

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009



**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

**Prepared by
FINANCE DEPARTMENT**

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CITY OF ROSEVILLE, CALIFORNIA
Comprehensive Annual Financial Report
For The Year Ended June 30, 2009

INTRODUCTORY SECTION:

Table of Contents	i
Letter of Transmittal	v
Organization Chart.....	xiv
Elected Officials.....	xv
GFOA Certificate.....	xvi

FINANCIAL SECTION:

<i>Independent Auditor's Report on Basic Financial Statements</i>	1
<i>Management's Discussion and Analysis</i>	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	22
Statement of Activities	23
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	26
Reconciliation of Governmental Funds – Fund Balance with the Governmental Activities Net Assets.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of the Net Change in Fund Balances - Total Governmental Funds with the Change in Net Assets of Governmental Activities.....	29
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual:	30
Redevelopment Agency Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	32

CITY OF ROSEVILLE, CALIFORNIA
Comprehensive Annual Financial Report
For The Year Ended June 30, 2009

FINANCIAL SECTION (Continued):

Major Proprietary Funds:

Statement of Net Assets.....	34
Statement of Revenues, Expenses and Changes in Fund Net Assets	36
Statement of Cash Flows	38

Fiduciary Funds:

Statement of Fiduciary Net Assets	42
Endowment Private-Purpose Trust Fund Statement of Changes in Net Assets	43
Notes to Basic Financial Statements	45

1. Summary of Significant Accounting Policies	45
2. Budgets and Budgetary Accounting.....	50
3. Cash and Investments.....	52
4. Interfund Transactions.....	58
5. Notes Receivable.....	60
6. Deferred Receivables	62
7. Development Agreements and Land Held for Redevelopment.....	62
8. Capital Assets.....	64
9. Long-Term Debt.....	68
10. Debt Without City Commitment	78
11. Net Assets and Fund Balances	78
12. Pension Plan	80
13. Post-Employment Benefits.....	82
14. Risk Management.....	84
15. Prepaid Purchased Electricity.....	86
16. Northern California Power Agency (NCPA)	86
17. South Placer Wastewater Authority (SPWA)	90
18. Municipal Solid Waste Landfill Closure and Postclosure Care Costs	91
19. Commitments and Contingent Liabilities.....	91
20. Gas Supply Acquisition and Resale	92

CITY OF ROSEVILLE, CALIFORNIA
Comprehensive Annual Financial Report
For The Year Ended June 30, 2009

SUPPLEMENTAL INFORMATION SECTION:

Required Supplementary Information:

Modified Approach to Reporting Street Pavement, Costs and Parks and Landscaping Costs	95
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Supplemental Information:

Non-major Governmental Funds:

Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances	106
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balances-Budget and Actual	112

Internal Service Funds:

Combining Statement of Net Assets	126
Combining Statement of Revenues, Expenses and Changes in Net Assets	128
Combining Statement of Cash Flows	130

Agency Funds:

Statement of Changes in Assets and Liabilities	136
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STATISTICAL SECTION:

Net Assets by Components – Last Seven Fiscal Years.....	149
Changes in Net Assets – Last Seven Fiscal Years	150
Fund Balances of Governmental Funds – Last Ten Fiscal Years	152
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	154
Sales Tax Revenue – Last Ten Fiscal Years	156
Assessed Value of Taxable Property – Last Seven Fiscal Years.....	157
Property Tax Rates – All Direct Overlapping Governments Last Ten Fiscal Years.....	158
Principal Property Tax Payers – Current Year and Nine Years Ago.....	159
Property Tax Levies and Collections – Last Ten Fiscal Years	160
Electric Customers & Revenues.....	161
Residential Energy Prices.....	162

CITY OF ROSEVILLE, CALIFORNIA
Comprehensive Annual Financial Report
For The Year Ended June 30, 2009

STATISTICAL SECTION (Continued):

Business Energy Prices.....	163
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	164
Revenue Bond Coverage	
2008 Refunding Variable Rate Wastewater Revenue Bonds – Series A – Last Two Fiscal Years	165
2008 Refunding Variable Rate-Synthetic Fixed Wastewater Revenue Bonds – Series B – Last Two Fiscal Years	166
2002 Redevelopment Tax Allocation Bonds – Last Seven Fiscal Years.....	167
2006A Redevelopment Tax Allocation Bonds – Last Three Fiscal Years	168
2006AT Redevelopment Tax Allocation Bonds.....	169
2006HT Redevelopment Tax Allocation Bonds.....	170
Computation of Direct and Overlapping Debt.....	171
Computation of Legal Bonded Debt Margin	172
Demographic and Economic Statistics – Last Ten Fiscal Years.....	173
Principal Employers – Current Year and Nine Years Ago.....	174
Full-Time Equivalent City Employees by Function – Last Ten Fiscal Years.....	175
Operating Indicators by Function/Program – Last Seven Fiscal Years	176
Capital Asset Statistics by Function/Program – Last Seven Fiscal Years	177



December 18, 2009

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, 2009. 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 2009 was reflective of the overall economy. Housing starts were slow, commercial development came to a near halt, City revenues declined in virtually every category, but was especially down in sales taxes and development-related revenues. The City initiated a number of efforts to reduce costs in order to match reductions in expenses. These included an early-retirement program, continued de-funding of vacant positions, layoffs, and reductions in spending on non-personnel items. At the end of the year the City had positioned itself to end fiscal year 2009 without dipping into reserves and to have reduced expenses to match expected drops in revenue for fiscal year 2010.

One bright spot in residential development is that new housing permits continued to be pulled throughout the year, totaling over 600 single-family permits through June 2009. Although down from the 932 permits in fiscal year 2008, this accounted for a large percentage of all residential permits pulled in the Sacramento region. Commercial development slowed considerably in fiscal year 2009, with only 14 building permits issued compared with 68 building permits in the previous year.

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. Revenue from rates was not sufficient to fund the operating expenses of the utility; therefore, Electric's rate stabilization fund was used to balance its budget at the end of the year. The electric utility was in the process of analyzing the need for increases in rates at the end of the year, and those rate increases were approved by the City Council in the fall of 2009. The electric utility is likely to continue experiencing cost volatility that could lead to higher rates. Many of the issues that are likely to drive rate increases will be state and federal mandates related to renewable energy.

The environmental utilities (water, wastewater, and solid waste) all ended the year within or better than budgeted. These utilities have less volatile costs that allow more predictable cost structures. The water and wastewater utilities debt instruments performed well during fiscal year 2009. The water utility's debt is fixed rate; however, the wastewater utility includes a large amount of variable-rate debt. The interest rates on this debt remained low through fiscal year 2009.

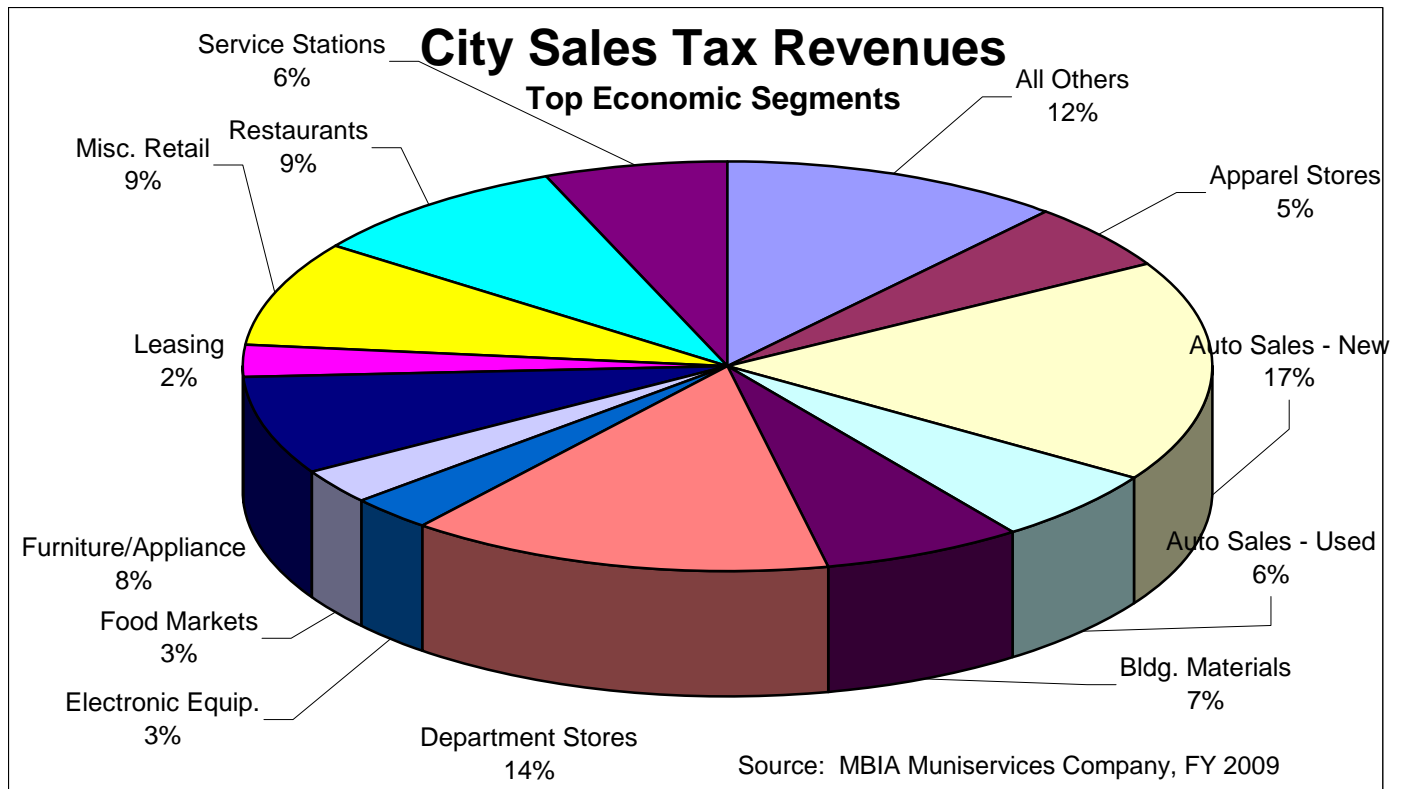
The Golf Course, Transit, and School-Aged Childcare enterprise funds also ended the year with revenues exceeding expenses. The Golf Courses continue to operate in a profitable manner. Improvements to the golf courses are planned in the next few years to keep the appearance and overall utility of the 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 new auto sales. New auto sales were down over 27 percent in fiscal year 2009 compared to fiscal year 2008. Retail hardware sales continued to be down as well due to fallout from the housing slowdown.

On a short-term basis, the City will need to continue cost-cutting measures to bring costs in line with falling revenues. To date, the City has been aggressive and proactive in cutting costs and has aggressively reduced materials and supply costs, defunded approximately 80 General Fund positions through attrition through fiscal year 2009, incentivized 62 employees throughout the organization to retire; and laid off 35 permanent positions in the General Fund. The City is responding to the ongoing economic challenges, and is 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 2009. Total sales taxes decreased by \$5 million, on an economic basis, from 2008. Sales taxes were down in virtually every major economic category. New auto sales, the largest sales-tax category, were down nearly 40 percent from their three-year high. Department stores, the second-highest category, were down just over 10 percent from their three-year high. Only restaurants, liquor stores, and apparel stores showed gains in fiscal year 2009.



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 undertaken in fiscal year 2009 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- Public Works: 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: Continued expansion of the electric distribution system.
- Parks and Recreation: Near completion of an indoor pool in Central Park and completion of phase 1a of a universally accessible playground at Mahany Park.
- Redevelopment: Riverside streetscape and infrastructure improvement project (expected completion in January 2010).

Private development slowed significantly in fiscal year 2009. Single-family residential decreased compared to last fiscal year and there was no multi-family residential development. Commercial development decreased from the previous year, as development of the Fountains retail establishment and expansion of the regional shopping mall were completed. Industrial and office development were also down significantly from fiscal year 2007. Overall trends in development have been down, and it is expected that the coming 12 to 24 months will result in slowing development in all sectors.

Development Type	Number of Permits	New Square Feet Occupied
Single-family residential	610	
Multi-family residential	0	
Industrial		130,826
Commercial		772,448
Business professional		384,817

The proposed major annexation of the Sierra Vista Specific Plan area on the boundary of the West Roseville Specific Plan continues to be processed.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

Category Fund Type

Governmental Funds: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Permanent Funds

Proprietary Funds: Enterprise Funds and Internal Service Funds

Fiduciary Funds: Agency Funds 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 3.08% on the City's month-end average investment balances. This compared with a return of 4.48% in the prior year. As of June 30, 2009, the yield to market of outstanding investments was 1.92%. This decrease was the result of an overall falling interest rate environment. Investment income includes changes in the fair market value of investments. Decreases in fair market value during the current year do not necessarily represent trends that will continue. The City's policy is to generally hold investments to maturity, and to limit sales of securities to those that show gains in market value.

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

Overall City Investment Portfolio as of 06/30/2009

ISSUER	PAR	AVG DAYS TO MATURITY	AVG YIELD TO MATURITY
Corporate Notes			
Bank of America Corp	\$ 1,000,000	1169	5.400%
General Electric	3,855,000	581	5.038%
JP Morgan	1,000,000	701	5.351%
Wells Fargo	3,985,000	749	5.153%
	9,840,000		
Corporate FDIC			
Bank of America	3,620,000	837	2.110%
Citi Group	9,230,000	837	1.674%
Goldman Sachs	5,000,000	521	2.279%
JP Morgan Chase	2,110,000	603	1.670%
Morgan Stanley	7,540,000	884	3.262%
Regions Bank	6,500,000	892	3.283%
Sovereign Bank	6,500,000	900	2.946%
Suntrust Bank	5,000,000	869	3.110%
	45,500,000		
Fed Agencies/Treasury			
FFCB	3,710,000	370	4.733%
FHLB	64,180,000	689	2.888%
FHLMC	55,785,000	742	2.616%
FNMA	48,270,000	586	2.336%
US Treas	137,275,000	755	1.186%
	309,220,000		
Total			
Exposure:	\$364,560,000		

LONG-TERM FINANCIAL PLANNING

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

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

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 keep pace with the improvements needed to maintain City facilities.

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

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

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 several years; however, the General Fund portion of this transfer was not made in FY2009. 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 benefits" (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, 2008. 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

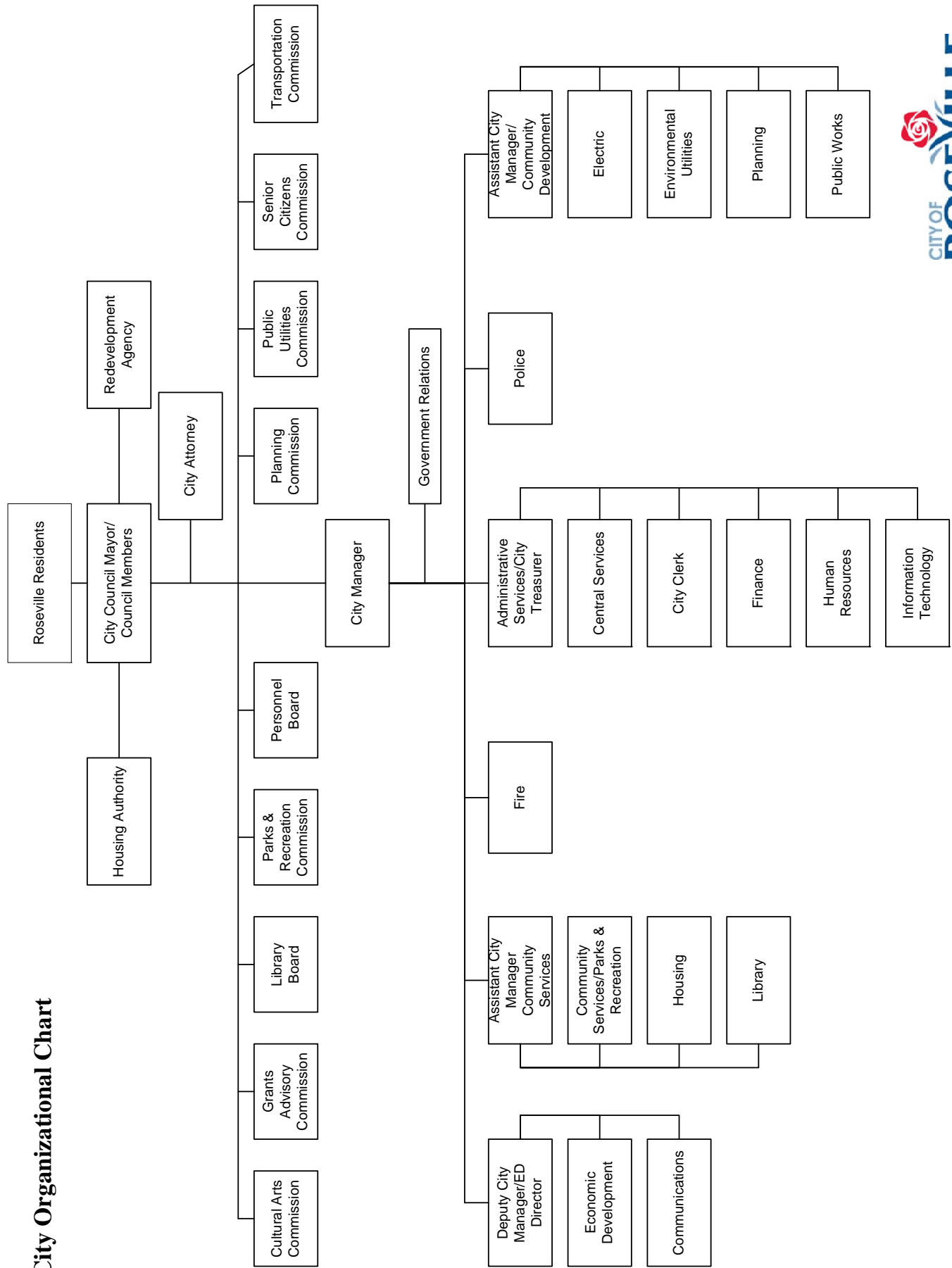
I extend my appreciation to the entire staff in the Finance Department and other departments who assisted in the process of compiling the information for this report. In addition, I extend a special "thank you" to the City's Accounting Division staff and our external auditors who contributed long hours 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 black ink, reading "Russ Branson". The signature is written in a cursive, flowing style.

Russ Branson
Administrative Services Director/City Treasurer

City Organizational Chart



CITY OF ROSEVILLE

ELECTED OFFICIALS

JUNE 30, 2009

Mayor	Gina Garbolino
Mayor Pro-tem	Pauline Roccucci
Council Member	Jim Gray
Council Member	John Allard
Council Member	Carol Garcia

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, 2008

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.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

Honorable Mayor and City Council
City of Roseville, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, California (City) as of and for the year ended June 30, 2009, 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, 2009 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 6, 2009 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.

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 6, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

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, 2009. 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 2009 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2009 include the following:

Entity-wide:

- The City's total net assets were \$2.4 billion as of June 30, 2009. Of this total, \$1.1 billion were Governmental assets and \$1.3 billion were Business-type assets.
- Governmental revenues include program revenues of \$58.0 million and general revenues and transfers of \$128.8 million for a total of \$186.7 million.
- Governmental expenses were \$185.8 million.
- Business-type program revenues, interest revenue and miscellaneous revenues were \$330.9 million while Business-type expenses and transfers were \$298.9 million.

Fund Level:

- Governmental Fund balances decreased to \$212.8 million in fiscal year 2009, down \$22.7 million from the prior year.
- Governmental Fund revenues decreased to \$149.9 million in 2009, down \$35.7 million from the prior year. This was primarily due to decreases of \$7.9 million in taxes as the economy affected both sales and property taxes, \$9.1 million in contributions from property owners as no Community Facility Districts were formed in 2009, \$13.0 million in charges for services, \$1.1 million in contributions from developers as development revenues decreased due to the economic conditions that have continued to affect the area, and \$3.0 million in use of money and property. However, there were increases of \$4.1 million in subventions and grants. Governmental Fund expenditures decreased to \$197.9 million in fiscal year 2009, down \$21.1 million from the prior year. The decreases were primarily due to \$13.3 million reduction of capital outlay costs, mostly from the Community Facility Districts, \$3.2 million from community development and planning, \$2.2 million from libraries and parks and recreation, \$1.8 million in general government.
- Other Financing Sources provided a net of \$25.3 million in fiscal year 2009, up \$5.1 million from 2008.

General Fund:

- General Fund revenues of \$95.9 million were \$9.6 million lower than the prior year as taxes decreased \$6.1 million, charges for services decreased \$2.5 million, and use of money and property decreased \$291 thousand.
- General Fund expenditures of \$121.8 million represented a decrease of \$7.4 million over the prior year, as most departments made significant cuts due to reduced resources.
- Other Financing Sources were \$18.6 million, a decrease of \$2.8 million from 2008.
- The General Fund balance of \$56.3 million as of June 30, 2009 was down from fiscal year 2008's fund balance of \$63.6 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>2009</u>	<u>2008</u>
Cash and Investments	\$292.2	\$310.9
Other Assets	47.9	48.2
Capital Assets	865.6	831.7
Total Assets	1,205.7	1,190.8
Long-Term Debt Outstanding	52.7	53.7
Other Liabilities	78.9	63.9
Total Liabilities	131.6	117.6
Net Assets:		
Invested in Capital Assets, Net of Debt	809.9	775.9
Restricted	149.4	165.8
Unrestricted	114.8	131.5
Total Net Assets	\$1,074.1	\$1,073.2

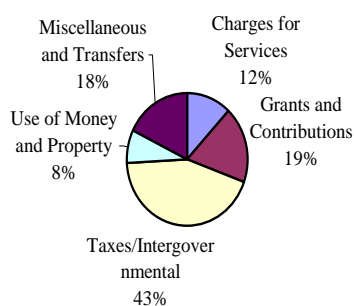
The City's governmental net assets amounted to \$1.1 billion as of June 30, 2009, a slight increase of \$1.0 million over 2008. This increase is the Change in Net Assets reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net assets as of June 30, 2009 comprised the following:

- Cash and investments comprised \$264.8 million in the city treasury and \$27.4 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 \$13.2 million of which were current, along with deferred receivables of \$5.3 million and notes receivable of \$19.4 million that are due over longer periods of time, as explained in Notes 5 and 6 to the financial statements.

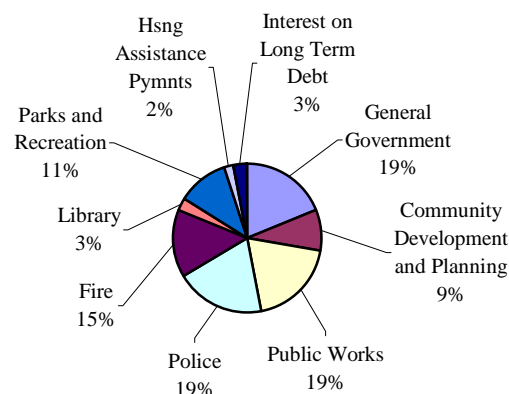
- Capital assets of \$865.6 million, net of depreciation charges, includes all of the City's infrastructure as well as other capital assets used in governmental activities, as discussed in Note 8.
- Current liabilities—including accounts payable, claims, and other amounts due currently—totaled \$31.0 million.
- Accrued compensated absence liabilities payable to employees of \$9.0 million, as explained in Note 1G to the financial statements.
- \$30.6 million of unfunded required contribution to the Other Post Employment Benefits (OPEB) as required by GASB 45.
- Long-term debt of \$52.7 million, of which \$51.3 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 \$809.9 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 \$149.4 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 \$114.9 million of unrestricted net assets as of June 30, 2009. While these assets are technically unrestricted, most of these assets are designated for a specific use.

Fiscal Year 2009 Governmental Activities

Sources of Revenue



Functional Expenses



As the Sources of Revenue Chart above shows, \$81.8 million, or 44% of the City's fiscal year 2009 governmental activities revenue, came from taxes and unrestricted intergovernmental revenues (motor vehicle-in-lieu), while \$35.3 million or 19% came from grants and contributions, \$22.7 million, or 12%, 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 \$35.3 million, or 19% of total government expenses, community development and planning was \$16.4 million, or 9%, public works was \$35.3 million, or 19%, police was \$36.3 million, or 19%, fire was \$27.4 million, or 15%, parks and recreation was \$20.6 million, or 11%, and other governmental programs and functions were the remaining 8%.

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>2009</u>	<u>2008</u>
Expenses		
General Government	\$35.3	\$34.6
Community Development and Planning	16.4	16.0
Public Works	35.3	33.7
Police	36.3	33.7
Fire	27.4	26.4
Library	5.2	5.5
Parks and Recreation	20.6	20.0
Housing Assistance Payments	3.5	3.4
Interest on Long-Term Debt	5.8	6.9
Total Expenses	185.8	180.2
Revenues		
Program Revenues:		
Charges for Services	22.7	25.4
Operating Grants and Contributions	12.5	9.5
Capital Grants and Contributions	22.8	59.3
Total Program Revenues	58.0	94.2
General Revenues:		
Taxes/Intergovernmental	81.8	89.4
Use of Money and Property	14	16.9
Miscellaneous	4.6	0.9
Gain on Sale of Property	0	0
Total General Revenues	100.4	107.2
Total Revenues	158.4	201.4
Changes in Net Assets before Transfers	(27.4)	21.2
Transfers	28.3	24.6
Change in Net Assets	\$0.9	\$45.8

As the Sources of Revenue Chart and **Table 2** above show, \$58.0 million, or 36.6% of the City's fiscal year 2009 governmental revenue, came from program revenues and \$100.4 million, or 63.4%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$22.7 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$12.5 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$22.8 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. Capital grants and contributions decreased sharply as the development community was greatly affected by the economy.

General Revenues-Taxes/Intergovernmental showed a decrease of \$7.6 million, as sales taxes continued to decline . General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

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

Table 3
Governmental Activities
June 30
(in Millions)

	<u>Net (Expense)/Revenues from Services</u>	
	<u>2009</u>	<u>2008</u>
General Government	(\$28.0)	(\$28.4)
Community Development and Planning	(12.1)	(9.0)
Public Works	(14.4)	6.8
Police	(32.6)	(30.3)
Fire	(23.7)	(22.3)
Library	(4.8)	(5.0)
Parks and Recreation	(7.1)	(0.8)
Community Facilities Districts	0.0	9.1
Housing Assistance Payments	0.6	0.8
Interest on Long Term Debt	(5.8)	(6.9)
Totals	(\$127.9)	(\$86.0)

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>2009</u>	<u>2008</u>
Cash and Investments	\$146.8	\$180.8
Other Assets	375.4	385.0
Capital Assets	1,481.3	1,429.6
	<hr/>	<hr/>
Total Assets	2,003.5	1,995.4
	<hr/>	<hr/>
Long-Term Debt Outstanding	633.3	646.8
Other Liabilities	37.1	47.5
	<hr/>	<hr/>
Total Liabilities	670.4	694.3
	<hr/>	<hr/>
Net Assets:		
Invested in Capital Assets, Net of Debt	1,063.9	1,096.9
Restricted	43.9	44.6
Unrestricted	225.3	159.5
	<hr/>	<hr/>
Total Net Assets	\$1,333.1	\$1,301.0
	<hr/> <hr/>	<hr/> <hr/>

The net assets of business-type activities increased to \$1.333 billion in fiscal year 2009, an increase of \$32.1 million. Cash and investments decreased \$34.0 million, due to increased expenses for capital projects; and correspondingly, capital assets have increased \$51.7 million. Other assets decreased by \$9.6 million. Long-term liabilities decreased by \$13.5 million. Other liabilities decreased \$10.4 million.

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

	Business-Type Activities	
	<u>2009</u>	<u>2008</u>
Expenses		
Electric Fund	\$163.7	\$155.6
Water Fund	21.8	25.8
Wastewater Fund	28.5	37.1
Solid Waste Fund	14.9	15.7
Natural Gas	27.7	15.1
Golf Course Fund	3.0	2.9
Local Transportation Fund	6.2	5.9
School-Age Child Care Fund	4.7	5.6
Total Expenses	270.5	263.7
Revenues		
Program Revenues		
Charges for Services	246.1	217.7
Operating Grants and Contributions	10.1	13.6
Capital Grants and Contributions	55.0	88.5
Total Program Revenues	311.2	319.8
General Revenues		
Use of Property and Money	19.7	27.6
Total Revenues	330.9	347.4
Change in Net Assets before	60.4	83.7
Transfers	(28.3)	(24.6)
Changes in Net Assets	\$32.1	\$59.1

Business-type program revenues, interest revenue, and miscellaneous revenues were \$330.9 million while Business-type expenses and transfers were \$298.8 million 2009. 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.

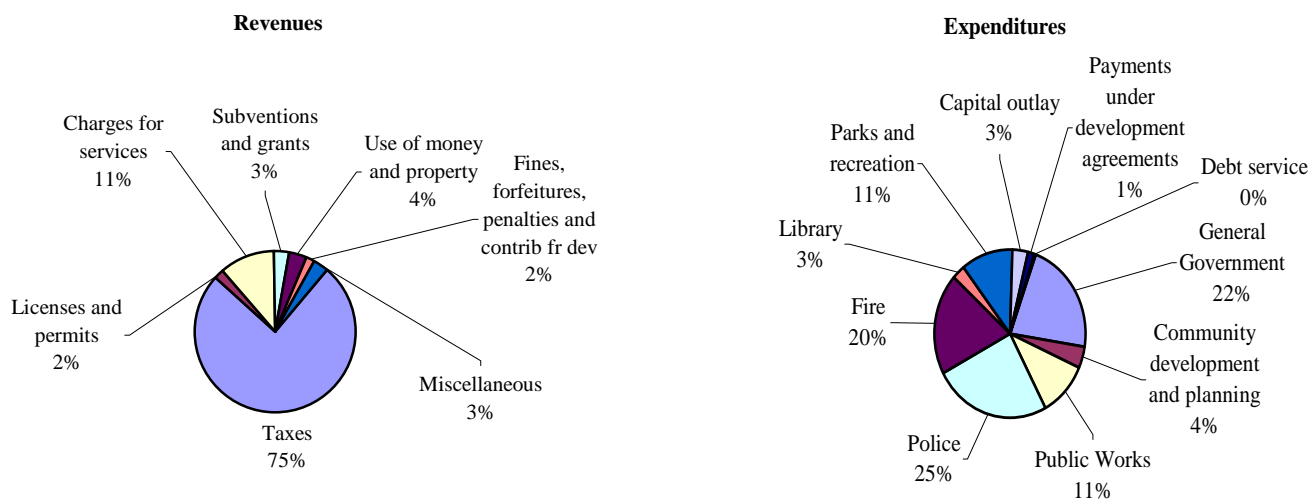
Table 6
Changes in Business-Type Net Assets
(in Millions)

	<u>2009</u>	<u>2008</u>
	<u>Net (Expense)/Revenues From Services</u>	
Electric Fund	\$1.0	\$2.4
Water Fund	11.3	22.2
Wastewater Fund	30.7	35.5
Solid Waste Fund	5.4	4.6
Natural Gas	(11.2)	(11.1)
Golf Course Fund	0.0	0.3
Local Transportation Fund	3.1	2.2
School-Age Child Care Fund	0.4	0.0
Totals	<u>\$40.7</u>	<u>\$56.1</u>

Analyses of Major Governmental Funds

General Fund

Fiscal Year 2009 General Fund Activity



General Fund revenues decreased \$9.6 million this fiscal year due primarily to decreases in taxes and charges for services. Actual revenues were less than budgeted by \$1.9 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 \$121.8 million, an increase of \$7.4 million from the prior year. Expenditures were \$38.9 million less than budget however, as most departments expended less than budgeted. The original budget was increased by a net \$16.4 million, from encumbrances and incomplete capital projects carried over from fiscal year 2008.

