

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2010



Governor's Award Winner of the 2009 Tournament of Roses Parade

**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010**

**Prepared by
FINANCE DEPARTMENT**

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For The Year Ended June 30, 2010

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December 16, 2010

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, 2010. 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 2010 was reflective of the overall economy. Housing starts and commercial development were still lagging. City revenues declined in virtually every category, but were especially down in sales taxes, use of property and money, and development-related revenues. The City initiated a number of efforts to reduce costs in order to match reductions in expenses. Defunding of vacant positions and reductions in spending on non-personnel items continued, with a planned early retirement program to be implemented by the end of the 2010 calendar year. The City had positioned itself to end fiscal year 2010 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 723 single-family permits finalized through June 2010. Although still a small number, this accounted for a large percentage of all residential permits pulled in the Sacramento region. Commercial development is still slow in fiscal year 2010, with only 6 building permits issued compared with 14 building permits in the previous year.

The electric utility's budget stabilized significantly in FY10. This was due to the imposition of three 6.2 percent rate increases starting in January 2010 and ending in January 2011. The utility ended the year with a positive available resources balance. The revenue to expense outlook for the next several years projects the buildup of the rate stabilization fund back to policy levels. Many of the issues that are likely to drive future rate increases will be state and federal mandates related to renewable energy and environmental concerns.

The environmental utilities (water, wastewater, and solid waste) all ended the year within or better than budgeted. These utilities have less volatile costs that allow more predictable cost structures. The water and wastewater utilities debt instruments performed well during fiscal year 2010. 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 2010.

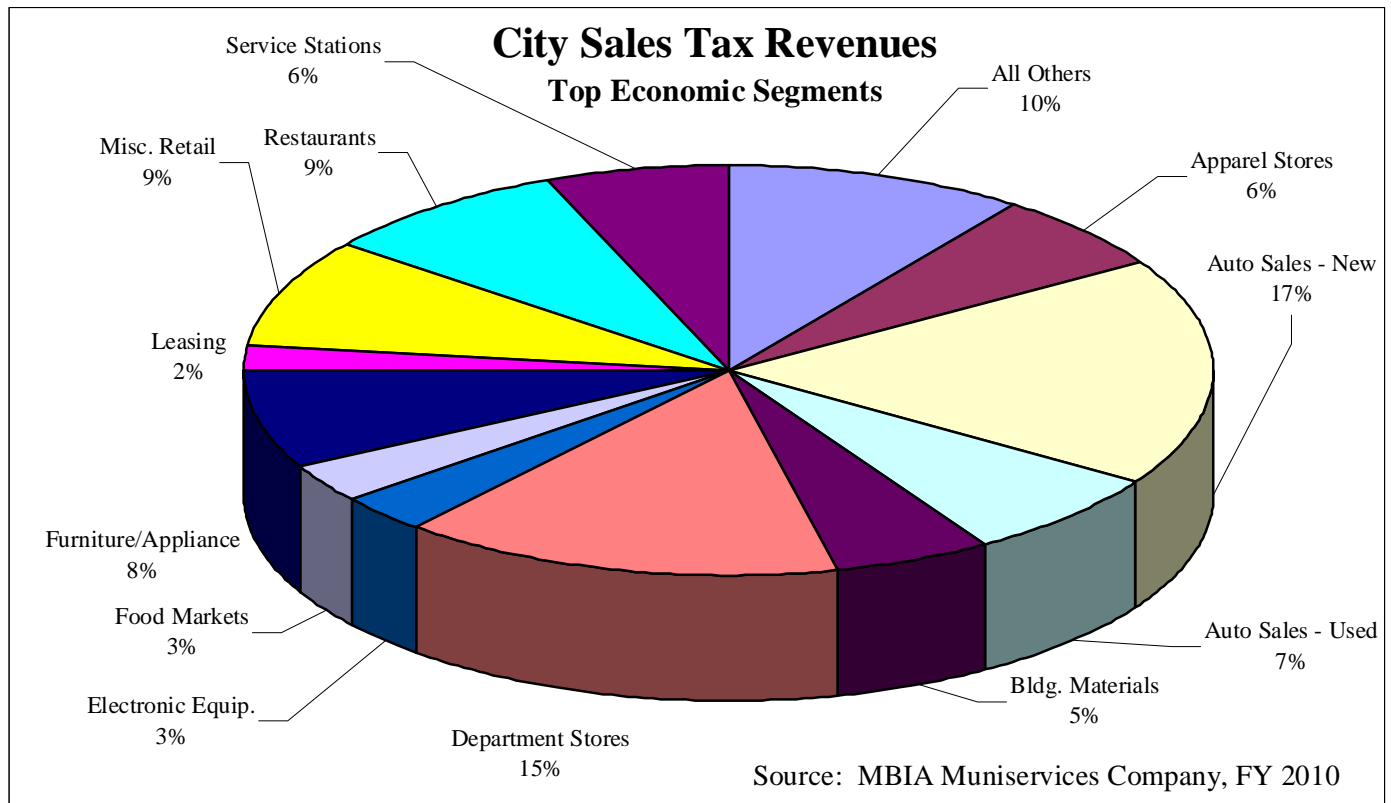
The Golf Course and School-Aged Childcare enterprise funds also ended the year with operating revenues exceeding operating expenses. The Golf Courses continue to operate in a profitable manner. Improvements to the golf courses are planned in the next few years to keep the appearance and overall utility 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 remain soft, but this creates capacity for an economic recovery. Sales tax is trending up and new and diverse stores continue to be attracted to the retail core of the City. A major concern is the long-term health of new auto sales. New auto sales were up over slightly in fiscal year 2010 compared to fiscal year 2009. Retail hardware sales continued to be down as well due to fallout from the housing slowdown.

On a short-term basis, the City will need to continue cost-cutting measures to bring costs in line with falling revenues. Since 2007, the City has been aggressive and proactive in cutting costs and has aggressively reduced materials and supply costs, defunded approximately 80 General Fund positions through attrition through fiscal year 2010, incentivized 120 employees throughout the organization to retire, and laid off 35 permanent positions in the General Fund. The City is responding to the ongoing economic challenges, and is 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. While many sectors experienced decreases in fiscal year 2010, overall sales taxes increased slightly over the previous year. Apparel stores recorded a three-year high in taxable sales in fiscal year 2010. Total sales taxes increased by \$112,000 from 2009. However, due to the timing of sales tax remittances to the City, a portion of the revenue will be recorded in fiscal year 2011 in accordance with the generally accepted accounting principles. In the top five sales tax categories, four experienced increases in taxable sales. New auto sales, the largest sales-tax category, were up 3.3 percent from last year, but down 25 percent from their three-year high. Department stores, the second-highest category, were down just over 1.2 percent from their three-year high.



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

Major Activities in the City

Many of the major activities undertaken in fiscal year 2010 are consistent with the City Council's direction to focus on projects and funding that provide economic stability and enhance the City's long-term financial condition while maintaining high levels of service to the older parts of the community. Major projects included:

- **Public Works:** Various drainage, street improvements, and traffic signalization projects were completed.
- **Water:** Completion of the 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:** Completion of an indoor pool in Central Park and completion of phase 1 of a universally accessible playground at Mahany Park.
- **Redevelopment:** Completion of Riverside streetscape and infrastructure improvement project.

Private development has continued to be slow in fiscal year 2010. Single-family residential did show a slight increase compared to last fiscal year and 443 multi-family residential development units were added. Commercial development continued to decrease from the previous year, as did office development. However, industrial increased slightly from fiscal year 2009. Overall trends in

development have been down, and it is expected that the coming 12 to 24 months will result in stagnant development in all sectors.

Development Type	Number of Units	New Square Feet Occupied
Single-family residential	723	
Multi-family residential	443	
Industrial		116,994
Commercial		376,273
Business professional		248,043

The proposed major annexation of the Sierra Vista and Creekview Specific Plan areas are on the boundary of the West Roseville Specific Plan and continue to be processed. The Sierra Vista Specific Plan was approved in May 2010 but still awaits annexation from the County. Creekview's Specific Plan is scheduled to be adopted in the spring of 2011. A third development project, Amoruso Ranch, is also starting the entitlement process.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

Category Fund Type

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

Proprietary Funds: Enterprise Funds and Internal Service Funds

Fiduciary Funds: Agency Funds and Endowment Private-Purpose Trust Fund

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

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

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

CASH MANAGEMENT

The City has a formal investment policy, which is subject to annual review and approval by the City Council. Available cash for operations and capital was invested in the State Treasurer's Local Agency Investment Fund (LAIF), corporate notes, money market funds, commercial paper, and government securities. Restrictions on the maturity and percentage of the investments and categorization of credit risk are discussed in the Notes to the Basic Financial Statements. The City's portfolio is invested mainly in Federal Agency Issues and U.S. Treasury Coupons. The average annual yield was 1.45% on the City's month-end average investment balances. This compared with a return of 3.08% in the prior year. As of June 30, 2010, the yield to market of outstanding investments was 1.247%. 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 06/30/2010

ISSUER	PAR	AVG DAYS TO MATURITY	AVG YIELD TO MATURITY
Corporate Notes			
General Electric	\$ 3,855,000	968	2.850%
JP Morgan	1,000,000	336	5.351%
Wells Fargo	800,000	846	5.276%
Wachovia	685,000	472	5.138%
Walmart	5,000,000	1020	1.920%
	11,340,000		
Corporate FDIC			
Bank of America	3,620,000	670	2.110%
Citi Group	3,275,000	670	2.188%
Morgan Stanley	9,750,000	622	1.900%
Regions Bank	6,500,000	527	3.283%
Sovereign Bank	14,145,000	545	2.477%
Suntrust Bank	5,000,000	504	3.110%
	42,290,000		
Fed Agencies/Treasury			
FHLB	42,400,000	737	1.547%
FHLMC	100,860,000	689	1.275%
FNMA	71,950,000	721	1.443%
US Treas	66,910,000	648	1.046%
	282,120,000		
Total Exposure:	\$ 335,750,000		

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. Rate stabilization funds are also used in the Environmental Utilities to help ease the impacts of rate increases over a period of years.

