

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

Economic Vitality

Downtown Revitalization

Safe and Healthy Community

Enhance Community Services

Transportation Planning & Investment

**CITY OF ROSEVILLE, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2008**

**Prepared by  
FINANCE DEPARTMENT**

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**CITY OF ROSEVILLE, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2008**

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November 7, 2008

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, 2008. 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”), 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, and the Roseville Natural Gas Financing Authority (RNGFA). The Agency, the Authority, the Housing Authority, and the RNGFA are separate legal entities from the City, but have the same governing board. The Agency issues its 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 2008 changed drastically from previous years as reduction in sales tax revenues and reduced property tax growth due to the housing slowdown impacted tax revenues. Additionally, revenues from development-related activities, including development impacts fees, went down from previous years. Housing growth slowed to a 15-year low. While commercial development continued during the fiscal year with two major retail projects, the overall tone of office and commercial development was negative in the latter part of the year. By the end of the fiscal year, the City had significantly reduced spending in order to meet budget demands. Continued budget cuts are expected in the next few years in order to balance future budgets.

The enterprise funds were also affected by the economy. The Electric Utility experienced the most cost volatility due to changes in the power-supply market, the operation of a new power plant, and a low hydroelectric year. Additionally, the issues in the financial market impacted approximately \$160 million of Auction Rate Securities (ARS) that were refunded into Variable Rate Demand Bonds (VRDB) in May of 2008. The refunding allowed the utility to end the year with overall debt service within budgeted amounts. The continued financial crisis is likely to continue to have impacts on the Electric Utility, and staff is monitoring this situation on a regular basis. The Electric Utility is likely to continue experiencing cost increases that will lead to higher rates.

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; however, the ARS crisis, mentioned above, also impacted the Wastewater Utility. The refunding of bonds from ARSs to VRDBs also allowed the utility to end the year within budget on debt service. To date, these bonds have been performing well.

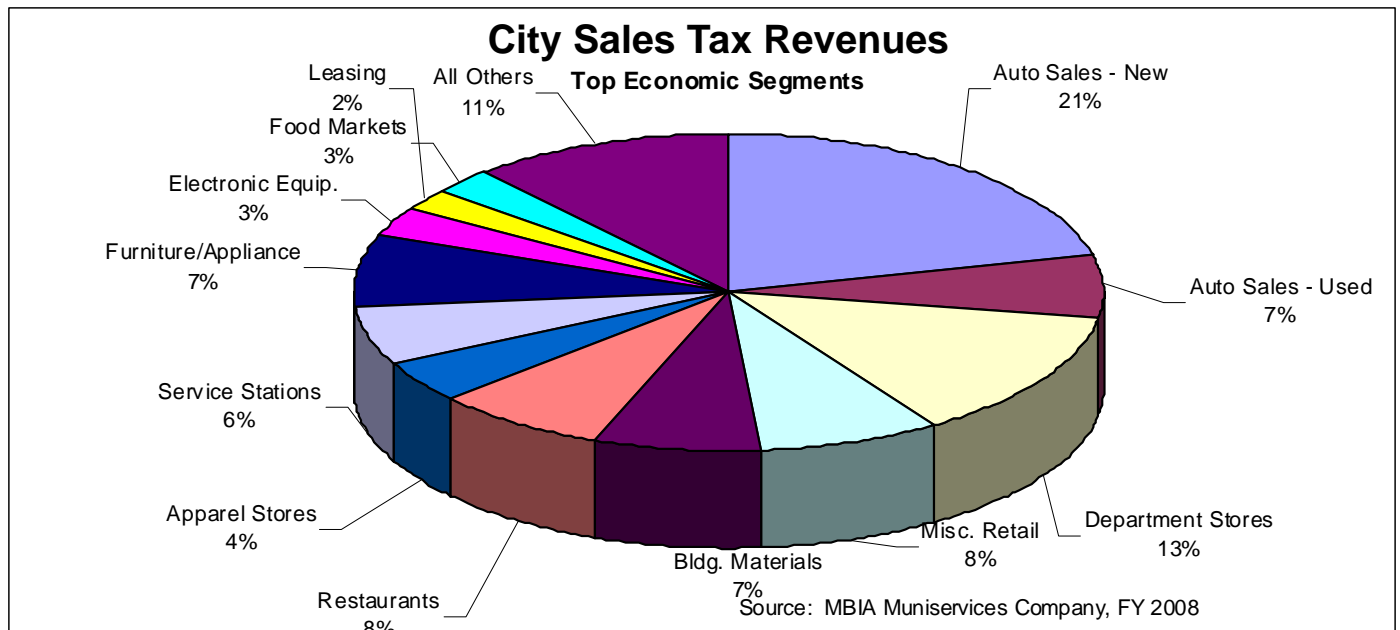
The Golf Course, Transit, and School-Aged Childcare enterprise funds also ended the year with revenues exceeding expenses. The Golf Courses continue to attract increasing rounds of golf. A restructuring of rates in 2007 improved to overall revenue picture for these courses. Improvements to the golf courses are planned in the next few years to keep the appearance and overall utility of the courses up-to-date.

The 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 are up, but this creates capacity for an economic recovery. Sales tax is down, however new and diverse stores continue to be attracted to the retail core of the City. A major concern is the long-term health of the new auto industry. New auto sales were down nearly 27 percent in fiscal year 2008 compared to fiscal year 2007. Retail hardware sales continued to be down as well due to fallout from the housing slowdown. Electronic equipment sales also fell sharply in the last quarter of the fiscal year.

On a short-term basis, the City will need to continue cost-cutting measures to bring costs in line with falling revenues. To date, the City has been aggressive and proactive in cutting costs and has reduced materials and supply costs by 18 percent while defunding over 43 general fund positions through attrition in fiscal year 2008; a General Fund reduction in force of over 4 percent. The City is responding to this challenge, and is unlikely to experience unplanned 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 decreases in fiscal year 2008. Total sales taxes decreased by \$3.79 million, on an economic basis, from 2007. Sales taxes were down in virtually every major economic category. New auto sales, the largest sales-tax category, were down nearly 24 percent from their three-year high. Department stores, the second-highest category, were down just under 10 percent from their three-year high. Only service stations, liquor stores, energy sales, and food-processing equipment showed gains in fiscal year 2008.



The outlook for the next two years is that sales taxes are most likely to stay flat or decline. The City is taking this into consideration in its budgeting process.

### **Major Activities in the City**

Many of the major activities initiated and completed in fiscal year 2008 are consistent with the City Council's direction to focus on projects and funding that provide economic stability within the community and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Projects were initiated, or neared completion, in:

- Public works—redesign of Cirby Road and the Cirby/Riverside intersection.
- Water—upgrade of the water treatment plant reservoir and replacement of a major storage tank.
- Wastewater—ongoing improvement of treatment plants to conform to State water quality standards.
- Electric—continuing expansion of the electric distribution system.
- Parks and Recreation—groundbreaking on an indoor pool in Central Park in the Highland Reserve North Specific Plan area.
- Redevelopment—completion of the historic district streetscape project.
- Redevelopment—initiation of Riverside streetscape project.

Private development continued at a growing pace in fiscal year 2008 across all development segments. Single-family residential was flat compared to fiscal year 2007, but off from the early 2000s. Multi-family development included only one project in fiscal year 2008; however, this was a significant increase in units over 2007. Commercial development increased significantly over the previous year, as development of the Fountains retail development and expansion of the regional shopping mall were under full development during fiscal year 2008. Industrial development was up significantly as well; however, office development was well off its fiscal year 2007 pace due to rising vacancy rates. Overall trends in development have been down, and it is expected that the coming twelve to twenty-four months will result in slowing development in all sectors.

<b>Development Type</b>	<b>Number of Permits</b>	<b>New Square Feet Occupied</b>
Single-Family Residential	922	
Multi-Family Development	308	
Industrial Development		199,603
Commercial Development		852,528
Business Professional		597,703

Proposed major annexations to the City continue to be processed for specific plans on the boundaries of the West Roseville Specific Plan, the City's newest annexation area. However, the current economic conditions have slowed this process and one developer in the Sierra Vista plan is not participating in the annexation 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. The Finance Department staff remains committed to improving the City's accounting system; to maintain the City's internal accounting controls to adequately safeguard assets; and to provide 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 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 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 4.48% on the City's month-end average investment balances. This compared with a return of 4.77% in the prior year. As of June 30, 2008, the yield to market of outstanding investments was 3.96%. 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 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. 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 06/30/2008**

ISSUER	PAR	AVG DAYS TO MATURITY	AVG YIELD TO MATURITY
<b>Corporate Notes</b>			
Bank of America	\$ 1,000,000.00	1,534	5.400%
General Electric	6,675,000.00	666	4.832%
HSBC	1,240,000.00	442	5.026%
JP Morgan	1,000,000.00	1,066	5.351%
Wachovia	1,685,000.00	717	5.138%
Wells Fargo	3,300,000.00	1,070	5.161%
Walmart	2,000,000.00	406	4.561%
	<b>16,900,000.00</b>		
<b>Fed Agency/Treasury</b>			
FFCB	12,045,000.00	707	4.864%
FHLB	99,730,000.00	702	4.336%
FHLMC	89,035,000.00	640	4.203%
FNMA	89,758,000.00	702	4.339%
US Treasury	57,050,000.00	724	3.762%
	<b>347,618,000.00</b>		
<b>Total Exposure:</b>	<b>\$ 364,518,000.00</b>		

## **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. Additionally, the City attempts to maintain a similar operating reserve in all of the City-owned utilities. These guard against impacts from sudden changes in revenues.

**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 Electric rate stabilization fund fell below the policy level in fiscal year 2008 due to a low hydroelectric year that resulted in a need to make higher-than-anticipated draws. 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 \$11 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 at least \$25 million, with the long-term purpose of creating an endowment that will not require annual budget contributions.

**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 properly and safely operating.

**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 to the automall wall and has been targeted to fund a conference center facility.

**Post-Retirement Insurance/Accrual Fund:** This fund was set up 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 money that was transferred into this fund, the City has transferred 3 percent of the total cost of salaries for the last several years. The City is in the process of reviewing its benefit levels and is in active discussion with labor unions and employee groups about the structure and long-term future of the City's retiree health care program, also known as the "other post-retirement benefit" (OPEB).

## **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, 2007. 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.

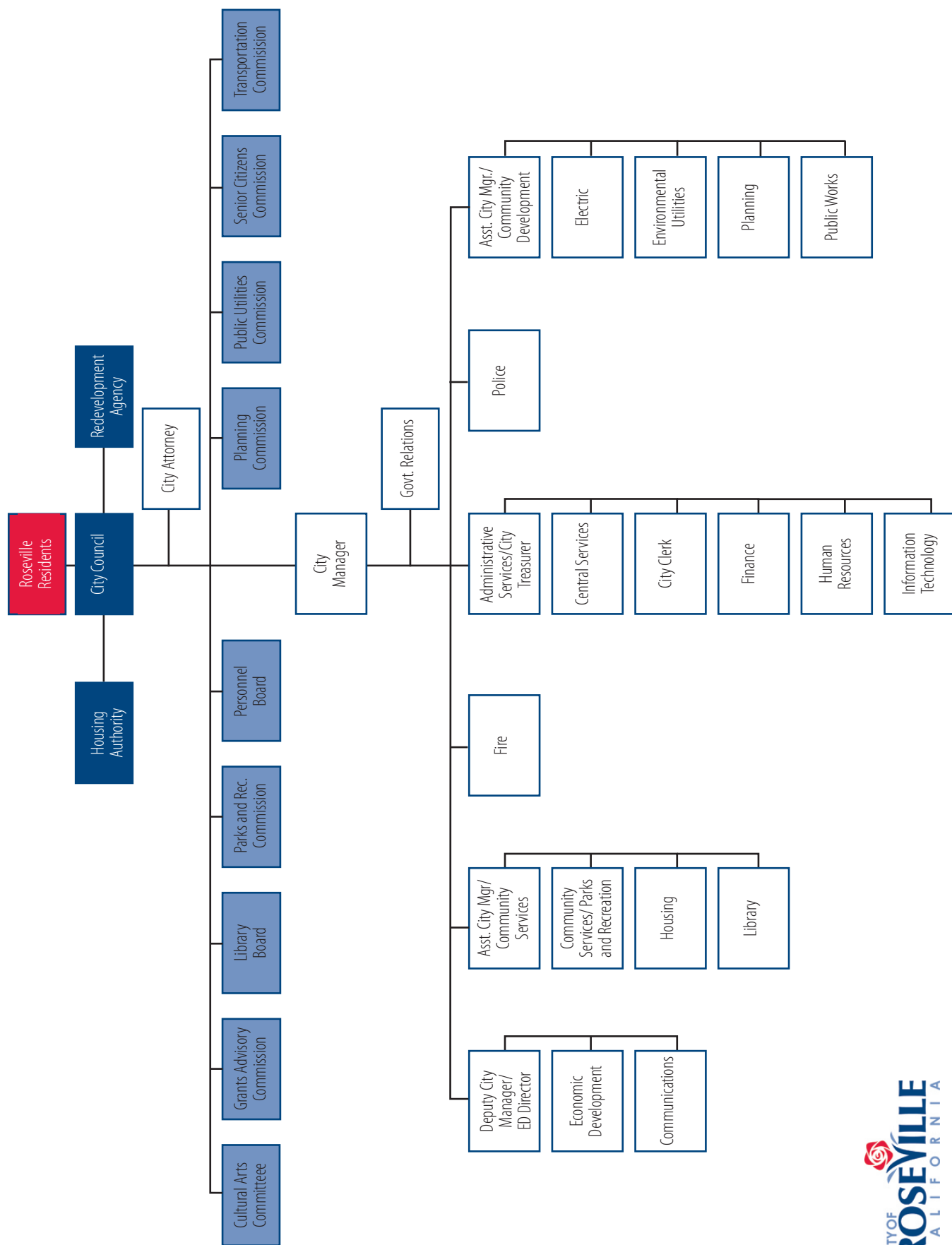
## ACKNOWLEDGMENTS

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,

A handwritten signature in cursive script that reads "Russ Branson". The signature is written in black ink and is positioned above the printed name and title.

Russ Branson  
Administrative Services Director/City Treasurer



**CITY OF ROSEVILLE**

**ELECTED OFFICIALS**

**JUNE 30, 2008**

Mayor  
Mayor Pro-tem  
Council Member  
Council Member  
Council Member

Jim Gray  
Gina Garbolino  
John Allard  
Carol Garcia  
Richard Roccucci

# 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, 2007

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



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

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## INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

**ACCOUNTANCY CORPORATION**  
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(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

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, California (City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these 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 of Roseville, California, as of June 30, 2008 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2008 on our consideration of the City of Roseville'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 described in Notes 9, 12 and 13, the City implemented the provisions of GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, GASB Statement No. 50, *Pension Disclosures (an amendment of GASB Statements No. 25 and No. 27)*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

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.

*Maze & Associates*

November 7, 2008

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2008**

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, 2008. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

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

**FISCAL YEAR 2008 FINANCIAL HIGHLIGHTS**

Financial highlights of fiscal year 2008 include the following:

*Entity-wide:*

- The City's total net assets were \$2.4 billion as of June 30, 2008. Of this total, \$1.1 billion were Governmental assets and \$1.3 billion were Business-type assets.
- Governmental revenues include program revenues of \$94.2 million and general revenues and transfers of \$131.8 million for a total of \$226.0 million.
- Governmental expenses were \$180.2 million.
- Business-type program revenues, interest revenue and miscellaneous revenues were \$347.4 million while Business-type expenses and transfers were \$288.3 million.

*Fund Level:*

- Governmental Fund balances decreased to \$235.5 million in fiscal year 2008, down \$12.8 million from the prior year.
- Governmental Fund revenues decreased to \$185.7 million in 2008, down \$65.3 million from the prior year. This was primarily due to decreases of \$62.4 million in contributions from property owners as only one Community Facility District was formed in 2008, \$8.4 million in charges for services as development revenues decreased due to the economic conditions that affected the area; while there were increases of \$3.2 million in miscellaneous revenues and \$2.3 million in the use of money and property. Governmental Fund expenditures decreased to \$218.9 million in fiscal year 2008, down \$47.7 million from the prior year. This decrease was primarily due to reduction of capital outlay costs of \$62.3 million mostly from the Community Facility Districts. However, there were expenditure increases of \$4.7 million for community development and planning, \$1.5 million for police, \$3.6 million for fire, \$1.0 million for library, and \$2.4 million for interest charges. These increases were due to on-going labor agreements, the opening of a new library, and refinancings of Community Facility Districts being financed through the City's debt service fund.
- Other Financing Sources provided a net of \$20.2 million in fiscal year 2008, down \$25.6 million from 2007.

*General Fund:*

- General Fund revenues of \$105.5 million were \$7.7 million lower than the prior year, as taxes decreased \$2.3 million, charges for services decreased \$4.6 million, subventions and grants decreased \$1.0 million.
- General Fund expenditures of \$129.2 million represented an increase of \$3.6 million over the prior year. The majority of the increase was for fire due in part for larger strike team labor overtime charges for a extremely heavy fire season in California.
- Other Financing Sources showed \$21.5 million, an increase of \$7.6 million from 2007, due to net transfers.
- The General Fund balance of \$63.6 million as of June 30, 2008 was down from fiscal year 2007's fund balance of \$65.8 million.

## 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 three separate legal entities, the Redevelopment Agency of the City of Roseville, the Roseville Finance Authority, and the City of Roseville Housing Authority. 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)**

	<u>2008</u>	<u>2007</u>
Cash and Investments	\$310.9	\$329.2
Other Assets	48.2	41.6
Capital Assets	831.7	775.1
<b>Total Assets</b>	<b>1,190.8</b>	<b>1,145.9</b>
Long-Term Debt Outstanding	53.7	55.3
Other Liabilities	63.9	63.5
<b>Total Liabilities</b>	<b>117.6</b>	<b>118.8</b>
Net Assets:		
Invested in Capital Assets, Net of Debt	775.9	742.8
Restricted	165.8	177.2
Unrestricted	131.5	107.1
<b>Total Net Assets</b>	<b>\$1,073.2</b>	<b>\$1,027.1</b>

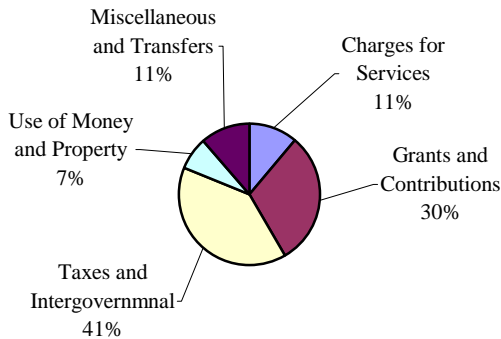
The City's governmental net assets amounted to \$1.1 billion as of June 30, 2008, an increase of \$46.1 million over 2007. This increase is the Change in Net Assets reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net assets as of June 30, 2008 comprised the following:

- Cash and investments comprised \$276.9 million in the city treasury and \$33.9 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 \$5.6 million of which were current, along with deferred receivables of \$4.9 million and notes receivable of \$17.9 million that are due over longer periods of time, as explained in Notes 5 and 6 to the financial statements.

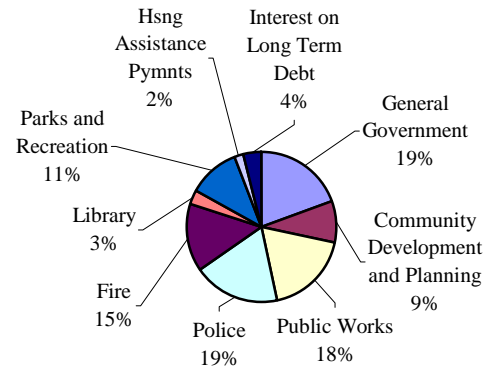
- Capital assets of \$831.7 million, net of depreciation charges, includes all of the City's infrastructure as well as other capital assets used in governmental activities, as discussed in Note 8.
- Current liabilities—including accounts payable, claims, and other amounts due currently—totaled \$33.4 million.
- Accrued compensated absence liabilities payable to employees of \$9.5 million, as explained in Note 1G to the financial statements.
- \$14.7 million of unfunded required contribution to the Other Post Employment Benefits (OPEB) as required by GASB 45.
- Long-term debt of \$53.7 million, of which \$52.3 million is due in future years and \$1.4 million is due currently, as detailed in Note 9.
- Net assets invested in capital assets net of related debt of \$775.9 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 \$165.8 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 \$131.4 million of unrestricted net assets as of June 30, 2008. While these assets are technically unrestricted, most of these assets are designated for a specific use.

## Fiscal Year 2008 Governmental Activities

**Sources of Revenue**



**Functional Expenses**



As the Sources of Revenue Chart above shows, \$89.4 million, or 41% of the City's fiscal year 2008 governmental activities revenue, came from taxes and unrestricted intergovernmental revenues (motor vehicle-in-lieu), while \$68.8 million or 30% came from grants and contributions, \$25.4 million, or 11%, 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 \$34.6 million, or 19% of total government expenses, community development and planning was \$16.0 million, or 9%, public works was \$33.3 million, or 18%, police was \$33.7 million, or 19%, fire was \$26.4 million, or 15%, parks and recreation was \$20.0 million, or 11%, and other governmental programs and functions were the remaining 9%.

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 summarized below.

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

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
<b>Expenses</b>		
General Government	\$34.6	\$30.9
Community Development and Planning	16.0	13.2
Public Works	33.7	42.1
Police	33.7	27.4
Fire	26.4	20.6
Library	5.5	3.6
Parks and Recreation	20.0	17.6
Housing Assistance Payments	3.4	3.3
Interest on Long-Term Debt	6.9	4.9
<b>Total Expenses</b>	<b>180.2</b>	<b>163.6</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	25.4	25.0
Operating Grants and Contributions	9.5	7.2
Capital Grants and Contributions	59.3	101.8
<b>Total Program Revenues</b>	<b>94.2</b>	<b>134.0</b>
General Revenues:		
Taxes/Intergovernmental	89.4	91.0
Use of Money and Property	16.9	14.2
Miscellaneous	0.9	3.0
Gain on Sale of Property	0	0.0
<b>Total General Revenues</b>	<b>107.2</b>	<b>108.2</b>
<b>Total Revenues</b>	<b>201.4</b>	<b>242.2</b>
<b>Changes in Net Assets before Transfers</b>	<b>21.2</b>	<b>78.6</b>
Transfers	24.6	25.2
<b>Change in Net Assets</b>	<b>\$45.8</b>	<b>\$103.8</b>

As the Sources of Revenue Chart and **Table 2** above show, \$94.2 million, or 46.8% of the City's fiscal year 2008 governmental revenue, came from program revenues and \$107.2 million, or 53.2%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$25.4 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$9.5 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$59.3 million that consist mainly of street project grants, developer impact fees restricted to capital outlay and contributions from community facilities districts to be used to build infrastructure in those districts.

General Revenues-Taxes/Intergovernmental showed a decrease of \$1.6 million. 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)**

	<u>Net (Expense)/Revenues from Services</u>	
	<u>2008</u>	<u>2007</u>
General Government	(\$28.4)	(\$23.4)
Community Development and Planning	(9.0)	(7.9)
Public Works	6.8	(16.6)
Police	(30.3)	(23.1)
Fire	(22.3)	(15.8)
Library	(5.0)	(3.1)
Parks and Recreation	(0.8)	(8.2)
Community Facilities Districts	9.1	73.0
Housing Assistance Payments	0.8	0.4
Interest on Long Term Debt	(6.9)	(4.9)
	<hr/>	<hr/>
<b>Totals</b>	<b>(\$86.0)</b>	<b>(\$29.6)</b>
	<hr/> <hr/>	<hr/> <hr/>

### ***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)**

	<u>2008</u>	<u>2007</u>
Cash and Investments	\$180.8	\$185.4
Other Assets	385.0	381.6
Capital Assets	1,429.6	1,333.4
<b>Total Assets</b>	<b>1,995.4</b>	<b>1,900.4</b>
Long-Term Debt Outstanding	646.8	610.5
Other Liabilities	47.5	48.0
<b>Total Liabilities</b>	<b>694.3</b>	<b>658.5</b>
Net Assets:		
Invested in Capital Assets, Net of Debt	1,096.9	938.9
Restricted	44.6	34.6
Unrestricted	159.5	268.4
<b>Total Net Assets</b>	<b>\$1,301.0</b>	<b>\$1,241.9</b>

The net assets of business-type activities increased to \$1.301 billion in fiscal year 2008, an increase of \$59.1 million. Cash and investments decreased \$4.6 million, due to increased expenditures for capital projects; and correspondingly, capital assets have increased \$96.2 million. Other assets increased by \$3.4 million. Long-term liabilities increased by \$36.3 million, as bonds were sold for water. Other liabilities decreased \$.5 million.

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

	Business-Type Activities	
	<u>2008</u>	<u>2007</u>
<b>Expenses</b>		
Electric Fund	\$155.6	\$131.2
Water Fund	25.8	15.9
Wastewater Fund	37.1	28.9
Solid Waste Fund	15.7	15.2
Natural Gas	15.1	5.2
Golf Course Fund	2.9	2.4
Local Transportation Fund	5.9	5.4
School-Age Child Care Fund	5.6	4.8
<b>Total Expenses</b>	<b>263.7</b>	<b>209.0</b>
<b>Revenues</b>		
<b>Program Revenues</b>		
Charges for Services	217.7	195.0
Operating Grants and Contributions	13.6	14.3
Capital Grants and Contributions	88.5	108.4
<b>Total Program Revenues</b>	<b>319.8</b>	<b>317.7</b>
<b>General Revenues</b>		
Use of Property and Money	27.6	11.4
<b>Total Revenues</b>	<b>347.4</b>	<b>329.1</b>
<b>Change in Net Assets before</b>	<b>83.7</b>	<b>120.1</b>
Transfers	(24.6)	(25.2)
<b>Changes in Net Assets</b>	<b>\$59.1</b>	<b>\$94.9</b>

Business-type program revenues, interest revenue, and miscellaneous revenues were \$347.4 million while Business-type expenses and transfers were \$288.3 million 2008. 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.

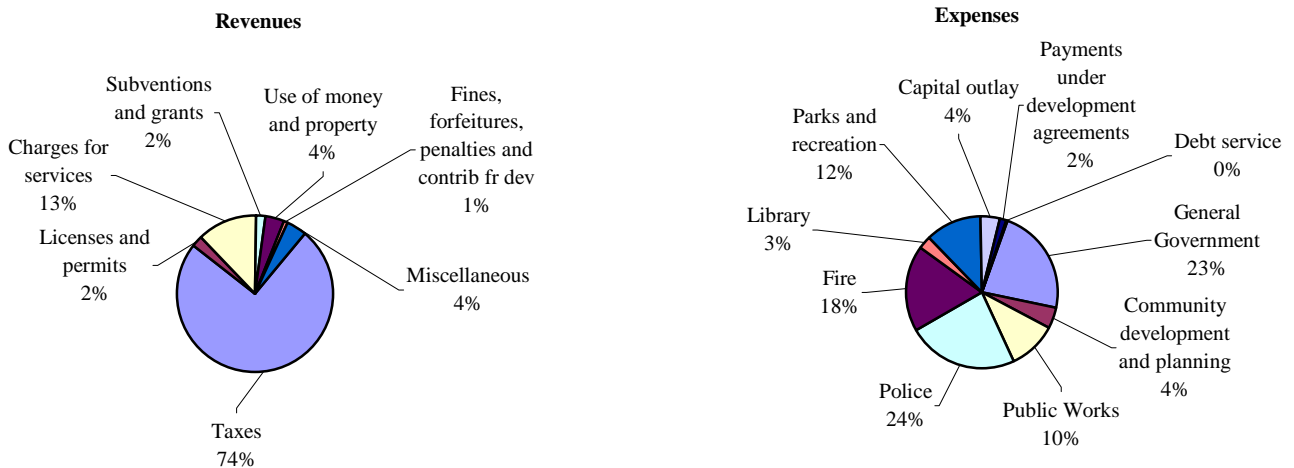
**Table 6**  
**Changes in Business-Type Net Assets**  
**(in Millions)**

	<u>Net (Expense)/Revenues From Services</u>	
	<u>2008</u>	<u>2007</u>
Electric Fund	\$2.4	\$13.8
Water Fund	22.2	43.4
Wastewater Fund	35.5	43.5
Solid Waste Fund	4.6	4.7
Natural Gas	(11.1)	(5.1)
Golf Course Fund	0.3	0.8
Local Transportation Fund	2.2	7.4
School-Age Child Care Fund	0.0	0.3
<b>Totals</b>	<b><u>\$56.1</u></b>	<b><u>\$108.8</u></b>

### *Analyses of Major Governmental Funds*

#### General Fund

#### **Fiscal Year 2008 General Fund Activity**



General Fund revenues decreased \$7.7 million this fiscal year due primarily to decreases in taxes and charges for services. Actual revenues were less than budgeted by \$5.3 million, again reflective of taxes and charges for services coming in significantly lower, as the economic issues have hit both sales taxes and development.

General Fund expenditures were \$129.2 million, an increase of \$3.6 million from the prior year. Expenditures were \$27.2 million less than budget however, as most departments expended less than budgeted. The original budget was increased by a net \$3.7 million, an increase of \$5 million from encumbrances carried over from fiscal year 2007 and a reduction of \$1.3 million as departments reduced their operating services and supplies budgets, in anticipation of the economic downturn.

Other financing sources and uses reported net inflows of \$21.5 million in fiscal year 2008, which increased \$7.6 million, due in most part to one-time transfers out in fiscal year 2007 that were not duplicated in fiscal year 2008, and reductions to rehab funds.

As of June 30, 2008, the General Fund's fund balance totaled \$63.6 million, including \$10.8 million reserved almost entirely for encumbrances and advances to other funds, \$13.3 million designated for economic reserve and capital improvements and \$39.5 million in unreserved, undesignated balances. Only the unreserved portion of fund balance represents available liquid resources, since the reserved portion is represented by non-cash assets or by open purchase orders. The designated portion of fund balance has been set aside by City Council, which may alter or reverse its decisions with respect to designated fund balances at any time.

### **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. The RDA issued \$22.945 million in tax allocation bonds in 2007. In addition the RDA owes other City funds \$12.5 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 2008, the Fund received \$9.1 million in such contributions from property-owners and developers, and expended \$19.6 million in capital outlay on facilities in community facilities districts, a significant decrease due to development slowdown. The largest projects underway in fiscal year 2008 were improvements to the West Roseville area and a commercial retail center.

### **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 decreased \$4.2 million in fiscal year 2008 to a total of \$278.2 million. Operating revenues were \$143.9 million, an increase of \$13.6 million from 2007. Operating expenses were \$149.9 million in fiscal year 2008, an increase of \$24.2 million, resulting in a net operating loss of \$6.1 million. While Electric retail sales increased by \$9.1 million in 2008, power supply expenses increased \$18.3 million with only a corresponding increase of \$3.5 million of sale of wholesale power. Part of the increased power costs were due to the increased hydro-power costs from reduced water resources. In addition, depreciation and amortization expenses increased \$5 million as the energy plant was fully capitalized. Rates are anticipated to be increased in fiscal years 2009 and 2010.

Of the fund's Net Assets of \$278.2 million, \$183.9 million was invested in capital assets, \$17.3 million was restricted and \$77.0 million was unrestricted.

### **Water Fund**

Net assets of the Water Fund increased \$23.2 million in fiscal year 2008. Operating revenues increased \$2.0 million in fiscal year 2008, while expenses increased \$5.6 million to a total of \$20.2 million. The net result was an operating loss of \$3.2 million. Rates are anticipated to be increased in fiscal year 2009. As development declined in fiscal year 2008, capital connection fees were \$7.7 million, a decrease of \$1.1 million, and contributions from developers were \$17.4 million, a decrease of \$16.3 million. In addition, net transfers out were \$2.3 million.

As of June 30, 2008, the Fund's Net Assets were \$436.6 million, of which \$374.8 million was invested in capital assets, \$4.2 million was restricted for debt service, and \$57.6 million was unrestricted as to use.

### **Wastewater Fund**

Operating revenues increased in fiscal year 2008 \$1.6 million to a total of \$24.0 million. Operating expenses increased to \$31.9 million, up \$6.6 million. The net result was an operating loss of \$7.8 million, of which \$14.9 million was depreciation. Rates are anticipated to be increased in fiscal year 2009. Other items that affected net assets were: connection fees of \$12.0 million; capital contributions of \$31.4 million from developers and South Placer Wastewater Authority; and net transfers out of \$5.1 million. The total increase to net assets was \$32.1 million for fiscal year 2008 to a total of \$547.8 million. As of June 30, 2008, of the Fund's Net Assets, \$514.6 million was invested in capital assets, \$5.8 million restricted for debt service, and \$27.4 million was unrestricted.

### **Solid Waste Fund**

Operating revenues increased \$1.0 million to \$19.6 million while operating expenses remained fairly flat in fiscal year 2008. As a result, net operating income increased minimally to \$4.4 million. Capital impact fees were \$0.75 million, a decrease of \$0.41 million. Rates are anticipated to be increased in fiscal year 2009. Net transfers out were \$2.4 million. As of June 30, 2008, total net assets were \$7.3, an increase of \$3.0 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. \$223.3 million remain due in bonds payable, while the pre-paid natural gas is \$223.8 million. \$10.4 million in debt service were expensed in 2008.

### **Golf Course Fund**

Revenues and expenses remained relatively flat in fiscal year 2008 at \$3.2 million and \$2.6 million, respectively. As a result, the Fund's net assets were stable at \$9.7 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 \$10.1 million it has invested in capital assets, net of the related debt.

### **Local Transportation Fund**

Net assets of the Fund increased \$2.8 million in fiscal year 2008 to a total of \$23.9 million. Most of the increase was due to the increase of subventions and grants of \$7.2 million. There was a \$4.9 million operating loss in fiscal year 2008, but most of the loss was offset by the above mentioned subventions and grants. As of June 30, 2008, the Fund's Net Assets were \$23.9 million, of which \$7.2 million was invested in capital assets and \$16.7 million was restricted for use in local transportation.