Other financing sources and uses reported net inflows of \$18.6 million in fiscal year 2009, which decreased \$2.9 million, as transfers out increased due to one-time funding of projects in the redevelopment fund.

As of June 30, 2009, the General Fund's fund balance totaled \$66.2 million, including \$13.5 million reserved almost entirely for encumbrances and advances to other funds, \$12.7 million designated for economic reserve and capital improvements and \$30.2 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. Net assets increased by \$0.5 million as the General Fund transferred one-time improvement monies for redevelopment projects. In addition the RDA owes other City funds \$14.9 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 2009 due to development slowdown, no new districts were formed and net assets decreased by \$7.0 million, as no additional bond proceeds were received but existing districts continued with their improvements. The largest projects underway in fiscal year 2009 were improvements to the West and North Roseville areas 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 \$11.7 million in fiscal year 2009 to a total of \$266.5 million. Operating revenues were \$155.8 million, an increase of \$11.9 million from 2008. Operating expenses were \$155.1 million in fiscal year 2009, an increase of \$5.1 million, resulting in a net operating income of \$0.8 million. Interest expenses and transfers out were the primary reason of the decrease of net assets. Rates are anticipated to be increased in fiscal years 2010.

Of the fund's Net Assets of \$266.5 million, \$187.0 million was invested in capital assets, \$20.3 million was restricted and \$59.2 million was unrestricted.

Water Fund

Net assets of the Water Fund increased \$11.0 million in fiscal year 2009. Operating revenues increased \$0.8 million in fiscal year 2009, while expenses increased \$0.6 million to a total of \$20.7 million. The net result was an operating loss of \$3.0 million. Rates are anticipated to be increased in fiscal year 2010. As development declined in fiscal year 2009, capital connection fees were \$3.6 million, a decrease of \$4.1 million, and contributions from developers were \$10.1 million, a decrease of \$7.3 million. In addition, net transfers out were \$3.4 million.

As of June 30, 2009, the Fund's Net Assets were \$447.6 million, of which \$389.4 million was invested in capital assets, \$4.3 million was restricted for debt service, and \$53.9 million was unrestricted as to use.

Wastewater Fund

Operating revenues increased in fiscal year 2009 \$3.1 million to a total of \$27.1 million. Operating expenses decreased to \$25.4 million, down \$6.4 million. The net result was an operating income of \$1.7 million. Rates are anticipated to be increased in fiscal year 2010. Other items that affected net assets were: connection fees of \$4.8 million; capital contributions of \$22.5 million from developers and South Placer Wastewater Authority; and net transfers out of \$5.0 million. The total increase to net assets was \$26.9 million for fiscal year 2009 to a total of \$574.6 million. As of June 30, 2009, of the Fund's Net Assets, \$456.9 million was invested in capital assets, \$5.8 million restricted for debt service, and \$111.9 million was unrestricted.

Solid Waste Fund

Operating revenues increased \$0.4 million to \$20.0 million while operating expenses decreased by \$0.4 in fiscal year 2009. As a result, net operating income increased to \$5.2 million. Capital impact fees were \$0.36 million, a decrease of \$0.39 million. Rates are anticipated to be increased in fiscal year 2010. Net transfers out were \$3.6 million. As of June 30, 2009, total net assets were \$9.6, an increase of \$2.3 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. \$209.3 million remain due in bonds payable, while the pre-paid natural gas is \$217.1 million. \$10.3 million in debt service were expensed in 2009. Even with a net operating loss, net assets increased by \$0.6 million to \$1.5 million due to interest earnings.

Golf Course Fund

Revenues and expenses remained relatively flat in fiscal year 2009 at \$3.0 million and \$2.5 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 \$9.8 million it has invested in capital assets, net of the related debt.

Local Transportation Fund

Net assets of the Fund increased \$3.5 million in fiscal year 2009 to a total of \$27.4 million. There was a \$5.0 million operating loss in fiscal year 2009, but most of the loss was offset by subventions and grants of \$8.1 million. As of June 30, 2009, the Fund's Net Assets were \$27.4 million, of which \$14.6 million was invested in capital assets and \$12.9 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 \$0.16 million in fiscal year 2009 to a total of \$0.9 million. Revenues decreased \$0.4 million while expenses stayed relatively flat. Of the net assets, \$1.1 million were invested in capital assets, which leaves a negative \$0.2 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, 2009	Balance at June 30, 2008
Governmental Activities		
Land	\$26.7	\$25.8
Streets (modified)	229.7	221.7
Parks (modified)	75.6	70.3
Landscaping (modified)	39.5	38.9
Construction in Progress	152.4	128.1
Buildings	108.9	108.6
Improvements	5.0	5.0
Equipment	67.6	62.6
Bike Paths	8.0	8.0
Bridges	56.4	53.9
Culverts	20.2	20.0
Curb, Gutter, Sidewalk, & Median Curbs	137.6	136.7
Drain Inlets	20.2	20.2
Flood Control Improvements	17.4	17.3
Soundwall	25.6	25.4
Stormdrains	69.0	68.4
Traffic Signals	24.3	21.8
Less: Accumulated Depreciation	(218.5)	(201.0)
Governmental Activity Capital Assets, Net	\$865.6	\$831.7

	Balance at June 30, 2008	Balance at June 30, 2008
Business-Type Activities		
Land	\$16.2	\$16.2
Landscaping (modified)	0.6	0.6
Construction in Progress	100.4	121.0
Buildings	24.4	17.6
Improvements	16.0	13.2
Machinery and Equipment	24.6	18.1
Bike Paths	3.2	2.5
Bridges	1.7	0.0
Culverts, drains, curbs	0.4	0.4
Plant and Substations	346.2	294.5
Distribution	1,028.2	991.8
Generation	197.2	197.0
Less: Accumulated Depreciation	(277.9)	(243.3)
Business-Type Activity Capital Assets, Net	<u>\$1,481.2</u>	<u>\$1,429.6</u>

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, 2009, the City's streets averaged 7.8 PQI for arterial and collector roadways and 7.9 PQI for residential roadways. The City expended \$4.7 million on preservation of its streets in fiscal year 2009, compared to the budgeted amount of \$4.7, and plans to spend \$4.7 million in fiscal year 2010.

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

At June 30, 2009, the City's parks and landscaping averaged 3 GMI. The City expended \$4.4 million on preservation of its parks and landscaping in fiscal year 2009, compared to the budget of \$5.0 million, and plans to spend \$4.4 million in fiscal year 2010.

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, 2009	Balance at June 30, 2008
Governmental Activity Debt:		
Certificates of Participation:		
2003A Public Facilities Bond, 2.0%-5.0%, due 8/1/25	\$15.22	\$15.86
Tax Allocation Bonds		
2002 Roseville Redevelopment Project		
3%-5.14% due 9/1/33	12.89	13.18
2006 Roseville Redevelopment Project, Series A		
4.5%-5.00% due 9/1/40	13.16	13.15
2006 Roseville Redevelopment Project, Series A-T		
5.31%-5.90% due 9/1/28	2.97	3.05
2006 Roseville Redevelopment Project, Series H-T		
5.31%-6.07% due 9/1/40	6.30	6.37
Installment Purchase Obligations		
Equipment	2.15	2.09
Total Governmental Activity Debt:	\$52.69	\$53.70

	Balance at June 30, 2009	Balance at June 30, 2008
Business-type Activity Debt:		
Certificates of Participation:		
1999 Electric System Revenue, 4.0%-5.5%, due 2/1/24	\$0.00	\$0.57
2002 Electric System Revenue, Variable Rate, due 2/1/24	24.23	24.82
Less deferred amount on refunding	(2.58)	(2.75)
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	38.93	39.27
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	51.53	52.45
Add deferred bond premium cost	2.37	2.46
2003B Golf Course Project, 2.0-5.0%, due 8/1/23	6.65	6.99
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	52.05	53.69
Add deferred bond premium cost	2.48	2.62
Less deferred amount on refunding	(0.67)	(0.70)
2008 Electric System Revenue, Series A, Variable Rate, due 2/1/35	90.00	90.00
2008 Electric System Revenue, Series B, Variable Rate, due 2/1/35	63.18	64.50
Total Certificates of Participation	328.17	333.92
Revenue Bonds:		
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	202.70	209.35
Add deferred bond premium cost	13.25	13.98
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series A, variable rate, due 11/1/35	39.27	39.27
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series B, variable rate, due 11/1/27	49.92	50.30
Total Revenue Bonds	305.14	312.90
Total Business-type Activity Debt:	\$633.31	\$646.82

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, 2009, a total of \$389.5 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.

CITY OF ROSEVILLE

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES
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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, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	\$264,796,590	\$112,972,518	\$377,769,108
Restricted cash and investments with fiscal agents (Note 3)	27,361,506	33,826,001	61,187,507
Receivables:			
Taxes	1,866,391		1,866,391
Accounts	1,904,621	29,410,943	31,315,564
Accrued interest	398,705	641,096	1,039,801
Due from other government agencies	9,033,791	12,019,008	21,052,799
Internal balances (Note 4D)	4,468,933	(4,468,933)	
Prepays	144,891	3,250,000	3,394,891
Deferred receivables (Note 6)	5,302,055	254,025	5,556,080
Notes receivable (Note 5)	19,441,380		19,441,380
Notes receivable from NCPA (Note 16B)		139,778	139,778
Inventories (Note 1H)	2,182,610	11,299,154	13,481,764
Land held for resale (Note 7D)	3,200,668		3,200,668
Prepaid purchased electricity (Note 15)		1,745,492	1,745,492
Prepaid purchased gas (Note 20)		217,097,535	217,097,535
Unamortized bond origination costs		6,031,491	6,031,491
Investment in NCPA reserves (Note 16)		5,024,389	5,024,389
Investment in SPWA reserves (Note 17)		93,058,216	93,058,216
Capital assets (Note 8):			
Capital assets not being depreciated	523,884,849	117,172,793	641,057,642
Capital assets being depreciated, net	341,755,166	1,364,065,850	1,705,821,016
Total assets	1,205,742,156	2,003,539,356	3,209,281,512
LIABILITIES			
Accounts payable	11,730,469	13,132,523	24,862,992
Accrued liabilities	3,577,424	8,146,800	11,724,224
Due to other governments	10,258,785	747,361	11,006,146
Deposits	3,025,950	1,123,800	4,149,750
Unearned revenues	2,441,464	2,191,056	4,632,520
Deferred liabilities	1,758,722	2,507,521	4,266,243
Landfill closure and post closure liability (Note 18)		3,293,026	3,293,026
Net OPEB obligation (Note 13)	30,581,892		30,581,892
Compensated absences (Note 1G):			
Due within one year	6,041,853	3,258,723	9,300,576
Due in more than one year	2,933,662	2,716,319	5,649,981
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	1,149,000		1,149,000
Due in more than one year	5,479,000		5,479,000
Long-term liabilities (Note 9):			
Due within one year	1,397,222	13,592,733	14,989,955
Due in more than one year	51,273,055	601,620,367	652,893,422
Unamortized bond premiums		18,104,236	18,104,236
Total liabilities	131,648,498	670,434,465	802,082,963
NET ASSETS (Note 11)			
Invested in capital assets, net of related debt	809,874,186	1,063,872,692	1,873,746,878
Restricted for:			
Capital projects:			
Expendable	112,258,195		112,258,195
Nonexpendable	18,066,202		18,066,202
Debt service	1,569,892	31,006,330	32,576,222
Community development projects	17,469,890		17,469,890
Local transportation		12,867,085	12,867,085
Total restricted net assets	149,364,179	43,873,415	193,237,594
Unrestricted net assets	114,855,293	225,358,784	340,214,077
Total net assets	\$1,074,093,658	\$1,333,104,891	\$2,407,198,549

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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	\$35,306,470	\$3,780,716	\$1,417,985	\$2,152,593	(\$27,955,176)		(\$27,955,176)
Community development and planning	16,399,001	1,903,124	1,119,861	1,233,262	(12,142,754)		(12,142,754)
Public works	35,299,262	3,327,869	2,462,032	15,082,248	(14,427,113)		(14,427,113)
Police	36,257,952	2,346,230	1,283,633	20,597	(32,607,492)		(32,607,492)
Fire	27,405,634	1,362,379	1,581,288	735,011	(23,726,956)		(23,726,956)
Library	5,184,868	230,290	206,576		(4,748,002)		(4,748,002)
Parks and recreation	20,607,763	9,728,400	234,472	3,589,638	(7,055,253)		(7,055,253)
Housing assistance payments	3,530,527		4,159,710		629,183		629,183
Interest on long-term debt	5,847,054				(5,847,054)		(5,847,054)
Total Governmental Activities	185,838,531	22,679,008	12,465,557	22,813,349	(127,880,617)		(127,880,617)
Business-type Activities:							
Electric	163,739,748	155,843,041		8,914,810		\$1,018,103	1,018,103
Water	21,842,893	17,765,674	1,689,358	13,673,194		11,285,333	11,285,333
Wastewater	28,512,359	27,087,117	5,245	32,102,220		30,682,223	30,682,223
Solid Waste	14,914,734	19,951,063	27,877	360,747		5,424,953	5,424,953
Natural Gas	27,665,056	16,528,513				(11,136,543)	(11,136,543)
Golf Course	3,003,690	2,953,223	108			(50,359)	(50,359)
Local Transportation	6,221,260	1,184,861	8,147,548			3,111,149	3,111,149
School-age Child Care	4,649,458	4,779,262	269,777			399,581	399,581
Total Business-type Activities	270,549,198	246,092,754	10,139,913	55,050,971		40,734,440	40,734,440
Total	<u>\$456,387,729</u>	<u>\$268,771,762</u>	<u>\$22,605,470</u>	<u>\$77,864,320</u>	<u>(127,880,617)</u>	<u>40,734,440</u>	<u>(87,146,177)</u>
General revenues:							
Taxes:							
Property taxes					39,688,660		39,688,660
Sales taxes					36,024,500		36,024,500
Franchise taxes					930,003		930,003
Motor fuel taxes					1,855,462		1,855,462
Other taxes					2,974,201		2,974,201
Intergovernmental, unrestricted:							
Motor vehicle in lieu					373,495		373,495
Use of money and property					14,048,619	19,665,082	33,713,701
Miscellaneous revenues					4,568,055		4,568,055
Transfers (Note 4A)					28,320,921	(28,320,921)	
Total general revenues and transfers					128,783,916	(8,655,839)	120,128,077
Change in Net Assets					903,299	32,078,601	32,981,900
Net Assets-Beginning					1,073,190,359	1,301,026,290	2,374,216,649
Net assets-Ending					<u>\$1,074,093,658</u>	<u>\$1,333,104,891</u>	<u>\$2,407,198,549</u>

See accompanying notes to basic financial statements

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FUND FINANCIAL STATEMENTS

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

The funds described below were determined to be Major Funds by the City in fiscal 2009. 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, 2009

	General	Redevelopment Agency	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments in City Treasury (Note 3)	\$42,649,630	\$14,284,981	\$8,619,293	\$122,409,477	\$187,963,381
Restricted cash and investments with fiscal agents (Note 3)		17,040,390	8,923,608	1,397,508	27,361,506
Receivables:					
Taxes	1,570,120	296,271			1,866,391
Accounts	1,504,215	30,340		302,206	1,836,761
Accrued interest	2,322,721	73,507	54,268	1,852,854	4,303,350
Due from other government agencies	5,124,333	77,090		3,793,942	8,995,365
Due from other funds (Note 4B)	2,544,834			50,000	2,594,834
Advances to other funds (Note 4C)	9,360,536			3,950,000	13,310,536
Prepays	144,891				144,891
Deferred receivables (Note 6)	371,312		2,324	4,928,419	5,302,055
Notes receivable (Note 5)	147,070	5,694,302		13,600,008	19,441,380
Inventories (Note 1H)	453,642			851,414	1,305,056
Land held for resale (Note 7D)		3,200,668			3,200,668
Total Assets	<u>\$66,193,304</u>	<u>\$40,697,549</u>	<u>\$17,599,493</u>	<u>\$153,135,828</u>	<u>\$277,626,174</u>
LIABILITIES					
Accounts payable	\$3,154,596	\$1,617,555	\$1,069,305	\$3,228,884	\$9,070,340
Accrued liabilities	2,465,326	15,544		163,751	2,644,621
Due to other funds (Note 4B)		759,525		805,677	1,565,202
Due to other government agencies	19,130	722,851		9,516,804	10,258,785
Advances from other funds (Note 4C)		14,139,737		4,500,000	18,639,737
Deposits	2,419,344	6,606		600,000	3,025,950
Deferred revenue (Note 5)	1,811,432	4,981,926		5,646,478	12,439,836
Deferred liabilities		5,376,747		1,758,722	7,135,469
Total Liabilities	<u>9,869,828</u>	<u>27,620,491</u>	<u>1,069,305</u>	<u>26,220,316</u>	<u>64,779,940</u>
FUND BALANCES (Note 11)					
Reserved for:					
Advances	9,360,536			3,950,000	13,310,536
Inventories	453,642				453,642
Encumbrances	3,366,501	960,009	50	7,181,673	11,508,233
Capital projects			16,530,138		16,530,138
Deferred receivables and notes receivable	147,070			3,443,243	3,590,313
Prepays	144,891				144,891
Low and moderate income housing		2,836,469			2,836,469
Land held for resale		3,200,668			3,200,668
Debt service		16,399,932		1,556,372	17,956,304
Unreserved:					
Reported in Capital Projects Funds:					
Designated for economic reserve	10,534,667				10,534,667
Designated for carryover of capital improvement projects	2,128,699			16,456,146	18,584,845
Unreserved, undesignated, reported in:					
General Fund	30,187,470				30,187,470
Special Revenue Funds		(10,320,020)		76,261,876	65,941,856
Permanent Funds				18,066,202	18,066,202
TOTAL FUND BALANCES	<u>56,323,476</u>	<u>13,077,058</u>	<u>16,530,188</u>	<u>126,915,512</u>	<u>212,846,234</u>
Total Liabilities and Fund Balances	<u>\$66,193,304</u>	<u>\$40,697,549</u>	<u>\$17,599,493</u>	<u>\$153,135,828</u>	<u>\$277,626,174</u>

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
Reconciliation of
GOVERNMENTAL FUNDS -- FUND BALANCE
with the Governmental Activities
NET ASSETS
JUNE 30, 2009

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS	\$212,846,234
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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.	849,132,040
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ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal service funds are not governmental funds. However, they are used
by management to charge the costs of certain activities, such as insurance and
central services and maintenance, to individual governmental funds.
The net current assets of the Internal Service Funds are therefore included
in Governmental Activities in the following line items in the Statement of Net Assets.

Cash and investments	76,833,209
Accounts receivable	67,860
Accrued interest	1,472,102
Due from other government agencies	38,426
Inventories	877,554
Capital assets	16,507,975
Accounts payable	(443,056)
Accrued liabilities	(54,324)
Self-insurance claims payable	(6,628,000)
Compensated absences	(310,249)
Net OPEB obligation	(30,581,892)
Internal balances	8,768,502

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.	9,998,372
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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:

Accounts payable	(2,217,073)
Long-term debt	(52,670,277)
Interest payable and other accrued liabilities, included in accrued liabilities	(878,479)
Non-current portion of compensated absences	(8,665,266)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$1,074,093,658
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See accompanying notes to basic financial statements

CITY OF ROSEVILLE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	General	Redevelopment Agency of the City of Roseville	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$72,424,984	\$6,888,510		\$6,288,339	\$85,601,833
Licenses and permits	1,832,029				1,832,029
Charges for services	10,777,329			8,122,463	18,899,792
Subventions and grants	2,784,206	712,055		13,413,477	16,909,738
Use of money and property	3,690,538	776,057	\$523,401	11,193,849	16,183,845
Fines, forfeitures and penalties	1,076,589			1,206,760	2,283,349
Contributions from developers	570,814			386,866	957,680
Miscellaneous revenues	2,755,751	50,984	295,290	4,162,370	7,264,395
Total Revenues	95,912,240	8,427,606	818,691	44,774,124	149,932,661
EXPENDITURES					
Current:					
General government	26,604,079		527,672	1,467,368	28,599,119
Community development and planning	5,140,771	4,778,998		3,561,505	13,481,274
Public works	12,805,577			3,216,448	16,022,025
Public safety:					
Police	30,408,122				30,408,122
Fire	23,815,318			712,425	24,527,743
Library	3,316,230			132,974	3,449,204
Parks and recreation	13,621,205			4,358,371	17,979,576
Housing assistance payments				3,530,527	3,530,527
Capital outlay	4,228,935	4,271,514	6,861,875	34,432,769	49,795,093
Payments under development agreements	1,601,494				1,601,494
Debt service (Note 9):					
Principal retirement	154,678	440,000		797,808	1,392,486
Interest and fiscal charges	94,857	2,152,646	35,229	4,808,139	7,090,871
Total Expenditures	121,791,266	11,643,158	7,424,776	57,018,334	197,877,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,879,026)	(3,215,552)	(6,606,085)	(12,244,210)	(47,944,873)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties				12,040	12,040
Proceeds from capital lease	385,538				385,538
Transfers in (Note 4A)	29,576,178	4,037,192		19,433,981	53,047,351
Transfers (out) (Note 4A)	(11,319,761)	(340,925)	(357,296)	(16,108,465)	(28,126,447)
Total Other Financing Sources (Uses)	18,641,955	3,696,267	(357,296)	3,337,556	25,318,482
NET CHANGE IN FUND BALANCES	(7,237,071)	480,715	(6,963,381)	(8,906,654)	(22,626,391)
FUND BALANCES AT BEGINNING OF PERIOD	63,560,547	12,596,343	23,493,569	135,822,166	235,472,625
FUND BALANCES AT END OF PERIOD	\$56,323,476	\$13,077,058	\$16,530,188	\$126,915,512	\$212,846,234

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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	(\$22,626,391)
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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	49,795,093
Non-capitalized capital outlay expenditures were reclassified to various governmental activities:	
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$4,124,202 which has already been allocated to serviced funds.)	(16,143,800)
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.	4,560,823
Loss on retirement of capital assets	(6,066,738)

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	1,392,486
Proceeds from long-term debt is deducted from the fund balance	(385,538)

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	476,993
Interest payable and accrued liabilities, included in accrued liabilities	1,243,817
Deferred revenues	(684,922)

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	(10,658,524)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$903,299

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$82,942,350	\$73,424,130	\$72,424,984	(\$999,146)
Licenses and permits	1,960,750	1,970,780	1,832,029	(138,751)
Charges for services	11,912,393	12,189,312	10,777,329	(1,411,983)
Subventions and grants	1,076,385	2,417,865	2,784,206	366,341
Use of money and property	1,080,568	2,798,241	3,690,538	892,297
Fines, forfeitures and penalties	896,000	896,000	1,076,589	180,589
Contributions from developers	1,811,500	1,530,900	570,814	(960,086)
Miscellaneous revenues	2,112,070	2,631,164	2,755,751	124,587
TOTAL REVENUES	103,792,016	97,858,392	95,912,240	(1,946,152)
EXPENDITURES				
Current:				
General government				
City Council				
Salaries and benefits	37,380	37,380	37,469	(89)
Operating services and supplies	462,070	441,790	399,490	42,300
City attorney				
Salaries and benefits	1,761,447	1,779,439	1,544,759	234,680
Operating services and supplies	158,632	158,932	112,898	46,034
City manager				
Salaries and benefits	1,799,519	1,835,592	1,752,925	82,667
Operating services and supplies	259,870	316,527	164,842	151,685
Finance				
Salaries and benefits	6,122,185	6,122,185	5,473,492	648,693
Operating services and supplies	1,508,420	1,547,084	1,489,647	57,437
Human resources				
Salaries and benefits	1,781,905	1,781,905	1,673,193	108,712
Operating services and supplies	604,111	651,553	299,042	352,511
Information technology				
Salaries and benefits	4,720,205	4,720,205	4,444,590	275,615
Operating services and supplies	1,821,491	2,040,334	1,682,891	357,443
City clerk				
Salaries and benefits	756,354	756,354	743,712	12,642
Operating services and supplies	209,857	210,348	160,718	49,630
Central services				
Salaries and benefits	3,410,023	3,343,704	3,097,262	246,442
Operating services and supplies	1,633,870	1,901,939	1,567,297	334,642
Annexation payment	2,500,000	2,500,000	1,959,852	540,148
Community development and planning				
Housing				
Salaries and benefits	251,631	251,631	206,929	44,702
Operating services and supplies	132,889	147,946	78,379	69,567
Community development				
Salaries and benefits	1,269,428	1,278,960	1,164,186	114,774
Operating services and supplies	293,040	253,841	50,773	203,068
Economic development				
Salaries and benefits	250,782	250,782	179,808	70,974
Operating services and supplies	128,960	118,960	88,865	30,095
Planning				
Salaries and benefits	2,591,127	2,665,659	2,476,667	188,992
Operating services and supplies	937,113	962,058	895,164	66,894

(Continued)

CITY OF ROSEVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Salaries and benefits	\$11,156,750	\$11,282,740	\$9,808,011	\$1,474,729
Operating services and supplies	\$3,039,186	3,523,666	2,997,566	526,100
Public safety				
Police				
Salaries and benefits	27,012,967	27,101,322	25,728,704	1,372,618
Operating services and supplies	5,193,661	5,181,542	4,679,418	502,124
Fire				
Salaries and benefits	21,099,212	21,861,120	22,025,290	(164,170)
Operating services and supplies	2,270,671	2,178,034	1,790,028	388,006
Library				
Salaries and benefits	3,166,799	3,177,755	2,838,282	339,473
Operating services and supplies	445,372	497,259	477,948	19,311
Parks and recreation				
Salaries and benefits	11,098,134	10,870,234	9,076,619	1,793,615
Operating services and supplies	4,693,950	5,251,231	4,544,586	706,645
Capital outlay	16,239,186	30,179,126	4,228,935	25,950,191
Payments under development agreements	1,934,100	1,934,100	1,601,494	332,606
Debt service:				
Principal retirement	820,000	901,389	154,678	746,711
Interest and fiscal charges	687,553	687,553	94,857	592,696
TOTAL EXPENDITURES	144,259,850	160,702,179	121,791,266	38,910,913
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease			385,538	385,538
Transfers in	29,226,038	32,135,558	29,576,178	(2,559,380)
Transfers (out)	(4,822,350)	(13,058,314)	(11,319,761)	1,738,553
Total Other Financing Sources (Uses)	24,403,688	19,077,244	18,641,955	(435,289)
NET CHANGE IN FUND BALANCE	(\$16,064,146)	(\$43,766,543)	(7,237,071)	\$36,529,472
Fund balance at beginning of year			63,560,547	
Fund balance at end of year			\$56,323,476	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Final	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$7,224,870	\$6,640,398	\$6,888,510	\$248,112
Subventions and grants	919,090	1,162,295	712,055	(450,240)
Use of money and property	317,632	317,632	776,057	458,425
Miscellaneous revenues	148,901	39,560	50,984	11,424
Total revenues	8,610,493	8,159,885	8,427,606	267,721
EXPENDITURES				
Community development and planning				
Community services				
Salaries and benefits	557,804	549,508	815,872	(266,364)
Operating services and supplies	4,559,945	5,919,288	1,973,555	3,945,733
Pass-through payments	2,085,500	2,041,159	1,989,571	51,588
Capital outlay		18,638,866	4,271,514	14,367,352
Debt service:				
Principal		440,000	440,000	
Interest and fiscal charges	350,000	2,257,079	2,152,646	104,433
Total expenditures	7,553,249	29,845,900	11,643,158	18,202,742
OTHER FINANCING SOURCES (USES)				
Transfers in	9,657,192	9,657,192	4,037,192	(5,620,000)
Transfers (out)	(584,510)	(584,510)	(340,925)	243,585
Total Other Financing Sources (Uses)	9,072,682	9,072,682	3,696,267	(5,376,415)
NET CHANGE IN FUND BALANCE	\$10,129,926	(\$12,613,333)	480,715	\$13,094,048
Fund balance at beginning of year			12,596,343	
Fund balance at end of year			\$13,077,058	

See accompanying notes to basic financial statements

MAJOR PROPRIETARY FUNDS

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

The concept of major funds established by GASB Statement 34 extends to Proprietary Funds. The City has identified the funds below as major proprietary funds in fiscal 2009.

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, 2009

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
ASSETS					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$30,623,002	\$44,262,202	\$19,982,531	\$8,467,745	\$9,926
Restricted cash and investments with fiscal agents (Note 3)	17,906,316	11,211,943			4,083,699
Receivables:					
Taxes					
Accounts	17,821,423	4,101,070	4,217,048	2,389,242	
Accrued interest	57,924	317,892	113,352	44,950	
Due from other government agencies		900,087	3,578,246		
Prepays	3,250,000				
Due from other funds (Note 4B)			222,276		
Advance to other funds (Note 4C)					
Inventories (Note 1H)	9,717,856	1,399,295	63,454	118,549	
Total Current Assets	79,376,521	62,192,489	28,176,907	11,020,486	4,093,625
Noncurrent Assets:					
Deferred receivables (Note 6)	26,908	173,696	53,421		
Notes receivable from NCPA (Note 16)	139,778				
Prepaid purchased electricity (Note 15)	1,745,492				
Prepaid purchased gas (Note 20)					217,097,535
Unamortized bond origination costs	5,818,303				
Investment in NCPA reserves (Note 16)	5,024,389				
Investment in SPWA reserves (Note 17)			93,058,216		
Advances to other funds (Note 4C)			903,884		
Capital assets (Note 8):					
Land and construction in progress	15,362,494	14,124,120	80,352,258	277,415	
Capital assets being depreciated, net	439,347,180	429,086,244	465,775,887	4,735,137	
Total Noncurrent Assets	467,464,544	443,384,060	640,143,666	5,012,552	217,097,535
Total Assets	546,841,065	505,576,549	668,320,573	16,033,038	221,191,160
LIABILITIES					
Current Liabilities:					
Accounts payable	4,485,888	1,609,654	640,874	1,125,731	503
Accrued liabilities	3,142,199	578,622	241,266	173,585	3,775,781
Due to other government agencies	1,149		746,212		
Due to other funds (Note 4B)				222,276	
Current portion of compensated absences (Note 1G)	1,332,524	676,697	649,874	301,710	
Current portion of long-term debt (Note 9)	4,490,000	1,720,000	392,733		6,650,000
Deposits	1,079,892	15,000			
Unearned revenue	1,448,174				
Self-insurance claims payable (Note 14)					
Total Current Liabilities	15,979,826	4,599,973	2,670,959	1,823,302	10,426,284
Long-Term Liabilities:					
Deferred liabilities	25,500	641,820	1,673,544	108,193	
Advances from other funds (Note 4C)				903,884	
Notes payable (Note 9)					
Certificates of participation (Note 9)	263,375,000	50,325,000			
Unamortized loss on refunding (Note 9)	(2,577,598)	(667,374)			
Revenue bonds (Note 9)			88,800,339		196,055,000
Unamortized bond premiums (Note 9)	2,374,598	2,483,253			13,246,385
Landfill closure and post closure liability (Note 18)				3,293,026	
Compensated absences (Note 1G)	1,163,924	610,455	534,990	293,256	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14)					
Total Long-Term Liabilities	264,361,424	53,393,154	91,008,873	4,598,359	209,301,385
Total Liabilities	280,341,250	57,993,127	93,679,832	6,421,661	219,727,669
NET ASSETS (Note 11)					
Invested in capital assets, net of related debt	187,047,674	389,349,485	456,935,073	5,012,552	
Restricted for debt service	20,292,786	4,315,500	5,774,024		
Restricted for local transportation					
Unrestricted	59,159,355	53,918,437	111,931,644	4,598,825	1,463,491
Total Net Assets	\$266,499,815	\$447,583,422	\$574,640,741	\$9,611,377	\$1,463,491

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.