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

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

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

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 monies transferred into this fund, the City has transferred 3 percent of the total cost of salaries for several years; however, the General Fund portion of this transfer was not made in fiscal year 2010. The City is in the process of reviewing its benefit levels, and the plan for fiscal year 2011 is to place the accumulated funds into an irrevocable trust. This will increase the longer-term investment return on the funds, thus lowering the City's unfunded liability.

INDEPENDENT AUDIT

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

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

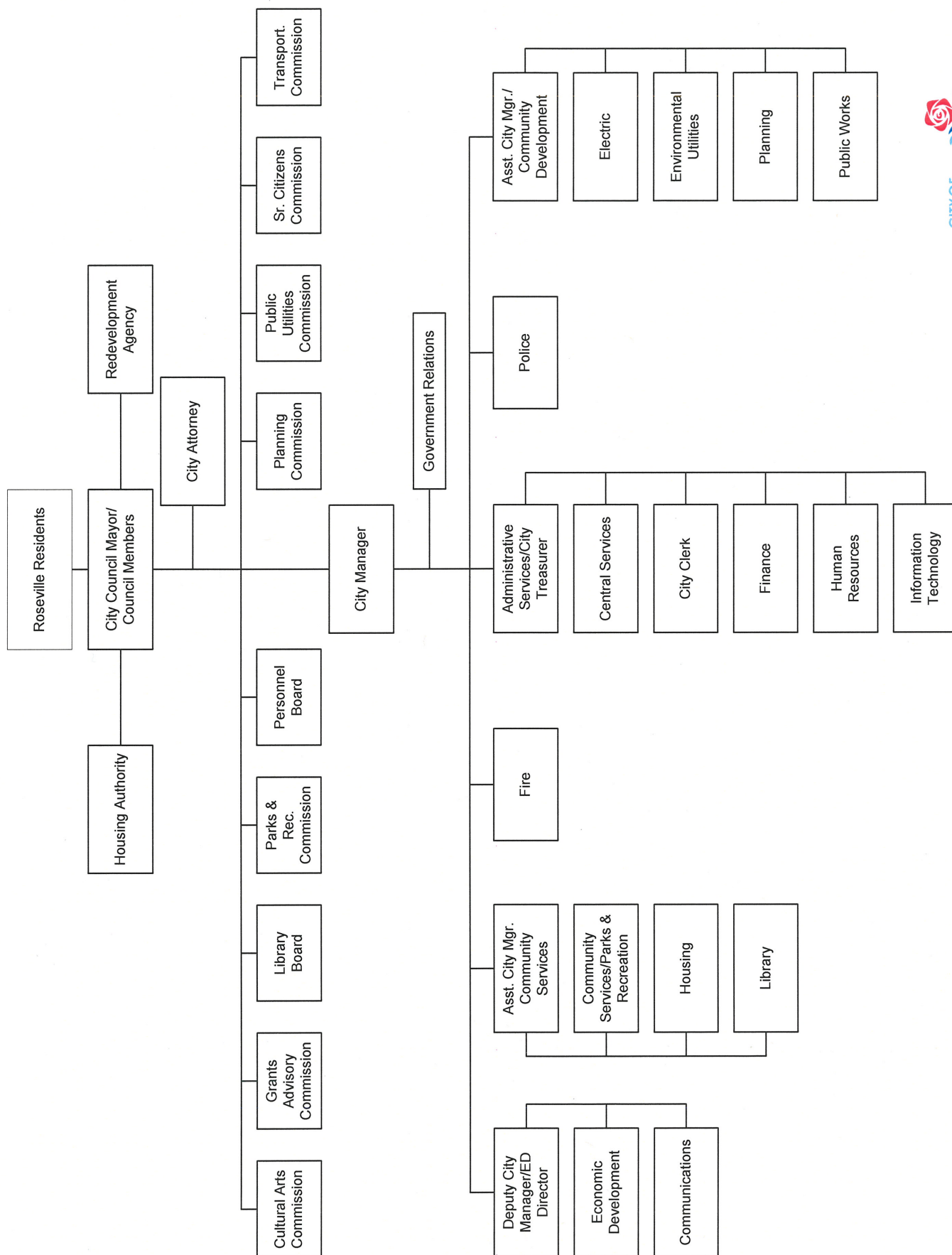
ACKNOWLEDGMENTS

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

Respectfully submitted,

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

Russ Branson
Assistant City Manager



CITY OF ROSEVILLE

ELECTED OFFICIALS

JUNE 30, 2010

Mayor
Mayor Pro-tem
Council Member
Council Member
Council Member

Gina Garbolino
Pauline Roccucci
John B. Allard
Jim Gray
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, 2009

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. Enner".

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, (City) California, as of and for the year ended June 30, 2010, 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, 2010, 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 5, 2010, on our consideration of the City of Roseville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Notes 9 and 10, the City implemented the provisions of GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments*.

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 5, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

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, 2010. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

The economy has continued to affect 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 2010 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2010 include the following:

Entity-wide:

- The City's total net assets were \$2.4 billion as of June 30, 2010. Of this total, \$1.1 billion were Governmental assets and \$1.3 billion were Business-type assets.
- Governmental revenues include program revenues of \$60.9 million and general revenues and transfers of \$108.4 million for a total of \$169.3 million.
- Governmental expenses were \$180.3 million.
- Business-type program revenues, interest revenue and miscellaneous revenues were \$298.8 million while Business-type expenses and transfers were \$305.3 million.

Fund Level:

- Governmental Fund balances decreased to \$206.0 million in fiscal year 2010, down \$6.9 million from the prior year.
- Governmental Fund revenues decreased to \$140.2 million in 2010, down \$9.7 million from the prior year. This was primarily due to decreases of \$6.0 million in taxes as the economy has continued to affect both sales and property taxes, \$1.3 million in miscellaneous revenues, and \$6.7 million in use of money and property. However, there were increases of \$5.6 million in subventions and grants. Governmental Fund expenditures decreased to \$173.6 million in fiscal year 2010, down \$24.3 million from the prior year. The decreases were primarily due to \$13.3 million reduction of capital outlay costs, \$5.3 million from public works, \$4.7 million in general government, and \$3.0 million in public safety. Offsetting these were increases in community development and planning of \$3.8 million from redevelopment and community development block grant.
- Other Financing Sources provided a net of \$26.5 million in fiscal year 2010, up \$1.2 million from 2009.

General Fund:

- General Fund revenues of \$86.1 million were \$9.8 million lower than the prior year as taxes decreased \$5.9 million, subventions and grants decreased \$1.2 million, and use of money and property decreased \$2.3 million.
- General Fund expenditures of \$108.7 million represented a decrease of \$13.1 million over the prior year, as most departments made significant cuts due to reduced resources.
- Other Financing Sources were \$21.4 million, an increase of \$2.7 million from 2009.
- The General Fund balance of \$55.1 million as of June 30, 2010 was down from fiscal year 2009's fund balance of \$56.3 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)

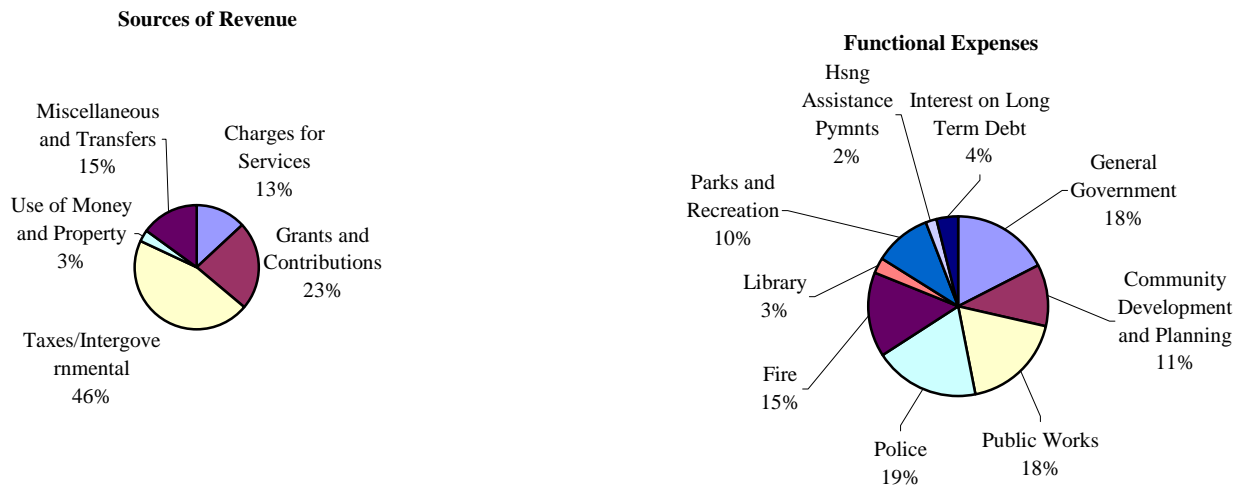
	<u>2010</u>	<u>2009</u>
Cash and Investments	\$292.7	\$292.2
Other Assets	49.7	47.9
Capital Assets	867.8	865.6
Total Assets	1,210.2	1,205.7
Long-Term Debt Outstanding	51.3	52.7
Other Liabilities	95.8	78.9
Total Liabilities	147.1	131.6
Net Assets:		
Invested in Capital Assets, Net of Debt	821.0	809.9
Restricted	141.9	149.4
Unrestricted	100.2	114.8
Total Net Assets	\$1,063.1	\$1,074.1

The City's governmental net assets amounted to \$1.1 billion as of June 30, 2010, a slight decrease from fiscal year 2009. The City's net assets as of June 30, 2010 comprised the following:

- Cash and investments comprised \$270.8 million in the city treasury and \$21.9 million of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.
- Receivables comprised \$11.4 million of which were current, along with deferred receivables of \$3.1 million and notes receivable of \$24.4 million that are due over longer periods of time, as explained in Notes 5 and 6 to the financial statements.