### **School-Age Child Care Fund**

Net assets of the Fund remained relatively flat with a slight decrease of \$0.25 million in fiscal year 2008 to a total of \$1.1 million. Revenues increased \$0.3 million while expenses stayed relatively flat. Of the net assets, \$1.2 million were invested in capital assets, which leaves a negative \$0.07 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, 2008	Balance at June 30, 2007
<b>Governmental Activities</b>		
Land	\$25.8	\$23.3
Streets (modified)	221.7	209.7
Parks (modified)	70.3	68.9
Landscaping (modified)	38.9	35.6
Construction in Progress	128.1	131.7
Buildings	108.6	80.0
Improvements	5.0	4.7
Equipment	62.6	57.1
Bike Paths	8.0	7.7
Bridges	53.9	49.4
Culverts	20.0	19.7
Curb, Gutter, Sidewalk, & Median Curbs	136.7	129.8
Drain Inlets	20.2	20.0
Flood Control Improvements	17.3	17.3
Soundwall	25.4	24.2
Stormdrains	68.4	62.3
Traffic Signals	21.8	20.7
Less: Accumulated Depreciation	(201.0)	(187.0)
<b>Governmental Activity Capital Assets, Net</b>	<b>\$831.7</b>	<b>\$775.1</b>

	Balance at June 30, 2008	Balance at June 30, 2007
<b>Business-Type Activities</b>		
Land	\$16.2	\$16.1
Landscaping (modified)	0.6	0.6
Construction in Progress	121.0	269.8
Buildings	17.6	17.6
Improvements	13.2	11.2
Machinery and Equipment	18.1	17.1
Bike Paths	2.5	1.1
Culverts, drains, curbs	0.4	0.0
Plant and Substations	294.5	286.2
Distribution	991.8	929.1
Generation	197.0	0.0
Less: Accumulated Depreciation	(243.3)	(215.4)
<b>Business-Type Activity Capital Assets, Net</b>	<b><u>\$1,429.6</u></b>	<b><u>\$1,333.4</u></b>

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, as required by GASB 34, except for streets, parks and landscaping, which are reported using the Modified Approach allowed under GASB 34. 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 7.5 and residential roadways at an average PQI of 6.5, which means that, on average, the City's streets must be maintained at no less than 70% of pavement in perfect condition.

At June 30, 2008, the City's streets averaged 7.9 PQI for arterial and collector roadways and 8.0 PQI for residential roadways. The City expended \$5.6 million on preservation of its streets in fiscal year 2008, compared to the budgeted amount of \$5.9, and plans to spend \$4.7 million in fiscal year 2009.

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 2, which means that, on average, the City's parks and landscaping must be maintained at no less than 83% of parks and landscaping maintained at a state-of-the-art level.

At June 30, 2008, the City's parks and landscaping averaged 3 GMI. The City expended \$5.3 million on preservation of its parks and landscaping in fiscal year 2008, meeting the expected budget, and plans to spend \$5.0 million in fiscal year 2009.

## **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, 2008	Balance at June 30, 2007
<b>Governmental Activity Debt:</b>		
<b>Certificates of Participation:</b>		
2003A Public Facilities Bond, 2.0%-5.0%, due 8/1/25	\$15.86	\$16.49
<b>Tax Allocation Bonds</b>		
2002 Roseville Redevelopment Project		
3%-5.14% due 9/1/33	13.18	13.46
<b>2006 Roseville Redevelopment Project, Series A</b>		
4.5%-5.00% due 9/1/40	13.15	13.15
<b>2006 Roseville Redevelopment Project, Series A-T</b>		
5.31%-5.90% due 9/1/28	3.05	3.29
<b>2006 Roseville Redevelopment Project, Series H-T</b>		
5.31%-6.07% due 9/1/40	6.37	6.51
<b>Installment Purchase Obligations</b>		
Equipment	2.09	2.39
<b>Total Governmental Activity Debt:</b>	<b>\$53.70</b>	<b>\$55.29</b>

	Balance at June 30, 2008	Balance at June 30, 2007
<b>Business-type Activity Debt:</b>		
<b>Certificates of Participation:</b>		
1999 Electric System Revenue, 4.0%-5.5%, due 2/1/24	\$0.57	\$1.11
2002 Electric System Revenue, Variable Rate, due 2/1/24	24.82	25.39
Less deferred amount on refunding	(2.75)	(2.92)
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	39.27	39.61
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	52.45	52.90
Add deferred bond premium cost	2.46	0.00
2005 Electric System Revenue, Series B, Variable Rate, due 2/1/35	0.00	90.00
2005 Electric System Revenue, Series C, Variable Rate, due 2/1/35	0.00	60.00
2003B Golf Course Project, 2.0-5.0%, due 8/1/23	6.99	7.31
1997 Water Utility Revenue, 3.9%-5.2%, due 12/1/18	0.00	23.35
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53.69	0.00
Add deferred bond premium cost	2.62	0.00
Less deferred amount on refunding	(0.70)	0.00
2008 Electric System Revenue, Series A, Variable Rate, due 2/1/35	90.00	0.00
2008 Electric System Revenue, Series B, Variable Rate, due 2/1/35	64.50	0.00
Total Certificates of Participation	<b>333.92</b>	<b>296.75</b>
<b>Revenue Bonds:</b>		
2000 Wastewater Revenue Bonds, Series A,		
Series A, 3.8%-5.5%, due 11/1/27	0.00	6.19
2000 Variable Rate Demand Wastewater Revenue Bonds,		
Series B, variable rate, due 11/1/35	0.00	37.92
2003 Wastewater Refunding Revenue Bonds,		
variable rate, due 11/1/27	0.00	50.66
Less deferred amount on refunding	0.00	(5.28)
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	209.35	209.35
Add deferred bond premium cost	13.98	14.72
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series A, variable rate, due 11/1/35	39.27	0.00
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series B, variable rate, due 11/1/27	50.30	0.00
Total Revenue Bonds	<b>312.90</b>	<b>313.56</b>
<b>Other Long Term Obligations:</b>		
Notes, 5%, due 10/1/17	0.00	0.16
<b>Total Business-type Activity Debt:</b>	<b>\$646.82</b>	<b>\$610.47</b>

## **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, 2008, a total of \$403.5 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 10 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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<b>CITY OF ROSEVILLE</b>
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<b>STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES</b>
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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, 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, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments in City Treasury (Note 3)	\$276,949,428	\$132,793,074	\$409,742,502
Restricted cash and investments with fiscal agents (Note 3)	33,905,994	48,016,778	81,922,772
Receivables:			
Taxes	1,885,775		1,885,775
Accounts	2,297,276	27,778,032	30,075,308
Accrued interest	1,384,549	1,624,024	3,008,573
Due from other government agencies	10,440,501	3,920,945	14,361,446
Internal balances (Note 4D)	4,121,492	(4,121,492)	
Prepays	110,285	3,250,000	3,360,285
Deferred receivables (Note 6)	4,867,970	254,256	5,122,226
Notes receivable (Note 5)	17,875,945		17,875,945
Notes receivable from NCPA (Note 16B)		158,369	158,369
Inventories (Note 1H)	1,474,177	13,078,085	14,552,262
Land held for resale (Note 7D)	3,747,668		3,747,668
Prepaid purchased electricity (Note 15)		2,913,907	2,913,907
Prepaid purchased gas (Note 20)		223,782,534	223,782,534
Unamortized bond origination costs		6,129,818	6,129,818
Investment in NCPA reserves (Note 16)		4,452,434	4,452,434
Investment in SPWA reserves (Note 17)		101,747,648	101,747,648
Capital assets (Note 8):			
Capital assets not being depreciated	484,836,713	137,753,259	622,589,972
Capital assets being depreciated, net	346,885,281	1,291,843,252	1,638,728,533
Total assets	1,190,783,054	1,995,374,923	3,186,157,977
<b>LIABILITIES</b>			
Accounts payable	10,708,102	14,171,586	24,879,688
Accrued liabilities	4,785,680	7,508,569	12,294,249
Developer agreement payable			
Due to other governments	8,668,654	2,495,881	11,164,535
Deposits	5,013,980	5,860,871	10,874,851
Unearned revenues	2,362,482	4,442,149	6,804,631
Deferred liabilities	1,881,649	3,467,457	5,349,106
Landfill closure and post closure liability (Note 18)		3,424,637	3,424,637
Net OPEB obligation (Note 13)	14,704,209		14,704,209
Compensated absences (Note 1G):			
Due within one year	6,297,417	3,401,578	9,698,995
Due in more than one year	3,181,806	2,751,191	5,932,997
Self-insurance claims payable and litigation settlement (Note 14)			
Due within one year	1,098,000		1,098,000
Due in more than one year	5,196,000		5,196,000
Long-term liabilities (Note 9):			
Due within one year	1,356,302	12,759,190	14,115,492
Due in more than one year	52,338,414	615,004,184	667,342,598
Unamortized bond premiums		19,061,340	19,061,340
Total liabilities	117,592,695	694,348,633	811,941,328
<b>NET ASSETS (Note 11)</b>			
Invested in capital assets, net of related debt	775,922,473	1,096,922,321	1,872,844,794
Restricted for:			
Capital projects:			
Expendable	129,651,617		129,651,617
Nonexpendable	17,495,650		17,495,650
Debt service	1,577,618	27,916,281	29,493,899
Community development projects	17,108,280		17,108,280
Local transportation		16,705,741	16,705,741
Total restricted net assets	165,833,165	44,622,022	210,455,187
Unrestricted net assets	131,434,721	159,481,947	290,916,668
Total net assets	\$1,073,190,359	\$1,301,026,290	\$2,374,216,649

See accompanying notes to financial statements

CITY OF ROSEVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$34,626,790	\$2,658,458	\$144,174	\$3,366,227	(\$28,457,931)		(\$28,457,931)
Community development and planning	16,004,720	3,386,649	2,639,896	968,866	(9,009,309)		(9,009,309)
Public works	33,682,426	5,843,426	156,347	34,516,326	6,833,673		6,833,673
Police	33,717,164	1,845,245	1,095,811	449,985	(30,326,123)		(30,326,123)
Fire	26,372,987	1,402,158	931,675	1,725,615	(22,313,539)		(22,313,539)
Library	5,506,954	272,057	228,823		(5,006,074)		(5,006,074)
Parks and recreation	20,021,127	9,986,005	121,392	9,152,884	(760,846)		(760,846)
Community facilities districts				9,100,000	9,100,000		9,100,000
Housing assistance payments	3,399,145		4,196,309		797,164		797,164
Interest on long-term debt	6,858,207				(6,858,207)		(6,858,207)
Total Governmental Activities	180,189,520	25,393,998	9,514,427	59,279,903	(86,001,192)		(86,001,192)
Business-type Activities:							
Electric	155,579,953	143,898,715	13,882	14,047,529		\$2,380,173	2,380,173
Water	25,826,409	16,925,351	6,008,403	25,139,317		22,246,662	22,246,662
Wastewater	37,098,813	24,014,362		48,563,461		35,479,010	35,479,010
Solid Waste	15,743,209	19,562,798	27,814	747,166		4,594,569	4,594,569
Natural Gas	15,123,490	4,059,943				(11,063,547)	(11,063,547)
Golf Course	2,883,713	3,182,357	42,792			341,436	341,436
Local Transportation	5,872,368	863,606	7,203,201			2,194,439	2,194,439
School-age Child Care	5,575,761	5,193,488	334,716			(47,557)	(47,557)
Total Business-type Activities	263,703,716	217,700,620	13,630,808	88,497,473		56,125,185	56,125,185
Total	\$443,893,236	\$243,094,618	\$23,145,235	\$147,777,376	(86,001,192)	56,125,185	(29,876,007)
General revenues:							
Taxes:							
Property taxes					41,066,666		41,066,666
Sales taxes					40,982,384		40,982,384
Franchise taxes					1,607,214		1,607,214
Motor fuel taxes					1,985,315		1,985,315
Other taxes					3,306,271		3,306,271
Intergovernmental, unrestricted:							
Motor vehicle in lieu					471,834		471,834
Use of money and property					16,918,766	27,622,856	44,541,622
Miscellaneous revenues					887,173		887,173
Transfers (Note 4)					24,622,443	(24,622,443)	
Total general revenues and transfers					131,848,066	3,000,413	134,848,479
Change in Net Assets					45,846,874	59,125,598	104,972,472
Net Assets-Beginning (as restated Note 11F)					1,027,343,485	1,241,900,692	2,269,244,177
Net assets-Ending					\$1,073,190,359	\$1,301,026,290	\$2,374,216,649

See accompanying notes to financial statements

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<b>FUND FINANCIAL STATEMENTS</b>
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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 2008. 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 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; 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, 2008

	General	Redevelopment Agency	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments in City Treasury (Note 3)	\$54,381,075	\$8,739,242	\$9,696,799	\$133,002,006	\$205,819,122
Restricted cash and investments with fiscal agents (Note 3)		16,711,136	15,165,943	2,028,915	33,905,994
Receivables:					
Taxes	1,530,860	354,915			1,885,775
Accounts	1,394,773	5,218		745,495	2,145,486
Accrued interest	2,358,427	123,861	122,836	2,132,175	4,737,299
Due from other government agencies	5,437,479	1,500,000		3,372,161	10,309,640
Due from other funds (Note 4B)	2,085,669			250,000	2,335,669
Advances to other funds (Note 4C)	6,935,536			4,000,000	10,935,536
Prepays	110,285				110,285
Deferred receivables (Note 6)	233,133		3,652	4,631,185	4,867,970
Notes receivable (Note 5)	123,410	5,015,154		12,737,381	17,875,945
Inventories (Note 1H)	505,011				505,011
Land held for resale (Note 7D)		3,747,668			3,747,668
Total Assets	<u>\$75,095,658</u>	<u>\$36,197,194</u>	<u>\$24,989,230</u>	<u>\$162,899,318</u>	<u>\$299,181,400</u>
<b>LIABILITIES</b>					
Accounts payable	\$2,804,023	\$972,853	\$1,495,661	\$4,717,934	\$9,990,471
Accrued liabilities	2,449,105	13,239		166,404	2,628,748
Due to other funds (Note 4B)		770,000		386,498	1,156,498
Due to other government agencies	18,456			8,650,198	8,668,654
Advances from other funds (Note 4C)		11,764,737		4,500,000	16,264,737
Deposits	4,407,374	6,606		600,000	5,013,980
Deferred revenue	1,856,153	5,015,154		6,174,469	13,045,776
Deferred liabilities		5,058,262		1,881,649	6,939,911
Total Liabilities	<u>11,535,111</u>	<u>23,600,851</u>	<u>1,495,661</u>	<u>27,077,152</u>	<u>63,708,775</u>
<b>FUND BALANCES (Note 11)</b>					
Reserved for:					
Advances	6,655,536			4,000,000	10,655,536
Inventories	505,011				505,011
Encumbrances	3,392,002	1,518,425			4,910,427
Capital projects			23,493,569		23,493,569
Deferred receivables and notes receivable	123,410			2,924,161	3,047,571
Prepays	110,285				110,285
Low and moderate income housing		2,549,761			2,549,761
Land held for resale		3,747,668			3,747,668
Debt service		16,743,330		1,570,104	18,313,434
Unreserved:					
Reported in Capital Projects Funds:					
Designated for economic reserve	11,095,000				11,095,000
Designated for carryover of capital improvement projects	2,191,346			18,146,007	20,337,353
Unreserved, undesignated, reported in:					
General Fund	39,487,957				39,487,957
Special Revenue Funds		(11,962,841)		91,686,244	79,723,403
Permanent Funds				17,495,650	17,495,650
TOTAL FUND BALANCES	<u>63,560,547</u>	<u>12,596,343</u>	<u>23,493,569</u>	<u>135,822,166</u>	<u>235,472,625</u>
Total Liabilities and Fund Balances	<u>\$75,095,658</u>	<u>\$36,197,194</u>	<u>\$24,989,230</u>	<u>\$162,899,318</u>	<u>\$299,181,400</u>

See accompanying notes to financial statements

CITY OF ROSEVILLE  
Reconciliation of  
GOVERNMENTAL FUNDS -- FUND BALANCE  
with the Governmental Activities  
NET ASSETS  
JUNE 30, 2008

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUND \$235,472,625

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. 814,769,589

ALLOCATION OF INTERNAL SERVICE FUND NET ASSET

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	71,130,306
Accounts receivable	151,790
Accrued interest	1,705,512
Due from other government agencies	130,861
Inventories	969,166
Capital assets	16,952,405
Accounts payable	(717,631)
Accrued liabilities	(52,127)
Self-insurance claims payable	(6,294,000)
Compensated absences	(336,964)
Net OPEB obligation	(14,704,209)
Internal balances	8,271,522

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. 10,683,294

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	(53,694,716)
Interest payable and other accrued liabilities, included in accrued liabilities	(2,104,805)
Non-current portion of compensated absences	(9,142,259)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$1,073,190,359

See accompanying notes to financial statements

CITY OF ROSEVILLE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008

	General	Redevelopment Agency of the City of Roseville	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$78,489,509	\$7,535,590		\$7,432,503	\$93,457,602
Licenses and permits	2,537,988				2,537,988
Charges for services	13,247,788		\$6,972	18,637,253	31,892,013
Subventions and grants	1,998,075	65,702		10,755,964	12,819,741
Use of money and property	3,981,058	1,446,723	1,583,440	12,187,685	19,198,906
Fines, forfeitures and penalties	1,047,125			1,100,570	2,147,695
Contributions from property owners			9,100,000		9,100,000
Contributions from developers	753,094			1,317,622	2,070,716
Miscellaneous revenues	3,474,165	129,361	5,186,406	3,665,669	12,455,601
Total Revenues	<u>105,528,802</u>	<u>9,177,376</u>	<u>15,876,818</u>	<u>55,097,266</u>	<u>185,680,262</u>
<b>EXPENDITURES</b>					
Current:					
General government	29,360,838			1,000,141	30,360,979
Community development and planning	5,826,593	5,301,499		5,581,975	16,710,067
Public works	13,286,605			2,941,552	16,228,157
Public safety:					
Police	30,498,603				30,498,603
Fire	23,478,173			874,639	24,352,812
Library	3,942,554			599,733	4,542,287
Parks and recreation	15,423,224			3,669,382	19,092,606
Housing assistance payments				3,399,145	3,399,145
Capital outlay	5,059,706	8,320,776	19,596,748	30,164,938	63,142,168
Payments under development agreements (Note 7A)	2,157,821				2,157,821
Debt service:					
Principal retirement	185,325	660,000		745,666	1,590,991
Interest and fiscal charges	11,784	2,404,812		4,456,652	6,873,248
Total Expenditures	<u>129,231,226</u>	<u>16,687,087</u>	<u>19,596,748</u>	<u>53,433,823</u>	<u>218,948,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,702,424)</u>	<u>(7,509,711)</u>	<u>(3,719,930)</u>	<u>1,663,443</u>	<u>(33,268,622)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of properties	108,260			21,024	129,284
Transfers in (Note 4A)	26,293,232	1,240,000	9,160	14,944,790	42,487,182
Transfers (out) (Note 4A)	(4,937,004)	(520,051)	(6,344,479)	(10,603,065)	(22,404,599)
Total Other Financing Sources (Uses)	<u>21,464,488</u>	<u>719,949</u>	<u>(6,335,319)</u>	<u>4,362,749</u>	<u>20,211,867</u>
NET CHANGE IN FUND BALANCES	<u>(2,237,936)</u>	<u>(6,789,762)</u>	<u>(10,055,249)</u>	<u>6,026,192</u>	<u>(13,056,755)</u>
Fund balances at beginning of period, as restated (Note 11F)	<u>65,798,483</u>	<u>19,386,105</u>	<u>33,548,818</u>	<u>129,795,974</u>	<u>248,529,380</u>
FUND BALANCES AT END OF PERIOD	<u>\$63,560,547</u>	<u>\$12,596,343</u>	<u>\$23,493,569</u>	<u>\$135,822,166</u>	<u>\$235,472,625</u>

See accompanying notes to 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, 2008

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	(\$13,056,755)
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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	63,142,168
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(2,472,990)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$4,019,414 which has already been allocated to serviced funds.)	(14,187,771)
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.	11,776,952
Loss on retirement of capital assets	(3,605,541)

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	1,590,991

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	(725,589)
Interest payable and accrued liabilities, included in accrued liabilities	15,041
Deferred revenues	3,388,175

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	(17,807)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$45,846,874
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See accompanying notes to 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, 2008

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$87,721,910	\$82,018,810	\$78,489,509	(\$3,529,301)
Licenses and permits	2,277,560	2,277,560	2,537,988	260,428
Charges for services	19,238,641	15,755,513	13,247,788	(2,507,725)
Subventions and grants	1,630,448	2,405,788	1,998,075	(407,713)
Use of money and property	2,620,025	2,620,095	3,981,058	1,360,963
Fines, forfeitures and penalties	780,500	780,500	1,047,125	266,625
Contributions from developers		683,000	753,094	70,094
Miscellaneous revenues	2,019,140	4,300,007	3,474,165	(825,842)
TOTAL REVENUES	116,288,224	110,841,273	105,528,802	(5,312,471)
EXPENDITURES				
Current:				
General government				
City Council				
Salaries and benefits	37,540	37,540	38,466	(926)
Operating services and supplies	436,680	461,680	395,651	66,029
City attorney				
Salaries and benefits	1,630,292	1,630,292	1,491,845	138,447
Operating services and supplies	197,836	187,566	144,751	42,815
City manager				
Salaries and benefits	1,825,730	1,825,730	1,729,184	96,546
Operating services and supplies	397,696	366,906	247,647	119,259
Finance				
Salaries and benefits	5,904,365	5,954,665	5,746,740	207,925
Operating services and supplies	1,937,679	1,801,650	1,401,473	400,177
Human resources				
Salaries and benefits	1,831,290	1,831,290	1,703,767	127,523
Operating services and supplies	761,991	736,836	545,474	191,362
Information technology				
Salaries and benefits	4,744,934	4,744,934	4,551,809	193,125
Operating services and supplies	2,689,168	2,579,168	1,900,485	678,683
City clerk				
Salaries and benefits	737,842	735,842	732,466	3,376
Operating services and supplies	161,273	159,606	81,043	78,563
Economic development				
Salaries and benefits	335,081	379,695	343,310	36,385
Operating services and supplies	161,191	107,827	61,804	46,023
Central services				
Salaries and benefits	3,682,422	3,769,842	3,377,344	392,498
Operating services and supplies	2,589,552	2,534,751	2,190,324	344,427
Annexation payment	2,250,000	2,250,000	2,677,255	(427,255)
Community development and planning				
Housing				
Salaries and benefits	204,792	486,429	470,903	15,526
Operating services and supplies	169,676	(118,561)	(79,208)	(39,353)
Community development				
Salaries and benefits	1,244,124	1,293,124	1,312,799	(19,675)
Operating services and supplies	421,818	362,818	81,842	280,976
Planning				
Salaries and benefits	2,742,621	3,239,192	2,874,097	365,095
Operating services and supplies	972,296	2,290,548	1,166,160	1,124,388

(Continued)

CITY OF ROSEVILLE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Salaries and benefits	\$11,321,633	\$12,143,537	\$11,569,966	\$573,571
Operating services and supplies	4,095,217	3,138,744	1,716,639	1,422,105
Public safety				
Police				
Salaries and benefits	25,824,914	25,831,914	25,346,494	485,420
Operating services and supplies	5,574,120	5,714,748	5,152,109	562,639
Fire				
Salaries and benefits	20,095,680	21,191,980	21,377,790	(185,810)
Operating services and supplies	2,889,490	2,685,349	2,100,383	584,966
Library				
Salaries and benefits	3,378,465	3,592,065	3,160,004	432,061
Operating services and supplies	812,055	839,080	782,550	56,530
Parks and recreation				
Salaries and benefits	11,359,897	11,488,772	10,655,167	833,605
Operating services and supplies	5,316,025	5,338,813	4,768,057	570,756
Capital outlay	20,072,367	20,876,255	5,059,706	15,816,549
Payments under development agreements	2,333,600	2,333,600	2,157,821	175,779
Debt service:				
Principal retirement	185,325	185,325	185,325	
Interest and fiscal charges	1,404,728	1,404,728	11,784	1,392,944
<b>TOTAL EXPENDITURES</b>	<b>152,731,405</b>	<b>156,414,280</b>	<b>129,231,226</b>	<b>27,183,054</b>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of properties			108,260	108,260
Transfers in	24,803,864	27,565,862	26,293,232	(1,272,630)
Transfers (out)	(2,535,380)	(4,458,159)	(4,937,004)	(478,845)
<b>Total Other Financing Sources (Uses)</b>	<b>22,268,484</b>	<b>23,107,703</b>	<b>21,464,488</b>	<b>(1,643,215)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$14,174,697)</b>	<b>(\$22,465,304)</b>	<b>(2,237,936)</b>	<b>\$20,227,368</b>
Fund balance at beginning of year			65,798,483	
Fund balance at end of year			<b>\$63,560,547</b>	

See accompanying notes to financial statements

CITY OF ROSEVILLE  
REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Final	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$7,555,750	\$7,555,750	\$7,535,590	(\$20,160)
Subventions and grants	70,860	925,210	65,702	(859,508)
Use of money and property	373,430	373,430	1,446,723	1,073,293
Miscellaneous revenues		119,541	129,361	9,820
Total revenues	8,000,040	8,973,931	9,177,376	203,445
EXPENDITURES				
Community development and planning				
Community services				
Salaries and benefits	579,523	598,320	1,145,113	(546,793)
Operating services and supplies	6,537,859	9,700,429	2,050,303	7,650,126
Pass-through payments	2,204,830	2,204,830	2,106,083	98,747
Capital outlay	13,497,643	13,497,643	8,320,776	5,176,867
Debt service:				
Principal		660,000	660,000	
Interest and fiscal charges	1,674,921	4,314,412	2,404,812	1,909,600
Total expenditures	24,494,776	30,975,634	16,687,087	14,288,547
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of properties		4,230,000		
Transfers in	1,511,150		1,240,000	1,240,000
Transfers out	(392,920)	(592,920)	(520,051)	72,869
Total Other Financing Sources (Uses)	1,118,230	3,637,080	719,949	1,312,869
NET CHANGE IN FUND BALANCE	(\$15,376,506)	(\$18,364,623)	(6,789,762)	\$11,574,861
Fund balance at beginning of year			19,386,105	
Fund balance at end of year			\$12,596,343	

See accompanying notes to financial statements

<b>MAJOR PROPRIETARY FUNDS</b>
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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 2008.

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, 2008

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>ASSETS</b>					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$50,555,740	\$42,757,554	\$19,463,176	\$5,795,502	\$145
Restricted cash and investments with fiscal agents (Note 3)	22,504,482	20,567,579			4,320,248
Receivables:					
Taxes					
Accounts	16,792,423	3,813,228	3,634,859	2,374,313	308,920
Accrued interest	901,883	352,616	141,818	46,073	152
Due from other government agencies	70,867	58,652	2,090,738		
Prepays	3,250,000				
Due from other funds (Note 4B)	326,065		213,730		
Advance to other funds (Note 4C)					
Inventories (Note 1H)	12,087,558	808,257	73,423	108,847	
Total Current Assets	106,489,018	68,357,886	25,617,744	8,324,735	4,629,465
Noncurrent Assets:					
Deferred receivables (Note 6)	26,908	178,197	49,151		
Notes receivable from NCPA (Note 16)	158,369				
Prepaid purchased electricity (Note 15)	2,913,907				
Prepaid purchased gas (Note 15)					223,782,534
Unamortized bond origination costs	5,901,402				
Investment in NCPA reserves (Note 16)	4,452,434				
Investment in SPWA reserves (Note 17)			101,747,648		
Advances to other funds (Note 4C)			1,126,160		
Capital assets (Note 8):					
Land and construction in progress	24,495,664	47,333,178	56,780,254	1,903,887	
Capital assets being depreciated, net	431,061,390	381,147,984	458,240,769	3,177,312	
Total Noncurrent Assets	469,010,074	428,659,359	617,943,982	5,081,199	223,782,534
Total Assets	575,499,092	497,017,245	643,561,726	13,405,934	228,411,999
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	10,832,858	1,110,766	1,027,186	562,002	
Accrued liabilities	2,538,756	499,369	225,090	136,378	3,875,456
Due to other government agencies			2,495,881		
Due to other funds (Note 4B)	200,000			213,730	326,065
Current portion of compensated absences (Note 1G)	1,413,437	693,285	703,628	311,499	
Current portion of long-term debt (Note 9)	3,750,000	1,650,000	379,190		6,645,000
Deposits	5,810,251	29,500			
Unearned revenue	3,767,876				
Self-insurance claims payable (Note 14)					
Total Current Liabilities	28,313,178	3,982,920	4,830,975	1,223,609	10,846,521
Long-Term Liabilities					
Deferred liabilities	236,358	1,887,266	1,196,961	108,192	
Advances from other funds (Note 4C)				1,126,160	
Notes payable (Note 9)					
Certificates of participation (Note 9)	267,865,000	52,045,000			
Unamortized loss on refunding (Note 9)	(2,749,437)	(704,451)			
Revenue bonds (Note 9)			89,193,072		202,705,000
Unamortized bond premiums	2,457,832	2,621,212			13,982,296
Landfill closure and post closure liability (Note 18)				3,424,637	
Compensated absences (Note 1G)	1,190,029	614,418	572,556	251,216	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14)					
Total Long-Term Liabilities	268,999,782	56,463,445	90,962,589	4,910,205	216,687,296
Total Liabilities	297,312,960	60,446,365	95,793,564	6,133,814	227,533,817
<b>NET ASSETS (Note 11)</b>					
Invested in capital assets, net of related debt	183,942,054	374,786,162	514,641,833	5,081,199	
Restricted for debt service	17,300,374	4,217,863	5,774,024		
Restricted for local transportation					
Unrestricted	76,943,704	57,566,855	27,352,305	2,190,921	878,182
Total Net Assets (Deficit)	\$278,186,132	\$436,570,880	\$547,768,162	\$7,272,120	\$878,182

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 financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,346,815	\$11,459,282	\$414,860	\$132,793,074	\$71,130,306
624,469			48,016,778	
104,796	6,916	742,577	27,778,032	151,790
53,623	124,067	3,792	1,624,024	1,705,512
42,792	1,565,575	92,321	3,920,945	130,861
			3,250,000	
			539,795	187,000
	4,500,000		4,500,000	
			13,078,085	969,166
3,172,495	17,655,840	1,253,550	235,500,733	74,274,635
			254,256	
			158,369	
			2,913,907	
			223,782,534	
228,416			6,129,818	
			4,452,434	
			101,747,648	
			1,126,160	4,461,201
6,007,666	1,232,610		137,753,259	
11,050,990	6,006,828	1,157,979	1,291,843,252	16,952,405
17,287,072	7,239,438	1,157,979	1,770,161,637	21,413,606
20,459,567	24,895,278	2,411,529	2,005,662,370	95,688,241
57,382	535,300	46,092	14,171,586	717,631
120,527	22,420	90,573	7,508,569	52,127
			2,495,881	
127,000		325,588	1,192,383	713,583
	58,957	220,772	3,401,578	178,456
335,000			12,759,190	
4,778	195	16,147	5,860,871	
	263,500	410,773	4,442,149	
				1,098,000
644,687	880,372	1,109,945	51,832,207	2,759,797
		38,680	3,467,457	
3,512,000		120,000	4,758,160	
6,650,000			326,560,000	
			(3,453,888)	
			291,898,072	
			19,061,340	
			3,424,637	
	69,727	53,245	2,751,191	158,508
				14,704,209
				5,196,000
10,162,000	69,727	211,925	648,466,969	20,058,717
10,806,687	950,099	1,321,870	700,299,176	22,818,514
10,073,656	7,239,438	1,157,979	1,096,922,321	16,952,405
624,020			27,916,281	
	16,705,741		16,705,741	
(1,044,796)		(68,320)	163,818,851	55,917,322
\$9,652,880	\$23,945,179	\$1,089,659	\$1,305,363,194	\$72,869,727
			(\$4,336,904)	
	Net assets business-type activities		\$1,301,026,290	

CITY OF ROSEVILLE  
PROPRIETARY FUNDS  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
OPERATING REVENUES					
Charges for services	\$120,776,931	\$16,925,351	\$23,865,358	\$18,937,624	\$4,059,943
Sale of wholesale power	20,734,491				
Other	2,387,293		149,004	625,174	
Total Operating Revenues	143,898,715	16,925,351	24,014,362	19,562,798	4,059,943
OPERATING EXPENSES					
Power supply	120,681,959				5,497,191
Operations	15,470,175	9,707,014	16,527,334	14,417,553	5,320
Administration	2,253,591	4,007,754	440,138	618,937	
Depreciation and amortization	11,543,327	6,437,190	14,889,270	151,484	(735,910)
Claims expense					
Total Operating Expenses	149,949,052	20,151,958	31,856,742	15,187,974	4,766,601
Operating Income (Loss)	(6,050,337)	(3,226,607)	(7,842,380)	4,374,824	(706,658)
NONOPERATING REVENUES (EXPENSES)					
Interest and rents revenue	6,056,175	2,532,159	919,983	292,593	\$16,838,719
Interest and fiscal charges (expense)	(2,300,535)	(464,700)	(3,944,245)	(57,900)	(10,356,889)
Cost of issuance	(1,713,663)	(1,139,768)	(475,432)		
Amortization of bond premium					
Subventions and grants	13,882	6,008,403		27,814	
Increase (decrease) in NCPA reserves	665,841				
Increase (decrease) in SPWA reserves			5,213,225		
Other		(3,360,056)			
Net Nonoperating Revenues (Expenses)	2,721,700	3,576,038	1,713,531	262,507	6,481,830
Income (Loss) Before Contributions and Transfers	(3,328,637)	349,431	(6,128,849)	4,637,331	5,775,172
Capital contributions - connection/impact fees		7,709,667	11,982,265	747,166	
Contributions		79,576			
Contributions in aid of construction	8,807,833				
Capital contributions from developers	4,573,855	17,350,074	31,367,971		
Transfers in (Note 4A)	557,562	3,106,969		246,111	
Transfers (out) (Note 4A)	(14,810,891)	(5,363,487)	(5,090,256)	(2,646,630)	
Change in net assets	(4,200,278)	23,232,230	32,131,131	2,983,978	5,775,172
Total net assets-beginning	282,386,410	413,338,650	515,637,031	4,288,142	(4,896,990)
Total net assets-ending	\$278,186,132	\$436,570,880	\$547,768,162	\$7,272,120	\$878,182

