			3,349,555			274,371	
	$131,870			$3,291,865			$346,536	

(Continued)

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BIKE TRAIL/OPEN SPACE MAINTENANCE			TRAFFIC MITIGATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services				$1,300,000	$1,147,313	($152,687)
Subventions and grants				7,554,472	414,027	(7,140,445)
Use of money and property	$12,300	$12,477	$177	200,035	198,350	(1,685)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues		32,783	32,783			
Total Revenues	12,300	45,260	32,960	9,054,507	1,759,690	(7,294,817)
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	504,354	379,553	124,801			
Housing assistance payments						
Capital outlay	25,000	25,478	(478)	17,081,972	2,100,340	14,981,632
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	529,354	405,031	124,323	17,081,972	2,100,340	14,981,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(517,054)	(359,771)	157,283	(8,027,465)	(340,650)	7,686,815
OTHER FINANCING SOURCES (USES)						
Transfers in	474,387	441,615	(32,772)	496,741	496,741	
Transfers (out)	(75,198)	(75,198)		(2,220,277)	(412,267)	1,808,010
Total Other Financing Sources (Uses)	399,189	366,417	(32,772)	(1,723,536)	84,474	1,808,010
NET CHANGE IN FUND BALANCES	($117,865)	6,646	$124,511	($9,751,001)	(256,176)	$9,494,825
Fund balances at beginning of year		889,766			12,700,151	
Fund balances at end of year		$896,412			$12,443,975	

ROSEVILLE FINANCE AUTHORITY			BUILDING			GENERAL CAPITAL IMPROVEMENT PROJECTS REHABILITATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$65,969	$54,596	($11,373)	$16,112	$21,987	$5,875	$199,996	$189,178	($10,818)
			400,000		(400,000)			
				2,822	2,822			
65,969	54,596	(11,373)	416,112	24,809	(391,303)	199,996	189,178	(10,818)
			12,677,595	410,156	12,267,439	555,185	67,287	487,898
675,000	675,000							
628,778	643,452	(14,674)						
1,303,778	1,318,452	(14,674)	12,677,595	410,156	12,267,439	555,185	67,287	487,898
(1,237,809)	(1,263,856)	(26,047)	(12,261,483)	(385,347)	11,876,136	(355,189)	121,891	477,080
1,237,809	1,237,809		13,218,047	557,333	(12,660,714)			
			(66,533)	(66,533)		(3,101,859)	(516,057)	2,585,802
1,237,809	1,237,809		13,151,514	490,800	(12,660,714)	(3,101,859)	(516,057)	2,585,802
	(26,047)	($26,047)	$890,031	105,453	($784,578)	($3,457,048)	(394,166)	$3,062,882
	1,538,213			1,702,778			15,284,386	
	$1,512,166			$1,808,231			$14,890,220	

(Continued)

CITY OF ROSEVILLE
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ROSEVILLE AQUATICS COMPLEX MAINTENANCE			CITIZENS' BENEFIT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Taxes						
Charges for services						
Subventions and grants						
Use of money and property		$21,661	$21,661	$510,000	$374,921	($135,079)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues					82,446	82,446
Total Revenues		21,661	21,661	510,000	457,367	(52,633)
Current:						
General government						
Council						
Operating services and supplies				655,650	642,946	12,704
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures				655,650	642,946	12,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		21,661	21,661	(145,650)	(185,579)	(39,929)
OTHER FINANCING SOURCES (USES)						
Transfers in				625	618	(7)
Transfers (out)						
Total Other Financing Sources (Uses)				625	618	(7)
NET CHANGE IN FUND BALANCES		21,661	$21,661	($145,025)	(184,961)	($39,936)
Fund balances at beginning of year		4,975			18,348,310	
Fund balances at end of year		$26,636			$18,163,349	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

Automotive Services Fund. To account for the maintenance of vehicles used by City departments. Funds are received by means of a rental fee charged to the various departments.

Automotive Replacement Fund. To accumulate resources and account for the purchase of vehicles used by City departments. The source of revenue for this fund is replacement fees charged to City vehicles.

Workers' Compensation Fund. To account for the City's self-insurance program for Workers' Compensation benefits and for the administration of various preventative programs.

General Liability Fund. To account for the cost of claims and administrative costs of the City's self-insured general liability program.

Unemployment Reserve Fund. To account for State and Federal mandated unemployment insurance benefits for employees.

Vision Fund. To account for the City's insurance program for Vision benefits.

Dental Fund. To account for the City's insurance program for Dental benefits.

Section 125 Fund. To account for the assets and liabilities of the employer's flexible benefits plan established under Internal Revenue Code Section 125.

Post Retirement Fund. To account for the contributions and benefits paid in relation to accrued employee retirement compensation.

Central Stores Fund. To account for stores inventory that gets allocated out at year-end to the General Fund and Enterprise Funds.

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

			Self Insurance Funds	
	Automotive Services	Automotive Replacement	Workers' Compensation	General Liability
ASSETS				
Current Assets				
Cash and investments in City Treasury		$31,661,749	$9,945,047	$3,769,847
Receivables:				
Accounts			99,551	4,191
Accrued interest		3,186,565	37,317	16,254
Due from other government agencies	$22,004			
Due from other funds		903,974	100,000	
Inventories	900,176			
Total Current Assets	922,180	35,752,288	10,181,915	3,790,292
Non Current Assets				
Advances to other funds		4,220,201	490,353	
Capital assets, net of accumulated depreciation	84,009	10,840,411	9,374	
Total Assets	1,006,189	50,812,900	10,681,642	3,790,292
LIABILITIES				
Current Liabilities				
Accounts payable	256,243		6,049	44,626
Accrued liabilities	64,560		3,070	3,024
Due to other funds	275,693			
Self-insurance claims payable			679,500	511,000
Total Current Liabilities	596,496		688,619	558,650
Long-term Liabilities				
Advances from other funds				
Compensated absences	311,474		35,332	8,523
Net OPEB obligations				
Self-insurance claims payable			5,173,500	1,281,000
Total Liabilities	907,970		5,897,451	1,848,173
NET ASSETS				
Invested in capital assets	84,009	10,840,411	9,374	
Unrestricted	14,210	39,972,489	4,774,817	1,942,119
Total Net Assets	$98,219	$50,812,900	$4,784,191	$1,942,119

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
$44,083	$301,228	$539,004	$58,729	$2,512,139	$137,332	$48,969,158
						103,742
553	1,017	1,502		85,753		3,328,961
						22,004
						1,003,974
						900,176
44,636	302,245	540,506	58,729	2,597,892	137,332	54,328,015
						4,710,554
						10,933,794
44,636	302,245	540,506	58,729	2,597,892	137,332	69,972,363
77,085		30,887		249	105,238	520,377
						70,654
100,000						375,693
						1,190,500
177,085		30,887		249	105,238	2,157,224
490,353						490,353
						355,329
				15,409,215		15,409,215
						6,454,500
667,438		30,887		15,409,464	105,238	24,866,621
						10,933,794
(622,802)	302,245	509,619	58,729	(12,811,572)	32,094	34,171,948
($622,802)	$302,245	$509,619	$58,729	($12,811,572)	$32,094	$45,105,742

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

			Self Insurance Funds	
	Automotive Services	Automotive Replacement	Workers' Compensation	General Liability
OPERATING REVENUES				
Charges for services	$6,723,764	$4,806,352		
Other	135,788	106,919	$99,606	$593,225
Total Operating Revenues	6,859,552	4,913,271	99,606	593,225
OPERATING EXPENSES				
Operations	6,007,389	4,639	2,282,296	2,031,054
Depreciation and amortization	40,999	3,885,323	3,040	
Claims expense			451,000	1,732,917
Total Operating Expenses	6,048,388	3,889,962	2,736,336	3,763,971
Operating Income (Loss)	811,164	1,023,309	(2,636,730)	(3,170,746)
NONOPERATING (EXPENSES)				
Interest and rents revenue	22,501	442,045	131,820	61,291
Net Nonoperating Revenues (Expenses)	22,501	442,045	131,820	61,291
Income (Loss) Before Transfers	833,665	1,465,354	(2,504,910)	(3,109,455)
Transfers in		65,330		
Transfers (out)	(1,034,605)	(144,835)	(23,407)	(123,481)
Change in Net Assets	(200,940)	1,385,849	(2,528,317)	(3,232,936)
Net assets (deficit)-beginning	299,159	49,427,051	7,312,508	5,175,055
Net assets-ending	$98,219	$50,812,900	$4,784,191	$1,942,119

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						$11,530,116
$201,150	$154,714	$1,441,173	$371,042	$1,048,578		4,152,195
201,150	154,714	1,441,173	371,042	1,048,578		15,682,311
	156,678	133,198		11,906,113	($5)	22,521,362
						3,929,362
454,640		1,279,464	361,898			4,279,919
454,640	156,678	1,412,662	361,898	11,906,113	(5)	30,730,643
(253,490)	(1,964)	28,511	9,144	(10,857,535)	5	(15,048,332)
3,328	5,822	8,563	(271)	314,489		989,588
3,328	5,822	8,563	(271)	314,489		989,588
(250,162)	3,858	37,074	8,873	(10,543,046)	5	(14,058,744)
				6,910,841		6,976,171
(3,327)	(1,533)	(11,583)	(3,332)	(33,476)		(1,379,579)
(253,489)	2,325	25,491	5,541	(3,665,681)	5	(8,462,152)
(369,313)	299,920	484,128	53,188	(9,145,891)	$32,089	53,567,894
($622,802)	$302,245	$509,619	$58,729	($12,811,572)	$32,094	$45,105,742

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	Automotive Services	Automotive Replacement	Self Insurance Funds Workers' Compensation	Self Insurance Funds General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$6,715,800	$4,806,352		
Payments to suppliers	(4,166,797)	(113,138)	($2,191,008)	($1,918,064)
Payments to employees	(1,819,903)		(84,022)	(82,334)
Payments to OPEB trust				
Claims paid				(1,442,917)
Other receipts (payments)	135,788	106,919	23,923	602,034
Net cash provided (Used by) operating activities	864,888	4,800,133	(2,251,107)	(2,841,281)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (decrease) in due to other funds	147,216	(716,974)	(100,000)	
(Increase) decrease in advances to other funds		127,000	(490,353)	
Transfers in		65,330		
Transfers (out)	(1,034,605)	(144,835)	(23,407)	(123,481)
Cash Flows from (Used for) Noncapital Financing Activities	(887,389)	(669,479)	(613,760)	(123,481)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net		(916,328)	1	
Cash Flows (Used for) Capital and Related Financing Activities		(916,328)	1	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rents received	22,501	367,282	129,096	62,384
Cash Flows from Investing Activities	22,501	367,282	129,096	62,384
Net increase (decrease) in cash and cash equivalents		3,581,608	(2,735,770)	(2,902,378)
Cash and investments at beginning of period		28,080,141	12,680,817	6,672,225
Cash and investments at end of period		$31,661,749	$9,945,047	$3,769,847
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$811,164	$1,023,309	($2,636,730)	($3,170,746)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	40,999	3,885,323	3,040	
Change in assets and liabilities:				
Receivables, net	(105,399)		(75,683)	8,809
Net OPEB obligations				
Accounts and other payables	118,124	(108,499)	458,266	320,656
Net cash provided by operating activities	$864,888	$4,800,133	($2,251,107)	($2,841,281)

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						$11,522,152
	($156,363)	($102,311)			($32,803)	(8,680,484)
				($7,091,217)		(9,077,476)
				(34,000,000)		(34,000,000)
($377,555)		(1,279,464)	($361,898)			(3,461,834)
201,150	154,714	1,441,173	371,042	1,048,578		4,085,321
(176,405)	(1,649)	59,398	9,144	(40,042,639)	(32,803)	(39,612,321)
(269,313)						(939,071)
490,353						127,000
				6,910,841		6,976,171
(3,327)	(1,533)	(11,583)	(3,332)	(33,476)		(1,379,579)
217,713	(1,533)	(11,583)	(3,332)	6,877,365		4,784,521
						(916,327)
						(916,327)
2,775	4,838	7,061	(184)	320,663		916,416
2,775	4,838	7,061	(184)	320,663		916,416
44,083	1,656	54,876	5,628	(32,844,611)	(32,803)	(34,827,711)
	299,572	484,128	53,101	35,356,750	170,135	83,796,869
$44,083	$301,228	$539,004	$58,729	$2,512,139	$137,332	$48,969,158
($253,490)	($1,964)	$28,511	$9,144	($10,857,535)	$5	($15,048,332)
						3,929,362
						(172,273)
				(29,185,353)		(29,185,353)
77,085	315	30,887		249	(32,808)	864,275
($176,405)	($1,649)	$59,398	$9,144	($40,042,639)	($32,803)	($39,612,321)

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AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Special Assessments/Community Facility Districts (CFDs)

These funds account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

Payroll Revolving Fund
This fund accounts for the payroll deductions and contributions that are held in transit.

Highway 65 JPA (Bizz Johnson JPA)

This JPA, which consists of the City, City of Rocklin and Placer County, was formed to fund interchanges off of Highway 65. The City acts as lead agency and treasurer. The fees are collected via building permits.

Dry Creek Drainage Basin
Fees are collected via building permits for the Dry Creek area and submitted quarterly to Placer County for drainage mitigation.

Disaster Recovery JPA (DRJPA)

The DRJPA was formed to provide disaster recovery for computer services. The members are the City, Yolo County of Education, City of West Sacramento, City of Alameda and Yolo County. The City of Woodland pays just for services (non-voting member). The City is acting as lead agency and treasurer. The agencies pay annual membership dues for maintenance of backup computer servers and capital outlay.

County Capital Facilities Fee
This fee was established by the County to fund future county capital facilities from development. It is collected via building permits and submitted quarterly to the County.

South Placer Wastewater Authority (SPWA)

SPWA is a Joint Powers Authority comprised of the City, Placer County and South Placer Public Utilities District. The City is acting as the treasurer and construction manager. This JPA was formed to issue debt to facilitate the construction of the regional wastewater infrastructure. The agencies collect regional wastewater connection fees and submit them to SPWA which is used for debt service payments and for the future expansion of facilities.

Special Sewer Benefit Area #3
This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the northeast portion of the City. The reimbursements are made to various project participants.

Special Sewer Benefit Area #4
This Sewer Special Benefit Area was established to reimburse from properties benefiting from certain sewer infrastructure and oversized pipelines in the southeast portion of the City. The reimbursements are made to Southfork Partnership.

South Placer County Tourism Business Improvement District (SPCTBID)

All hotels in the region are assessed fees for the purpose of promoting tourism in the area. These fees are forwarded to the City quarterly and then submitted quarterly to the SPCTBID.

South Placer County Safe Kids Coalition

The fess are collected for and submitted to an organization in Placer County for child safety programs.

South Placer Regional Traffic Fee
This fee is collected via building permits and submitted quarterly to Placer County Transportation Authority to fund regional traffic mitigation.

City/County Traffic Mitigation Fund (TMF)

The fee is collected via building permits and submitted quarterly to Placer County to fund regional traffic mitigation due to new development.

Placer County Air Pollution Control Fund

The fee is collected to contribute towards construction of a future animal shelter in South Placer County.

Sierra College Boulevard Fund

To account for contributions to provide maintenance of bike trails and open space.

Other

To account for fees collected for Placer County's administration of the City's Special Assessments.