- Capital assets of \$867.8 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 \$30.8 million.
- Accrued compensated absence liabilities payable to employees of \$11.8 million, as explained in Note 1G to the financial statements.
- \$44.6 million of unfunded required contribution to the Other Post Employment Benefits (OPEB) as required by GASB 45.
- Long-term debt of \$51.3 million, of which \$49.9 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 \$821.0 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 \$141.9 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 \$100.2 million of unrestricted net assets as of June 30, 2010. While these assets are technically unrestricted, most of these assets are designated for a specific use.

Fiscal Year 2010 Governmental Activities



As the Sources of Revenue Chart above shows, \$77.9 million, or 46% of the City's fiscal year 2010 governmental activities revenue, came from taxes and unrestricted intergovernmental revenues (motor vehicle-in-lieu), while \$39.4 million or 23% came from grants and contributions, \$21.5 million, or 13%, 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 \$31.6 million, or 18% of total government expenses, community development and planning was \$20.0 million, or 11%, public works was \$33.1 million, or 18%, police was \$34.2 million, or 19%, fire was \$27.5 million, or 15%, parks and recreation was \$18.4 million, or 10%, and other governmental programs and functions were the remaining 9%.

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

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

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Expenses		
General Government	\$31.6	\$35.3
Community Development and Planning	20.0	16.4
Public Works	33.1	35.3
Police	34.2	36.3
Fire	27.6	27.4
Library	4.7	5.2
Parks and Recreation	18.4	20.6
Housing Assistance Payments	3.6	3.5
Interest on Long-Term Debt	7.1	5.8
Total Expenses	180.3	185.8
Revenues		
Program Revenues:		
Charges for Services	21.5	22.7
Operating Grants and Contributions	12.4	12.5
Capital Grants and Contributions	27.1	22.8
Total Program Revenues	61.0	58.0
General Revenues:		
Taxes/Intergovernmental	77.9	81.8
Use of Money and Property	4.7	14
Miscellaneous	1.9	4.6
Gain on Sale of Property	0	0
Total General Revenues	84.5	100.4
Total Revenues	145.5	158.4
Changes in Net Assets before Transfers	(34.8)	(27.4)
Transfers	23.8	28.3
Change in Net Assets	(\$11.0)	\$0.9

As the Sources of Revenue Chart and **Table 2** above show, \$61.0 million, or 41.9% of the City's fiscal year 2010 governmental revenue, came from program revenues and \$84.5 million, or 58.1%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$21.5 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$12.4 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$27.1 million that consist mainly of street project grants, developer impact fees restricted

to capital outlay. Capital grants and contributions increased as the City took advantage of the federal ARRA (American Recovery and Reinvestment Act) grants to complete capital improvement projects.

General Revenues-Taxes/Intergovernmental showed a decrease of \$3.9 million, as taxes declined but at a slower rate than in fiscal 2009. 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>2010</u>	<u>2009</u>
General Government	(\$25.1)	(\$28.0)
Community Development and Planning	(9.9)	(12.1)
Public Works	(13.0)	(14.4)
Police	(31.1)	(32.6)
Fire	(24.6)	(23.7)
Library	(4.0)	(4.8)
Parks and Recreation	(4.9)	(7.1)
Housing Assistance Payments	0.4	0.6
Interest on Long Term Debt	(7.1)	(5.8)
	<hr/>	
Totals	(\$119.3)	(\$127.9)
	<hr/> <hr/>	

Business-type Activities

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

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

	<u>2010</u>	<u>2009</u>
Cash and Investments	\$145.9	\$146.8
Other Assets	450.9	375.4
Capital Assets	1,479.5	1,481.3
	<hr/>	
Total Assets	2,076.3	2,003.5
	<hr/>	
Long-Term Debt Outstanding	624.1	633.3
Other Liabilities	125.6	37.1
	<hr/>	
Total Liabilities	749.7	670.4
	<hr/>	
Net Assets:		
Invested in Capital Assets, Net of Debt	1,063.9	1,063.9
Restricted	43.6	43.9
Unrestricted	219.1	225.3
	<hr/>	
Total Net Assets	\$1,326.6	\$1,333.1
	<hr/> <hr/>	

The net assets of business-type activities decreased to \$1.327 billion in fiscal year 2010, a decrease of \$6.5 million. Cash and investments decreased only slightly by \$0.9 million. Long-term debt outstanding decreased by \$9.2 million. Other assets and other liabilities increased by \$75.5 million and \$88.5 million respectively, due to the required posting of the fair value of derivatives in fiscal year 2010.

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

	Business-Type Activities	
	<u>2010</u>	<u>2009</u>
Expenses		
Electric Fund	\$172.5	\$163.7
Water Fund	23.0	21.8
Wastewater Fund	29.2	28.5
Solid Waste Fund	15.2	14.9
Natural Gas	27.4	27.7
Golf Course Fund	2.8	3.0
Local Transportation Fund	7.1	6.2
School-Age Child Care Fund	4.2	4.7
Total Expenses	281.4	270.5
Revenues		
Program Revenues		
Charges for Services	250.4	246.1
Operating Grants and Contributions	6.3	10.1
Capital Grants and Contributions	26.6	55.0
Total Program Revenues	283.3	311.2
General Revenues		
Use of Property and Money	15.4	19.7
Total Revenues	298.7	330.9
Change in Net Assets before	17.3	60.4
Transfers	(23.8)	(28.3)
Changes in Net Assets	(\$6.5)	\$32.1

Business-type program revenues, interest revenue, and miscellaneous revenues were \$298.7 million while Business-type expenses and transfers were \$305.2 million in 2010. Each program is discussed in the Proprietary Funds section below.

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

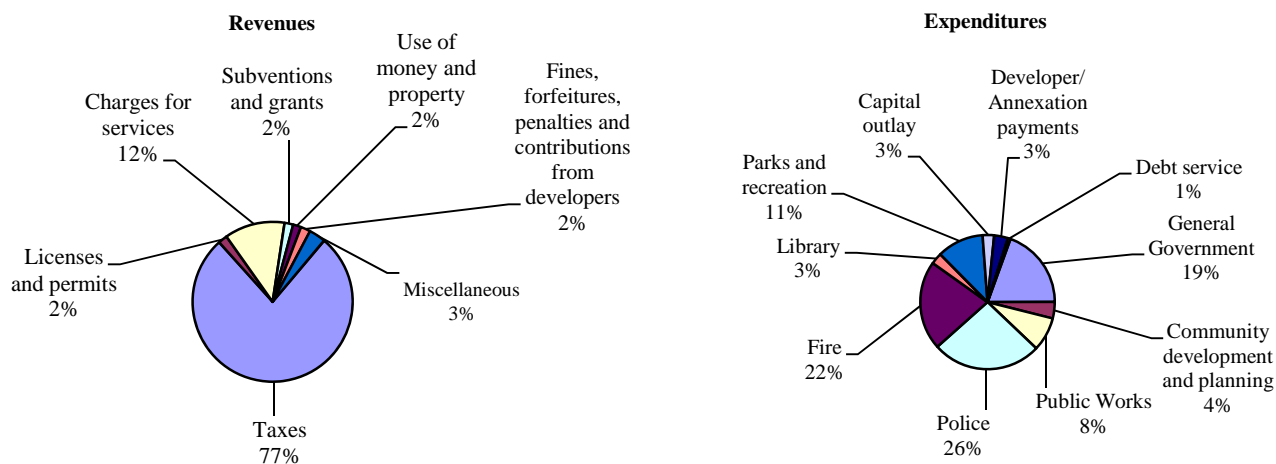
Table 6
Changes in Business-Type Net Assets
(in Millions)

	<u>Net (Expense)/Revenues From Services</u>	
	<u>2010</u>	<u>2009</u>
Electric Fund	(\$7.0)	\$1.0
Water Fund	2.7	11.3
Wastewater Fund	12.2	30.7
Solid Waste Fund	5.3	5.4
Natural Gas	(10.8)	(11.2)
Golf Course Fund	0.0	0.0
Local Transportation Fund	(0.9)	3.1
School-Age Child Care Fund	0.4	0.4
Totals	\$1.9	\$40.7

Analyses of Major Governmental Funds

General Fund

Fiscal Year 2010 General Fund Activity



General Fund revenues decreased \$9.8 million this fiscal year due primarily to decreases in taxes, use of money and property, and subventions and grants. Actual revenues were more than budgeted by \$1.1 million, as all revenues came in a little higher than the budget with the exception of contributions by developers and subventions and grants.

General Fund expenditures were \$108.7 million, a decrease of \$13.1 million from the prior year, as most departments had significant cutbacks. Expenditures were also \$34.4 million less than budget. The original budget was increased by a net \$26.9 million, from encumbrances and incomplete capital projects carried over from fiscal year 2009.

Other financing sources and uses reported net inflows of \$21.4 million in fiscal year 2010, an increase of \$2.7 million.