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 financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$3,171,307	\$730,123	\$4,994,834	\$193,461,471	\$13,034,715
11,050	133,483	198,654	20,734,491	
3,182,357	863,606	5,193,488	3,504,658	10,981,980
			217,700,620	24,016,695
			126,179,150	
2,113,689	4,572,974	4,937,723	67,751,782	29,732,520
465,234	476,835		7,797,255	
	751,622	23,250	33,525,467	4,019,414
				3,133,740
2,578,923	5,801,431	4,960,973	235,253,654	36,885,674
603,434	(4,937,825)	232,515	(17,553,034)	(12,868,979)
302,192	672,819	8,216	27,622,856	3,974,408
(291,901)		(8,069)	(17,424,239)	
			(3,328,863)	
42,792	7,203,201	334,716	13,630,808	
			665,841	
			5,213,225	
			(3,360,056)	
53,083	7,876,020	334,863	23,019,572	3,974,408
656,517	2,938,195	567,378	5,466,538	(8,894,571)
			20,439,098	
			79,576	
			8,807,833	
			53,291,900	
	229,788	28,338	4,168,768	6,161,009
(181,399)	(355,438)	(343,110)	(28,791,211)	(1,621,149)
475,118	2,812,545	252,606	63,462,502	(4,354,711)
9,177,762	21,132,634	837,053		77,224,438
\$9,652,880	\$23,945,179	\$1,089,659		\$72,869,727
			(4,336,904)	
Change in net assets of business-type activities			\$59,125,598	

CITY OF ROSEVILLE  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$141,229,096	\$15,980,674	\$22,964,499	\$18,854,369	\$3,751,023
Payments to suppliers	(133,764,490)	(6,331,560)	(9,969,977)	(10,525,440)	(16,623,682)
Payments to employees	(12,820,026)	(6,733,337)	(5,399,967)	(4,650,982)	(258,364)
Claims paid					
Other receipts	2,387,293		149,004	625,174	
Net cash provided by operating activities	(2,968,127)	2,915,777	7,743,559	4,303,121	(13,131,023)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
(Increase) decrease in due from other funds	(324,561)		(8,230)		
Increase (decrease) in due to other funds				8,230	324,561
(Increase) decrease in advance to other funds			213,730		
Increase (decrease) in advances from other funds	(200,000)			(213,730)	
Principal payments on non-capital debt					
Interest paid on non-capital debt					
Transfers in	557,562	3,106,969		246,111	
Transfers (out)	(14,810,891)	(5,363,487)	(5,090,256)	(2,646,630)	
Cash Flows from Noncapital Financing Activities	(14,777,890)	(2,256,518)	(4,884,756)	(2,606,019)	324,561
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	13,381,688	17,429,650			
Acquisition and construction of capital assets, net	(46,583,989)	(31,951,127)	(688,121)	(619,050)	735,910
Transfer of connection fees to SPWA			(11,897,582)		
Change in restricted assets	14,811,671	(17,955,162)			6,324,929
Proceeds from issuance of capital debt	154,500,000	55,533,548			
Principal payments on capital debt	(149,447,168)	(22,723,582)			(735,910)
Interest and cost of issuance paid on capital debt	(3,842,358)	(1,604,468)	(475,432)	(57,900)	(10,356,889)
Subventions and grants	(66,914)	6,022,753	3,523,746	27,814	
Connection fees		7,709,667	11,982,265	747,166	
Cash Flows from Capital and Related Financing Activities	(17,247,070)	12,461,279	2,444,876	98,030	(4,031,960)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	6,272,212	2,425,381	908,091	283,408	16,838,567
Cash Flows from Investing Activities	6,272,212	2,425,381	908,091	283,408	16,838,567
Net increase (decrease) in cash and cash equivalents	(28,720,875)	15,545,919	6,211,770	2,078,540	145
Cash and investments at beginning of period	79,276,615	27,211,635	13,251,406	3,716,962	
Cash and investments at end of period	\$50,555,740	\$42,757,554	\$19,463,176	\$5,795,502	\$145
<b>NONCASH TRANSACTIONS:</b>					
Contribution of SPWA capital assets to City			\$34,911,355		
Proceeds from issuance of capital debt			89,572,262		
Principal retirement of SPWA Revenue Bonds			(94,773,124)		
Interest on SPWA Revenue Bonds			(3,989,117)		
Contribution of capital assets from developers			31,367,971		
Retirement of capital assets	(\$3,912,164)	(\$9,138)	(5,047)		(\$68,936)
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	(6,050,337)	(3,226,607)	(7,842,380)	\$4,374,824	(706,658)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	11,543,327	6,437,190	14,889,270	151,484	(735,910)
Change in assets and liabilities:					
Receivables, net	(480,371)	(922,177)	(1,414,944)	(83,255)	(308,920)
Inventories	(4,682,753)	509,895	(2,339)	(11,442)	
Prepays purchased gas	(3,250,000)				(11,121,171)
Net OPEB obligations					
Accounts and other payables	2,620,326	117,476	2,113,952	(128,490)	(258,364)
Deferred revenue	(2,668,319)				
Net cash provided by operating activities	(2,968,127)	2,915,777	7,743,559	4,303,121	(13,131,023)

See accompanying notes to financial statements

				Governmental Activities- Internal Service Funds
Golf Course	Local Transportation	School-Age Child Care	Totals	
\$3,232,086	(\$783,317)	\$4,910,278	\$210,138,708	\$12,778,154
(2,082,897)	(4,183,500)	(560,879)	(184,042,425)	(8,884,174)
	(734,772)	(4,315,961)	(34,913,409)	(6,027,379)
11,050	133,483	198,654	3,504,658	(3,250,740)
1,160,239	(5,568,106)	232,092	(5,312,468)	10,981,980
	28,806		(303,985)	747,099
		84,106	416,897	178,984
	(4,000,000)		(3,786,270)	187,000
(127,000)		(60,000)	(600,730)	
	229,788	28,338	4,168,768	6,161,009
(181,399)	(355,438)	(343,110)	(28,791,211)	(1,621,149)
(308,399)	(4,096,844)	(290,666)	(28,896,531)	5,652,943
			30,811,338	
	(1,055,064)	(233,078)	(80,394,519)	(4,791,235)
			(11,897,582)	
(37)			3,181,401	
			210,033,548	
(325,000)			(173,231,660)	
(291,901)			(16,628,948)	
	12,971,204	306,602	22,785,205	
			20,439,098	
(616,938)	11,916,140	73,524	5,097,881	(4,791,235)
299,667	682,225	8,140	27,717,691	3,903,831
299,667	682,225	8,140	27,717,691	3,903,831
534,569	2,933,415	23,090	(1,393,427)	10,363,380
1,812,246	8,525,867	391,770	134,186,501	60,766,926
\$2,346,815	\$11,459,282	\$414,860	\$132,793,074	\$71,130,306
			\$34,911,355	
			89,572,262	
			(94,773,124)	
			(3,989,117)	
			31,367,971	
	(\$14,911)	(\$298,727)	(4,308,923)	
\$603,434	(4,937,825)	232,515	(17,553,034)	(\$12,868,979)
465,234	751,622	23,250	33,525,467	4,019,414
57,438	(4,431)	(93,274)	(3,249,934)	(275,314)
			(4,186,639)	
			(14,371,171)	
				14,704,209
34,133	131,597	63,530	4,694,160	18,511
	(1,509,069)	6,071	(4,171,317)	
\$1,160,239	(\$5,568,106)	\$232,092	(\$5,312,468)	\$5,597,841

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<b>FIDUCIARY FUNDS</b>
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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 2008:

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

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  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2008

	Endowment Private-Purpose Trust Fund	Agency Funds
	<u>                    </u>	<u>                    </u>
ASSETS		
Cash and investments in Treasury (Note 3)	\$2,308,941	\$178,863,743
Restricted cash and investments with fiscal agents (Note 3)		47,025,036
Accounts receivable		237,188
Accrued interest receivable	27,307	1,722,234
Due from other government agencies		3,399,871
Deferred receivable	<u>1,386</u>	<u>323,954</u>
Total Assets	<u>2,337,634</u>	<u><u>\$231,572,026</u></u>
LIABILITIES		
Accounts payable	12,265	\$5,737,084
Due to other government agencies		13,014
Due to member agencies		159,036,789
Due to bondholders		62,199,641
Due to others		<u>4,585,498</u>
Total Liabilities	<u>12,265</u>	<u><u>\$231,572,026</u></u>
NET ASSETS		
Held in trust for private purpose	<u><u>\$2,325,369</u></u>	

See accompanying notes to financial statements

CITY OF ROSEVILLE  
ENDOWMENT PRIVATE-PURPOSE TRUST FUND  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

ADDITIONS	
Contributions from developers	\$110,476
Investment income	144,454
Miscellaneous revenues	<u>17,774</u>
Total additions	<u>272,704</u>
DEDUCTIONS	
Payments in accordance with trust agreements	<u>225,778</u>
Change in net assets	46,926
Net assets - beginning	<u>2,278,443</u>
Net assets - end	<u><u>\$2,325,369</u></u>

See accompanying notes to financial statements

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**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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), highways and 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.

Financial statements for the Redevelopment Agency may be obtained from the City of Roseville at 311 Vernon Street, Roseville, California, 95678. Separate financial statements for the Roseville Finance Authority and Roseville Housing Authority are not issued.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The California Joint Powers Risk Management Authority, the Local Agency Workers' Compensation Excess Joint Powers Authority, the Roseville-Placer County Civic Center Improvement 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.

**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. 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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:

**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 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; 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, worker's 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.

**Fiduciary Funds.** The Endowment Private-Purpose Trust Fund and the 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 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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	\$8,988,692	\$6,683,404	\$15,672,096
Additions	6,609,492	2,077,212	8,686,704
Payments	(6,118,961)	(2,607,847)	(8,726,808)
Ending Balance	<u>\$9,479,223</u>	<u>\$6,152,769</u>	<u>\$15,631,992</u>
Current Portion	<u>\$6,297,417</u>	<u>\$3,401,578</u>	<u>\$9,698,995</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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 General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual inventory items are consumed. Reported General Fund 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.

**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.
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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

The following funds are budgeted on a project basis. Such budgets are based on a project time frame, rather than a fiscal year “operating” time frame, whereby unused appropriations continue until project completion:

- i. Special Revenue Funds
  - 1. Traffic Mitigation
  - 2. State Gasoline Tax
  - 3. Park Development
  - 4. Pleasant Grove Drain Basin
  - 5. Tree Propagation
- ii. Capital Project Funds
  - 1. Community Facilities District
  - 2. Building

***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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

**C. Excess of Expenditures or Expenses over Appropriations**

The 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	\$926
	Annexation payment	427,255
	Housing	
	Operating services and supplies	39,353
	Community development	
	Salaries and benefits	19,675
	Fire	
	Salaries and benefits	185,810
Redevelopment Agency		
Special Revenue Fund:		
	Community development and planning	
	Community services	
	Salaries and benefits	1,549,083
Fire Facilities		
Special Revenue Fund:		
	Public safety	
	Fire	
	Operating services and supplies	1,351,328
	Debt service - interest	52,308
Community Block Grant/HOME		
Special Revenue Fund:		
	Housing	
	Salaries and benefits	3,182
Housing Authority Section 8		
Special Revenue Fund:		
	Housing assistance programs	251,245
Bike Trail/Open Space Maintenance		
Special Revenue Fund:		
	Capital outlay	22,312
Roseville Finance Authority		
Special Revenue Fund:		
	Debt service - interest	788
General Capital Improvement		
Projects Rehabilitation		
Capital Projects Fund:		
	Central services	
	Operating services and supplies	5,363
	Parks and recreation	
	Operating services and supplies	16,713

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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	\$409,742,502
Restricted cash and investments with fiscal agents	<u>81,922,772</u>
Total City cash and investments with primary government	491,665,274
Cash and investments in Fiduciary Funds (Separate statement)	<u>228,197,720</u>
Total Cash and Investments	<u><u>\$719,862,994</u></u>

Cash and investments as of June 30, 2008 consist of the following:

Cash in bank and on hand	\$29,235,430
Investments	<u>690,627,564</u>
Total Cash and Investments	<u><u>\$719,862,994</u></u>

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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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	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

(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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**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	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 Investment	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

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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)				Total
	12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months	
U.S. Government Securities		\$10,732,308	\$54,843,794		\$65,576,102
Federal Agency Securities	\$109,665,630	115,747,682	117,519,618	\$11,379,834	354,312,764
Corporate Notes	7,825,979	6,990,930	8,617,734		23,434,643
Forward Delivery Agreement			56,031,364	6,301,894	62,333,258
Forward Purchase Agreement				4,318,038	4,318,038
Banker Acceptance	4,125,504				4,125,504
Commercial Paper	7,115,346				7,115,346
Guaranteed Investment Contracts	9,011,665	16,225,464	3,024,659	27,769,465	56,031,253
Repurchase Agreement				4,905,395	4,905,395
Money Market Mutual					
Funds (U.S. Securities)	32,585,716				32,585,716
Local Agency Investment Fund	44,491,515				44,491,515
California Asset Management Pool	29,336,431				29,336,431
Collateralized Time Deposits	2,061,599				2,061,599
Total Investments	<u>\$246,219,385</u>	<u>\$149,696,384</u>	<u>\$240,037,169</u>	<u>\$54,674,626</u>	<u>\$690,627,564</u>

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, 2008 the fair value was \$2,214 less 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The City is a voluntary 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, 2008 the fair value approximated is the City's cost. At June 30, 2008, these investments have an average maturity of 49 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, 2008 for each investment type as provided by Standard and Poor's investment rating system:

	AAA	AA+	AA	AA-	A	A-1+	Total
<b>Investments:</b>							
Federal Agency Securities	\$354,312,764						\$354,312,764
Corporate Notes	7,953,074	\$3,311,772	\$7,002,067	\$5,167,730			23,434,643
Forward Delivery Agreement			56,031,364		\$6,301,894		62,333,258
Forward Purchase Agreement			4,318,038				4,318,038
Bankers Acceptance						\$4,125,504	4,125,504
Commercial Paper						7,115,346	7,115,346
Guaranteed Investment Contracts	32,164,482		12,326,192	11,540,579			56,031,253
Repurchase Agreements				4,905,395			4,905,395
Money Market Mutual Funds (U.S. Securities)	32,585,716						32,585,716
California Asset Management Pool	29,336,431						29,336,431
<b>Totals</b>	<u>\$456,352,467</u>	<u>\$3,311,772</u>	<u>\$79,677,661</u>	<u>\$21,613,704</u>	<u>\$6,301,894</u>	<u>\$11,240,850</u>	<u>578,498,348</u>
<b>Exempt from Credit Rate Disclosure:</b>							
U.S. Government Securities							65,576,102
<b>Not Rated:</b>							
Local Agency Investment Fund							44,491,515
Collateralized Time Deposits							<u>2,061,599</u>
<b>Total Investments</b>							<u>\$690,627,564</u>

On October 26, 2005 the City entered into a thirty-year Investment Agreement with the AIG Matched Funding Corporation to fulfill its "reserve requirement" for the 1999 Electric System Revenue Bonds, 2002 Electric System Revenue Bonds, 2005 Electric System Revenue Bonds, Series A, and was later amended to include the reserve requirement for the 2008 Electric System Revenue Bonds, Series A which were issued in part to refund the 2005 Electric System Revenue Bonds, Series C, which were originally a part of the agreement in the amount of \$10,916,558. The minimum credit rating allowable according to the Investment Agreement was "A" rating by Standard & Poors. On September 15, 2008, Standard & Poors downgraded the AIG Matched Funding Corporation to "A-". This downgrade triggered the required termination of the Investment Agreement between the City and the AIG Matched Funding Corporation. On September 29, 2008, the Investment Agreement with AIG was terminated and the entire principal and all accrued interest was returned to the trustee for deposit into the City's Electric Fund. The City had no loss of its original principal due to the termination of this investment agreement.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

On January 12, 2006, the City entered into a seventeen-year Forward Delivery Agreement (Agreement) with Lehman Brothers Holding Corporation (Lehman) to fulfill its “reserve requirement” for the North Roseville Community Facilities District #1 (Bonds) in the amount of \$1,741,863. According to the Agreement for the Bonds, Lehman’s minimum allowable credit rating was Standard & Poors “A-” rating. On September 16, 2008, Standard & Poors downgraded Lehman to a “D” credit rating. The change in credit rating triggered a “downgrade event” that required Lehman Brothers Holding Corporation to provide a written notice to the Debt’s Issuer, the Bond’s Insurer, and the Trustee for the Bonds within five business days. Lehman failed to do so, which triggered an “Event of Default.” On September 23, 2008, the City mailed an “Event of Default” letter to Lehman Brothers Holding Corporation requesting the termination of the Agreement. As of October 28, 2008, Lehman has not responded to the City’s request. The City continues to hold the securities which collateralized the agreement, GE commercial paper, delivered to the trustee at the date of the Agreement. The maturity date for the investments is March 1, 2009. It is the City’s intention to hold this investment until maturity and reinvest the principal in a money market fund.

**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, 2008:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$119,398,177
Federal National Mortgage Association	Federal Agency Securities	114,086,560
Federal Home Loan Mortgage Corporation	Federal Agency Securities	102,414,718

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2008:

Fund	Issuer	Investment Type	Amount
<b>Major Governmental Funds:</b>			
Redevelopment Agency of City of Roseville	Wells Fargo	Investment Agreement	\$8,253,686
<b>Major Enterprise Funds:</b>			
Electric	AIG	Investment Agreement	10,916,558
	Federal Home Loan Mortgage Corporation	Federal Agency Securities	13,509,167
	Federal Home Loan Bank	Federal Agency Securities	18,118,456
	Federal National Mortgage Association	Federal Agency Securities	18,341,936
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	4,318,038
Water	Trinity Plus Finding	Investment Agreement	16,225,464
	Financial Security Assurance	Investment Agreement	4,217,863
Golf Course	AIG	Investment Contract	624,020
<b>Fiduciary Funds:</b>			
	J.P. Morgan	Forward Delivery Agreement	56,031,364
	Federal Home Loan Bank	Federal Agency Securities	16,962,094
	Federal National Mortgage Association	Federal Agency Securities	13,272,074
	Federal Home Loan Mortgage Corporation	Federal Agency Securities	11,861,568

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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, 2008 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
<b>General Fund</b>	Redevelopment Agency of the City of Roseville	\$473,719
	Community Facilities District Projects	346,001
	Non-Major Governmental Funds	3,610,928
	Electric Enterprise Fund	12,503,723
	Water Enterprise Fund	3,590,389
	Wastewater Enterprise Fund	2,290,073
	Solid Waste Enterprise Fund	1,738,453
	Golf Course Enterprise Fund	174,624
	Local Transportation Enterprise Fund	266,332
	School-Age Child Care Enterprise Fund	342,850
	Internal Service Funds	956,140
<b>Redevelopment Agency of the City of Roseville Fund</b>	Water Enterprise Fund	270,000
	Wastewater Enterprise Fund	850,000
	Non-Major Governmental Funds	120,000
<b>Community Facilities District Projects Fund</b>	Non-Major Governmental Funds	9,160
<b>Non-Major Governmental Funds</b>	General Fund	2,253,851
	Redevelopment Agency of the City of Roseville	
	Community Facilities District Capital Projects Fund	3,942,289
	Non-Major Governmental Funds	4,237,746
	Electric Enterprise Fund	1,908,537
	Water Enterprise Fund	1,211,046
	Wastewater Enterprise Fund	993,816
	Solid Waste Enterprise Fund	341,940
	Local Transportation Enterprise Fund	55,565
<b>Electric Enterprise Fund</b>	Internal Service Funds	557,562
<b>Water Enterprise Fund</b>	Wastewater Enterprise Fund	717,235
	Solid Waste Enterprise Fund	450,836
	Community Facilities District Capital Projects Fund	1,938,898
<b>Solid Waste Enterprise Fund</b>	Non-Major Governmental Funds	120,905
	Water Enterprise Fund	62,603
	Wastewater Enterprise Fund	62,603
<b>Local Transportation Enterprise Fund</b>	Community Facilities District Capital Projects Fund	117,291
	Non-Major Governmental Funds	112,497
<b>School-Age Child Care Enterprise Fund</b>	Non-Major Governmental Funds	28,338
<b>Internal Service Funds</b>	General Fund	2,683,153
	Redevelopment Agency of the City of Roseville	46,332
	Non-Major Governmental Funds	2,363,492
	Electric Enterprise Fund	398,631
	Water Enterprise Fund	229,449
	Wastewater Enterprise Fund	176,529
	Solid Waste Enterprise Fund	115,401
	Golf Course Enterprise Fund	6,775
	Local Transportation Enterprise Fund	33,541
	School-Age Child Care Enterprise Fund	260
	Internal Service Funds	107,447
Total Interfund Transfers		<u><u>\$52,816,960</u></u>

- (A) To fund operation and fund indirect costs.
- (B) Transfer to fund operations and indirect costs.
- (C) To pay for indirect costs.
- (D) To transfer in lieu franchise fees and fund indirect costs.
- (E) Recurring transfers.
- (F) To fund various projects in the capital funds or pay debt service.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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, 2008 interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount
<b>General Fund</b>	Redevelopment Agency of the City of Roseville	
	Special Revenue Fund	\$720,000 (A)
	School-Age Child Care Enterprise Fund	265,588 (B)
	Traffic Safety Special Revenue Fund	180,631 (B)
	Home Investment Partnership Program Fund	58,592 (B)
	Beginning Fund	120,558 (B)
	Community Development Block Grant/HOME Special Revenue Fund	8,098 (B)
	Automotive Services Fund	713,583 (B)
	Roseville Natural Gas Finance Authority	326,065 (B)
	Roseville Aquatics Complex Maintenance Permanent Fund	18,619 (B)
<b>Special Revenue Fund:</b>		
Affordable Housing	Redevelopment Agency of the City of Roseville	
	Special Revenue Fund	50,000 (A)
Traffic Mitigation	Electric Enterprise Fund	200,000 (A)
<b>Enterprise Funds:</b>		
Wastewater Fund	Solid Waste Enterprise Fund	213,730 (A)
<b>Internal Service Fund:</b>		
Automotive Replacement	Golf Course Enterprise Fund	127,000 (A)
	School-Aged Child Care Enterprise Fund	60,000 (A)
		<u>\$3,062,464</u>

(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, 2008 the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount of Advance
<b>Special Revenue Funds:</b>		
Redevelopment Agency of the City of Roseville	General Fund	\$6,935,536
	State Gasoline Tax Special Revenue Fund	3,900,000
	Affordable Housing Special Revenue Fund	100,000
	Automotive Replacement Internal Service Fund	829,201
Traffic Mitigation Fund	Local Transportation Enterprise Fund	4,500,000
<b>Enterprise Funds:</b>		
Solid Waste	Wastewater Enterprise Fund	1,126,160
Golf Course	Automotive Replacement Internal Service Fund	3,512,000
School-Age Child Care	Automotive Replacement Internal Service Fund	120,000
		<u>\$21,022,897</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**Redevelopment Agency** advance consists of three advances: (1) Advances in the amount of \$6,864,737 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 \$1,000,000 bears interest at 3.15% and will be repaid in fiscal year 2023. (3) Advances in the amount of \$3,900,000 bear no interest and will be repaid in fiscal year 2029.

**Traffic Mitigation** advance bears interest at the average interest rate of the City's pooled investments. It will be repaid 2012.

**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 from 3.5-4.0%. It will be repaid over a period of 27 years and will be repaid in 2029.

**School-Age Child Care** advance will be repaid over five years beginning in fiscal year 2007. This advance bears interest at the average interest rate of the City's pooled investments and interest is to be paid at the end of the loan.

**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 balance has been offset in the fund financial statements by deferred revenue or a reservation of fund balance as they are not expected to be repaid during fiscal year 2008. These notes receivable comprised the following at June 30, 2008:

Notes	\$6,633
Employee Notes	116,777
Housing Rehabilitation and Affordable	
Housing Notes	7,008,840
First Time Home-Buyer Notes	9,447,438
Housing Elevation Notes	28,978
Commercial Rehabilitation Notes	1,267,279
Total	<u>\$17,875,945</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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 a reservation of fund balance. The balance of these notes receivable at June 30, 2008 was \$6,633.

**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, 2008, 120 employees had \$116,777 in notes due to the City.

**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 2008 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, 2008 was \$7,008,804.

**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 2007 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, 2008 was \$9,447,438.

**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 4A above). As of June 30, 2008, eleven loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$28,978.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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. At June 30, 2008 \$1,267,279 in notes had been issued to fourteen 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, 2008 was \$2,911,245 which has been classified as deferred receivables, and the short-term portion of these receivables, which totaled \$952,968 at June 30, 2008, 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, 2008, these deferred fees were \$2,178,114.

**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 \$15 million at June 30, 2008. 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 2008 payments made to the developer under the agreement totaled \$2,155,009.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

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

**B.     *Civic Plaza Project***

In fiscal 2004, the Agency agreed to sell four parcels of land to Vernon Street Associates, LLC for \$150,000, for the purpose of the construction of an office complex and public parking garage. Two of the parcels were owned by the Agency and two by the City. The City parcels were conveyed to the Agency in fiscal 2007 and subsequently all four parcels were sold to the Developer. The office complex is being built on the land sold to the Developer and is funded by the Developer. The developer has agreed to construct the parking garage for the Agency funded by \$5,817,000 of bond proceeds from the Agency's 2002 Tax Allocation Bonds, a \$360,000 contribution from the Developer, and a \$900,000 contribution from the General Fund. In addition, the Developer has agreed to contribute \$20,000 annually, plus an inflationary escalator beginning in 2010, towards the maintenance and operation costs of the parking garage. The Agency increased the project contract amount in fiscal 2007 by \$2.2 million, funded by an additional \$111,415 from the 2002 Tax Allocation Bonds and \$2.1 million from the City's General Fund. The Agency's portion of the construction was completed in fiscal 2008.

**C.     *Loan for 112 Pacific Street***

In fiscal 2007, the Agency entered into an Owner Participation Agreement with MSR Properties, LLC. The Agency agreed to loan MSR Properties, LLC, \$200,000 for the redeveloped residential property located at 112 Pacific Street in Historic Old Town. The loan bears 5.25% interest and payment is deferrable for 15 years, subject to certain conditions. The loan will be repaid inclusive of the principal amount, plus the greater of the deferred accumulated interest or proportionate share of the appreciation if the property. The loan is secured by a deed of trust. The Developer has agreed to maintain the second story residential units as efficiency units through the duration of the loan. This loan has been included in the Notes Receivable balance disclosed in Note 5.

**D.     *Land held for Redevelopment and Resale***

In April 2007, the Agency purchased a parcel located at 8051 Washington Boulevard. The parcel is accounted for at the lower of cost or net realizable value. The parcel is held by the Agency for resale in the future. On June 30, 2008, total value of this parcel amounted to \$3,747,668.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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:

	<u>Useful Lives</u>	<u>Capitalization Thresholds</u>
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 & 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 8 - CAPITAL ASSETS (Continued)**

**B. Capital Asset Additions and Retirements**

Capital assets at June 30 comprise:

	Balance at June 30, 2007	Additions	Retirements	Transfers	Balance at June 30, 2008
<i>Governmental activities</i>					
Capital assets not being depreciated:					
Land	\$23,327,759	\$2,510,477	(\$79,203)		\$25,759,033
Streets (modified)	209,688,849	8,559,879		\$3,466,221	221,714,949
Parks (modified)	68,877,437	1,323,506		136,438	70,337,381
Landscaping (modified)	35,602,082	3,249,026		32,643	38,883,751
Construction in progress	131,666,882	31,878,896		(35,404,179)	128,141,599
Total capital assets not being depreciated	469,163,009	47,521,784	(79,203)	(31,768,877)	484,836,713
Capital assets being depreciated:					
Buildings	80,013,294	6,167,182		22,407,387	108,587,863
Improvements	4,747,378	223,100		2,435	4,972,913
Equipment	57,138,073	10,582,823	(5,911,074)	785,458	62,595,280
Bike paths	7,701,904	289,425			7,991,329
Bridges	49,398,270			4,501,789	53,900,059
Culverts	19,659,110	375,473			20,034,583
Curb, gutter, sidewalk, & median curbs	129,796,772	6,037,236		896,665	136,730,673
Drain inlets	19,970,042			254,182	20,224,224
Flood control improvements	17,292,946			23,408	17,316,354
Soundwall	24,154,058	1,142,153		49,917	25,346,128
Stormdrains	62,323,244	6,121,594			68,444,838
Traffic signals	20,754,958	418,658		577,972	21,751,588
Total capital assets being depreciated	492,950,049	31,357,644	(5,911,074)	29,499,213	547,895,832
Less accumulated depreciation for:					
Buildings	(31,572,125)	(2,324,883)			(33,897,008)
Improvements	(1,045,783)	(126,173)			(1,171,956)
Equipment	(33,601,929)	(6,059,554)	4,235,235	(9,911)	(35,436,159)
Bike paths	(3,989,914)	(388,116)			(4,378,030)
Bridges	(5,883,111)	(573,880)			(6,456,991)
Culverts	(3,662,757)	(264,625)			(3,927,382)
Curb, gutter, sidewalk, & median curbs	(75,383,809)	(5,328,423)			(80,712,232)
Drain inlets	(5,732,593)	(401,943)			(6,134,536)
Flood control improvements	(1,521,226)	(230,729)			(1,751,955)
Soundwall	(4,558,588)	(707,146)			(5,265,734)
Stormdrains	(8,790,327)	(871,787)			(9,662,114)
Traffic signals	(11,286,527)	(929,927)			(12,216,454)
Total accumulated depreciation	(187,028,689)	(18,207,186)	4,235,235	(9,911)	(201,010,551)
Net capital assets being depreciated	305,921,360	13,150,458	(1,675,839)	29,489,302	346,885,281
Governmental activity capital assets, net	\$775,084,369	\$60,672,242	(\$1,755,042)	(\$2,279,575)	\$831,721,994

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 8 - CAPITAL ASSETS (Continued)**

	Balance at June 30, 2007	Additions	Retirements	Transfers	Balance at June 30, 2008
<i><b>Business-type activities</b></i>					
Capital assets, not being depreciated:					
Land	\$16,125,683	\$50,000			\$16,175,683
Landscaping	550,000				550,000
Construction in progress	269,832,569	66,130,454	(\$2,522,668)	(\$212,412,779)	121,027,576
Total capital assets not being depreciated	286,508,252	66,180,454	(2,522,668)	(212,412,779)	137,753,259
Capital assets, being depreciated:					
Buildings	17,585,141				17,585,141
Improvements	11,219,798	1,382,518	(38,964)	672,568	13,235,920
Machinery and equipment	17,093,685	873,607	(51,716)	220,476	18,136,052
Bike paths	1,064,167			1,454,248	2,518,415
Culverts		256,133		40,483	296,616
Curb, gutter, sidewalk, & median curbs		15,642			15,642
Drain inlets	18,500				18,500
Storm drains	30,863				30,863
Plant and substations	286,160,290	539,346	(64,350)	7,859,069	294,494,355
Distribution	929,085,348	45,404,610	(1,631,225)	18,959,769	991,818,502
Generation		11,494,534		185,490,741	196,985,275
Total capital assets being depreciated	1,262,257,792	59,966,390	(1,786,255)	214,697,354	1,535,135,281
Less accumulated depreciation for:					
Buildings	(3,936,726)	(444,164)	6		(4,380,884)
Improvements	(3,302,386)	(346,085)		(28,365)	(3,676,836)
Machinery and equipment	(9,840,224)	(1,534,712)	51,700	(5,000)	(11,328,236)
Bike paths	(186,229)	(89,565)			(275,794)
Culverts		(1,977)			(1,977)
Curb, gutter, sidewalk, & median curbs		(391)			(391)
Drain inlets	(1,295)	(370)			(1,665)
Storm drains	(1,440)	(412)			(1,852)
Plant and substations	(55,712,629)	(6,862,598)			(62,575,227)
Distribution	(142,391,706)	(14,325,382)		28,365	(156,688,723)
Generation		(4,360,444)			(4,360,444)
Total accumulated depreciation	(215,372,635)	(27,966,100)	51,706	(5,000)	(243,292,029)
Net capital assets being depreciated	1,046,885,157	32,000,290	(1,734,549)	214,692,354	1,291,843,252
Business-type activity capital assets, net	\$1,333,393,409	\$98,180,744	(\$4,257,217)	\$2,279,575	\$1,429,596,511

<b>CITY OF ROSEVILLE</b> <b>Notes to Basic Financial Statements</b>
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<b>NOTE 8 - CAPITAL ASSETS (Continued)</b>
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**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	\$1,982,280
Community development and planning	265,468
Public works	9,980,568
Police	764,571
Fire	444,557
Library	376,502
Parks and recreation	373,826
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>4,019,414</u>
<b>Total Governmental Activities</b>	<b><u><u>\$18,207,186</u></u></b>

***Business-Type Activities***

Electric	\$10,338,001
Water	6,529,117
Wastewater	9,611,029
Solid Waste	273,056
Golf Course	440,025
Local Transportation	751,622
School-age Child Care	<u>23,250</u>
<b>Total Business-Type Activities</b>	<b><u><u>\$27,966,100</u></u></b>

**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 7.5 and residential roadways at an average PQI of 6.5, instead of providing depreciation. During fiscal 2008 the City expended \$5,641,810 to preserve its roads. The City estimates that it will be required to expend approximately \$4,728,208 in fiscal 2009 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 2, instead of providing depreciation. During fiscal 2008 the City expended \$5,314,121 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$5,019,740 in fiscal 2009 to maintain its parks at this condition level.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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, 2007	Additions	Retirements	Balance June 30, 2008	Current Portion
<b>Governmental Activity Debt:</b>						
<b>Certificates of Participation:</b>						
2003A Public Facilities Refunding Bonds, 2.0%-5.0%, due 8/1/25	\$18,275,000	\$16,490,000		\$630,000	\$15,860,000	\$640,000
<b>Tax Allocation Bonds</b>						
2002 Roseville Redevelopment Project 3%-5.14%, due 9/1/33	14,500,000	13,460,000		280,000	13,180,000	290,000
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	3,285,000		240,000	3,045,000	80,000
2006 Roseville Redevelopment Project, Series H-T 5.31%-6.07%, due 9/1/40	6,505,000	6,505,000		140,000	6,365,000	70,000
<b>Installment Purchase Obligations:</b>						
Equipment	3,351,714	2,390,707		300,991	2,089,716	276,302
<b>Total Governmental Activity Debt:</b>	<u>\$59,071,714</u>	<u>\$55,285,707</u>		<u>\$1,590,991</u>	<u>\$53,694,716</u>	<u>\$1,356,302</u>
<b>Business-type Activity Debt:</b>						
<b>Certificates of Participation:</b>						
1999 Electric System Revenue, 4.0%-5.5%, due 2/1/24	\$21,630,000	\$1,115,000		\$545,000	\$570,000	\$570,000
2002 Electric System Revenue, variable rate, due 2/1/24	40,385,000	25,395,000		575,000	24,820,000	595,000
Less: deferred amount on refunding	(3,780,476)	(2,921,277)		(171,840)	(2,749,437)	
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	39,940,000	39,610,000		335,000	39,275,000	345,000
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	52,900,000		450,000	52,450,000	925,000
Add deferred bond premium cost	2,667,508	2,541,065		83,233	2,457,832	
2005 Electric System Revenue, Series B variable rate, due 2/1/35	90,000,000	90,000,000		90,000,000		
2005 Electric System Revenue, Series C variable rate, due 2/1/35	60,000,000	60,000,000		60,000,000		
2003B Golf Course Refunding Bond, 2.0%-5.0%, due 8/1/23	8,240,000	7,310,000		325,000	6,985,000	335,000
1997 Water Utility Revenue, 3.9%-5.2%, due 12/1/18	33,000,000	23,345,000		23,345,000		
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53,695,000		\$53,695,000		53,695,000	1,650,000
Add deferred bond premium cost	2,758,947		\$2,759,170	137,958	2,621,212	
Less: deferred amount on refunding	(920,622)		(920,622)	(216,171)	(704,451)	
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		64,500,000		64,500,000	1,315,000
<b>Total Certificates of Participation</b>	<u>555,015,357</u>	<u>299,294,788</u>	<u>210,033,548</u>	<u>175,408,180</u>	<u>333,920,156</u>	<u>5,735,000</u>
<b>Revenue Bonds:</b>						
2000 Wastewater Revenue Bonds, Series A, 3.8%-5.5%, due 11/1/27	59,465,118	6,191,625		6,191,625		
2000 Variable Rate Demand Wastewater Revenue Bonds, Series B, variable rate, due 11/1/35	37,919,000	37,919,000		37,919,000		
2003 Wastewater Refunding Revenue Bonds, variable rate, due 11/1/27	52,544,900	50,662,499		50,662,499		
Less deferred amount on refunding	(6,333,890)	(5,278,241)		(5,278,241)		
2007 Gas Revenue Bonds variable rate, due 2/15/28	209,350,000	209,350,000			209,350,000	6,645,000
Add deferred bond premium cost	15,454,116	14,718,206		735,910	13,982,296	
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		50,296,845		50,296,845	379,190
<b>Total Revenue Bonds</b>	<u>457,971,506</u>	<u>313,563,089</u>	<u>89,572,262</u>	<u>90,230,793</u>	<u>312,904,558</u>	<u>7,024,190</u>
<b>Other Long-Term Obligations:</b>						
Notes, 5%, due 10/1/17	333,108	161,246		161,246		
<b>Total Business-type Activity Debt:</b>	<u>\$1,013,319,971</u>	<u>\$613,019,123</u>	<u>\$299,605,810</u>	<u>\$265,800,219</u>	<u>\$646,824,714</u>	<u>\$12,759,190</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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. 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. As of June 30, 2008, the total principal and interest remaining to be paid on the bonds is \$22,980,605.