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,581,163	\$6,548,747	\$497,202	\$112,972,518	\$76,833,209
624,043			33,826,001	
112,908	7,505	761,747	29,410,943	67,860
42,887	61,483	2,608	641,096	1,472,102
	7,395,344	145,331	12,019,008	38,426
			3,250,000	
			222,276	187,000
	4,500,000		4,500,000	
			11,299,154	877,554
3,361,001	18,513,079	1,406,888	208,140,996	79,476,151
			254,025	
			139,778	
			1,745,492	
213,188			217,097,535	
			6,031,491	
			5,024,389	
			93,058,216	
			903,884	4,274,201
6,007,666	1,048,840		117,172,793	
10,461,493	13,533,906	1,126,003	1,364,065,850	16,507,975
16,682,347	14,582,746	1,126,003	1,805,493,453	20,782,176
20,043,348	33,095,825	2,532,891	2,013,634,449	100,258,327
43,514	5,168,673	57,686	13,132,523	443,056
117,038	26,698	91,611	8,146,800	54,324
			747,361	
127,000		608,593	957,869	481,039
	88,371	209,547	3,258,723	150,021
340,000			13,592,733	
5,977	165	22,766	1,123,800	
	273,500	469,382	2,191,056	
				1,149,000
633,529	5,557,407	1,459,585	43,150,865	2,277,440
3,385,000	15,077	43,387	2,507,521	
		60,000	4,348,884	
6,310,000			320,010,000	
			(3,244,972)	
			284,855,339	
			18,104,236	
			3,293,026	
	73,510	40,184	2,716,319	160,228
				30,581,892
				5,479,000
9,695,000	88,587	143,571	632,590,353	36,221,120
10,328,529	5,645,994	1,603,156	675,741,218	38,498,560
9,819,159	14,582,746	1,126,003	1,063,872,692	16,507,975
624,020			31,006,330	
	12,867,085		12,867,085	
(728,360)		(196,268)	230,147,124	45,251,792
\$9,714,819	\$27,449,831	\$929,735	1,337,893,231	\$61,759,767
			(4,788,340)	
	Net assets business-type activities		\$1,333,104,891	

CITY OF ROSEVILLE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
OPERATING REVENUES					
Charges for services	\$130,046,177	\$17,033,453	\$26,886,800	\$19,545,861	\$16,528,513
Sale of wholesale power	22,797,820				
Other	2,999,044	732,221	200,317	405,202	
Total Operating Revenues	155,843,041	17,765,674	27,087,117	19,951,063	16,528,513
OPERATING EXPENSES					
Power supply	119,049,600				18,133,391
Operations	14,973,315	10,270,959	15,089,805	14,016,434	4,703
Administration	2,247,296	3,541,267	437,134	625,693	
Depreciation and amortization	18,805,865	6,920,304	9,881,318	104,330	(735,910)
Claims expense					
Total Operating Expenses	155,076,076	20,732,530	25,408,257	14,746,457	17,402,184
Operating Income (Loss)	766,965	(2,966,856)	1,678,860	5,204,606	(873,671)
NONOPERATING REVENUES (EXPENSES)					
Interest and rents revenue	2,612,007	2,920,363	1,085,312	413,190	\$11,721,852
Interest and fiscal charges (expense)	(12,101,002)	(943,216)	(2,993,086)	(49,600)	(10,262,872)
Cost of issuance			(4,063)		
Subventions and grants		1,689,358	5,245	27,877	
Increase (decrease) in NCPA reserves	571,955				
Increase (decrease) in SPWA reserves			4,802,387		
Other	3,708,297				
Net Nonoperating Revenues (Expenses)	(5,208,743)	3,666,505	2,895,795	391,467	1,458,980
Income (Loss) Before Contributions and Transfers	(4,441,778)	699,649	4,574,655	5,596,073	585,309
Capital contributions - connection/impact fees	1,134,848	3,612,913	4,798,611	360,747	
Contributions					
Contributions in aid of construction	5,383,324				
Capital contributions from developers	1,824,683	10,060,281	22,501,222		
Transfers in (Note 4A)	79,705	1,634,663	36,775	15,196	
Transfers (out) (Note 4A)	(15,667,099)	(4,994,964)	(5,038,684)	(3,632,759)	
Change in net assets	(11,686,317)	11,012,542	26,872,579	2,339,257	585,309
Total net assets-beginning	278,186,132	436,570,880	547,768,162	7,272,120	878,182
Total net assets-ending	\$266,499,815	\$447,583,422	\$574,640,741	\$9,611,377	\$1,463,491

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

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,933,828	\$912,936	\$4,573,013	\$218,460,581	\$12,124,076
19,395	271,925	206,249	22,797,820	7,691,274
2,953,223	1,184,861	4,779,262	4,834,353	19,815,350
			137,182,991	
2,114,289	4,726,303	4,836,498	66,032,306	30,743,414
	587,398		7,438,788	
407,005	896,481	31,977	36,311,370	4,124,202
				3,672,822
2,521,294	6,210,182	4,868,475	246,965,455	38,540,438
431,929	(5,025,321)	(89,213)	(872,701)	(18,725,088)
302,472	584,834	25,052	19,665,082	3,927,942
(482,058)		(4,707)	(26,836,541)	
			(4,063)	
108	8,147,548	269,777	10,139,913	254,458
			571,955	
			4,802,387	
			3,708,297	
(179,478)	8,732,382	290,122	12,047,030	4,182,400
252,451	3,707,061	200,909	11,174,329	(14,542,688)
			9,907,119	32,711
			5,383,324	
	243,674	37,509	34,386,186	6,516,222
(190,512)	(446,083)	(398,342)	2,047,522	(3,116,205)
61,939	3,504,652	(159,924)	(30,368,443)	(11,109,960)
9,652,880	23,945,179	1,089,659	32,530,037	72,869,727
\$9,714,819	\$27,449,831	\$929,735		\$61,759,767
			(451,436)	
Change in net assets of business-type activities			\$32,078,601	

CITY OF ROSEVILLE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$144,509,863	\$16,698,535	\$26,803,129	\$19,530,932	\$16,837,433
Payments to suppliers	(130,529,562)	(8,376,935)	(10,655,703)	(9,343,434)	(11,452,592)
Payments to employees	(9,432,350)	(6,714,185)	(4,891,012)	(4,806,819)	(99,675)
Claims paid					
Other receipts	2,999,044	732,221	200,317	405,202	
Net cash provided (Used) by operating activities	7,546,995	2,339,636	11,456,731	5,785,881	5,285,166
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
(Increase) decrease in due from other funds	326,065		(8,546)		
Increase (decrease) in due to other funds	(200,000)			8,546	(326,065)
(Increase) decrease in advance to other funds			222,276		
Increase (decrease) in advances from other funds				(222,276)	
Transfers in	79,705	1,634,663	36,775	15,196	
Transfers (out)	(15,667,099)	(4,994,964)	(5,038,684)	(3,632,759)	
Cash Flows from (Used for) Noncapital Financing Activities	(15,461,329)	(3,360,301)	(4,788,179)	(3,831,293)	(326,065)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	7,208,007	10,060,281			
Acquisition and construction of capital assets, net	(12,998,674)	(21,612,429)	(3,890,494)	(35,683)	735,910
Transfer of connection fees to SPWA			(6,305,576)		
Change in restricted assets	18,591				
Principal payments on capital debt	(3,578,161)	(1,750,882)	(379,190)		(7,380,911)
Interest and cost of issuance paid on capital debt	(11,929,163)	(943,216)	(4,063)	(49,599)	(10,262,872)
Subventions and grants	72,016	847,923	(1,482,263)	27,877	
Connection fees	1,134,848	3,612,913	4,798,611	360,747	
Cash Flows from (Used for) Capital and Related Financing Activities	(20,072,536)	(9,785,410)	(7,262,975)	303,342	(16,907,873)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	3,455,966	2,955,087	1,113,778	414,313	11,722,004
Receipts from sale of (Payment to acquire) equity instruments, net	4,598,166	9,355,636			236,549
Cash Flows from Investing Activities	8,054,132	12,310,723	1,113,778	414,313	11,958,553
Net increase (decrease) in cash and cash equivalents	(19,932,738)	1,504,648	519,355	2,672,243	9,781
Cash and investments at beginning of period	50,555,740	42,757,554	19,463,176	5,795,502	145
Cash and investments at end of period	\$30,623,002	\$44,262,202	\$19,982,531	\$8,467,745	\$9,926
NONCASH TRANSACTIONS:					
Contribution of SPWA capital assets to City			\$27,318,574		
Principal retirement of SPWA Revenue Bonds			(379,190)		
Interest on SPWA Revenue Bonds			(3,037,958)		
Contribution of capital assets from developers			22,501,222		
Retirement of capital assets	(\$847,380)	\$14,729,202	31,107,122	(\$68,647)	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	766,965	(2,966,856)	1,678,860	\$5,204,606	(873,671)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	18,805,865	6,920,304	9,881,318	104,330	(735,910)
Change in assets and liabilities:					
Receivables, net	(1,029,000)	(283,341)	(586,459)	(14,929)	308,920
Inventories	2,369,702	(591,038)	9,969	(9,702)	
Prepays purchased gas					6,684,999
Net OPEB obligations					
Accounts and other payables	(11,046,835)	(739,433)	473,043	501,576	(99,172)
Deferred revenue	(2,319,702)				
Net cash provided by operating activities	\$7,546,995	\$2,339,636	\$11,456,731	\$5,785,881	\$5,285,166

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,926,915	\$937,394	\$4,619,071	\$232,863,272	\$12,300,441
(2,131,646)	(4,472,117)	(690,877)	(177,652,866)	(12,805,715)
	(804,109)	(4,157,275)	(30,905,425)	(2,267,497)
19,395	271,925	206,249	4,834,353	(3,338,822)
814,664	(4,066,907)	(22,832)	29,139,334	7,691,274
			317,519	
		283,005	(234,514)	(232,544)
			222,276	187,000
(127,000)		(60,000)	(409,276)	32,711
	243,674	37,509	2,047,522	6,516,222
(190,512)	(446,083)	(398,342)	(30,368,443)	(3,116,205)
(317,512)	(202,409)	(137,828)	(28,424,916)	3,387,184
			17,268,288	
197,720	(3,606,416)	(1)	(41,210,067)	(3,679,772)
			(6,305,576)	
			18,591	
(335,000)			(13,424,144)	
(482,058)			(23,670,971)	
42,900	2,317,779	216,767	2,042,999	254,458
			9,907,119	
(576,438)	(1,288,637)	216,766	(55,373,761)	(3,425,314)
313,208	647,418	26,236	20,648,010	4,161,352
426			14,190,777	
313,634	647,418	26,236	34,838,787	4,161,352
234,348	(4,910,535)	82,342	(19,820,556)	5,702,903
2,346,815	11,459,282	414,860	132,793,074	71,130,306
\$2,581,163	\$6,548,747	\$497,202	\$112,972,518	\$76,833,209
			\$27,318,574	
			(379,190)	
			(3,037,958)	
			22,501,222	
(\$589,497)	\$7,343,308	(\$31,976)	51,642,132	
\$431,929	(5,025,321)	(89,213)	(872,701)	(\$18,725,088)
407,005	896,481	31,977	36,311,370	4,124,202
(8,112)	(589)	(19,170)	(1,632,680)	267,977
			1,778,931	
			6,684,999	
				15,877,683
(16,158)	52,522	(5,035)	(10,879,492)	34,907
	10,000	58,609	(2,251,093)	
\$814,664	(\$4,066,907)	(\$22,832)	\$29,139,334	\$1,579,681

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FIDUCIARY FUNDS

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 2009:

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, 2009

	Endowment Private-Purpose Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and investments in Treasury (Note 3)	\$2,483,441	\$161,935,560
Restricted cash and investments with fiscal agents (Note 3)		46,575,150
Accounts receivable		153,466
Accrued interest receivable	20,369	843,652
Due from other government agencies		1,198,705
Deferred receivable	882	
	<hr/>	<hr/>
Total Assets	2,504,692	\$210,706,533
	<hr/>	<hr/>
LIABILITIES		
Accounts payable		\$8,697,429
Accrued liabilities		42,178
Due to other government agencies		13,122
Due to member agencies		138,292,482
Due to bondholders		61,415,369
Due to others		2,245,953
	<hr/>	<hr/>
Total Liabilities		\$210,706,533
	<hr/>	<hr/>
NET ASSETS		
Held in trust for private purpose	\$2,504,692	
	<hr/>	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
 ENDOWMENT PRIVATE-PURPOSE TRUST FUND
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

ADDITIONS	
Contributions from developers	\$93,198
Investment income	122,206
Transfers in	<u>25,575</u>
Total additions	<u>240,979</u>
DEDUCTIONS	
Payments in accordance with trust agreements	50,219
Other expense	<u>11,437</u>
Total deductions	<u>61,656</u>
Change in net assets	179,323
Net assets - beginning of year	<u>2,325,369</u>
Net assets - end of year	<u><u>\$2,504,692</u></u>

See accompanying notes to basic 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. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

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 is used to account for assets held by the City as an agent for various endowment funds for the benefits of certain private-purpose trust funds. The Agency Funds are used to account for assets held by the City as an agency for certain special assessment districts in the City, the City's payroll revolving fund, various joint power authorities, Dry Creek Drainage Basin, Placer County, South Placer County Tourism Business Improvement District (SPCTBID), Placer County Transportation Authority, and various other programs for the benefits of parties outside of the City. The financial activities of these funds are excluded from the government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

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

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

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$9,479,223	\$6,152,769	\$15,631,992
Additions	5,538,145	2,381,058	7,919,203
Payments	(6,041,853)	(2,558,785)	(8,600,638)
Ending Balance	<u>\$8,975,515</u>	<u>\$5,975,042</u>	<u>\$14,950,557</u>
Current Portion	<u>\$6,041,853</u>	<u>\$3,258,723</u>	<u>\$9,300,576</u>

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

H. Inventories

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

I. New Fund

In Fiscal Year 2008-09, the City established the Utility Exploration Center Special Revenue Fund to account for the operations of the state-of-the-art Utilities Exploration Center, funded by the utility funds.

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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.

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
- iii. Permanent Fund:
 1. Roseville Aquatics Complex Maintenance

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	\$89
	Fire	
	Salaries and benefits	164,170
Redevelopment Agency Special Revenue Fund:		
	Community development and planning	
	Community services	
	Salaries and benefits	266,364

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	\$377,769,108
Restricted cash and investments with fiscal agents	61,187,507
Total City cash and investments with primary government	438,956,615
Cash and investments in Fiduciary Funds (Separate statement)	210,994,151
Total Cash and Investments	\$649,950,766

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2009 consist of the following:

Cash in bank and on hand	\$17,948,855
Investments	<u>632,001,911</u>
Total Cash and Investments	<u><u>\$649,950,766</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.

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

- (B) Eligible Commercial Paper may not represent more than 10% of the outstanding paper of an issuing corporation.
- (C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Currently, the City does not participate in any Forward Delivery Agreements. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority, the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority.

C. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	None
U.S. Agency Securities	N/A	None
Certificates of Deposit	N/A - 30 days	None to A-1
Time Deposits	N/A - 30 days	None to A-1
Repurchase Agreements	N/A	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	\$2,389,298	\$80,850,000	\$76,513,224		\$159,752,522
Federal Agency Securities	75,353,614	71,042,739	59,822,715	\$3,182,646	209,401,714
Corporate Notes	2,532,795	20,373,617	35,800,792		58,707,204
Forward Delivery Agreement		56,137,386		4,604,697	60,742,083
Forward Purchase Agreement				4,071,593	4,071,593
Guaranteed Investment Contracts	6,886,801			8,309,352	15,196,153
Repurchase Agreement				4,905,395	4,905,395
Money Market Mutual					
Funds (U.S. Securities)	55,729,727				55,729,727
Local Agency Investment Fund	41,104,686				41,104,686
California Asset Management Pool	20,296,456				20,296,456
Collateralized Time Deposits	2,094,378				2,094,378
Total Investments	<u>\$206,387,755</u>	<u>\$228,403,742</u>	<u>\$172,136,731</u>	<u>\$25,073,683</u>	<u>\$632,001,911</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, 2009 the fair value was \$53,558 more than the City's cost. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2009 these investments matured in an average of 235 days.

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, 2009, the fair value approximated is the City's cost. At June 30, 2009, these investments have an average maturity of 57 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, 2009 for each investment type as provided by Standard and Poor's investment rating system:

	AAA _m	AAA	AA+	AA	AA-	A+	A	A-	Total
Investments:									
Federal Agency Securities		\$209,401,714							\$209,401,714
Corporate Notes		47,445,121	\$5,135,596		\$4,074,739	\$1,046,940	\$1,004,808		58,707,204
Forward Delivery Agreement						56,137,386	4,604,697		60,742,083
Forward Purchase Agreement				\$4,071,593					4,071,593
Guaranteed Investment Contracts		7,685,332	6,886,801					\$624,020	15,196,153
Repurchase Agreements						4,905,395			4,905,395
Money Market Mutual Funds (U.S. Securities)	\$55,729,727								55,729,727
Totals	<u>\$55,729,727</u>	<u>\$264,532,167</u>	<u>\$12,022,397</u>	<u>\$4,071,593</u>	<u>\$4,074,739</u>	<u>\$62,089,721</u>	<u>\$5,609,505</u>	<u>\$624,020</u>	<u>408,753,869</u>
Exempt from Credit Rate Disclosure:									
U.S. Government Securities									159,752,522
Not Rated:									
Local Agency Investment Fund									41,104,686
California Asset Management Pool									20,296,456
Collateralized Time Deposits									<u>2,094,378</u>
Total Investments									<u>\$632,001,911</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, California Local Agency Investment Fund, and California Asset Management Pool, that represent 5% or more of total Entity-wide investments are as follows at June 30, 2009:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$75,437,364
Federal National Mortgage Association	Federal Agency Securities	68,060,684
Federal Home Loan Mortgage Corporation	Federal Agency Securities	58,256,564

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2009:

Fund	Issuer	Investment Type	Amount
Major Enterprise Funds:			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$4,071,593
Water	Trinity Plus Funding	Investment Agreement	6,886,801
	FSA Security Assurance	Investment Agreement	4,217,863
	Federal Home Loan Mortgage Corporation	Federal Agency Securities	2,135,438
	Federal Home Loan Bank	Federal Agency Securities	2,104,700
	Federal Farm Credit Bank	Federal Agency Securities	2,069,013
	Federal National Mortgage Association	Federal Agency Securities	1,789,761
Golf Course	AIG	Investment Contract	624,020
Fiduciary Funds:			
	J.P. Morgan	Forward Delivery Agreement	56,137,386
	Federal Home Loan Mortgage Corporation	Federal Agency Securities	11,226,513
	Federal National Mortgage Association	Federal Agency Securities	9,230,775
	Federal Home Loan Bank	Federal Agency Securities	9,159,052

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, 2009 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Redevelopment Agency of the City of Roseville Fund	\$334,510 (A)
	Community Facilities District Projects Fund	788 (A)
	Non-Major Governmental Funds	4,648,013 (A),(C)
	Electric Enterprise Fund	12,848,976 (D)
	Water Enterprise Fund	3,666,695
	Wastewater Enterprise Fund	2,740,790
	Solid Waste Enterprise Fund	1,734,529
	Golf Course Enterprise Fund	183,840 (C)
	Local Transportation Enterprise Fund	280,296 (C)
	School-Age Child Care Enterprise Fund	398,030 (C)
	Internal Service Funds	2,739,711 (C)
Redevelopment Agency of the City of Roseville Fund	General Fund	4,000,000
	Internal Service Funds	2,192 (B)
	Non-Major Governmental Funds	35,000 (B)
Non-Major Governmental Funds	General Fund	3,998,835 (A)
	Redevelopment Agency of the City of Roseville Fund	6,415 (A)
	Community Facilities District Projects Fund	116,122 (B)
	Non-Major Governmental Funds	10,984,670 (B)
	Electric Enterprise Fund	1,826,584 (A)
	Water Enterprise Fund	1,054,138 (D)
	Wastewater Enterprise Fund	947,452 (D)
	Solid Waste Enterprise Fund	476,980 (D)
	Internal Service Funds	7,785
	Local Transportation Enterprise Fund	15,000 (B)
Electric Enterprise Fund	Internal Service Funds	79,705 (A)
Water Enterprise Fund	Wastewater Enterprise Fund	1,053,070 (C)
	Solid Waste Enterprise Fund	547,800 (C)
	Internal Service Funds	33,793 (C)
Wastewater Enterprise Fund	Internal Service Funds	35,618
	Solid Waste Enterprise Fund	1,157
Solid Waste Enterprise Fund	Internal Service Funds	15,196 (A)
Local Transportation Enterprise Fund	Community Facilities District Projects Fund	240,386 (B)
	Internal Service Funds	3,288 (B)
School-Age Child Care Enterprise Fund	Non-Major Governmental Funds	24,826 (B)
	Internal Service Funds	12,683 (B)
Internal Service Funds	General Fund	3,320,926
	Non-Major Governmental Funds	415,956
	Electric Enterprise Fund	991,539
	Water Enterprise Fund	274,131
	Wastewater Enterprise Fund	297,372
	Solid Waste Enterprise Fund	872,293
	Golf Course Enterprise Fund	6,672
	Local Transportation Enterprise Fund	150,787
	School-Age Child Care Enterprise Fund	312
	Internal Service Funds	186,234
Total Interfund Transfers		<u>\$61,611,095</u>

- (A) To fund operations and indirect costs
 (B) To fund various projects in the capital funds or pay debt service
 (C) To pay for indirect costs
 (D) To transfer in lieu franchise fees and fund indirect costs

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, 2009, interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount
General Fund		
	Redevelopment Agency of the City of Roseville Fund	\$709,525 (A)
	School-Age Child Care Fund	548,593 (B)
	Traffic Safety Fund	248,949 (B)
	Community Development Block Grant/HOME Fund	531,866 (B)
	Automotive Services Fund	481,039 (B)
	Roseville Aquatics Complex Fund	24,862 (B)
Special Revenue Fund:		
Affordable Housing Fund	Redevelopment Agency of the City of Roseville Fund	50,000 (A)
Enterprise Funds:		
Wastewater Fund	Solid Waste Fund	222,276 (A)
Internal Service Fund:		
Automotive Replacement Fund	Golf Course Fund	127,000 (A)
	School-Aged Child Care Fund	60,000 (A)
		<u>\$3,004,110</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, 2009 the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount
Special Revenue Funds:		
Redevelopment Agency of the City of Roseville Fund	General Fund	\$9,360,536
	State Gasoline Tax Special Revenue Fund	3,900,000
	Affordable Housing Special Revenue Fund	50,000
	Automotive Replacement Internal Service Fund	829,201
	Local Transportation Enterprise Fund	4,500,000
Traffic Mitigation Fund		
Enterprise Funds:		
Solid Waste Fund	Wastewater Enterprise Fund	903,884
Golf Course Fund	Automotive Replacement Internal Service Fund	3,385,000
School-Age Child Care Fund	Automotive Replacement Internal Service Fund	60,000
		<u>\$22,988,621</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

Redevelopment Agency advances consists of four advances: (1) Advances in the amount of \$6,239,737 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) Advance in the amount of \$3,900,000 bears no interest and will be repaid in fiscal year 2029. (4) Advance in the amount of \$3,000,000 bears no interest and will be repaid in fiscal year 2034.

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 2009. These notes receivable comprised the following at June 30, 2009:

Notes	\$104,037
Employee Notes	140,436
Housing Rehabilitation and Affordable	
Housing Notes	8,176,222
First Time Home-Buyer Notes	9,850,465
Housing Elevation Notes	26,992
Commercial Rehabilitation Notes	1,143,228
Total	<u><u>\$19,441,380</u></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, 2009 was \$104,037.

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, 2009, 124 employees had \$140,436 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 2009 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, 2009 was \$8,176,222.

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 2009 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, 2009 was \$9,850,465.

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, 2009, eleven loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$26,992.

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, 2009, \$1,143,228 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, 2009 was \$1,915,526 which has been classified as deferred receivables, and the short-term portion of these receivables, which totaled \$264,288 at June 30, 2009, 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, 2009, these deferred fees were \$3,640,554.

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 \$6,855,761 at June 30, 2009. 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 2009 payments made to the developer under the agreement totaled \$995,427.

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 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, 2009, total value of this parcel amounted to \$3,200,668.

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, 2008	Additions	Retirements	Transfers	Balance at June 30, 2009
Governmental activities					
Capital assets not being depreciated:					
Land	\$25,759,033	\$915,580	(\$554)	\$8,000	\$26,682,059
Streets (modified)	221,714,949	916,280		7,022,656	229,653,885
Parks (modified)	70,337,381			5,301,024	75,638,405
Landscaping (modified)	38,883,751	280,406		328,428	39,492,585
Construction in progress	128,141,599	49,263,569	(5,884,679)	(19,102,574)	152,417,915
Total capital assets not being depreciated	484,836,713	51,375,835	(5,885,233)	(6,442,466)	523,884,849
Capital assets being depreciated:					
Buildings	108,587,863	107,573	(19,817)	219,901	108,895,520
Improvements	4,972,913				4,972,913
Equipment	62,595,280	6,401,889	(2,243,799)	839,002	67,592,372
Bike paths	7,991,329	82,638			8,073,967
Bridges	53,900,059			2,471,694	56,371,753
Culverts	20,034,583			146,602	20,181,185
Curb, gutter, sidewalk, & median curbs	136,730,673	477,467		407,565	137,615,705
Drain inlets	20,224,224			11,179	20,235,403
Flood control improvements	17,316,354			79,775	17,396,129
Soundwall	25,346,128	228,625			25,574,753
Stormdrains	68,444,838	570,689			69,015,527
Traffic signals	21,751,588			2,549,874	24,301,462
Total capital assets being depreciated	547,895,832	7,868,881	(2,263,616)	6,725,592	560,226,689
Less accumulated depreciation for:					
Buildings	(33,897,008)	(2,685,911)			(36,582,919)
Improvements	(1,171,956)	(128,997)			(1,300,953)
Equipment	(35,436,159)	(6,741,934)	2,068,650	(85,404)	(40,194,847)
Bike paths	(4,378,030)	(389,672)			(4,767,702)
Bridges	(6,456,991)	(612,621)			(7,069,612)
Culverts	(3,927,382)	(268,105)			(4,195,487)
Curb, gutter, sidewalk, & median curbs	(80,712,232)	(5,356,172)			(86,068,404)
Drain inlets	(6,134,536)	(404,596)			(6,539,132)
Flood control improvements	(1,751,955)	(231,417)			(1,983,372)
Soundwall	(5,265,734)	(727,441)			(5,993,175)
Stormdrains	(9,662,114)	(916,402)			(10,578,516)
Traffic signals	(12,216,454)	(980,950)			(13,197,404)
Total accumulated depreciation	(201,010,551)	(19,444,218)	2,068,650	(85,404)	(218,471,523)
Net capital assets being depreciated	346,885,281	(11,575,337)	(194,966)	6,640,188	341,755,166
Governmental activity capital assets, net	\$831,721,994	\$39,800,498	(\$6,080,199)	\$197,722	\$865,640,015

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2008	Additions	Retirements	Transfers	Balance at June 30, 2009
<i>Business-type activities</i>					
Capital assets, not being depreciated:					
Land	\$16,175,683	\$56,481	(\$27,552)		\$16,204,612
Landscaping	550,000				550,000
Construction in progress	121,027,576	53,089,965	(3,043,525)	(\$70,655,835)	100,418,181
Total capital assets not being depreciated	137,753,259	53,146,446	(3,071,077)	(70,655,835)	117,172,793
Capital assets, being depreciated:					
Buildings	17,585,141	1,623,957		5,214,811	24,423,909
Improvements	13,235,920			2,743,730	15,979,650
Machinery and equipment	18,136,052	6,618,689	(532,355)	387,916	24,610,302
Bike paths	2,518,415			668,066	3,186,481
Bridges				1,702,403	1,702,403
Culverts	296,616				296,616
Curb, gutter, sidewalk, & median curbs	15,642				15,642
Drain inlets	18,500				18,500
Storm drains	30,863				30,863
Plants and substations	294,494,355	746,582	(27,139)	50,993,239	346,207,037
Distribution	991,818,502	31,564,976	(3,568,283)	8,380,534	1,028,195,729
Generation	196,985,275			282,011	197,267,286
Total capital assets being depreciated	1,535,135,281	40,554,204	(4,127,777)	70,372,710	1,641,934,418
Less accumulated depreciation for:					
Buildings	(4,380,884)	(525,669)			(4,906,553)
Improvements	(3,676,836)	(391,400)			(4,068,236)
Machinery and equipment	(11,328,236)	(1,230,380)	516,154	85,404	(11,957,058)
Bike paths	(275,794)	(142,622)			(418,416)
Bridges		(9,458)			(9,458)
Culverts	(1,977)	(3,955)			(5,932)
Curb, gutter, sidewalk, & median curbs	(391)	(782)			(1,173)
Drain inlets	(1,665)	(370)			(2,035)
Storm drains	(1,852)	(411)			(2,263)
Plants and substations	(62,575,227)	(7,468,052)	26,628		(70,016,651)
Distribution	(156,688,723)	(15,640,295)	673,734		(171,655,284)
Generation	(4,360,444)	(10,465,065)			(14,825,509)
Total accumulated depreciation	(243,292,029)	(35,878,459)	1,216,516	85,404	(277,868,568)
Net capital assets being depreciated	1,291,843,252	4,675,745	(2,911,261)	70,458,114	1,364,065,850
Business-type activity capital assets, net	\$1,429,596,511	\$57,822,191	(\$5,982,338)	(\$197,721)	\$1,481,238,643

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 8 - CAPITAL ASSETS (Continued)

C. Depreciation Allocation

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

Governmental Activities

General government	\$2,384,650
Community development and planning	357,521
Public works	10,233,595
Police	816,402
Fire	550,492
Library	607,842
Parks and recreation	369,515
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>4,124,201</u>
Total Governmental Activities	<u><u>\$19,444,218</u></u>

Business-Type Activities

Electric	\$17,419,780
Water	7,021,186
Wastewater	9,881,317
Solid Waste	235,940
Golf Course	391,778
Local Transportation	896,481
School-age Child Care	<u>31,977</u>
Total Business-Type Activities	<u><u>\$35,878,459</u></u>

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

The City has elected to use the modified approach discussed above with respect to its roads, most of which are relatively new. The City's policy based on current funding is to maintain the arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.9, instead of providing depreciation. During fiscal 2009 the City expended \$4,749,229 to preserve its roads. The City estimates that it will be required to expend approximately \$4,736,644 in fiscal 2010 to maintain its roads at this condition level.