As of June 30, 2010, the General Fund's fund balance totaled \$55.1 million, including \$13.7 million reserved almost entirely for encumbrances and advances to other funds, \$8.4 million designated for economic reserve, and \$33.0 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 decreased by \$4.9 million, of which \$2.3 million was for the Supplemental Educational Revenue Augmentation Fund (SERAF) payments and \$1.9 million in additional capital improvement projects. In addition the RDA owes other City funds \$13.4 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 2010 one small district was formed and net assets decreased by \$0.6 million. The largest projects underway in fiscal year 2010 were improvements to the North Roseville and North Central areas and the Automall.

Other Governmental Funds

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

Proprietary Funds

Electric Fund

Net assets of the Electric Fund decreased \$19.2 million in fiscal year 2010 to a total of \$247.3 million. Operating revenues were \$163.3 million, an increase of \$7.5 million from 2009. Operating expenses were \$160.0 million in fiscal year 2010, an increase of \$4.9 million, resulting in a net operating income of \$3.3 million. Interest expenses, costs of issuance, and transfers out were the primary reason of the decrease of net assets. Rates are anticipated to be increased in fiscal year 2011.

Of the fund's Net Assets of \$247.3 million, \$174.7 million was invested in capital assets, \$20.1 million was restricted for debt service, and \$52.5 million was unrestricted.

Water Fund

Net assets of the Water Fund increased \$1.5 million in fiscal year 2010. Operating revenues decreased slightly by \$0.3 million in fiscal year 2010, while expenses increased \$0.3 million to a total of \$21.0 million. The net result was an operating loss of \$3.5 million. Rates are anticipated to be increased in fiscal year 2011. In fiscal year 2010, capital connection fees were \$4.2 million, a slight increase of \$0.5 million, and contributions from developers were \$4.8 million, a decrease of \$5.3 million, as development continued to be slow. In addition, net transfers out were \$3.7 million.

As of June 30, 2010, the Fund's Net Assets were \$449.1 million, of which \$393.1 million was invested in capital assets, \$4.3 million was restricted for debt service, and \$51.7 million was unrestricted as to use.

Wastewater Fund

Operating revenues decreased in fiscal year 2010 \$2.1 million to a total of \$25.0 million. Operating expenses increased to \$26.7 million, up \$1.3 million. The net result was an operating loss of \$1.8 million. Rates are anticipated to be increased in fiscal year 2011. Other items that affected net assets were: connection fees of \$6.4 million; capital contributions of \$9.9 million from developers and South Placer Wastewater Authority; and net transfers out of \$4.9 million. The total increase to net assets was \$9.0 million for fiscal year 2010 to a total of \$583.6 million. As of June 30, 2010, of the Fund's Net Assets, \$466.6 million was invested in capital assets, \$5.8 million restricted for debt service, and \$111.2 million was unrestricted.

Solid Waste Fund

Operating revenues increased nominally by \$0.1 million to \$20.1 million while operating expenses increased by \$0.4 in fiscal year 2010. Net operating income was \$4.9 million. Capital impact fees were \$0.4 million. Rates are anticipated to be increased in fiscal year 2011. Net transfers out were \$3.0 million. As of June 30, 2010, total net assets were \$12.1, an increase of \$2.5 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. \$201.7 million remain due in bonds payable, while the pre-paid natural gas is \$210.1 million. \$10.0 million in debt service were expensed in 2010 and interest earnings were \$11.3 million. Net assets increased by \$0.5 million to \$1.9 million.

Golf Course Fund

Revenues and expenses remained relatively flat in fiscal year 2010 at \$2.8 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 decreased \$1.0 million in fiscal year 2010 to a total of \$26.5 million. There was a \$6.2 million operating loss in fiscal year 2010, but most of the loss was offset by subventions and grants of \$5.3 million. As of June 30, 2010, the Fund's Net Assets were \$26.5 million, of which \$13.7 million was invested in capital assets and \$12.8 million was restricted for use in local transportation.

School-Age Child Care Fund

Net assets of the Fund remained relatively flat with a nominal decrease of \$0.08 million in fiscal year 2010 to a total of \$0.8 million. Revenues decreased \$0.4 million with a corresponding reduction of expenses of \$0.5 million. Of the net assets, \$1.1 million were invested in capital assets, which leave a negative \$0.3 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, 2010	Balance at June 30, 2009
Governmental Activities		
Land	\$27.0	\$26.7
Streets (modified)	244.2	229.7
Parks (modified)	78.4	75.6
Landscaping (modified)	41.3	39.5
Construction in Progress	127.7	152.4
Buildings	124.6	108.9
Improvements	5.0	5.0
Equipment	69.2	67.6
Bike Paths	8.3	8.0
Bridges	56.4	56.4
Culverts	20.2	20.2
Curb, Gutter, Sidewalk, & Median Curbs	140.6	137.6
Drain Inlets	20.3	20.2
Flood Control Improvements	17.4	17.4
Soundwall	25.9	25.6
Stormdrains	70.3	69.0
Traffic Signals	27.8	24.3
Less: Accumulated Depreciation	(236.8)	(218.5)
Governmental Activity Capital Assets, Net	\$867.8	\$865.6
	Balance at June 30, 2010	Balance at June 30, 2009
Business-Type Activities		
Land	\$16.4	\$16.2
Landscaping (modified)	0.6	0.6
Construction in Progress	103.5	100.4
Buildings	24.4	24.4
Improvements	16.0	16.0
Machinery and Equipment	24.7	24.6
Bike Paths	3.3	3.2
Bridges	1.7	1.7
Culverts, drains, curbs	0.4	0.4
Plant and Substations	344.9	346.2
Distribution	1,061.6	1,028.2
Generation	197.6	197.2
Less: Accumulated Depreciation	(315.6)	(277.9)
Business-Type Activity Capital Assets, Net	\$1,479.5	\$1,481.2

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 7.8 and residential roadways at an average PQI of 6.8, 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, 2010, the City's streets averaged 8.2 PQI for arterial and collector roadways and 7.9 PQI for residential roadways. The City expended \$6.0 million on preservation of its streets in fiscal year 2010, compared to the budgeted amount of \$4.7, and plans to spend \$4.2 million in fiscal year 2011.

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, 2010, the City's parks and landscaping averaged 3 GMI. The City expended \$4.2 million on preservation of its parks and landscaping in fiscal year 2010, compared to the budget of \$4.5 million, and plans to spend \$4.7 million in fiscal year 2011.

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, 2010	Balance at June 30, 2009
Governmental Activity Debt:		
Certificates of Participation:		
2003A Public Facilities Bond, 2.0%-5.0%, due 8/1/25	\$14.56	\$15.22
Tax Allocation Bonds		
2002 Roseville Redevelopment Project		
3%-5.14% due 9/1/33	12.59	12.89
2006 Roseville Redevelopment Project, Series A		
4.5%-5.00% due 9/1/40	13.15	13.16
2006 Roseville Redevelopment Project, Series A-T		
5.31%-5.90% due 9/1/28	2.87	2.97
2006 Roseville Redevelopment Project, Series H-T		
5.31%-6.07% due 9/1/40	6.23	6.30
Installment Purchase Obligations		
Equipment	1.87	2.15
Total Governmental Activity Debt:	\$51.27	\$52.69

	Balance at June 30, 2010	Balance at June 30, 2009
Business-type Activity Debt:		
Certificates of Participation:		
2002 Electric System Revenue, Variable Rate, due 2/1/24	0.00	24.23
Less deferred amount on refunding	0.00	(2.58)
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	38.58	38.93
Less deferred amount on refunding	(0.58)	
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	50.15	51.53
Add deferred bond premium cost	2.96	2.37
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	61.65	63.18
2009 Electric System Revenue Refunding, 2.0-5.25%, due 2/1/24	25.31	
Add deferred bond premium cost	0.37	
2003B Golf Course Project, 2.0-5.0%, due 8/1/23	6.31	6.65
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	50.32	52.05
Add deferred bond premium cost	2.34	2.48
Less deferred amount on refunding	(0.63)	(0.67)
Total Certificates of Participation	326.78	328.17
Revenue Bonds:		
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	196.06	202.70
Add deferred bond premium cost	12.51	13.25
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series A, variable rate, due 11/1/35	39.28	39.27
2008 Variable Rate Demand Wastewater Revenue Bonds,		
Series B, variable rate, due 11/1/27	49.52	49.92
Total Revenue Bonds	297.37	305.14
Total Business-type Activity Debt:	\$624.15	\$633.31