As disclosed in the originated official statement, pledged future tax increment revenues are expected to provide coverage over debt service over the life of the Bonds. For fiscal year 2008 tax increment revenues amount to \$7,535,590 which represented coverage of 378% over the \$1,991,139 in debt service.

**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. Interest on the bonds is payable semiannually on March 1 and September 1. Principal for the Series A and 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 of June 30, 2008, the total principal and interest remaining to be paid on the bonds is \$51,196,140. 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. For fiscal year 2008 tax increment revenues for Series A and Series A-T amount to \$7,535,590 which represented coverage of 378% over the \$1,991,139 in debt service. For fiscal year 2008 tax increment revenues for Series H-T bonds amount to \$7,535,590 which represented coverage of 287% over the \$524,643 in debt service.

**E. Installment Purchase Obligations**

The City is purchasing 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

***F. 1999 Electric System Revenue Certificates of Participation***

On August 3, 1999, the City issued \$21,630,000 of Certificates of Participation to finance a portion of the cost of capital improvements and is repayable from net revenue of the Electric Utility System. The Certificates bear interest at 4.0% - 5.5% and are due semi-annually on February 1 and August 1. Principal payments are due annually on February 1 and interest payments are due semi-annually on February 1 and August 1, through February 1, 2024.

In December 2002 the City defeased a portion of the 1999 COP's by placing proceeds from the 2002 Electric System Revenue Certificates of Participation in an irrevocable trust to provide amounts sufficient to pay, on August 1, 2009, the prepayment price of 101% of the principal amount and accrued interest. Accordingly, the trust account assets and the liability for the defeased COP's are not included in the financial statements. At June 30, 2008 the 1999 Electric System Revenue Certificates of Participation outstanding in the amount of \$21,060,000 are considered defeased.

As of June 30, 2008, the total principal and interest remaining to be paid on the bonds is \$597,075. As disclosed in the official statement, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the life of the Bonds. For fiscal year 2008 net revenues amount to \$15,137,000 which represented coverage of 128% over the \$11,784,000 in debt service.

***G. 2002 Electric System Revenue Certificates of Participation***

On December 17, 2002 the City issued \$40,385,000 of Certificates of Participation to defease portions of the 1997 and 1999 Electric System Revenue Certificates of Participation above and financed a portion of the cost of capital improvements. The COP's are repayable from net revenue of the Electric Utility System. Principal payments are due annually on February 1 and interest payments are due monthly, through February 1, 2024.

The 2002 Electric System Revenue Certificates of Participation were issued as variable rate COP's, with interest calculated weekly. The rate fluctuates according to the market conditions, but is capped at 12%. However, the City entered into a 22-year interest rate swap agreement for the entire amount of its 2002 Electric System Revenue Certificates of Participation as discussed in R. below. The combination of the variable rate COPs and a floating rate swap creates synthetic fixed-rate debt for the City. The synthetic fixed rate for the COPs was 3.221% at June 30, 2008.

As of June 30, 2008, the total principal and interest remaining to be paid on the bonds is \$31,645,491. 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 life of the Bonds. For fiscal year 2008, net revenues amount to \$15,137,000 which represented coverage of 128% over the \$11,784,000 in debt service.

At June 30, 2008 the 1997 Electric System Revenue Certificates of Participation outstanding in the amount of \$11,880,000 are considered defeased.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**H. 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.

As of June 30, 2008, the total principal and interest remaining to be paid on the bonds is \$77,716,130. As disclosed in the official statement, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the life of the Bonds. For fiscal year 2008 net revenues amount to \$15,137,000 which represented coverage of 128% over the \$11,784,000 in debt service

**I. 2005 Electric System Revenue Certificates of Participation, Series A; 2005 Electric System Revenue Certificates of Participation, Series B; and 2005 Electric System Variable Rate Revenue Certificates of Participation, Series C;**

On May 26, 2005 the City issued Certificates of Participation Series A, Series B, and Series C in the original principal amounts of \$52,900,000, \$90,000,000, and \$60,000,000 respectively, 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.

As of June 30, 2008, the total principal and interest remaining to be paid on the Series A Bonds is \$74,729,487. As disclosed in the official statement, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the life of the Bonds. For fiscal year 2008 \$15,137,000 which represented coverage of 128% over the \$11,784,000 in debt service

The Series B COP's were refunded in May 12, 2008. The refunding was financed using proceeds from the Electric System Revenue Refunding Certification of Participation Bonds, Series 2008A as discussed in Note M below.

The Series C COP's were refunded in May 12, 2008. The refunding was financed using proceeds from the Electric System Revenue Refunding Certification of Participation Bonds, Series 2008B as discussed in Note M below.

**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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

***K. 1997 Water Utility Revenue Certificates of Participation***

The City issued Certificates of Participation in the original principal amount of \$33,000,000 on September 1, 1997 to finance the acquisition, construction, and installation of additions to the water utility system. The COP's was refunded by the 2007 Water Utility Revenue Certificates of Participation as discussed in Note L.

***L. 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, 2008, the total principal and interest remaining to be paid on the bonds is \$84,308,412. 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 2008 net revenues amount to \$10,491,720 which represented coverage of 658% over the \$1,594,197 in debt service.

***M. 2008 Electric System Revenue Refunding Certificates of Participation Series A and Electric System Revenue Refunding Certificates of Participation Series A***

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, discussed above in Note I.

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 2.9294% at June 30, 2008. Principal payments are due annually on February 1 beginning February 1, 2023 through 2035.

As of June 30, 2008, the total principal and interest remaining to be paid on the Series A Bonds is \$144,048,296. 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 life of the Bonds. For fiscal year 2008 net revenues amount to \$15,137,000 which represented coverage of 128% over the \$11,784,000 in debt service.

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

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%.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

As of June 30, 2008, the total principal and interest remaining to be paid on the Series B Bonds is \$79,031,563. As disclosed in the official statement, all net revenues of the electric system are expected to provide coverage over debt service of 110% over the life of the Bonds. For fiscal year 2008 net revenues amount to \$15,137,000 which represented coverage of 128% over the \$11,784,000 in debt service.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$109,761, which resulted in accounting loss and expensed by the City. The District completed the current refunding and increased its total debt service payments over the next 27 years by \$6,667,200 obtain an economic gain of \$134,194.

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 expires May 13, 2011. The City paid \$126,824 in fees for the Letter of Credit during the year ended June 30, 2008.

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.

**N. *2000 South Placer Wastewater Authority Wastewater Revenue Bonds, Series A; and 2000 South Placer Wastewater Authority Variable Rate Demand Wastewater Revenue Bonds, Series B***

In November 2000, the South Placer Wastewater Authority 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. Upon completion, this Plant would benefit the City of Roseville, the South Placer Municipal Utility District, and the County of Placer. These three entities in return share the obligation of the 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.

On September 17, 2003, \$84,525,000 of the Series A Bonds were defeased by the 2003 Wastewater Refunding Revenue Bonds as discussed in Note Q below. In April, 2008, the remaining outstanding principal balance of the 2000 Series A Bonds was defeased by the South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008B as discussed in Note Q below. At June 30, 2008 the Series A Bonds in the amount of \$84,525,000 are considered defeased.

The South Placer Wastewater Authority Variable Rate Demand Wastewater Revenue Bonds, Series B, were refunded in April 2008. The refunding was financed using proceeds from the South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008A, as discussed in Note Q below.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

***O. 2003 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds***

On September 17, 2003 the South Placer Wastewater Authority issued \$97,000,000 of Refunding Wastewater Revenue Bonds to defease a portion of the 2000 Wastewater Revenue Bonds, Series A, as discussed above. The City's share of this obligation was determined to be 54.17%. These proceeds were placed in an irrevocable trust to provide for all future debt service payments on the 2000 Wastewater Revenue Bonds, Series A. In April 2008, the 2003 Bonds were refunded. The refunding was financed using proceeds from the South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008B as discussed in Note Q below.

***P. 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 19A) 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 19B) 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, 2008, the total principal and interest remaining to be paid on the bonds is \$335,745,795. For fiscal year 2008 net revenues amount to \$20,869,762 which represented coverage of 2.02% over the \$10,334,550 in debt service.

***Q. 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.

As of June 30, 2008, the total principal and interest remaining to be paid on the Series A Bonds is \$51,087,604. As disclosed in the official statements, net revenues of the respective systems of the participants are expected to provide coverage over debt service of 110% over the life of the Bonds. For fiscal year 2008 net revenue amounted to \$21,473,172 which represented coverage of 133% over the \$16,171,938 in debt service.

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 Authority financial statements. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$64,409 which resulted in an accounting loss and expensed by the City. The District completed the current refunding to reduce its total debt service payments over the next 28 years by \$1,920,250 and to obtain an economic gain of \$3,029,323.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

As of June 30, 2008, the total principal and interest remaining to be paid on the Series B Bonds is \$69,107,865. As disclosed in the official statement, participant net revenues of the respective systems are expected to provide coverage over debt service of 110% over the life of the Bonds. For fiscal year 2008 participant net revenues amount to \$21,473,172 which represented coverage of 133% over the \$16,171,938 in debt service

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 Authority has obtained a Letter of Credit in the amounts of \$73,314,456 and \$93,887,885 to be used in the event the remarketing agent is unable to resell any 2008A or 2008B Bonds and to ensure the Authority will not be required to repurchase the 2008A or 2008B Bonds before they mature. The Letter of Credit expires April 10, 2011. The Authority paid \$225,723 in fees for the Letter of Credit during the year ended June 30, 2008.

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.

The 2008 Bonds are subject to mandatory redemption, under certain conditions defined in the indenture, at a redemption price equal to the principal amount thereof plus accrued interest. The Authority's revenues have been pledged for the repayment of debt service on both the Series 2008A and 2008B Bonds. The interest rate as of June 30, 2008 for both of the 2008A and 2008B Bonds was 1.25 percent.

**R. Notes Payable**

The City borrowed \$333,108 original principal amount, on November 9, 1977, from the U. S. Department of Commerce to aid in financing drought emergency projects. The debt is repayable from the surplus revenue account of the Water Revenue Bonds. Bonds have been repaid with 2007 Water Utility Revenue Bonds Certificate of Participation discussed above in note L.

**S. Interest Rate Swap Agreements**

The City entered into interest swap agreements in connection with the 2002 Electric System Revenue Certificates of Participation and the 2008 Electric Revenue Certificates of Participation, Series B. 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.

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

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

*Terms.* The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2008, 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.

Related Bond Issue	Notional Amount	Effective Date	Counterparty	Credit Rating	Fixed Rate Paid	Variable Rate Received Lessor of 62% of 1m LIBOR or 70.5% of 1m LIBOR	Termination Date
2002 Electric System Revenue COP	\$25,395,000	12/18/2002	Morgan Stanley Capital Services Inc.	A+	2.980%	LIBOR or bond rate	2/1/2024
2008 Electric System Revenue COP, Series A	36,000,000	5/13/2008	Bank of America, N.A.	AA+	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
2008 Refunding Wastewater Revenue Bonds, Series B	50,296,848 (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
	<u>\$165,691,848</u>						

(A) The Authority's swap agreement is based on the notional amount of \$92,850,000 equivalent to the outstanding balance on the 2003B Bonds. The City's share of these underlying Bonds is 54.17%, or \$50,296,848. 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 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, 2008, the fair value of the swaps were in favor of the City as follows:

Related Bond Issue	Fair Value
2002 Electric System Revenue COP	(\$315,854)
2008 Electric System Revenue COP, Series A	
Bank of America N.A.	340,363
Morgan Stanley Capital Services Inc.	819,415
2008 Refunding Wastewater Revenue Bonds, Series B	<u>(2,409,720)</u>
	<u>(\$1,565,796)</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

*Credit risk.* As of June 30, 2008, the City was exposed to credit risk on the outstanding swaps because 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.

*Swap payments and associated debt.* Using rates as of June 30, 2008, debt service requirements of the City's outstanding variable-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 S:

For the Year Ending June 30	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest	Interest	
2009	\$974,190	\$2,647,432	\$1,667,473	\$5,289,095
2010	1,612,733	2,611,357	1,636,290	5,860,380
2011	1,666,275	2,561,196	1,592,040	5,819,511
2012	3,444,715	2,494,997	1,524,902	7,464,614
2013	3,552,428	2,419,446	1,444,850	7,416,724
2014-2018	19,782,218	10,869,345	5,921,902	36,573,465
2019-2023	40,079,868	8,518,263	3,451,489	52,049,620
2024-2028	53,754,421	5,010,343	848,851	59,613,615
2029-2033	40,250,000	2,304,167		42,554,167
2034-2038		232,578		232,578
Totals	<u>\$165,116,848</u>	<u>\$39,669,125</u>	<u>\$18,087,797</u>	<u>\$222,873,770</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 9 - LONG-TERM DEBT (Continued)**

**T. 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
2009	\$1,356,302	\$2,583,475	\$12,759,190	\$23,973,592
2010	1,324,016	2,534,072	13,592,733	23,491,154
2011	1,325,813	2,485,449	16,056,275	22,986,645
2012	1,378,714	2,433,837	18,259,715	22,314,653
2013	1,436,979	2,378,767	19,087,428	21,597,660
2014-2018	8,102,892	10,925,478	102,427,218	95,695,958
2019-2023	8,835,000	8,881,006	135,144,868	70,696,431
2024-2028	8,655,000	6,428,794	165,529,418	40,841,012
2029-2033	6,585,000	4,626,074	93,823,412	12,213,664
2034-2038	8,480,000	2,679,606	54,537,005	1,214,458
2039-2043	6,215,000	461,349		
Total	<u>\$53,694,716</u>	<u>\$46,417,907</u>	631,217,262	<u>\$335,025,228</u>
<b>Reconciliation of long-term debt</b>				
Add deferred bond premium costs			19,061,340	
Less deferred amount on refunding			<u>(3,453,888)</u>	
Net long-term debt			<u>646,824,714</u>	

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 10 – DEBT WITHOUT CITY COMMITMENT**

**A. 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, 2008 is as follows:

North Roseville-Rocklin Sewer Refunding District	\$270,000
Northeast Roseville Community Facilities District #1 & #2	11,700,000
North Roseville Community Facilities District #1	19,935,000
North Central Roseville Community Facilities District #1	36,075,000
Northwest Roseville Community Facilities District #1	22,570,000
Woodcreek West Community Facilities District #1, Series 2005	19,655,000
Stone Point Community Facilities District # 1	10,500,000
Fiddymment Ranch Community Facilities District # 1	79,775,000
Longmeadow Parkside Community Facilities District # 1	9,015,000
Westpark Community Facilities District # 1	79,585,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	37,910,000
Stone Point Community Facilities District #5, Series 2006	5,310,000
Diamond Creek Community Facilities District #1, Series 2007	7,075,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	42,900,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junion Lien Bonds	10,080,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,200,000
Total	\$403,555,000

**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 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 City's 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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. Portions of a fund's balance may be reserved or designated for future expenditure.

***C. Reserves***

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity, which provided the funds. The City cannot modify or remove these restrictions or reserves. At June 30, 2007, reservations included:

Reserves for **advances, inventories, deferred receivables and notes receivable, prepaids and land held for resale** are the portions of fund balance set aside to indicate these items do not represent available, spendable resources even though they are a component of assets.

Reserve for **encumbrances** represents the portion of fund balance set aside for open purchase orders.

Reserve for **capital projects** is the portion of fund balance to be used for projects approved by the Council.

Reserve for **low and moderate income housing** is the portion of redevelopment fund balance legally required to be set-aside for low and moderate income housing expenditures.

Reserve for **debt service** is the portion of fund balance legally restricted for the payment of principal and interest on long-term liabilities.

***D. Designations***

A portion of unreserved fund balance may be designated to indicate plans for financial resource utilization in a future period. Designations are imposed by City Council to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Council action.

Designated for carryover of capital improvement projects is the portion of fund balance to be used for approved capital projects.

***E. Fund Balance and Net Assets Deficits***

The Automotive Services Internal Service Fund had deficit fund balances at June 30, 2008 in the amounts of \$399,903. Future revenues are expected to offset the deficit.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)**

**F. Restatement of Fund Balance**

In fiscal 2005-2006, the US Department of Housing and Urban Development (HUD) issued guidance informing housing authorities that excess amounts remitted to them were to be recognized as revenue at the time the amounts were received regardless of when the expenditures offsetting these amounts occurred. Therefore, an adjustment to reflect this change in accounting method, in the amount of \$267,245, was recorded in the Housing Authority Section 8 Special Revenue Fund to eliminate this prior year deferred revenue balance and to increase fund balance.

**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, 2008, 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	27.897%	14.860%
Actuarially required contributions	\$7,600,993	\$16,829,472

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. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the years ended June 30, 2008, 2007 and 2006 amounted to \$24,430,465, \$21,782,529, and \$14,201,560 respectively. The City does not have a net pension obligation since it pays these actuarially required contributions monthly.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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
2005	\$97,938,304	\$77,359,257	\$20,579,047	79.0%	\$15,457,592	133.132%
2006	110,611,333	89,817,398	20,793,935	81.2%	17,469,043	119.033%
2007	128,968,772	111,672,273	17,296,499	86.6%	20,574,095	84.069%

*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
2005	\$194,259,046	\$149,816,685	\$44,442,361	77.1%	\$52,630,299	84.443%
2006	223,055,880	177,980,691	45,075,189	79.8%	58,688,647	76.804%
2007	258,357,526	224,366,629	33,990,897	86.8%	67,664,699	50.234%

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

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 13 – POST-EMPLOYMENT BENEFITS**

During fiscal year 2008, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). The provisions of this statement are applied prospectively and do not affect prior years financial statements. Required disclosures are presented below.

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 20 years City service if hired after January 1, 2004)		
■ Benefit	<u>Hired before January 1, 2004 (a)</u>		<u>Hired after January 1, 2004 (a)</u>
	• City paid premium, subject to the following caps:		• 100/90 formula, subject to vesting schedule:
	<u>Group</u>	<u>2008</u>	<u>CalPERS Service</u> <u>Vesting</u>
	Management/Confidential	\$1,118.27	10 to 20 years      50% to 100%
	Stationary Engineers Local 39	1,133.34	
	Roseville Police Association	1,031.27	
	Roseville Police Officers Association	1,186.62	
	Roseville Firefighters Associate	1,000.00	
	International Brotherhood of Electrical Workers	1,101.37	
	(a) January 1, 2005 for Polic Officers Association and Stationary Engineers Local 39		• 100/90 formula rates:
			<u>2008</u>
			Single      \$471.00
			Two-Party      886.00
			Family      1,129.00
			• Five years City service required
■ Dental, Vision and Life	• None		
■ Surviving Spouse Continuation	• Retirement plan election		
■ Pay-As-You-Go	Amounts		
	<u>Fiscal Year</u>	<u>(in thousands)</u>	
	2008	\$2,985	
	2007	2,513	
	2005	1,835	
	2006	1,820	

**Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a June 30, 2007 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 9.70% to 10.90% in 2009 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 using a 30 year amortization period.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)**

**Funding Progress and Funded Status**

During the fiscal year ended June 30, 2008, 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 (ARC) and Annual OPEB cost	\$17,689,000
Contributions made:	
City portion of current year premiums paid	<u>2,984,791</u>
<b>Net OPEB Obligation at June 30, 2008</b>	<b><u><u>\$14,704,209</u></u></b>
Percentage of annual OPEB cost contributed	<u><u>17%</u></u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2007, amounted to \$164.6 million and was unfunded since no assets had been transferred into a trust as of that date.

As shown above, the City's Net OPEB Obligation amounted to \$14.7 million as of June 30, 2008. In fiscal year 2009, the City plans to set aside \$1.26 million in the Post-Retirement Internal Service Fund, bringing the fund total up to \$31.67 million. The City is reviewing options to manage its OPEB liability and reduce its ARC. If the City does set up an irrevocable trust or participate in the California Employers Retirees Benefit Trust (CERBT), it will transfer some or all of the assets from the Post Retirement Internal Service Fund.

**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. The City maintains insurance coverage from a commercial carrier for its long-term disability and dental benefit plan.

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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 14 - RISK MANAGEMENT (Continued)**

**A. Risk Coverage**

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims up to \$40,000,000, property damage up to \$5,000,000, and boiler and machinery up to \$21,250,000. The City has a self-insured retention or deductible of \$500,000, \$25,000, and \$5,000, respectively, per claim. 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. During the fiscal year ended June 30, 2008, the City contributed \$911,073 for liability, \$300,118 for property and \$42,786 for boiler and machinery for coverage during the current year and received a refund of \$118,997 of prior year excess contributions.

The City is also a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to \$4,750,000 and provides additional coverage up to \$295,000,000. The City has a self-insured retention of up to \$250,000 per claim. During the fiscal year ended June 30, 2008, the City contributed \$665,056 for current year coverage.

The contributions made to each risk pool 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.

Financial statements for the risk pools may be obtained from CJPRMA, 2333 San Ramon Valley Blvd., Suite 250, San Ramon, CA 94583 and LAWCX, c/o James P. Marta, CPA, 5921 Landis Avenue, Suite 1, Carmichael, CA 95608.

**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:

	2008	2007
Claims liability, beginning of year	\$4,747,000	\$6,544,000
Current year claims	1,600,000	1,000,000
Change in prior year claims	(945,000)	(2,282,000)
Claims paid, current year claims	(305,000)	(109,000)
Claims paid, prior year claims	(252,000)	(406,000)
	<u>\$4,845,000</u>	<u>\$4,747,000</u>
Claims liability, end of year	<u>\$4,845,000</u>	<u>\$4,747,000</u>
Current claims liabilities	<u>\$536,000</u>	<u>\$463,000</u>

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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:

	2008	2007
Claims liability, beginning of year	\$1,664,000	\$1,926,000
Current year claims	1,000,000	800,000
Change in prior year claims	(290,000)	(863,000)
Claims paid, current year claims	(97,000)	(82,000)
Claims paid, prior year claims	(828,000)	(117,000)
	<u>\$1,449,000</u>	<u>\$1,664,000</u>
Claims liability, end of year	<u>\$1,449,000</u>	<u>\$1,664,000</u>
Current claims liabilities	<u>\$562,000</u>	<u>\$158,500</u>

The Unemployment Reserve and Vision Internal Service Funds had no outstanding claims liability at June 30, 2008.

**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 will be amortized in conjunction with the related debt service savings. The amount amortized for fiscal year 2008 was \$887,002.

**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 twenty-one 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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, 2008, the City incurred expenses totaling \$14,844,424 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.

	<u>June 30, 2008</u>
General Operating Reserve (including advances)	\$1,823,313
Associated Member Services (including advances)	722,580
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	950,019
Calaveras Hydroelectric Project	620,781
Combustion Turbine Project No. 1	201,091
Geothermal Public Power Line	Nil
Combustion Turbine Project No. 2	134,650
Graeagle Hydroelectric Project	<u>Nil</u>
	<u><u>\$4,452,434</u></u>

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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

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

**B. Projects**

***Geothermal Projects***

A purchased power agreement with NCPA obligates the City for 7.880% 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 has continued 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 has evaluated a number of alternatives to increase water reinjection at strategic locations. NCPA, together with other steam developers and the Lake County Sanitation District, has completed the construction of a wastewater pipeline project that greatly increased the amount of water available for reinjection.

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, 2008, the book value of this Project's plant, equipment and other assets was \$125,495,074, while its long-term debt totaled \$79,903,558 and other liabilities totaled \$48,591,516. The City's share of the Project's long-term debt amounted to \$6,060,000 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 7.880% 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, 2008 the City was owed \$158,369.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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, 2008, the book value of this Project's plant, equipment and other assets was \$505,026,397 while its long-term debt totaled \$476,612,669 and other liabilities totaled \$28,413,728. The City's share of the Project's long-term debt amounted to \$57,193,520 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. 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, 2008, the book value of this Project's plant, equipment and other assets was \$15,509,751, while its long-term debt totaled \$11,644,793 and other liabilities totaled \$3,864,958. The City's share of the Project's long-term debt amounted to \$1,581,363 at that date.

***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, 2008, the book value of this Project's plant, equipment and other assets was \$2,562,599, while its long-term debt totaled \$2,524,034 and other liabilities totaled \$38,565. The City's share of the Project's long-term debt amounted to \$357,908 at that date.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**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, 2008, the book value of this Project's plant, equipment and other assets was \$66,790,121, while its long-term debt totaled \$64,215,629 and other liabilities totaled \$2,574,492. The City's share of the Project's long-term debt amounted to \$23,438,705 at that date.

***Graeagle Hydroelectric Project***

The City's participation in this small hydroelectric project was approved in 1993. Although this project does not involve any financing, it does involve a long-term contractual commitment to purchase the power produced by the project.

**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. 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 17 – SOUTH PLACER WASTEWATER AUTHORITY (Continued)**

During the year ended June 30, 2008, the City paid \$11,392,794 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, 2008 was \$101,747,648.

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 2008, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$3,546,209
Deductions	<u>(121,572)</u>
Ending Balance	<u><u>\$3,424,637</u></u>

**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, 2008 was \$88,631,496. 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.

**CITY OF ROSEVILLE**  
**Notes to Basic Financial Statements**

**NOTE 19 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

On September 30, 2005 the City signed a Lease and Sublease Agreement with Roseville Investments, LLC for the development of two hotels and a conference center within the North Central Roseville Specific Plan Area. According to the terms of the Agreement, the City will lease the property in an aggregate amount of \$10 million from the Developer. The City will advance the lease payments for the public improvements at the site. The Developer will then sublease the public improvements from the City commencing upon the issuance of a certificate of occupancy for the first hotel for a term of ten years. At the end of the 10-year period, the Developer is required to make a balloon payment for any remaining rental payments up to the \$10 million.

***Construction and Other Commitments***

The City has the following outstanding construction commitments at June 30, 2008:

Projects	Amounts
Roseville Energy Park	\$9,862,077
WTP Expansion Phase III	3,000,000

**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 3 C 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, 2008, prepaid gas under this agreement amounted to \$223,782,534.

<p style="text-align: center;"><b>CITY OF ROSEVILLE</b> <b>Notes to Basic Financial Statements</b></p>
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<p><b>NOTE 20 – GAS SUPPLY ACQUISITION AND RESALE (Continued)</b></p>
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**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, 2008.

**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.

## REQUIRED SUPPLEMENTARY INFORMATION

### ***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 \$4,728,208 in fiscal 2009. The Pavement Quality Index (PQI) for the City's street pavement for the last nine years is as follows:

Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/Collector	Residential		
99/00	N/A	N/A	\$3,967,410	\$2,386,645
00/01	7.7	7.6	3,615,450	1,240,576
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	N/A

<b>REQUIRED SUPPLEMENTARY INFORMATION (Continued)</b>
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The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.5 and residential roadways at an average PQI of 6.5. 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 \$5,641,810 for street preservation in fiscal 2008.

### **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 \$5,019,740 in fiscal 2009. The Ground Management Index (GMI) for the City's parks and landscaping maintenance for the last ten years is as follows:

<b>Fiscal Year</b>	<b>GMI (Level) Parks and Landscaping</b>	<b>Maintenance Budget</b>	<b>Actual Maintenance</b>
98/99	N/A	N/A	N/A
99/00	N/A	N/A	N/A
00/01	N/A	N/A	N/A
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	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 2. This rating allows for high-level maintenance and is the recommended level for most organizations. The City expended \$5,314,121 for maintenance for fiscal 2008.

<b>NON-MAJOR GOVERNMENTAL FUNDS</b>
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**SPECIAL REVENUE FUNDS**

**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.

**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.

**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.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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**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.

**Park and Recreation Donation Fund.** To account for donations and revenues received by Park and Recreation Facilities and for Olympus Pointe Sculpture Park maintenance.

**Forfeited Property Fund.** To account for revenues received from confiscated property.

**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.** To account for the collection of fees for the construction of an animal shelter.