The City has also elected to use the modified approach with respect to its parks and landscaping, most of which are relatively new. The City's policy based on current funding is to maintain the parks and landscape at an average Ground Management Index (GMI) of Level 3, instead of providing depreciation. During fiscal 2009 the City expended \$4,445,082 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$4,483,608 in fiscal 2010 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, 2008	Additions	Retirements	Balance June 30, 2009	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2003A Public Facilities Refunding Bonds, 2.0%-5.0%, due 8/1/25	\$18,275,000	\$15,860,000		\$640,000	\$15,220,000	\$660,000
Tax Allocation Bonds:						
2002 Roseville Redevelopment Project 3%-5.14%, due 9/1/33	14,500,000	13,180,000		290,000	12,890,000	300,000
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	3,045,000		80,000	2,965,000	90,000
2006 Roseville Redevelopment Project, Series H-T 5.31%-6.07%, due 9/1/40	6,505,000	6,365,000		70,000	6,295,000	70,000
Installment Purchase Obligations:						
Equipment	3,737,252	2,089,716	\$385,538	329,977	2,145,277	277,222
Total Governmental Activity Debt:	<u>\$59,457,252</u>	<u>\$53,694,716</u>	<u>\$385,538</u>	<u>\$1,409,977</u>	<u>\$52,670,277</u>	<u>\$1,397,222</u>
Business-type Activity Debt:						
Certificates of Participation:						
1999 Electric System Revenue, 4.0%-5.5%, due 2/1/24	\$21,630,000	\$570,000		\$570,000		
2002 Electric System Revenue, variable rate, due 2/1/24	40,385,000	24,820,000		595,000	\$24,225,000	\$1,220,000
Less: deferred amount on refunding	(3,780,476)	(2,749,437)		(171,839)	(2,577,598)	
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	39,940,000	39,275,000		345,000	38,930,000	355,000
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	52,450,000		925,000	51,525,000	1,375,000
Add deferred bond premium cost	2,667,508	2,457,832		83,234	2,374,598	
2003B Golf Course Refunding Bond, 2.0%-5.0%, due 8/1/23	8,240,000	6,985,000		335,000	6,650,000	340,000
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53,695,000	53,695,000		1,650,000	52,045,000	1,720,000
Add deferred bond premium cost	2,758,947	2,621,212		137,959	2,483,253	
Less: deferred amount on refunding	(920,622)	(704,451)		(37,077)	(667,374)	
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		1,315,000	63,185,000	1,540,000
Total Certificates of Participation	<u>372,015,357</u>	<u>333,920,156</u>		<u>5,747,277</u>	<u>328,172,879</u>	<u>6,550,000</u>
Revenue Bonds:						
2007 Gas Revenue Bonds variable rate, due 2/15/28	209,350,000	209,350,000		6,645,000	202,705,000	6,650,000
Add deferred bond premium cost	15,454,116	13,982,296		735,911	13,246,385	
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		379,190	49,917,655	392,733
Total Revenue Bonds	<u>314,376,378</u>	<u>312,904,558</u>		<u>7,760,101</u>	<u>305,144,457</u>	<u>7,042,733</u>
Total Business-type Activity Debt:	<u>\$686,391,735</u>	<u>\$646,824,714</u>		<u>\$13,507,378</u>	<u>\$633,317,336</u>	<u>\$13,592,733</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, 2009, the total principal and interest remaining to be paid on the bonds is \$22,058,480.

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 2009 tax increment revenues amounted to \$6,888,510 which represented coverage of 582% over the \$1,183,088 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 is payable annually on September 1 beginning 2028 through 2040. Principal for the Series H-T bonds is payable annually on September 1 through 2040. Principal for the Series A-T is payable annually on September 1 through 2028.

As of June 30, 2009, the total principal and interest remaining to be paid on the bonds was \$51,196,131. 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 2009 tax increment revenues for Series A and Series A-T amounted to \$6,888,510 which represented coverage of 582% over the \$1,183,088 in debt service. For fiscal year 2009 tax increment revenues for Series H-T bonds amounted to \$1,377,575 which represented coverage of 307% over the \$449,156 in debt service.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

E. Installment Purchase Obligations

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

F. 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, 2009 the 1999 Electric System Revenue Certificates of Participation outstanding in the amount of \$21,060,000 are considered defeased.

As of June 30, 2009, the total principal and interest were paid in full.

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 3.54% at June 30, 2009.

As of June 30, 2009, the total principal and interest remaining to be paid on the bonds was \$31,457,199. 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 2009, net revenues amounted to \$29,501,000 which represented coverage of 188% over the \$17,709,000 in debt service

At June 30, 2009 the 1997 Electric System Revenue Certificates of Participation outstanding in the amount of \$11,880,000 are considered defeased and the 1999 Electric System Revenue Certificates of Participation outstanding in the amount of \$21,060,000 were considered defeased.

<p style="text-align: center;">CITY OF ROSEVILLE Notes to Basic Financial Statements</p>
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<p>NOTE 9 - LONG-TERM DEBT (Continued)</p>

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, 2009, the total principal and interest remaining to be paid on the bonds was \$75,446,617. 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 2009 net revenues amounted to \$29,501,000 which represented coverage of 188% over the \$15,709,000 in debt service

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

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

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

As of June 30, 2009, the total principal and interest remaining to be paid on the Series A Bonds is \$71,378,462. 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 2009 net revenues amounted to \$29,501,000 which represented coverage of 188% over the \$15,709,000 in debt service.

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.

K. 2007 Water Utility Revenue Certificates of Participation

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

As of June 30, 2009, the total principal and interest remaining to be paid on the bonds was \$80,093,687. 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 2009 net revenues amounted to \$7,948,942 which represented coverage of 199% over the \$3,987,409 in debt service.

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

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

The Series 2008A Bonds were issued to refund the remaining outstanding balance of the 2005 Electric System Revenue Certificates of Participation, Series B, 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 4.37% at June 30, 2009. Principal payments are due annually on February 1 beginning February 1, 2023 through 2035.

As of June 30, 2009, the total principal and interest remaining to be paid on the Series A Bonds was \$169,300,011. 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 2009 net revenues amounted to \$29,501,000 which represented coverage of 188% over the \$15,709,000 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.

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%.

As of June 30, 2009, the total principal and interest remaining to be paid on the Series B Bonds was \$71,545,234. 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 2009 net revenues amounted to \$29,501,000 which represented coverage of 188% over the \$15,709,000 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 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 \$916,059 in fees for the Letter of Credit during the year ended June 30, 2009.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

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.

M. 2007 Roseville Natural Gas Financing Authority Gas Revenue Bonds

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

Principal payments are due annually commencing on February 15, 2009 through 2028 and interest is payable semiannually on February 15 and August 15, commencing August 15, 2007. As of June 30, 2009, the total principal and interest to be paid on the bonds was \$318,766,245. For fiscal year 2009 net revenues amounted to \$28,245,661 which represented coverage of 167% over the \$16,879,875 in debt service.

N. 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, 2009, the total principal and interest remaining to be paid on the Series A Bonds was \$42,388,178. 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 2009 net revenue amounted to \$12,047,265 which represented coverage of 172% over the \$6,920,961 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.

As of June 30, 2009, the total principal and interest remaining to be paid on the Series B Bonds was \$69,906,099. 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 2009 participant net revenues amounted to \$12,047,265 which represented coverage of 172% over the \$6,920,961 in debt service.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

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 \$810,456 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 \$1,014,259 in fees for the Letter of Credit during the year ended June 30, 2009.

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, 2009 for both of the 2008A and 2008B Bonds was 0.34%.

O. 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 A. 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 Revenue Bonds, protecting it against increases in short-term interest rates. The terms, fair value and credit risk of the swap agreements are disclosed below.

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, 2009, 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	Termination Date
2002 Electric System Revenue COP	\$24,225,000	12/18/2002	Morgan Stanley Capital Services Inc.	A+	2.980%	Lessor of 62% of 1m 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	49,917,655 (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>\$164,142,655</u>						

(A) The Authority's swap agreement is based on the notional amount of \$92,150,000 equivalent to the outstanding balance on the 2008B Bonds. The City's share of these underlying Bonds is 54.17%, or \$49,917,655. Only the City's portion of the swap agreement is shown above,

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, 2009, the fair value of the swaps were in favor of the City as follows:

Related Bond Issue	Fair Value
2002 Electric System Revenue COP	(\$1,404,687)
2008 Electric System Revenue COP, Series A	
Bank of America N.A.	(2,572,142)
Morgan Stanley Capital Services Inc.	(3,533,874)
2008 Refunding Wastewater Revenue Bonds, Series B	<u>(9,228,709)</u>
	<u><u>(\$16,739,412)</u></u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

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

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

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

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

Swap payments and associated debt. Using rates as of June 30, 2009, 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 June 30, 2009:

For the Year June 30	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest	Net Swap	
2010	\$1,612,733	\$1,472,039	\$5,067,579	\$8,152,350
2011	1,666,275	1,461,409	5,020,317	8,148,001
2012	3,444,715	1,447,982	4,948,429	9,841,125
2013	3,552,428	1,430,698	4,841,959	9,825,085
2014	3,678,683	1,412,850	4,731,960	9,823,493
2015-2019	20,497,663	6,773,385	21,864,168	49,135,215
2020-2024	35,896,568	6,103,441	18,154,346	60,154,355
2025-2029	46,368,593	4,131,719	11,037,474	61,537,786
2030-2034	38,750,000	1,830,365	4,569,368	45,149,732
2035-2039	8,675,000	63,255	157,912	8,896,167
Totals	<u>\$164,142,655</u>	<u>\$26,127,142</u>	<u>\$80,393,512</u>	<u>\$270,663,309</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

P. 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
2010	\$1,397,222	\$2,548,041	\$13,592,733	\$25,161,128
2011	1,402,625	2,495,811	16,056,275	24,694,771
2012	1,459,311	2,440,414	18,259,715	24,062,220
2013	1,521,549	2,381,374	19,087,428	23,386,004
2014	1,535,321	2,319,133	18,668,683	22,643,333
2015 - 2019	8,179,249	10,563,765	107,142,663	101,084,069
2020 - 2024	9,285,000	8,414,862	142,606,568	75,889,729
2025 - 2029	7,800,000	6,000,072	151,931,765	42,826,381
2030 - 2034	6,925,000	4,275,276	100,489,100	12,371,046
2035 - 2039	8,920,000	2,227,192	30,623,142	415,598
2040 - 2041	4,245,000	206,194		
Total	<u>\$52,670,277</u>	<u>\$43,872,134</u>	618,458,072	<u>\$352,534,277</u>
Reconciliation of long-term debt				
Add deferred bond premium costs			18,104,236	
Less deferred amount on refunding			<u>(3,244,972)</u>	
Net long-term debt			<u>633,317,336</u>	

Q. Authorized but unissued Debt

At June 30, 2009, the City had \$27,805,000 in authorized but unissued Electric COP bonds.

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, 2009 is as follows:

Northeast Roseville Community Facilities District #2	\$8,935,000
North Roseville Community Facilities District #1	19,015,000
North Central Roseville Community Facilities District #1	33,300,000
Northwest Roseville Community Facilities District #1	20,615,000
Woodcreek West Community Facilities District #1, Series 2005	19,110,000
Stone Point Community Facilities District # 1	10,220,000
Fiddymment Ranch Community Facilities District # 1	78,665,000
Longmeadow Parkside Community Facilities District # 1	8,860,000
Westpark Community Facilities District # 1	78,975,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	36,540,000
Stone Point Community Facilities District #5, Series 2006	5,295,000
Diamond Creek Community Facilities District #1, Series 2007	7,075,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	41,910,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junion Lien Bonds	9,840,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,200,000
Total	\$389,555,000

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, 2009, 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 **economic reserve** is the portion of fund balance to be used for unanticipated increases in expenditures or reductions in revenues. These reserves allow for normal operations while adjusting to unexpected circumstances.

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 Community Development Block Grant/HOME Special Revenue Fund had a deficit fund balance at June 30, 2009 in the amounts of \$182,678. Future revenues are expected to offset the deficit.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

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, 2009, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
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	\$5,499,114	\$9,763,128

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

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. The City paid 100% of the contributions required by CALPERS, for the years ended June 30, 2009, 2008, and 2007. Actuarial required contributions, as well as the Annual Pension costs for the years ended June 30, 2009, 2008 and 2007 amounted to \$25,847,110, \$24,430,465, and \$21,782,529 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
2006	\$110,611,333	\$89,817,398	\$20,793,935	79.0%	\$17,469,043	119.033%
2007	128,968,772	111,672,273	17,296,499	81.2%	20,574,095	84.069%
2008	150,031,140	110,548,604	39,482,536	86.6%	23,293,483	169.500%

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
2006	\$223,055,880	\$177,980,691	\$45,075,189	77.1%	\$58,688,647	76.804%
2007	258,357,526	224,366,629	33,990,897	79.8%	67,664,699	50.234%
2008	290,677,152	221,427,111	69,250,041	86.8%	70,445,359	98.303%

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

The City provides medical benefits to substantially all retirees under the City of Roseville Other Post Employment Benefit Plan, offered by California Public Employee Retirement Systems (CALPERS), an agent multiple-employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. As of June 30, 2009 there were 397 participants receiving these health care benefits.

Separately issued financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

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:																		
	<table><tr><td>Group</td><td>2008</td></tr><tr><td>Management/Confidential</td><td>\$1,118.27</td></tr><tr><td>Stationary Engineers Local 39</td><td>1,133.34</td></tr><tr><td>Roseville Police Association</td><td>1,031.27</td></tr><tr><td>Roseville Police Officers Association</td><td>1,186.62</td></tr><tr><td>Roseville Firefighters Associate</td><td>1,000.00</td></tr><tr><td>International Brotherhood of Electrical Workers</td><td>1,101.37</td></tr></table>	Group	2008	Management/Confidential	\$1,118.27	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	<table><tr><td>CalPERS Service</td><td>Vesting</td></tr><tr><td>10 to 20 years</td><td>50% to 100%</td></tr></table>	CalPERS Service	Vesting	10 to 20 years	50% to 100%
	Group	2008																		
	Management/Confidential	\$1,118.27																		
	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																		
CalPERS Service	Vesting																			
10 to 20 years	50% to 100%																			
	• 100/90 formula rates:																			
		<table><tr><td></td><td>2008</td></tr><tr><td>Single</td><td>\$471.00</td></tr><tr><td>Two-Party</td><td>886.00</td></tr><tr><td>Family</td><td>1,129.00</td></tr></table>		2008	Single	\$471.00	Two-Party	886.00	Family	1,129.00										
	2008																			
Single	\$471.00																			
Two-Party	886.00																			
Family	1,129.00																			
	(a) January 1, 2005 for Police Officers Association and Stationary Engineers Local 39	• Five years City service required																		
■ Dental, Vision and Life	• None																			
■ Surviving Spouse Continuation	• Retirement plan election																			
■ Pay-As-You-Go	Amounts																			
	Fiscal Year	(in thousands)																		
	2009	\$3,292																		
	2008	2,985																		
	2007	2,513																		
	2005	1,835																		
	2006	1,820																		

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

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, on a closed basis, using a 30 year amortization period.

Trend Information

The following table provides two years of historical information of the Annual Pension Cost:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2008	\$17,689,000	\$2,984,791	17%	\$14,704,209
6/30/2009	19,170,038	3,292,355	17%	30,581,892

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2008	\$0	\$142,143,000	(\$142,143,000)	0.00%	\$88,238,794	-161.09%
6/30/2009	0	164,567,000	(164,567,000)	0.00%	93,929,321	-175.20%

Audited financial statements are available from the City of Roseville at 311 Vernon Street, California 95678.

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, 2009, 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	\$18,875,000
Adjustment to annual required contribution	<u>295,038</u>
Annual pension cost	19,170,038
Contribution made	<u>(3,292,355)</u>
Increase in net pension obligations	15,877,683
Net OPEB obligation at June 30, 2008	<u>14,704,209</u>
Net OPEB Obligation at June 30, 2009	<u><u>\$30,581,892</u></u>
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.

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.

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, 2009, the City contributed \$485,871 for liability, \$231,840 for property (coverage limit of \$300,000,000) and \$29,669 for boiler and machinery for coverage during the current year and received a refund of \$144,013 interest income and \$188,997 redistribution of prior year excess contributions.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 14 - RISK MANAGEMENT (Continued)

The City is also a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to \$4,650,000 and provides additional coverage up to statutory limit. The City has a self-insured retention of up to \$350,000 per claim. During the fiscal year ended June 30, 2009, the City contributed \$483,485 for current year coverage plus \$25,095 towards a Fiscal Year 1996-97 assessment for a grand total of \$508,580.

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:

	2009	2008
Claims liability, beginning of year	\$4,845,000	\$4,747,000
Current year claims	1,400,000	1,600,000
Change in prior year claims	(898,000)	(945,000)
Claims paid, current year claims	(202,000)	(305,000)
Claims paid, prior year claims	(268,000)	(252,000)
	<u>\$4,877,000</u>	<u>\$4,845,000</u>
Claims liability, end of year		
	<u>\$513,500</u>	<u>\$536,000</u>
Current claims liabilities		

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:

	2009	2008
Claims liability, beginning of year	\$1,449,000	\$1,664,000
Current year claims	900,000	1,000,000
Change in prior year claims	(252,000)	(290,000)
Claims paid, current year claims	(133,000)	(97,000)
Claims paid, prior year claims	(213,000)	(828,000)
	<u>\$1,751,000</u>	<u>\$1,449,000</u>
Claims liability, end of year		
	<u>\$1,751,000</u>	<u>\$1,449,000</u>
Current claims liabilities	<u>\$635,500</u>	<u>\$562,000</u>

The Unemployment Reserve and Vision Internal Service Funds had no outstanding claims liability at June 30, 2009.

NOTE 15 - PREPAID PURCHASED ELECTRICITY

During fiscal 1999 the City paid \$6,138,335 to the Northern California Power Agency (NCPA) (see Note 16) as a capital contribution for the Geothermal and Hydroelectric Projects debt refinancing. This contribution has been capitalized on the City's balance sheet and is being amortized in conjunction with the related debt service savings. The amount amortized for fiscal year 2009 was \$1,168,415.

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, 2009, the City incurred expenses totaling \$15,891,179 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, 2009</u>
General Operating Reserve (including advances)	\$1,503,863
Associated Member Services (including advances)	840,599
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	1,411,249
Calaveras Hydroelectric Project	442,652
Combustion Turbine Project No. 1	280,315
Geothermal Public Power Line	0
Combustion Turbine Project No. 2	<u>545,711</u>
	<u><u>\$5,024,389</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, 2009, the book value of this Project's plant, equipment and other assets was \$142,031,050, while its long-term debt totaled \$64,025,709 and other liabilities totaled \$64,010,929. The City's share of the Project's long-term debt amounted to \$6,998,284 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, 2009 the City was owed \$139,778.

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, 2009, the book value of this Project's plant, equipment and other assets was \$498,319,481 while its long-term debt totaled \$463,422,479 and other liabilities totaled \$32,070,832. The City's share of the Project's long-term debt amounted to \$56,757,297 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, 2009, the book value of this Project's plant, equipment and other assets was \$12,028,851 while its long-term debt totaled \$4,062,181 and other liabilities totaled \$7,429,104. The City's share of the Project's long-term debt amounted to \$1,077,190 at that date. In October 2007 Roseville purchased a portion of Lodi's share of CT1 sufficient to control 40% of the project and completely control the two project turbines located in Roseville. The bonds on this project expire in August 2010.

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, 2009, the book value of this Project's plant, equipment and other assets was \$1,739,568, while its long-term debt totaled \$874,922 and other liabilities totaled \$864,651. The City's share of the Project's long-term debt amounted to \$243,176 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, 2009, the book value of this Project's plant, equipment and other assets was \$66,920,711, while its long-term debt totaled \$62,465,853 and other liabilities totaled \$4,010,804. The City's share of the Project's long-term debt amounted to \$23,113,936 at that date.

C. NCPA Financial Information

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

NOTE 17 – SOUTH PLACER WASTEWATER AUTHORITY

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

Under the terms of a funding agreement, the City will own and operate the Regional Wastewater Facilities. Under the terms of this agreement the member agencies will share the operating costs of the Facilities after construction is complete. The Regional Wastewater Facilities include the Dry Creek Plant and the Pleasant Grove Plant. In November 2000, the SPWA issued Revenue Bonds Series A and Series B in the original principal amounts of \$109,775,000 and \$70,000,000 respectively. The purpose of these bonds is to partially finance the costs of acquisition and construction of the Pleasant Grove Wastewater Treatment Plant. On September 2003, the SPWA issued Refunding Revenue Bonds in the original principal amounts of \$97,000,000. The purpose of the 2003 bonds is to advance refund the 2000 Revenue Bonds Series A. On April 3, 2008, the SPWA issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2008A and 2008B in the original principal amounts of \$72,504,000 and \$92,850,000 respectively. The purpose of the 2008A bonds is to refund the remaining outstanding balance of the 2000 Revenue Bonds Series B. The 2008B bonds were issued to refund the remaining outstanding balance of the 2003 Refunding Revenue Bonds and to advance refund the remaining outstanding balance of the 2000 Revenue Bonds Series A. 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, 2009, the City paid \$4,555,907 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, 2009 was \$86,693,554

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 2009, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$3,424,637
Deductions	<u>(131,611)</u>
Ending Balance	<u><u>\$3,293,026</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, 2009 was \$88,189,883. 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)

The City has designated \$20 million to be used for the land acquisition and construction of a conference center in the City. A previous agreement to partner with a local developer on this project has expired and is not in effect. The City will be evaluating its options for this project in the coming year and has not changed the anticipated liability amounts.

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

Other Commitments

The City had the following outstanding significant commitments at June 30, 2009:

Projects	Amounts (in millions)
Dry Creek WWTP Influent Pump Station	\$2.0
Maidu Interpretive Center	2.4
Central Park Indoor Pool	4.1
Riverside Streetscape Project (RDA)	3.5
Roseville Energy Park long-term service agreement	28.6
Natural Gas Forward Obligations	198.9
Electric Forward Obligations	20.7

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 20 – GAS SUPPLY ACQUISITION AND RESALE (Continued)

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, 2009, prepaid gas under this agreement amounted to \$217,097,535.

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, 2009.

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.

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

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 \$4,736,644 in fiscal 2010. The Pavement Quality Index (PQI) for the City's street pavement for the last ten years is as follows:

Year	PQI		Maintenance Budget	Actual Maintenance
	Arterial/Collector	Residential		
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	4,749,229
09/10	8.2	7.9	4,736,644	N/A

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

The City's policy based on current funding is to maintain arterial and collector roadways at an average Pavement Quality Index (PQI) of 7.8 and residential roadways at an average PQI of 7.9. 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 \$4,749,229 for street preservation in fiscal 2009.

Parks and Landscaping

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

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

The City's maintenance costs are budgeted to be \$4,483,608 in fiscal 2010. The Ground Management Index (GMI) for the City's parks and landscaping maintenance for the last ten years is as follows:

Fiscal Year	GMI (Level) Parks and Landscaping	Maintenance Budget	Actual Maintenance
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	4,445,082
09/10	3	4,483,608	N/A

The City's policy based on current funding is to maintain parks and landscape at an average Ground Management Index (GMI) of Level 3. This rating allows for high-level maintenance and is the recommended level for most organizations. The City expended \$4,445,082 for maintenance for fiscal 2009.

NON-MAJOR GOVERNMENTAL FUNDS

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.

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

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

Traffic Mitigation Fund. To account for revenues and 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, 2009

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
ASSETS					
Cash and investments in City Treasury	\$6,060,394	\$3,717,665	\$558,911	\$385,234	
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	255,901				
Accrued interest	26,069	883,616	23,131	2,148	
Due from other government agencies		1,439,708			\$249,049
Due from other funds					
Advances to other funds		3,900,000			
Deferred receivables					
Notes receivables			51,992		
Inventories					
Total Assets	\$6,342,364	\$9,940,989	\$634,034	\$387,382	\$249,049
LIABILITIES					
Accounts payable	\$360,885	\$225,372		\$8,767	
Accrued liabilities					\$100
Due to other funds					248,949
Due to other government agencies					
Advances from other funds					
Deposits					
Deferred revenue		630,032	\$25,000		
Deferred liabilities					
Total Liabilities	360,885	855,404	25,000	8,767	249,049
FUND BALANCES					
Reserved for:					
Advances		3,900,000			
Deferred receivables and notes receivable			26,992		
Debt service					
Encumbrances	412,333	1,021,619		12,600	
Unreserved:					
Designated for carryover of capital improvement projects					
Undesignated	5,569,146	4,163,966	582,042	366,015	
TOTAL FUND BALANCES	5,981,479	9,085,585	609,034	378,615	
Total Liabilities and Fund Balances	\$6,342,364	\$9,940,989	\$634,034	\$387,382	\$249,049

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>Utility Exploration Center</u>	<u>Park Development</u>	<u>Pleasant Grove Drain Basin</u>
	\$72,548	\$144,847	\$7,093,570	\$10,904,924	\$59,012	\$18,097,727	\$6,866,201
	430	1,733	43,554	62,181 396,277	36	194,292 170,068	40,254
			424,736	651,161		2,303,317	81,082
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u>\$72,978</u>	<u>\$146,580</u>	<u>\$7,561,860</u>	<u>\$12,014,543</u>	<u>\$59,048</u>	<u>\$20,765,404</u>	<u>\$6,987,537</u>
		\$590	\$17,297	\$215,668	\$8,022 7,795	\$104,189	\$7,489
		100,590	74,726			596,844 258,202	35,181
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u>101,180</u>	<u>92,023</u>	<u>215,668</u>	<u>15,817</u>	<u>959,235</u>	<u>42,670</u>
			350,010			1,706,473	45,901
			65,898	98,256	4,952	589,388	
<u> </u>	<u>\$72,978</u>	<u>45,400</u>	<u>7,053,929</u>	<u>11,700,619</u>	<u>38,279</u>	<u>17,510,308</u>	<u>6,898,966</u>
<u> </u>	<u>72,978</u>	<u>45,400</u>	<u>7,469,837</u>	<u>11,798,875</u>	<u>43,231</u>	<u>19,806,169</u>	<u>6,944,867</u>
<u> </u>	<u>\$72,978</u>	<u>\$146,580</u>	<u>\$7,561,860</u>	<u>\$12,014,543</u>	<u>\$59,048</u>	<u>\$20,765,404</u>	<u>\$6,987,537</u>

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
ASSETS					
Cash and investments in City Treasury	\$4,580,675	\$203,837	\$19,368	\$899,142	\$4,318,371
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts			6,210	5,665	3,125
Accrued interest	28,595	1,148			96,979
Due from other government agencies			382,250	47,745	
Due from other funds					50,000
Advances to other funds					50,000
Deferred receivables		1,363			122,262
Notes receivables			9,516,804		4,031,212
Inventories					
Total Assets	\$4,609,270	\$206,348	\$9,924,632	\$952,552	\$8,671,949
LIABILITIES					
Accounts payable	\$79,521		\$55,425	\$9,450	
Accrued liabilities			3,215	86,564	\$837
Due to other funds			531,866		
Due to other government agencies			9,516,804		
Advances from other funds					
Deposits					
Deferred revenue					4,061,174
Deferred liabilities					1,500,000
	79,521		10,107,310	96,014	5,562,011
FUND BALANCES					
Reserved for:					
Advances					50,000
Deferred receivables and notes receivable					92,300
Debt service					
Encumbrances	572,326	\$30,000	40,000		
Unreserved:					
Designated for carryover of capital improvement projects					
Undesignated	3,957,423	176,348	(222,678)	856,538	2,967,638
TOTAL FUND BALANCES	4,529,749	206,348	(182,678)	856,538	3,109,938
Total Liabilities and Fund Balances	\$4,609,270	\$206,348	\$9,924,632	\$952,552	\$8,671,949

SPECIAL REVENUE FUNDS

<u>Park and Recreation Donation</u>	<u>Forfeited Property</u>	<u>Storm Water Management</u>	<u>Traffic Signal</u>	<u>South Placer Animal Control Shelter</u>	<u>Bike Trail/ Open Space Maintenance</u>	<u>Traffic Mitigation</u>
\$427,148	\$214,453	\$229,261	\$2,445,771	\$114,073	\$715,968	\$16,573,729
12,950			987		13,588	3,780
2,908	1,163	1,183	20,465	483	3,864	131,243
						1,108,845
			13,520	45,186		1,285,792
			851,414			
<u>\$443,006</u>	<u>\$215,616</u>	<u>\$230,444</u>	<u>\$3,332,157</u>	<u>\$159,742</u>	<u>\$733,420</u>	<u>\$19,103,389</u>
\$439	\$125	\$11,729 10,254	\$19,695 24,345		\$51,144	\$1,032,372
						4,500,000
						122,931
						520
<u>439</u>	<u>125</u>	<u>21,983</u>	<u>44,040</u>		<u>51,144</u>	<u>5,655,823</u>
			13,520	\$45,186		1,162,861
1,091		31,966			21,367	2,643,270
<u>441,476</u>	<u>215,491</u>	<u>176,495</u>	<u>3,274,597</u>	<u>114,556</u>	<u>660,909</u>	<u>9,641,435</u>
<u>442,567</u>	<u>215,491</u>	<u>208,461</u>	<u>3,288,117</u>	<u>159,742</u>	<u>682,276</u>	<u>13,447,566</u>
<u>\$443,006</u>	<u>\$215,616</u>	<u>\$230,444</u>	<u>\$3,332,157</u>	<u>\$159,742</u>	<u>\$733,420</u>	<u>\$19,103,389</u>