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Foothills Boulevard Special Assessment District				
Taxes receivable		$1,243		$1,243
Total Assets		$1,243		$1,243
Due to bondholders		$1,243		$1,243
North Roseville/Rocklin Sewer Special Assessment District				
Cash and investments in City Treasury	$9,379	$1,524		$10,903
Taxes receivable		366		366
Total Assets	$9,379	$1,890		$11,269
Due to bondholders	$9,379	$1,890		$11,269
Total Liabilities	$9,379	$1,890		$11,269
Champion Oaks Special Assessment District				
Cash and investments in City Treasury	$19,287			$19,287
Due to bondholders	$19,287			$19,287
Foothills Boulevard Extension Special Assessment District				
Cash and investments in City Treasury	$194,690	$1,836	$666	$195,860
Taxes receivable		5,250		5,250
Accrued interest receivable	13	17	13	17
Total Assets	$194,703	$7,103	$679	$201,127
Due to bondholders	$194,703	$7,103	$679	$201,127
Total Liabilities	$194,703	$7,103	$679	$201,127
Northeast Roseville Community Facilities District #1				
Cash and investments in City Treasury	$123,487	$19,429	$10,007	$132,909
Taxes receivable	6,593	249	6,593	249
Accrued interest receivable	301	425	301	425
Total Assets	$130,381	$20,103	$16,901	$133,583
Due to bondholders	$130,381	$20,103	$16,901	$133,583
Total Liabilities	$130,381	$20,103	$16,901	$133,583

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Northwest Roseville Community Facilities District #1				
Cash and investments in City Treasury	$2,528,091	$1,021,004	$1,036,350	$2,512,745
Restricted cash and investments with fiscal agents	2,298,293	2,311		2,300,604
Taxes receivable		18,951		18,951
Accrued interest receivable	4,056	4,870	4,056	4,870
Total Assets	$4,830,440	$1,047,136	$1,040,406	$4,837,170
Due to bondholders	$4,830,440	$1,047,136	$1,040,406	$4,837,170
Total Liabilities	$4,830,440	$1,047,136	$1,040,406	$4,837,170
Stoneridge East Community Facilities District #1				
Cash and investments in City Treasury	$1,083,408	$792,545	$810,595	$1,065,358
Restricted cash and investments with fiscal agents	1,178,268		1,567	1,176,701
Taxes receivable	3,676	5,726	3,676	5,726
Accrued interest receivable	1,700	2,061	1,700	2,061
Total Assets	$2,267,052	$800,332	$817,538	$2,249,846
Due to bondholders	$2,267,052	$800,332	$817,538	$2,249,846
Total Liabilities	$2,267,052	$800,332	$817,538	$2,249,846
Northeast Roseville Community Facilities District #2				
Cash and investments in City Treasury	$869,386	$432,965	$324,822	$977,529
Restricted cash and investments with fiscal agents	1,093,903		140,426	953,477
Taxes receivable	9,054	1,201	9,054	1,201
Accrued Interest receivable	1,175	1,811	1,175	1,811
Total Assets	$1,973,518	$435,977	$475,477	$1,934,018
Accounts payable		$482		$482
Due to bondholders	$1,973,518	435,495	$475,477	1,933,536
Total Liabilities	$1,973,518	$435,977	$475,477	$1,934,018
North Central Roseville Community Facilities District #1				
Cash and investments in City Treasury	$5,875,255	$2,974,147	$4,297,283	$4,552,119
Restricted cash and investments with fiscal agents	5,032,077		2,704,554	2,327,523
Taxes receivable		9,763		9,763
Accrued interest receivable	93,189	8,114	93,189	8,114
Total Assets	$11,000,521	$2,992,024	$7,095,026	$6,897,519
Due to bondholders	$11,000,521	$2,992,024	$7,095,026	$6,897,519
Total Liabilities	$11,000,521	$2,992,024	$7,095,026	$6,897,519

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
North Roseville Community Facilities District #1				
Cash and investments in City Treasury	$1,543,745	$1,098,436	$865,186	$1,776,995
Restricted cash and investments with fiscal agents	1,916,871		172,818	1,744,053
Accounts receivable	30,602		30,602	
Taxes receivable	23,053	13,221	23,053	13,221
Accrued interest receivable	2,292	3,191	2,292	3,191
Total Assets	$3,516,563	$1,114,848	$1,093,951	$3,537,460
Due to bondholders	$3,516,563	$1,114,848	$1,093,951	$3,537,460
Total Liabilities	$3,516,563	$1,114,848	$1,093,951	$3,537,460
Woodcreek West Community Facilities District #1				
Cash and investments in City Treasury	$1,364,002	$867,189	$892,771	$1,338,420
Restricted cash and investments with fiscal agents	1,408,006	2,797		1,410,803
Taxes receivable	5,119	3,506	5,119	3,506
Accrued interest receivable	2,399	2,815	2,399	2,815
Total Assets	$2,779,526	$876,307	$900,289	$2,755,544
Accrued Liabilities	$4,871			$4,871
Due to bondholders	2,774,655	$876,307	$900,289	2,750,673
Total Liabilities	$2,779,526	$876,307	$900,289	$2,755,544
Highland Reserve North Community Facilities District #1				
Cash and investments in City Treasury	$2,593,359	$1,477,310	$1,482,136	$2,588,533
Restricted cash and investments with fiscal agents	2,547,215		571	2,546,644
Accounts receivable	8,531		8,531	
Taxes receivable	3,463	4,080	3,463	4,080
Accrued interest receivable	3,485	5,136	3,485	5,136
Total Assets	$5,156,053	$1,486,526	$1,498,186	$5,144,393
Accounts payable	$750	$689	$750	$689
Due to bondholders	5,155,303	1,485,837	1,497,436	5,143,704
Total Liabilities	$5,156,053	$1,486,526	$1,498,186	$5,144,393

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Stoneridge Parcel 1 Community Facilities District #1				
Cash and investments in City Treasury	$183,521	$91,754	$106,506	$168,769
Restricted cash and investments with fiscal agents	137,841	166		138,007
Taxes receivable	449	402	449	402
Accrued interest receivable	355	391	355	391
Total Assets	$322,166	$92,713	$107,310	$307,569
Accounts payable	$2,250		$2,250	
Due to bondholders	319,916	$92,713	105,060	$307,569
Total Liabilities	$322,166	$92,713	$107,310	$307,569
Woodcreek East Community Facilities District #1				
Cash and investments in City Treasury	$609,817	$306,843	$325,774	$590,886
Restricted cash and investments with fiscal agents	487,299		109	487,190
Taxes receivable	2,751	2,265	2,751	2,265
Accrued interest receivable	1,131	1,390	1,131	1,390
Total Assets	$1,100,998	$310,498	$329,765	$1,081,731
Accounts payable		$206		$206
Due to bondholders	$1,100,998	310,292	$329,765	1,081,525
Total Liabilities	$1,100,998	$310,498	$329,765	$1,081,731
Stoneridge West Community Facilities District #1				
Cash and investments in City Treasury	$840,568	$699,854	$633,825	$906,597
Restricted cash and investments with fiscal agents	917,293	4,025		921,318
Accounts receivable	1,741		1,741	
Taxes receivable	114,751	124,746	114,751	124,746
Accrued interest receivable	1,351	1,626	1,351	1,626
Total Assets	$1,875,704	$830,251	$751,668	$1,954,287
Due to bondholders	$1,875,704	$830,251	$751,668	$1,954,287
Total Liabilities	$1,875,704	$830,251	$751,668	$1,954,287
Crocker Ranch Community Facilities District #1				
Cash and investments in City Treasury	$951,328	$1,311,455	$1,301,149	$961,634
Restricted cash and investments with fiscal agents	1,389,702	1,639		1,391,341
Taxes receivable	5,305	3,314	5,305	3,314
Accrued interest receivable	1,459	1,614	1,459	1,614
Total Assets	$2,347,794	$1,318,022	$1,307,913	$2,357,903
Accounts payable	$150		$150	
Due to bondholders	2,347,644	$1,318,022	1,307,763	$2,357,903
Total Liabilities	$2,347,794	$1,318,022	$1,307,913	$2,357,903

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Stone Point Community Facilities District #1				
Cash and investments in City Treasury	$1,249,380	$509,618	$645,267	$1,113,731
Restricted cash and investments with fiscal agents	905,268		225	905,043
Accrued interest receivable	2,020	2,791	2,020	2,791
Total Assets	$2,156,668	$512,409	$647,512	$2,021,565
Due to bondholders	$2,156,668	$512,409	$647,512	$2,021,565
Total Liabilities	$2,156,668	$512,409	$647,512	$2,021,565
Stone Point Community Facilities District #5				
Cash and investments in City Treasury	$181,747	$318,734	$309,212	$191,269
Restricted cash and investments with fiscal agents	474,067	18,331		492,398
Accrued interest receivable	776	200	776	200
Total Assets	$656,590	$337,265	$309,988	$683,867
Due to bondholders	$656,590	$337,265	$309,988	$683,867
Total Liabilities	$656,590	$337,265	$309,988	$683,867
Westpark Community Facilities District #1				
Cash and investments in City Treasury	$2,548,464	$5,110,075	$4,158,701	$3,499,838
Restricted cash and investments with fiscal agents	5,533,729	11,033		5,544,762
Taxes receivable	1,932	3,105	1,932	3,105
Accrued interest receivable	4,029	5,103	4,029	5,103
Total Assets	$8,088,154	$5,129,316	$4,164,662	$9,052,808
Accounts payable		$206		$206
Due to bondholders	$8,088,154	$5,129,110	$4,164,662	$9,052,602
Total Liabilities	$8,088,154	$5,129,316	$4,164,662	$9,052,808
Fiddyment Ranch Community Facilities District #1				
Cash and investments in City Treasury	$2,800,568	$3,931,340	$4,100,055	$2,631,853
Restricted cash and investments with fiscal agents	7,225,523	148,208		7,373,731
Taxes receivable	1,544	606	1,544	606
Accrued interest receivable	72,474	72,847	72,474	72,847
Total Assets	$10,100,109	$4,153,001	$4,174,073	$10,079,037
Accounts payable		$482		$482
Due to bondholders	$10,100,109	4,152,519	$4,174,073	10,078,555
Total Liabilities	$10,100,109	$4,152,519	$4,174,073	$10,078,555

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Longmeadow Community Facilities District #1				
Cash and investments in City Treasury	$435,423	$516,207	$506,552	$445,078
Restricted cash and investments with fiscal agents	616,760		23,052	593,708
Taxes receivable	1,487	529	1,487	529
Accrued interest receivable	7,334	656	7,334	656
Total Assets	$1,061,004	$517,392	$538,425	$1,039,971
Due to bondholders	$1,061,004	$517,392	$538,425	$1,039,971
Total Liabilities	$1,061,004	$517,392	$538,425	$1,039,971
Diamond Creek Community Facilities District #1				
Cash and investments in City Treasury	$72,021	$697,758	$391,050	$378,729
Restricted cash and investments with fiscal agents	687,122	664		687,786
Taxes receivable	32,553		32,553	
Accrued interest receivable	6	471	6	471
Total Assets	$791,702	$698,893	$423,609	$1,066,986
Accounts payable				
Due to bondholders	$791,702	$698,893	423,609	$1,066,986
Total Liabilities	$791,702	$698,893	$423,609	$1,066,986
Fountains Community Facilities District #1				
Cash and investments in City Treasury	$427,088	$722,643	$721,470	$428,261
Restricted cash and investments with fiscal agents	1,121,109	2,235		1,123,344
Accrued interest receivable	479	654	479	654
Total Assets	$1,548,676	$725,532	$721,949	$1,552,259
Due to bondholders	$1,548,676	$725,532	$721,949	$1,552,259
Total Liabilities	$1,548,676	$725,532	$721,949	$1,552,259
Automall Community Facilities District #1				
Cash and investments in City Treasury	$120,596	$597,831	$207,959	$510,468
Restricted cash and investments with fiscal agents	19,303		19,303	
Accrued interest receivable	46	576	46	576
Total Assets	$139,945	$598,407	$227,308	$511,044
Due to bondholders	$139,945	$598,407	$227,308	$511,044
Total Liabilities	$139,945	$598,407	$227,308	$511,044

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Payroll Revolving				
Cash and investments in City Treasury	$1,859,103		$5,854	$1,853,249
Total Assets	$1,859,103		$5,854	$1,853,249
Accounts payable	$2,345		$2,345	
Due to others	1,856,758		3,509	$1,853,249
Total Liabilities	$1,859,103		$5,854	$1,853,249
Highway 65 JPA				
Cash and investments in City Treasury	$6,879,091	$2,274,823	$6,082,949	$3,070,965
Accrued interest receivable	27,417	12,387	27,417	12,387
Permit fees receivable	5,616	6,960	5,616	6,960
Due from other government agencies	116,911	28,368	116,911	28,368
Total Assets	$7,029,035	$2,322,538	$6,232,893	$3,118,680
Accounts payable	$500	$755	$500	$755
Due to member agencies	7,028,535	2,321,783	6,232,393	3,117,925
Total Liabilities	$7,029,035	$2,322,538	$6,232,893	$3,118,680
Dry Creek Drainage Basin				
Cash and investments in City Treasury	$177	$5,840	$1,771	$4,246
Accrued interest receivable	6	6	6	6
Permit fees receivable	3,304	1,682	3,304	1,682
Total Assets	$3,487	$7,528	$5,081	$5,934
Accounts Payable		$4,218		$4,218
Due to others	$3,487	3,310	$5,081	1,716
Total Liabilities	$3,487	$7,528	$5,081	$5,934
Disaster Recovery JPA				
Cash and investments in City Treasury	$95,955	$1,351	$4,075	$93,231
Accrued interest receivable	262		262	
Total Assets	$96,217	$1,351	$4,337	$93,231
Accounts payable	$500	$500	$500	$500
Due to member agencies	95,717	851	3,837	92,731
Total Liabilities	$96,217	$1,351	$4,337	$93,231

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
County Capital Facilities Fee				
Cash and investments in City Treasury	$416,201	$357,613	$533,626	$240,188
Accrued interest receivable	1,085	880	1,085	880
Permit fees receivable	197,852		197,852	
Total Assets	$615,138	$358,493	$732,563	$241,068
Accounts payable	$333,304	$159,556	$333,304	$159,556
Due to others	281,834	198,937	399,259	81,512
Total Liabilities	$615,138	$358,493	$732,563	$241,068
South Placer Wastewater Authority				
Cash and investments in City Treasury	101,244,341	$8,373,174	$16,091,240	$93,526,275
Restricted cash and investments with fiscal agents	11,240,664		1,652,507	9,588,157
Accrued interest receivable	242,919	224,869	242,919	224,869
Permit fees receivable	1,087,823		3,518	1,084,305
Due from other government agencies	2,161,468	487,774	2,161,468	487,774
Total Assets	$115,977,215	$9,085,817	$20,151,652	$104,911,380
Accounts payable	$3,168,402	$231,751	$3,168,402	$231,751
Accrued liabilities	35,750	766,462	35,750	766,462
Due to member agencies	112,773,063	8,087,604	16,947,500	103,913,167
Total Liabilities	$115,977,215	$9,085,817	$20,151,652	$104,911,380
Special Sewer Benefit Area #3				
Cash and investments in City Treasury	$11,619	$276	$8,731	$3,164
Accrued interest receivable	27	20	27	20
Total Assets	$11,646	$296	$8,758	$3,184
Due to others	$11,646	$296	$8,758	$3,184
Total Liabilities	$11,646	$296	$8,758	$3,184
Special Sewer Benefit Area #4				
Cash and investments in City Treasury	$148,860	$1,797		$150,657
Accrued interest receivable	400	503	$400	503
Total Assets	$149,260	$2,300	$400	$151,160
Due to others	$149,260	$2,300	$400	$151,160
Total Liabilities	$149,260	$2,300	$400	$151,160

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
South Placer County Tourism Business Improvement District (SPCTBID)				
Cash and investments in City Treasury	$21,220	$187,508	$195,800	$12,928
Accounts receivable	182,274	195,575	182,274	195,575
Accrued interest receivable	149	225	149	225
Total Assets	$203,643	$383,308	$378,223	$208,728
Accounts payable	$190,390	$5,185		$195,575
Due to others	13,253	378,123	$378,223	13,153
Total Liabilities	$203,643	$383,308	$378,223	$208,728
South Placer County Safe Kids Coalition				
Cash and investments in City Treasury	$11,096	$4,279	$12,570	$2,805
Accrued interest receivable	21	22	21	22
Total Assets	$11,117	$4,301	$12,591	$2,827
Accounts payable	$109	$404	$109	$404
Due to others	11,008	3,897	12,482	2,423
Total Liabilities	$11,117	$4,301	$12,591	$2,827
South Placer Regional Traffic Fee				
Cash and investments in City Treasury	$169,154	$80,813	$176,366	$73,601
Accrued interest receivable	344	202	344	202
Permit fees receivable	2,243	7,849	2,243	7,849
Total Assets	$171,741	$88,864	$178,953	$81,652
Accounts payable	$168,315	$73,498	$168,315	$73,498
Due to others	3,426	15,366	10,638	8,154
Total Liabilities	$171,741	$88,864	$178,953	$81,652
City/County TMF				
Cash and investments in City Treasury	$62,235	$29,700	$62,332	$29,603
Accrued interest receivable	134	86	134	86
Total Assets	$62,369	$29,786	$62,466	$29,689
Accounts payable	$61,654	$29,566	$61,654	$29,566
Due to others	715	220	812	123
Total Liabilities	$62,369	$29,786	$62,466	$29,689

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Placer County Air Pollution Control				
Cash and investments in City Treasury	$43,045		$25,612	$17,433
Total Assets	$43,045		$25,612	$17,433
Due to others	$43,045		$25,612	$17,433
Total Liabilities	$43,045		$25,612	$17,433
Sierra College Boulevard				
Cash and investments in City Treasury	$173,253	$11,388	$159,259	$25,382
Accrued interest receivable	416	615	416	615
Total Assets	$173,669	$12,003	$159,675	$25,997
Accounts Payable	$158,644		$158,644	
Due to others	15,025	$12,003	1,031	$25,997
Total Liabilities	$173,669	$12,003	$159,675	$25,997
Other				
Cash and investments in City Treasury	$13,122			$13,122
Total Assets	$13,122			$13,122
Due to other government agencies	$13,122			$13,122
Total Liabilities	$13,122			$13,122
Total Agency Funds				
Cash and investments in City Treasury	$137,773,082	$34,829,059	$46,487,521	$126,114,620
Restricted cash and investments with fiscal agents	46,230,313	191,409	4,715,132	41,706,590
Accounts receivable	223,148	195,575	223,148	195,575
Taxes receivable	211,730	198,523	211,730	198,523
Accrued interest receivable	473,250	356,574	473,250	356,574
Permit fees receivable	1,296,838	16,491	212,533	1,100,796
Due from other government agencies	2,278,379	516,142	2,278,379	516,142
Total Assets	$188,486,740	$36,303,773	$54,601,693	$170,188,820
Accounts payable	$4,087,313	$507,498	$3,896,923	$697,888
Accrued liabilities	40,621	766,462	35,750	771,333
Due to other government agencies	13,122			13,122
Due to member agencies	119,897,315	10,410,238	23,183,730	107,123,823
Due to bondholders	62,058,912	24,005,123	26,639,485	59,424,550
Due to others	2,389,457	614,452	845,805	2,158,104
Total Liabilities	$188,486,740	$36,303,773	$54,601,693	$170,188,820