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

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

#### **DEBT SERVICE FUND**

**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**

**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**

**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.

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CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
<b>ASSETS</b>					
Cash and investments in City Treasury	\$5,015,961	\$3,378,547	\$788,796	\$311,803	
Restricted cash and investments with fiscal agents	80,710			46,644	
Receivables:					
Accounts	268,576				
Accrued interest	39,326	782,330	25,958	4,063	
Due from other government agencies		481,766			\$180,731
Due from other funds					
Advances to other funds		3,900,000			
Deferred receivables					
Notes receivables			55,970		
<b>Total Assets</b>	<b>\$5,404,573</b>	<b>\$8,542,643</b>	<b>\$870,724</b>	<b>\$362,510</b>	<b>\$180,731</b>
<b>LIABILITIES</b>					
Accounts payable	\$190,706	\$363,860		\$17,126	
Accrued liabilities					\$100
Due to other funds					180,631
Due to other government agencies					
Advances from other funds					
Deposits					
Deferred revenue	50,220	511,622	\$28,978		
Deferred liabilities		21,968			
<b>Total Liabilities</b>	<b>240,926</b>	<b>897,450</b>	<b>28,978</b>	<b>17,126</b>	<b>180,731</b>
<b>FUND BALANCES</b>					
Reserved for:					
Advances		3,900,000			
Deferred receivables and notes receivable			26,992		
Debt service					
Unreserved:					
Designated for carryover of capital improvement projects					
Undesignated	5,163,647	3,745,193	814,754	345,384	
<b>TOTAL FUND BALANCES</b>	<b>5,163,647</b>	<b>7,645,193</b>	<b>841,746</b>	<b>345,384</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$5,404,573</b>	<b>\$8,542,643</b>	<b>\$870,724</b>	<b>\$362,510</b>	<b>\$180,731</b>

SPECIAL REVENUE FUNDS

<u>FEMA</u>	<u>Trench Cut Recovery Fund</u>	<u>Law Enforcement Block Grants</u>	<u>Fire Facilities</u>	<u>Public Facilities</u>	<u>Park Development</u>	<u>Pleasant Grove Drain Basin</u>
	\$68,078	\$234,275	\$7,211,082	\$9,723,386	\$24,309,449	\$6,298,804
	622	3,098	5,030 70,888	81,839	278,112	37,536 56,253
			377,420	418,826	1,904,123	120,672
	<u>\$68,700</u>	<u>\$237,373</u>	<u>\$7,664,420</u>	<u>\$10,224,051</u>	<u>\$26,491,684</u>	<u>\$6,513,265</u>
			\$150,953 18,827		\$487,493	\$27,348
		\$204,340	95,365		615,070 252,130	54,907
		<u>204,340</u>	<u>265,145</u>		<u>1,354,693</u>	<u>82,255</u>
			282,055		1,289,053	65,765
	<u>\$68,700</u>	<u>33,033</u>	<u>7,117,220</u>	<u>10,224,051</u>	<u>23,847,938</u>	<u>6,365,245</u>
	<u>68,700</u>	<u>33,033</u>	<u>7,399,275</u>	<u>10,224,051</u>	<u>25,136,991</u>	<u>6,431,010</u>
	<u>\$68,700</u>	<u>\$237,373</u>	<u>\$7,664,420</u>	<u>\$10,224,051</u>	<u>\$26,491,684</u>	<u>\$6,513,265</u>

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
<b>ASSETS</b>					
Cash and investments in City Treasury	\$4,801,472	\$169,230	\$11,690	\$782,590	\$2,542,271
Restricted cash and investments with fiscal agents				66,036	
Receivables:					
Accounts				12,850	
Accrued interest	48,476	1,353			104,328
Due from other government agencies			274,972	57,016	1,500,000
Due from other funds					50,000
Advances to other funds					100,000
Deferred receivables					110,912
Notes receivables			8,650,198		4,031,213
Total Assets	<u>\$4,849,948</u>	<u>\$170,583</u>	<u>\$8,936,860</u>	<u>\$918,492</u>	<u>\$8,438,724</u>
<b>LIABILITIES</b>					
Accounts payable	\$154,106		\$71,284	\$8,727	\$187
Accrued liabilities			2,739	109,798	\$2,083
Due to other funds			187,248		
Due to other government agencies			8,650,198		
Advances from other funds					
Deposits					
Deferred revenue				32,906	4,058,715
Deferred liabilities					1,500,000
	<u>154,106</u>		<u>8,911,469</u>	<u>151,431</u>	<u>5,560,985</u>
<b>FUND BALANCES</b>					
Reserved for:					
Advances					100,000
Deferred receivables and notes receivable					83,410
Debt service					
Unreserved:					
Designated for carryover of capital improvement projects					
Undesignated	<u>4,695,842</u>	<u>\$170,583</u>	<u>25,391</u>	<u>767,061</u>	<u>2,694,329</u>
TOTAL FUND BALANCES	<u>4,695,842</u>	<u>170,583</u>	<u>25,391</u>	<u>767,061</u>	<u>2,877,739</u>
Total Liabilities and Fund Balances	<u>\$4,849,948</u>	<u>\$170,583</u>	<u>\$8,936,860</u>	<u>\$918,492</u>	<u>\$8,438,724</u>

SPECIAL REVENUE FUNDS

Park and Recreation Donation	Forfeited Property	Storm Water Management	Traffic Signal	South Placer Animal Control Shelter	Bike Trail/ Open Space Maintenance	Traffic Mitigation
\$435,718	\$139,968	\$222,953	\$3,030,975	\$59,572	\$465,693 60,508	\$26,392,901
3,722	1,144	2,241	9,551 29,779	446	1,617 2,688	408,335 264,998 877,676 200,000
			7,514	4,550		1,687,168
<u>\$439,440</u>	<u>\$141,112</u>	<u>\$225,194</u>	<u>\$3,077,819</u>	<u>\$64,568</u>	<u>\$530,506</u>	<u>\$29,831,078</u>
\$18		\$2,330 8,420	\$29,540 21,759		\$29,324	\$2,303,670
						4,500,000
						522,346 107,551
<u>18</u>		<u>10,750</u>	<u>51,299</u>		<u>29,324</u>	<u>7,433,567</u>
			7,514	\$4,550		1,164,822
<u>439,422</u>	<u>\$141,112</u>	<u>214,444</u>	<u>3,019,006</u>	<u>60,018</u>	<u>\$501,182</u>	<u>21,232,689</u>
<u>439,422</u>	<u>141,112</u>	<u>214,444</u>	<u>3,026,520</u>	<u>64,568</u>	<u>501,182</u>	<u>22,397,511</u>
<u>\$439,440</u>	<u>\$141,112</u>	<u>\$225,194</u>	<u>\$3,077,819</u>	<u>\$64,568</u>	<u>\$530,506</u>	<u>\$29,831,078</u>

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008

	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		Total Nonmajor Governmental Funds
	Roseville Finance Authority	Building	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens Benefit	
<b>ASSETS</b>						
Cash and investments in City Treasury	\$86,725	\$4,084,101	\$14,771,710	\$609,744	\$17,054,512	\$133,002,006
Restricted cash and investments with fiscal agents	1,454,163				320,854	2,028,915
Receivables:						
Accounts		2,000				745,495
Accrued interest	29,216	25,649	145,937	9,808	119,901	2,132,175
Due from other government agencies						3,372,161
Due from other funds						250,000
Advances to other funds						4,000,000
Deferred receivables						4,631,185
Notes receivables						12,737,381
Total Assets	<u>\$1,570,104</u>	<u>\$4,111,750</u>	<u>\$14,917,647</u>	<u>\$619,552</u>	<u>\$17,495,267</u>	<u>\$162,899,318</u>
<b>LIABILITIES</b>						
Accounts payable		\$821,051	\$59,661		\$550	\$4,717,934
Accrued liabilities		2,678				166,404
Due to other funds				\$18,619		386,498
Due to other government agencies						8,650,198
Advances from other funds						4,500,000
Deposits				600,000		600,000
Deferred revenue						6,174,469
Deferred liabilities						1,881,649
Total Liabilities		<u>823,729</u>	<u>59,661</u>	<u>618,619</u>	<u>550</u>	<u>27,077,152</u>
<b>FUND EQUITY</b>						
Reserved for:						
Advances						4,000,000
Deferred receivables and notes receivable						2,924,161
Debt service	\$1,570,104					1,570,104
Unreserved:						
Designated for carryover of capital improvement projects		3,288,021	14,857,986			18,146,007
Undesignated				933	17,494,717	109,181,894
TOTAL FUND BALANCES	<u>1,570,104</u>	<u>3,288,021</u>	<u>14,857,986</u>	<u>933</u>	<u>17,494,717</u>	<u>135,822,166</u>
Total Liabilities and Fund Balances	<u>\$1,570,104</u>	<u>\$4,111,750</u>	<u>\$14,917,647</u>	<u>\$619,552</u>	<u>\$17,495,267</u>	<u>\$162,899,318</u>

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CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
REVENUES					
Taxes	\$5,468,023				
Charges for services					
Subventions and grants		\$2,462,008		\$123,896	
Use of money and property	257,789	229,209	\$46,860	64,780	
Fines, forfeitures and penalties				3	\$1,099,817
Contributions from developers	7,000				
Miscellaneous revenues	120,270	14,029		45,015	
Total Revenues	5,853,082	2,705,246	46,860	233,694	1,099,817
EXPENDITURES					
Current:					
General government					
Community development and planning					
Public works		804,220			
Public safety:					
Fire					
Library				599,733	
Parks and recreation	3,648,035				
Housing assistance payments					
Capital outlay		4,433,099			
Debt service:					
Principal retirement					
Interest and fiscal charges		8,750			
Total Expenditures	3,648,035	5,246,069		599,733	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,205,047	(2,540,823)	46,860	(366,039)	1,099,817
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties					
Transfers in		2,485,350			
Transfers (out)	(1,443,208)	(344,854)		(3,270)	(1,099,818)
Total Other Financing Sources (Uses)	(1,443,208)	2,140,496		(3,270)	(1,099,818)
Net change in fund balances	761,839	(400,327)	46,860	(369,309)	(1)
Fund balances at the beginning of the period, as restated	4,401,808	8,045,520	794,886	714,693	1
Fund balances at the end of period	\$5,163,647	\$7,645,193	\$841,746	\$345,384	

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery Fund	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Park Development	Pleasant Grove Drain Basin
			\$1,964,480			
			23,364	\$3,349,456	\$5,592,984	\$845,958
		\$203,697				
	\$4,051	18,065	592,371	681,738	1,438,334	375,892
					94,257	378
	4,051	221,762	2,580,215	4,031,194	7,125,575	1,222,228
				2,800		171,779
			874,639			66
			401,405	1,177,242	3,610,389	480,209
			115,666			
			148,409			
			1,540,119	1,180,042	3,610,389	652,054
	4,051	221,762	1,040,096	2,851,152	3,515,186	570,174
			21,024			
	(40)	(201,829)	(2,820,759)	38,800	962,149	(10,140)
				(1,072,856)	(1,004,333)	
	(40)	(201,829)	(2,799,735)	(1,034,056)	(42,184)	(10,140)
	4,011	19,933	(1,759,639)	1,817,096	3,473,002	560,034
	64,689	13,100	9,158,914	8,406,955	21,663,989	5,870,976
	\$68,700	\$33,033	\$7,399,275	\$10,224,051	\$25,136,991	\$6,431,010

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
REVENUES					
Taxes					
Charges for services	\$201,230	\$45,778			\$16,000
Subventions and grants			\$1,027,083	\$4,149,291	
Use of money and property	320,869	8,629	12,440	27,383	236,161
Fines, forfeitures and penalties					359,145
Contributions from developers					457,076
Miscellaneous revenues			1,281,180	19,635	
Total Revenues	522,099	54,407	2,320,703	4,196,309	1,068,382
EXPENDITURES					
Current:					
General government	107,741				
Community development and planning			2,381,993	495,772	1,975,412
Public works					
Public safety:					
Fire					
Library					
Parks and recreation					
Housing assistance payments				3,399,145	
Capital outlay	916,084				
Debt service:					
Principal retirement					
Interest and fiscal charges					
Total Expenditures	1,023,825		2,381,993	3,894,917	1,975,412
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(501,726)	54,407	(61,290)	301,392	(907,030)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties					
Transfers in					
Transfers (out)	(6,650)		(120,000)	(60,899)	(9,820)
Total Other Financing Sources (Uses)	(6,650)		(120,000)	(60,899)	(9,820)
Net change in fund balances	(508,376)	54,407	(181,290)	240,493	(916,850)
Fund balances at the beginning of the period, as reported	5,204,218	116,176	206,681	526,568	3,794,589
Fund balances at the end of period	\$4,695,842	\$170,583	\$25,391	\$767,061	\$2,877,739

SPECIAL REVENUE FUNDS							DEBT SERVICE FUND
Park and Recreation Donation	Forfeited Property	Storm Water Management	Traffic Signal	South Placer Animal Control Shelter	Bike Trail/ Open Space Maintenance	Traffic Mitigation	Roseville Finance Authority
\$40,201			\$20,995	\$30,750		\$8,470,537	
23,938	\$7,298	\$14,467	190,885	2,778	\$12,007	2,618,301	\$3,773,092
750			66,245		8,424	1,515,368	
19,573	31,423	165	41,798		220,813	876,808	
84,462	38,721	14,632	319,923	33,528	241,244	1,180,802	3,773,092
		557,019	1,246,447		237,735	890,885	
3,838	730		252,508		22,312	10,824,861	
						13,216	630,000
3,838	730	557,019	1,498,955		260,047	11,728,962	4,286,277
80,624	37,991	(542,387)	(1,179,032)	33,528	(18,803)	2,932,854	4,916,277
		524,686	1,504,610		427,521	1,227,000	1,244,915
		(26,102)	(105,670)			(292,850)	(9,161)
		498,584	1,398,940		427,521	934,150	1,235,754
80,624	37,991	(43,803)	219,908	33,528	408,718	3,867,004	92,569
358,798	103,121	258,247	2,806,612	31,040	92,464	18,530,507	1,477,535
\$439,422	\$141,112	\$214,444	\$3,026,520	\$64,568	\$501,182	\$22,397,511	\$1,570,104

(Continued)

CITY OF ROSEVILLE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008

	CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		
	Building	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens Benefit	Total Nonmajor Governmental Funds
REVENUES					
Taxes					\$7,432,503
Charges for services					18,637,253
Subventions and grants	\$171,688				10,755,964
Use of money and property	203,410	\$959,564	(\$930)	\$1,171,237	12,187,685
Fines, forfeitures and penalties					1,100,570
Contributions from developers					1,317,622
Miscellaneous revenues	1,128	261		137,866	3,665,669
Total Revenues	376,226	959,825	(930)	1,309,103	55,097,266
EXPENDITURES					
Current:					
General government		5,363		646,502	1,000,141
Community development and planning					5,581,975
Public works					2,941,552
Public safety:					
Fire					874,639
Library					599,733
Parks and recreation		16,713			3,669,382
Housing assistance payments					3,399,145
Capital outlay	7,734,800	312,029			30,164,938
Debt service:					
Principal retirement					745,666
Interest and fiscal charges					4,456,652
Total Expenditures	7,734,800	334,105		646,502	53,433,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,358,574)	625,720	(930)	662,601	1,663,443
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties					21,024
Transfers in	6,529,759				14,944,790
Transfers (out)	(225,930)	(1,744,876)			(10,603,065)
Total Other Financing Sources (Uses)	6,303,829	(1,744,876)			4,362,749
Net change in fund balances	(1,054,745)	(1,119,156)	(930)	662,601	6,026,192
Fund balances at the beginning of the period, as restated	4,342,766	15,977,142	1,863	16,832,116	129,795,974
Fund balances at the end of period	\$3,288,021	\$14,857,986	\$933	\$17,494,717	\$135,822,166

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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, 2008

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			HOME IMPROVEMENT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$5,725,713	\$5,468,023	(\$257,690)			
Charges for services						
Subventions and grants						
Use of money and property	134,380	257,789	123,409	\$32,920	\$46,860	\$13,940
Fines, forfeitures and penalties		7,000	7,000			
Contributions from developers		120,270	120,270			
Miscellaneous revenues						
Total Revenues	5,860,093	5,853,082	(7,011)	32,920	46,860	13,940
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						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	5,244,188	3,648,035	1,596,153			
Housing assistance payments						
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	5,244,188	3,648,035	1,596,153			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	615,905	2,205,047	1,589,142	32,920	46,860	13,940
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in						
Transfers (out)	(1,338,698)	(1,443,208)	(104,510)			
Total Other Financing Sources (Uses)	(1,338,698)	(1,443,208)	(104,510)			
NET CHANGE IN FUND BALANCES	(\$722,793)	761,839	\$1,484,632	\$32,920	46,860	\$13,940
Fund balances at beginning of year, as restated		4,401,808			794,886	
Fund balances at end of year		\$5,163,647			\$841,746	

CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY			FEMA		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$120,000	\$123,896	\$3,896				\$112,000		(\$112,000)
54,700	64,780	10,080						
	3	3	\$1,026,000	\$1,099,817	\$73,817			
34,000	45,015	11,015						
208,700	233,694	24,994	1,026,000	1,099,817	73,817	112,000		(112,000)
753,000	599,733	153,267						
47,000		47,000						
800,000	599,733	200,267						
(591,300)	(366,039)	225,261	1,026,000	1,099,817	73,817	112,000		(112,000)
(3,270)	(3,270)		(1,026,000)	(1,099,818)	(73,818)	(112,000)		112,000
(3,270)	(3,270)		(1,026,000)	(1,099,818)	(73,818)	(112,000)		112,000
(\$594,570)	(369,309)	\$225,261		(1)	(\$1)			
	714,693			1				
	\$345,384							

(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, 2007

	TRENCH CUT RECOVERY			LAW ENFORCEMENT BLOCK GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services	\$1,000		(\$1,000)			
Subventions and grants				\$203,697	\$203,697	
Use of money and property	2,750	\$4,051	1,301	9,950	18,065	\$8,115
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues						
Total Revenues	3,750	4,051	301	213,647	221,762	8,115
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						
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	3,750	4,051	301	213,647	221,762	8,115
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in						
Transfers (out)	(40)	(40)		(82,500)	(201,829)	(119,329)
Total Other Financing Sources (Uses)	(40)	(40)		(82,500)	(201,829)	(119,329)
NET CHANGE IN FUND BALANCES	\$3,710	4,011	\$301	\$131,147	19,933	(\$111,214)
Fund balances at beginning of year, as restated		64,689			13,100	
Fund balances at end of year		\$68,700			\$33,033	

FIRE FACILITIES			PUBLIC FACILITIES			COMMUNITY DEVELOPMENT BLOCK GRANT HOME		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,507,300	\$1,964,480	\$457,180						
46,000	23,364	(22,636)	\$2,800,000	\$3,349,456	\$549,456			
97,000		(97,000)				\$4,675,555	\$1,027,083	(\$3,648,472)
497,510	592,371	94,861	567,390	681,738	114,348		12,440	12,440
						3,063,000	1,281,180	(1,781,820)
2,147,810	2,580,215	432,405	3,367,390	4,031,194	663,804	7,738,555	2,320,703	(5,417,852)
				2,800	2,800			
						800,000	684,414	115,586
						115,179	118,361	(3,182)
						7,057,026	1,579,218	5,477,808
894,962	874,639	20,323						
659,842	401,405	258,437	3,073,571	1,177,242	1,896,329	52,000		52,000
149,147	115,666	33,481						
96,101	148,409	(52,308)						
1,800,052	1,540,119	259,933	3,073,571	1,180,042	1,899,129	8,024,205	2,381,993	5,642,212
347,758	1,040,096	692,338	293,819	2,851,152	2,557,333	(285,650)	(61,290)	224,360
	21,024	21,024						
(4,763,814)	(2,820,759)	1,943,055	466,000	38,800	(427,200)	200,000		(200,000)
			(8,480,871)	(1,072,856)	7,408,015	(266,229)	(120,000)	146,229
(4,763,814)	(2,799,735)	1,964,079	(8,014,871)	(1,034,056)	6,980,815	(66,229)	(120,000)	(53,771)
(\$4,416,056)	(1,759,639)	\$2,656,417	(\$7,721,052)	1,817,096	\$9,538,148	(\$351,879)	(181,290)	\$170,589
	9,158,914			8,406,955			206,681	
	\$7,399,275			\$10,224,051			\$25,391	

(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, 2008

	HOUSING AUTHORITY SECTION 8			AFFORDABLE HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services					\$16,000	\$16,000
Subventions and grants	\$3,570,930	\$4,149,291	\$578,361			
Use of money and property		27,383	27,383	\$150,120	236,161	86,041
Fines, forfeitures and penalties					359,145	359,145
Contributions from developers					457,076	457,076
Miscellaneous revenues	7,190	19,635	12,445			
Total Revenues	3,578,120	4,196,309	618,189	150,120	1,068,382	918,262
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	449,882	431,867	18,015	88,877	87,116	1,761
Operating services and supplies	82,893	63,905	18,988	2,737,772	1,888,296	849,476
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments	3,147,900	3,399,145	(251,245)			
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	3,680,675	3,894,917	(214,242)	2,826,649	1,975,412	851,237
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(102,555)	301,392	403,947	(2,676,529)	(907,030)	1,769,499
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in						
Transfers (out)	(60,899)	(60,899)		(9,820)	(9,820)	
Total Other Financing Sources (Uses)	(60,899)	(60,899)		(9,820)	(9,820)	
NET CHANGE IN FUND BALANCES	(\$163,454)	240,493	\$403,947	(\$2,686,349)	(916,850)	\$1,769,499
Fund balances at beginning of year, as restated		526,568			3,794,589	
Fund balances at end of year		\$767,061			\$2,877,739	

STORM WATER MANAGEMENT			TRAFFIC SIGNAL			BIKE TRAIL/OPEN SPACE MAINTENANCE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				\$20,995	\$20,995			
\$10,880	\$14,467	\$3,587	\$125,710	190,885	65,175	\$15,950	\$12,007	(\$3,943)
	165	165	50,000	66,245			8,424	8,424
			8,000	41,798	33,798		220,813	220,813
10,880	14,632	3,752	183,710	319,923	119,968	15,950	241,244	225,294
						333,000	237,735	95,265
379,848	338,222							
365,558	218,797	146,761						
			911,788	894,351	17,437			
			551,562	352,096	199,466			
			463,998	252,508	211,490		22,312	(22,312)
745,406	557,019	146,761	1,927,348	1,498,955	428,393	333,000	260,047	72,953
(734,526)	(542,387)	192,139	(1,743,638)	(1,179,032)	564,606	(317,050)	(18,803)	298,247
514,867	524,686	9,819	1,504,610	1,504,610		500,859	427,521	(73,338)
(26,105)	(26,102)	3	(105,670)	(105,670)				
488,762	498,584	9,822	1,398,940	1,398,940		500,859	427,521	(73,338)
(\$245,764)	(43,803)	\$201,961	(\$344,698)	219,908	\$564,606	\$183,809	408,718	\$224,909
	258,247			2,806,612			92,464	
	\$214,444			\$3,026,520			\$501,182	

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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, 2007

	ROSEVILLE FINANCE AUTHORITY			GENERAL CAPITAL IMPROVEMENT PROJECTS REHABILITATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services						
Subventions and grants						
Use of money and property	\$7,690,489	\$3,773,092	(\$3,917,397)	\$755,990	\$959,564	\$203,574
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues					261	261
Total Revenues	<u>7,690,489</u>	<u>3,773,092</u>	<u>(3,917,397)</u>	<u>755,990</u>	<u>959,825</u>	<u>203,835</u>
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies					5,363	(5,363)
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						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies					16,713	(16,713)
Housing assistance payments						
Capital outlay				904,900	312,029	592,871
Debt service:						
Principal retirement	3,405,000	630,000	2,775,000			
Interest and fiscal charges	<u>4,285,489</u>	<u>4,286,277</u>	<u>(788)</u>			
Total Expenditures	<u>7,690,489</u>	<u>4,916,277</u>	<u>2,774,212</u>	<u>904,900</u>	<u>334,105</u>	<u>570,795</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(1,143,185)</u>	<u>(1,143,185)</u>	<u>(148,910)</u>	<u>625,720</u>	<u>774,630</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in		1,244,915	1,244,915			
Transfers (out)		<u>(9,161)</u>	<u>(9,161)</u>	<u>(5,123,509)</u>	<u>(1,744,876)</u>	<u>3,378,633</u>
Total Other Financing Sources (Uses)		<u>1,235,754</u>	<u>1,235,754</u>	<u>(5,123,509)</u>	<u>(1,744,876)</u>	<u>3,378,633</u>
NET CHANGE IN FUND BALANCES		<u>92,569</u>	<u>\$92,569</u>	<u>(\$5,272,419)</u>	<u>(1,119,156)</u>	<u>\$4,153,263</u>
Fund balances at beginning of year, as restated		<u>1,477,535</u>			<u>15,977,142</u>	
Fund balances at end of year		<u>\$1,570,104</u>			<u>\$14,857,986</u>	

CITIZENS BENEFIT		
Budget	Actual	Variance Positive (Negative)
\$735,000	\$1,171,237	\$436,237
	137,866	137,866
735,000	1,309,103	574,103

669,500	646,502	22,998
---------	---------	--------

669,500	646,502	22,998
65,500	662,601	597,101

\$65,500	662,601	\$597,101
	16,832,116	
	\$17,494,717	

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## 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.

The concept of major funds introduced by GASB Statement 34 does not extend to internal service funds because they do not do business with outside parties. 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, 2008

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>ASSETS</b>				
Current Assets				
Cash and investments in City Treasury	\$8,167	\$19,838,138	\$12,696,561	\$7,402,355
Receivables:				
Accounts	\$350	36,794	111,646	3,000
Accrued interest		1,263,638	110,391	65,152
Due from other government agencies	19,034			
Due from other funds		187,000		
Inventories	969,166			
	<u>996,717</u>	<u>21,325,570</u>	<u>12,918,598</u>	<u>7,470,507</u>
Total Current Assets				
	<u>996,717</u>	<u>21,325,570</u>	<u>12,918,598</u>	<u>7,470,507</u>
Non Current Assets				
Advances to other funds		4,461,201		
Capital assets, net of accumulated depreciation	63,751	16,888,654		
	<u>1,060,468</u>	<u>42,675,425</u>	<u>12,918,598</u>	<u>7,470,507</u>
Total Assets				
	<u>1,060,468</u>	<u>42,675,425</u>	<u>12,918,598</u>	<u>7,470,507</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	357,697	32,619	36,974	6,007
Accrued liabilities	52,127			
Due to other funds	713,583			
Compensated absences	178,456			
Self-insurance claims payable			536,000	562,000
	<u>1,301,863</u>	<u>32,619</u>	<u>572,974</u>	<u>568,007</u>
Total Current Liabilities				
	<u>1,301,863</u>	<u>32,619</u>	<u>572,974</u>	<u>568,007</u>
Long-term Liabilities				
Compensated absences	158,508			
Net OPEB obligations				
Self-insurance claims payable			4,309,000	887,000
	<u>1,460,371</u>	<u>32,619</u>	<u>4,881,974</u>	<u>1,455,007</u>
Total Liabilities				
	<u>1,460,371</u>	<u>32,619</u>	<u>4,881,974</u>	<u>1,455,007</u>
<b>NET ASSETS</b>				
Invested in capital assets	63,751	16,888,654		
Unrestricted	(463,654)	25,754,152	8,036,624	6,015,500
	<u>(\$399,903)</u>	<u>\$42,642,806</u>	<u>\$8,036,624</u>	<u>\$6,015,500</u>
Total Net Assets				
	<u>(\$399,903)</u>	<u>\$42,642,806</u>	<u>\$8,036,624</u>	<u>\$6,015,500</u>

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
\$94,383	\$263,040	\$614,485	\$6,049	\$29,890,705	\$316,423	\$71,130,306
						151,790
903	2,386	5,497		257,545		1,705,512
				111,827		130,861
						187,000
						969,166
95,286	265,426	619,982	6,049	30,260,077	316,423	74,274,635
						4,461,201
						16,952,405
95,286	265,426	619,982	6,049	30,260,077	316,423	95,688,241
					284,334	717,631
						52,127
						713,583
						178,456
						1,098,000
					284,334	2,759,797
						158,508
				14,704,209		14,704,209
						5,196,000
				14,704,209	284,334	22,818,514
95,286	265,426	619,982	6,049	15,555,868	32,089	16,952,405
						55,917,322
\$95,286	\$265,426	\$619,982	\$6,049	\$15,555,868	\$32,089	\$72,869,727

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
OPERATING REVENUES				
Charges for services	\$7,559,243	\$5,470,422		\$5,050
Other	261,623	223,722	\$3,191,027	2,316,110
Total Operating Revenues	7,820,866	5,694,144	3,191,027	2,321,160
OPERATING EXPENSES				
Operations	7,221,150	(29,589)	1,706,846	2,003,733
Depreciation and amortization	13,762	4,005,652		
Claims expense			685,261	693,228
Total Operating Expenses	7,234,912	3,976,063	2,392,107	2,696,961
Operating Income (Loss)	585,954	1,718,081	798,920	(375,801)
NONOPERATING (EXPENSES)				
Interest revenue		1,120,025	710,594	425,740
Net Nonoperating Revenues (Expenses)		1,120,025	710,594	425,740
Income (Loss) Before Transfers	585,954	2,838,106	1,509,514	49,939
Contributions				
Transfers in		2,423,505		
Transfers (out)	(928,587)	(578,742)	(36,900)	(24,600)
Change in Net Assets	(342,633)	4,682,869	1,472,614	25,339
Net assets (deficit)-beginning	(57,270)	37,959,937	6,564,010	5,990,161
Net assets (deficit)-ending	(\$399,903)	\$42,642,806	\$8,036,624	\$6,015,500

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$13,034,715
\$121,351	\$171,629	\$1,446,634	\$366,055	\$2,883,829		10,981,980
121,351	171,629	1,446,634	366,055	2,883,829		24,016,695
	185,689	139,160		18,505,531		29,732,520
						4,019,414
88,940		1,294,293	372,018			3,133,740
88,940	185,689	1,433,453	372,018	18,505,531		36,885,674
32,411	(14,060)	13,181	(5,963)	(15,621,702)		(12,868,979)
5,637	15,445	35,906	4	1,661,057		3,974,408
5,637	15,445	35,906	4	1,661,057		3,974,408
38,048	1,385	49,087	(5,959)	(13,960,645)		(8,894,571)
				3,737,504		6,161,009
(1,090)	(1,760)	(14,040)	(3,980)	(31,450)		(1,621,149)
36,958	(375)	35,047	(9,939)	(10,254,591)		(4,354,711)
58,328	265,801	584,935	15,988	25,810,459	\$32,089	77,224,438
\$95,286	\$265,426	\$619,982	\$6,049	\$15,555,868	\$32,089	\$72,869,727

CITY OF ROSEVILLE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$7,563,281	\$5,436,296	(\$111,646)	\$2,050
Payments to suppliers	(4,817,589)	11,545	(1,767,925)	(2,028,268)
Payments to employees	(2,239,545)			
Claims paid			(587,261)	(908,228)
Other receipts (payments)	261,623	223,722	3,191,027	2,316,110
Net cash provided by operating activities	767,770	5,671,563	724,195	(618,336)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
(Increase) decrease in due from other funds		747,099		
Increase (decrease) in due to other funds	178,984			
(Increase) decrease in advances to other funds		187,000		
Contributions				
Transfers in		2,423,505		
Transfers (out)	(928,587)	(578,742)	(36,900)	(24,600)
Cash Flows from Noncapital Financing Activities	(749,603)	2,778,862	(36,900)	(24,600)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net	(10,000)	(4,781,235)		
Cash Flows from Capital and Related Financing Activities	(10,000)	(4,781,235)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends		1,054,884	706,090	432,218
Cash Flows from Investing Activities		1,054,884	706,090	432,218
Net increase (decrease) in cash and cash equivalents	8,167	4,724,074	1,393,385	(210,718)
Cash and investments at beginning of period		15,114,064	11,303,176	7,613,073
Cash and investments at end of period	\$8,167	\$19,838,138	\$12,696,561	\$7,402,355
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$585,954	\$1,718,081	\$798,920	(\$375,801)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	13,762	4,005,652		
Change in assets and liabilities:				
Receivables, net	(60,351)	(34,126)	(111,646)	(3,000)
Prepaid				
Net OPEB obligations				
Accounts and other payables	228,405	(18,044)	36,921	(239,535)
Net cash provided by operating activities	\$767,770	\$5,671,563	\$724,195	(\$618,336)

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
				(\$111,827)		\$12,778,154
(\$23,844)	(\$185,689)	(\$160,722)		(13,488)	\$101,806	(8,884,174)
				(3,787,834)		(6,027,379)
(88,940)		(1,294,293)	(372,018)			(3,250,740)
121,351	171,629	1,446,634	366,055	2,883,829		10,981,980
8,567	(14,060)	(8,381)	(5,963)	(1,029,320)	101,806	5,597,841
						747,099
						178,984
						187,000
				3,737,504		6,161,009
(1,090)	(1,760)	(14,040)	(3,980)	(31,450)		(1,621,149)
(1,090)	(1,760)	(14,040)	(3,980)	3,706,054		5,652,943
						(4,791,235)
						(4,791,235)
5,741	15,766	36,182	70	1,652,880		3,903,831
5,741	15,766	36,182	70	1,652,880		3,903,831
13,218	(54)	13,761	(9,873)	4,329,614	101,806	10,363,380
81,165	263,094	600,724	15,922	25,561,091	214,617	60,766,926
\$94,383	\$263,040	\$614,485	\$6,049	\$29,890,705	\$316,423	\$71,130,306
\$32,411	(\$14,060)	\$13,181	(\$5,963)	(\$15,621,702)		(\$12,868,979)
						4,019,414
				(111,827)	\$45,636	(275,314)
				14,704,209		14,704,209
(23,844)		(21,562)			56,170	18,511
\$8,567	(\$14,060)	(\$8,381)	(\$5,963)	(\$1,029,320)	\$101,806	\$5,597,841

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<b>AGENCY FUNDS</b>
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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.

<b>AGENCY FUNDS (Continued)</b>
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**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 fees 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.