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

	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	
ASSETS						
Cash and investments in City Treasury	\$144,171	\$3,268,533	\$15,744,681	\$628,595	\$17,920,668	\$122,409,477
Restricted cash and investments with fiscal agents	1,397,508					1,397,508
Receivables:						
Accounts						302,206
Accrued interest	28,037	22,402	95,139	4,362	137,439	1,852,854
Due from other government agencies						3,793,942
Due from other funds						50,000
Advances to other funds						3,950,000
Deferred receivables						4,928,419
Notes receivables						13,600,008
Inventories						851,414
Total Assets	<u>\$1,569,716</u>	<u>\$3,290,935</u>	<u>\$15,839,820</u>	<u>\$632,957</u>	<u>\$18,058,107</u>	<u>\$153,135,828</u>
LIABILITIES						
Accounts payable		\$1,022,773	\$15,229			\$3,228,884
Accrued liabilities	\$13,344					163,751
Due to other funds				\$24,862		805,677
Due to other government agencies						9,516,804
Advances from other funds						4,500,000
Deposits				600,000		600,000
Deferred revenue						5,646,478
Deferred liabilities						1,758,722
Total Liabilities	<u>13,344</u>	<u>1,022,773</u>	<u>15,229</u>	<u>624,862</u>		<u>26,220,316</u>
FUND EQUITY						
Reserved for:						
Advances						3,950,000
Deferred receivables and notes receivable						3,443,243
Debt service	1,556,372					1,556,372
Encumbrances		1,620,312	16,295			7,181,673
Unreserved:						
Designated for carryover of capital improvement projects		647,850	15,808,296			16,456,146
Undesignated				8,095	\$18,058,107	94,328,078
TOTAL FUND BALANCES	<u>1,556,372</u>	<u>2,268,162</u>	<u>15,824,591</u>	<u>8,095</u>	<u>18,058,107</u>	<u>126,915,512</u>
Total Liabilities and Fund Balances	<u>\$1,569,716</u>	<u>\$3,290,935</u>	<u>\$15,839,820</u>	<u>\$632,957</u>	<u>\$18,058,107</u>	<u>\$153,135,828</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, 2009

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
REVENUES					
Taxes	\$5,548,284				
Charges for services					
Subventions and grants	41,500	\$4,578,567		\$103,644	
Use of money and property	220,027	146,115	\$40,385	48,424	
Fines, forfeitures and penalties					\$1,195,210
Contributions from developers					
Miscellaneous revenues	15,952	2,246	3,978	16,807	
Total Revenues	5,825,763	4,726,928	44,363	168,875	1,195,210
EXPENDITURES					
Current:					
General government					
Community development and planning					
Public works		667,018			
Public safety:					
Fire					
Library				132,974	
Parks and recreation	3,708,136				
Housing assistance payments					
Capital outlay		1,660,309			
Debt service:					
Principal retirement					
Interest and fiscal charges		8,910			
Total Expenditures	3,708,136	2,336,237		132,974	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,117,627	2,390,691	44,363	35,901	1,195,210
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties					
Transfers in		2,250,791			
Transfers (out)	(1,299,795)	(3,201,090)	(277,075)	(2,670)	(1,195,210)
Total Other Financing Sources (Uses)	(1,299,795)	(950,299)	(277,075)	(2,670)	(1,195,210)
Net change in fund balances	817,832	1,440,392	(232,712)	33,231	
Fund balances at the beginning of the period	5,163,647	7,645,193	841,746	345,384	
Fund balances at the end of period	\$5,981,479	\$9,085,585	\$609,034	\$378,615	

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery Fund	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Utility Exploration Center	Park Development	Pleasant Grove Drain Basin
			\$740,055				
\$8,458	\$600	\$203,750		\$1,570,146	\$19,597	\$2,768,497	\$298,751
	3,718	13,852	372,821	396,277		266,197	
				556,178	132	1,207,540	362,751
					22,475	207,388	
8,458	4,318	217,602	1,112,876	2,522,601	42,204	4,449,622	661,502
				625,484			88,538
					361,777		
			712,425				
							132
			9,405	1,175,760		4,163,941	51,075
			157,808				
			85,910			6,072	
			965,548	1,801,244	361,777	4,170,013	139,745
8,458	4,318	217,602	147,328	721,357	(319,573)	279,609	521,757
			12,040				
(8,458)	(40)	(205,235)	(88,806)	900,668	378,854	1,065,878	
				(47,201)	(16,050)	(6,676,309)	(7,900)
(8,458)	(40)	(205,235)	(76,766)	853,467	362,804	(5,610,431)	(7,900)
	4,278	12,367	70,562	1,574,824	43,231	(5,330,822)	513,857
	68,700	33,033	7,399,275	10,224,051		25,136,991	6,431,010
	\$72,978	\$45,400	\$7,469,837	\$11,798,875	\$43,231	\$19,806,169	\$6,944,867

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
REVENUES					
Taxes					
Charges for services	\$944	\$42,308			
Subventions and grants			\$1,338,496	\$4,134,802	
Use of money and property	236,612	10,377	12,420	4,515	\$200,189
Fines, forfeitures and penalties					
Contributions from developers					129,960
Miscellaneous revenues			1,032,906	20,393	577
Total Revenues	237,556	52,685	2,383,822	4,159,710	330,726
EXPENDITURES					
Current:					
General government	87,650				
Community development and planning			2,352,497	472,476	78,621
Public works		16,920			
Public safety:					
Fire					
Library					
Parks and recreation					
Housing assistance payments				3,530,527	
Capital outlay	310,599				
Debt service:					
Principal retirement					
Interest and fiscal charges					
Total Expenditures	398,249	16,920	2,352,497	4,003,003	78,621
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(160,693)	35,765	31,325	156,707	252,105
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties					
Transfers in			6,835		304
Transfers (out)	(5,400)		(246,229)	(67,230)	(20,210)
Total Other Financing Sources (Uses)	(5,400)		(239,394)	(67,230)	(19,906)
Net change in fund balances	(166,093)	35,765	(208,069)	89,477	232,199
Fund balances at the beginning of the period	4,695,842	170,583	25,391	767,061	2,877,739
Fund balances at the end of period	\$4,529,749	\$206,348	(\$182,678)	\$856,538	\$3,109,938

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
\$36,583			\$7,966	\$112,004		\$3,265,067	
		\$1,748				2,340,038	
27,212	\$10,184	9,513	174,794	4,170	\$33,955	1,201,583	\$4,083,384
11,500		50					
			41,076		81,900	133,930	
211,556	69,845		71,369		61,659	2,320,797	
286,851	80,029	11,311	295,205	116,174	177,514	9,261,415	4,083,384
		548,373		21,000			
			1,434,106			736,627	
230,739	5,650				385,280		
			45,869			19,134,762	
							640,000
						(8,910)	4,716,157
230,739	5,650	548,373	1,479,975	21,000	385,280	19,862,479	5,356,157
56,112	74,379	(537,062)	(1,184,770)	95,174	(207,766)	(10,601,064)	(1,272,773)
		554,101	1,626,341		388,860	1,860,000	1,259,041
(52,967)		(23,022)	(179,974)			(208,881)	
(52,967)		531,079	1,446,367		388,860	1,651,119	1,259,041
3,145	74,379	(5,983)	261,597	95,174	181,094	(8,949,945)	(13,732)
439,422	141,112	214,444	3,026,520	64,568	501,182	22,397,511	1,570,104
\$442,567	\$215,491	\$208,461	\$3,288,117	\$159,742	\$682,276	\$13,447,566	\$1,556,372

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		
	Building	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens Benefit	Total Nonmajor Governmental Funds
REVENUES					
Taxes					\$6,288,339
Charges for services					8,122,463
Subventions and grants					13,413,477
Use of money and property	\$186,717	\$805,944	\$7,162	\$1,213,175	11,193,849
Fines, forfeitures and penalties					1,206,760
Contributions from developers					386,866
Miscellaneous revenues				104,422	4,162,370
Total Revenues	186,717	805,944	7,162	1,317,597	44,774,124
EXPENDITURES					
Current:					
General government		27		754,207	1,467,368
Community development and planning					3,561,505
Public works					3,216,448
Public safety:					
Fire					712,425
Library					132,974
Parks and recreation		28,434			4,358,371
Housing assistance payments					3,530,527
Capital outlay	7,184,200	696,849			34,432,769
Debt service:					
Principal retirement					797,808
Interest and fiscal charges					4,808,139
Total Expenditures	7,184,200	725,310		754,207	57,018,334
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,997,483)	80,634	7,162	563,390	(12,244,210)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties					12,040
Transfers in	6,896,892	2,245,416			19,433,981
Transfers (out)	(919,268)	(1,359,445)			(16,108,465)
Total Other Financing Sources (Uses)	5,977,624	885,971			3,337,556
Net change in fund balances	(1,019,859)	966,605	7,162	563,390	(8,906,654)
Fund balances at the beginning of the period	3,288,021	14,857,986	933	17,494,717	135,822,166
Fund balances at the end of period	\$2,268,162	\$15,824,591	\$8,095	\$18,058,107	\$126,915,512

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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, 2009

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$5,510,155	\$5,548,284	\$38,129			
Charges for services						
Subventions and grants		41,500	41,500	\$9,559,773	\$4,578,567	(\$4,981,206)
Use of money and property	171,517	220,027	48,510	144,608	146,115	1,507
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues		15,952	15,952	12,000	2,246	(9,754)
Total Revenues	5,681,672	5,825,763	144,091	9,716,381	4,726,928	(4,989,453)
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				550,000	667,018	(117,018)
Public safety						
Fire						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	4,313,503	3,708,136	605,367			
Housing assistance payments						
Capital outlay				12,030,604	1,660,309	10,370,295
Debt service:						
Principal retirement						
Interest and fiscal charges					8,910	(8,910)
Total Expenditures	4,313,503	3,708,136	605,367	12,580,604	2,336,237	10,244,367
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,368,169	2,117,627	749,458	(2,864,223)	2,390,691	5,254,914
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in					2,250,791	2,250,791
Transfers (out)	(1,167,728)	(1,299,795)	(132,067)	(5,056,708)	(3,201,090)	1,855,618
Total Other Financing Sources (Uses)	(1,167,728)	(1,299,795)	(132,067)	(5,056,708)	(950,299)	4,106,409
NET CHANGE IN FUND BALANCES	\$200,441	817,832	\$617,391	(\$7,920,931)	1,440,392	\$9,361,323
Fund balances at beginning of year		5,163,647			7,645,193	
Fund balances at end of year		\$5,981,479			\$9,085,585	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$28,232	\$40,385	\$12,153	\$68,000 47,023	\$103,644 48,424	\$35,644 1,401	\$977,437	\$1,195,210	\$217,773
	3,978	3,978	22,000	16,807	(5,193)			
28,232	44,363	16,131	137,023	168,875	31,852	977,437	1,195,210	217,773
110,000		110,000						
			292,092	132,974	159,118			
			47,190		47,190			
110,000		110,000	339,282	132,974	206,308			
(81,768)	44,363	126,131	(202,259)	35,901	238,160	977,437	1,195,210	217,773
(277,075)	(277,075)		(2,670)	(2,670)		(977,437)	(1,195,210)	(217,773)
(277,075)	(277,075)		(2,670)	(2,670)		(977,437)	(1,195,210)	(217,773)
(\$358,843)	(232,712)	\$126,131	(\$204,929)	33,231	\$238,160			
	841,746			345,384				
	\$609,034			\$378,615				

(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, 2009

	FEMA			TRENCH CUT RECOVERY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services					\$600	\$600
Subventions and grants	\$339,996	\$8,458	(\$331,538)			
Use of money and property				\$2,437	3,718	1,281
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues						
Total Revenues	<u>339,996</u>	<u>8,458</u>	<u>(331,538)</u>	<u>2,437</u>	<u>4,318</u>	<u>1,881</u>
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	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>339,996</u>	<u>8,458</u>	<u>(331,538)</u>	<u>2,437</u>	<u>4,318</u>	<u>1,881</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in						
Transfers (out)	<u>(339,996)</u>	<u>(8,458)</u>	<u>331,538</u>	<u>(40)</u>	<u>(40)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>(339,996)</u>	<u>(8,458)</u>	<u>331,538</u>	<u>(40)</u>	<u>(40)</u>	<u> </u>
NET CHANGE IN FUND BALANCES	<u> </u>	<u> </u>	<u> </u>	<u>\$2,397</u>	<u>4,278</u>	<u>\$1,881</u>
Fund balances at beginning of year		<u> </u>			<u>68,700</u>	
Fund balances at end of year		<u> </u>			<u>\$72,978</u>	

LAW ENFORCEMENT BLOCK GRANTS			FIRE FACILITIES			PUBLIC FACILITIES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$1,100,000	\$740,055	(\$359,945)			
			15,000		(15,000)	\$2,400,000	\$1,570,146	(\$829,854)
\$205,000	\$203,750	(\$1,250)					396,277	396,277
12,139	13,852	1,713	396,592	372,821	(23,771)	476,982	556,178	79,196
217,139	217,602	463	1,511,592	1,112,876	(398,716)	2,876,982	2,522,601	(354,381)
							625,484	625,484
			851,800	712,425	139,375			
			94,304	9,405	84,899	3,610,396	1,175,760	2,434,636
			157,808	157,808				
			85,910	85,910				
			1,189,822	965,548	224,274	3,610,396	1,801,244	3,060,120
217,139	217,602	463	321,770	147,328	(174,442)	(733,414)	721,357	1,454,771
				12,040	12,040			
(212,340)	(205,235)	7,105	(3,935,778)	(88,806)	3,846,972	900,668	900,668	
						(7,426,880)	(47,201)	7,379,679
(212,340)	(205,235)	7,105	(3,935,778)	(76,766)	3,859,012	(6,526,212)	853,467	7,379,679
\$4,799	12,367	\$7,568	(\$3,614,008)	70,562	\$3,684,570	(\$7,259,626)	1,574,824	\$8,834,450
	33,033			7,399,275			10,224,051	
	\$45,400			\$7,469,837			\$11,798,875	

(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, 2009

	UTILITY EXPLORATION CENTER			PARK DEVELOPMENT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services	\$66,410	\$19,597	(\$46,813)	\$3,456,200	\$2,768,497	(\$687,703)
Subventions and grants				181,911	266,197	84,286
Use of money and property		132	132	864,230	1,207,540	343,310
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	25,000	22,475	(2,525)	540,000	207,388	(332,612)
Total Revenues	91,410	42,204	(49,206)	5,042,341	4,449,622	(592,719)
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	304,896	295,560	9,336			
Operating services and supplies	82,190	66,217	15,973			
Public safety						
Fire						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay	50,000		50,000	7,239,154	4,163,941	3,075,213
Debt service:						
Principal retirement					6,072	(6,072)
Interest and fiscal charges						
Total Expenditures	437,086	361,777	75,309	7,239,154	4,170,013	3,069,141
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(345,676)	(319,573)	26,103	(2,196,813)	279,609	2,476,422
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in	366,256	378,854	12,598	2,325,169	1,065,878	(1,259,291)
Transfers (out)	(16,050)	(16,050)		(9,786,003)	(6,676,309)	3,109,694
Total Other Financing Sources (Uses)	350,206	362,804	12,598	(7,460,834)	(5,610,431)	1,850,403
NET CHANGE IN FUND BALANCES	\$4,530	43,231	\$38,701	(\$9,657,647)	(5,330,822)	\$4,326,825
Fund balances at beginning of year					25,136,991	
Fund balances at end of year		\$43,231			\$19,806,169	

PLEASANT GROVE DRAIN BASIN			TREE PROPAGATION			AIR QUALITY MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$390,000	\$298,751	(\$91,249)	\$150,000	\$944	(\$149,056)	\$35,000	\$42,308	\$7,308
237,365	362,751	125,386	197,462	236,612	39,150	5,260	10,377	5,117
627,365	661,502	34,137	347,462	237,556	(109,906)	40,260	52,685	12,425
			87,650	87,650				
	88,538	(88,538)						
						20,880		20,880
							16,920	(16,920)
	132	(132)						
846,239	51,075	795,164	1,311,021	310,599	1,000,422			
846,239	139,745	706,494	1,398,671	398,249	1,000,422	20,880	16,920	3,960
(218,874)	521,757	740,631	(1,051,209)	(160,693)	890,516	19,380	35,765	16,385
(7,900)	(7,900)		(5,400)	(5,400)				
(7,900)	(7,900)		(5,400)	(5,400)				
(\$226,774)	513,857	\$740,631	(\$1,056,609)	(166,093)	\$890,516	\$19,380	35,765	\$16,385
	6,431,010			4,695,842			170,583	
	\$6,944,867			\$4,529,749			\$206,348	

(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, 2009

	COMMUNITY DEVELOPMENT BLOCK GRANT/ HOME			HOUSING AUTHORITY SECTION 8		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services						
Subventions and grants	\$3,658,330	\$1,338,496	(\$2,319,834)	\$4,061,000	\$4,134,802	\$73,802
Use of money and property		12,420	12,420	8,000	4,515	(3,485)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	2,542,214	1,032,906	(1,509,308)	21,227	20,393	(834)
Total Revenues	6,200,544	2,383,822	(3,816,722)	4,090,227	4,159,710	69,483
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	600,000	670,407	(70,407)			
Housing						
Salaries and benefits	123,582	119,555	4,027	421,848	320,055	101,793
Operating services and supplies	5,233,969	1,562,535	3,671,434	82,915	152,421	(69,506)
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				3,502,500	3,530,527	(28,027)
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	5,957,551	2,352,497	3,605,054	4,007,263	4,003,003	4,260
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	242,993	31,325	(211,668)	82,964	156,707	73,743
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in	420	6,835	6,415			
Transfers (out)	(246,229)	(246,229)		(67,230)	(67,230)	
Total Other Financing Sources (Uses)	(245,809)	(239,394)	6,415	(67,230)	(67,230)	
NET CHANGE IN FUND BALANCES	(\$2,816)	(208,069)	(\$205,253)	\$15,734	89,477	\$73,743
Fund balances at beginning of year		25,391			767,061	
Fund balances at end of year		(\$182,678)			\$856,538	

AFFORDABLE HOUSING			PARK AND RECREATION DONATION			FORFEITED PROPERTY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$30,000		(\$30,000)	\$30,000	\$36,583	\$6,583			
135,650	\$200,189	64,539	14,230	27,212	12,982	\$7,899	\$10,184	\$2,285
	129,960	129,960	9,800	11,500	1,700			
400,000	577	(399,423)	160,020	211,556	51,536	5,720	69,845	64,125
565,650	330,726	(234,924)	214,050	286,851	72,801	13,619	80,029	66,410
109,540	95,167	14,373						
1,661,167	(16,546)	1,677,713						
			234,778	230,739	4,039	5,720	5,650	70
1,770,707	78,621	1,692,086	234,778	230,739	4,039	5,720	5,650	70
(1,205,057)	252,105	1,457,162	(20,728)	56,112	76,840	7,899	74,379	66,480
304	304		(200,000)	(52,967)	147,033			
(20,210)	(20,210)							
(19,906)	(19,906)		(200,000)	(52,967)	147,033			
(\$1,224,963)	232,199	\$1,457,162	(\$220,728)	3,145	\$223,873	\$7,899	74,379	\$66,480
	2,877,739			439,422			141,112	
	\$3,109,938			\$442,567			\$215,491	

(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, 2009

	STORM WATER MANAGEMENT			TRAFFIC SIGNAL		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services				\$3,000	\$7,966	\$4,966
Subventions and grants		\$1,748	\$1,748			
Use of money and property	\$8,392	9,513	1,121	120,548	174,794	54,246
Fines, forfeitures and penalties		50	50			
Contributions from developers				45,000	41,076	(3,924)
Miscellaneous revenues				4,000	71,369	67,369
Total Revenues	8,392	11,311	2,919	172,548	295,205	122,657
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits	409,627	357,202				
Operating services and supplies	294,653	191,171	103,482			
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits				953,633	923,637	29,996
Operating services and supplies				573,287	510,469	62,818
Public safety						
Fire						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay				307,930	45,869	262,061
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	704,280	548,373	103,482	1,834,850	1,479,975	354,875
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(695,888)	(537,062)	158,826	(1,662,302)	(1,184,770)	477,532
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in	634,896	554,101	(80,795)	1,626,341	1,626,341	
Transfers (out)	(17,950)	(23,022)	(5,072)	(207,780)	(179,974)	27,806
Total Other Financing Sources (Uses)	616,946	531,079	(85,867)	1,418,561	1,446,367	27,806
NET CHANGE IN FUND BALANCES	(\$78,942)	(5,983)	\$72,959	(\$243,741)	261,597	\$505,338
Fund balances at beginning of year		214,444			3,026,520	
Fund balances at end of year		\$208,461			\$3,288,117	

SOUTH PLACER ANIMAL CONTROL SHELTER			BIKE TRAIL/OPEN SPACE MAINTENANCE			TRAFFIC MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$145,000	\$112,004	(\$32,996)				\$4,000,000	\$3,265,067	(\$734,933)
1,702	4,170	2,468	\$3,635	\$33,955	\$30,320	6,957,066	2,340,038	(4,617,028)
				81,900	81,900	911,986	1,201,583	289,597
				61,659	61,659		133,930	133,930
						1,000,000	2,320,797	1,320,797
146,702	116,174	(30,528)	3,635	177,514	173,879	12,869,052	9,261,415	(3,607,637)
76,260	21,000	55,260						
							232	(232)
						155,000	736,395	(581,395)
			478,639	385,280				
						33,595,425	19,134,762	14,460,663
							(8,910)	8,910
76,260	21,000	55,260	478,639	385,280		33,750,425	19,862,479	13,887,946
70,442	95,174	24,732	(475,004)	(207,766)	267,238	(20,881,373)	(10,601,064)	10,280,309
			452,570	388,860	(63,710)	1,860,000	1,860,000	
						(1,382,210)	(208,881)	1,173,329
			452,570	388,860	(63,710)	477,790	1,651,119	1,173,329
\$70,442	95,174	\$24,732	(\$22,434)	181,094	\$203,528	(\$20,403,583)	(8,949,945)	\$11,453,638
	64,568			501,182			22,397,511	
	\$159,742			\$682,276			\$13,447,566	

(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, 2009

	ROSEVILLE FINANCE AUTHORITY			BUILDING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services						
Subventions and grants				\$1,764,647		(\$1,764,647)
Use of money and property	\$7,949,551	\$4,083,384	(\$3,866,167)	102,349	\$186,717	84,368
Fines, forfeitures and penalties						
Contributions from developers				400,000		
Miscellaneous revenues						
Total Revenues	7,949,551	4,083,384	(3,866,167)	2,266,996	186,717	(1,680,279)
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				25,208,255	7,184,200	18,024,055
Debt service:						
Principal retirement	3,240,000	640,000	2,600,000			
Interest and fiscal charges	4,709,551	4,716,157	(6,606)			
Total Expenditures	7,949,551	5,356,157	2,593,394	25,208,255	7,184,200	18,024,055
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,272,773)	(1,272,773)	(22,941,259)	(6,997,483)	15,943,776
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of properties						
Transfers in		1,259,041	1,259,041	21,943,944	6,896,892	(15,047,052)
Transfers (out)				(919,268)	(919,268)	
Total Other Financing Sources (Uses)		1,259,041	1,259,041	21,024,676	5,977,624	(15,047,052)
NET CHANGE IN FUND BALANCES		(13,732)	(\$13,732)	(\$1,916,583)	(1,019,859)	\$896,724
Fund balances at beginning of year		1,570,104			3,288,021	
Fund balances at end of year		<u>\$1,556,372</u>			<u>\$2,268,162</u>	

GENERAL CAPITAL IMPROVEMENT PROJECTS REHABILITATION			ROSEVILLE AQUATICS COMPLEX MAINTENANCE			CITIZENS BENEFIT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$577,030	\$805,944	\$228,914		\$7,162	\$7,162	\$750,000	\$1,213,175	\$463,175
						125,000	104,422	(20,578)
<u>577,030</u>	<u>805,944</u>	<u>228,914</u>		<u>7,162</u>	<u>7,162</u>	<u>875,000</u>	<u>1,317,597</u>	<u>442,597</u>
						740,000	754,207	(14,207)
	27	(27)						
	28,434	(28,434)						
1,393,649	696,849	696,800						
<u>1,393,649</u>	<u>725,310</u>	<u>668,339</u>				<u>740,000</u>	<u>754,207</u>	<u>(14,207)</u>
<u>(816,619)</u>	<u>80,634</u>	<u>897,253</u>		<u>7,162</u>	<u>7,162</u>	<u>135,000</u>	<u>563,390</u>	<u>428,390</u>
2,282,310	2,245,416	(36,894)						
<u>(4,237,072)</u>	<u>(1,359,445)</u>	<u>2,877,627</u>						
<u>(1,954,762)</u>	<u>885,971</u>	<u>2,840,733</u>						
<u>(\$2,771,381)</u>	<u>966,605</u>	<u>\$3,737,986</u>		<u>7,162</u>	<u>\$7,162</u>	<u>\$135,000</u>	<u>563,390</u>	<u>\$428,390</u>
	<u>14,857,986</u>			<u>933</u>			<u>17,494,717</u>	
	<u>\$15,824,591</u>			<u>\$8,095</u>			<u>\$18,058,107</u>	

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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.

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, 2009

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
ASSETS				
Current Assets				
Cash and investments in City Treasury	(\$12,154)	\$23,723,998	\$13,102,365	\$6,916,822
Receivables:				
Accounts	491	50,872	16,497	
Accrued interest		1,159,093	77,753	42,643
Due from other government agencies	38,426			
Due from other funds		187,000		
Inventories	877,554			
Total Current Assets	904,317	25,120,963	13,196,615	6,959,465
Non Current Assets				
Advances to other funds		4,274,201		
Capital assets, net of accumulated depreciation	167,600	16,324,920	15,455	
Total Assets	1,071,917	45,720,084	13,212,070	6,959,465
LIABILITIES				
Current Liabilities				
Accounts payable	200,094	14,549	17,664	16,699
Accrued liabilities	54,324			
Due to other funds	481,039			
Compensated absences	150,021			
Self-insurance claims payable			513,500	635,500
Total Current Liabilities	885,478	14,549	531,164	652,199
Long-term Liabilities				
Compensated absences	160,228			
Net OPEB obligations				
Self-insurance claims payable			4,363,500	1,115,500
Total Liabilities	1,045,706	14,549	4,894,664	1,767,699
NET ASSETS				
Invested in capital assets	167,600	16,324,920	15,455	
Unrestricted	(141,389)	29,380,615	8,301,951	5,191,766
Total Net Assets	\$26,211	\$45,705,535	\$8,317,406	\$5,191,766

Unemployment Reserve	Self Insurance Funds				Central Stores	Total
	Vision	Dental	Section 125	Post Retirement		
\$20,706	\$26,723	\$1,095	\$45,202	\$32,806,158	\$202,294	\$76,833,209
478	190			191,945		67,860
						1,472,102
						38,426
						187,000
						877,554
21,184	26,913	1,095	45,202	32,998,103	202,294	79,476,151
						4,274,201
						16,507,975
21,184	26,913	1,095	45,202	32,998,103	202,294	100,258,327
	13,845			10,000	170,205	443,056
						54,324
						481,039
						150,021
						1,149,000
	13,845			10,000	170,205	2,277,440
						160,228
				30,581,892		30,581,892
						5,479,000
	13,845			30,591,892	170,205	38,498,560
						16,507,975
21,184	13,068	1,095	45,202	2,406,211	32,089	45,251,792
\$21,184	\$13,068	\$1,095	\$45,202	\$2,406,211	\$32,089	\$61,759,767

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
OPERATING REVENUES				
Charges for services	\$7,091,084	\$5,029,038		\$3,954
Other	157,505	210,023	\$2,248,559	1,737,891
Total Operating Revenues	7,248,589	5,239,061	2,248,559	1,741,845
OPERATING EXPENSES				
Operations	6,353,322	178,892	1,615,844	1,691,643
Depreciation and amortization	37,916	4,083,499	2,787	
Claims expense			795,819	867,165
Total Operating Expenses	6,391,238	4,262,391	2,414,450	2,558,808
Operating Income (Loss)	857,351	976,670	(165,891)	(816,963)
NONOPERATING (EXPENSES)				
Interest revenue		1,189,474	675,783	371,019
Subventions and grants	25,274	229,184		
Net Nonoperating Revenues (Expenses)	25,274	1,418,658	675,783	371,019
Income (Loss) Before Transfers	882,625	2,395,328	509,892	(445,944)
Capital contributions		32,711		
Transfers in	533,091	1,264,312		
Transfers (out)	(989,602)	(629,622)	(229,110)	(377,790)
Change in Net Assets	426,114	3,062,729	280,782	(823,734)
Net assets (deficit)-beginning	(399,903)	42,642,806	8,036,624	6,015,500
Net assets-ending	\$26,211	\$45,705,535	\$8,317,406	\$5,191,766

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$12,124,076
\$121,840	\$171,104	\$1,501,357	\$426,539	\$1,116,456		7,691,274
121,840	171,104	1,501,357	426,539	1,116,456		19,815,350
	171,366	151,015		20,581,332		30,743,414
						4,124,202
199,144		1,400,914	409,780			3,672,822
199,144	171,366	1,551,929	409,780	20,581,332		38,540,438
(77,304)	(262)	(50,572)	16,759	(19,464,876)		(18,725,088)
4,502	(173)	(4,224)		1,691,561		3,927,942
						254,458
4,502	(173)	(4,224)		1,691,561		4,182,400
(72,802)	(435)	(54,796)	16,759	(17,773,315)		(14,542,688)
						32,711
	40,807		26,174	4,651,838		6,516,222
(1,300)	(292,730)	(564,091)	(3,780)	(28,180)		(3,116,205)
(74,102)	(252,358)	(618,887)	39,153	(13,149,657)		(11,109,960)
95,286	265,426	619,982	6,049	15,555,868	\$32,089	72,869,727
\$21,184	\$13,068	\$1,095	\$45,202	\$2,406,211	\$32,089	\$61,759,767

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$7,071,551	\$5,014,960	\$95,149	\$6,954
Payments to suppliers	(4,176,334)	(196,962)	(1,635,154)	(1,680,951)
Payments to employees	(2,267,497)			
Claims paid			(763,819)	(565,165)
Other receipts (payments)	157,505	210,023	2,248,559	1,737,891
Net cash provided (Used by) operating activities	785,225	5,028,021	(55,265)	(501,271)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (decrease) in due to other funds	(232,544)			
(Increase) decrease in advances to other funds		187,000		
Contributions		32,711		
Subventions and grants	25,274	229,184		
Transfers in	533,091	1,264,312		
Transfers (out)	(989,602)	(629,622)	(229,110)	(377,790)
Cash Flows from (Used for) Noncapital Financing Activities	(663,781)	1,083,585	(229,110)	(377,790)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(141,765)	(3,519,765)	(18,242)	
Cash Flows (Used for) Capital and Related Financing Activities	(141,765)	(3,519,765)	(18,242)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends		1,294,019	708,421	393,528
Cash Flows from Investing Activities		1,294,019	708,421	393,528
Net increase (decrease) in cash and cash equivalents	(20,321)	3,885,860	405,804	(485,533)
Cash and investments at beginning of period	8,167	19,838,138	12,696,561	7,402,355
Cash and investments at end of period	(\$12,154)	\$23,723,998	\$13,102,365	\$6,916,822
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$857,351	\$976,670	(\$165,891)	(\$816,963)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	37,916	4,083,499	2,787	
Change in assets and liabilities:				
Receivables, net	72,079	(14,078)	95,149	3,000
Net OPEB obligations				
Accounts and other payables	(182,121)	(18,070)	12,690	312,692
Net cash provided by operating activities	\$785,225	\$5,028,021	(\$55,265)	(\$501,271)

131

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AGENCY FUNDS

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

Special Assessments/Community Facility Districts (CFDs)

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

Payroll Revolving Fund

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

Highway 65 JPA (Bizz Johnson JPA)

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

Dry Creek Drainage Basin

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

Disaster Recovery JPA (DRJPA)

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

County Capital Facilities Fee

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

South Placer Wastewater Authority (SPWA)