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Assets by Component
2. Changes in Net Assets
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and electric revenue:

1. Sales Tax
2. Assessed Value and Estimated Value of Taxable Property
3. Property Tax Rates, All Direct Overlapping Governments
4. Principal Property Tax Payers
5. Property Tax Levies and Collections
6. Electric Customers and Revenues
7. Residential Energy Prices
8. Business Energy Prices

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage – 2008 Refunding Variable Rate Wastewater Revenue Bonds – Series A
3. Revenue Bond Coverage – 2008 Refunding Variable Rate-Synthetic Fixed Wastewater Revenue Bonds – Series B
4. Revenue Bond Coverage – 2011 Refunding Variable Rate Wastewater Revenue Bonds – Series A
5. Revenue Bond Coverage – 2011 Refunding Variable Rate Wastewater Revenue Bonds – Series B
6. Revenue Bond Coverage – 2011 Refunding Fixed Rate Wastewater Revenue Bonds – Series C
7. Revenue Bond Coverage – 2011 Refunding SIFMA Index Wastewater Revenue Bonds – Series D
8. Bonded Debt Pledged Revenue Coverage – 2002 Redevelopment Tax Allocation Bonds
9. Bonded Debt Pledged Revenue Coverage –2006A Redevelopment Tax Allocation Bonds
10. Bonded Debt Pledged Revenue Coverage –2006AT Redevelopment Tax Allocation Bonds
11. Bonded Debt Pledged Revenue Coverage –2006HT Redevelopment Tax Allocation Bonds
12. Computation of Direct and Overlapping Debt
13. Computation of Legal Bonded Debt Margin

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

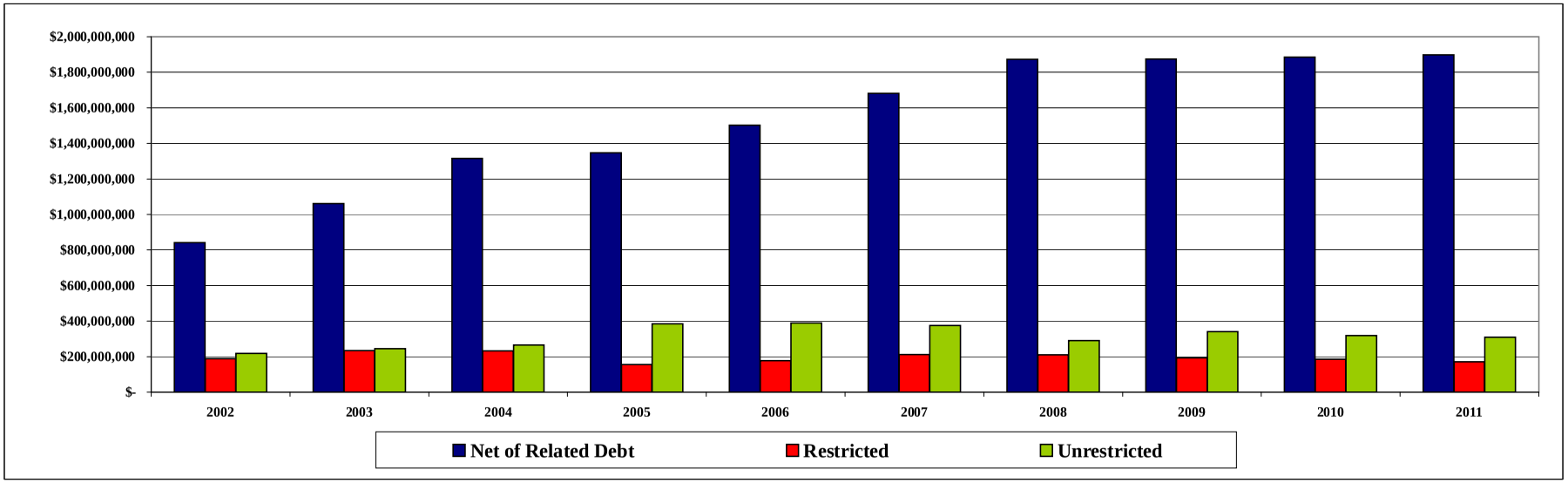
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF ROSEVILLE
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets,										
net of related debt	$487,758,224	$501,785,076	$540,714,647	$579,757,919	$664,131,414	$742,822,158	$775,922,473	$809,874,186	$821,029,885	$827,793,866
Restricted	108,421,222	148,067,075	142,404,742	124,527,445	149,738,041	177,189,997	165,833,165	149,364,179	141,943,254	144,584,184
Unrestricted	50,482,829	63,933,275	73,230,549	89,038,317	109,395,679	107,064,085	131,434,721	114,855,293	100,170,093	84,860,426
Total governmental activities net assets	$646,662,275	$713,785,426	$756,349,938	$793,323,681	$923,265,134	$1,027,076,240	$1,073,190,359	$1,074,093,658	$1,063,143,232	$1,057,238,476
Business-type activities										
Invested in capital assets,										
net of related debt	$353,316,278	$560,136,358	$774,624,921	$767,628,987	$838,373,690	$938,933,934	$1,096,922,321	$1,063,872,692	$1,063,903,341	$1,070,888,251
Restricted	79,252,497	85,285,040	89,408,729	31,082,339	28,178,946	34,553,611	44,622,022	43,873,415	43,565,544	26,825,766
Unrestricted	168,232,413	180,828,388	191,964,333	295,600,560	280,399,506	268,413,147	159,481,947	225,358,784	219,151,174	224,337,296
Total business-type activities net assets	$600,801,188	$826,249,786	$1,055,997,983	$1,094,311,886	$1,146,952,142	$1,241,900,692	$1,301,026,290	$1,333,104,891	$1,326,620,059	$1,322,051,313
Primary government										
Invested in capital assets,										
net of related debt	$841,074,502	$1,061,921,434	$1,315,339,568	$1,347,386,906	$1,502,505,104	$1,681,756,092	$1,872,844,794	$1,873,746,878	$1,884,933,226	$1,898,682,117
Restricted	187,673,719	233,352,115	231,813,471	155,609,784	177,916,987	211,743,608	210,455,187	193,237,594	185,508,798	171,409,950
Unrestricted	218,715,242	244,761,663	265,194,882	384,638,877	389,795,185	375,477,232	290,916,668	340,214,077	319,321,267	309,197,722
Total primary government net assets	$1,247,463,463	$1,540,035,212	$1,812,347,921	$1,887,635,567	$2,070,217,276	$2,268,976,932	$2,374,216,649	$2,407,198,549	$2,389,763,291	$2,379,289,789

Source: The City's Comprehensive Annual Financial Report

CITY OF ROSEVILLE
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental Activities:										
General Government	$17,964,866	$19,464,175	$19,299,495	$22,350,454	$25,437,535	$30,929,747	$34,826,790	$35,306,470	$31,596,121	$30,387,717
Community development and planning	6,289,024	9,250,195	10,370,401	10,131,568	11,893,312	13,171,347	16,004,720	16,399,001	20,004,902	13,441,264
Public Works	22,234,851	31,259,219	21,567,351	39,391,505	33,498,385	42,070,119	33,682,426	35,299,262	33,143,591	30,932,981
Police	15,521,608	17,630,323	19,351,991	22,761,768	24,500,396	27,440,631	33,717,164	36,257,952	34,190,552	31,720,789
Fire	9,888,898	11,601,885	12,768,918	15,226,498	16,435,774	20,572,207	26,372,987	27,405,634	27,543,494	25,191,924
Library	2,600,828	2,792,317	2,839,127	2,996,195	3,156,087	3,552,614	5,506,954	5,184,868	4,692,455	3,933,549
Parks and recreation	10,410,021	12,742,186	13,257,771	14,001,045	16,052,655	17,634,887	20,021,127	20,607,763	18,358,870	17,664,088
Community facilities districts	997,338	23,792,411								
Payments under developer agreements	2,270,481	2,406,806	2,607,608	3,093,615						
Housing assistance payments	2,027,930	2,541,178	3,127,150	3,050,762	2,974,236	3,328,656	3,399,145	3,530,527	3,628,510	3,643,394
Interest on long-term debt	1,231,940	2,278,540	1,813,647	1,760,833	1,933,654	4,920,776	6,858,207	5,847,054	7,131,216	3,181,266
Total Governmental Activities Expenses	$91,437,785	$135,759,235	$107,003,459	$134,764,243	$135,882,034	$163,620,984	$180,389,520	$185,838,531	$180,289,711	$160,096,972
Business-Type Activities:										
Electric	$91,181,747	$71,539,423	$69,630,286	$93,061,537	$97,101,941	$131,224,885	$155,579,953	$163,739,748	$172,512,453	$148,271,687
Water	10,763,651	12,822,705	15,748,289	16,719,257	18,510,040	15,855,579	25,826,409	21,842,893	23,025,281	22,335,757
Wastewater	15,224,345	18,632,682	18,050,409	23,885,474	27,207,717	28,948,611	37,098,813	28,512,359	29,169,860	29,516,033
Solid Waste	13,253,807	10,927,735	11,614,060	12,749,998	14,220,731	15,182,395	15,743,209	14,914,734	15,172,092	14,979,891
Natural Gas						5,152,447	15,123,490	27,665,056	27,398,886	27,106,564
Golf Course	2,529,029	2,545,069	2,365,048	2,473,835	2,479,378	2,351,603	2,883,713	3,003,690	2,814,274	2,828,099
Local Transportation	2,928,898	3,374,680	3,768,970	4,106,631	4,415,411	5,410,630	5,872,368	6,221,260	7,084,490	6,609,048
School-age Child Care	3,292,081	3,761,228	3,824,316	4,211,285	4,430,801	4,825,366	5,575,761	4,649,458	4,258,304	4,277,245
Total Business-Type Activities Expenses	139,173,558	123,603,522	125,001,378	157,208,017	168,366,019	208,951,516	263,703,716	270,549,198	281,435,640	255,924,324
Total Primary Government Expenses	$230,611,343	$259,362,757	$232,004,837	$291,972,260	$304,248,053	$372,572,500	$444,093,236	$456,387,729	$461,725,351	$416,021,296
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$46,441	$1,337,514	$1,318,112	$1,570,571	$3,364,921	$3,980,445	$2,658,458	$3,780,716	$2,655,834	$2,914,657
Community development and planning	1,021,175	1,753,229	2,988,881	3,652,829	4,312,464	3,543,270	3,386,649	1,903,124	2,704,794	2,564,206
Public Works	7,435,683	6,362,355	6,612,890	6,814,277	7,959,770	9,246,666	5,843,426	3,327,869	2,841,931	2,913,603
Police	1,003,793	1,698,465	1,581,324	2,009,281	1,900,144	2,346,493	1,845,245	2,346,230	2,088,346	1,525,433
Fire	406,127	554,019	945,366	1,082,211	1,253,881	1,505,547	1,402,158	1,362,379	1,185,742	1,203,109
Library	67	75,753	136,710	162,479	188,738	235,231	272,057	230,290	216,064	228,343
Parks and recreation	3,746,008	4,402,180	5,508,574	6,224,464	7,315,217	4,167,719	9,986,005	9,728,400	9,843,940	10,057,346
Community facilities districts		47,335								
Operating Grants and Contributions	7,413,016	7,007,583	8,476,255	9,449,752	7,717,503	7,246,321	9,514,427	12,465,557	12,354,931	10,943,019
Capital Grants and Contributions	78,415,634	72,499,797	35,094,840	41,143,945	113,531,406	101,768,467	59,279,903	22,813,349	27,053,063	11,716,689
Total Government Activities Program Revenues	99,487,944	95,738,230	62,662,952	72,109,809	147,544,044	134,040,159	94,188,328	57,957,914	60,944,645	44,066,405
Business-Type Activities:										
Charges for Services:										
Electric	72,397,572	79,906,500	94,387,590	98,949,341	102,772,594	130,264,098	143,898,715	155,843,041	163,315,149	163,234,969
Water	8,225,840	8,869,111	11,804,088	13,163,434	13,450,264	14,938,665	16,925,351	17,765,674	17,473,099	17,967,074
Wastewater	11,632,233	13,103,088	14,739,888	16,355,694	19,025,742	22,455,645	24,014,362	27,087,117	24,961,516	30,472,704
Solid Waste	12,175,022	13,859,409	14,678,394	15,244,048	17,558,492	18,575,194	19,562,798	19,951,063	20,082,492	20,682,638
Natural Gas							4,059,943	16,528,513	16,557,517	16,528,513
Golf Course	2,583,468	2,468,170	2,436,735	2,564,469	2,747,851	3,162,637	3,182,357	2,953,223	2,801,963	2,415,583
Local Transportation	566,366	936,121	526,204	530,516	601,087	739,826	863,606	1,184,861	861,730	949,192
School-age Child Care	3,341,780	3,615,963	3,810,089	4,193,923	4,833,884	4,845,460	5,193,488	4,779,262	4,358,762	4,296,761
Operating Grants and Contributions	7,172,360	4,359,680	6,717,432	7,104,895	2,299,189	14,328,217	13,630,808	10,139,913	6,327,458	6,174,016
Capital Grants and Contributions	85,642,953	88,803,680	52,603,696	49,828,229	68,914,968	108,453,838	88,497,473	55,050,971	26,604,588	16,234,957
Total Business-Type Activities Program Revenue	203,737,594	215,921,722	201,704,116	207,934,549	232,204,071	317,763,580	319,828,901	311,283,638	283,344,274	278,956,407
Total Primary Government Program Revenues	$303,225,538	$311,659,952	$264,367,068	$280,044,358	$379,748,115	$451,803,739	$414,017,229	$369,241,552	$344,288,919	$323,022,812
Net (Expense)/Revenue										
Governmental Activities	$8,050,159	($40,021,005)	($44,340,507)	($62,654,434)	$11,662,010	($29,580,825)	($86,001,192)	($127,880,617)	($119,345,066)	($116,030,567)
Business-Type Activities	64,564,036	92,318,200	76,702,738	50,726,532	63,838,052	108,812,064	56,125,185	40,734,440	1,908,634	23,032,083
Total Primary Government Net Expense	$72,614,195	$52,297,195	$32,362,231	($11,927,902)	$75,500,062	$79,231,239	($29,876,007)	($87,146,177)	($117,436,432)	($92,998,484)

Source: The City's Comprehensive Annual Financial Report.