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, 2010, a total of \$381.8 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, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	\$270,747,963	\$112,339,979	\$383,087,942
Restricted cash and investments with fiscal agents (Note 3)	21,938,464	33,614,699	55,553,163
Receivables:			
Taxes	664,867		664,867
Accounts	1,283,921	30,528,319	31,812,240
Accrued interest		452,720	452,720
Due from other government agencies	9,478,519	3,439,269	12,917,788
Internal balances (Note 4D)	3,667,459	(3,667,459)	
Prepays	73,354	3,358,214	3,431,568
Deferred receivables (Note 6)	3,092,987	253,022	3,346,009
Notes receivable (Note 5)	24,445,855		24,445,855
Notes receivable from NCPA (Note 16B)		120,236	120,236
Inventories (Note 1H)	1,761,690	10,643,258	12,404,948
Land held for resale (Note 7D)	5,205,022		5,205,022
Prepaid purchased electricity (Note 15)		792,083	792,083
Prepaid purchased gas (Note 20)		210,056,251	210,056,251
Unamortized bond origination costs		7,489,971	7,489,971
Investment in NCPA reserves (Note 16)		6,611,492	6,611,492
Investment in SPWA reserves (Note 17)		89,401,976	89,401,976
Derivative at fair value-asset (Notes 9 and 10)		22,374,194	22,374,194
Deferred out-flow assets (Notes 9 and 10)		69,012,811	69,012,811
Capital assets (Note 8):			
Capital assets not being depreciated	518,602,884	120,383,765	638,986,649
Capital assets being depreciated, net	349,243,677	1,359,101,493	1,708,345,170
Total assets	1,210,206,662	2,076,306,293	3,286,512,955
LIABILITIES			
Accounts payable	7,477,760	6,779,876	14,257,636
Accrued liabilities	3,540,031	8,325,695	11,865,726
Due to other governments	14,863,482	4,937,316	19,800,798
Deposits	2,402,772	1,323,487	3,726,259
Unearned revenues	2,474,938	2,064,804	4,539,742
Deferred liabilities	1,761,623	1,243,337	3,004,960
Landfill closure and post closure liability (Note 18)		3,155,579	3,155,579
Derivative at fair value-liability (Notes 9 and 10)		69,012,811	69,012,811
Deferred in-flow liabilities (Notes 9 and 10)		22,374,194	22,374,194
Net OPEB obligation (Note 13)			
Due in more than one year	44,594,568		44,594,568
Compensated absences (Note 1G):			
Due within one year	3,801,555	2,002,030	5,803,585
Due in more than one year	7,969,646	4,319,713	12,289,359
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	693,500		693,500
Due in more than one year	6,210,500		6,210,500
Long-term liabilities (Note 9):			
Due within one year	1,402,625	16,266,275	17,668,900
Due in more than one year	49,870,430	607,881,117	657,751,547
Total liabilities	147,063,430	749,686,234	896,749,664
NET ASSETS (Note 11):			
Invested in capital assets, net of related debt	821,029,885	1,063,903,341	1,884,933,226
Restricted for:			
Capital projects:			
Expendable	109,231,404		109,231,404
Nonexpendable	18,353,285		18,353,285
Debt service	1,545,073	30,766,709	32,311,782
Community development projects	12,813,492		12,813,492
Local transportation		12,798,835	12,798,835
Total restricted net assets	141,943,254	43,565,544	185,508,798
Unrestricted net assets	100,170,093	219,151,174	319,321,267
Total net assets	\$1,063,143,232	\$1,326,620,059	\$2,389,763,291

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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	\$31,596,121	\$2,655,834	\$186,829	\$3,649,154	(\$25,104,304)		(\$25,104,304)
Community development and planning	20,004,902	2,704,794	5,265,428	2,153,996	(9,880,684)		(9,880,684)
Public works	33,143,591	2,841,931	92,049	17,176,829	(13,032,782)		(13,032,782)
Police	34,190,552	2,088,346	819,535	168,110	(31,114,561)		(31,114,561)
Fire	27,543,494	1,185,742	1,050,097	700,328	(24,607,327)		(24,607,327)
Library	4,692,455	216,064	516,370		(3,960,021)		(3,960,021)
Parks and recreation	18,358,870	9,843,940	389,025	3,204,646	(4,921,259)		(4,921,259)
Housing assistance payments	3,628,510		4,035,598		407,088		407,088
Interest on long-term debt	7,131,216				(7,131,216)		(7,131,216)
Total Governmental Activities	180,289,711	21,536,651	12,354,931	27,053,063	(119,345,066)		(119,345,066)
Business-type Activities:							
Electric	172,512,453	163,315,149	17,234	2,164,092		(7,015,978)	(7,015,978)
Water	23,025,281	17,473,099	641,450	7,602,554		2,691,822	2,691,822
Wastewater	29,169,860	24,961,516		16,467,135		12,258,791	12,258,791
Solid Waste	15,172,092	20,082,492	29,696	346,704		5,286,800	5,286,800
Natural Gas	27,398,886	16,557,517				(10,841,369)	(10,841,369)
Golf Course	2,814,274	2,801,963	2,904			(9,407)	(9,407)
Local Transportation	7,084,490	861,730	5,264,363	24,103		(934,294)	(934,294)
School-age Child Care	4,258,304	4,358,762	371,811			472,269	472,269
Total Business-type Activities	281,435,640	250,412,228	6,327,458	26,604,588		1,908,634	1,908,634
Total	\$461,725,351	\$271,948,879	\$18,682,389	\$53,657,651	(119,345,066)	1,908,634	(117,436,432)
General revenues:							
Taxes:							
Property taxes					38,102,029		38,102,029
Sales taxes					32,139,544		32,139,544
Franchise taxes					1,615,166		1,615,166
Motor fuel taxes					2,909,176		2,909,176
Other taxes					2,779,885		2,779,885
Intergovernmental, unrestricted:							
Motor vehicle in lieu					332,224		332,224
Use of money and property					4,737,938	15,450,846	20,188,784
Miscellaneous revenues					1,934,366		1,934,366
Transfers					23,844,312	(23,844,312)	
Total general revenues and transfers					108,394,640	(8,393,466)	100,001,174
Change in Net Assets					(10,950,426)	(6,484,832)	(17,435,258)
Net Assets-Beginning					1,074,093,658	1,333,104,891	2,407,198,549
Net assets-Ending					\$1,063,143,232	\$1,326,620,059	\$2,389,763,291

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 2010. 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, 2010

	General	Redevelopment Agency	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments in City Treasury (Note 3)	\$43,368,632	\$9,287,524	\$9,784,996	\$124,509,942	\$186,951,094
Restricted cash and investments with fiscal agents (Note 3)		13,447,439	7,101,059	1,389,966	21,938,464
Receivables:					
Taxes	608,568	56,299			664,867
Accounts	1,235,024	10,583		450,209	1,695,816
Accrued interest	2,240,482	59,138	23,169	1,521,679	3,844,468
Due from other government agencies	5,400,395	428,370		3,627,821	9,456,586
Due from other funds (Note 4B)	1,842,023			50,000	1,892,023
Advances to other funds (Note 4C)	8,703,843			3,900,000	12,603,843
Prepays	73,354				73,354
Deferred receivables (Note 6)	191,355		2,324	2,899,308	3,092,987
Notes receivable (Note 5)	75,970	7,135,553		17,234,332	24,445,855
Inventories (Note 1H)	446,840			512,109	958,949
Land held for resale (Note 7D)		5,205,022			5,205,022
Total Assets	<u>\$64,186,486</u>	<u>\$35,629,928</u>	<u>\$16,911,548</u>	<u>\$156,095,366</u>	<u>\$272,823,328</u>
LIABILITIES					
Accounts payable	\$2,370,449	\$559,850	\$994,197	\$3,111,247	\$7,035,743
Accrued liabilities	2,900,775	17,166		155,847	3,073,788
Due to other funds (Note 4B)		739,455		556,378	1,295,833
Due to other government agencies	18,591	1,610,573		13,234,318	14,863,482
Advances from other funds (Note 4C)	192,986	13,433,044		4,300,000	17,926,030
Deposits	1,796,166	6,606		600,000	2,402,772
Deferred revenue (Note 5)	1,802,161	5,557,829		5,588,625	12,948,615
Deferred liabilities		5,543,675		1,761,623	7,305,298
Total Liabilities	<u>9,081,128</u>	<u>27,468,198</u>	<u>994,197</u>	<u>29,308,038</u>	<u>66,851,561</u>
FUND BALANCES (Note 11)					
Reserved for:					
Advances	8,703,843			3,900,000	12,603,843
Inventories	446,840				446,840
Encumbrances	4,430,056	333,156	80	7,905,202	12,668,494
Capital projects			15,917,271		15,917,271
Deferred receivables and notes receivable	75,970			1,700,751	1,776,721
Prepays	73,354				73,354
Low and moderate income housing		1,660,540			1,660,540
Land held for resale		5,205,022			5,205,022
Debt service		13,447,439		1,538,213	14,985,652
Unreserved:					
Reported in Capital Projects Funds:					
Designated for economic reserve	8,387,700				8,387,700
Designated for carryover of capital improvement projects				16,542,186	16,542,186
Unreserved, undesignated, reported in:					
General Fund	32,987,595				32,987,595
Special Revenue Funds		(12,484,427)		76,847,691	64,363,264
Permanent Funds				18,353,285	18,353,285
TOTAL FUND BALANCES	<u>55,105,358</u>	<u>8,161,730</u>	<u>15,917,351</u>	<u>126,787,328</u>	<u>205,971,767</u>
Total Liabilities and Fund Balances	<u>\$64,186,486</u>	<u>\$35,629,928</u>	<u>\$16,911,548</u>	<u>\$156,095,366</u>	<u>\$272,823,328</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, 2010

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS	\$205,971,767
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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.	853,899,732
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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	83,796,869
Accounts receivable	28,975
Accrued interest	1,258,337
Due from other government agencies	21,933
Inventories	802,741
Capital assets	13,946,829
Accounts payable	(442,017)
Accrued liabilities	(64,405)
Self-insurance claims payable	(6,904,000)
Compensated absences	(316,663)
Net OPEB obligation	(44,594,568)
Internal balances	8,393,456

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities.	10,473,677
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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:

Long-term debt	(51,273,055)
Interest payable and other accrued liabilities, included in accrued liabilities	(613,422)
Non-current portion of compensated absences	(11,242,954)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$1,063,143,232
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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, 2010