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

Special Sewer Benefit Area #3

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

AGENCY FUNDS (Continued)

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, 2009

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
<u>Foothills Boulevard Special Assessment District</u>				
Cash and investments in City Treasury	\$15,875		\$49,574	(\$33,699)
Total Assets	<u>\$15,875</u>	<u></u>	<u>\$49,574</u>	<u>(\$33,699)</u>
Due to bondholders	<u>\$15,875</u>	<u></u>	<u>\$49,574</u>	<u>(\$33,699)</u>
<u>Hilltop Special Assessment District</u>				
Cash and investments in City Treasury	\$1,005		\$1,005	
Total Assets	<u>\$1,005</u>	<u></u>	<u>\$1,005</u>	<u></u>
Due to bondholders	<u>\$1,005</u>	<u></u>	<u>\$1,005</u>	<u></u>
<u>North Roseville/Rocklin Sewer Special Assessment District</u>				
Cash and investments in City Treasury	\$305,491	\$264,505	\$562,957	\$7,039
Accrued interest receivable	1,413		1,413	
Total Assets	<u>\$306,904</u>	<u>\$264,505</u>	<u>\$564,370</u>	<u>\$7,039</u>
Accounts payable	\$142		\$142	
Due to bondholders	306,762	\$264,505	564,228	\$7,039
Total Liabilities	<u>\$306,904</u>	<u>\$264,505</u>	<u>\$564,370</u>	<u>\$7,039</u>
<u>Rocky Ridge/Harding Special Assessment District</u>				
Cash and investments in City Treasury	\$40,296		\$40,296	
Accrued interest receivable	14		14	
Total Assets	<u>\$40,310</u>	<u></u>	<u>\$40,310</u>	<u></u>
Due to bondholders	<u>\$40,310</u>	<u></u>	<u>\$40,310</u>	<u></u>
Total Liabilities	<u>\$40,310</u>	<u></u>	<u>\$40,310</u>	<u></u>
<u>Champion Oaks Special Assessment District</u>				
Cash and investments in City Treasury	<u>\$19,287</u>	<u></u>	<u></u>	<u>\$19,287</u>
Due to bondholders	<u>\$19,287</u>	<u></u>	<u></u>	<u>\$19,287</u>

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Foothills Boulevard Extension Special Assessment District				
Cash and investments in City Treasury	\$253,665	\$1,102	\$27,133	\$227,634
Accrued interest receivable	36	29	36	29
Total Assets	<u>\$253,701</u>	<u>\$1,131</u>	<u>\$27,169</u>	<u>\$227,663</u>
Due to bondholders	<u>\$253,701</u>	<u>\$1,131</u>	<u>\$27,169</u>	<u>\$227,663</u>
Total Liabilities	<u>\$253,701</u>	<u>\$1,131</u>	<u>\$27,169</u>	<u>\$227,663</u>
Northeast Roseville Community Facilities District #1				
Cash and investments in City Treasury	\$1,711,222	\$2,252,800	\$3,857,115	\$106,907
Restricted cash and investments with fiscal agents	760,728		760,724	4
Accrued interest receivable	19,107	861	19,107	861
Total Assets	<u>\$2,491,057</u>	<u>\$2,253,661</u>	<u>\$4,636,946</u>	<u>\$107,772</u>
Accounts payable	\$53	\$141,775	\$141,828	
Due to bondholders	2,491,004	2,111,886	4,495,118	\$107,772
Total Liabilities	<u>\$2,491,057</u>	<u>\$2,253,661</u>	<u>\$4,636,946</u>	<u>\$107,772</u>
Northwest Roseville Community Facilities District #1				
Cash and investments in City Treasury	\$2,869,528	\$764,545	\$1,171,011	\$2,463,062
Restricted cash and investments with fiscal agents	2,426,591		58,850	2,367,741
Accrued interest receivable	48,764	8,054	48,764	8,054
Total Assets	<u>\$5,344,883</u>	<u>\$772,599</u>	<u>\$1,278,625</u>	<u>\$4,838,857</u>
Accounts payable	\$71		\$71	
Due to bondholders	5,344,812	\$772,599	1,278,554	\$4,838,857
Total Liabilities	<u>\$5,344,883</u>	<u>\$772,599</u>	<u>\$1,278,625</u>	<u>\$4,838,857</u>
Stoneridge East Community Facilities District #1				
Cash and investments in City Treasury	\$1,006,644	\$1,695,030	\$1,622,757	\$1,078,917
Restricted cash and investments with fiscal agents	1,198,662		20,556	1,178,106
Accrued interest receivable	25,261	3,526	25,261	3,526
Total Assets	<u>\$2,230,567</u>	<u>\$1,698,556</u>	<u>\$1,668,574</u>	<u>\$2,260,549</u>
Accounts payable	\$106		\$106	
Due to bondholders	2,230,461	\$1,698,556	1,668,468	\$2,260,549
Total Liabilities	<u>\$2,230,567</u>	<u>\$1,698,556</u>	<u>\$1,668,574</u>	<u>\$2,260,549</u>

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
<u>Northeast Roseville Community Facilities District #2</u>				
Cash and investments in City Treasury	\$809,106	\$583,941	\$507,971	\$885,076
Restricted cash and investments with fiscal agents	1,092,494	13,761		1,106,255
Accrued Interest receivable	21,567	2,476	21,567	2,476
Total Assets	<u>\$1,923,167</u>	<u>\$600,178</u>	<u>\$529,538</u>	<u>\$1,993,807</u>
Accounts payable	\$53		\$53	
Due to bondholders	1,923,114	\$600,178	529,485	\$1,993,807
Total Liabilities	<u>\$1,923,167</u>	<u>\$600,178</u>	<u>\$529,538</u>	<u>\$1,993,807</u>
<u>North Central Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$4,424,236	\$2,510,460	\$2,181,691	\$4,753,005
Restricted cash and investments with fiscal agents	5,032,727		650	5,032,077
Accrued interest receivable	110,094	98,069	110,094	98,069
Total Assets	<u>\$9,567,057</u>	<u>\$2,608,529</u>	<u>\$2,292,435</u>	<u>\$9,883,151</u>
Accounts payable	\$390	\$3,509	\$390	\$3,509
Due to bondholders	9,566,667	2,605,020	2,292,045	9,879,642
Total Liabilities	<u>\$9,567,057</u>	<u>\$2,608,529</u>	<u>\$2,292,435</u>	<u>\$9,883,151</u>
<u>North Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,744,505	\$969,533	\$1,094,056	\$1,619,982
Restricted cash and investments with fiscal agents	1,835,148	78,922		1,914,070
Accrued interest receivable	10,041	5,504	10,041	5,504
Total Assets	<u>\$3,589,694</u>	<u>\$1,053,959</u>	<u>\$1,104,097</u>	<u>\$3,539,556</u>
Accounts payable	\$354	\$2,339	\$354	\$2,339
Due to bondholders	3,589,340	1,051,620	1,103,743	3,537,217
Total Liabilities	<u>\$3,589,694</u>	<u>\$1,053,959</u>	<u>\$1,104,097</u>	<u>\$3,539,556</u>
<u>Woodcreek West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$981,439	\$1,703,918	\$1,388,160	\$1,297,197
Restricted cash and investments with fiscal agents	1,466,818	110,275		1,577,093
Accounts receivable		6,330		6,330
Accrued interest receivable	24,846	4,096	24,846	4,096
Total Assets	<u>\$2,473,103</u>	<u>\$1,824,619</u>	<u>\$1,413,006</u>	<u>\$2,884,716</u>
Accounts payable	\$106		\$106	
Due to bondholders	2,472,997	\$1,824,619	1,412,900	\$2,884,716
Total Liabilities	<u>\$2,473,103</u>	<u>\$1,824,619</u>	<u>\$1,413,006</u>	<u>\$2,884,716</u>

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Highland Reserve North Community Facilities District #1				
Cash and investments in City Treasury	\$2,075,673	\$205,700	\$28,018	\$2,253,355
Restricted cash and investments with fiscal agents	2,602,139		56,434	2,545,705
Accrued interest receivable	51,835	6,821	51,835	6,821
Total Assets	\$4,729,647	\$212,521	\$136,287	\$4,805,881
Accounts payable	\$3,649		\$3,649	
Due to bondholders	4,725,998	\$212,521	132,638	\$4,805,881
Total Liabilities	\$4,729,647	\$212,521	\$136,287	\$4,805,881
Stoneridge Parcel 1 Community Facilities District #1				
Cash and investments in City Treasury	\$116,484	\$81,938	\$8,474	\$189,948
Restricted cash and investments with fiscal agents	140,429	175,612	178,336	137,705
Accrued interest receivable	2,902	394	2,902	394
Total Assets	\$259,815	\$257,944	\$189,712	\$328,047
Accounts payable	\$177	\$177	\$177	\$177
Due to bondholders	259,638	257,767	189,535	327,870
Total Liabilities	\$259,815	\$257,944	\$189,712	\$328,047
Woodcreek East Community Facilities District #1				
Cash and investments in City Treasury	\$445,920	\$1,224,326	\$1,088,887	\$581,359
Restricted cash and investments with fiscal agents	496,304		8,485	487,819
Accrued interest receivable	10,253	1,983	10,253	1,983
Total Assets	\$952,477	\$1,226,309	\$1,107,625	\$1,071,161
Accounts payable	\$1,594	\$900	\$1,594	\$900
Due to bondholders	950,883	1,225,409	1,106,031	1,070,261
Total Liabilities	\$952,477	\$1,226,309	\$1,107,625	\$1,071,161
Stoneridge West Community Facilities District #1				
Cash and investments in City Treasury	\$807,509	\$34,423		\$841,932
Restricted cash and investments with fiscal agents	938,263	1,556,483	\$1,577,357	917,389
Accounts receivable		4,043		4,043
Accrued interest receivable	20,127	2,991	20,127	2,991
Total Assets	\$1,765,899	\$1,597,940	\$1,597,484	\$1,766,355
Accounts payable	\$779	\$1,453	\$779	\$1,453
Due to bondholders	1,765,120	1,596,487	1,596,705	1,764,902
Total Liabilities	\$1,765,899	\$1,597,940	\$1,597,484	\$1,766,355

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Crocker Ranch Community Facilities District #1				
Cash and investments in City Treasury	\$901,620	\$42,032		\$943,652
Restricted cash and investments with fiscal agents	1,417,327	1,399,171	\$1,427,153	1,389,345
Accounts receivable		5,312		5,312
Accrued interest receivable	26,702	3,061	26,702	3,061
Total Assets	\$2,345,649	\$1,449,576	\$1,453,855	\$2,341,370
Accounts payable	\$3,507	\$650	\$3,507	\$650
Due to bondholders	2,342,142	1,448,926	1,450,348	2,340,720
Total Liabilities	\$2,345,649	\$1,449,576	\$1,453,855	\$2,341,370
Stone Point Community Facilities District #1				
Cash and investments in City Treasury	\$912,025	\$132,365		\$1,044,390
Restricted cash and investments with fiscal agents	964,894	974,077	\$969,330	969,641
Accrued interest receivable	4,780	2,908	4,780	2,908
Total Assets	\$1,881,699	\$1,109,350	\$974,110	\$2,016,939
Due to bondholders	\$1,881,699	\$1,109,350	\$974,110	\$2,016,939
Total Liabilities	\$1,881,699	\$1,109,350	\$974,110	\$2,016,939
Stone Point Community Facilities District #5				
Cash and investments in City Treasury	\$173,758	\$495,614	\$319,048	\$350,324
Restricted cash and investments with fiscal agents	476,977	153,409		630,386
Accrued interest receivable		347		347
Total Assets	\$650,735	\$649,370	\$319,048	\$981,057
Accounts payable				
Due to bondholders	\$650,735	\$649,370	\$319,048	\$981,057
Total Liabilities	\$650,735	\$649,370	\$319,048	\$981,057
Westpark Community Facilities District #1				
Cash and investments in City Treasury	\$2,742,553	\$4,707,683	\$4,158,560	\$3,291,676
Restricted cash and investments with fiscal agents	5,552,426	139,770		5,692,196
Accrued interest receivable	113,065	6,883	113,065	6,883
Total Assets	\$8,408,044	\$4,854,336	\$4,271,625	\$8,990,755
Accounts payable	\$883		\$883	
Due to bondholders	8,407,161	\$4,854,336	4,270,742	\$8,990,755
Total Liabilities	\$8,408,044	\$4,854,336	\$4,271,625	\$8,990,755

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Fiddymment Ranch Community Facilities District #1				
Cash and investments in City Treasury	\$3,027,149	\$4,216,164	\$4,295,197	\$2,948,116
Restricted cash and investments with fiscal agents	6,482,459	402,097		6,884,556
Accrued interest receivable	147,997	74,087	147,997	74,087
Total Assets	\$9,657,605	\$4,692,348	\$4,443,194	\$9,906,759
Accounts payable	\$940		\$940	
Due to bondholders	9,656,665	\$4,692,348	4,442,254	\$9,906,759
Total Liabilities	\$9,657,605	\$4,692,348	\$4,443,194	\$9,906,759
Longmeadow Community Facilities District #1				
Cash and investments in City Treasury	\$346,460	\$604,868	\$567,482	\$383,846
Restricted cash and investments with fiscal agents	622,576	39,379		661,955
Accrued interest receivable	7,958	7,521	7,958	7,521
Total Assets	\$976,994	\$651,768	\$575,440	\$1,053,322
Accounts payable				
Due to bondholders	\$976,994	\$651,768	\$575,440	\$1,053,322
Total Liabilities	\$976,994	\$651,768	\$575,440	\$1,053,322
Diamond Creek Community Facilities District #1				
Cash and investments in City Treasury	\$76	\$538,306	\$394,907	\$143,475
Restricted cash and investments with fiscal agents	843,648		80,012	763,636
Accrued interest receivable	4,599	4,535	4,599	4,535
Total Assets	\$848,323	\$542,841	\$479,518	\$911,646
Accounts payable		\$250		\$250
Due to bondholders	\$848,323	542,591	\$479,518	911,396
Total Liabilities	\$848,323	\$542,591	\$479,518	\$911,396
Fountains Community Facilities District #1				
Cash and investments in City Treasury	\$151	\$1,126,906	\$740,818	\$386,239
Restricted cash and investments with fiscal agents	1,478,772		342,731	1,136,041
Accrued interest receivable	25	352		377
Total Assets	\$1,478,948	\$1,127,258	\$1,083,549	\$1,522,657
Due to bondholders	\$1,478,948	\$1,127,258	\$1,083,549	\$1,522,657
Total Liabilities	\$1,478,948	\$1,127,258	\$1,083,549	\$1,522,657

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
<u>Payroll Revolving</u>				
Cash and investments in City Treasury	\$4,123,675		\$2,193,281	\$1,930,394
Due from other government agencies		\$6,144	3,798	2,346
Total Assets	<u>\$4,123,675</u>	<u>\$6,144</u>	<u>\$2,197,079</u>	<u>\$1,932,740</u>
Accounts payable		\$6,144		\$6,144
Due to others	<u>\$4,123,675</u>		<u>\$2,197,079</u>	<u>1,926,596</u>
Total Liabilities	<u>\$4,123,675</u>	<u>\$6,144</u>	<u>\$2,197,079</u>	<u>\$1,932,740</u>
<u>Highway 65 JPA</u>				
Cash and investments in City Treasury	\$17,505,551	\$6,608,910	\$4,243,650	\$19,870,811
Accounts receivable	33,729		33,729	
Accrued interest receivable	145,750	114,043	145,750	114,043
Due from other government agencies	<u>215,977</u>	<u>34,728</u>	<u>215,977</u>	<u>34,728</u>
Total Assets	<u>\$17,901,007</u>	<u>\$6,757,681</u>	<u>\$4,639,106</u>	<u>\$20,019,582</u>
Accounts payable	\$500	\$4,216,269	\$500	\$4,216,269
Due to member agencies	<u>17,900,507</u>	<u>2,541,412</u>	<u>4,638,606</u>	<u>15,803,313</u>
Total Liabilities	<u>\$17,901,007</u>	<u>\$6,757,681</u>	<u>\$4,639,106</u>	<u>\$20,019,582</u>
<u>Dry Creek Drainage Basin</u>				
Cash and investments in City Treasury	\$4,084	\$9,732	\$4,041	\$9,775
Accrued interest receivable	<u>74</u>	<u>14</u>	<u>74</u>	<u>14</u>
Total Assets	<u>\$4,158</u>	<u>\$9,746</u>	<u>\$4,115</u>	<u>\$9,789</u>
Accounts Payable	\$3,979	\$9,732	\$3,979	\$9,732
Due to others	<u>179</u>	<u>14</u>	<u>136</u>	<u>57</u>
Total Liabilities	<u>\$4,158</u>	<u>\$9,746</u>	<u>\$4,115</u>	<u>\$9,789</u>
<u>Disaster Recovery JPA</u>				
Cash and investments in City Treasury	\$69,155	\$27,715		\$96,870
Accrued interest receivable	<u>612</u>	<u>466</u>	<u>\$612</u>	<u>466</u>
Total Assets	<u>\$69,767</u>	<u>\$28,181</u>	<u>\$612</u>	<u>\$97,336</u>
Accounts payable	\$500		\$350	\$150
Due to member agencies	<u>69,267</u>	<u>\$28,181</u>	<u>262</u>	<u>97,186</u>
Total Liabilities	<u>\$69,767</u>	<u>\$28,181</u>	<u>\$612</u>	<u>\$97,336</u>

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
County Capital Facilities Fee				
Cash and investments in City Treasury	\$861,570	\$831,488	\$1,048,790	\$644,268
Accrued interest receivable	4,376	2,864	4,376	2,864
Total Assets	\$865,946	\$834,352	\$1,053,166	\$647,132
Accounts payable	\$1,048,790	\$558,802	\$1,048,790	\$558,802
Due to others	(182,844)	275,550	4,376	88,330
Total Liabilities	\$865,946	\$834,352	\$1,053,166	\$647,132
South Placer Wastewater Authority				
Cash and investments in City Treasury	\$129,469,925	\$112,896,335	\$129,469,925	\$112,896,335
Restricted cash and investments with fiscal agents	11,036,645	11,183,430	11,036,645	11,183,430
Accrued interest receivable	913,555	488,321	913,555	488,321
Due from other government agencies	3,179,894	1,161,631	3,179,894	1,161,631
Total Assets	\$144,600,019	\$125,729,717	\$144,600,019	\$125,729,717
Accounts payable	\$3,537,004	\$3,295,556	\$3,537,004	\$3,295,556
Accrued liabilities		42,178		42,178
Due to member agencies	141,063,015	122,391,983	141,063,015	122,391,983
Total Liabilities	\$144,600,019	\$125,729,717	\$144,600,019	\$125,729,717
Special Sewer Benefit Area #3				
Cash and investments in City Treasury	\$15,787	\$11,680	\$15,787	\$11,680
Accrued interest receivable	163	76	163	76
Total Assets	\$15,950	\$11,756	\$15,950	\$11,756
Due to others	\$15,950	\$11,756	\$15,950	\$11,756
Total Liabilities	\$15,950	\$11,756	\$15,950	\$11,756
Special Sewer Benefit Area #4				
Cash and investments in City Treasury	\$137,157	\$7,846		\$145,003
Accrued interest receivable	1,254	862	\$1,254	862
Total Assets	\$138,411	\$8,708	\$1,254	\$145,865
Due to others	\$138,411	\$8,708	\$1,254	\$145,865
Total Liabilities	\$138,411	\$8,708	\$1,254	\$145,865

(continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
South Placer County Tourism Business Improvement District (SPCTBID)				
Cash and investments in City Treasury	\$10,913	\$538,587	\$536,174	\$13,326
Accounts receivable	151,144	137,781	151,144	137,781
Accrued interest receivable	290	340	290	340
Total Assets	\$162,347	\$676,708	\$687,608	\$151,447
Accounts payable	\$151,058	\$132,441	\$151,058	\$132,441
Due to others	11,289	544,267	536,550	19,006
Total Liabilities	\$162,347	\$676,708	\$687,608	\$151,447
South Placer County Safe Kids Coalition				
Cash and investments in City Treasury	\$10,678	\$5,449	\$12,048	\$4,079
Accrued interest receivable	95	37	95	37
Total Assets	\$10,773	\$5,486	\$12,143	\$4,116
Accounts payable	\$481	\$52	\$481	\$52
Due to others	10,292	5,434	11,662	4,064
Total Liabilities	\$10,773	\$5,486	\$12,143	\$4,116
South Placer Regional Traffic Fee				
Cash and investments in City Treasury	\$742,530	\$311,201	\$788,388	\$265,343
Accrued interest receivable	3,236	1,012	3,236	1,012
Accounts receivable	52,315		52,315	
Total Assets	\$798,081	\$312,213	\$843,939	\$266,355
Accounts payable	\$785,152	\$264,127	\$785,152	\$264,127
Due to others	12,929	48,086	58,787	2,228
Total Liabilities	\$798,081	\$312,213	\$843,939	\$266,355
City/County TMF				
Cash and investments in City Treasury	\$197,686		\$117,192	\$80,494
Accrued interest receivable	807	\$391	807	391
Total Assets	\$198,493	\$391	\$117,999	\$80,885
Accounts payable	\$196,816		\$116,792	\$80,024
Due to others	1,677	\$391	1,207	861
Total Liabilities	\$198,493	\$391	\$117,999	\$80,885

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Placer County Air Pollution Control				
Cash and investments in City Treasury	\$31,245	\$4,560		\$35,805
Total Assets	\$31,245	\$4,560		\$35,805
Due to others	\$31,245	\$4,560		\$35,805
Total Liabilities	\$31,245	\$4,560		\$35,805
Sierra College Boulevard				
Cash and investments in City Treasury	\$98,105	\$124,854	\$87,423	\$135,536
Accrued interest receivable	636	703	636	703
Total Assets	\$98,741	\$125,557	\$88,059	\$136,239
Accounts Payable		\$124,854		\$124,854
Due to others	\$98,741	703	\$88,059	11,385
Total Liabilities	\$98,741	\$125,557	\$88,059	\$136,239
Other				
Cash and investments in City Treasury	\$13,014	\$108		\$13,122
Total Assets	\$13,014	\$108		\$13,122
Due to other government agencies	\$13,014	\$108		\$13,122
Total Liabilities	\$13,014	\$108		\$13,122
Total Agency Funds				
Cash and investments in City Treasury	\$179,022,752	\$145,534,624	\$162,621,816	\$161,935,560
Restricted cash and investments with fiscal agents	46,866,027	16,226,386	16,517,263	46,575,150
Accounts receivable	237,188	153,466	237,188	153,466
Accrued interest receivable	1,722,234	843,627	1,722,209	843,652
Due from other government agencies	3,395,871	1,202,503	3,399,669	1,198,705
Total Assets	\$231,244,072	\$163,960,606	\$184,498,145	\$210,706,533
Accounts payable	\$5,737,084	\$8,759,030	\$5,798,685	\$8,697,429
Accrued liabilities		42,178		42,178
Due to other government agencies	13,014	108		13,122
Due to member agencies	159,032,789	124,961,576	145,701,883	138,292,482
Due to bondholders	62,199,641	29,298,245	30,082,517	61,415,369
Due to others	4,261,544	899,469	2,915,060	2,245,953
Total Liabilities	\$231,244,072	\$163,960,606	\$184,498,145	\$210,706,533

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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:

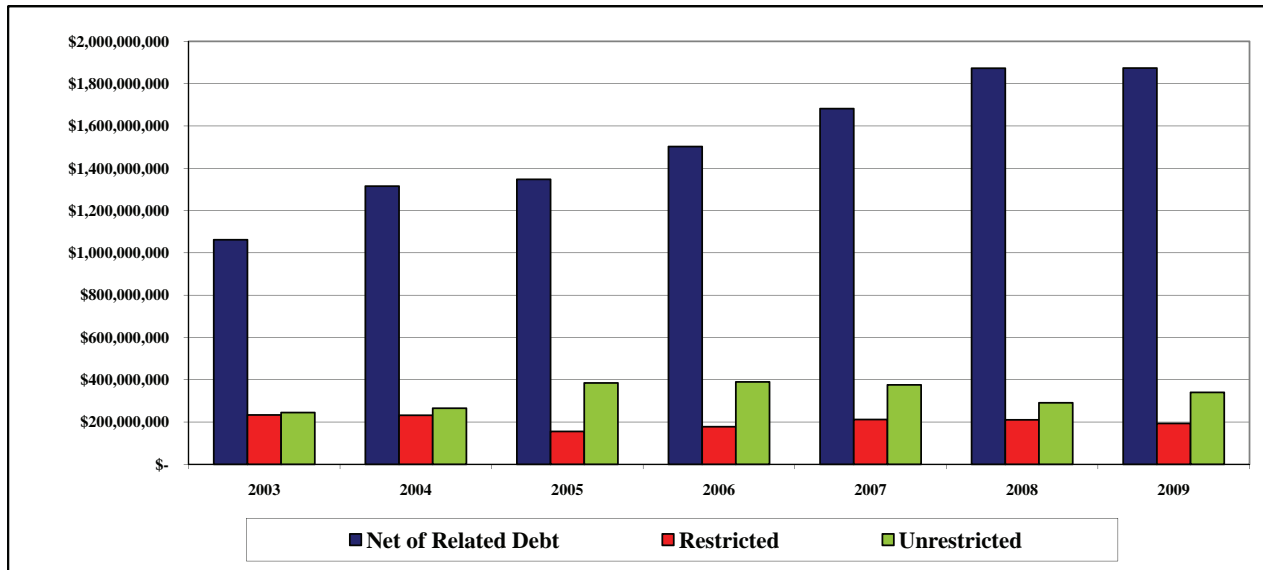
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

STATISTICAL SECTION (Continued)
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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 SEVEN FISCAL YEARS
(accrual basis of accounting)**



	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
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	\$809,874,186
Restricted	148,067,075	142,404,742	124,527,445	149,738,041	177,189,997	165,833,165	149,364,179
Unrestricted	63,933,275	73,230,549	89,038,317	109,395,679	107,064,085	131,434,721	114,855,293
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>	<u>\$1,074,093,658</u>
Business-type activities							
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	\$1,063,872,692
Restricted	85,285,040	89,408,729	31,082,339	28,178,946	34,553,611	44,622,022	43,873,415
Unrestricted	180,828,388	191,964,333	295,600,560	280,399,506	268,413,147	159,481,947	225,358,784
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>	<u>\$1,333,104,891</u>
Primary government							
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	\$1,873,746,878
Restricted	233,352,115	231,813,471	155,609,784	177,916,987	211,743,608	210,455,187	193,237,594
Unrestricted	244,761,663	265,194,882	384,638,877	389,795,185	375,477,232	290,916,668	340,214,077
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>	<u>\$2,407,198,549</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 SEVEN FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
General Government	\$19,464,175	\$19,299,495	\$22,350,454	\$25,437,535	\$30,929,747	\$34,826,790	\$35,306,470
Community development and planning	9,250,195	10,370,401	10,131,568	11,893,312	13,171,347	16,004,720	16,399,001
Public Works	31,259,219	21,567,351	39,391,505	33,498,385	42,070,119	33,682,426	35,299,262
Police	17,630,323	19,351,991	22,761,768	24,500,396	27,440,631	33,717,164	36,257,952
Fire	11,601,885	12,768,918	15,226,498	16,435,774	20,572,207	26,372,987	27,405,634
Library	2,792,317	2,839,127	2,996,195	3,156,087	3,552,614	5,506,954	5,184,868
Parks and recreation	12,742,186	13,257,771	14,001,045	16,052,655	17,634,887	20,021,127	20,607,763
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	3,530,527
Interest on long-term debt	2,278,540	1,813,647	1,760,833	1,933,654	4,920,776	6,858,207	5,847,054
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>	<u>\$185,838,531</u>
Business-Type Activities:							
Electric	\$71,539,423	\$69,630,286	\$93,061,537	\$97,101,941	\$131,224,885	\$155,579,953	\$163,739,748
Water	12,822,705	15,748,289	16,719,257	18,510,040	15,855,579	25,826,409	21,842,893
Wastewater	18,632,682	18,050,409	23,885,474	27,207,717	28,948,611	37,098,813	28,512,359
Solid Waste	10,927,735	11,614,060	12,749,998	14,220,731	15,182,395	15,743,209	14,914,734
Natural Gas					5,152,447	15,123,490	27,665,056
Golf Course	2,545,069	2,365,048	2,473,835	2,479,378	2,351,603	2,883,713	3,003,690
Local Transportation	3,374,680	3,768,970	4,106,631	4,415,411	5,410,630	5,872,368	6,221,260
School-age Child Care	3,761,228	3,824,316	4,211,285	4,430,801	4,825,366	5,575,761	4,649,458
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>	<u>270,549,198</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>	<u>\$456,387,729</u>
Program Revenues							
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	\$3,780,716
Community development and planning	1,753,229	2,988,881	3,652,829	4,312,464	3,543,270	3,386,649	1,903,124
Public Works	6,362,355	6,612,890	6,814,277	7,959,770	9,246,666	5,843,426	3,327,869
Police	1,698,465	1,581,324	2,009,281	1,900,144	2,346,493	1,845,245	2,346,230
Fire	554,019	945,366	1,082,211	1,253,881	1,505,547	1,402,158	1,362,379
Library	75,753	136,710	162,479	188,738	235,231	272,057	230,290
Parks and recreation	4,402,180	5,508,574	6,224,464	7,315,217	4,167,719	9,986,005	9,728,400
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	12,465,557
Capital Grants and Contributions	72,499,797	35,094,840	41,143,945	113,531,406	101,768,467	59,279,903	22,813,349
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>	<u>57,957,914</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	155,843,041
Water	8,869,111	11,804,088	13,163,434	13,450,264	14,938,665	16,925,351	17,765,674
Wastewater	13,103,088	14,739,888	16,355,694	19,025,742	22,455,645	24,014,362	27,087,117
Solid Waste	13,859,409	14,678,394	15,244,048	17,558,492	18,575,194	19,562,798	19,951,063
Natural Gas						4,059,943	16,528,513
Golf Course	2,468,170	2,436,735	2,564,469	2,747,851	3,162,637	3,182,357	2,953,223
Local Transportation	936,121	526,204	530,516	601,087	739,826	863,606	1,184,861
School-age Child Care	3,615,963	3,810,089	4,193,923	4,833,884	4,845,460	5,193,488	4,779,262
Operating Grants and Contributions	4,359,680	6,717,432	7,104,895	2,299,189	14,328,217	13,630,808	10,139,913
Capital Grants and Contributions	88,803,680	52,603,696	49,828,229	68,914,968	108,453,838	88,497,473	55,050,971
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>	<u>311,283,638</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>	<u>\$369,241,552</u>
Net (Expense)/Revenue							
Governmental Activities	(\$40,021,005)	(\$44,340,507)	(\$62,654,434)	\$11,662,010	(\$29,580,825)	(\$86,001,192)	(\$127,880,617)
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>	<u>40,734,440</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>	<u>(\$87,146,177)</u>