CITY OF ROSEVILLE
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

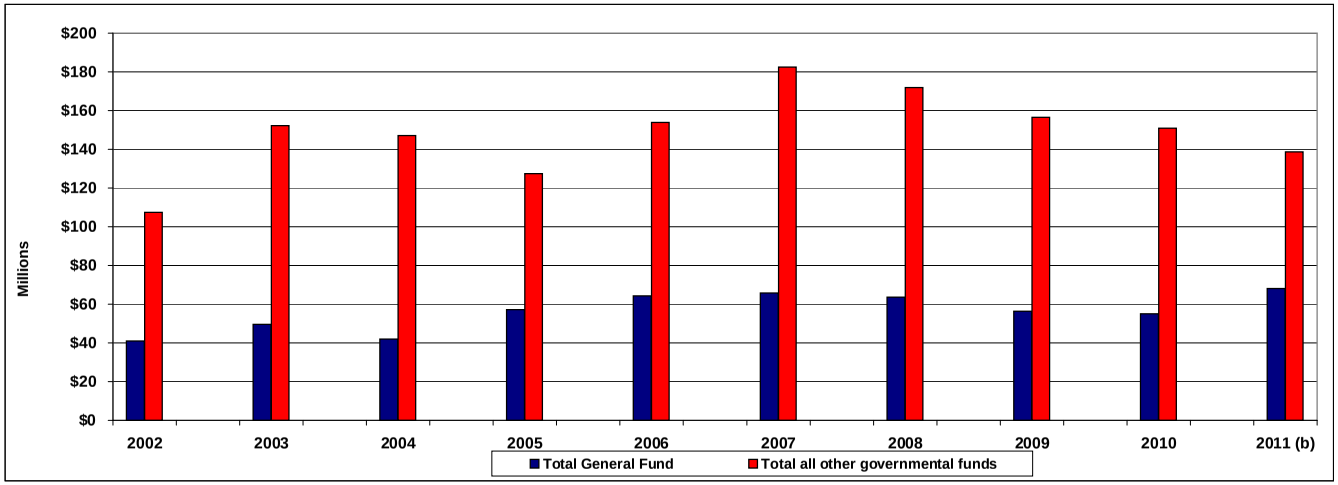
	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property taxes	$60,265,780 (b)	$16,812,259	$20,101,838	$26,548,498	$30,867,256	$38,737,491	$41,066,666	$39,688,660	$38,102,029	$34,721,253
Less Education Revenue Augmentation Fund Payment	(b)	(55,417)	(143,182)	(260,676)						
Sales taxes	(b)	34,678,592	38,031,918	40,973,365	42,642,034	44,772,743	40,982,384	36,024,500	32,139,544	37,332,222
Franchise taxes	(b)	657,865	954,396	1,060,903	1,267,707	1,429,155	1,607,214	930,003	1,615,166	1,735,495
Motor fuel taxes	(b)	1,880,505	1,775,122	1,897,211	3,116,638	1,999,542	1,985,315	1,855,462	2,909,176	
Motor vehicle in lieu (Intergovernmental- unrestricted)	(b)	5,360,094	4,152,209	2,123,202	710,510	565,719	471,834	373,495	332,224	523,609
Utility Users Taxes	(b) (a)	6,006,269 (a)								
Other Taxes	(b)	2,692,573	2,978,450	3,671,924	3,630,534	3,529,485	3,306,271	2,974,201	2,779,885	2,936,778
Licenses and permits	4,562,788									
Use of money and property	6,509,896	6,856,853	2,992,312	5,631,061	8,077,599	14,208,032	16,918,766	14,048,619	4,737,938	3,645,241
Miscellaneous revenues	1,807,075	1,356,471	12,975	664,191	1,680,851	2,926,467	887,173	4,568,055	1,934,366	1,089,608
Transfers	12,245,181	12,024,203	15,605,538	17,318,498	23,582,576	25,223,297	24,622,443	28,320,921	23,844,312	26,144,153
Gain/(Loss) from sales of capital assets			92,324		2,703,738					
Bond issuance premium			351,119							
Extraordinary item - litigation settlement	(8,500,000)									
Total Government Activities	76,890,720	88,270,267	86,905,019	99,628,177	118,279,443	133,391,931	131,848,066	128,783,916	108,394,640	108,128,359
Business-Type Activities:										
Use of money and property	5,764,373	5,539,231	1,096,493	4,487,348	10,559,581	11,359,783	27,622,856	19,665,082	15,450,846	12,812,162
Miscellaneous revenues					1,825,199					
Provision for disputed SCS charges				418,521						
Transfers	(12,245,181)	(12,024,203)	(15,605,538)	(17,318,498)	(23,582,576)	(25,223,297)	(24,622,443)	(28,320,921)	(23,844,312)	(26,144,153)
Gain/(Loss) from sales of capital assets			(227,334)							
Special Item		(13,300,000)	(7,394,906)							
Total Business-Type Activities	(6,480,808)	(19,784,972)	(22,131,285)	(12,412,629)	(11,197,796)	(13,863,514)	3,000,413	(8,655,839)	(8,393,466)	(13,331,991)
Total Primary Government	$70,409,912	$68,485,295	$64,773,734	$87,215,548	$107,081,647	$119,528,417	$134,848,479	$120,128,077	$100,001,174	$94,796,368
Change in Net Assets										
Governmental Activities	$84,940,879	$48,249,262	$42,564,512	$36,973,743	$129,941,453	$103,811,106	$45,846,874	$903,299	($10,950,426)	($7,902,208)
Business-Type Activities	58,083,228	72,533,228	54,571,453	38,313,903	52,640,256	94,948,550	59,125,598	32,078,601	(6,484,832)	9,700,092
Total Primary Government	$143,024,107	$120,782,490	$97,135,965	$75,287,646	$182,581,709	$198,759,656	$104,972,472	$32,981,900	($17,435,258)	$1,797,884

(a) 2003 was the last year the City of Roseville collected a Utility Users Tax.

(b) Detailed information is not available for 2002, therefore all taxes are included in Property Taxes

Source: The City's Comprehensive Annual Financial Report.

CITY OF ROSEVILLE
FUND BALANCES OF GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (b)
General Fund										
Reserved	$9,127,227	$18,553,213	$18,414,069	$18,449,612	$16,669,748	$13,421,646	$10,786,244	$13,472,640	$13,730,063	
Unreserved	31,843,500	31,034,445	23,647,906	38,788,181	47,642,690	52,376,837	52,774,303	42,850,836	41,375,295	
Nonspendable										$23,734,548
Assigned										5,328,824
Unassigned										39,068,183
Total General Fund	$40,970,727	$49,587,658	$42,061,975	$57,237,793	$64,312,438	$65,798,483	$63,560,547	$56,323,476	$55,105,358	$68,131,555 (a)
All Other Governmental Funds										
Reserved	$22,018,851	$47,532,457	$23,989,841	$27,132,041	$53,194,568	$71,775,257	$56,547,018	$56,058,554	$51,548,654	
Unreserved, reported in:										
Special Revenue Funds	57,998,370	73,713,153	87,880,374	66,266,786	64,447,245	73,726,293	79,723,403	65,941,856	64,422,284	
Capital Projects	11,448,839	14,958,485	19,522,248	17,733,928	19,807,821	20,128,123	18,146,007	16,456,146	16,542,186	
Permanent Funds	16,014,323	16,061,477	15,725,381	16,318,672	16,425,999	16,833,979	17,495,650	18,066,202	18,353,285	
Nonspendable										$17,411,864
Restricted										108,226,582
Committed										2,195,164
Assigned										14,890,220
Unassigned										(4,081,313)
Total all other governmental funds	$107,480,383	$152,265,572	$147,117,844	$127,451,427	$153,875,633	$182,463,652	$171,912,078	$156,522,758	$150,866,409	$138,642,517 (a)

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

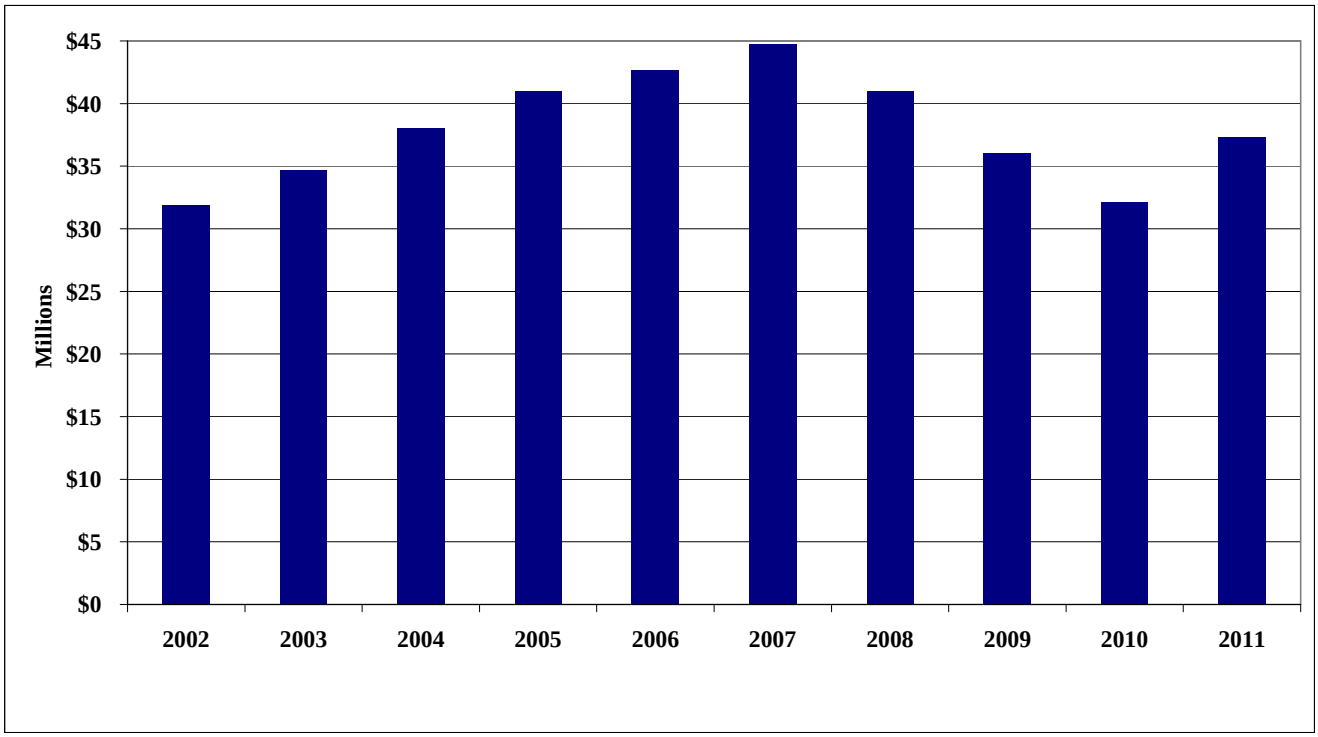
Source: The City's Comprehensive Annual Financial Report

CITY OF ROSEVILLE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	$61,361,572	$64,866,117	$65,815,061	$75,900,403	$82,770,691	$93,500,227	$93,457,602	$85,601,833	$79,623,097	$82,023,333
Less Educational Revenue Augmentation		(55,417)	(143,182)	(260,676)	(323,743)					
Licenses, permits and fees	2,787,695	2,913,664	2,784,570	2,591,354	2,020,467	2,762,883	2,537,988	1,832,029	1,624,422	1,651,822
Charges for services	29,589,733	30,198,984	27,343,649	26,814,640	31,295,267	40,301,825	31,892,013	18,899,792	18,080,957	17,111,034
Subventions and grants	16,109,594	16,583,320	13,758,850	12,630,086	10,351,281	12,744,920	12,819,741	16,909,738	22,554,411	13,612,705
Use of money and property	5,946,919	6,361,032	3,455,309	4,922,685	7,784,975	16,943,196	19,198,906	16,183,845	9,528,347	3,107,947
Fine, forfeitures and penalties	1,093,381	1,842,340	1,471,716	1,803,562	1,953,405	2,358,742	2,147,695	2,283,349	2,115,882	1,829,785
Contributions from property owners			2,574,635	7,841,639	92,645,369	71,488,795	9,100,000			
Contributions from developers			2,662,371	4,373,481	3,337,645	1,591,059	2,070,716	957,680	706,385	1,483,872
Miscellaneous revenues	1,557,781	6,500,778	3,331,708	4,213,970	7,899,568	9,286,123	12,455,601	7,264,395	5,991,250	3,032,677
Total Revenues	118,446,675	129,210,818	123,054,687	140,831,144	239,734,925	250,977,770	185,680,262	149,932,661	140,224,751	123,853,175
Expenditures										
Current:										
General government	17,703,872	25,669,297	20,766,474	19,962,845	24,103,076	27,910,341	28,222,016	26,639,267	21,737,861	21,840,332
Community development and planning	6,812,834	9,605,904	10,807,567	9,751,722	10,888,062	11,961,479	16,710,067	13,481,274	17,310,689	10,229,425
Public works	10,991,887	11,880,167	10,956,006	10,817,148	15,396,696	16,947,884	16,228,157	16,022,025	10,700,041	11,013,467
Public safety:										
Police	14,647,683	18,003,412	19,051,384	21,547,825	25,567,869	28,988,754	30,498,603	30,408,122	28,564,889	27,411,509
Fire	9,631,469	11,772,858	12,602,614	13,753,902	16,915,393	20,719,718	24,352,812	24,527,743	23,349,639	23,264,497
Library	2,504,890	2,792,063	2,842,537	2,762,274	3,133,367	3,520,834	4,542,287	3,449,204	3,224,523	2,855,794
Parks and recreation	10,481,015	12,731,251	13,249,576	13,507,359	16,007,377	17,955,082	19,092,606	17,979,576	16,199,096	15,610,257
Housing assistance payments	2,027,930	2,541,178	3,127,150	3,050,762	2,974,236	3,328,656	3,399,145	3,530,527	3,628,510	3,643,394
Capital outlay	60,046,961	23,432,869	41,149,143	58,729,356	108,314,784	125,426,074	63,142,168	49,795,093	36,534,025	20,416,652
Payments under development agreements	5,214,902	6,131,086	2,607,608	5,389,110	2,592,039	2,396,314	2,157,821	1,601,494	1,445,960	1,146,915
Annexation payments	10,357	65,241	153,085	285,335	835,780	1,810,538	2,138,963	1,959,852	2,131,802	2,045,843
Debt service:										
Principal repayment	1,077,202	1,152,517	1,439,690	1,264,702	941,946	1,206,803	1,590,991	1,392,486	1,397,222	1,402,625
Interest and fiscal charges	1,195,978	2,071,634	1,912,196	1,789,098	1,941,002	4,523,725	6,873,248	7,090,871	7,396,273	2,932,461
Total Expenditures	142,346,980	127,849,477	140,665,030	162,611,438	229,611,627	266,696,202	218,948,884	197,877,534	173,620,530	143,813,171
Excess (deficiency) of revenues over (under) expenditures	(23,900,305)	1,361,341	(17,610,343)	(21,780,294)	10,123,298	(15,718,432)	(33,268,622)	(47,944,873)	(33,395,779)	(19,959,996)
Other Financing Sources (Uses)										
Proceeds from capital lease	142,889			147,266	2,239,765			385,538		
Proceeds from issuance of bonds						23,215,524				
Proceeds from sale of property					3,503,467		129,284	12,040	10,000	
Proceeds from debt issuance		14,745,063	18,275,000							
Transfers in	27,126,928	38,559,850	27,934,748	26,116,934	38,439,158	54,227,228	42,487,182	53,047,351	42,615,799	44,206,780
Transfers (out)	(14,588,595)	(27,405,095)	(23,543,935)	(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)	(28,126,447)	(18,935,737)	(23,444,479)
Payment to refunded bond escrow			(18,080,000)							
Contributions from property owners	34,173,448	3,568,579								
Contributions from developers	4,699,675	22,572,382							2,831,250	
Bond issuance premium			351,119							
Total other financing sources (uses)	51,554,345	52,040,779	4,936,932	17,289,695	23,375,553	45,792,496	20,211,867	25,318,482	26,521,312	20,762,301
Net Change in fund balances	$27,654,040	$53,402,120	($12,673,411)	($4,490,599)	$33,498,851	$30,074,064	($13,056,755)	($22,626,391)	($6,874,467)	$802,305
Debt service as a percentage of noncapital expenditures	2.8%	3.2%	3.5%	3.0%	2.5%	4.3%	5.3%	5.7%	6.4%	3.5%

Source: The City's Comprehensive Annual Financial Report

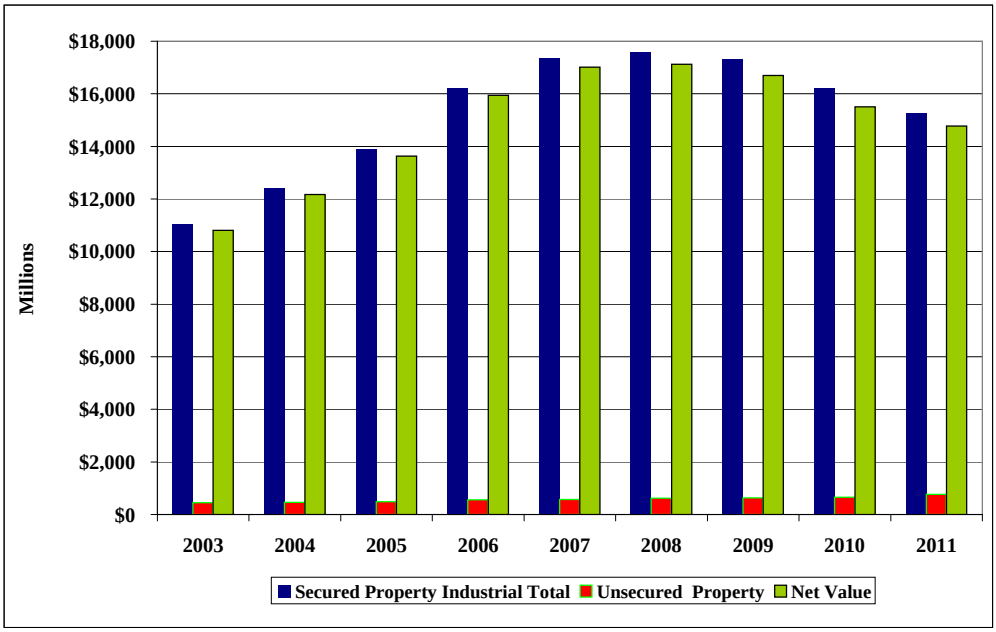
CITY OF ROSEVILLE
SALES TAX REVENUE
Last Ten Fiscal Years