	General	Redevelopment Agency of the City of Roseville	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$66,498,458	\$6,792,567		\$6,332,072	\$79,623,097
Licenses and permits	1,624,422				1,624,422
Charges for services	10,494,397	\$10,583		7,575,977	18,080,957
Subventions and grants	1,540,865	1,978,886		19,034,660	22,554,411
Use of money and property	1,359,144	364,246	\$185,426	7,619,531	9,528,347
Fines, forfeitures and penalties	1,127,119			988,763	2,115,882
Contributions from developers	544,424			161,961	706,385
Miscellaneous revenues	2,925,476	24,248	467,012	2,574,514	5,991,250
Total Revenues	86,114,305	9,170,530	652,438	44,287,478	140,224,751
EXPENDITURES					
Current:					
General government	21,042,685			695,176	21,737,861
Community development and planning	4,335,024	6,823,835		6,151,830	17,310,689
Public works	8,911,043			1,788,998	10,700,041
Public safety:					
Police	28,542,396			22,493	28,564,889
Fire	23,333,025			16,614	23,349,639
Library	3,041,320			183,203	3,224,523
Parks and recreation	12,210,142			3,988,954	16,199,096
Housing assistance payments				3,628,510	3,628,510
Capital outlay	3,003,344	6,426,289	4,363,244	22,741,148	36,534,025
Payments under development agreements	1,445,960				1,445,960
Annexation payments	2,131,802				2,131,802
Debt service (Note 9):					
Principal retirement	112,195	460,000		825,027	1,397,222
Interest and fiscal charges	604,675	1,976,543	19,281	4,795,774	7,396,273
Total Expenditures	108,713,611	15,686,667	4,382,525	44,837,727	173,620,530
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,599,306)	(6,516,137)	(3,730,087)	(550,249)	(33,395,779)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of properties	10,000				10,000
Contributions from developers			2,831,250		2,831,250
Transfers in (Note 4A)	29,412,395	2,023,119	346,000	10,834,285	42,615,799
Transfers (out) (Note 4A)	(8,041,207)	(422,310)	(60,000)	(10,412,220)	(18,935,737)
Total Other Financing Sources (Uses)	21,381,188	1,600,809	3,117,250	422,065	26,521,312
NET CHANGE IN FUND BALANCES	(1,218,118)	(4,915,328)	(612,837)	(128,184)	(6,874,467)
FUND BALANCES AT BEGINNING OF PERIOD	56,323,476	13,077,058	16,530,188	126,915,512	212,846,234
FUND BALANCES AT END OF PERIOD	\$55,105,358	\$8,161,730	\$15,917,351	\$126,787,328	\$205,971,767

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, 2010

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 (\$6,874,467)

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 36,534,025

Non-capitalized capital outlay expenditures were reclassified to various governmental activities. (7,497,303)

Depreciation expense is deducted from the fund balance
(Depreciation expense is net of internal service fund depreciation of
\$4,052,292 which has already been allocated to serviced funds.) (15,742,534)

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.

Loss on retirement of capital assets is deducted from fund balance (4,292,386)

Capital assets transferred to business-type activities is deducted from fund balance (4,234,110)

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 1,397,222

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 (2,577,688)
Interest payable and accrued liabilities, included in accrued liabilities 265,057
Deferred revenues 475,305
Accounts payable 2,217,073

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 (10,620,620)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (\$10,950,426)

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$69,563,750	\$65,988,067	\$66,498,458	\$510,391
Licenses and permits	1,144,250	1,311,558	1,624,422	312,864
Charges for services	10,181,009	10,039,990	10,494,397	454,407
Subventions and grants	1,207,326	1,618,483	1,540,865	(77,618)
Use of money and property	1,316,709	1,199,257	1,359,144	159,887
Fines, forfeitures and penalties	999,500	1,035,415	1,127,119	91,704
Contributions from developers	1,400,000	1,800,000	544,424	(1,255,576)
Miscellaneous revenues	2,224,330	2,071,016	2,925,476	854,460
TOTAL REVENUES	88,036,874	85,063,786	86,114,305	1,050,519
EXPENDITURES				
Current:				
General government				
City Council				
Salaries and benefits	37,450	37,450	36,823	627
Operating services and supplies	352,080	378,990	347,310	31,680
City attorney				
Salaries and benefits	1,327,257	1,277,021	1,275,201	1,820
Operating services and supplies	108,210	109,452	99,638	9,814
City manager				
Salaries and benefits	1,258,786	1,310,646	1,377,067	(66,421)
Operating services and supplies	118,809	186,719	155,648	31,071
Finance				
Salaries and benefits	5,145,945	5,025,390	4,818,160	207,230
Operating services and supplies	1,446,409	1,372,320	1,277,231	95,089
Human resources				
Salaries and benefits	1,210,779	1,293,576	1,284,548	9,028
Operating services and supplies	421,540	401,971	309,622	92,349
Information technology				
Salaries and benefits	4,074,924	4,096,649	4,074,125	22,524
Operating services and supplies	1,787,341	2,012,879	1,523,010	489,869
City clerk				
Salaries and benefits	696,921	703,598	696,600	6,998
Operating services and supplies	143,346	117,639	69,758	47,881
Central services				
Salaries and benefits	2,346,494	2,272,003	2,239,354	32,649
Operating services and supplies	1,533,151	1,955,673	1,458,590	497,083
Community development and planning				
Housing				
Salaries and benefits	92,351	90,220	140,260	(50,040)
Operating services and supplies	74,628	78,961	39,705	39,256
Community development				
Salaries and benefits	845,144	899,111	892,695	6,416
Operating services and supplies	34,060	28,439	18,523	9,916
Economic development				
Salaries and benefits	234,519	351,398	282,588	68,810
Operating services and supplies	71,550	66,238	48,278	17,960
Planning				
Salaries and benefits	1,143,712	1,561,547	1,677,346	(115,799)
Operating services and supplies	908,545	761,833	1,235,629	(473,796)

(Continued)

CITY OF ROSEVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Salaries and benefits	\$7,714,629	\$7,662,781	\$7,302,115	\$360,666
Operating services and supplies	3,407,649	3,614,641	1,608,928	2,005,713
Public safety				
Police				
Salaries and benefits	24,983,379	25,061,526	24,329,844	731,682
Operating services and supplies	4,870,521	4,653,122	4,212,552	440,570
Fire				
Salaries and benefits	19,927,216	21,496,843	21,727,050	(230,207)
Operating services and supplies	1,804,474	1,862,895	1,605,975	256,920
Library				
Salaries and benefits	2,633,700	2,688,029	2,620,608	67,421
Operating services and supplies	362,716	437,498	420,712	16,786
Parks and recreation				
Salaries and benefits	8,517,298	8,208,284	7,626,519	581,765
Operating services and supplies	4,908,097	4,965,273	4,583,623	381,650
Capital outlay	6,130,379	30,480,931	3,003,344	27,477,587
Payments under development agreements	1,934,110	1,934,110	1,445,960	488,150
Annexation payments	2,100,000	2,140,000	2,131,802	8,198
Debt service:				
Principal retirement	865,435	879,200	112,195	767,005
Interest and fiscal charges	664,871	664,871	604,675	60,196
TOTAL EXPENDITURES	116,238,425	143,139,727	108,713,611	34,426,116
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of properties		10,000	10,000	
Transfers in	30,340,221	33,958,648	29,412,395	(4,546,253)
Transfers (out)	(3,317,697)	(6,778,208)	(8,041,207)	(1,262,999)
Total Other Financing Sources (Uses)	27,022,524	27,190,440	21,381,188	(5,809,252)
NET CHANGE IN FUND BALANCE	(\$1,179,027)	(\$30,885,501)	(1,218,118)	\$29,667,383
Fund balance at beginning of year			56,323,476	
Fund balance at end of year			<u>\$55,105,358</u>	

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$7,206,375	\$4,830,198	\$6,792,567	\$1,962,369
Subventions and grants	414,000	476,068	1,978,886	1,502,818
Use of money and property	187,393	187,394	364,246	176,852
Miscellaneous revenues	18,747	18,747	34,831	16,084
Total revenues	7,826,515	5,512,407	9,170,530	3,658,123
EXPENDITURES				
Community development and planning				
Community services				
Salaries and benefits	970,433	503,649	469,477	34,172
Operating services and supplies	2,240,000	2,706,784	1,810,010	896,774
Pass-through payments	4,503,743	2,189,634	4,544,348	(2,354,714)
Capital outlay	13,621,650	13,944,708	6,426,289	7,518,419
Debt service:				
Principal	460,000	460,000	460,000	
Interest and fiscal charges	2,151,599	1,951,599	1,976,543	(24,944)
Total expenditures	23,947,425	21,756,374	15,686,667	6,069,707
OTHER FINANCING SOURCES (USES)				
Transfers in	11,541,398	2,100,000	2,023,119	(76,881)
Transfers (out)	(9,875,712)	(422,310)	(422,310)	
Total Other Financing Sources (Uses)	1,665,686	1,677,690	1,600,809	(76,881)
NET CHANGE IN FUND BALANCE	(\$14,455,224)	(\$14,566,277)	(4,915,328)	\$9,650,949
Fund balance at beginning of year			13,077,058	
Fund balance at end of year			\$8,161,730	

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 2010.