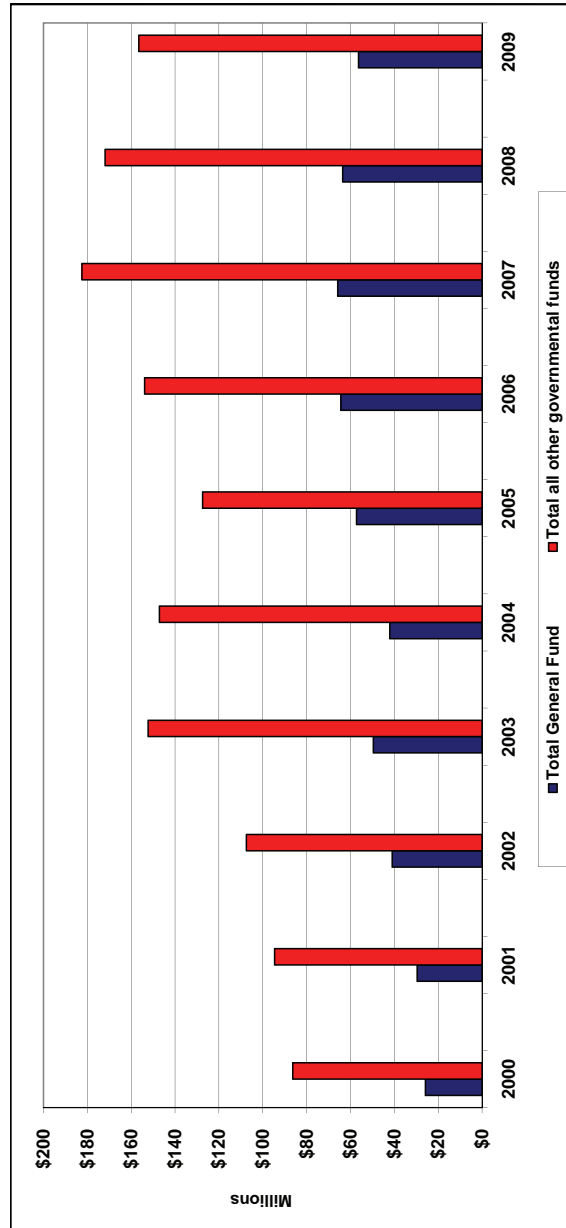
**CITY OF ROSEVILLE
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes:							
Property taxes	\$16,812,259	\$20,101,838	\$26,548,498	\$30,867,256	\$38,737,491	\$41,066,666	\$39,688,660
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	36,024,500
Franchise taxes	657,865	954,396	1,060,903	1,267,707	1,429,155	1,607,214	930,003
Motor fuel taxes	1,880,505	1,775,122	1,897,211	3,116,638	1,999,542	1,985,315	1,855,462
Motor vehicle in lieu (Intergovernmental- unrestricted)	5,360,094	4,152,209	2,123,202	710,510	565,719	471,834	373,495
Utility Users Taxes	6,006,269	(a)					
Other Taxes	2,692,573	2,978,450	3,671,924	3,630,534	3,529,485	3,306,271	2,974,201
Use of money and property	6,856,853	2,992,312	5,631,061	8,077,599	14,208,032	16,918,766	14,048,619
Miscellaneous revenues	1,356,471	12,975	664,191	1,680,851	2,926,467	887,173	4,568,055
Transfers	12,024,203	15,605,538	17,318,498	23,582,576	25,223,297	24,622,443	28,320,921
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	128,783,916
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	19,665,082
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)	(28,320,921)
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	(8,655,839)
Total Primary Government	\$68,485,295	\$64,773,734	\$87,215,548	\$107,081,647	\$119,528,417	\$134,848,479	\$120,128,077
Change in Net Assets							
Governmental Activities	\$48,249,262	\$42,564,512	\$36,973,743	\$129,941,453	\$103,811,106	\$45,846,874	\$903,299
Business-Type Activities	72,533,228	54,571,453	38,313,903	52,640,256	94,948,550	59,125,598	32,078,601
Total Primary Government	\$120,782,490	\$97,135,965	\$75,287,646	\$182,581,709	\$198,759,656	\$104,972,472	\$32,981,900

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) 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,

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$17,748,596	\$10,686,999	\$9,127,227	\$18,553,213	\$18,414,069	\$18,449,612	\$16,669,748	\$13,421,646	\$10,786,244	\$13,472,640
Unreserved	8,068,863	18,902,395	31,843,500	31,034,445	23,647,906	38,788,181	47,642,690	52,376,837	52,774,303	42,850,836
Total General Fund	\$25,817,459	\$29,589,394	\$40,970,727	\$49,587,658	\$42,061,975	\$57,237,793	\$64,312,438	\$65,798,483	\$63,560,547	\$56,323,476
All Other Governmental Funds										
Reserved	\$3,690,269	\$4,844,613	\$22,018,851	\$47,532,457	\$23,989,841	\$27,132,041	\$53,194,568	\$71,775,257	\$56,547,018	\$56,058,554
Unreserved, reported in:										
Special Revenue Funds	35,810,147	61,189,946	57,998,370	73,713,153	87,880,374	66,266,786	64,447,245	73,726,293	79,723,403	65,941,856
Capital Projects	46,830,294	28,561,048	11,448,839	14,958,485	19,522,248	17,733,928	19,807,821	20,128,123	18,146,007	16,456,146
Permanent Funds			16,014,323	16,061,477	15,725,381	16,318,672	16,425,999	16,833,979	17,495,650	18,066,202
Total all other governmental funds	\$86,330,710	\$94,595,607	\$107,480,383	\$152,265,572	\$147,117,844	\$127,451,427	\$153,875,633	\$182,463,652	\$171,912,078	\$156,522,758

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

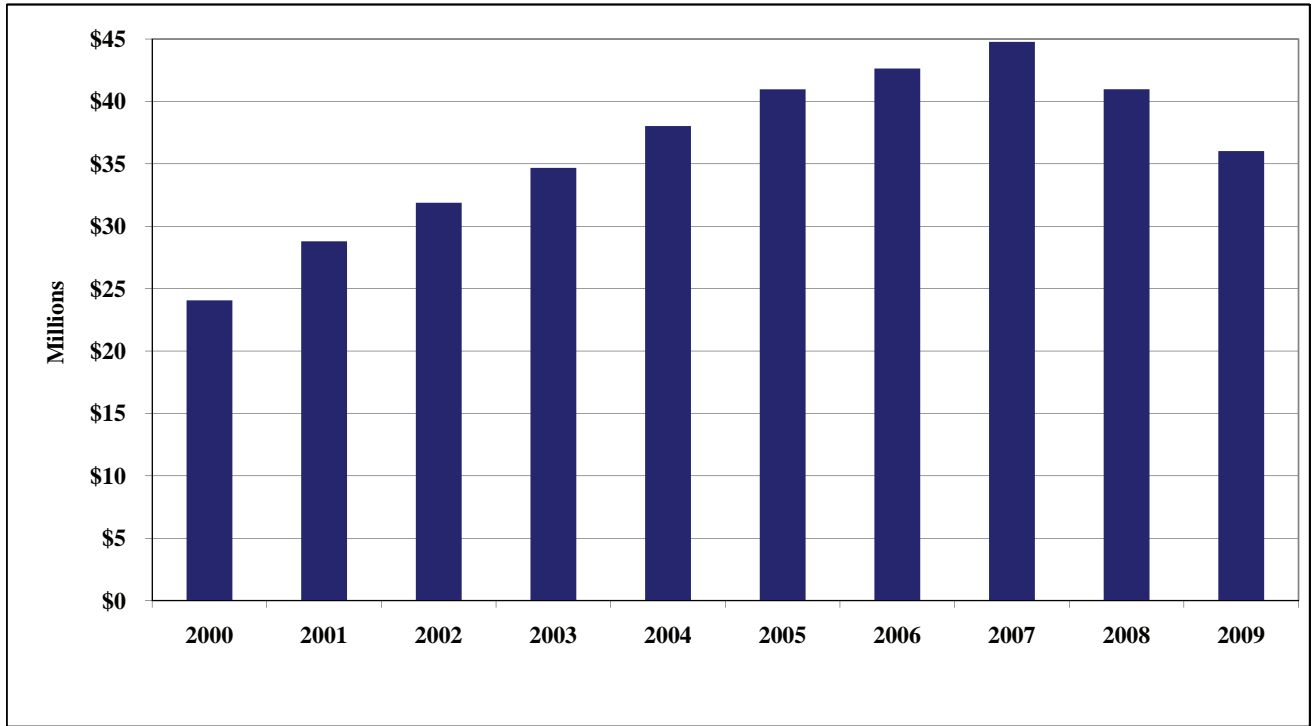
	Fiscal Year Ended June 30,				
	2000	2001	2002	2003	2004
Revenues					
Taxes	\$46,414,028	\$56,621,766	\$61,361,572	\$64,866,117	\$65,815,061
Less Educational Revenue Augmentation				(55,417)	(143,182)
Licenses, permits and fees	2,210,596	2,431,091	2,787,695	2,913,664	2,784,570
Charges for services	25,878,364	27,841,157	29,589,733	30,198,984	27,343,649
Subventions and grants	16,785,739	15,518,284	16,109,594	16,583,320	13,758,850
Use of money and property	6,779,306	9,064,978	5,946,919	6,361,032	3,455,309
Fine, forfeitures and penalties	354,984	465,239	1,093,381	1,842,340	1,471,716
Contributions from property owners					2,574,635
Contributions from developers					2,662,371
Miscellaneous revenues	434,172	1,302,877	1,557,781	6,500,778	3,331,708
Total Revenues	<u>98,857,189</u>	<u>113,245,392</u>	<u>118,446,675</u>	<u>129,210,818</u>	<u>123,054,687</u>
Expenditures					
Current:					
General government	19,020,015	16,185,257	17,714,229	25,734,538	20,919,559
Community development and planning		5,623,597	6,812,834	9,605,904	10,807,567
Public works	16,652,261	10,873,585	10,991,887	11,880,167	10,956,006
Public safety:	20,551,250				
Police		13,868,406	14,647,683	18,003,412	19,051,384
Fire		9,197,433	9,631,469	11,772,858	12,602,614
Library	2,014,063	2,345,854	2,504,890	2,792,063	2,842,537
Parks and recreation	7,095,673	9,679,890	10,481,015	12,731,251	13,249,576
Housing assistance payments	1,496,176	1,737,541	2,027,930	2,541,178	3,127,150
Capital outlay	62,874,445	52,834,535	60,046,961	23,432,869	41,149,143
Payments under development agreements		1,603,838	5,214,902	6,131,086	2,607,608
Debt service:					
Principal repayment	2,642,740	1,081,040	1,077,202	1,152,517	1,439,690
Interest and fiscal charges	1,262,038	1,295,452	1,195,978	2,071,634	1,912,196
Total Expenditures	<u>133,608,661</u>	<u>126,326,428</u>	<u>142,346,980</u>	<u>127,849,477</u>	<u>140,665,030</u>
Excess (deficiency) of revenues over (under) expenditures	(34,751,472)	(13,081,036)	(23,900,305)	1,361,341	(17,610,343)
Other Financing Sources (Uses)					
Proceeds from capital lease	78,368	271,598	142,889		
Proceeds from issuance of bonds					
Proceeds from sale of property		1,200,000			
Proceeds from debt issuance				14,745,063	18,275,000
Transfers in	29,356,569	39,124,451	27,126,928	38,559,850	27,934,748
Transfers (out)	(20,521,671)	(29,175,395)	(14,588,595)	(27,405,095)	(23,543,935)
Payment to refunded bond escrow					(18,080,000)
Contributions from property owners	45,162,789	8,224,249	34,173,448	3,568,579	
Contributions from developers	3,326,057	2,186,771	4,699,675	22,572,382	
Bond issuance premium					351,119
Total other financing sources (uses)	<u>57,402,112</u>	<u>21,831,674</u>	<u>51,554,345</u>	<u>52,040,779</u>	<u>4,936,932</u>
Net Change in fund balances	<u>\$22,650,640</u>	<u>\$8,750,638</u>	<u>\$27,654,040</u>	<u>\$53,402,120</u>	<u>(\$12,673,411)</u>
Debt service as a percentage of noncapital expenditures	(a)	(a)	2.8%	3.2%	3.5%

(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,				
2005	2006	2007	2008	2009
\$75,900,403	\$82,770,691	\$93,500,227	\$93,457,602	\$85,601,833
(260,676)	(323,743)			
2,591,354	2,020,467	2,762,883	2,537,988	1,832,029
26,814,640	31,295,267	40,301,825	31,892,013	18,899,792
12,630,086	10,351,281	12,744,920	12,819,741	16,909,738
4,922,685	7,784,975	16,943,196	19,198,906	16,183,845
1,803,562	1,953,405	2,358,742	2,147,695	2,283,349
7,841,639	92,645,369	71,488,795	9,100,000	
4,373,481	3,337,645	1,591,059	2,070,716	957,680
4,213,970	7,899,568	9,286,123	12,455,601	7,264,395
<u>140,831,144</u>	<u>239,734,925</u>	<u>250,977,770</u>	<u>185,680,262</u>	<u>149,932,661</u>
20,248,180	24,938,856	29,720,879	30,360,979	28,599,119
9,751,722	10,888,062	11,961,479	16,710,067	13,481,274
10,817,148	15,396,696	16,947,884	16,228,157	16,022,025
21,547,825	25,567,869	28,988,754	30,498,603	30,408,122
13,753,902	16,915,393	20,719,718	24,352,812	24,527,743
2,762,274	3,133,367	3,520,834	4,542,287	3,449,204
13,507,359	16,007,377	17,955,082	19,092,606	17,979,576
3,050,762	2,974,236	3,328,656	3,399,145	3,530,527
58,729,356	108,314,784	125,426,074	63,142,168	49,795,093
5,389,110	2,592,039	2,396,314	2,157,821	1,601,494
1,264,702	941,946	1,206,803	1,590,991	1,392,486
1,789,098	1,941,002	4,523,725	6,873,248	7,090,871
<u>162,611,438</u>	<u>229,611,627</u>	<u>266,696,202</u>	<u>218,948,884</u>	<u>197,877,534</u>
(21,780,294)	10,123,298	(15,718,432)	(33,268,622)	(47,944,873)
147,266	2,239,765			385,538
	3,503,467	23,215,524	129,284	12,040
26,116,934	38,439,158	54,227,228	42,487,182	53,047,351
(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)	(28,126,447)
<u>17,289,695</u>	<u>23,375,553</u>	<u>45,792,496</u>	<u>20,211,867</u>	<u>25,318,482</u>
<u>(\$4,490,599)</u>	<u>\$33,498,851</u>	<u>\$30,074,064</u>	<u>(\$13,056,755)</u>	<u>(\$22,626,391)</u>
3.0%	2.4%	4.2%	5.3%	5.7%

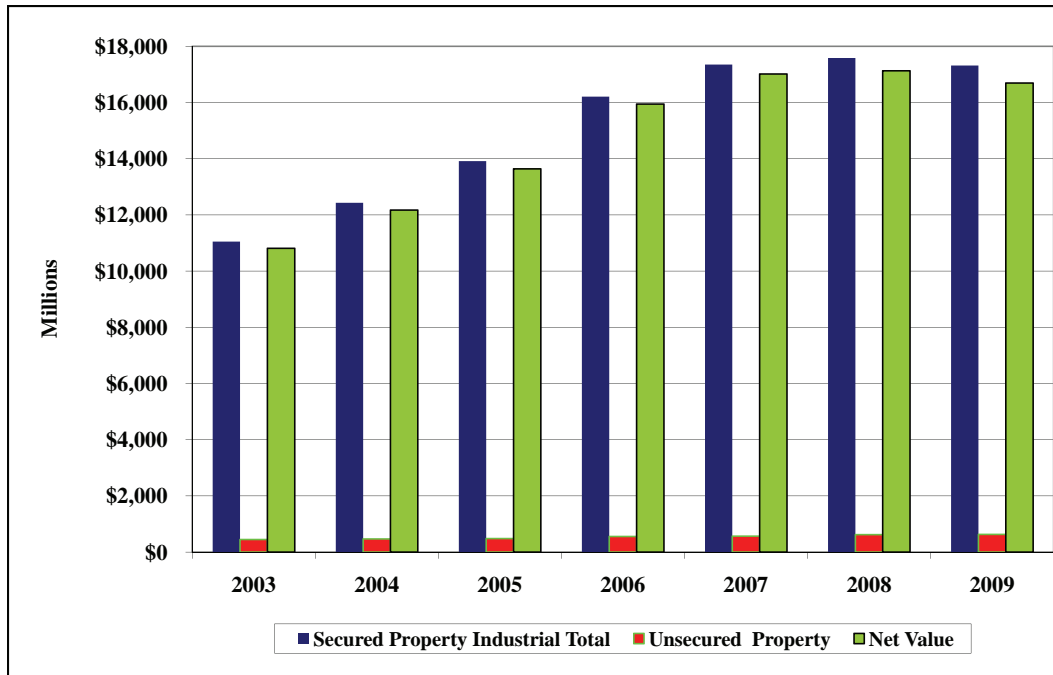
Source: The City's Comprehensive Annual Financial Report

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



<u>Fiscal Year</u>	<u>Amount</u>
2000	\$24,061,160
2001	28,791,812
2002	31,884,334
2003	34,678,592
2004	38,031,918
2005	40,973,365
2006	42,642,035
2007	44,772,743
2008	40,982,384
2009	36,024,500

**CITY OF ROSEVILLE
ASSESSED VALUE OF TAXABLE PROPERTY
Last Seven Fiscal Years**



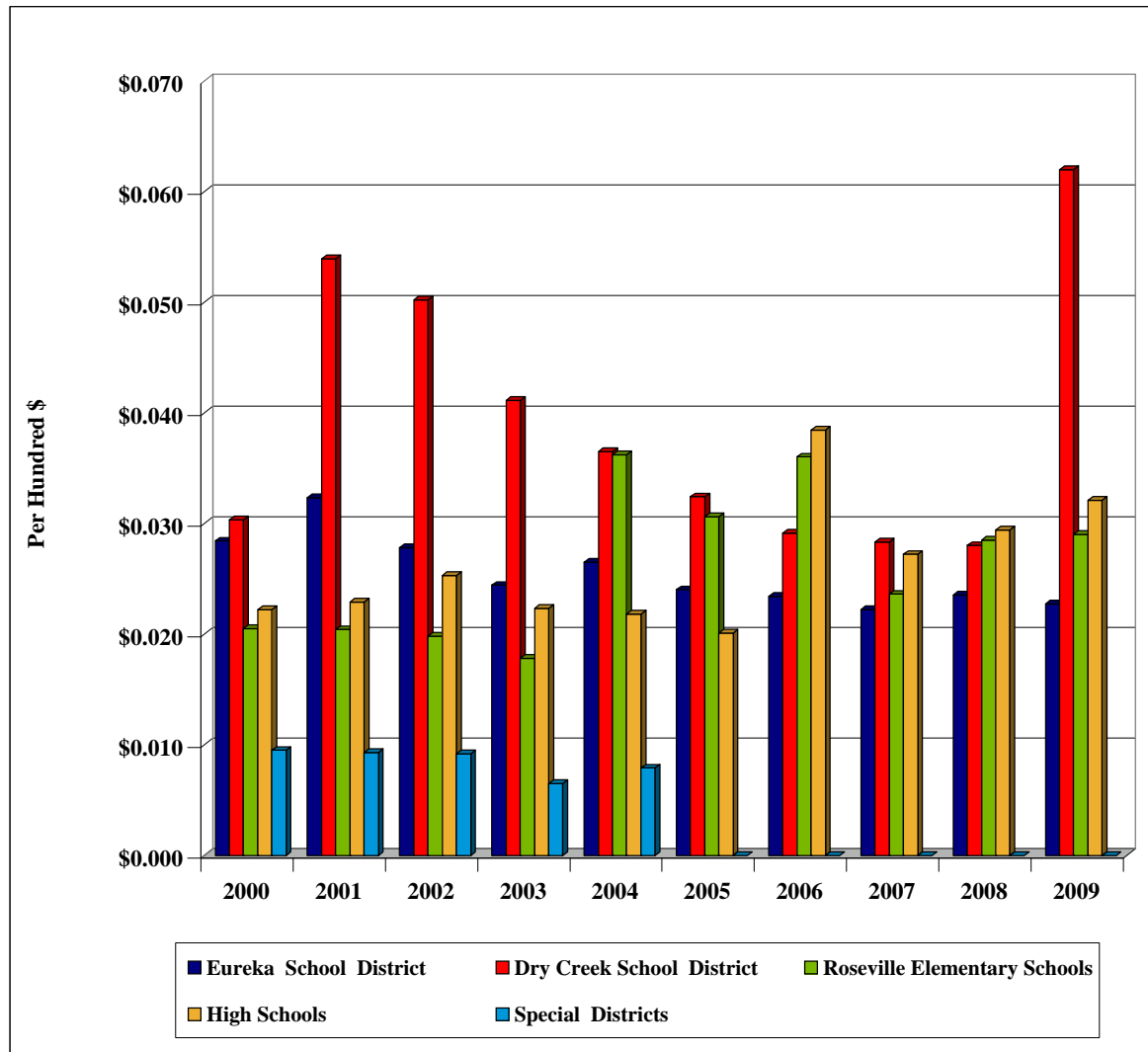
Fiscal Year	Secured Property				Total
	Residential Property	Commercial Property	Industrial Property	Other	
2003	\$7,225,292,250	\$2,700,140,428	\$1,123,493,952	\$451,385	\$11,049,378,015
2004	8,316,264,128	3,005,038,984	1,108,485,049	16,922	12,429,805,083
2005	9,554,934,975	3,313,231,805	1,022,655,178	24,652,773	13,915,474,731
2006	11,341,197,953	3,738,086,068	1,103,962,893	26,267,535	16,209,514,449
2007	12,029,385,702	4,161,477,880	1,158,659,149	2,598,781	17,352,121,512
2008	11,749,073,805	4,610,035,045	1,223,342,594	2,648,673	17,585,100,117
2009	11,046,192,767	5,128,610,009	1,138,857,947	2,770,508	17,316,431,231

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

- (a) Article XIII A, added to the California Constitution by Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:
- a) annual inflation up to 2%; or
 - b) market value at the time of ownership change; or
 - c) market value for new construction.

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

**CITY OF ROSEVILLE
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
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
2009	1.0000	0.0227	0.0620	0.0290	0.0321	N/A*	1.1458

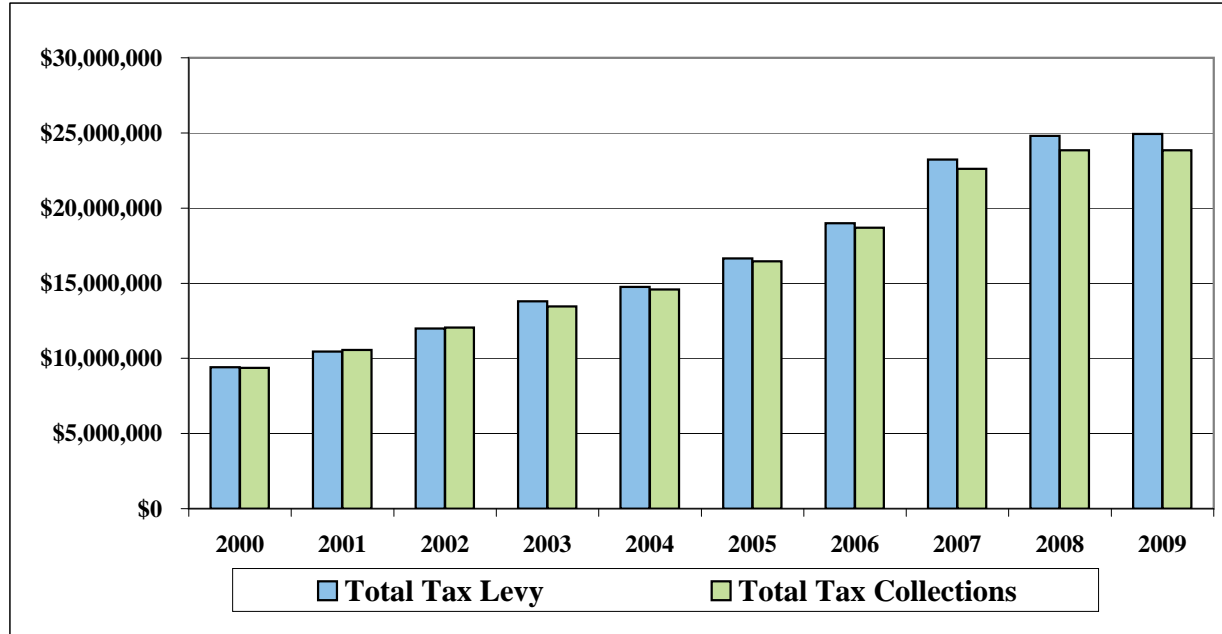
* San Juan Water bond matured and paid in 2004/05

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

	2009		2000	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Taxpayer				
NEC Electronics USA Inc.	\$375,688,057	2.25%	\$638,269,109	7.80%
Hewlett Packard Co.	288,874,669	1.73%	368,334,398	4.50%
Roseville Shoppingtown LLC	206,151,662	1.23%		
PL Roseville LLC	200,719,087	1.20%		
Donahue Schriber Realty Group LP	88,004,872	0.53%	18,475,595	0.23%
Walmart Real Estate Business Trust	83,763,047	0.50%		
W2005 Fargo Hotels Pool C Realty LP	83,413,487	0.50%		
NNN Parkway Corporate Plaza LLC	68,896,799	0.41%		
Pulte Home Corporation	68,231,513	0.41%		
Hines Douglas Corporate Center LP	66,758,999	0.40%		
Hines Summit at Douglas LP	62,525,999	0.37%		
Kobra Properties	62,502,125	0.37%		
Safeway Inc.	61,063,943	0.37%		
SI VII LLC	59,914,177	0.36%		
Reef America REIT II Corp.	57,117,960	0.34%		
Rosemead LLC	55,518,684	0.33%		
Miller Brothers Eureka Road LLC	55,182,815	0.33%		
Hines Olympus Corporate Centre LP	54,366,000	0.33%		
Mourier Properties LLC/ Mourier Land Investment Corporation	52,623,574	0.31%		
Hines Johnson Ranch Corporate Centre LP	51,153,000	0.31%		
	\$2,102,470,469	12.58%	\$1,025,079,102	12.53%

2008-2009 Local Secured Assessed Valuation: \$16,719,828,331
1998-1999 Local Secured Assessed Valuation: \$8,186,727,173

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



Fiscal Year	Total Tax Levy (a)	Current Tax Collections (b)	Percent of Levy Collected	Delinquent Tax Collections (c)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
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%
2009	24,932,869	23,840,809	95.62%	0	23,840,809	95.62%

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) For Special Assessment taxes, only the Landscaping and Lighting Districts are on the Teeter Plan with Placer County. Delinquency for the CFD Districts are collected via demand letters and judicial foreclosure process.
- (c) 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, 2009

Ten Largest Electric Customers as of 6/30/2009

<u>Customer (a)</u>	<u>Type of Business</u>	<u>% Total kWh</u>
Customer 1	Manufacturing	11.27%
Customer 2	Manufacturing	4.01%
Customer 3	Government and Utilities	2.89%
Customer 4	Medical Care	2.31%
Customer 5	Medical Care	1.73%
Customer 6	Data Processing	1.10%
Customer 7	Telecommunications	1.04%
Customer 8	Property Management	1.00%
Customer 9	Retail	0.96%
Customer 10	Grocery	0.84%

Electric Sales Revenue as of 06/30/09

Residential	\$ 52,563,803
Commercial	76,413,276
Total Electric Revenue	<u><u>\$ 128,977,079</u></u>

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

Source: City of Roseville Electric Department

CITY OF ROSEVILLE

RESIDENTIAL ENERGY PRICES

Rate Schedule	Effective Feb. 1, 2008	Effective Feb. 1, 2009
Residential		
Basic Service Charge (per meter, per month)	\$8.00	\$8.00
Climate Change Mitigation (per meter, per month)	\$4.00	\$4.00
Energy Charge (\$/kWh)		
Tier 1- up to 500 kWh/month	\$0.0841	\$0.0899
Tier 2- 501 to 1,000 kWh/month	\$0.1197	\$0.1280
Tier 3- greater than 1,000 kWh/month	\$0.1367	\$0.1462
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022
Special Residential Rates		
Electric Rate Assistance Program *		
Basic Service Charge (per meter, per month)	\$6.80	\$6.80
Climate Change Mitigation (per meter, per month)	\$3.40	\$3.40
Energy Charge (\$/kWh):		
Tier 1- up to 500 kWh/month	\$0.0715	\$0.0764
Tier 2- 501 to 1,000 kWh/month	\$0.1017	\$0.1088
Tier 3- greater than 1,000 kWh/month	\$0.1162	\$0.1243
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022
Medical Support Rate Reduction **		
Basic Service Charge (per meter, per month)	\$8.00	\$8.00
Climate Change Mitigation (per meter, per month)	\$4.00	\$4.00
Energy Charge (\$/kWh):		
Tier 1- up to 500 kWh/month	\$0.0420	\$0.0449
Tier 2- 501 to 1,000 kWh/month	\$0.1017	\$0.1088
Tier 3- greater than 1,000 kWh/month	\$0.1162	\$0.1243
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022
Senior Citizen Rate Reduction ***		
Basic Service Charge (per meter, per month)	\$7.05	\$7.05
Climate Change Mitigation (per meter, per month)	\$3.50	\$3.50
Energy Charge (\$/kWh):		
Tier 1- up to 500 kWh/month	\$0.0740	\$0.0791
Tier 2- 501 to 1,000 kWh/month	\$0.1053	\$0.1126
Tier 3- greater than 1,000 kWh/month	\$0.1203	\$0.1287
State Energy Surcharge (\$/kWh)	\$0.00022	\$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 rates is 15% 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 the first 500 kwh per month and 15% credit for usage >500 kwh.

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

CITY OF ROSEVILLE

BUSINESS ENERGY PRICES

Rate Schedule	Effective Feb. 1, 2008	Effective Feb. 1, 2009
GS-1 Small General Service (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	 \$6.50 \$4.00 \$0.1047 \$0.00022
GS-2 Medium General Service (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	 \$36.00 \$25.00 \$3.81 \$0.0964 \$0.00022
GS-3 Large General Service (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	 \$150.00 \$25.00 \$2.78 \$0.0616 \$0.0794 \$0.0794 \$9.57 \$0.0712 \$0.0947 \$0.1221 \$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.