Fiscal Year	Amount
2002	$31,884,334
2003	34,678,592
2004	38,031,918
2005	40,973,365
2006	42,642,035
2007	44,772,743
2008	40,982,384
2009	36,024,500
2010	32,139,544
2011	37,332,222

Source: The City's Comprehensive Annual Financial Report

CITY OF ROSEVILLE
ASSESSED VALUE OF TAXABLE PROPERTY
Last Nine Fiscal Years



Fiscal Year	Secured Property: Residential Property	Commercial Property	Industrial Property	Other	Total
2003	$7,225,292,250	$2,700,140,428	$1,123,493,952	$451,385	$11,049,378,015
2004	8,316,264,128	3,005,038,984	1,108,485,049	16,922	12,429,805,083
2005	9,554,934,975	3,313,231,805	1,022,655,178	24,652,773	13,915,474,731
2006	11,341,197,953	3,738,086,068	1,103,962,893	26,267,535	16,209,514,449
2007	12,029,385,702	4,161,477,880	1,158,659,149	2,598,781	17,352,121,512
2008	11,749,073,805	4,610,035,045	1,223,342,594	2,648,673	17,585,100,117
2009	11,046,192,767	5,128,610,009	1,138,857,947	2,770,508	17,316,431,231
2010	10,704,622,894	4,493,020,932	1,017,884,071	2,579,762	16,218,107,659
2011	10,521,016,415	4,000,895,420	758,528,009	101,162	15,280,541,006

Fiscal Year	Unsecured Property	Total	Exemptions	Net Assessed Taxable Value (a)	Total Direct Tax Rate (b)
2003	$446,943,880	$11,496,321,895	$684,643,531	$ 10,811,678,364	1.00%
2004	468,186,210	12,897,991,293	725,853,455	12,172,137,838	1.00%
2005	480,940,504	14,396,415,235	759,609,695	13,636,805,540	1.00%
2006	555,222,925	16,764,737,374	820,535,692	15,944,201,682	1.00%
2007	566,119,267	17,918,240,779	904,619,833	17,013,620,946	1.00%
2008	620,295,739	18,205,395,856	1,077,954,891	17,127,440,965	1.00%
2009	630,015,617	17,946,446,848	1,254,666,993	16,691,779,855	1.00%
2010	660,486,365	16,878,594,024	1,370,013,305	15,508,580,719	1.00%
2011	764,948,846	16,045,489,852	1,272,455,247	14,773,034,605	1.00%

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

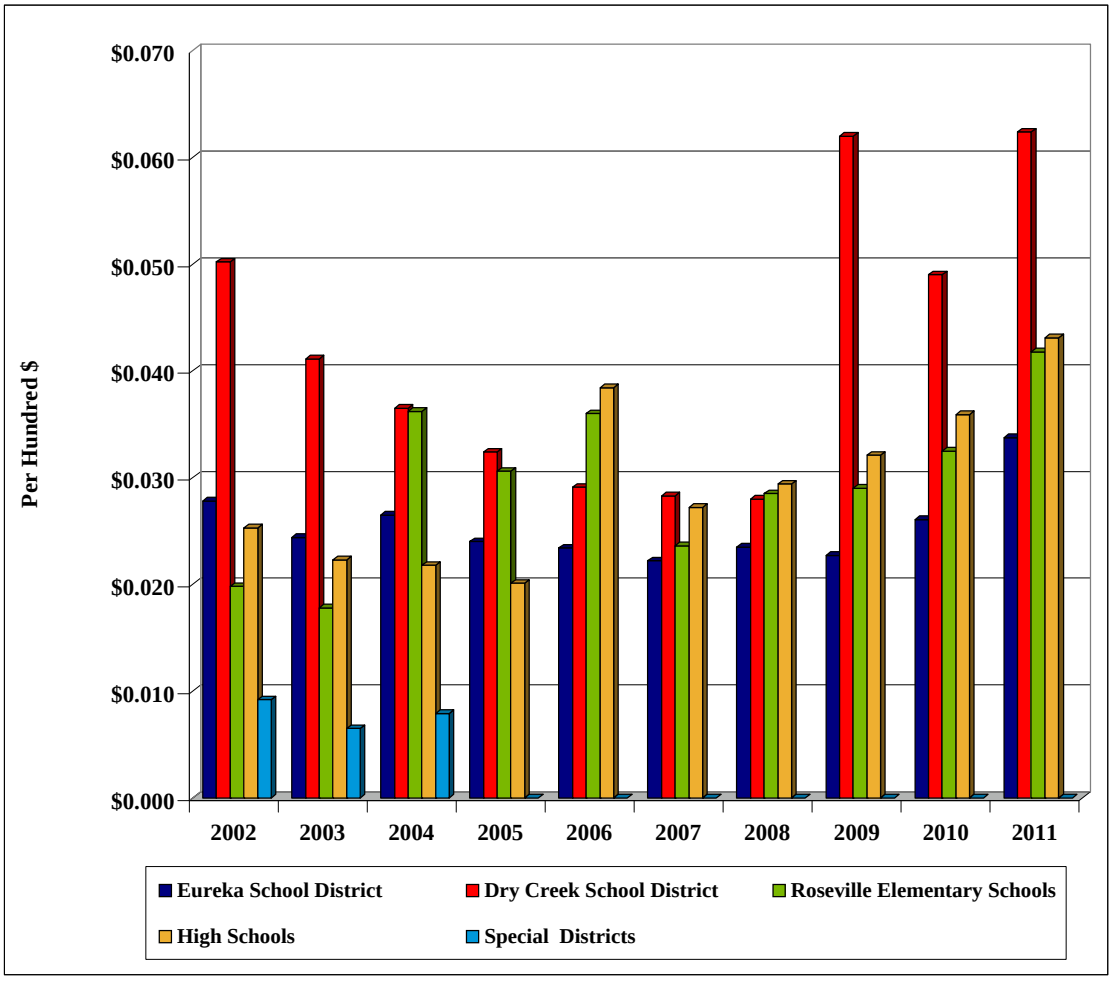
a) annual inflation up to 2%; or
b)market value at the time of ownership change; or
c) market value for new construction.

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

The City began preparing a CAFR in FY 2003. Information prior to 2003 is not available.

Source: Placer County Assessor's Office

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



	Direct Rate	Overlapping Rates					
Fiscal Year	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	Special Districts	Total**
2002	1.0000	0.0278	0.0502	0.0198	0.0253	0.0092	1.0671
2003	1.0000	0.0244	0.0411	0.0178	0.0223	0.0065	1.0566
2004	1.0000	0.0265	0.0365	0.0362	0.0218	0.0079	1.0628
2005	1.0000	0.0240	0.0324	0.0306	0.0201	N/A*	1.0491
2006	1.0000	0.0234	0.0291	0.0360	0.0384	N/A*	1.0679
2007	1.0000	0.0222	0.0283	0.0236	0.0272	N/A*	1.0519
2008	1.0000	0.0235	0.0280	0.0285	0.0294	N/A*	1.0561
2009	1.0000	0.0227	0.0620	0.0290	0.0321	N/A*	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	N/A*	1.0718
2011	1.0000	0.0338	0.0624	0.0418	0.0431	N/A*	1.0890

* San Juan Water bond matured and paid in 2004/05
** Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School

Source: Placer County Tax Rates and Information
http://www.placer.ca.gov/Auditor/Property_tax.aspx

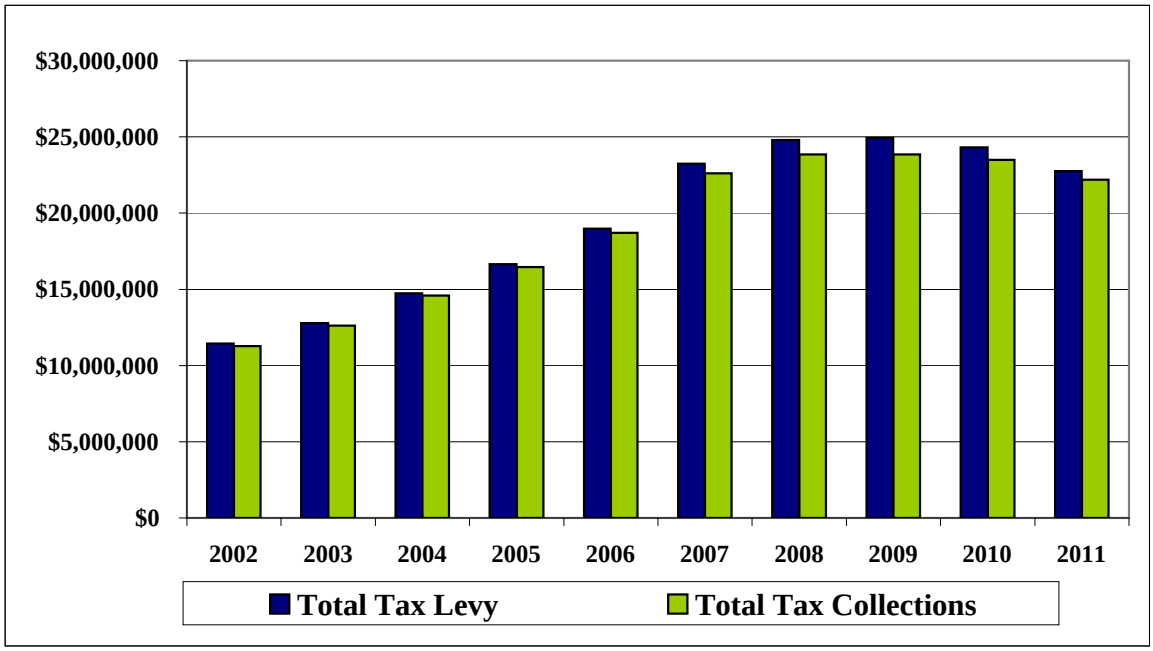
CITY OF ROSEVILLE
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

	2011		2002	
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Roseville Shoppingtown LLC	$396,871,103	2.62%		
NEC Electronics USA Inc.	293,033,580	1.94%	$548,773,401	6.70%
Hewlett Packard Co.	254,832,722	1.68%	394,046,613	4.81%
W2005 Fargo Hotels Pool C Realty LP	84,643,663	0.56%		
Donahue Schriber Realty Group LP	68,886,730	0.46%		
UCM Caiprosemeade LLC	63,043,729	0.42%		
Prime Roseville LP	60,580,524	0.40%		
Roseville Fountains LP	53,146,210	0.35%		
Walmart Stores Inc.	51,176,981	0.34%		
John L. Sullivan Family LP	46,143,721	0.31%		
NNN Parkway Corporate Plaza LLC	45,920,000	0.30%		
Safeway Inc.	45,606,012	0.30%		
Forest Cove 388 LC	41,031,333	0.27%		
Hines Douglas Corporate Center LP	35,740,000	0.24%		
Hines Summit at Douglas LP	35,210,000	0.23%		
PL Roseville LLC	34,319,466	0.23%		
Property Reserve Inc.	33,830,000	0.22%		
G & SL LLC	33,457,281	0.22%		
Autumn Oaks 200 & 216 LLC	32,452,349	0.21%		
TJM Shopping Center 05 LLC	31,830,000	0.21%		
	$1,741,755,404	**11.52%**	**$942,820,014**	**11.51%**

2010-2011 Local Secured Assessed Valuation:	$15,124,767,957
2001-2002 Local Secured Assessed Valuation:	$8,186,727,173

Source: California Municipal Statistics, Inc.

CITY OF ROSEVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2002	$11,435,390	$11,265,003	98.51%
2003	12,779,733	12,611,041	98.68%
2004	14,747,241	14,582,072	98.88%
2005	16,653,884	16,469,026	98.89%
2006	18,987,819	18,695,407	98.46%
2007	23,231,927	22,616,281	97.35%
2008	24,795,852	23,856,089	96.21%
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%
2011	22,749,169	22,191,814	97.55%

Notes:
Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.
Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum.
Subsequent collections are not broken out by fiscal year from the County. This information is not available.

Source: Placer County Department of Finance

CITY OF ROSEVILLE
ELECTRIC CUSTOMERS & REVENUES

Ten Largest Electric Customers as of 6/30/2011

Customer (a)	Type of Business	% Total kWh
Customer 1	Manufacturing	9.39%
Customer 2	Admin/Office/R&D	3.89%
Customer 3	Government and Utilities	3.14%
Customer 4	Medical Care	2.53%
Customer 5	Medical Care	1.83%
Customer 6	Retail and Property Management	1.49%
Customer 7	Telecommunications	1.07%
Customer 8	Retail	1.01%
Customer 9	Data Processing	0.97%
Customer 10	Grocery	0.80%

Electric Sales Revenue as of 06/30/2011

Residential	$ 86,126,747
Commercial	61,122,751
Total Electric Revenue	$ 147,249,498

(a) Customer's name not shown to follow the City's Administrative Regulation regarding confidentiality of customers.

Source: City of Rosevile Electric Department

City of Roseville
Residential Energy Prices

Rate Schedule	Effective January 1, 2010	Effective January 1, 2011
Residential		
Basic Service Charge (per meter, per month)	$10.00	$10.00
Energy Charge ($/kWh)		
Tier 1- up to 500 kWh/month	$0.0944	$0.1083
Tier 2- 501 to 1,000 kWh/month	$0.1343	$0.1541
Tier 3- greater than 1,000 kWh/month	$0.1531	$0.1756
Hydroelectric Adjustment ($/kWh) (1)	$0.00140	$0.00000
Environmental Compliance Charge ($/kWh) (2)	$0.00500	$0.00500
State Energy Surcharge ($/kWh)	$0.00022	$0.00029

Special Residential Rates

Electric Rate Assistance Program (3)		
Basic Service Charge (per meter, per month)	$8.50	$8.50
Energy Charges w/ discounts ($/kWh):		
Tier 1- up to 500 kWh/month	$0.0793	$0.0913
Tier 2- 501 to 1,000 kWh/month	$0.1132	$0.1302
Tier 3- greater than 1,000 kWh/month	$0.1292	$0.1485
Hydroelectric Adjustment ($/kWh)	$0.00140	$0.00000
Environmental Compliance Charge ($/kWh) (2)	$0.00500	$0.00500
State Energy Surcharge ($/kWh)	$0.00022	$0.00029
Medical Support Rate Reduction (4)		
Basic Service Charge (per meter, per month)	$10.00	$10.00
Energy Charges w/ discounts ($/kWh):		
Tier 1- up to 500 kWh/month	$0.0440	$0.0516
Tier 2- 501 to 1,000 kWh/month	$0.1132	$0.1302
Tier 3- greater than 1,000 kWh/month	$0.1292	$0.1485
Hydroelectric Adjustment ($/kWh) (1)	$0.00140	$0.00000
Environmental Compliance Charge ($/kWh) (2)	$0.00500	$0.00500
State Energy Surcharge ($/kWh)	$0.00022	$0.00029
Senior Citizen Rate Reduction (5)		
Basic Service Charge (per meter, per month)	$8.80	$8.80
Energy Charges w/ discounts ($/kWh):		
Tier 1- up to 500 kWh/month	$0.0823	$0.0947
Tier 2- 501 to 1,000 kWh/month	$0.1174	$0.1350
Tier 3- greater than 1,000 kWh/month	$0.1340	$0.1539
Hydroelectric Adjustment ($/kWh) (1)	$0.00140	$0.00000
Environmental Compliance Charge ($/kWh) (2)	$0.00500	$0.00500
State Energy Surcharge ($/kWh)	$0.00022	$0.00029

NOTES

1) There is no hydroelectric adjustment in effect through June 2012.

2) Customers enrolled in Roseville Electric's green energy program, Green Roseville, and pay to have 100% of their energy provided by renewable resources are exempt from the Climate Change Mitigation Charge.

3) An application must be submitted along with a copy of the most recent energy bill and proof of income. For complete program guidelines or to receive an application, call the City of Roseville's Housing and Redevelopment Office at 774-5270. This rate is 15% credit on all electric service charges.

4) An application must be completed for the Medical Support Rate reduction. A doctor's certification is also required. For more information or an application, please call the City of Roseville Finance Department at 774-5300. This rate is a 50% credit on the first 500 kWh per month and 15% credit for usage >500 kWh

5) Rate closed July 1,1998. Seniors receive a twelve percent credit on all electric service charges.