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CITY OF ROSEVILLE  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<u>Foothills Boulevard Special Assessment District</u>				
Cash and investments in City Treasury	\$15,875	\$45,988	\$45,988	\$15,875
Total Assets	<u>\$15,875</u>	<u>\$45,988</u>	<u>\$45,988</u>	<u>\$15,875</u>
Due to bondholders	<u>\$15,875</u>	<u>\$45,988</u>	<u>\$45,988</u>	<u>\$15,875</u>
<u>Hilltop Special Assessment District</u>				
Cash and investments in City Treasury	\$1,015	\$1	\$25	\$991
Restricted cash and investments with fiscal agents		14		14
Total Assets	<u>\$1,015</u>	<u>\$15</u>	<u>\$25</u>	<u>\$1,005</u>
Due to bondholders	<u>\$1,015</u>	<u>\$15</u>	<u>\$25</u>	<u>\$1,005</u>
<u>North Roseville/Rocklin Sewer Special Assessment District</u>				
Cash and investments in City Treasury	\$392,482	\$258,640	\$498,634	\$152,488
Restricted cash and investments with fiscal agents		153,003		153,003
Accrued interest receivable	<u>2,004</u>	<u>1,413</u>	<u>2,004</u>	<u>1,413</u>
Total Assets	<u>\$394,486</u>	<u>\$413,056</u>	<u>\$500,638</u>	<u>\$306,904</u>
Accounts payable	\$289	\$142	\$289	\$142
Due to bondholders	<u>394,197</u>	<u>412,914</u>	<u>500,349</u>	<u>306,762</u>
Total Liabilities	<u>\$394,486</u>	<u>\$413,056</u>	<u>\$500,638</u>	<u>\$306,904</u>
<u>Rocky Ridge/Harding Special Assessment District</u>				
Cash and investments in City Treasury	\$45,559	\$90	\$6,833	\$38,816
Restricted cash and investments with fiscal agents		1,480		1,480
Accrued interest receivable	<u>1,730</u>	<u>14</u>	<u>1,730</u>	<u>14</u>
Total Assets	<u>\$47,289</u>	<u>\$1,584</u>	<u>\$8,563</u>	<u>\$40,310</u>
Due to bondholders	<u>\$47,289</u>	<u>\$1,584</u>	<u>\$8,563</u>	<u>\$40,310</u>
Total Liabilities	<u>\$47,289</u>	<u>\$1,584</u>	<u>\$8,563</u>	<u>\$40,310</u>
<u>Champion Oaks Special Assessment District</u>				
Cash and investments in City Treasury	<u>\$19,287</u>			<u>\$19,287</u>
Due to bondholders	<u>\$19,287</u>			<u>\$19,287</u>

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<u>Foothills Boulevard Extension Special Assessment District</u>				
Cash and investments in City Treasury	\$1,051,755	\$33,877	\$836,479	\$249,153
Restricted cash and investments with fiscal agents		4,512		4,512
Accrued interest receivable	5,297	36	5,297	36
Total Assets	<u>\$1,057,052</u>	<u>\$38,425</u>	<u>\$841,776</u>	<u>\$253,701</u>
Accounts payable	\$462		\$462	
Due to bondholders	1,056,590	\$38,425	841,314	\$253,701
Total Liabilities	<u>\$1,057,052</u>	<u>\$38,425</u>	<u>\$841,776</u>	<u>\$253,701</u>
<u>Northeast Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,702,702	(\$713,029)	\$278,451	\$1,711,222
Restricted cash and investments with fiscal agents	841,118		80,390	760,728
Accrued interest receivable	20,613	19,107	20,613	19,107
Total Assets	<u>\$3,564,433</u>	<u>(\$693,922)</u>	<u>\$379,454</u>	<u>\$2,491,057</u>
Accounts payable	\$1,466	\$53	\$1,466	\$53
Due to bondholders	3,562,967	(693,975)	377,988	2,491,004
Total Liabilities	<u>\$3,564,433</u>	<u>(\$693,922)</u>	<u>\$379,454</u>	<u>\$2,491,057</u>
<u>Northwest Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,755,278	\$1,589,103	\$474,853	\$2,869,528
Restricted cash and investments with fiscal agents	2,426,475	116		2,426,591
Accrued interest receivable	47,222	48,764	47,222	48,764
Total Assets	<u>\$4,228,975</u>	<u>\$1,637,983</u>	<u>\$522,075</u>	<u>\$5,344,883</u>
Accounts payable	\$2,288	\$71	\$2,288	\$71
Due to bondholders	4,226,687	1,637,912	519,787	5,344,812
Total Liabilities	<u>\$4,228,975</u>	<u>\$1,637,983</u>	<u>\$522,075</u>	<u>\$5,344,883</u>
<u>Stoneridge East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$831,915	\$1,057,943	\$883,214	\$1,006,644
Restricted cash and investments with fiscal agents	1,188,956	9,706		1,198,662
Accrued interest receivable	22,313	25,261	22,313	25,261
Total Assets	<u>\$2,043,184</u>	<u>\$1,092,910</u>	<u>\$905,527</u>	<u>\$2,230,567</u>
Accounts payable	\$1,987	\$106	\$1,987	\$106
Due to bondholders	2,041,197	1,092,804	903,540	2,230,461
Total Liabilities	<u>\$2,043,184</u>	<u>\$1,092,910</u>	<u>\$905,527</u>	<u>\$2,230,567</u>

(Continued)

CITY OF ROSEVILLE  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<u>Northeast Roseville Community Facilities District #2</u>				
Cash and investments in City Treasury	\$832,640	\$555,807	\$579,341	\$809,106
Restricted cash and investments with fiscal agents	1,118,553		26,059	1,092,494
Accrued interest receivable	22,455	21,567	22,455	21,567
Total Assets	<u>\$1,973,648</u>	<u>\$577,374</u>	<u>\$627,855</u>	<u>\$1,923,167</u>
Accounts payable	\$1,465	\$53	\$1,465	\$53
Due to bondholders	1,972,183	577,321	626,390	1,923,114
Total Liabilities	<u>\$1,973,648</u>	<u>\$577,374</u>	<u>\$627,855</u>	<u>\$1,923,167</u>
<u>North Central Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$6,955,199	\$3,358,115	\$5,889,078	\$4,424,236
Restricted cash and investments with fiscal agents	4,968,636	64,091		5,032,727
Accrued interest receivable	72,495	110,094	72,495	110,094
Total Assets	<u>\$11,996,330</u>	<u>\$3,532,300</u>	<u>\$5,961,573</u>	<u>\$9,567,057</u>
Accounts payable	\$2,913	\$390	\$2,913	\$390
Due to bondholders	11,993,417	3,531,910	5,958,660	9,566,667
Total Liabilities	<u>\$11,996,330</u>	<u>\$3,532,300</u>	<u>\$5,961,573</u>	<u>\$9,567,057</u>
<u>North Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,884,234	\$1,020,385	\$1,160,114	\$1,744,505
Restricted cash and investments with fiscal agents	1,787,945	47,203		1,835,148
Accrued interest receivable	5,163	10,041	5,163	10,041
Total Assets	<u>\$3,677,342</u>	<u>\$1,077,629</u>	<u>\$1,165,277</u>	<u>\$3,589,694</u>
Accounts payable	\$2,376	\$354	\$2,376	\$354
Due to bondholders	3,674,966	1,077,275	1,162,901	3,589,340
Total Liabilities	<u>\$3,677,342</u>	<u>\$1,077,629</u>	<u>\$1,165,277</u>	<u>\$3,589,694</u>
<u>Woodcreek West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$626,172	\$1,042,606	\$687,339	\$981,439
Restricted cash and investments with fiscal agents	1,446,142	20,676		1,466,818
Accrued interest receivable	24,311	24,846	24,311	24,846
Total Assets	<u>\$2,096,625</u>	<u>\$1,088,128</u>	<u>\$711,650</u>	<u>\$2,473,103</u>
Accounts payable	\$2,077	\$106	\$2,077	\$106
Due to bondholders	2,094,548	1,088,022	709,573	2,472,997
Total Liabilities	<u>\$2,096,625</u>	<u>\$1,088,128</u>	<u>\$711,650</u>	<u>\$2,473,103</u>

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<b>Highland Reserve North Community Facilities District #1</b>				
Cash and investments in City Treasury	\$2,158,790	\$1,982,690	\$2,065,807	\$2,075,673
Restricted cash and investments with fiscal agents	2,989,551		387,412	2,602,139
Accrued interest receivable	32,591	51,835	32,591	51,835
<b>Total Assets</b>	<b>\$5,180,932</b>	<b>\$2,034,525</b>	<b>\$2,485,810</b>	<b>\$4,729,647</b>
Accounts payable	\$2,780	\$3,649	\$2,780	\$3,649
Due to bondholders	5,178,152	2,030,876	2,483,030	4,725,998
<b>Total Liabilities</b>	<b>\$5,180,932</b>	<b>\$2,034,525</b>	<b>\$2,485,810</b>	<b>\$4,729,647</b>
<b>Stoneridge Parcel 1 Community Facilities District #1</b>				
Cash and investments in City Treasury	\$98,006	\$18,478		\$116,484
Restricted cash and investments with fiscal agents	166,838	133,845	\$160,254	140,429
Accrued interest receivable	100	2,902	100	2,902
<b>Total Assets</b>	<b>\$264,944</b>	<b>\$155,225</b>	<b>\$160,354</b>	<b>\$259,815</b>
Accounts payable	\$917	\$177	\$917	\$177
Due to bondholders	264,027	155,048	159,437	259,638
<b>Total Liabilities</b>	<b>\$264,944</b>	<b>\$155,225</b>	<b>\$160,354</b>	<b>\$259,815</b>
<b>Woodcreek East Community Facilities District #1</b>				
Cash and investments in City Treasury	\$229,254	\$461,064	\$244,398	\$445,920
Restricted cash and investments with fiscal agents	598,403	114,017	216,116	496,304
Accrued interest receivable	6,291	10,253	6,291	10,253
<b>Total Assets</b>	<b>\$833,948</b>	<b>\$585,334</b>	<b>\$466,805</b>	<b>\$952,477</b>
Accounts payable	\$1,721	\$1,594	\$1,721	\$1,594
Due to bondholders	832,227	583,740	465,084	950,883
<b>Total Liabilities</b>	<b>\$833,948</b>	<b>\$585,334</b>	<b>\$466,805</b>	<b>\$952,477</b>
<b>Stoneridge West Community Facilities District #1</b>				
Cash and investments in City Treasury	\$636,915	\$170,594		\$807,509
Restricted cash and investments with fiscal agents	925,357	822,953	\$810,047	938,263
Accrued interest receivable	17,836	20,127	17,836	20,127
<b>Total Assets</b>	<b>\$1,580,108</b>	<b>\$1,013,674</b>	<b>\$827,883</b>	<b>\$1,765,899</b>
Accounts payable	\$1,977	\$779	\$1,977	\$779
Due to bondholders	1,578,131	1,012,895	825,906	1,765,120
<b>Total Liabilities</b>	<b>\$1,580,108</b>	<b>\$1,013,674</b>	<b>\$827,883</b>	<b>\$1,765,899</b>

(Continued)

CITY OF ROSEVILLE  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<b>Crocker Ranch Community Facilities District #1</b>				
Cash and investments in City Treasury	\$877,963	\$23,657		\$901,620
Restricted cash and investments with fiscal agents	1,439,986	1,438,799	\$1,461,458	1,417,327
Accrued Interest receivable	21,651	26,702	21,651	26,702
<b>Total Assets</b>	<b>\$2,339,600</b>	<b>\$1,489,158</b>	<b>\$1,483,109</b>	<b>\$2,345,649</b>
Accounts payable	\$4,638	\$3,507	\$4,638	\$3,507
Due to bondholders	2,334,962	1,485,651	1,478,471	2,342,142
<b>Total Liabilities</b>	<b>\$2,339,600</b>	<b>\$1,489,158</b>	<b>\$1,483,109</b>	<b>\$2,345,649</b>
<b>Stone Point Community Facilities District #1</b>				
Cash and investments in City Treasury	\$709,796	\$202,229		\$912,025
Restricted cash and investments with fiscal agents	913,225	714,366	\$662,697	964,894
Accrued interest receivable	11,501	4,780	11,501	4,780
<b>Total Assets</b>	<b>\$1,634,522</b>	<b>\$921,375</b>	<b>\$674,198</b>	<b>\$1,881,699</b>
Accounts payable	\$3,282		\$3,282	
Due to bondholders	1,631,240	\$921,375	670,916	\$1,881,699
<b>Total Liabilities</b>	<b>\$1,634,522</b>	<b>\$921,375</b>	<b>\$674,198</b>	<b>\$1,881,699</b>
<b>Stone Point Community Facilities District #5</b>				
Cash and investments in City Treasury		\$510,551	\$336,793	\$173,758
Restricted cash and investments with fiscal agents		476,977		476,977
<b>Total Assets</b>		<b>\$987,528</b>	<b>\$336,793</b>	<b>\$650,735</b>
Accounts payable	\$5,142		\$5,142	
Due to bondholders	(5,142)	\$987,528	331,651	\$650,735
<b>Total Liabilities</b>		<b>\$987,528</b>	<b>\$336,793</b>	<b>\$650,735</b>
<b>Westpark Community Facilities District #1</b>				
Cash and investments in City Treasury		\$4,855,445	\$2,112,892	\$2,742,553
Restricted cash and investments with fiscal agents	\$6,619,854		1,067,428	5,552,426
Accrued interest receivable	96,513	113,065	96,513	113,065
<b>Total Assets</b>	<b>\$6,716,367</b>	<b>\$4,968,510</b>	<b>\$3,276,833</b>	<b>\$8,408,044</b>
Accounts payable	\$1,571	\$883	\$1,571	\$883
Due to bondholders	6,714,796	4,967,627	3,275,262	8,407,161
<b>Total Liabilities</b>	<b>\$6,716,367</b>	<b>\$4,968,510</b>	<b>\$3,276,833</b>	<b>\$8,408,044</b>

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<b>Fiddymment Ranch Community Facilities District #1</b>				
Cash and investments in City Treasury	\$2,201	\$5,209,710	\$2,184,762	\$3,027,149
Restricted cash and investments with fiscal agents	4,245,965	2,236,494		6,482,459
Accrued interest receivable	65,479	147,997	65,479	147,997
Total Assets	<u>\$4,313,645</u>	<u>\$7,594,201</u>	<u>\$2,250,241</u>	<u>\$9,657,605</u>
Accounts payable	\$2,299	\$940	\$2,299	\$940
Due to bondholders	4,311,346	7,593,261	2,247,942	9,656,665
Total Liabilities	<u>\$4,313,645</u>	<u>\$7,594,201</u>	<u>\$2,250,241</u>	<u>\$9,657,605</u>
<b>Longmeadow Community Facilities District #1</b>				
Cash and investments in City Treasury		\$565,771	\$219,311	\$346,460
Restricted cash and investments with fiscal agents	\$843,715		221,139	622,576
Accrued interest receivable	6,816	7,958	6,816	7,958
Total Assets	<u>\$850,531</u>	<u>\$573,729</u>	<u>\$447,266</u>	<u>\$976,994</u>
Accounts payable				
Due to bondholders	\$850,531	\$573,729	\$447,266	\$976,994
Total Liabilities	<u>\$850,531</u>	<u>\$573,729</u>	<u>\$447,266</u>	<u>\$976,994</u>
<b>NC SP PAR 44 Community Facilities District</b>				
Cash and investments in City Treasury	\$5,780		\$5,780	
Total Assets	<u>\$5,780</u>		<u>\$5,780</u>	
Accounts payable	\$5,780		\$5,780	
Total Liabilities	<u>\$5,780</u>		<u>\$5,780</u>	
<b>Diamond Creek Community Facilities District #1</b>				
Cash and investments in City Treasury		\$310,845	\$310,769	\$76
Restricted cash and investments with fiscal agents		843,648		843,648
Accrued interest receivable		4,599		4,599
Total Assets		<u>\$1,159,092</u>	<u>\$310,769</u>	<u>\$848,323</u>
Due to bondholders		\$1,159,092	\$310,769	\$848,323
Total Liabilities		<u>\$1,159,092</u>	<u>\$310,769</u>	<u>\$848,323</u>
<b>Fountains Community Facilities District #1</b>				
Cash and investments in City Treasury		\$636,546	\$636,395	\$151
Restricted cash and investments with fiscal agents		1,478,772		1,478,772
Accrued interest receivable		25		25
Total Assets		<u>\$2,115,343</u>	<u>\$636,395</u>	<u>\$1,478,948</u>
Due to bondholders		\$2,115,343	\$636,395	\$1,478,948
Total Liabilities		<u>\$2,115,343</u>	<u>\$636,395</u>	<u>\$1,478,948</u>

(Continued)

CITY OF ROSEVILLE  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<b>Payroll Revolving</b>				
Cash and investments in City Treasury	\$1,659,823	\$4,123,675	\$1,659,823	\$4,123,675
Total Assets	\$1,659,823	\$4,123,675	\$1,659,823	\$4,123,675
Accounts payable	\$1,659,823		\$1,659,823	
Due to others		\$4,123,675		\$4,123,675
Total Liabilities	\$1,659,823	\$4,123,675	\$1,659,823	\$4,123,675
<b>Highway 65 JPA</b>				
Cash and investments in City Treasury	\$9,812,800	\$7,736,452	\$43,701	\$17,505,551
Accounts receivable		33,729		33,729
Accrued interest receivable	63,809	145,750	63,809	145,750
Due from other government agencies	948,162	215,977	948,162	215,977
Total Assets	\$10,824,771	\$8,131,908	\$1,055,672	\$17,901,007
Accounts payable		\$500		\$500
Due to member agencies	\$10,824,771	8,131,408	\$1,055,672	17,900,507
Total Liabilities	\$10,824,771	\$8,131,408	\$1,055,672	\$17,900,507
<b>Dry Creek Drainage Basin</b>				
Cash and investments in City Treasury	\$12,591		\$8,507	\$4,084
Accrued interest receivable	412	\$74	412	74
Total Assets	\$13,003	\$74	\$8,919	\$4,158
Accounts Payable	\$13,287	\$3,979	\$13,287	\$3,979
Due to others	(284)	(3,905)	(4,368)	179
Total Liabilities	\$13,003	\$74	\$8,919	\$4,158
<b>Disaster Recovery JPA</b>				
Cash and investments in City Treasury	\$39,365	\$36,140	\$6,350	\$69,155
Accounts receivable	887		887	
Accrued interest receivable	294	612	294	612
Due from other governments		4,000		4,000
Total Assets	\$40,546	\$40,752	\$7,531	\$73,767
Accounts payable		\$500		\$500
Due to member agencies	\$40,546	40,252	\$7,531	73,267
Total Liabilities	\$40,546	\$40,752	\$7,531	\$73,767

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<b>County Capital Facilities Fee</b>				
Cash and investments in City Treasury	\$505,694	\$807,942	\$452,066	\$861,570
Accrued interest receivable	3,118	4,376	3,118	4,376
Deferred receivables		323,954		323,954
Total Assets	<u>\$508,812</u>	<u>\$1,136,272</u>	<u>\$455,184</u>	<u>\$1,189,900</u>
Accounts payable	\$452,066	\$1,048,790	\$452,066	\$1,048,790
Due to others	56,746	87,482	3,118	141,110
Total Liabilities	<u>\$508,812</u>	<u>\$1,136,272</u>	<u>\$455,184</u>	<u>\$1,189,900</u>
<b>South Placer Wastewater Authority</b>				
Cash and investments in City Treasury	\$144,183,054	\$129,469,925	\$144,183,054	\$129,469,925
Restricted cash and investments with fiscal agents	26,281,641	11,036,645	26,281,641	11,036,645
Accrued interest receivable	684,162	913,555	684,162	913,555
Due from other government agencies	1,751,864	3,179,894	1,751,864	3,179,894
Total Assets	<u>\$172,900,721</u>	<u>\$144,600,019</u>	<u>\$172,900,721</u>	<u>\$144,600,019</u>
Accounts payable	\$303,990	\$3,537,004	\$303,990	\$3,537,004
Accrued liabilities	326,561		326,561	
Due to member agencies	172,270,170	141,063,015	172,270,170	141,063,015
Total Liabilities	<u>\$172,900,721</u>	<u>\$144,600,019</u>	<u>\$172,900,721</u>	<u>\$144,600,019</u>
<b>Special Sewer Benefit Area #3</b>				
Cash and investments in City Treasury	\$895	\$15,788	\$896	\$15,787
Accrued interest receivable	1	163	1	163
Total Assets	<u>\$896</u>	<u>\$15,951</u>	<u>\$897</u>	<u>\$15,950</u>
Due to others	<u>\$896</u>	<u>\$15,951</u>	<u>\$897</u>	<u>\$15,950</u>
Total Liabilities	<u>\$896</u>	<u>\$15,951</u>	<u>\$897</u>	<u>\$15,950</u>
<b>Special Sewer Benefit Area #4</b>				
Cash and investments in City Treasury	\$122,828	\$117,971	\$103,642	\$137,157
Accrued interest receivable	892	1,254	892	1,254
Total Assets	<u>\$123,720</u>	<u>\$119,225</u>	<u>\$104,534</u>	<u>\$138,411</u>
Accounts payable	\$117,971		\$117,971	
Due to others	5,749	\$119,225	(13,437)	\$138,411
Total Liabilities	<u>\$123,720</u>	<u>\$119,225</u>	<u>\$104,534</u>	<u>\$138,411</u>

(continued)

CITY OF ROSEVILLE  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<b>South Placer County Tourism Business Improvement District (SPCTBID)</b>				
Cash and investments in City Treasury	\$2,770	\$564,686	\$556,543	\$10,913
Accounts receivable	159,604	151,144	159,604	151,144
Accrued interest receivable	252	290	252	290
<b>Total Assets</b>	<b>\$162,626</b>	<b>\$716,120</b>	<b>\$716,399</b>	<b>\$162,347</b>
Accounts payable	\$158,704	\$151,058	\$158,704	\$151,058
Due to others	3,922	565,062	557,695	11,289
<b>Total Liabilities</b>	<b>\$162,626</b>	<b>\$716,120</b>	<b>\$716,399</b>	<b>\$162,347</b>
<b>South Placer County Safe Kids Coalition</b>				
Cash and investments in City Treasury	\$13,824	\$17,938	\$21,084	\$10,678
Accrued interest receivable	120	95	120	95
<b>Total Assets</b>	<b>\$13,944</b>	<b>\$18,033</b>	<b>\$21,204</b>	<b>\$10,773</b>
Accounts payable	\$326	\$481	\$326	\$481
Due to others	13,618	17,552	20,878	10,292
<b>Total Liabilities</b>	<b>\$13,944</b>	<b>\$18,033</b>	<b>\$21,204</b>	<b>\$10,773</b>
<b>South Placer Regional Traffic Fee</b>				
Cash and investments in City Treasury	\$427,896	\$786,715	\$472,081	\$742,530
Accrued interest receivable	1,563	3,236	1,563	3,236
Accounts receivable		52,315		52,315
<b>Total Assets</b>	<b>\$429,459</b>	<b>\$842,266</b>	<b>\$473,644</b>	<b>\$798,081</b>
Accounts payable	\$423,100	\$785,152	\$423,100	\$785,152
Due to others	6,359	57,114	50,544	12,929
<b>Total Liabilities</b>	<b>\$429,459</b>	<b>\$842,266</b>	<b>\$473,644</b>	<b>\$798,081</b>
<b>City/County TMF</b>				
Cash and investments in City Treasury	\$112,917	\$204,168	\$119,399	\$197,686
Accrued interest receivable	552	807	552	807
<b>Total Assets</b>	<b>\$113,469</b>	<b>\$204,975</b>	<b>\$119,951</b>	<b>\$198,493</b>
Accounts payable	\$119,399	\$196,816	\$119,399	\$196,816
Due to others	(5,930)	8,159	552	1,677
<b>Total Liabilities</b>	<b>\$113,469</b>	<b>\$204,975</b>	<b>\$119,951</b>	<b>\$198,493</b>

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008
<hr/> Placer County Air Pollution Control <hr/>				
Cash and investments in City Treasury	\$8,849	\$30,925	\$8,529	\$31,245
Accounts receivable	402		402	
Accrued interest receivable	1		1	
Total Assets	<u>\$9,252</u>	<u>\$30,925</u>	<u>\$8,932</u>	<u>\$31,245</u>
Due to others	<u>9,252</u>	<u>\$30,925</u>	<u>\$8,932</u>	<u>\$31,245</u>
Total Liabilities	<u>\$9,252</u>	<u>\$30,925</u>	<u>\$8,932</u>	<u>\$31,245</u>
<hr/> Sierra College Boulevard <hr/>				
Cash and investments in City Treasury	\$5,848	\$132,654	\$40,397	\$98,105
Accrued interest receivable	2	636	2	636
Total Assets	<u>\$5,850</u>	<u>\$133,290</u>	<u>\$40,399</u>	<u>\$98,741</u>
Due to others	<u>\$5,850</u>	<u>\$133,290</u>	<u>\$40,399</u>	<u>\$98,741</u>
Total Liabilities	<u>\$5,850</u>	<u>\$133,290</u>	<u>\$40,399</u>	<u>\$98,741</u>
<hr/> Other <hr/>				
Cash and investments in City Treasury	<u>\$13,014</u>			<u>\$13,014</u>
Total Assets	<u>\$13,014</u>			<u>\$13,014</u>
Due to other government agencies	<u>\$13,014</u>			<u>\$13,014</u>
Total Liabilities	<u>\$13,014</u>			<u>\$13,014</u>
<hr/> Total Agency Funds <hr/>				
Cash and investments in City Treasury	\$178,754,986	\$167,242,085	\$167,133,328	\$178,863,743
Restricted cash and investments with fiscal agents	58,802,360	19,597,317	31,374,641	47,025,036
Accounts receivable	160,893	237,188	160,893	237,188
Accrued interest receivable	1,237,559	1,722,234	1,237,559	1,722,234
Due from other government agencies	2,700,026	3,399,871	2,700,026	3,399,871
Deferred receivable		323,954		323,954
Total Assets	<u>\$241,655,824</u>	<u>\$192,522,649</u>	<u>\$202,606,447</u>	<u>\$231,572,026</u>
Accounts payable	\$3,294,096	\$5,737,084	\$3,294,096	\$5,737,084
Accrued liabilities	326,561		326,561	
Due to other government agencies	13,014			13,014
Due to member agencies	183,135,487	149,234,675	173,333,373	159,036,789
Due to bondholders	54,790,488	32,396,360	24,987,207	62,199,641
Due to others	<u>96,178</u>	<u>5,154,530</u>	<u>665,210</u>	<u>4,585,498</u>
Total Liabilities	<u>\$241,655,824</u>	<u>\$192,522,649</u>	<u>\$202,606,447</u>	<u>\$231,572,026</u>

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## STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. 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, Rates and Revenues

### ***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. Bonded Debt Pledged Revenue Coverage – 2002 Redevelopment Tax Allocation Bonds
5. Bonded Debt Pledged Revenue Coverage – 2006A Redevelopment Tax Allocation Bonds
6. Bonded Debt Pledged Revenue Coverage – 2006AT Redevelopment Tax Allocation Bonds
7. Bonded Debt Pledged Revenue Coverage – 2006HT Redevelopment Tax Allocation Bonds
8. Computation of Direct and Overlapping Debt
9. 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:

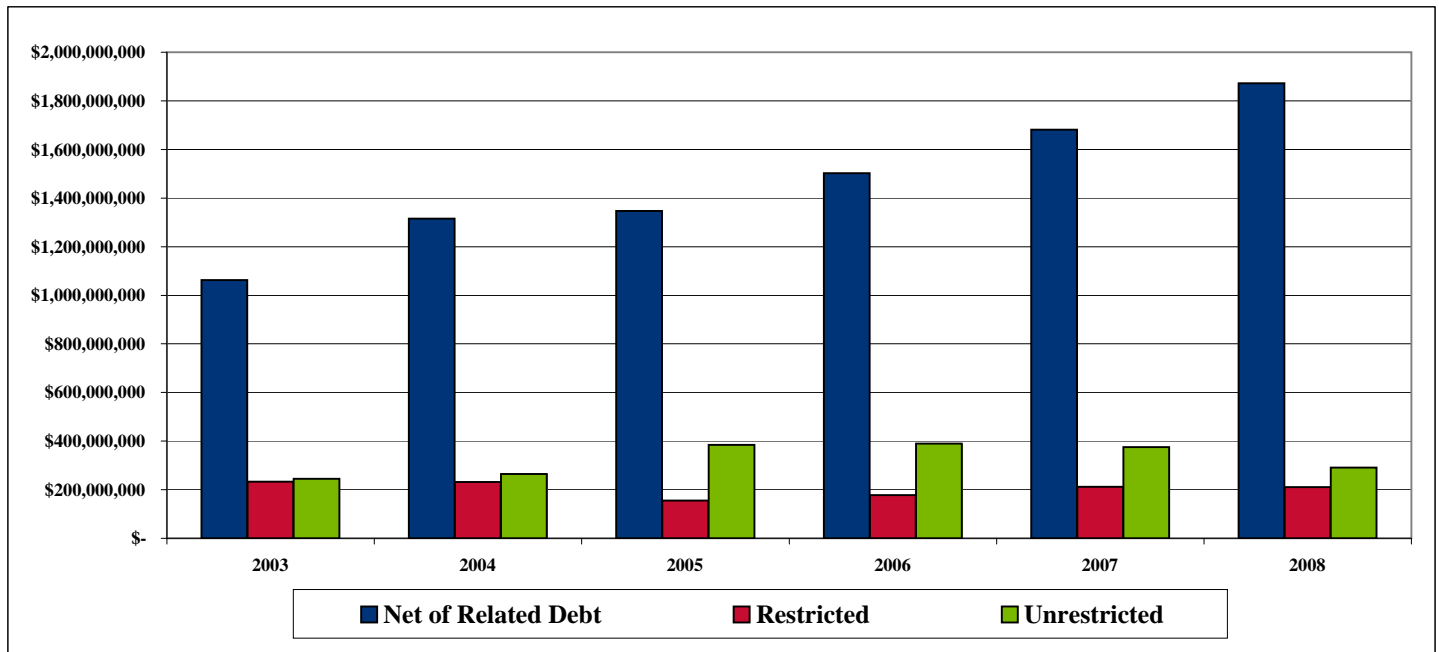
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

<b>STATISTICAL SECTION (Continued)</b>
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***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 SIX FISCAL YEARS  
(accrual basis of accounting)**



	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>						
Invested in capital assets,						
net of related debt	\$501,785,076	\$540,714,647	\$579,757,919	\$664,131,414	\$742,822,158	\$775,922,473
Restricted	148,067,075	142,404,742	124,527,445	149,738,041	177,189,997	165,833,165
Unrestricted	63,933,275	73,230,549	89,038,317	109,395,679	107,064,085	131,434,721
Total governmental activities net assets	<u>\$713,785,426</u>	<u>\$756,349,938</u>	<u>\$793,323,681</u>	<u>\$923,265,134</u>	<u>\$1,027,076,240</u>	<u>\$1,073,190,359</u>
<b>Business-type activities</b>						
Invested in capital assets,						
net of related debt	\$560,136,358	\$774,624,921	\$767,628,987	\$838,373,690	\$938,933,934	\$1,096,922,321
Restricted	85,285,040	89,408,729	31,082,339	28,178,946	34,553,611	44,622,022
Unrestricted	180,828,388	191,964,333	295,600,560	280,399,506	268,413,147	159,481,947
Total business-type activities net assets	<u>\$826,249,786</u>	<u>\$1,055,997,983</u>	<u>\$1,094,311,886</u>	<u>\$1,146,952,142</u>	<u>\$1,241,900,692</u>	<u>\$1,301,026,290</u>
<b>Primary government</b>						
Invested in capital assets,						
net of related debt	\$1,061,921,434	\$1,315,339,568	\$1,347,386,906	\$1,502,505,104	\$1,681,756,092	\$1,872,844,794
Restricted	233,352,115	231,813,471	155,609,784	177,916,987	211,743,608	210,455,187
Unrestricted	244,761,663	265,194,882	384,638,877	389,795,185	375,477,232	290,916,668
Total primary government net assets	<u>\$1,540,035,212</u>	<u>\$1,812,347,921</u>	<u>\$1,887,635,567</u>	<u>\$2,070,217,276</u>	<u>\$2,268,976,932</u>	<u>\$2,374,216,649</u>

The City of Roseville implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>						
Governmental Activities:						
General Government	\$19,464,175	\$19,299,495	\$22,350,454	\$25,437,535	\$30,929,747	\$34,826,790
Community development and planning	9,250,195	10,370,401	10,131,568	11,893,312	13,171,347	16,004,720
Public Works	31,259,219	21,567,351	39,391,505	33,498,385	42,070,119	33,682,426
Police	17,630,323	19,351,991	22,761,768	24,500,396	27,440,631	33,717,164
Fire	11,601,885	12,768,918	15,226,498	16,435,774	20,572,207	26,372,987
Library	2,792,317	2,839,127	2,996,195	3,156,087	3,552,614	5,506,954
Parks and recreation	12,742,186	13,257,771	14,001,045	16,052,655	17,634,887	20,021,127
Community facilities districts	23,792,411					
Payments under developer agreements	2,406,806	2,607,608	3,093,615			
Housing assistance payments	2,541,178	3,127,150	3,050,762	2,974,236	3,328,656	3,399,145
Interest on long term debt	2,278,540	1,813,647	1,760,833	1,933,654	4,920,776	6,858,207
Total Governmental Activities Expenses	<u>135,759,235</u>	<u>107,003,459</u>	<u>134,764,243</u>	<u>135,882,034</u>	<u>163,620,984</u>	<u>\$180,389,520</u>
Business-Type Activities:						
Electric	\$71,539,423	\$69,630,286	\$93,061,537	\$97,101,941	\$131,224,885	\$155,579,953
Water	12,822,705	15,748,289	16,719,257	18,510,040	15,855,579	25,826,409
Wastewater	18,632,682	18,050,409	23,885,474	27,207,717	28,948,611	37,098,813
Solid Waste	10,927,735	11,614,060	12,749,998	14,220,731	15,182,395	15,743,209
Natural Gas					5,152,447	15,123,490
Golf Course	2,545,069	2,365,048	2,473,835	2,479,378	2,351,603	2,883,713
Local Transportation	3,374,680	3,768,970	4,106,631	4,415,411	5,410,630	5,872,368
School-age Child Care	3,761,228	3,824,316	4,211,285	4,430,801	4,825,366	5,575,761
Total Business-Type Activities Expenses	<u>123,603,522</u>	<u>125,001,378</u>	<u>157,208,017</u>	<u>168,366,019</u>	<u>208,951,516</u>	<u>263,703,716</u>
Total Primary Government Expenses	<u>\$259,362,757</u>	<u>\$232,004,837</u>	<u>\$291,972,260</u>	<u>\$304,248,053</u>	<u>\$372,572,500</u>	<u>\$444,093,236</u>
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services:						
General Government	\$1,337,514	\$1,318,112	\$1,570,571	\$3,364,921	\$3,980,445	\$2,658,458
Community development and planning	1,753,229	2,988,881	3,652,829	4,312,464	3,543,270	3,386,649
Public Works	6,362,355	6,612,890	6,814,277	7,959,770	9,246,666	5,843,426
Police	1,698,465	1,581,324	2,009,281	1,900,144	2,346,493	1,845,245
Fire	554,019	945,366	1,082,211	1,253,881	1,505,547	1,402,158
Library	75,753	136,710	162,479	188,738	235,231	272,057
Parks and recreation	4,402,180	5,508,574	6,224,464	7,315,217	4,167,719	9,986,005
Community facilities districts	47,335					
Operating Grants and Contributions	7,007,583	8,476,255	9,449,752	7,717,503	7,246,321	9,514,427
Capital Grants and Contributions	72,499,797	35,094,840	41,143,945	113,531,406	101,768,467	59,279,903
Total Government Activities Program Revenues	<u>95,738,230</u>	<u>62,662,952</u>	<u>72,109,809</u>	<u>147,544,044</u>	<u>134,040,159</u>	<u>94,188,328</u>
Business-Type Activities:						
Charges for Services:						
Electric	79,906,500	94,387,590	98,949,341	102,772,594	130,264,098	143,898,715
Water	8,869,111	11,804,088	13,163,434	13,450,264	14,938,665	16,925,351
Wastewater	13,103,088	14,739,888	16,355,694	19,025,742	22,455,645	24,014,362
Solid Waste	13,859,409	14,678,394	15,244,048	17,558,492	18,575,194	19,562,798
Natural Gas						4,059,943
Golf Course	2,468,170	2,436,735	2,564,469	2,747,851	3,162,637	3,182,357
Local Transportation	936,121	526,204	530,516	601,087	739,826	863,606
School-age Child Care	3,615,963	3,810,089	4,193,923	4,833,884	4,845,460	5,193,488
Operating Grants and Contributions	4,359,680	6,717,432	7,104,895	2,299,189	14,328,217	13,630,808
Capital Grants and Contributions	88,803,680	52,603,696	49,828,229	68,914,968	108,453,838	88,497,473
Total Business-Type Activities Program Revenue	<u>215,921,722</u>	<u>201,704,116</u>	<u>207,934,549</u>	<u>232,204,071</u>	<u>317,763,580</u>	<u>319,828,901</u>
Total Primary Government Program Revenues	<u>\$311,659,952</u>	<u>\$264,367,068</u>	<u>\$280,044,358</u>	<u>\$379,748,115</u>	<u>\$451,803,739</u>	<u>\$414,017,229</u>
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(\$40,021,005)	(\$44,340,507)	(\$62,654,434)	\$11,662,010	(\$29,580,825)	(\$86,001,192)
Business-Type Activities	<u>92,318,200</u>	<u>76,702,738</u>	<u>50,726,532</u>	<u>63,838,052</u>	<u>108,812,064</u>	<u>56,125,185</u>
Total Primary Government Net Expense	<u>\$52,297,195</u>	<u>\$32,362,231</u>	<u>(\$11,927,902)</u>	<u>\$75,500,062</u>	<u>\$79,231,239</u>	<u>(\$29,876,007)</u>