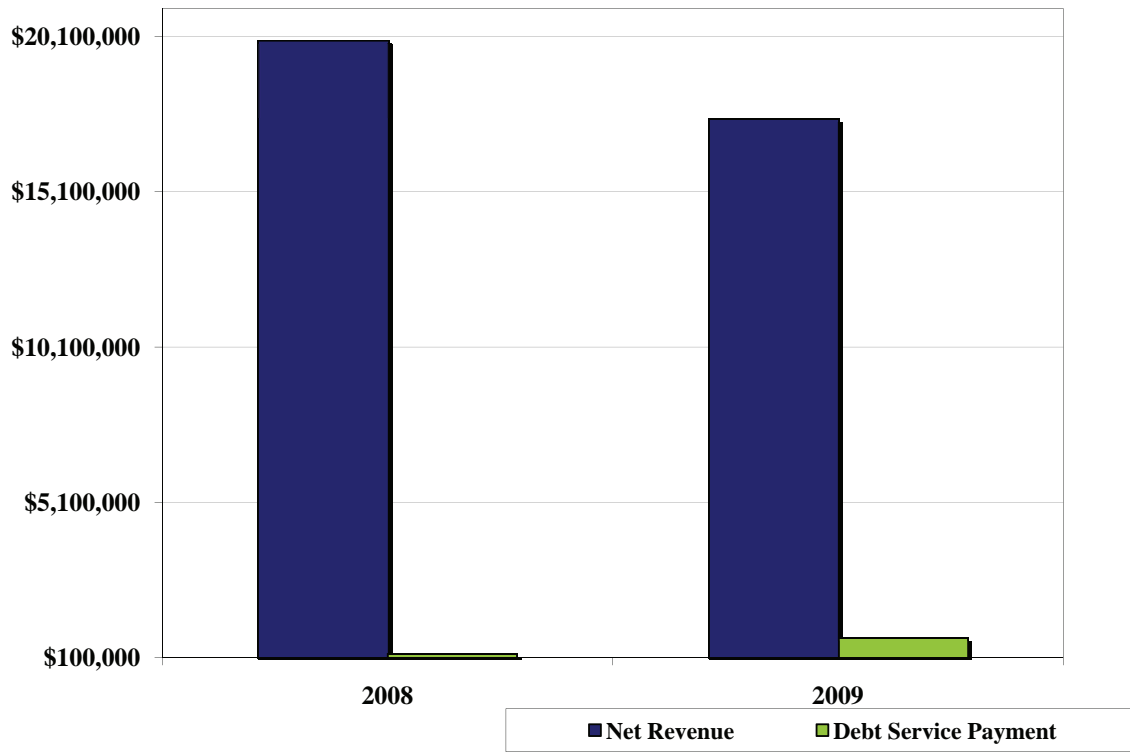
Year	Total Government Activities	Total Business-Type Activities
2000	\$40,000,000	\$10,000,000
2001	\$120,000,000	\$10,000,000
2002	\$120,000,000	\$10,000,000
2003	\$150,000,000	\$20,000,000
2004	\$150,000,000	\$20,000,000
2005	\$400,000,000	\$20,000,000
2006	\$380,000,000	\$30,000,000
2007	\$650,000,000	\$30,000,000
2008	\$640,000,000	\$30,000,000
2009	\$640,000,000	\$30,000,000

Fiscal Year	Business-Type Activities					
	Electric System	Golf Course Refunding	Water Utility	Wastewater Revenue	Gas Revenue	Other Long Term Obligations
	Revenue	Bonds	Revenue	Bonds	Bond	
2000	\$29,175,000	\$8,755,000	\$31,960,000			\$226,924
2001	27,665,000	8,575,000	30,875,000	\$97,384,118		218,857
2002	26,980,000	8,385,000	29,750,000	96,346,762		210,387
2003	40,774,524	8,185,000	28,575,000	95,155,022		201,493
2004	35,808,204	8,240,000	27,350,000	93,738,248		192,155
2005	273,325,043	7,945,000	26,075,000	92,390,603		182,351
2006	267,326,882	7,630,000	24,740,000	90,977,962		172,056
2007	266,098,723	7,310,000	23,345,883	89,494,883	\$209,350,000	161,246
2008	271,323,395	6,985,000	55,611,761	89,572,262	209,350,000	
2009	267,662,000	6,650,000	53,860,879	89,193,072	215,951,385	

[a] These ratios are calculated using personal income and population as shown on the Demographics Statistics page.
[b] Total personal income information not available.

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

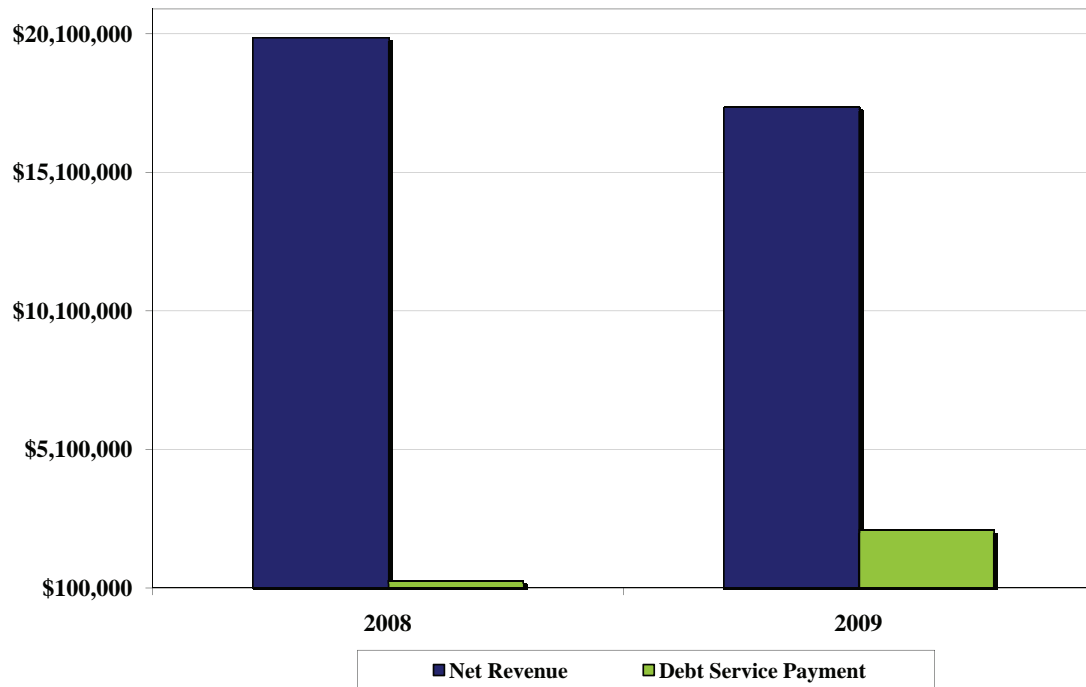
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2008 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES A
Last Two Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$36,916,610	\$16,967,472	\$19,949,138	\$0	\$203,099	\$203,099	98.22
2009	32,976,139	15,526,938	17,449,201	0	722,943	722,943	24.14

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

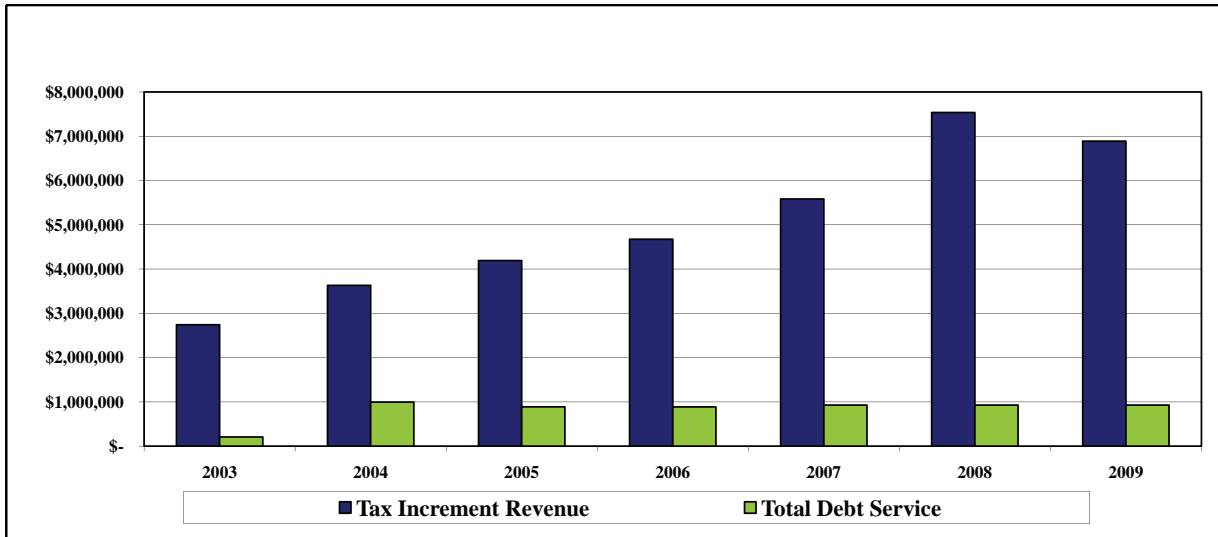
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2008 REFUNDING VARIABLE RATE-SYNTHETIC FIXED WASTEWATER REVENUE BONDS SERIES B
Last Two Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$36,916,610	\$16,967,472	\$19,949,138	\$0	\$358,795	\$358,795	55.60
2009	32,976,139	15,526,938	17,449,201	379,190	1,795,200	2,174,390	8.02

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

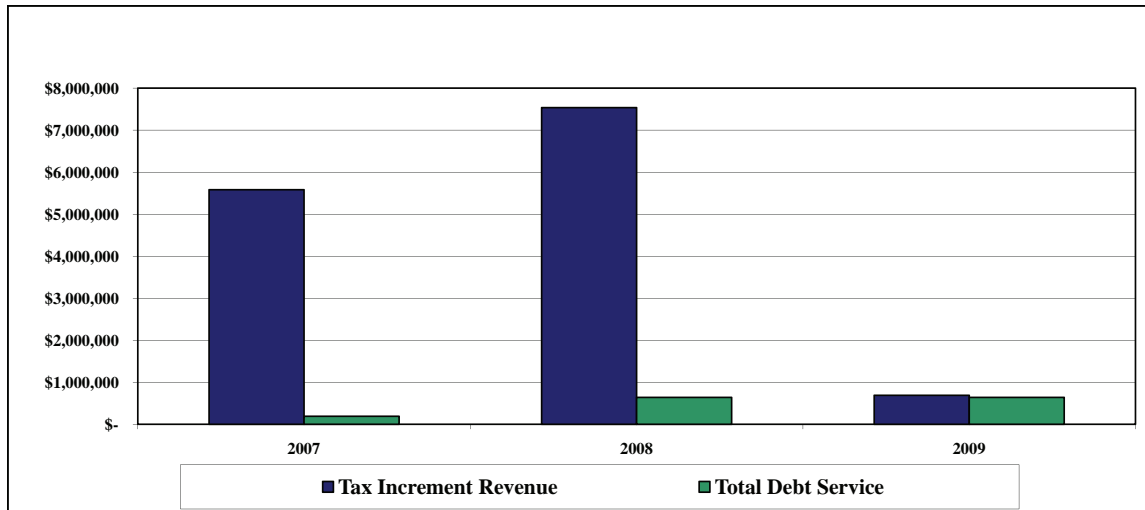
CITY OF ROSEVILLE
2002 REDEVELOPMENT TAX ALLOCATION BONDS
Last Seven Fiscal Years



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

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

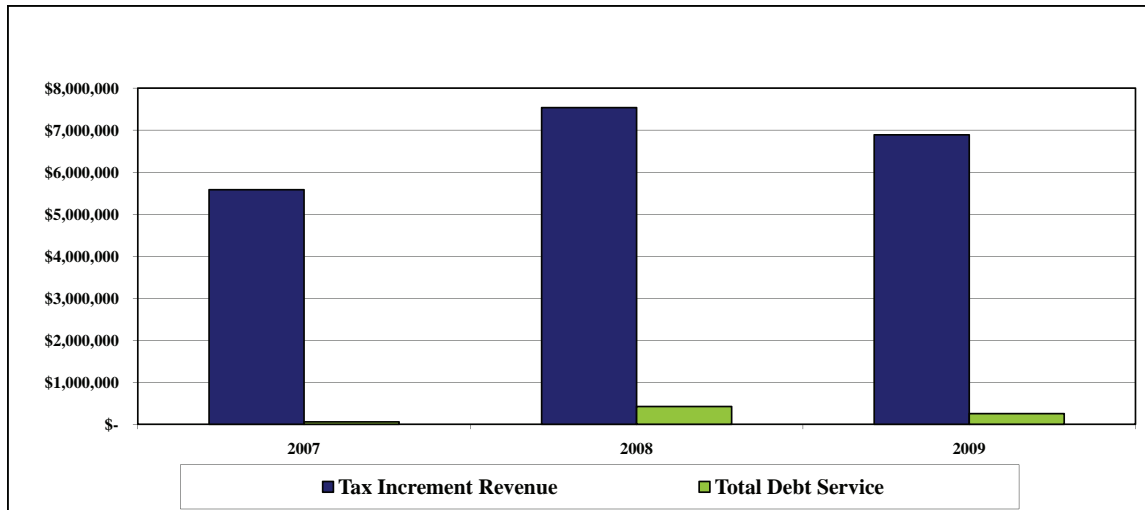
CITY OF ROSEVILLE
2006A REDEVELOPMENT TAX ALLOCATION BONDS
Last Three Fiscal Years



Fiscal Year	Debt Service Requirements					Coverage
	Tax Increment Revenue	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2007	\$5,581,407 (a)	\$0	\$190,408	\$190,408	\$13,155,000	0.29
2008	7,535,590 (a)	0	640,625	640,625	13,155,000	0.12
2009	688,510 (a)	0	640,625	640,625	13,155,000	0.01

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

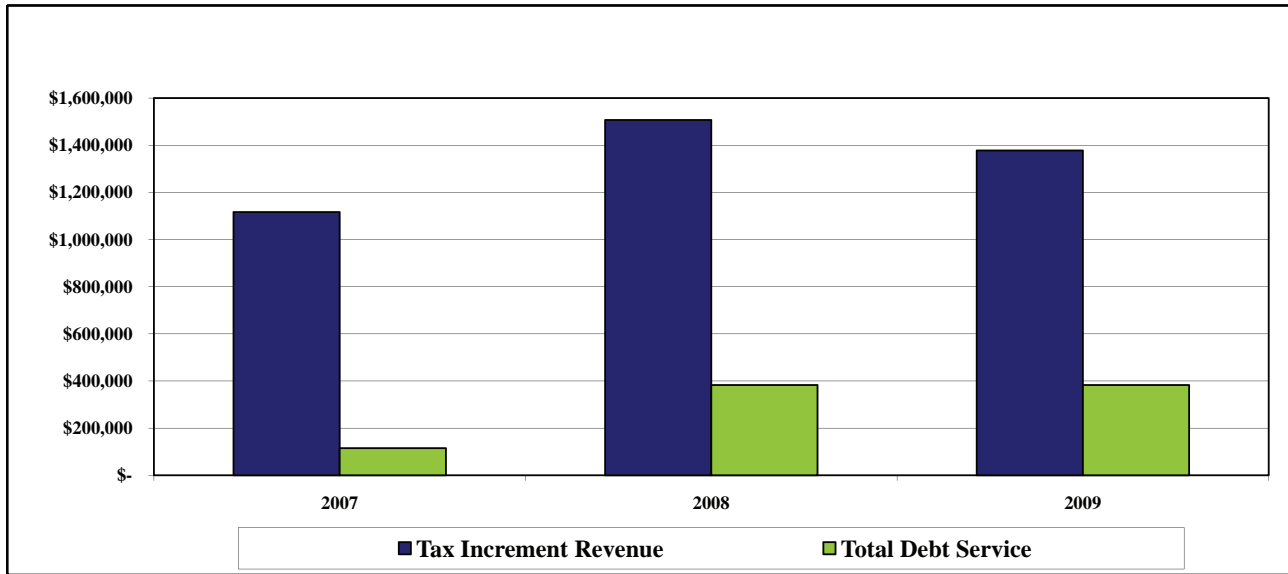
CITY OF ROSEVILLE
2006AT REDEVELOPMENT TAX ALLOCATION BONDS
Last Three Fiscal Years



Fiscal Year	Debt Service Requirements					Coverage
	Tax Increment Revenue	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2007	\$5,581,407 (a)	\$0	\$56,168	\$56,168	\$3,285,000	0.99
2008	7,535,590 (a)	240,000	182,605	422,605	3,045,000	0.18
2009	6,888,510 (a)	80,000	174,109	254,109	2,965,000	0.27

(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 Three Fiscal Years



Fiscal Year	Debt Service Requirements					Coverage
	20% Set Aside	Principal Payment	Interest Due	Total Debt Service	Principal Outstanding	
2007	\$1,116,281	\$0	\$114,895	\$114,895	\$6,505,000	0.10
2008	1,507,118	140,000	382,846	382,846	6,365,000	0.04
2009	1,377,575	70,000	377,270	382,846	6,295,000	0.04

CITY OF ROSEVILLE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2009

2008-09 Assessed Valuation:	\$17,302,414,840
Redevelopment Incremental Valuation:	<u>716,720,372</u>
Adjusted Assessed Valuation:	\$16,585,694,468

	Total Debt 6/30/2009	Percentage Applicable To City of Roseville (1)	Amount Applicable To City of Roseville
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Roseville Joint Union High School District	\$ 104,150,355	73.811%	\$76,874,419
Rocklin Unified School District	81,099,324	0.110%	8,921
Dry Creek Joint School District	51,755,064	0.011%	29,149,487
Eureka Union School District	7,179,716	56.322%	2,779,699
Roseville City School District	35,059,045	38.716%	34,317,546
City of Roseville Community Facilities Districts	388,989,500	97.885%	388,989,500
California Statewide Communities Development Authority			
Assessment Districts	19,270,788	6.701% -100%	<u>15,746,792</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u><u>\$ 547,866,364</u></u>

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:

Placer County Certificates of Participation	\$53,830,000	29.604%	\$15,935,833
Placer County Office of Education Certificates of Participation	2,525,000	29.604%	747,501
Sierra Joint Community College District Certificates of Participation	16,015,000	21.756%	3,484,223
Roseville Joint Union High School District Certificates of Participation	4,345,000	73.811%	3,207,088
Rocklin Unified School District Certificates of Participation	19,890,000	0.011%	2,188
Eureka Union School District Certificates of Participation	6,105,000	38.716%	2,363,612
Roseville City School District Certificates of Participation	14,195,000	97.885%	13,894,776
Placer Mosquito and Vector Control District Certificates of Participation	5,000,000	29.604%	1,480,200
City of Roseville Certificates of Participation	21,870,000	100.000%	<u>21,870,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u><u>\$62,985,421</u></u>

COMBINED TOTAL DEBT **\$610,851,785** (2)

(1) Percentage of each overlapping agency's assessed valuation located within the boundaries of the city.

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 3.17%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$21,870,000) **0.13%**

Combined Total Debt 3.68%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2009

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$16,719,828,331
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$626,993,562
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$683,842,336
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Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	683,842,336
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Amount of debt subject to limit	0
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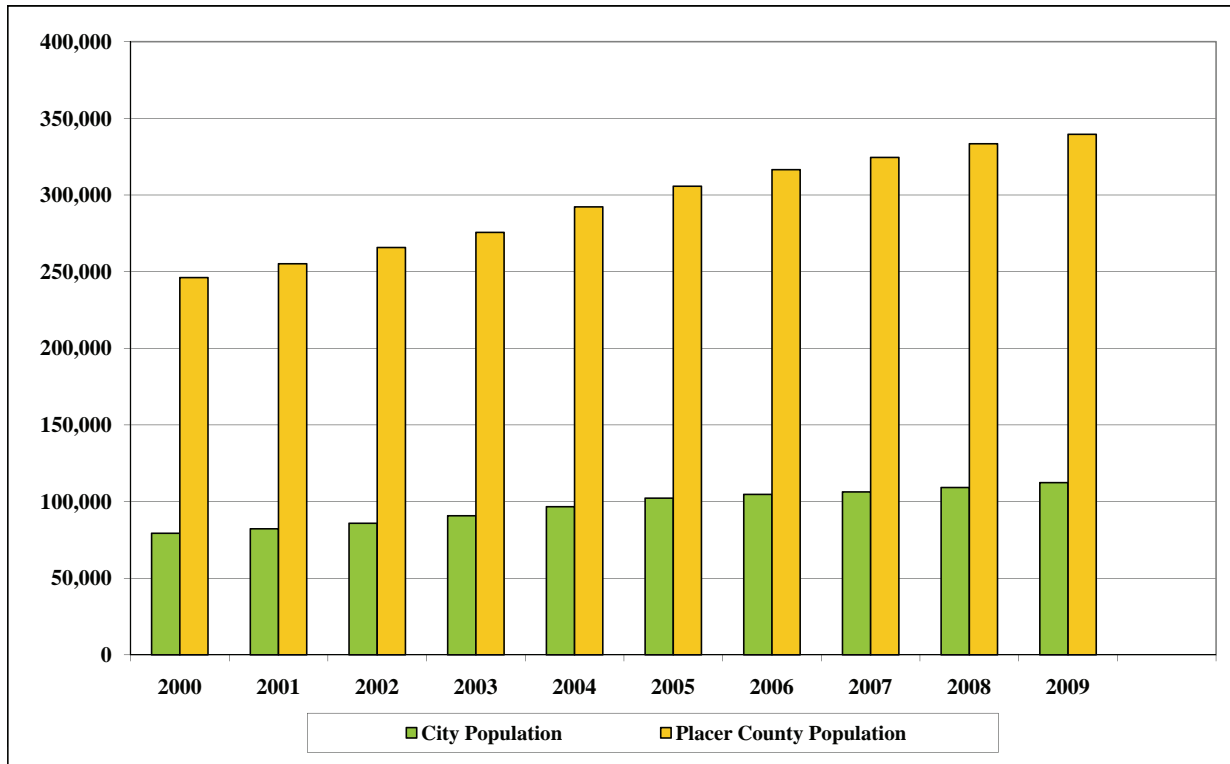
LEGAL BONDED DEBT MARGIN	\$626,993,562
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2003	\$358,392,538	\$0	\$358,392,538	0.00%
2004	394,584,662	0	394,584,662	0.00%
2005	445,276,653	0	445,276,653	0.00%
2006	500,173,479	0	500,173,479	0.00%
2007	584,311,626	0	584,311,626	0.00%
2008	624,162,731	0	624,162,731	0.00%
2009	626,993,562	0	626,993,562	0.00%

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
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	15,101,855	45,471	4.9%	324,495	32.75%
2008	109,154	(b)	(b)	6.6%	333,401	32.74%
2009	112,343	(b)	(b)	(b)	339,577	33.08%

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

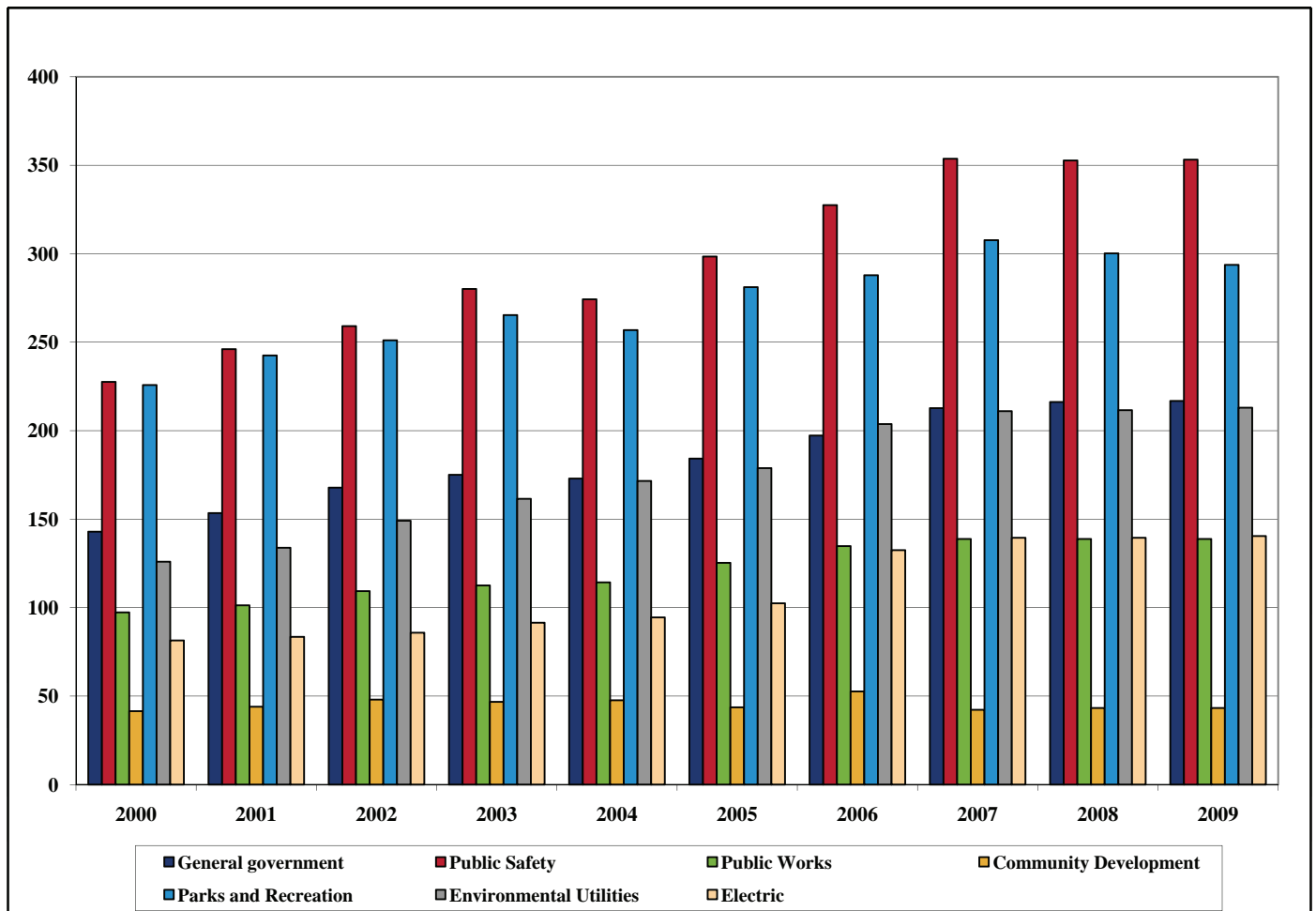
Source: Bureau of Economic Analysis and
State of California Department of Finance
State of California Employment Development Department

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

Employer	2009			2000		
	Number of Employees	Rank	Percentage of Total City Employees	Number of Employees	Rank	Percentage of Total City Employees
Kaiser Permanente	4,300	1	5.7%	1,394	4	9.8%
Hewlett-Packard	3,200	2	4.2%	6,000	1	13.3%
Union Pacific Railroad	2,000	3	2.6%	1,294	5	2.9%
Sutter Roseville Medical Center	1,922	4	2.5%	1,500	3	10.6%
City of Roseville	1,100	5	1.4%	870	7	1.9%
Roseville Elementary School District	897	6	1.2%	625	9	1.4%
Wal-Mart (2 stores)	862	7	1.1%			n/a
Roseville Joint Union High School District	803	8	1.0%	980	6	1.3%
NEC Electronics	800	9	1.1%	1,516	2	3.3%
PRIDE Industries	800	10	1.1%			
Subtotal	<u>16,684</u>		<u>22.0%</u>	<u>14,179</u>		<u>31.5%</u>
Total Employment*	<u>76,000</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,

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function										
General government	142.92	153.42	167.81	175.06	172.95	184.23	197.23	212.71	216.21	216.79
Public Safety	227.59	246.07	259.07	280.07	274.24	298.43	327.46	353.69	352.69	353.18
Public Works	97.31	101.29	109.29	112.54	114.29	125.29	134.77	138.77	138.77	138.77
Community Development	41.50	44.00	48.00	46.74	47.63	43.63	52.63	42.25	43.25	43.25
Parks and Recreation	225.81	242.50	251.09	265.33	256.83	281.12	287.86	307.65	300.19	293.70
Environmental Utilities	125.92	133.84	149.09	161.47	171.57	178.82	203.74	211.03	211.59	213.00
Electric	81.46	83.46	85.80	91.46	94.46	102.46	132.46	139.46	139.46	140.46
Total	942.51	1,004.58	1,070.15	1,132.67	1,131.97	1,213.98	1,336.15	1,405.56	1,402.16	1,399.15

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Function/Program							
Public safety:							
Fire:							
Number of medical emergencies answered	5,063	5,234	5,228	6,458	6,622	6,737	6,967
Number of Haz-Mat alarms answered	151	126	134	413	330	287	194
Total Number of alarms answered	7,730	8,390	8,023	9,784	10,065	9,492	8,694
Police:							
Law violations:							
Physical arrests (adult and juvenile)	4,652	4,120	5,578	7,602	7,360	5,464	5,245
Traffic citations	19,432	11,382	15,260	18,587	19,893	18,883	20,889
Public works:							
Total building permits issued	5,663	5,718	4,434	5,703	4,272	4,849	3,975
Total square feet of street maintenance performed	5,202,440	3,174,672	9,529,760	3,763,328	7,707,910	3,853,433	7,648,976
Park and recreation:							
Community Services:							
Number of participants in Cultural Art classes	4,767	6,582	3,029	3,447	1,926	1,520	2,688
Total attendance to aquatic facilities	331,561	361,104	271,377	234,542	243,429	235,548	250,182
Library:							
Number of materials checked out	508,809	510,421	554,174	627,317	685,097	818,428	946,224
Water:							
Average Daily Consumption (in gallons)	26.6M	28.77M	26.82M	27.26M	30.43M	28.15M	28.19M
Number of meters sold	1,720	1,870	1,987	1,800	1,031	1,917	2,268
Number of backflow devices tested	3,644	3,817	4,122	3,836	4,348	4,679	4,728
Wastewater:							
Number of miles of sewer mains flushed	401	419	448	427	218	280	258
Total preventative work orders completed	2,599	2,192	3,107	7,065	9,247	n/a	n/a
% of preventative work orders hours						43.1%	45.5%
Solid Waste:							
Number of incoming phone calls	37,954	37,943	22,684	23,672	26,870	26,491	22,340
Tons of solid waste collected	95,151	99,082	98,910	102,370	100,148	96,265	89,512
Electric:							
Number of customers participating in energy efficiency programs	1,231	2,124	2,793	3,123	3,663	2,949	6,333
Number of trees planted (Shade Tree Program)	1,065	836	625	621	628	842	1,106

- 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 (effective FY07-08).

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function/Program							
Public safety:							
Fire stations	6	6	7	7	8	8	8
Police stations	1	1	1	1	1	1	1
Police patrol units	63	75	97	110	107	107	106
Public works:							
Miles of streets	400	428	432	455	475	432	428
Number of Traffic Signals	134	133	135	141	150	154	162
Park and recreation:							
Community services:							
Golf courses (18 holes)	40	40	2	2	2	2	2
City parks	n/a	57	48	53	56	58	61
Miles of creek	2	2	57	60	60	60	60
Swimming pools	4	4	4	4	4	4	4
Tennis courts	12	12	12	12	12	14	16
Library:							
City Libraries	2	2	3	3	3	3	3
Water							
Miles of water mains	450	480	494	506	540	556	562
Fire hydrants	3,653	4,499	3,881	3,978	4,278	4,413	4,473
Wastewater							
Miles of sanitary sewers	600	600	460	447	472	485	485
Miles of storm drain	410	420	352	435	474	376	373
Solid Waste:							
Number of new residential refuse customers	2,137	1,490	1,062	705	809	984	800
Electric:							
Number of residential customers	38,054	40,312	41,883	43,001	43,793	44,662	45,478
Number of commercial customers	4,720	5,101	5,410	5,523	5,788	6,038	6,349

Source: City of Roseville Department Staff

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