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, 2010

	Business-type Activities-Enterprise Funds				Roseville Natural Gas Financing Authority
	Electric	Water	Wastewater	Solid Waste	
ASSETS					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$16,019,750	\$45,754,465	\$29,884,418	\$10,167,891	\$75,429
Restricted cash and investments with fiscal agents (Note 3)	20,187,763	8,771,879			4,030,961
Receivables:					
Accounts	20,142,406	3,463,853	3,622,475	2,394,304	
Accrued interest	147,434	165,127	69,013	24,991	137
Due from other government agencies	17,234	13,671	1,960,163	13,330	
Prepays	3,250,000				
Due from other funds (Note 4B)			231,164		
Advance to other funds (Note 4C)					
Inventories (Note 1H)	9,301,113	1,220,890	29,197	92,058	
Total Current Assets	69,065,700	59,389,885	35,796,430	12,692,574	4,106,527
Noncurrent Assets:					
Deferred receivables (Note 6)	26,908	171,388	54,726		
Notes receivable from NCPA (Note 16)	120,236				
Prepaid purchased electricity (Note 15)	792,083				
Prepaid purchased gas (Note 20)					210,056,251
Unamortized bond origination costs	7,292,011				
Investment in NCPA reserves (Note 16)	6,611,492				
Investment in SPWA reserves (Note 17)			89,401,976		
Advances to other funds (Note 4C)			865,706		
Derivative at fair value-asset (Notes 9 and 10)					22,374,194
Deferred out-flow assets (Notes 9 and 10)	62,306,254		6,706,557		
Capital assets (Note 8):					
Land and construction in progress	13,751,949	6,546,567	92,737,548	337,045	
Capital assets being depreciated, net	429,406,080	438,591,617	462,706,258	4,571,979	
Total Noncurrent Assets	520,307,013	445,309,572	652,472,771	4,909,024	232,430,445
Total Assets	589,372,713	504,699,457	688,269,201	17,601,598	236,536,972
LIABILITIES					
Current Liabilities:					
Accounts payable	2,762,817	1,622,414	1,514,503	571,122	
Accrued liabilities	3,341,441	583,017	285,899	188,829	3,676,031
Due to other government agencies	1,326		4,931,927		
Due to other funds (Note 4B)				231,164	
Current portion of compensated absences (Note 1G)	843,609	433,393	366,501	196,613	
Current portion of long-term debt (Note 9)	6,805,000	1,790,000	406,275		6,915,000
Deposits	1,276,004	12,000			
Unearned revenue	1,342,953				
Self-insurance claims payable (Note 14)					
Total Current Liabilities	16,373,150	4,440,824	7,505,105	1,187,728	10,591,031
Long-Term Liabilities:					
Deferred liabilities	1		1,087,823	108,193	
Advances from other funds (Note 4C)				672,720	
Long-term debt, non-current portion (Note 9)	261,626,581	50,249,997	88,394,064		201,650,475
Landfill closure and post closure liability (Note 18)				3,155,579	
Compensated absences (Note 1G)	1,764,889	942,212	938,655	414,692	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14):					
Derivative at fair value-liability (Notes 9 and 10)	62,306,254		6,706,557		
Deferred in-flow liabilities (Notes 9 and 10)					22,374,194
Total Long-Term Liabilities	325,697,725	51,192,209	97,127,099	4,351,184	224,024,669
Total Liabilities	342,070,875	55,633,033	104,632,204	5,538,912	234,615,700
NET ASSETS (Note 11)					
Invested in capital assets, net of related debt	174,726,448	393,098,187	466,643,467	4,909,024	
Restricted for debt service	20,053,165	4,315,500	5,774,024		
Restricted for local transportation					
Unrestricted	52,522,225	51,652,737	111,219,506	7,153,662	1,921,272
Total Net Assets	\$247,301,838	\$449,066,424	\$583,636,997	\$12,062,686	\$1,921,272

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

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,535,935	\$7,475,400	\$426,691	\$112,339,979	\$83,796,869
624,096			33,614,699	
96,377	4,174	804,730	30,528,319	28,975
26,985	17,663	1,370	452,720	1,258,337
	1,381,687	53,184	3,439,269	21,933
	108,214		3,358,214	
	200,000		431,164	187,000
	4,300,000		4,300,000	
			10,643,258	802,741
<u>3,283,393</u>	<u>13,487,138</u>	<u>1,285,975</u>	<u>199,107,622</u>	<u>86,095,855</u>
			253,022	
			120,236	
			792,083	
197,960			210,056,251	
			7,489,971	
			6,611,492	
			89,401,976	
			865,706	4,347,201
			22,374,194	
			69,012,811	
6,007,666	1,002,990		120,383,765	
<u>10,071,074</u>	<u>12,660,460</u>	<u>1,094,025</u>	<u>1,359,101,493</u>	<u>13,946,829</u>
<u>16,276,700</u>	<u>13,663,450</u>	<u>1,094,025</u>	<u>1,886,463,000</u>	<u>18,294,030</u>
<u>19,560,093</u>	<u>27,150,588</u>	<u>2,380,000</u>	<u>2,085,570,622</u>	<u>104,389,885</u>
58,977	205,901	44,142	6,779,876	442,017
113,142	31,126	106,210	8,325,695	64,405
4,063			4,937,316	
127,000		358,400	716,564	497,790
	51,136	110,778	2,002,030	
350,000			16,266,275	
12,012	165	23,306	1,323,487	
	298,500	423,351	2,064,804	
				693,500
<u>665,194</u>	<u>586,828</u>	<u>1,066,187</u>	<u>42,416,047</u>	<u>1,697,712</u>
		47,320	1,243,337	
3,258,000		260,000	4,190,720	
5,960,000			607,881,117	
			3,155,579	
	101,475	157,790	4,319,713	316,663
				44,594,568
				6,210,500
			69,012,811	
			22,374,194	
<u>9,218,000</u>	<u>101,475</u>	<u>465,110</u>	<u>712,177,471</u>	<u>51,121,731</u>
<u>9,883,194</u>	<u>688,303</u>	<u>1,531,297</u>	<u>754,593,518</u>	<u>52,819,443</u>
9,768,740	13,663,450	1,094,025	1,063,903,341	13,946,829
624,020			30,766,709	
	12,798,835		12,798,835	
<u>(715,861)</u>		<u>(245,322)</u>	<u>223,508,219</u>	<u>37,623,613</u>
<u>\$9,676,899</u>	<u>\$26,462,285</u>	<u>\$848,703</u>	<u>1,330,977,104</u>	<u>\$51,570,442</u>
			(4,357,045)	
			<u>\$1,326,620,059</u>	
			Net assets business-type activities	

CITY OF ROSEVILLE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
OPERATING REVENUES					
Charges for services	\$137,660,580	\$17,147,716	\$24,922,289	\$19,559,750	\$16,557,517
Sale of wholesale power	22,797,820				
Other	2,856,749	325,383	39,227	522,742	
Total Operating Revenues	163,315,149	17,473,099	24,961,516	20,082,492	16,557,517
OPERATING EXPENSES					
Power supply	124,842,309				
Operations	13,117,050	10,459,628	15,748,976	14,362,136	18,140,296
Administration	3,046,752	2,324,512	867,587	683,430	
Depreciation and amortization	19,009,245	8,238,159	10,103,979	126,713	(735,910)
Claims expense					
Total Operating Expenses	160,015,356	21,022,299	26,720,542	15,172,279	17,404,386
Operating Income (Loss)	3,299,793	(3,549,200)	(1,759,026)	4,910,213	(846,869)
NONOPERATING REVENUES (EXPENSES)					
Interest and rents revenue	1,699,055	1,301,996	640,783	225,676	\$11,299,150
Interest and fiscal charges (expense)	(9,659,393)	(2,079,702)	(2,467,399)	(41,113)	(9,994,500)
Cost of issuance	(3,055,115)				
Subventions and grants	17,234	641,450		29,696	
Increase (decrease) in NCPA reserves	1,587,103				
Increase (decrease) in SPWA reserves			1,131,554		
Net Nonoperating Revenues (Expenses)	(9,411,116)	(136,256)	(695,062)	214,259	1,304,650
Income (Loss) Before Contributions and Transfers	(6,111,323)	(3,685,456)	(2,454,088)	5,124,472	457,781
Contributions					
Capital contributions - connection/impact fees	1,235,593	4,161,260	6,403,521	346,704	
Contributions in aid of construction	962,514				
Capital contributions from developers	306,693	4,756,478	9,923,175		
Transfers in (Note 4A)	3,600	1,385,390	15,014	2,670	
Transfers (out) (Note 4A)	(15,595,054)	(5,134,670)	(4,891,366)	(3,022,537)	
Change in net assets	(19,197,977)	1,483,002	8,996,256	2,451,309	457,781
Total net assets-beginning	266,499,815	447,583,422	574,640,741	9,611,377	1,463,491
Total net assets-ending	\$247,301,838	\$449,066,424	\$583,636,997	\$12,062,686	\$1,921,272

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
\$2,791,397	\$824,736	\$4,174,423	\$223,638,408	\$11,868,025
10,566	36,994	184,339	22,797,820	7,030,143
2,801,963	861,730	4,358,762	3,976,000	18,898,168
			124,842,309	
2,135,205	5,049,908	4,175,096	83,188,295	28,503,260
40	577,420	116,733	7,616,474	
405,646	1,463,824	31,977	38,643,633	4,052,292
				2,802,226
2,540,891	7,091,152	4,323,806	254,290,711	35,357,778
261,072	(6,229,422)	34,956	(3,878,483)	(16,459,610)
159,945	109,978	14,263	15,450,846	1,856,621
(275,069)		(3,933)	(24,521,109)	
			(3,055,115)	
2,904	5,264,363	371,811	6,327,458	15,304
			1,587,103	
			1,131,554	
(112,220)	5,374,341	382,141	(3,079,263)	1,871,925
148,852	(855,081)	417,097	(6,957,746)	(14,587,685)
	24,103		24,103	
			12,147,078	
			962,514	
			14,986,346	
	82,415		1,489,089	6,125,999
(186,772)	(238,983)	(498,129)	(29,567,511)	(1,727,639)
(37,920)	(987,546)	(81,032)	(6,916,127)	(10,189,325)
9,714,819	27,449,831	929,735		61,759,767
<u>\$9,676,899</u>	<u>\$26,462,285</u>	<u>\$848,703</u>		<u>\$51,570,442</u>
			431,295	
Change in net assets of business-type activities			<u>(\$6,484,832)</u>	