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

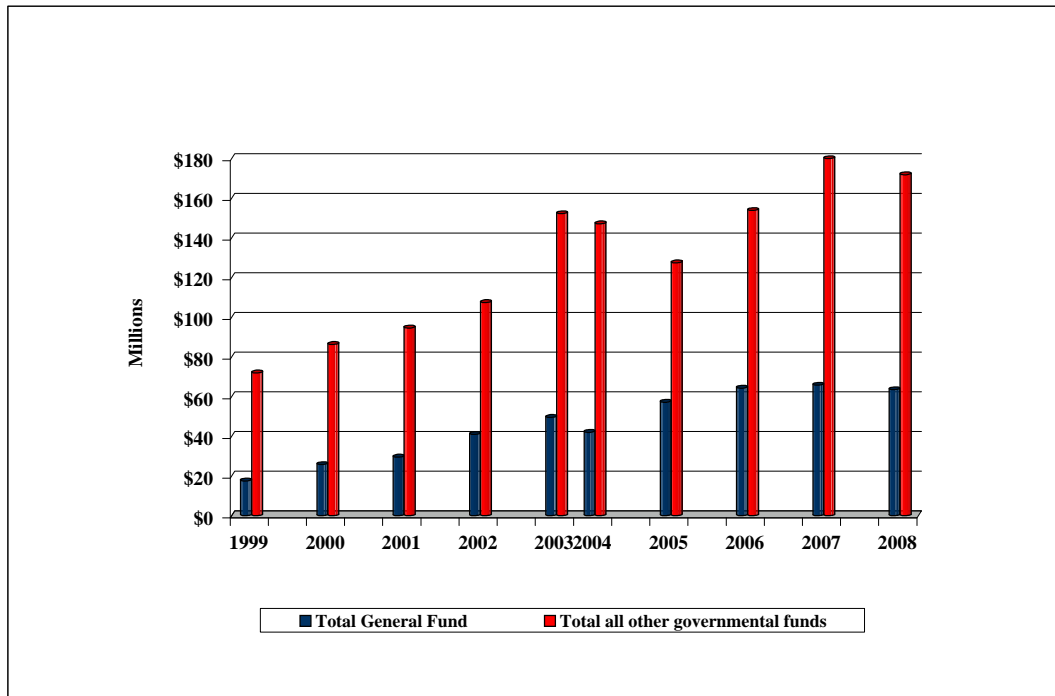
	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities:						
Taxes:		(a)				
Licenses and permits						
Property taxes	\$16,812,259	\$20,101,838	\$26,548,498	\$30,867,256	\$38,737,491	\$41,066,666
Less Education Revenue Augmentation Fund Payment	(55,417)	(143,182)	(260,676)			
Sales taxes	34,678,592	38,031,918	40,973,365	42,642,034	44,772,743	40,982,384
Franchise taxes	657,865	954,396	1,060,903	1,267,707	1,429,155	1,607,214
Motor fuel taxes	1,880,505	1,775,122	1,897,211	3,116,638	1,999,542	1,985,315
Motor vehicle in lieu (Intergovernmental- unrestricted)	5,360,094	4,152,209	2,123,202	710,510	565,719	471,834
Utility Users Taxes	6,006,269	(b)				
Other Taxes	2,692,573	2,978,450	3,671,924	3,630,534	3,529,485	3,306,271
Use of money and property	6,856,853	2,992,312	5,631,061	8,077,599	14,208,032	16,918,766
Miscellaneous revenues	1,356,471	12,975	664,191	1,680,851	2,926,467	887,173
Transfers	12,024,203	15,605,538	17,318,498	23,582,576	25,223,297	24,622,443
Gain/(Loss) from sales of capital assets		92,324		2,703,738		
Bond issuance premium		351,119				
Total Government Activities	88,270,267	86,905,019	99,628,177	118,279,443	133,391,931	131,848,066
Business-Type Activities:						
Use of money and property	5,539,231	1,096,493	4,487,348	10,559,581	11,359,783	27,622,856
Miscellaneous revenues				1,825,199		
Provision for disputed SCS charges			418,521			
Transfers	(12,024,203)	(15,605,538)	(17,318,498)	(23,582,576)	(25,223,297)	(24,622,443)
Gain/(Loss) from sales of capital assets		(227,334)				
Special Item	(13,300,000)	(7,394,906)				
Total Business-Type Activities	(19,784,972)	(22,131,285)	(12,412,629)	(11,197,796)	(13,863,514)	3,000,413
Total Primary Government	\$68,485,295	\$64,773,734	\$87,215,548	\$107,081,647	\$119,528,417	\$134,848,479
<b>Change in Net Assets</b>						
Governmental Activities	\$48,249,262	\$42,564,512	\$36,973,743	\$129,941,453	\$103,811,106	\$45,846,874
Business-Type Activities	72,533,228	54,571,453	38,313,903	52,640,256	94,948,550	59,125,598
Total Primary Government	\$120,782,490	\$97,135,965	\$75,287,646	\$182,581,709	\$198,759,656	\$104,972,472

The City of Roseville implemented GASB 34 for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is not available.

(a) In 2002 the taxes were combined as one total on the Statement of Activities.

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

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



Fiscal Year Ended June 30,					
	1999	2000	2001	2002	2003
General Fund					
Reserved	\$8,548,817	\$17,748,596	\$10,686,999	\$9,127,227	\$18,553,213
Unreserved	8,961,165	8,068,863	18,902,395	31,843,500	31,034,445
Total General Fund	<u>\$17,509,982</u>	<u>\$25,817,459</u>	<u>\$29,589,394</u>	<u>\$40,970,727</u>	<u>\$49,587,658</u>
All Other Governmental Funds					
Reserved	\$3,091,753	\$3,690,269	\$4,844,613	\$22,018,851	\$47,532,457
Unreserved, reported in:					
Special Revenue Funds	45,776,454	35,810,147	61,189,946	57,998,370	73,713,153
Capital Projects	23,119,340	46,830,294	28,561,048	11,448,839	14,958,485
Permanent Funds				16,014,323	16,061,477
Total all other governmental funds	<u>\$71,987,547</u>	<u>\$86,330,710</u>	<u>\$94,595,607</u>	<u>\$107,480,383</u>	<u>\$152,265,572</u>

Fiscal Year Ended June 30,					
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$18,414,069	\$18,449,612	\$16,669,748	\$13,421,646	\$10,786,244
Unreserved	23,647,906	38,788,181	47,642,690	52,376,837	52,774,303
Total General Fund	<u>\$42,061,975</u>	<u>\$57,237,793</u>	<u>\$64,312,438</u>	<u>\$65,798,483</u>	<u>\$63,560,547</u>
All Other Governmental Funds					
Reserved	\$23,989,841	\$27,132,041	\$53,194,568	\$71,775,257	\$56,547,018
Unreserved, reported in:					
Special Revenue Funds	87,880,374	66,266,786	64,447,245	73,726,293	79,723,403
Capital Projects	19,522,248	17,733,928	19,807,821	20,128,123	18,146,007
Permanent Funds	15,725,381	16,318,672	16,425,999	16,833,979	17,495,650
Total all other governmental funds	<u>\$147,117,844</u>	<u>\$127,451,427</u>	<u>\$153,875,633</u>	<u>\$182,463,652</u>	<u>\$171,912,078</u>

The City of Roseville has elected to show only five years of data in the graph for this schedule.

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

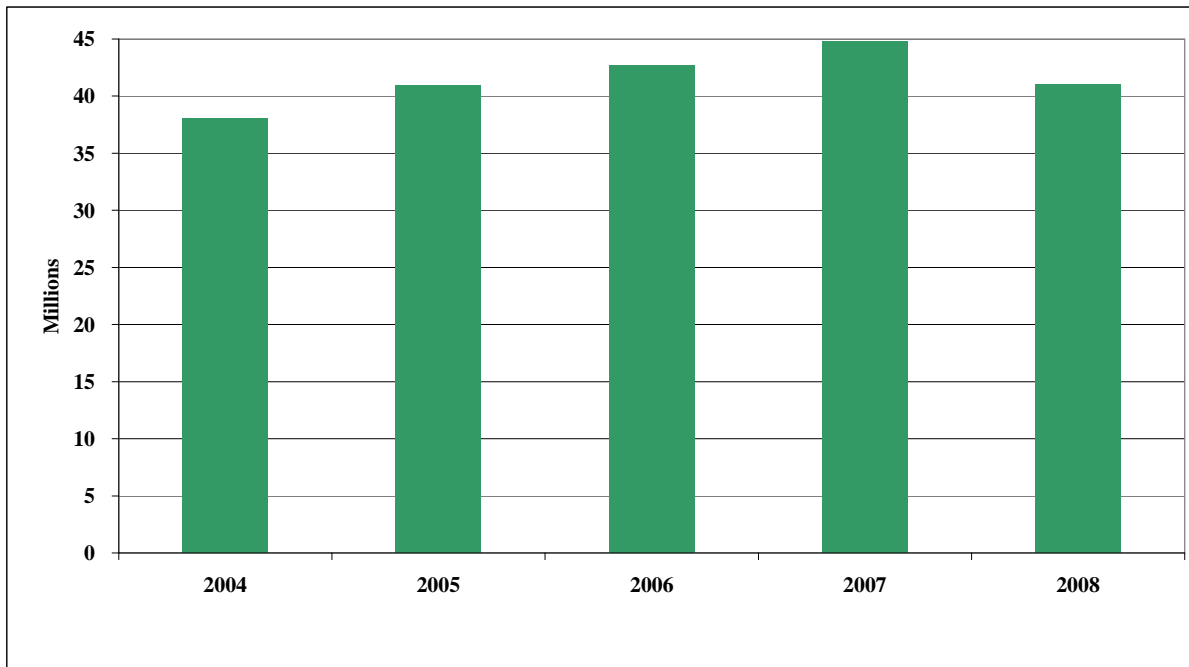
	Fiscal Year Ended June 30,				
	1999	2000	2001	2002	2003
<b>Revenues</b>					
Taxes	\$39,152,089	\$46,414,028	\$56,621,766	\$61,361,572	\$64,866,117
Less Educational Revenue Augmentation					(55,417)
Licenses, permits and fees	2,274,709	2,210,596	2,431,091	2,787,695	2,913,664
Charges for services	21,211,092	25,878,364	27,841,157	29,589,733	30,198,984
Subventions and grants	8,911,568	16,785,739	15,518,284	16,109,594	16,583,320
Use of money and property	4,267,319	6,779,306	9,064,978	5,946,919	6,361,032
Fine, forfeitures and penalties	345,121	354,984	465,239	1,093,381	1,842,340
Contributions from property owners					
Contributions from developers					
Miscellaneous revenues	727,239	434,172	1,302,877	1,557,781	6,500,778
Total Revenues	<u>76,889,137</u>	<u>98,857,189</u>	<u>113,245,392</u>	<u>118,446,675</u>	<u>129,210,818</u>
<b>Expenditures</b>					
Current:					
General government	19,144,670	19,020,015	16,185,257	17,714,229	25,734,538
Community development and planning			5,623,597	6,812,834	9,605,904
Public works	9,691,170	16,652,261	10,873,585	10,991,887	11,880,167
Public safety:	19,579,783	20,551,250			
Police			13,868,406	14,647,683	18,003,412
Fire			9,197,433	9,631,469	11,772,858
Library	1,971,818	2,014,063	2,345,854	2,504,890	2,792,063
Parks and recreation	6,810,633	7,095,673	9,679,890	10,481,015	12,731,251
Housing assistance payments	1,495,145	1,496,176	1,737,541	2,027,930	2,541,178
Capital outlay	31,175,155	62,874,445	52,834,535	60,046,961	23,432,869
Payments under development agreements			1,603,838	5,214,902	6,131,086
Debt service:					
Principal repayment	1,759,209	2,642,740	1,081,040	1,077,202	1,152,517
Interest and fiscal charges	1,334,312	1,262,038	1,295,452	1,195,978	2,071,634
Total Expenditures	<u>92,961,895</u>	<u>133,608,661</u>	<u>126,326,428</u>	<u>142,346,980</u>	<u>127,849,477</u>
Excess (deficiency) of revenues over (under) expenditures	(16,072,758)	(34,751,472)	(13,081,036)	(23,900,305)	1,361,341
<b>Other Financing Sources (Uses)</b>					
Proceeds from capital lease	2,273,169	78,368	271,598	142,889	
Proceeds from issuance of bonds					
Proceeds from sale of property	69,456		1,200,000		
Proceeds from debt issuance					14,745,063
Transfers in	28,270,229	29,356,569	39,124,451	27,126,928	38,559,850
Transfers (out)	(19,086,499)	(20,521,671)	(29,175,395)	(14,588,595)	(27,405,095)
Payment to refunded bond escrow					
Contributions from property owners	25,669,689	45,162,789	8,224,249	34,173,448	3,568,579
Contributions from developers	4,387,304	3,326,057	2,186,771	4,699,675	22,572,382
Bond issuance premium					
Total other financing sources (uses)	<u>41,583,348</u>	<u>57,402,112</u>	<u>21,831,674</u>	<u>51,554,345</u>	<u>52,040,779</u>
Net Change in fund balances	<u>\$25,510,590</u>	<u>\$22,650,640</u>	<u>\$8,750,638</u>	<u>\$27,654,040</u>	<u>\$53,402,120</u>
Debt service as a percentage of noncapital expenditures	(a)	(a)	(a)	2.8%	3.2%

(a) The City implemented GASB Statement 34 in fiscal year 2002. Therefore this calculation is included only for fiscal years subsequent to that date.

Fiscal Year Ended June 30,				
2004	2005	2006	2007	2008
\$65,815,061	\$75,900,403	\$82,770,691	\$93,500,227	\$93,457,602
(143,182)	(260,676)	(323,743)		
2,784,570	2,591,354	2,020,467	2,762,883	2,537,988
27,343,649	26,814,640	31,295,267	40,301,825	31,892,013
13,758,850	12,630,086	10,351,281	12,744,920	12,819,741
3,455,309	4,922,685	7,784,975	16,943,196	19,198,906
1,471,716	1,803,562	1,953,405	2,358,742	2,147,695
2,574,635	7,841,639	92,645,369	71,488,795	9,100,000
2,662,371	4,373,481	3,337,645	1,591,059	2,070,716
3,331,708	4,213,970	7,899,568	9,286,123	12,455,601
123,054,687	140,831,144	239,734,925	250,977,770	185,680,262
20,919,559	20,248,180	24,938,856	29,720,879	30,360,979
10,807,567	9,751,722	10,888,062	11,961,479	16,710,067
10,956,006	10,817,148	15,396,696	16,947,884	16,228,157
19,051,384	21,547,825	25,567,869	28,988,754	30,498,603
12,602,614	13,753,902	16,915,393	20,719,718	24,352,812
2,842,537	2,762,274	3,133,367	3,520,834	4,542,287
13,249,576	13,507,359	16,007,377	17,955,082	19,092,606
3,127,150	3,050,762	2,974,236	3,328,656	3,399,145
41,149,143	58,729,356	108,314,784	125,426,074	63,142,168
2,607,608	5,389,110	2,592,039	2,396,314	2,157,821
1,439,690	1,264,702	941,946	1,206,803	1,590,991
1,912,196	1,789,098	1,941,002	4,523,725	6,873,248
140,665,030	162,611,438	229,611,627	266,696,202	218,948,884
(17,610,343)	(21,780,294)	10,123,298	(15,718,432)	(33,268,622)
	147,266	2,239,765		
		3,503,467	23,215,524	129,284
18,275,000				
27,934,748	26,116,934	38,439,158	54,227,228	42,487,182
(23,543,935)	(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)
(18,080,000)				
351,119				
4,936,932	17,289,695	23,375,553	45,792,496	20,211,867
(\$12,673,411)	(\$4,490,599)	\$33,498,851	\$30,074,064	(\$13,056,755)
3.5%	3.0%	2.4%	4.2%	5.7%

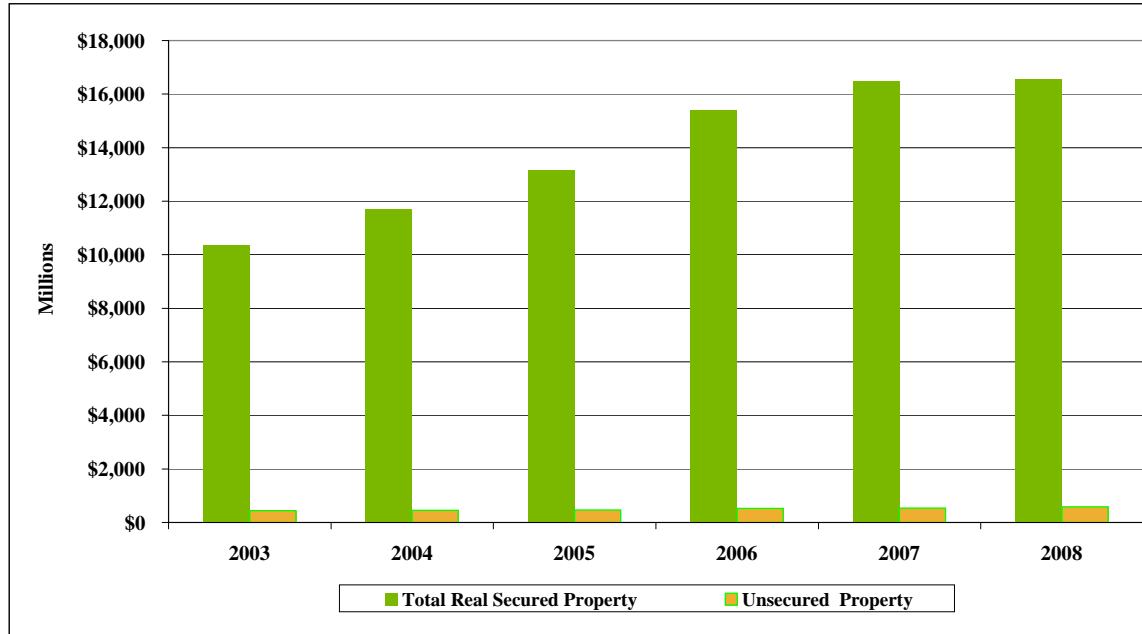
Source: The City's Comprehensive Annual Financial Report

**CITY OF ROSEVILLE  
SALES TAX REVENUE  
Last Five Fiscal Years**



Fiscal Year	Amount
2004	38,031,918
2005	40,973,365
2006	42,642,035
2007	44,772,743
2008	40,982,384

**CITY OF ROSEVILLE  
ASSESSED VALUE AND ESTIMATED VALUE  
OF TAXABLE PROPERTY  
Last Six Fiscal Years**



Fiscal Year	Real Property				Total Real Secured Property
	Residential Property	Commercial Property	Industrial Property	Other	
2003	\$6,466,979,581	\$2,219,573,719	\$1,101,028,754	\$583,119,381	\$10,370,701,435
2004	8,100,569,492	2,525,160,445	1,084,291,005	3,495,616	11,713,516,558
2005	9,317,201,508	2,820,484,542	997,687,641	38,320,792	13,173,694,483
2006	11,085,891,082	3,201,617,042	1,096,921,025	29,783,011	15,414,212,160
2007	11,747,275,826	3,564,607,500	1,157,610,812	6,059,860	16,475,553,998
2008	11,527,922,623	3,803,178,355	1,207,408,378	9,004,669	16,547,514,025

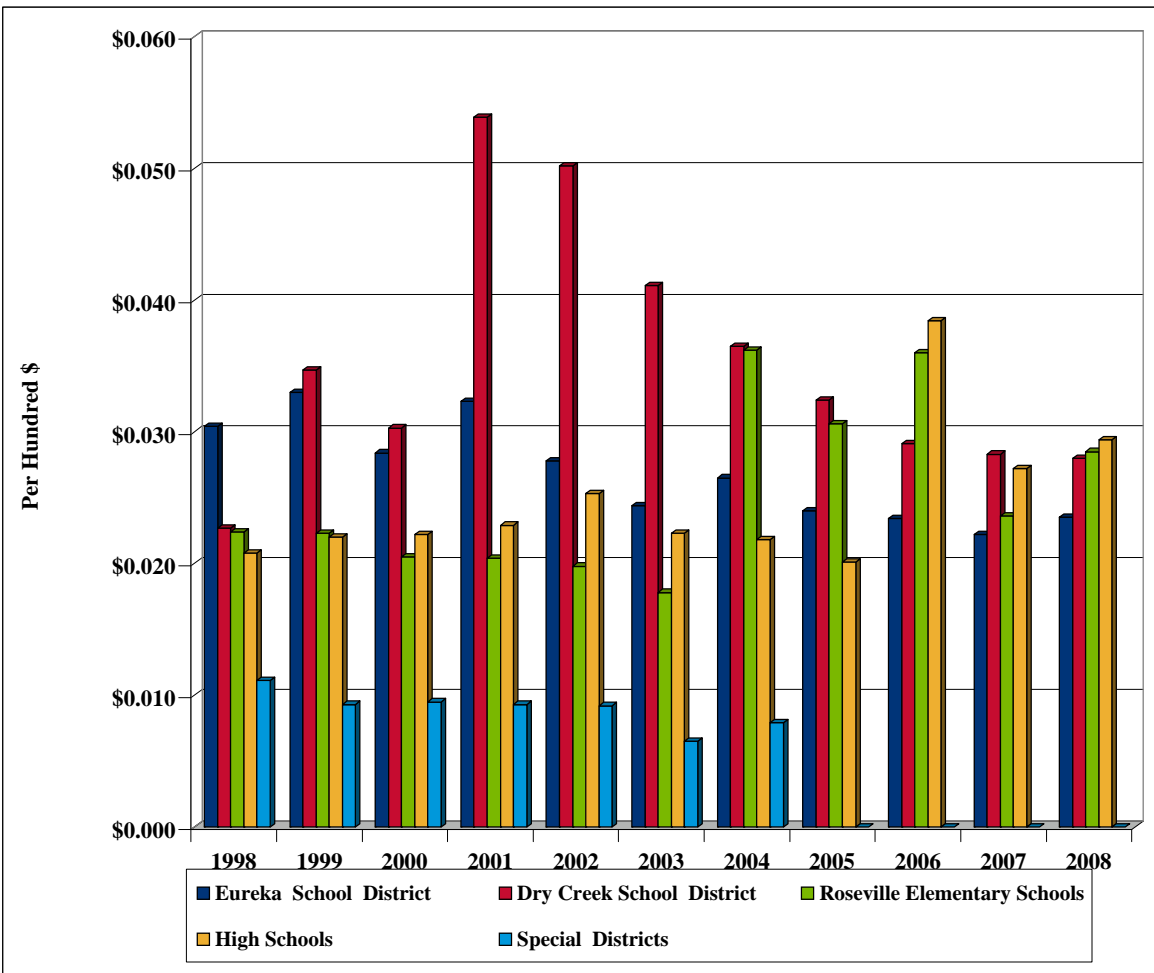
  

Fiscal Year	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
2003	\$440,976,929	\$10,811,678,364	\$10,811,678,364	1%
2004	458,621,280	12,172,137,838	12,172,137,838	1%
2005	463,111,057	13,636,805,540	13,636,805,540	1%
2006	529,989,522	15,944,201,682	15,944,201,682	1%
2007	538,066,948	17,013,620,946	17,013,620,946	1%
2008	579,926,940	17,127,440,965	17,127,440,965	1%

(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(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.

**CITY OF ROSVILLE  
PROPERTY TAX RATES  
ALL DIRECT OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years**



Fiscal Year	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	Special Districts	Total
1998	1.0000	0.0304	0.0227	0.0224	0.0208	0.0111	1.1074
1999	1.0000	0.0330	0.0347	0.0223	0.0220	0.0093	1.1213
2000	1.0000	0.0284	0.0303	0.0205	0.0222	0.0095	1.1109
2001	1.0000	0.0323	0.0539	0.0204	0.0229	0.0093	1.1388
2002	1.0000	0.0278	0.0502	0.0198	0.0253	0.0092	1.1323
2003	1.0000	0.0244	0.0411	0.0178	0.0223	0.0065	1.1121
2004	1.0000	0.0265	0.0365	0.0362	0.0218	0.0079	1.1289
2005	1.0000	0.0240	0.0324	0.0306	0.0201	N/A*	1.1071
2006	1.0000	0.0234	0.0291	0.0360	0.0384	N/A*	1.1269
2007	1.0000	0.0222	0.0283	0.0236	0.0272	N/A*	1.1013
2008	1.0000	0.0235	0.0280	0.0285	0.0294	N/A*	1.1094

\* San Juan Water bond matured and paid in 2004/05

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

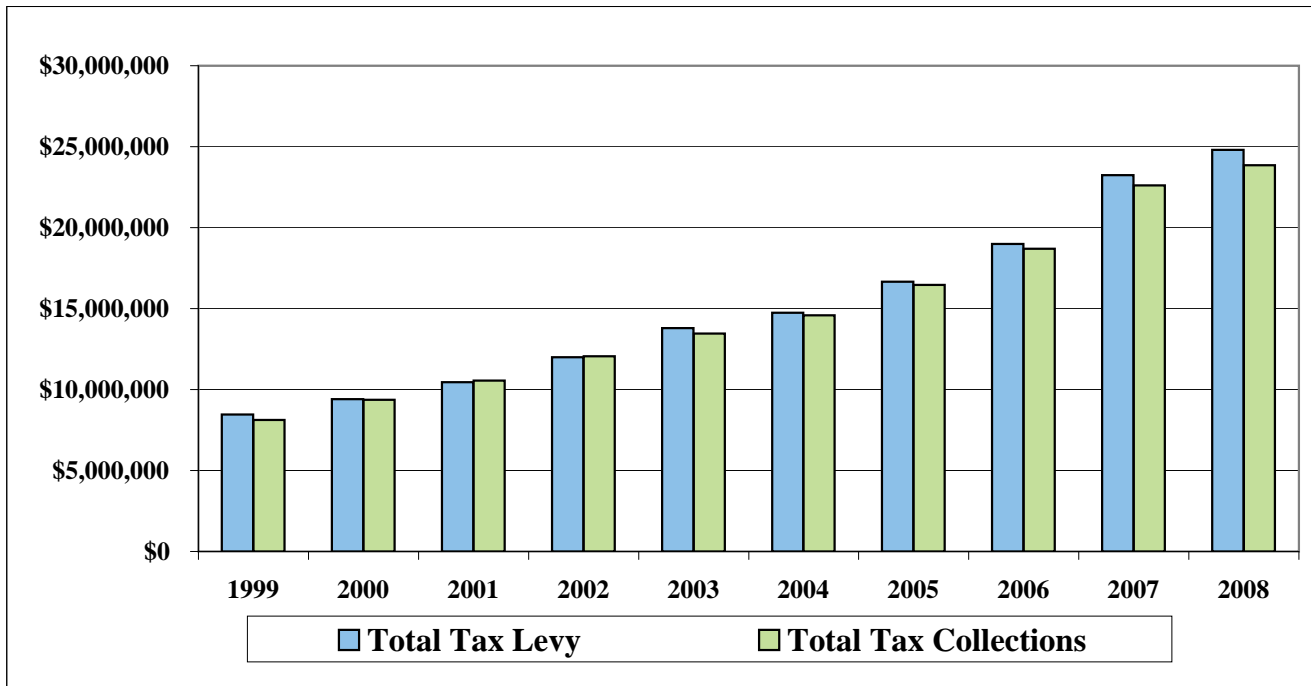
Taxpayer	2008		1999	
	Taxable Assessed	Percent of Total City Taxable Assessed	Taxable Assessed	Percent of Total City Taxable Assessed
	Value	Value	Value	Value
PL Roseville LLC	\$354,933,092.00	2.13%		0.00%
Hewlett Packard Co.	326,824,599.00	1.96%	\$302,180,480.00	5.21%
NEC Electronics USA Inc.	316,264,555.00	1.90%	677,404,651.00	11.69%
Roseville Shoppingtown LLC	202,219,035.00	1.21%		0.00%
Donahue Schriber Realty Group LP	96,323,620.00	0.58%		0.00%
W2005 Fargo Hotels Pool C Realty LP	82,008,268.00	0.49%		0.00%
Walmart Real Estate Business Trust	81,942,394.00	0.49%		0.00%
Kobra Properties	80,759,879.00	0.49%		0.00%
NNN Parkway Corporate Plaza LLC	67,545,885.00	0.41%		0.00%
SI VII LLC	58,680,809.00	0.35%		0.00%
Rreef America REIT II Corp.	55,998,000.00	0.34%		0.00%
Rosemead LLC	54,427,852.00	0.33%		0.00%
Miller Brothers Eureka Road LLC	54,100,800.00	0.33%		0.00%
Hines Summit at Douglas LP	47,363,460.00	0.28%		0.00%
Mourier Land Investment Corporation	46,777,865.00	0.28%		0.00%
TJM Shopping Center 05 LLC	43,176,600.00	0.26%		0.00%
Ken Inc.	38,178,183.00	0.23%		0.00%
Villas at Galleria LP	36,788,183.00	0.22%		0.00%
Property Reserce Inc.	34,931,665.00	0.21%		0.00%
John Sullivan Family LP	31,922,482.00	0.19%		0.00%
	<b>\$2,111,167,226</b>	<b>10.6%</b>	<b>\$979,585,131</b>	<b>16.90%</b>
2007-2008 Local Secured Assessed Valuation:	\$16,644,339,498			
1998-1999 Local Secured Assessed Valuation:	\$5,796,384,693			

Source: California Municipal Statistics, Inc.

# CITY OF ROSEVILLE

## PROPERTY TAX LEVIES AND COLLECTIONS

### LAST TEN FISCAL YEARS



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (b)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1999	\$8,464,546	\$8,114,689	95.87%	\$0	\$8,114,689	95.87%
2000	9,411,328	9,367,744	99.54%	0	9,367,744	99.54%
2001	10,457,636	10,552,003	100.90%	0	10,552,003	100.90%
2002	11,995,194	12,056,708	100.51%	0	12,056,708	100.51%
2003	13,800,915	13,460,448	97.53%	0	13,460,448	97.53%
2004	14,747,241	14,582,072	98.88%	0	14,582,072	98.88%
2005	16,653,884	16,469,026	98.89%	0	16,469,026	98.89%
2006	18,987,819	18,695,407	98.46%	0	18,695,407	98.46%
2007	23,231,927	22,616,281	97.35%	0	22,616,281	97.35%
2008	24,795,852	23,856,089	96.21%	0	23,856,089	96.21%

Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

(a) Levies include real and personal property.