Source: City of Roseville Electric Department

City of Roseville
Business Energy Prices

General Service Rates*	Effective January 1, 2010		Effective January 1, 2011	
Small General Service (GS-1)				
(Demand < 20 kW)				
Basic Service Charge (per meter, per month)	$12.50		$15.50	
Energy Charge ($/kWh)	$0.1047		$0.1174	
Hydroelectric Adjustment ($/kWh)	$0.00140		$0.00000	
Environmental Compliance Charge ($/kWh)	$0.00500		$0.00500	
State Energy Surcharge ($/kWh)	$0.00022		$0.00029	
Medium General Service (GS-2)				
(20 kW < Demand ≤ 500 kW)				
Basic Service Charge (per meter, per month)	$42.00		$42.00	
Demand Charge($/kW-month)	$3.92		$4.48	
Energy Charge ($/kWh)	$0.0988		$0.1121	
Hydroelectric Adjustment ($/kWh)	$0.00140		$0.00000	
Environmental Compliance Charge ($/kWh)	$0.00500		$0.00500	
State Energy Surcharge ($/kWh)	$0.00022		$0.00029	
Large General Service (GS-3)	Winter	Summer	Winter	Summer
(500 kW < Demand ≤ 1000 kW)				
Basic Service Charge (per meter, per month)	$315.00	$315.00	$315.00	$315.00
Demand Charge ($/kW-month)	$2.81	$9.67	$3.28	$11.32
Energy Charge				
Off Peak ($/kWh)	$0.0621	$0.0718	$0.0715	$0.0827
On Peak ($/kWh)	$0.0801	$0.0956	$0.0921	$0.1100
Super Peak ($/kWh)	$0.0801	$0.1232	$0.0921	$0.1418
Hydroelectric Adjustment ($/kWh)	$0.00140	$0.00140	$0.00000	$0.00000
Environmental Compliance Charge ($/kWh)	$0.00500	$0.00500	$0.00500	$0.00500
State Energy Surcharge ($/kWh)	$0.00022	$0.00022	$0.00029	$0.00029
Very Large General Service (GS-4)	Winter	Summer	Winter	Summer
(Demand > 1000 kW)				
Basic Service Charge (per meter, per month)	$380.00	$380.00	$380.00	$380.00
Demand Charge ($/kW-month)	$2.78	$9.57	$3.18	$10.96
Energy Charge				
Off Peak ($/kWh)	$0.0615	$0.0710	$0.0695	$0.0801
On Peak ($/kWh)	$0.0792	$0.0945	$0.0895	$0.1068
Super Peak ($/kWh)	$0.0792	$0.1217	$0.0895	$0.1375
Hydroelectric Adjustment ($/kWh)	$0.00140	$0.00140	$0.00000	$0.00000
Environmental Compliance Charge ($/kWh)	$0.00500	$0.00500	$0.00500	$0.00500
State Energy Surcharge ($/kWh)	$0.00022	$0.00022	$0.00029	$0.00029

NOTES

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

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

Winter - bills with meter read dates October through May

Summer - bills with meter read dates June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)
All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 3:00pm AND 7:00pm to 10:00pm
Monday through Friday (Except Holidays)

Super Peak: 3:00pm to 7:00pm Monday through Friday (Except Holidays)

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

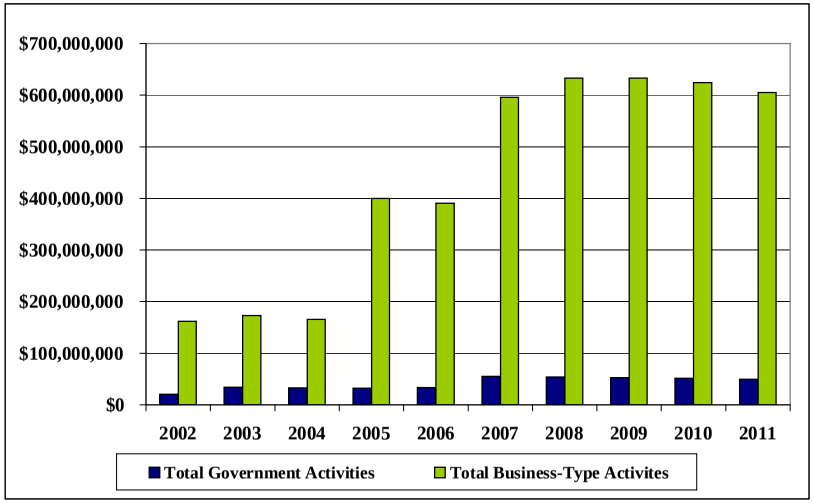
There is no hydroelectric adjustment in effect through June 2012.

The California State Energy Surcharge may change from time to time as specified in State law.

A 2% discount is available for primary service customers.

Source: City of Roseville Electric Department

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



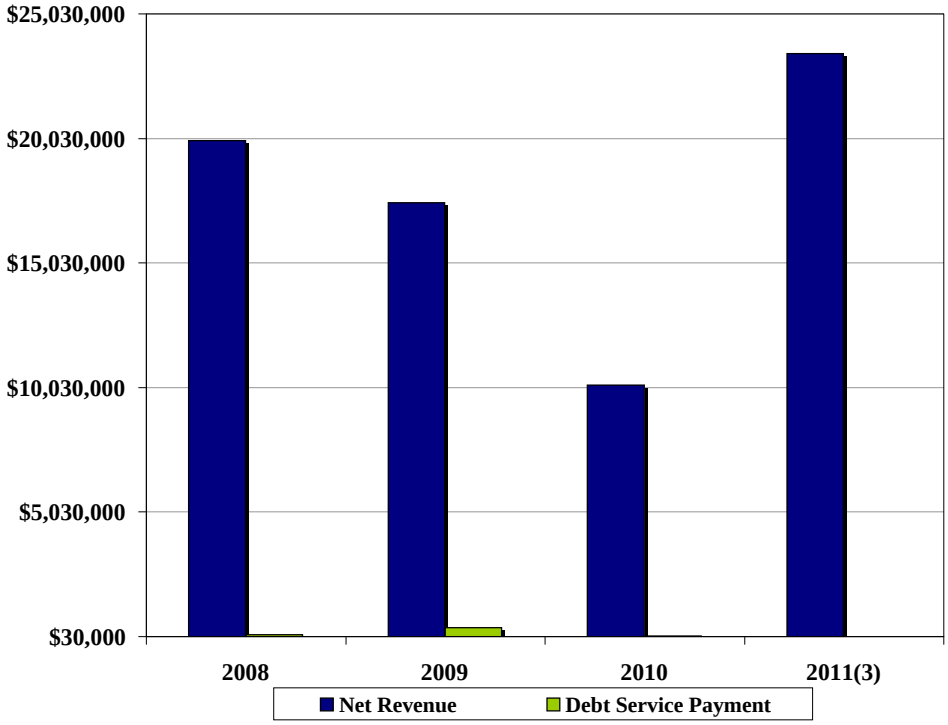
Fiscal Year	Governmental Activities: Tax Allocation Bonds	Certificates of Participation	Installment Purchase Obligations	Other Long Term Obligations	Total
2002		$19,405,000	$1,278,976	$67,994	$20,751,970
2003	$14,500,000	18,755,000	1,077,800	11,716	34,344,516
2004	14,180,000	18,275,000	635,743	9,083	33,099,826
2005	13,960,000	17,710,000	306,140	6,250	31,982,390
2006	13,735,000	17,105,000	2,436,986	3,223	33,280,209
2007	36,405,000	16,490,000	2,390,707		55,285,707
2008	35,745,000	15,860,000	2,089,716		53,694,716
2009	35,305,000	15,220,000	2,145,277		52,670,277
2010	34,845,000	14,560,000	1,868,055		51,273,055
2011	34,365,000	13,885,000	1,620,430		49,870,430

Fiscal Year	Business-Type Activities: Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bond	Other Long Term Obligations	Total	Total Primary Government	Percentage of Placer County Personal Income [a]	Debt Per Capita [a]
2002	$26,980,000	$8,385,000	$29,750,000	$96,346,762		$210,387	$161,672,149	$182,424,119	17.87%	2,126
2003	40,774,524	8,185,000	28,575,000	95,155,022		201,493	172,891,039	207,235,555	18.93%	2,285
2004	35,808,204	8,240,000	27,350,000	93,738,248		192,155	165,328,607	198,428,433	16.63%	2,054
2005	273,325,043	7,945,000	26,075,000	92,390,603		182,351	399,917,997	431,900,387	33.04%	4,226
2006	267,326,882	7,630,000	24,740,000	90,977,962		172,056	390,846,900	424,127,109	29.77%	4,053
2007	266,098,723	7,310,000	23,345,000	89,494,883	$209,350,000	161,246	595,759,852	651,045,559	43.11%	6,127
2008	271,323,395	6,985,000	55,611,761	89,572,262	209,350,000		632,842,418	686,537,134	42.24%	6,290
2009	267,662,000	6,650,000	53,860,879	89,193,072	215,951,385		633,317,336	685,987,613	43.15%	6,106
2010	268,431,581	6,310,000	52,039,997	88,800,339	208,565,475		624,147,392	675,420,447	[b]	5,834
2011	260,127,436	5,960,000	50,149,114	87,906,198	200,914,565		605,057,313	654,927,743	[b]	5,431

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.
[a] These ratios are calculated using personal income and population as shown on the Demographics Statistics page.
[b] Total personal income information not available.

Sources: *The City's Comprehensive Annual Financial Reports*
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2008 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES A
Last Four Fiscal Years

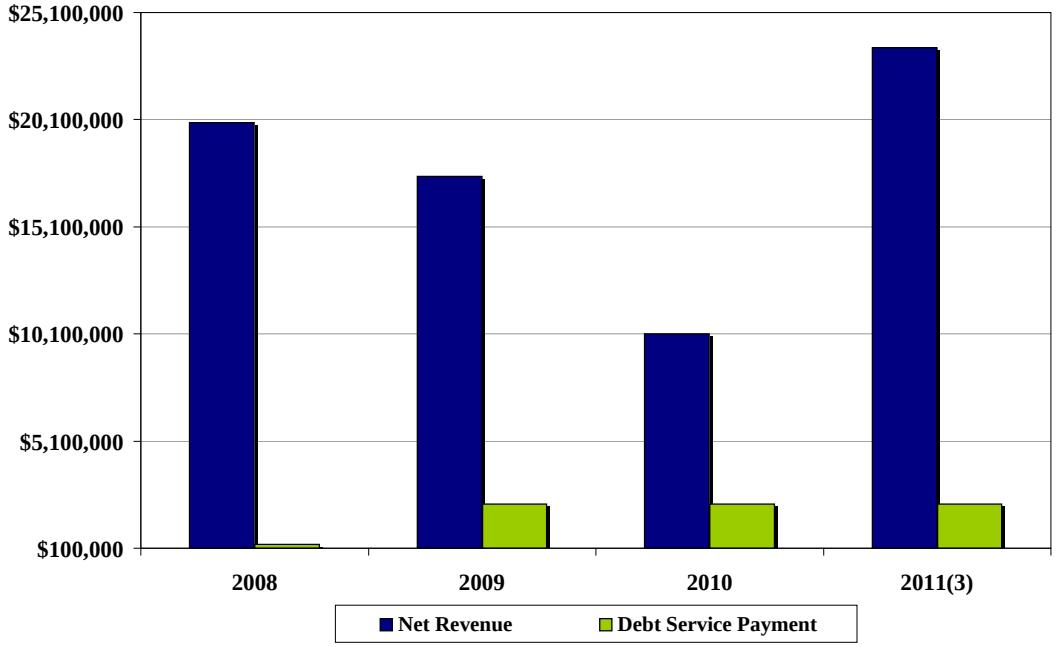


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	$36,916,610	$16,967,472	$19,949,138	$0	$102,857	$102,857	193.95
2009	32,976,139	15,526,938	17,449,201	0	391,618	391,618	44.56
2010	26,733,853	16,616,563	10,117,290	0	66,648	66,648	151.80
2011[3]	38,115,510	14,666,523	23,448,987	0	32,905	32,905	712.62

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees ar
other Non-operating Revenues
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest
(3) Debt refunded 4/7/2011

Source: City of Roseville's Annual Financial Statements

CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2008 REFUNDING VARIABLE RATE-SYNTHETIC FIXED WASTEWATER REVENUE BONDS SERIES B
Last Four Fiscal Years

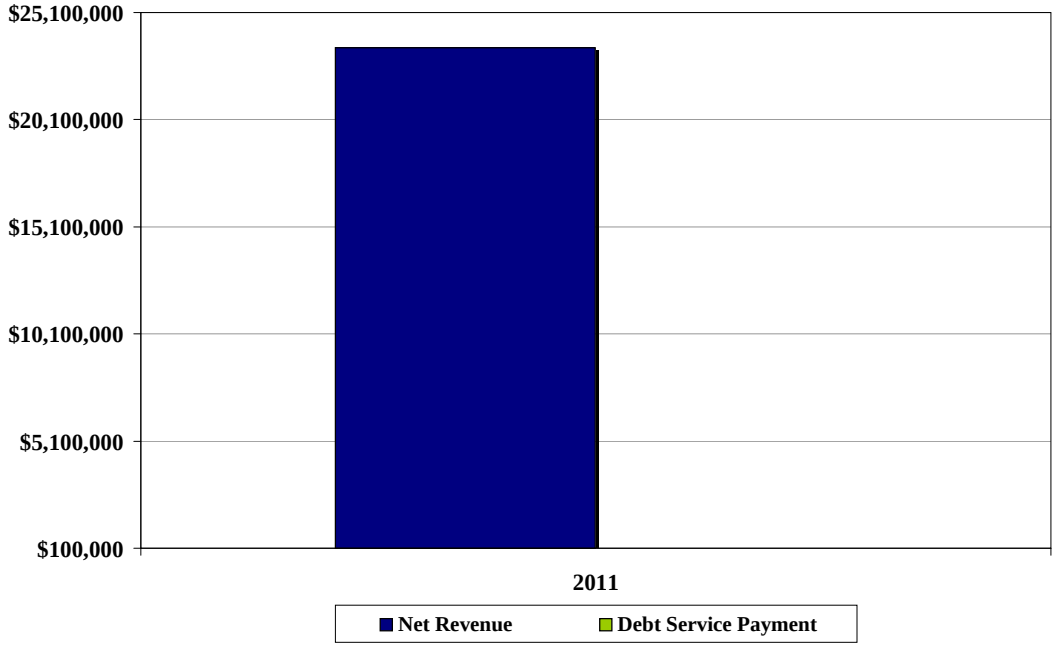


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
2008	$36,916,610	$16,967,472	$19,949,138	$0	$290,136	$290,136	68.76
2009	32,976,139	15,526,938	17,449,201	379,190	1,795,200	2,174,390	8.02
2010	26,733,853	16,616,563	10,117,290	392,733	1,728,048	2,174,390	4.65
2011[3]	38,115,510	14,666,523	23,448,987	406,275	1,641,114	2,174,390	10.78

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(2) Includes all Wastewater Operating Expenses less Depreciation and Interes
(3) Debt refunded 4/7/2011 but swap is still outstanding

Source: City of Roseville's Annual Financial Statements

CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES A
Current Fiscal Year

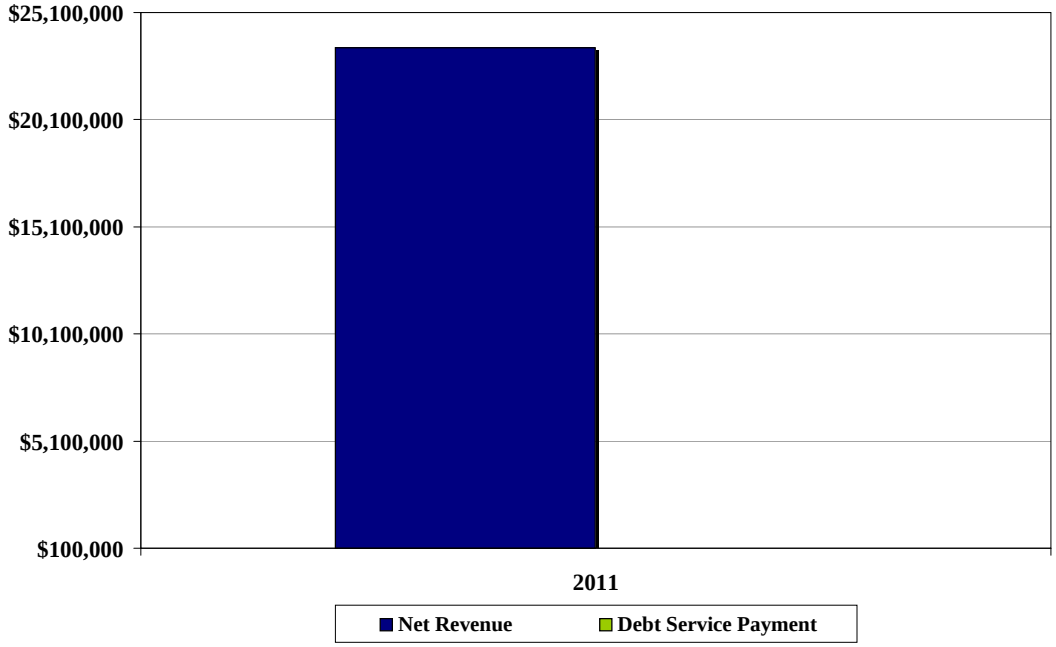


				Debt Service Requirements			
Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2011	$38,115,510	$14,666,523	$23,448,987	$0	$5,690	$5,690	4121.07

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(2) Includes all Wastewater Operating Expenses less Depreciation and Interes