(b) During fiscal year 1995 the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

**CITY OF ROSEVILLE**  
**ELECTRIC CUSTOMERS & REVENUES**  
**June 30, 2008**

**Ten Largest Electric Customers as of 6/30/2008**

<b>Customer</b>	<b>Type of Business</b>	<b>% Total kWh</b>
NEC Electronics	Manufacturing	11.75%
Hewlett-Packard	Office/Manufacturing	4.37%
City of Roseville	Government	3.21%
Kaiser Hospital	Medical	1.79%
Sutter Roseville Medical Center	Medical	1.65%
Cassie Hill Center	Data Processing	1.15%
Roseville Telephone Co.	Communications	1.11%
Hines	Property Management	96.00%
Wal-Mart	Grocery/Super Store	0.95%
Safeway, Inc.	Grocery	0.85%

**Electric Sales Revenue as of 6/30/2008**

Residential	\$48,188,447.00
Commercial	72,770,143.00
Total Electric Revenue	<u><u>\$120,958,590.00</u></u>

**CITY OF ROSEVILLE  
RESIDENTIAL ELECTRIC RATES  
Effective February 1, 2008**

<b>Residential</b>	
Basic Service Charge (per meter, per month)	\$8.00
Climate Change Mitigation (per meter, per month)	\$4.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.0841
Tier 2- 501 to 1,000 kWh/month	\$0.1197
Tier 3- greater than 1,000 kWh/month	\$0.1367
State Energy Surcharge (\$/kWh)	\$0.00022

**Special Residential Rates**

<b>Electric Rate Assistance Program *</b>	
Basic Service Charge (per meter, per month)	\$6.80
Climate Change Mitigation (per meter, per month)	\$3.40
Energy Charge (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0715
Tier 2- 501 to 1,000 kWh/month	\$0.1017
Tier 3- greater than 1,000 kWh/month	\$0.1162
State Energy Surcharge (\$/kWh)	\$0.00022
<b>Medical Support Rate Reduction **</b>	
Basic Service Charge (per meter, per month)	\$8.00
Climate Change Mitigation (per meter, per month)	\$4.00
Energy Charge (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0420
Tier 2- 501 to 1,000 kWh/month	\$0.1017
Tier 3- greater than 1,000 kWh/month	\$0.1162
State Energy Surcharge (\$/kWh)	\$0.00022
<b>Senior Citizen Rate Reduction ***</b>	
Basic Service Charge (per meter, per month)	\$7.05
Climate Change Mitigation (per meter, per month)	\$3.50
Energy Charge (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0740
Tier 2- 501 to 1,000 kWh/month	\$0.1053
Tier 3- greater than 1,000 kWh/month	\$0.1203
State Energy Surcharge (\$/kWh)	\$0.00022

\* NOTE: 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 a 50% credit on all Electric service charges.**

\*\* NOTE: 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 all Electric service charges.**

\*\*\* NOTE: Rate closed July 1, 1998. **Seniors receive a twelve percent credit on all Electric service charges.**

**CITY OF ROSEVILLE**  
**BUSINESS ELECTRIC RATES**  
Effective February 1, 2008

<b>GS-1 Small General Service</b> (Demand < 20 kW) Basic Service Charge (per meter, per month) Climate Change Mitigation (per meter, per month) Demand Charge (\$/kW-month) not metered Energy Charge (\$/kWh) State Energy Surcharge (\$/kWh)	 \$6.50 \$4.00  \$0.0983 \$0.00022
<b>GS-2 Medium General Service</b> (20 kW < Demand < 500 kW) Basic Service Charge (per meter, per month) Climate Change Mitigation (per meter, per month) Demand Charge(\$/kW-month) Energy Charge (\$/kWh) State Energy Surcharge (\$/kWh)	 \$36.00 \$25.00 \$3.41 \$0.0913 \$0.00022
<b>GS-3 Large General Service</b> (Demand ≥ 500 kW) Basic Service Charge (per meter, per month) Climate Change Mitigation (per meter, per month) Winter - Service from mid-September through mid-May Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Summer - Service from mid-May through mid-September Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) State Energy Surcharge (\$/kWh)	 \$150.00 \$25.00  \$2.50  \$0.0584 \$0.0753 \$0.0753  \$8.62  \$0.0675 \$0.0898 \$0.1158  \$0.00022

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

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

*Winter -Service from mid-September through mid-May*

*Summer - Service from mid-May through mid-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:

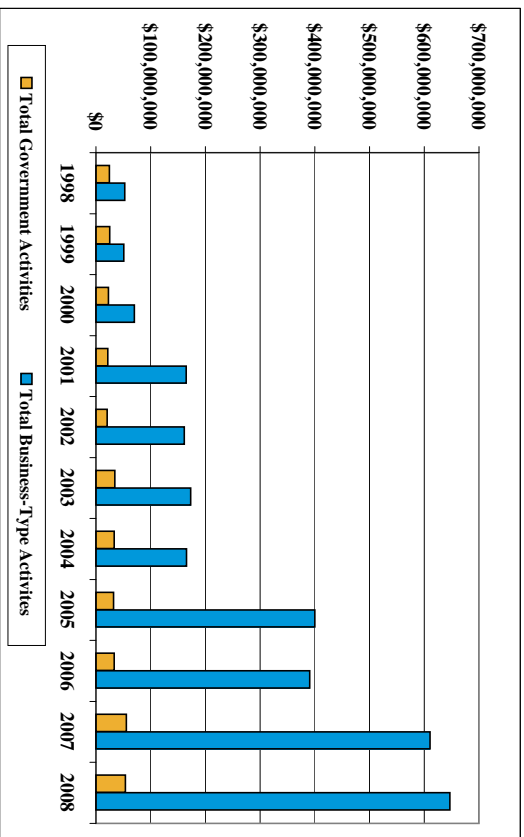
New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

A 2% discount is available for primary service customers.

# CITY OF ROSEVILLE

## RATIO OF OUTSTANDING DEBT BY TYPE

### Last Ten Fiscal Years



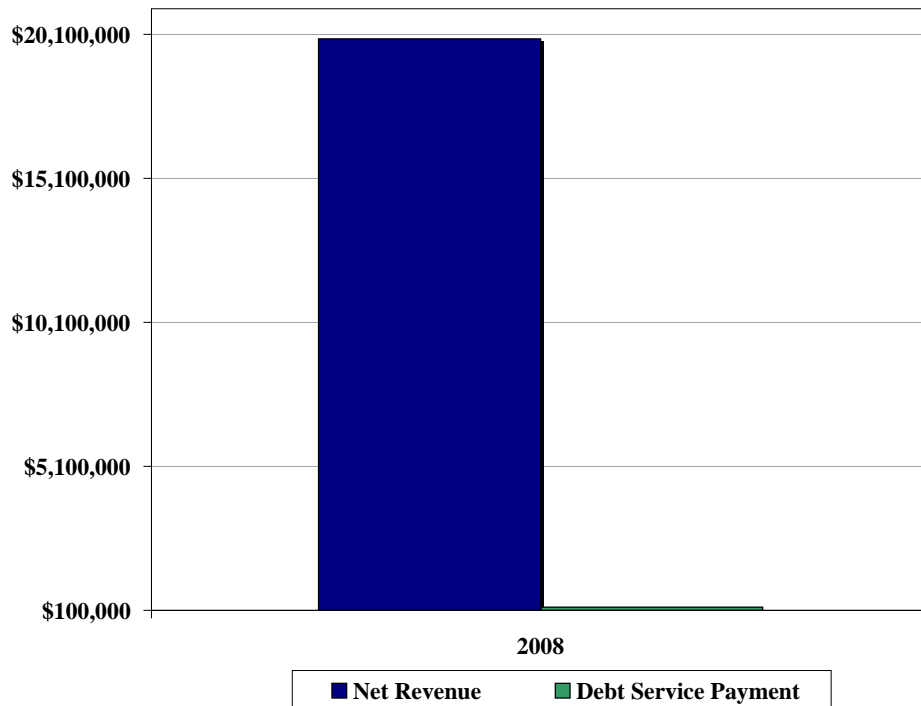
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Installment Purchase Obligations	Other Long Term Obligations	Total
1998		\$21,755,000	\$2,838,564	\$106,451	\$24,700,015
1999		21,200,000	3,915,965	98,010	25,213,975
2000		20,625,000	1,935,971	88,632	22,649,603
2001		20,025,000	1,582,504	78,779	21,686,283
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

Fiscal Year	Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bond	Other Long Term Obligations	Total	Percentage of Placer County Personal Income [a]	Debt Per Capita [a]
1998	\$10,395,000	\$9,095,000	\$33,000,000			\$241,925	\$52,731,925	10.25%	\$1,081
1999	8,995,000	8,930,000	33,000,000			234,607	51,159,607	9.15%	996
2000	29,175,000	8,755,000	31,960,000			226,924	70,116,924	10.14%	1,170
2001	27,665,000	8,575,000	30,875,000			218,857	66,478,924	18.99%	2,268
2002	26,980,000	8,385,000	29,750,000			210,387	65,425,387	17.87%	2,126
2003	40,774,524	8,185,000	28,575,000			201,493	77,535,517	18.93%	2,285
2004	35,808,204	8,240,000	27,350,000			192,155	71,490,359	16.63%	2,054
2005	27,325,043	7,945,000	26,075,000			182,351	61,478,058	33.04%	4,226
2006	267,326,882	7,630,000	24,740,000			172,056	390,846,900	[b]	4,053
2007	266,098,723	7,310,000	23,345,000			161,246	610,478,058	[b]	6,265
2008	271,323,395	6,985,000	55,611,761				646,824,714	[b]	6,418

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)

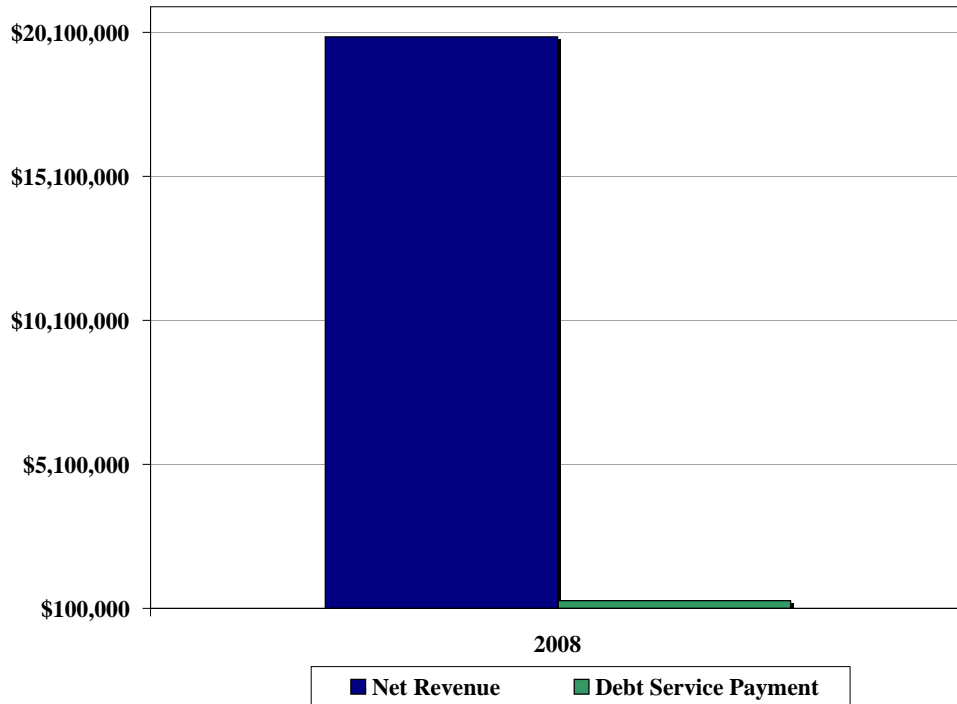
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2008 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES A  
CURRENT FISCAL YEAR**



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	\$203,099	\$203,099	98.22

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 Interest

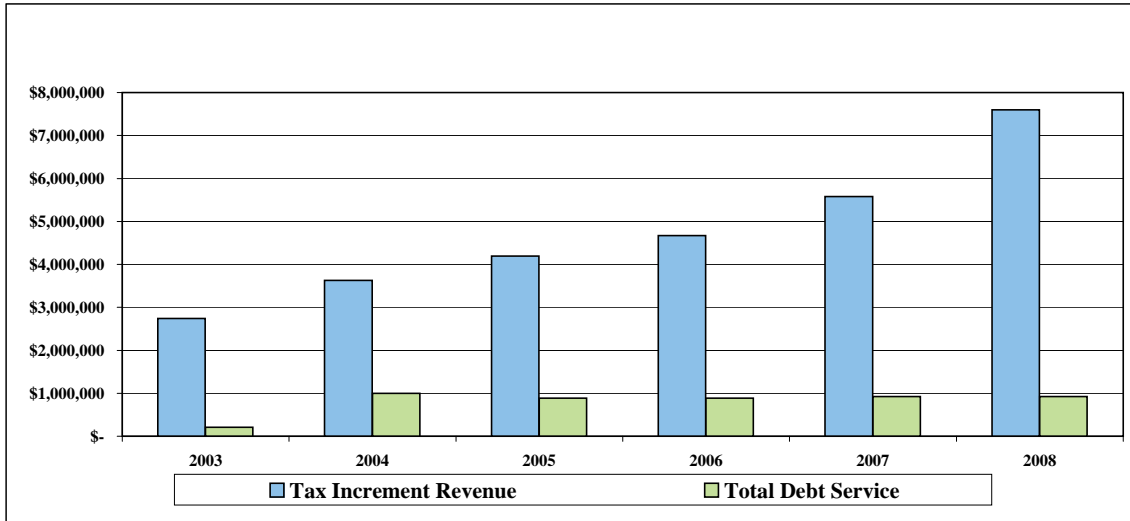
**CITY OF ROSEVILLE  
REVENUE BOND COVERAGE  
2008 REFUNDING VARIABLE RATE-SYNTHETIC FIXED WASTEWATER REVENUE BONDS SERIES B  
CURRENT FISCAL YEAR**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$36,916,610.00	\$16,967,472.00	\$19,949,138.00	\$0.00	\$358,795.49	\$358,795.49	55.60

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 Interest

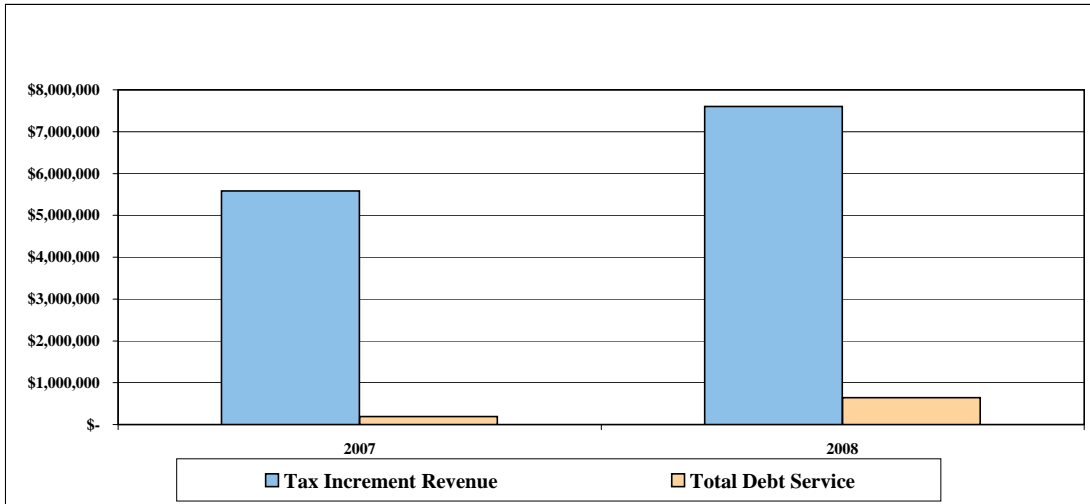
**CITY OF ROSEVILLE**  
**2002 REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Six Fiscal Years**



Fiscal Year	Debt Service Requirements					Coverage
	Tax Increment Revenue	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2003	\$2,740,656.14	-	\$205,692.08	\$205,692.08	\$14,500,000.00	0.13
2004	3,630,050.00	\$320,000.00	674,550.00	994,550.00	14,180,000.00	0.04
2005	4,190,987.00	220,000.00	666,450.00	886,450.00	13,960,000.00	0.05
2006	4,673,904.00	225,000.00	659,775.00	884,775.00	13,735,000.00	0.05
2007	5,581,407.00 (a)	275,000.00	651,875.00	926,875.00	13,460,000.00	0.06
2008	7,601,292.00	280,000.00	642,750.00	926,875.00	13,180,000.00	0.08

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

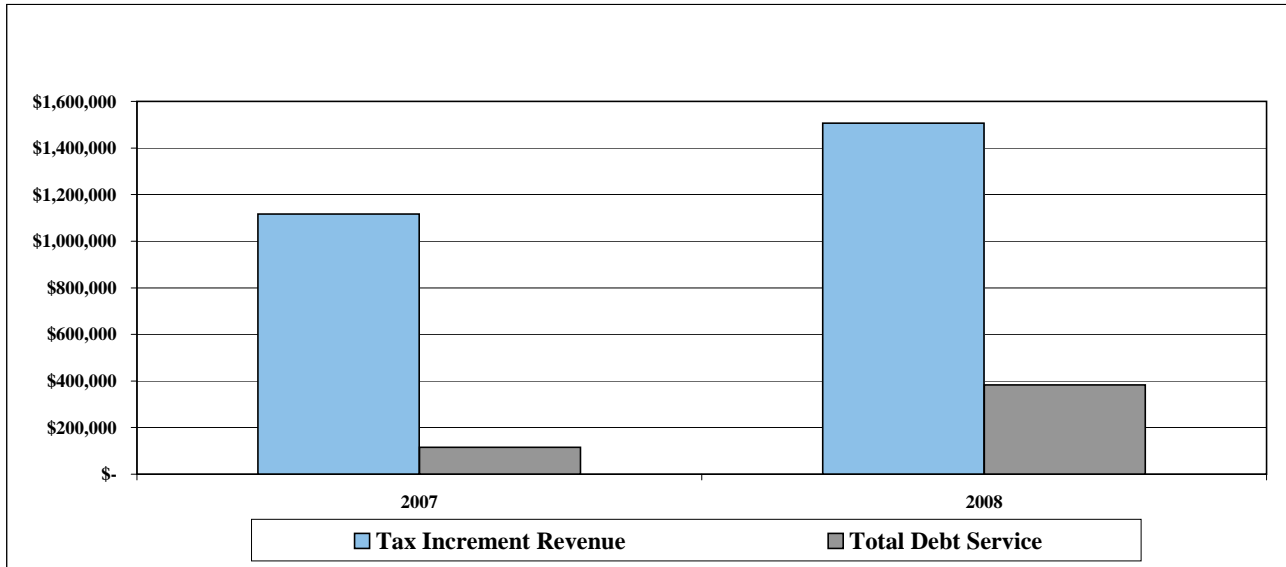
**CITY OF ROSEVILLE**  
**2006A REDEVELOPMENT TAX ALLOCATION BONDS**  
**Last Two Fiscal Years**



Fiscal Year	Debt Service Requirements					Coverage
	Tax Increment Revenue	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2007	\$5,581,407.00 (a)	-	\$190,407.99	\$190,407.99	\$13,155,000.00	0.29
2008	\$7,601,292.00	-	640,625.00	640,625.00	\$13,155,000.00	0.12

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

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



Fiscal Year	Debt Service Requirements					Coverage
	20% Set Aside	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2007	\$1,116,281.00	-	\$114,894.97	\$114,894.97	\$6,505,000.00	0.10
2008	1,507,118.00	\$140,000	382,845.50	382,845.50	6,365,000.00	0.04

**CITY OF ROSEVILLE**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2008**

2007-08 Assessed Valuation:	\$17,185,066,015
Redevelopment Incremental Valuation:	<u>737,140,508</u>
Adjusted Assessed Valuation:	\$16,447,925,507

	Total Debt 6/30/2008	Percentage Applicable To City of Roseville (1)	Amount Applicable To City of Roseville
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Roseville Joint Union High School District	\$106,278,456	73.417%	\$78,026,454
Rocklin Unified School District	83,919,185	0.011%	9,231
Dry Creek Joint School District	41,496,387	55.582%	23,064,522
Eureka Union School District	7,940,579	37.523%	2,979,543
Roseville City School District	36,536,694	97.873%	35,759,559
City of Roseville Community Facilities Districts	401,155,000	100.000%	401,155,000
City of Roseville 1915 Act Bonds	270,000	100.000%	270,000
California Statewide Communities Development Authority Assessment District No. 04-01	1,525,293	55.216%	842,206
California Statewide Communities Development Authority Assessment District No. 05-01	3,114,408	6.701%	208,696
California Statewide Communities Development Authority Roseville Granite Bay Assessment District	319,312	100.000%	319,312
California Statewide Communities Development Authority Roseville Woodlake Village	1,915,875	100.000%	1,915,875
California Statewide Communities Development Authority Placer County Assessment Districts	4,747,794	100.000%	<u>4,747,794</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b><u><u>\$549,298,192</u></u></b>
<b><u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>			
Placer County Certificates of Participation	\$55,960,000	30.009%	\$16,793,036
Placer County Office of Education Certificates of Participation	2,650,000	3000.900%	795,239
Sierra Joint Community College District Certificates of Participation	17,155,000	22.046%	3,781,991
Roseville Joint Union High School District Certificates of Participation	4,760,000	73.417%	3,494,649
Rocklin Unified School District Certificates of Participation	19,890,000	0.011%	2,188
Dry Creek Joint School District Certificates of Participation	11,620,000	81.182%	9,433,348
Eureka Union School District Certificates of Participation	6,465,000	37.523%	2,425,862
Roseville City School District Certificates of Participation	17,145,000	97.873%	16,780,326
<b>City of Roseville Certificates of Participation</b>	<b>22,845,000</b>	<b>100.000%</b>	<b><u>22,845,000</u></b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b><u><u>\$76,351,639</u></u></b>
<b>COMBINED TOTAL DEBT</b>			<b><u><u>\$625,649,831</u></u></b> (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.

<b><u>Ratios to 2007-08 Assessed Valuation:</u></b>	
Total Overlapping Tax and Assessment Debt	3.20%

<b><u>Ratios to Adjusted Assessed Valuation:</u></b>	
<b>Combined Direct Debt (\$22,845,000)</b>	<b>0.14%</b>
Combined Total Debt	3.80%

**STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08: \$0**

KD: (\$425)

Source: California Municipal Statistics, Inc.

**CITY OF EXAMPLE**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**JUNE 30, 2008**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$16,644,339,498
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$624,162,731
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$646,824,714
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	646,824,714
Amount of debt subject to limit	0

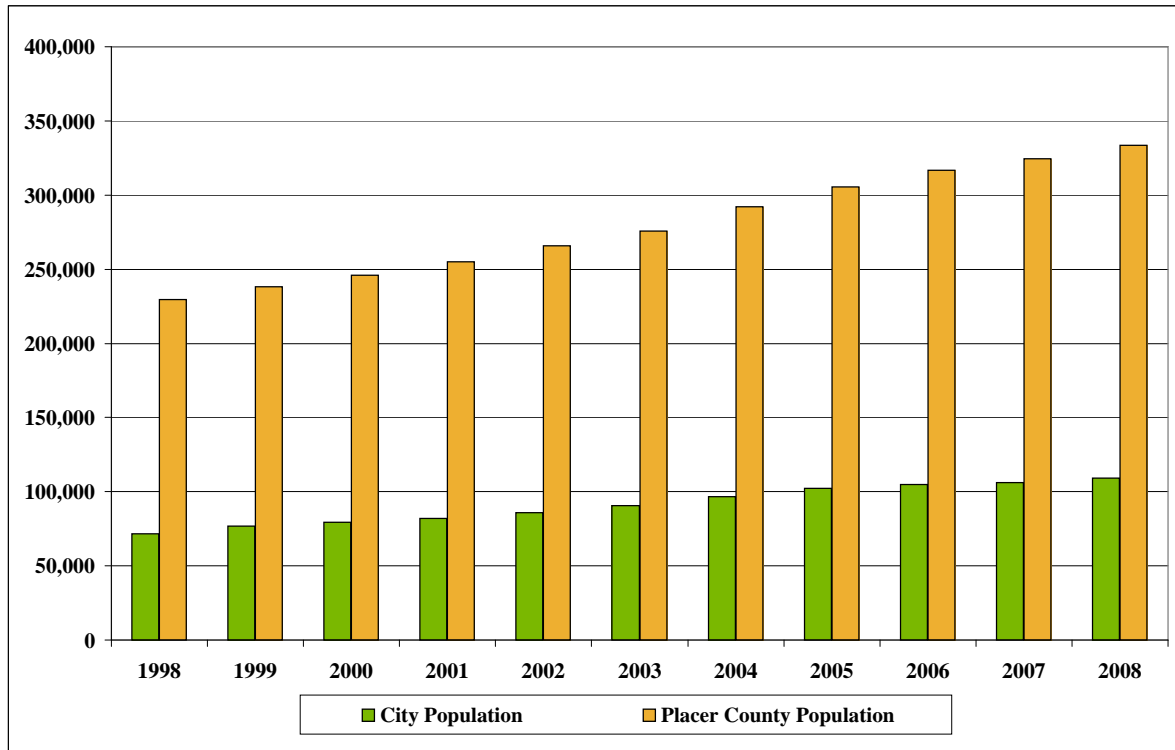
LEGAL BONDED DEBT MARGIN	\$624,162,731
--------------------------	---------------

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%

NOTE: The City of Roseville began preparing a CAFR in fiscal year 2003.

- (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.

**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
1998	71,600	\$7,551,358	\$32,665	4.3%	229,700	31.17%
1999	76,700	8,346,248	34,642	3.4%	238,300	32.19%
2000	79,300	9,153,080	36,419	3.6%	246,100	32.22%
2001	82,200	9,815,673	37,066	3.9%	255,100	32.22%
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	(b)	(b)	4.9%	324,495	32.75%
2008	109,154	(b)	(b)	(b)	333,401	32.74%

(a) In thousands of dollars  
(b) Information not available.

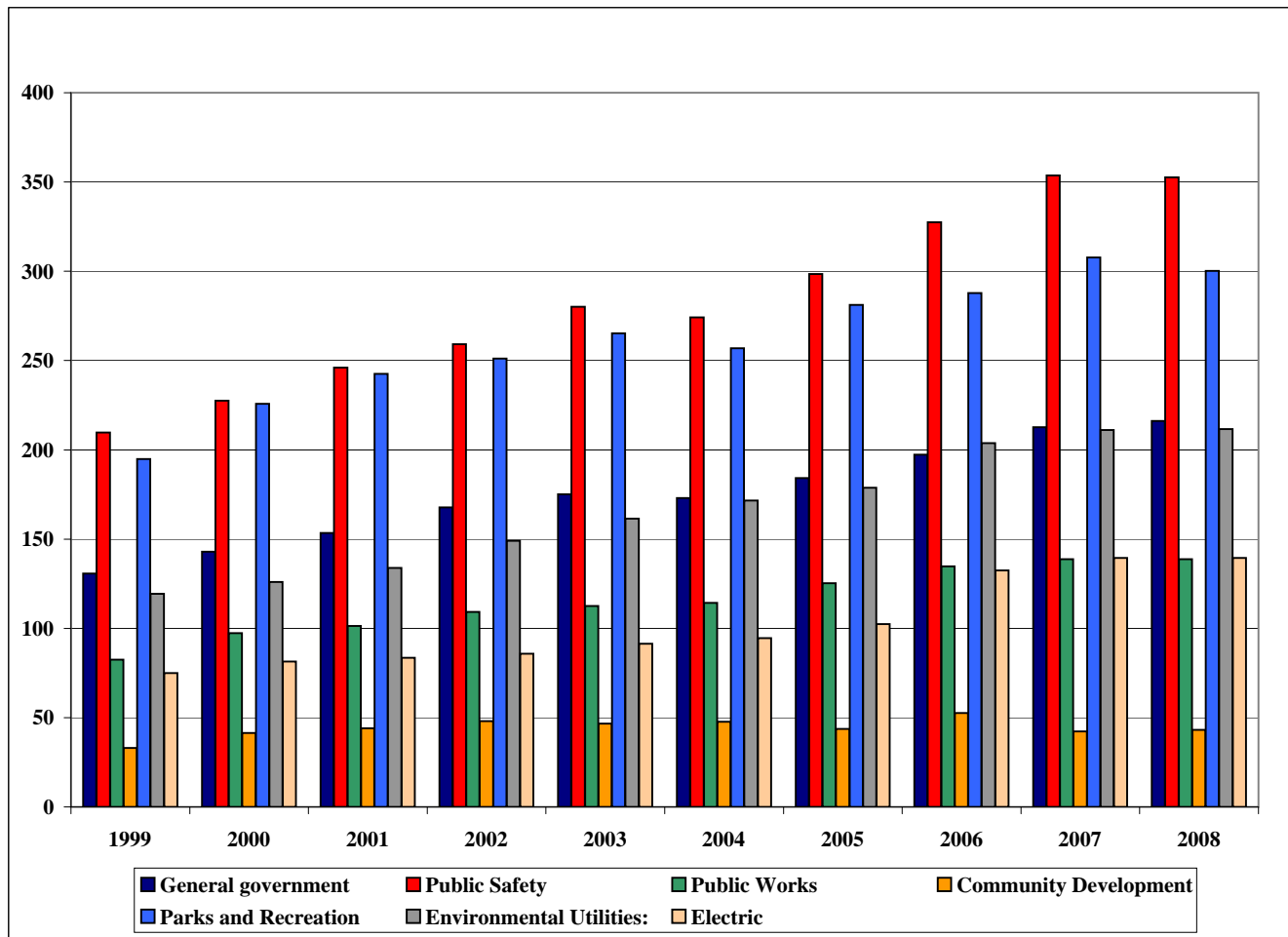
Source: Bureau of Economic Analysis and  
State of California Department of Finance  
State of California Employment Development Department

**CITY OF ROSEVILLE  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2007</b>			<b>1998</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employees</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employees</b>
Hewlett-Packard	3,600	1	4.5%	4,430	1	9.8%
Kaiser Permanente	3,428	2	4.3%	1,394	4	3.1%
Sutter Roseville Medical Center	1,922	3	2.4%	1,412	3	3.1%
Union Pacific Railroad	2,000	4	2.5%	1,000	5	2.2%
City of Roseville	1,252	5	1.6%	818	6	1.8%
Roseville Elementary School District	897	6	1.1%	572	9	1.3%
Wal-Mart (2 stores)	862	7	1.1%	0	n/a	0.0%
Roseville Joint Union High School District	803	8	1.0%	583	8	1.3%
NEC Electronics	800	9	1.0%	1,500	2	3.3%
PRIDE Industries	800	10	1.0%	440	10	1
Subtotal	<u>16,364</u>		<u>20.5%</u>	<u>12,149</u>		<u>27.0%</u>
Total Employment*	<u>80,015</u>			<u>45,000</u>		

\*Total Employment as used above represents the total employment of all employees located within the City limits.

**CITY OF ROSEVILLE**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**



Adopted for Fiscal Year Ended June 30,

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Function</b>										
General government	130.69	142.92	153.42	167.81	175.06	172.95	184.23	197.23	212.71	216.21
Public Safety	209.64	227.59	246.07	259.07	280.07	274.24	298.43	327.46	353.69	352.69
Public Works	82.50	97.31	101.29	109.29	112.54	114.29	125.29	134.77	138.77	138.77
Community Development	33.00	41.50	44.00	48.00	46.74	47.63	43.63	52.63	42.25	43.25
Parks and Recreation	194.84	225.81	242.50	251.09	265.33	256.83	281.12	287.86	307.65	300.19
Environmental Utilities:	119.42	125.92	133.84	149.09	161.47	171.57	178.82	203.74	211.03	211.59
Electric	75.00	81.46	83.46	85.80	91.46	94.46	102.46	132.46	139.46	139.46
<b>Total</b>	<b>845.09</b>	<b>942.51</b>	<b>1,004.58</b>	<b>1,070.15</b>	<b>1,132.67</b>	<b>1,131.97</b>	<b>1,213.98</b>	<b>1,336.15</b>	<b>1,405.56</b>	<b>1,402.16</b>

**CITY OF ROSEVILLE**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Six Fiscal Years**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Function/Program</b>						
Public safety:						
Fire:						
Number of medical emergencies answered	5,063	5,234	5,228	6,458	6,622	6,737
Number of Haz-Mat alarms answered	151	126	134	413	330	287
Total Number of alarms answered	7,730	8,390	8,023	9,784	10,065	9,492
Police:						
Law violations:						
Physical arrests (adult and juvenile)	4,652	4,120	5,578	7,602	7,360	5,464
Traffic citations	19,432	11,382	15,260	18,587	19,893	18,883
Public works:						
Total building permits issued	5,663	5,718	4,434	5,703	4,272	4,849
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
Park and recreation:						
Community Services:						
Number of participants in Cultural Art classes	4,767	6,582	3,029	3,447	1,926	1,520
Total attendance to aquatic facilities	331,561	361,104	271,377	234,542	243,429	235,548 Note 1
Library:						
Number of materials checked out	508,809	510,421	554,174	627,317	685,097	818,428 Note 2
Water:						
Average Daily Consumption (in gallons)	26.6M	28.77M	26.82M	27.26M	30.43M	28.15M
Number of meters sold	1,720	1,870	1,987	1,800	1,031	1,917
Number of backflow devices tested	3,644	3,817	4,122	3,836	4,348	4,679
Wastewater:						
Number of miles of sewer mains flushed	401	419	448	427	218	280
Total preventative work orders completed	2,599	2,192	3,107	7,065	9,247	N/A* Note 3
% of preventative work orders hours						43.1%
Solid Waste:						
Number of incoming phone calls	37,954	37,943	22,684	23,672	26,870	26,491
Tons of solid waste collected	95,151	99,082	98,910	102,370	100,148	96,265
Electric:						
Number of customers participating in energy efficiency programs	1,231	2,124	2,793	3,123	3,663	2,949
Number of trees planted (Shade Tree Program)	1,065	836	625	621	628	842

Notes:

- 1 - Roseville Aquatics Center closed for pool repairs Nov 2007-Jan2008.
- 2 - The Library totals include Main Library, Maidu Library, Riley Library. The Bookmobile was retired during the winter 2008.
- 3 - Preventative work orders are no longer traced by the number completed. It is now tracked by the percentage of number of hours worked.

**CITY OF ROSEVILLE**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Six Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Function/Program</b>						
Public safety:						
Fire stations	6	6	7	7	8	8
Police stations	1	1	1	1	1	1
Police patrol units	63	75	97	110	107	107
Public works:						
Miles of streets	400	428	432	455	475	432
Number of Traffic Lights	134	133	135	141	150	154
Park and recreation:						
Community services:						
Golf courses (18 holes)	40	40	2	2	2	2
City parks	n/a	57	48	53	56	58
Miles of creek	2	2	57	60	60	60
Swimming pools	4	4	4	4	4	4
Tennis courts	12	12	12	12	12	14
Library:						
City Libraries	2	2	3	3	3	3
Water						
Miles of water mains	450	480	494	506	540	556
Fire hydrants	3,653	4,499	3,881	3,978	4,278	4,413
Wastewater						
Miles of sanitary sewers	600	600	460	447	472	485
Miles of storm drain	410	420	352	435	474	376
Solid Waste:						
Number of new residential refuse customers	2,137	1,490	1,062	705	809	984
Electric:						
Number of residential customers	38,054	40,312	41,883	43,001	43,793	44,662
Number of commercial customers	4,720	5,101	5,410	5,523	5,788	6,038

Source: City of Roseville Department Staff