Source: City of Roseville's Annual Financial Statements

CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES B
Current Fiscal Year

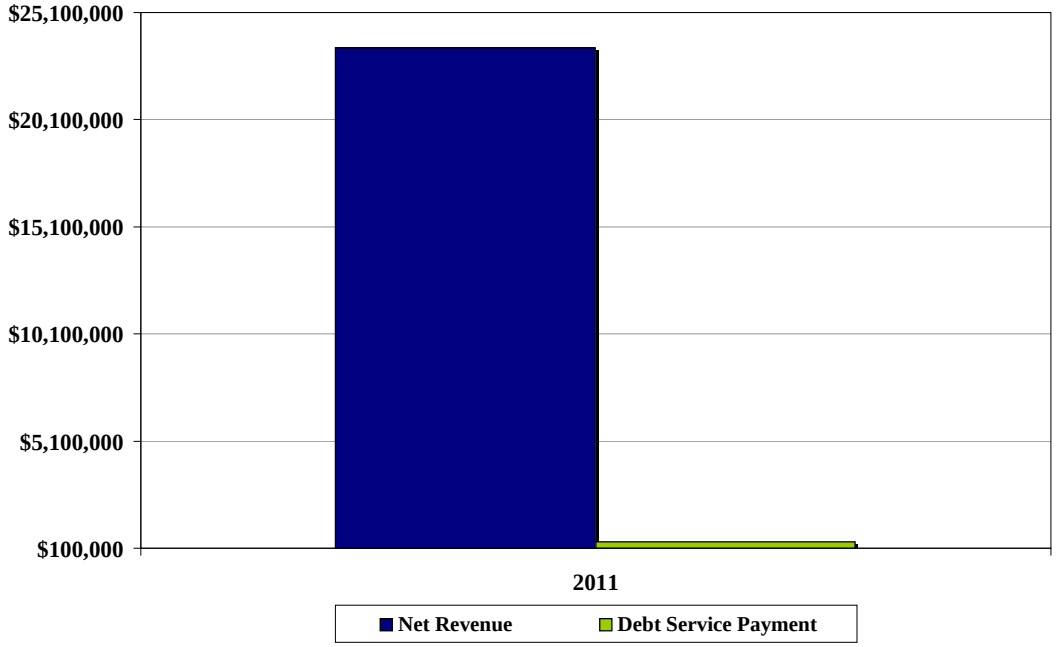


				Debt Service Requirements			
Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2011	$38,115,510	$14,666,523	$23,448,987	$0	$5,689	$5,689	4121.75

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(2) Includes all Wastewater Operating Expenses less Depreciation and Interes

Source: City of Roseville's Annual Financial Statements

CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C
Current Fiscal Year

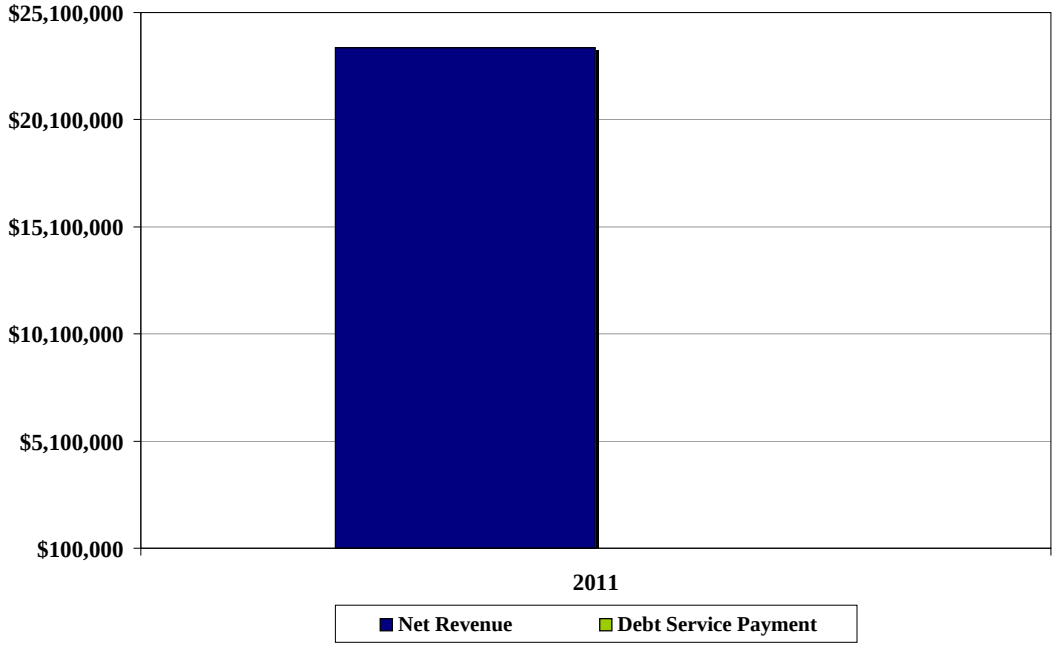


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	$38,115,510	$14,666,523	$23,448,987	$0	$400,337	$400,337	58.57

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(2) Includes all Wastewater Operating Expenses less Depreciation and Interes

Source: City of Roseville's Annual Financial Statements

CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING SIFMA INDEX WASTEWATER REVENUE BONDS SERIES D
Current Fiscal Year

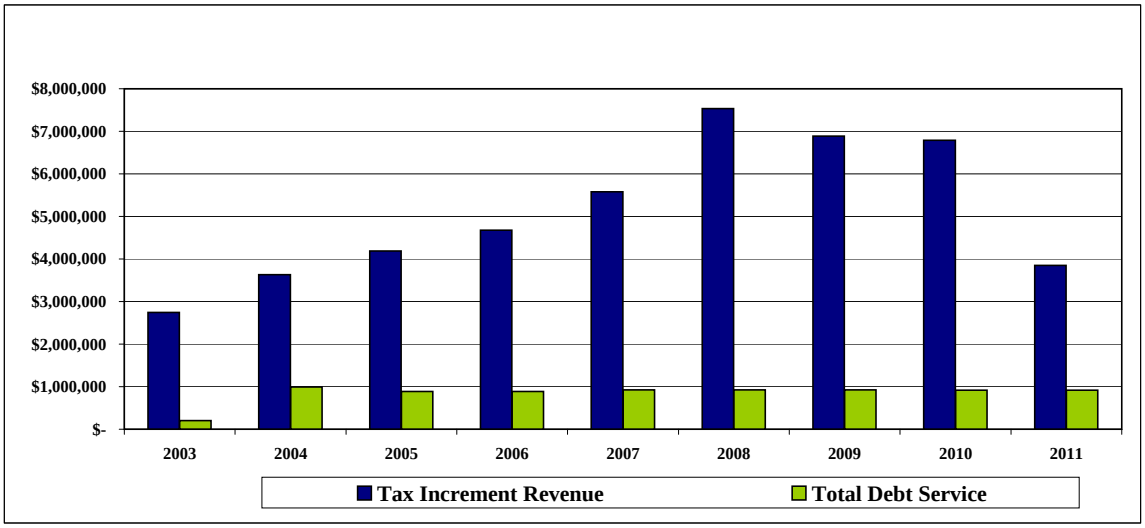


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	$38,115,510	$14,666,523	$23,448,987	$0	$38,820	$38,820	604.05

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenues
(2) Includes all Wastewater Operating Expenses less Depreciation and Interes

Source: City of Roseville's Annual Financial Statements

CITY OF ROSEVILLE
2002 REDEVELOPMENT TAX ALLOCATION BONDS
Last Nine Fiscal Years



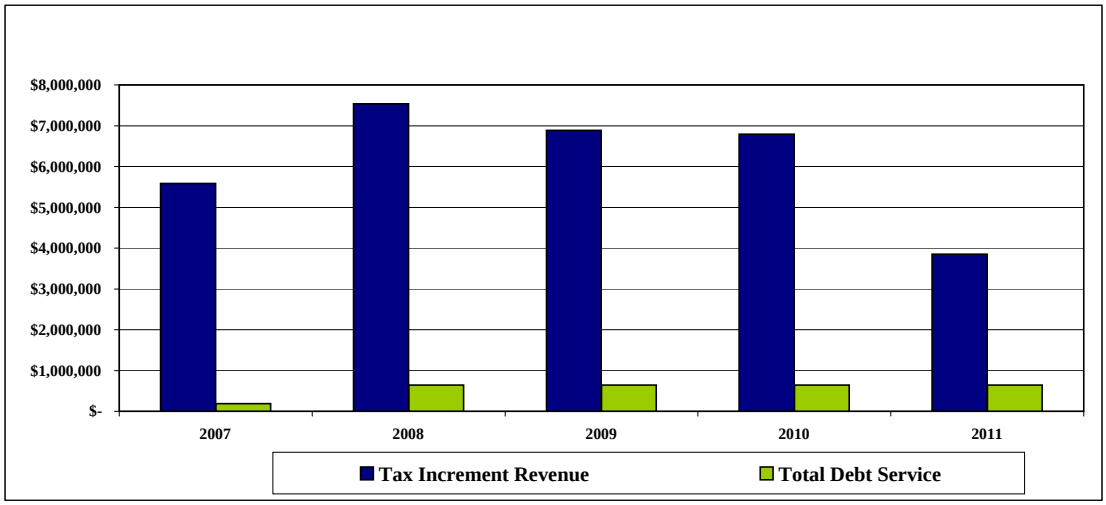
Fiscal Year	Tax Increment Revenue	Debt Service Requirements: Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	Coverage
2003	$2,740,656		$205,692	$205,692	$14,500,000	0.13
2004	3,630,050	$320,000	674,550	994,550	14,180,000	0.04
2005	4,190,987	220,000	666,450	886,450	13,960,000	0.05
2006	4,673,904	225,000	659,775	884,775	13,735,000	0.05
2007	5,581,407 (a)	275,000	651,875	926,875	13,460,000	0.06
2008	7,535,590 (a)	280,000	642,750	922,750	13,180,000	0.08
2009	6,888,510 (a)	290,000	632,125	922,125	12,890,000	0.07
2010	6,792,567 (a)	300,000	619,875	919,875	12,590,000	0.07
2011	3,853,172 (a)	310,000	607,225	917,225	12,280,000	0.04

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

(b) Bonds issued October 2002

Source: City of Roseville Redevelopment Department

CITY OF ROSEVILLE
2006A REDEVELOPMENT TAX ALLOCATION BONDS
Last Five Fiscal Years

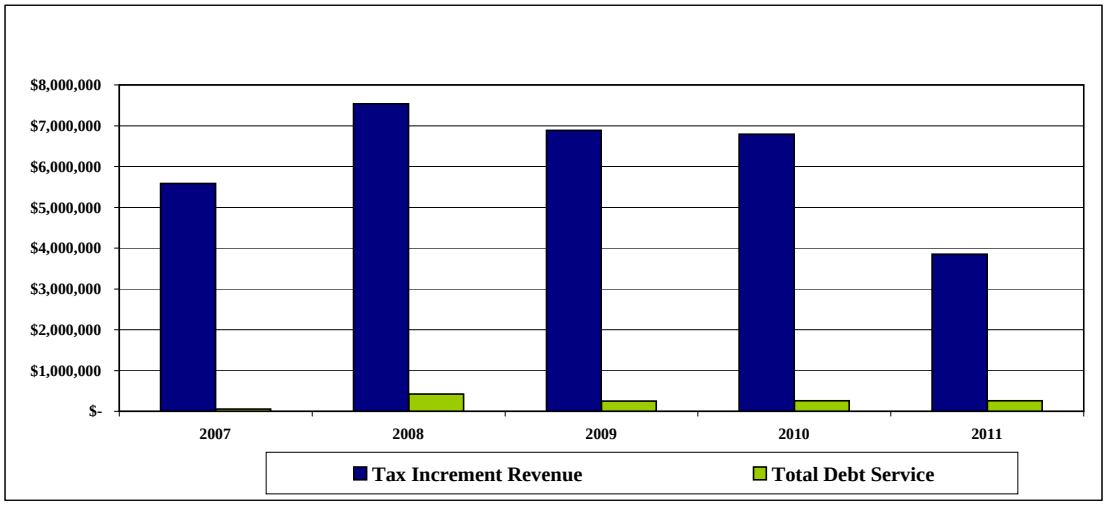


		Debt Service Requirements				
Fiscal Year	Tax Increment Revenue	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	Coverage
2007	$5,581,407 (a)	$0	$190,408	$190,408	$13,155,000	0.29
2008	7,535,590 (a)	0	640,625	640,625	13,155,000	0.12
2009	6,888,510 (a)	0	640,625	640,625	13,155,000	0.11
2010	6,792,567 (a)	0	640,625	640,625	13,155,000	0.11
2011	3,853,172 (a)	0	640,625	640,625	13,155,000	0.06

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

Source: City of Roseville Redevelopment Department

CITY OF ROSEVILLE
2006AT REDEVELOPMENT TAX ALLOCATION BONDS
Last Five Fiscal Years

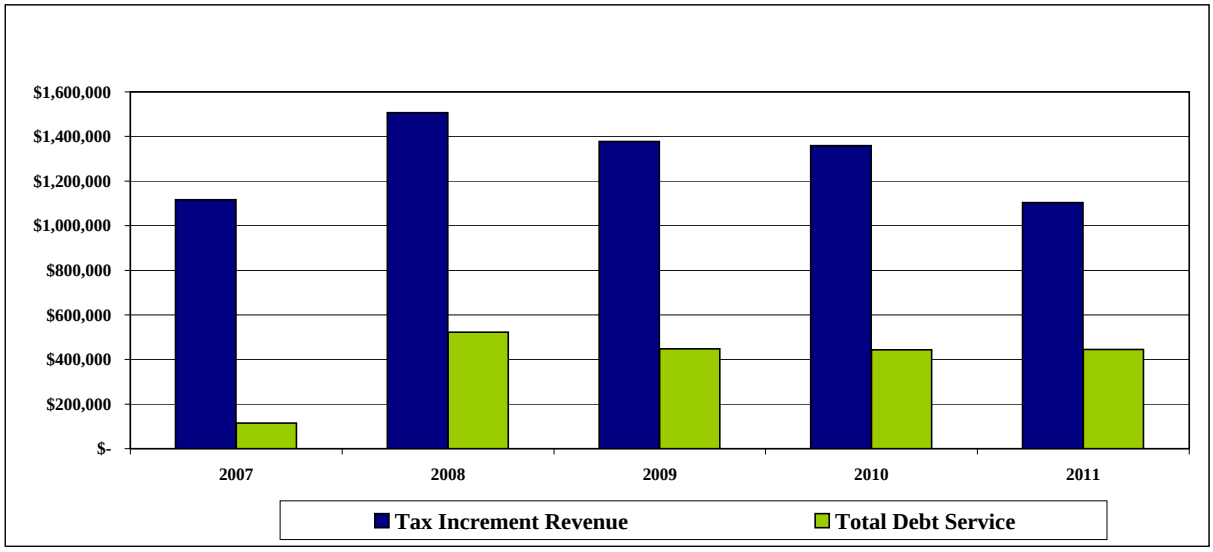


		Debt Service Requirements				
Fiscal Year	Tax Increment Revenue	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	Coverage
2007	$5,581,407 (a)	$0	$56,168	$56,168	$3,285,000	0.99
2008	7,535,590 (a)	240,000	182,605	422,605	3,045,000	0.18
2009	6,888,510 (a)	80,000	174,109	254,109	2,965,000	0.27
2010	6,792,567 (a)	90,000	169,596	259,596	2,875,000	0.26
2011	3,853,172 (a)	95,000	164,684	259,684	2,780,000	0.15

(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

Source: City of Roseville Redevelopment Department

CITY OF ROSEVILLE
2006HT REDEVELOPMENT TAX ALLOCATION BONDS
Last Five Fiscal Years



		Debt Service Requirements				
Fiscal Year	20% Set Aside	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	Coverage
2007	$1,116,281	$0	$114,895	$114,895	$6,505,000	0.10
2008	1,507,118	140,000	382,846	522,846	6,365,000	0.03
2009	1,377,575	70,000	377,270	447,270	6,295,000	0.03
2010	1,358,641	70,000	373,553	443,553	6,225,000	0.03
2011	1,103,919	75,000	369,703	444,703	6,150,000	0.02

Source: City of Roseville Redevelopment Department

CITY OF ROSEVILLE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2011

2010-11 Assessed Valuation:	$15,691,526,572
Redevelopment Incremental Valuation:	605,233,087
Adjusted Assessed Valuation:	$15,086,293,485

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2011	Percentage Applicable To City of Roseville (1)	Amount Applicable To City of Roseville
Roseville Joint Union High School District	$ 98,905,474	74.341%	$73,527,318
Roseville Joint Union High School District SFID No. 1	4,885,624	93.547%	$4,570,355
Rocklin Unified School District	75,057,250	0.012%	9,007
Dry Creek Joint School District	48,693,526	58.182%	28,330,867
Eureka Union School District	5,887,137	36.528%	2,150,453
Roseville City School District	31,795,289	97.859%	31,114,552
City of Roseville Community Facilities Districts	364,580,000	100.000%	364,580,000
California Statewide Communities Development Authority Assessment Districts	18,646,208	6.701%-100%	15,259,407
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 519,541,959
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Placer County Certificates of Participation	$49,360,000	29.411%	$14,517,270
Placer County Office of Education Certificates of Participation	2,260,000	29.411%	664,689
Sierra Joint Community College District Certificates of Participation	13,505,000	21.546%	2,909,787
Roseville Joint Union High School District Certificates of Participation	3,475,000	74.341%	2,583,350
Rocklin Unified School District Certificates of Participation	19,890,000	0.012%	2,387
Eureka Union School District Certificates of Participation	5,310,000	36.528%	1,939,637
Roseville City School District Certificates of Participation	12,810,000	97.859%	12,535,738
Placer Mosquito and Vector Control District Certificates of Participation	4,665,000	29.411%	1,372,023
City of Roseville Certificates of Participation	**19,845,000**	**100.000%**	**19,845,000**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$56,369,881
COMBINED TOTAL DEBT			**$ 575,911,840** (2)

(1) Percentage of each overlapping agency's assessed valuation located within the boundaries of the city.
(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation:	
Total Direct Debt ($19,845,000)	**0.13%**
Combined Total Debt	3.82%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

Source: California Municipal Statistics, Inc.

CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2011

ASSESSED VALUATION:		
Secured property assessed value, net of exempt real property	$15,124,767,957	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)		$567,178,798
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	$654,927,743	
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	654,927,743	
Amount of debt subject to limit		0
LEGAL BONDED DEBT MARGIN		$567,178,798

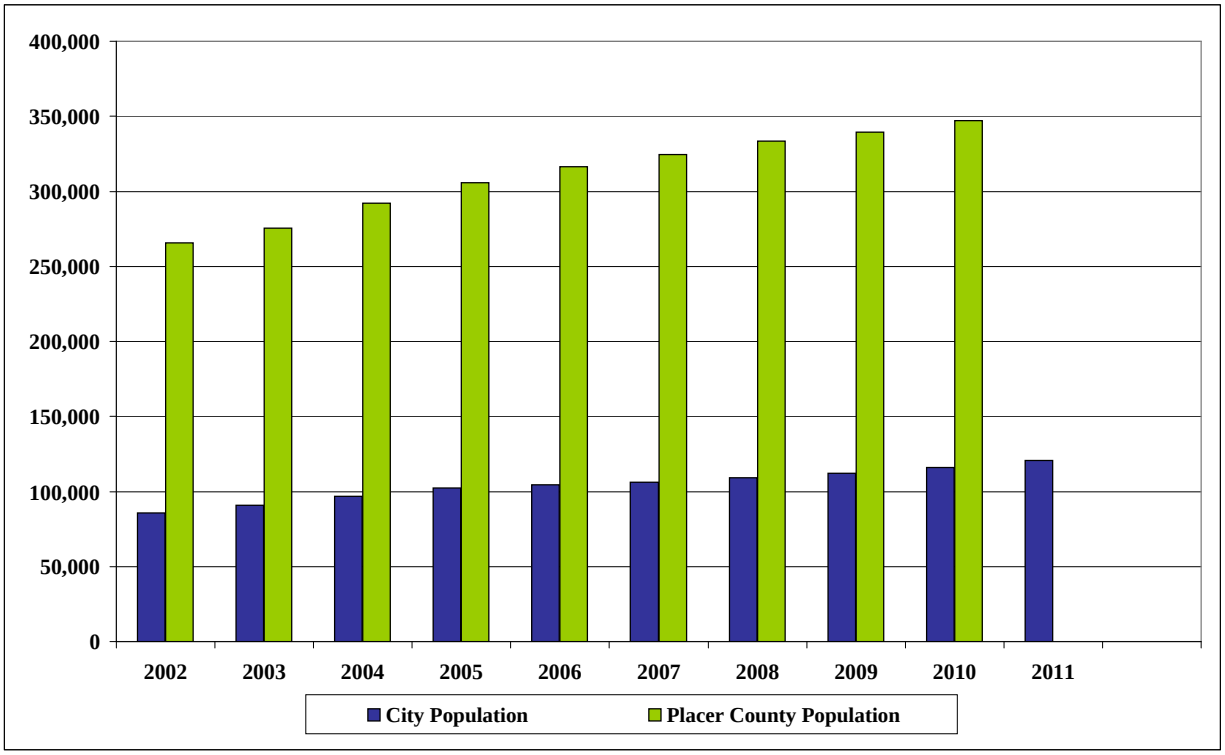
Fiscal Year*	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2003	$358,392,538	$0	$358,392,538	0.00%
2004	394,584,662	0	394,584,662	0.00%
2005	445,276,653	0	445,276,653	0.00%
2006	500,173,479	0	500,173,479	0.00%
2007	584,311,626	0	584,311,626	0.00%
2008	624,162,731	0	624,162,731	0.00%
2009	626,993,562	0	626,993,562	0.00%
2010	611,493,748	0	611,493,748	0.00%
2011	567,178,798	0	567,178,798	0.00%

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

The City began preparing a CAFR in FY 2003. Information prior to FY 2003 is not available.

Source: City of Roseville Finance Department

CITY OF ROSEVILLE
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years



Fiscal Year	City of Roseville Population	County Total Personal Income (a)	County Per Capita Personal Income	Unemployment Rate (%)	Placer County Population	City Population % of County
2002	85,800	$10,209,270	$36,604	4.8%	265,700	32.29%
2003	90,700	10,946,842	37,303	4.9%	275,600	32.91%
2004	96,600	11,933,069	38,958	4.5%	292,235	33.06%
2005	102,191	13,070,082	41,248	4.0%	305,675	33.43%
2006	104,655	14,247,775	43,937	4.2%	316,508	33.07%
2007	106,266	15,101,855	45,471	4.9%	324,495	32.75%
2008	109,154	16,252,937	47,657	6.6%	333,401	32.74%
2009	112,343	15,898,900	45,614	10.6%	339,577	33.08%
2010	115,781	(b)	(b)	11.3%	347,102	33.36%
2011	120,593	(b)	(b)	11.4%	(b)	(b)

(a) In thousands of dollars
(b) Information not available.

Source: Bureau of Economic Analysis and
State of California Department of Finance
State of California Employment Development Department

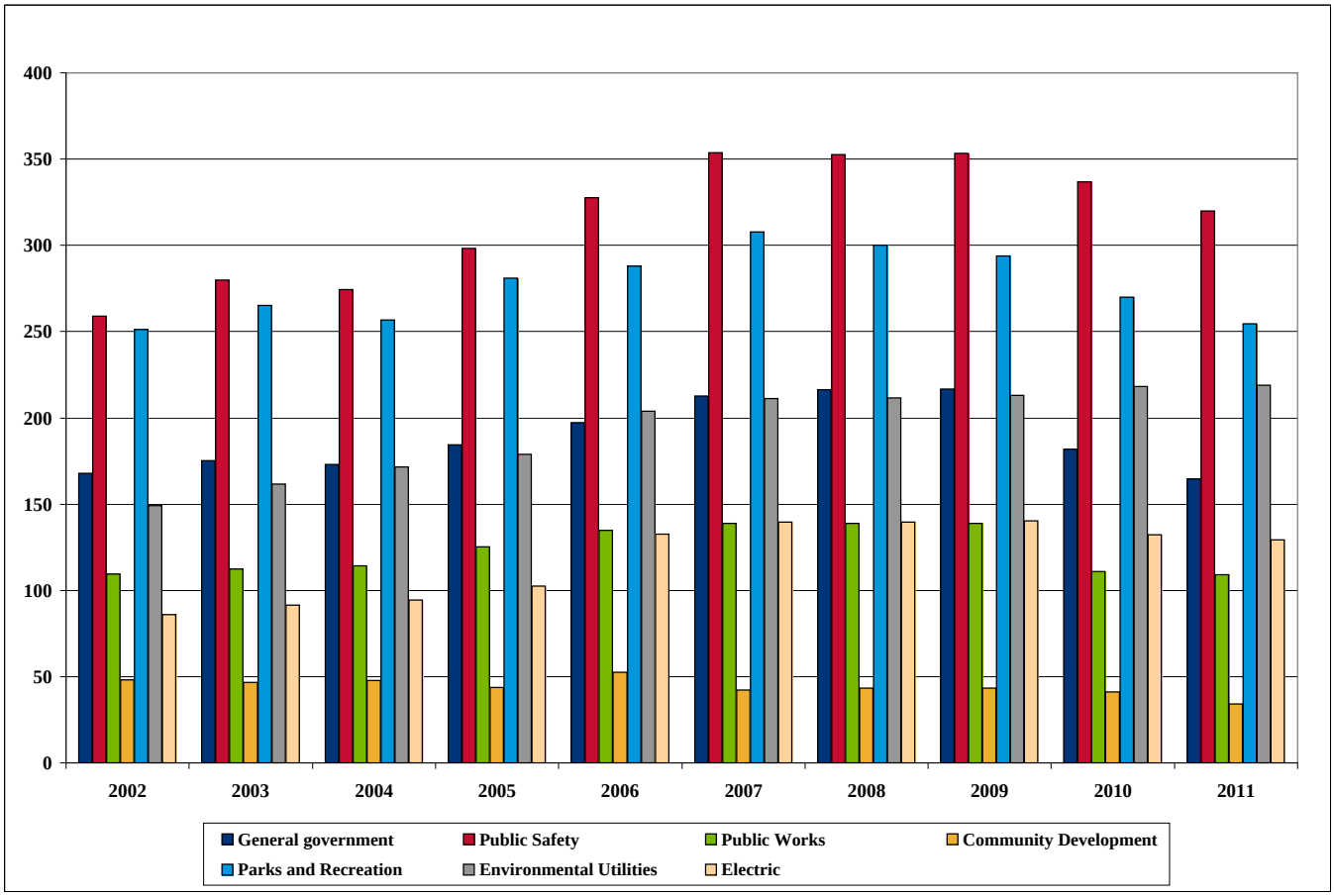
CITY OF ROSEVILLE
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2011			2002		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employees**	**Number of Employees**	**Rank**	**Percentage of Total City Employees**
Kaiser Permanente	4,430	1	6.5%	2,294	2	3.6%
Hewlett-Packard	3,200	2	4.7%	6,000	1	9.4%
Sutter Roseville Medical Center	1,654	3	2.4%	1,425	3	2.2%
Roseville Joint Union High School District	1,299	4	1.9%	1,000	5	1.6%
City of Roseville	1,230	5	1.8%	941	6	1.5%
Union Pacific Railroad	1,118	6	1.6%	1,294	4	2.0%
Roseville Elementary School District	929	7	1.4%			n/a
Wal-Mart (2 stores)	790	8	1.2%			n/a
PRIDE Industries	661	9	1.0%			n/a
Telefunken Semiconductors America	640	10	0.9%			n/a
Subtotal	15,951		23.4%	12,954		20.2%
Total Employment*	68,130			64,117		

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

Source: City of Roseville Economic and Community Services Department

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



	Adopted for Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General government	167.81	175.06	172.95	184.23	197.23	212.71	216.21	216.79	181.75	164.38
Public Safety	259.07	280.07	274.24	298.43	327.46	353.69	352.69	353.18	336.75	319.90
Public Works	109.29	112.54	114.29	125.29	134.77	138.77	138.77	138.77	110.75	109.03
Community Development	48.00	46.74	47.63	43.63	52.63	42.25	43.25	43.25	41.17	33.98
Parks and Recreation	251.09	265.33	256.83	281.12	287.86	307.65	300.19	293.70	269.89	254.65
Environmental Utilities	149.09	161.47	171.57	178.82	203.74	211.03	211.59	213.00	218.09	218.90
Electric	85.80	91.46	94.46	102.46	132.46	139.46	139.46	140.46	132.29	129.33
Total	1,070.15	1,132.67	1,131.97	1,213.98	1,336.15	1,405.56	1,402.16	1,399.15	1,290.69	1,230.17

Source: City of Roseville Annual Budget

CITY OF ROSEVILLE
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Nine Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Function/Program										
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	151	126	134	413	330	287	194	192	172	
Number of medical emergencies answered	5,063	5,234	5,228	6,458	6,622	6,737	6,967	7,485	7,836	
Total Number of alarms answered	7,730	8,390	8,023	9,784	10,065	9,492	8,694	9,129	9,609	
Police:										
Law violations:										
Physical arrests (adult and juvenile)	4,652	4,120	5,578	7,602	7,360	5,464	5,245	4,520	5,845	
Traffic citations	19,432	11,382	15,260	18,587	19,893	18,883	20,889	19,033	6,404	
Public works:										
Total building permits issued	5,663	5,718	4,434	5,703	4,272	4,849	3,975	3,884	4,078	
Total square feet of street maintenance performed	5,202,440	3,174,672	9,529,760	3,763,328	7,707,910	3,853,433	7,648,976	4,501,241	4,342,272	
Park and recreation:										
Community Services:										
Number of participants in Cultural Art classes	4,767	6,582	3,029	3,447	1,926	1,520	2,688	n/a	n/a	Note 1
Total attendance Youth/Adult/Senior programs								299,134	301,906	
Total attendance to aquatic facilities	331,561	361,104	271,377	234,542	243,429	235,548	250,182	266,931	278,860	Note 2
Library:										
Number of materials checked out	508,809	510,421	554,174	627,317	685,097	818,428	946,224	1,001,179	994,990	Note 3
Water:										
Average Daily Consumption (in gallons)	26.6M	28.77M	26.82M	27.26M	30.43M	28.15M	28.19M	25.6 M	25.9M	
Number of backflow devices tested	3,644	3,817	4,122	3,836	4,348	4,679	4,728	4,895	4,965	
Number of meters sold	1,720	1,870	1,987	1,800	1,031	1,917	2,268	807	497	
Wastewater:										
Number of miles of sewer mains flushed	401	419	448	427	218	280	258	209	284	
Total preventative work orders completed	2,599	2,192	3,107	7,065	9,247	n/a	n/a	n/a	n/a	Note 4
% of preventative work orders hours						43.1%	45.5%	48.0%	55%	
Solid Waste:										
Number of incoming phone calls	37,954	37,943	22,684	23,672	26,870	26,491	22,340	25,369	24,538	
Tons of solid waste collected	95,151	99,082	98,910	102,370	100,148	96,265	89,512	87,446	89,125	
Electric:										
Number of customers participating in energy efficiency programs and solar programs	1,231	2,124	2,793	3,123	3,663	2,949	6,333	3,477	4,188	
Number of trees planted (Shade Tree Program)	1,065	836	625	621	628	842	1,106	611	680	

Notes:

1 - No longer tracked in FY09-10. Attendance are now tracked by Youth/Adult/Senior by programs.

2 - Roseville Aquatics Center closed for pool repairs Nov 2007-Jan 2008.

3 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during the winter 2008.

4 - Preventative work orders are no longer tracked by the number completed. It is now tracked by the percentage of number of hours worked (effective FY07-08).

The City began preparing a CAFR in FY 2003. Information prior to FY 2003 is not available.

Source: City of Roseville Quarterly Performance Report

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Function/Program										
Public safety:										
Fire stations	6	6	7	7	8	8	8	8	8	
Police stations	1	1	1	1	1	1	1	1	1	
Number of Police patrol cars	63	75	97	110	107	107	106	51	49	
Public works:										
Miles of streets	400	428	432	455	475	432	428	429	432	
Number of Traffic Signals	134	133	135	141	150	154	162	165	166	
Park and recreation:										
Community services:										
Golf courses (18 holes)	40	40	2	2	2	2	2	2	2	
City parks	n/a	57	48	53	56	58	61	61	63	
Miles of creek	2	2	57	60	60	60	60	60	60	
Swimming pools	4	4	4	4	4	4	4	3	3	Note 1
Tennis courts	12	12	12	12	12	14	16	16	16	
Library:										
City Libraries	2	2	3	3	3	3	3	3	3	
Water										
Miles of water mains	450	480	494	506	540	556	562	567	569	
Fire hydrants	3,653	4,499	3,881	3,978	4,278	4,413	4,473	4,514	4,533	
Wastewater										
Miles of sanitary sewers	600	600	460	447	472	485	485	492	493	
Miles of storm drain	410	420	352	435	474	376	373	382	348	
Solid Waste:										
Number of new residential refuse customers	2,137	1,490	1,062	705	809	984	800	750	522	
Electric:										
Number of residential customers	38,054	40,312	41,883	43,001	43,793	44,662	45,478	46,400	47,021	
Number of commercial customers	4,720	5,101	5,410	5,523	5,788	6,038	6,349	6,411	6,437	

Note:
1 - Swimming pool at Oakmont High School no longer used by the City.

The City began preparing a CAFR in FY 2003. Information prior to FY 2003 is not available.

Source: City of Roseville Department Staff

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