CITY OF ROSEVILLE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$158,228,308	\$17,784,241	\$25,232,892	\$19,554,688	\$16,557,517
Payments to suppliers	(127,438,076)	(6,494,296)	(12,020,029)	(10,986,911)	(11,099,515)
Payments to employees	(14,588,570)	(6,647,651)	(4,112,926)	(4,692,637)	(99,750)
Claims paid					
Other receipts	2,856,749	325,383	39,227	522,742	
Net cash provided (Used) by operating activities	19,058,411	4,967,677	9,139,164	4,397,882	5,358,252
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subventions and grants	177	1,527,866	1,618,083	16,366	
(Increase) decrease in due from other funds			(8,888)		
Increase (decrease) in due to other funds				8,888	
(Increase) decrease in advance to other funds			38,178		
Increase (decrease) in advances from other funds				(231,164)	
Transfers in	3,600	1,385,390	15,014	2,670	
Transfers (out)	(15,595,054)	(5,134,670)	(4,891,366)	(3,022,537)	
Cash Flows from (Used for) Noncapital Financing Activities	(15,591,277)	(2,221,414)	(3,228,979)	(3,225,777)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	1,269,207	4,756,478			
Acquisition and construction of capital assets	(7,977,899)	(10,165,979)	(3,108,965)	(23,185)	735,910
Transfer of connection fees to SPWA			(1,915,638)		
Change in restricted assets	19,542		4,787,794		
Principal payments on capital debt	(26,637,030)	(1,820,882)	(392,733)		(7,385,910)
Proceeds from issuance of debt	27,406,611				
Interest and cost of issuance paid on capital debt	(12,714,508)	(2,079,702)	(2,467,399)	(41,113)	(9,994,500)
Connection fees	1,235,593	4,161,260	6,403,521	346,704	
Cash Flows from (Used for) Capital and Related Financing Activities	(17,398,484)	(5,148,825)	3,306,580	282,406	(16,644,500)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and rents received	1,609,545	1,454,761	685,122	245,635	11,299,013
Receipts from sale of (Payment to acquire) equity instruments, net	(2,281,447)	2,440,064			52,738
Cash Flows from Investing Activities	(671,902)	3,894,825	685,122	245,635	11,351,751
Net increase (decrease) in cash and cash equivalents	(14,603,252)	1,492,263	9,901,887	1,700,146	65,503
Cash and investments at beginning of period	30,623,002	44,262,202	19,982,531	8,467,745	9,926
Cash and investments at end of period	\$16,019,750	\$45,754,465	\$29,884,418	\$10,167,891	\$75,429
NONCASH TRANSACTIONS:					
Contribution of SPWA capital assets to City			(\$14,896,606)		
Contribution of capital assets from developers			9,923,175		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	3,299,793	(3,549,200)	(1,759,026)	4,910,213	(846,869)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	19,009,245	8,238,159	10,103,979	126,713	(735,910)
Change in assets and liabilities:					
Receivables, net	(2,320,983)	639,525	310,603	(5,062)	
Inventories	416,743	178,405	34,257	26,491	
Prepays					
Prepays purchased gas					7,041,284
Net OPEB obligations					
Accounts and other payables	(1,241,166)	(539,212)	449,351	(660,473)	(100,253)
Deferred revenue	(105,221)				
Net cash provided by operating activities	\$19,058,411	\$4,967,677	\$9,139,164	\$4,397,882	\$5,358,252

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,813,964	\$853,067	\$4,085,950	\$245,110,627	\$11,923,403
(2,119,782)	(9,820,654)	(593,689)	(180,572,952)	(7,917,803)
(3,896)	(897,579)	(3,674,315)	(34,717,324)	(6,576,462)
10,566	36,994	184,339	3,976,000	(2,526,226)
700,852	(9,828,172)	2,285	33,796,351	7,030,143
6,967	11,278,020	463,958	14,911,437	15,304
			(8,888)	
		(250,193)	(241,305)	16,751
			38,178	(73,000)
(127,000)		200,000	(158,164)	
	82,415		1,489,089	6,125,999
(186,772)	(238,983)	(498,129)	(29,567,511)	(1,727,639)
(306,805)	11,121,452	(84,364)	(13,537,164)	4,357,415
	24,103		6,049,788	
	(544,528)		(21,084,646)	(1,397,196)
			(1,915,638)	
(340,000)			4,807,336	
			(36,576,555)	
(275,069)		(3,933)	27,406,611	
			(27,576,224)	
			12,147,078	
(615,069)	(520,425)	(3,933)	(36,742,250)	(1,397,196)
175,847	153,798	15,501	15,639,222	2,070,386
(53)			211,302	
175,794	153,798	15,501	15,850,524	2,070,386
(45,228)	926,653	(70,511)	(632,539)	6,963,660
2,581,163	6,548,747	497,202	112,972,518	76,833,209
\$2,535,935	\$7,475,400	\$426,691	\$112,339,979	\$83,796,869
			(\$14,896,606)	
			9,923,175	
261,072	(6,229,422)	34,956	(3,878,483)	(\$16,459,610)
405,646	1,463,824	31,977	38,643,633	4,052,292
16,532	3,331	(42,982)	(1,399,036)	130,191
			655,896	
	(108,214)		(108,214)	
			7,041,284	
17,602	(4,982,691)	24,365	(7,032,477)	14,012,676
	25,000	(46,031)	(126,252)	197,506
\$700,852	(\$9,828,172)	\$2,285	\$33,796,351	\$1,933,055

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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 2010:

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, 2010

	Endowment Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments in Treasury (Note 3)	\$2,522,557	\$137,773,082
Restricted cash and investments with fiscal agents (Note 3)		46,230,313
Accounts receivable		223,148
Taxes receivable		211,730
Accrued interest receivable	5,775	473,250
Permit fees receivable		1,296,838
Due from other government agencies		2,278,379
Deferred receivable	882	
	<u>2,529,214</u>	<u>\$188,486,740</u>
Total Assets		
LIABILITIES		
Accounts payable		\$4,087,313
Accrued liabilities		40,621
Due to other government agencies		13,122
Due to member agencies		119,897,315
Due to bondholders		62,058,912
Due to others		2,389,457
		<u>\$188,486,740</u>
Total Liabilities		
NET ASSETS		
Held in trust for private purpose	<u>\$2,529,214</u>	

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, 2010

ADDITIONS	
Contributions from developers	
Investment income	48,644
Other revenues	<u>26,087</u>
Total additions	<u>74,731</u>
DEDUCTIONS	
Other expenses	<u>50,209</u>
Total deductions	<u>50,209</u>
Change in net assets	24,522
Net assets - beginning of year	<u>2,504,692</u>
Net assets - end of year	<u><u>\$2,529,214</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 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, workers' compensation, general liability, unemployment reserve, vision, dental, section 125, post retirement, and central stores; all of which are provided to other departments on a cost-reimbursement basis.

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	\$8,975,515	\$5,975,042	\$14,950,557
Additions	6,385,657	1,554,847	7,940,504
Payments	(3,589,971)	(1,208,146)	(4,798,117)
Ending Balance	<u>\$11,771,201</u>	<u>\$6,321,743</u>	<u>\$18,092,944</u>
Current Portion	<u>\$3,801,555</u>	<u>\$2,002,030</u>	<u>\$5,803,584</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 2009-10, the City split the former Parks and Recreation Donation Special Revenue Fund into Miscellaneous General Government, Miscellaneous Library, and Miscellaneous Park Special Revenue Funds. The City also split the former Forfeited Property Special Revenue Fund into Miscellaneous Fire and Miscellaneous Police Special Revenue Funds.

J. Proposition 1A Borrowing by the State of California and Securitization

Under the provisions of Proposition 1A and as part of the fiscal year 2009-10 budget package passed by the California State legislature on July 28, 2009, the State of California borrowed 8% of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fees, triple flip in lieu sales taxes, and supplemental property taxes, apportioned to the City. The State is required to repay the \$3,442,730 it borrowed from the City, plus interest, by June 30, 2013.

Authorized with the 2009-10 State budget package was the Proposition 1A Securitization Program (Program), administered by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. Under the Program, the participating cities receive cash equal to their share of State borrowings and forgo interest they otherwise would have received from the State on the unpaid borrowings. The City is a participant in the Program.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

California Communities simultaneously purchased the Proposition 1A receivables from the City and other participants, and issued bonds to provide participants with proceeds to be remitted in two equal installments due on January 15, 2010, and May 3, 2010. All costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. As of June 30, 2010, the City received both installments due under the Program and recorded them as property taxes in the same manner as if the State had not exercised its rights under Proposition 1A. Since sales proceeds to the City equal the book value of State borrowings no gain or loss was incurred.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgeting Procedures*

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

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a minute order and ordinance.
4. The City Manager or designee is authorized to apply prudent monitoring procedures to assure that actual expenditures/expenses of the City do not exceed the appropriations by department of the major summary categories (salaries and benefits, operating services and supplies, capital outlay, and capital improvement projects) in conformance with the adopted policies set by the City Council. Additional appropriations or interfund transfers not included in the original budget ordinance require approval by the City Council.
5. Expenditures may not legally exceed budgeted appropriations at the department level by major summary category within each fund.
6. Formal budgetary integration is employed as a management control device during the year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. Budgets are adopted for all governmental funds.

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

Fund	Department	Amount
General Fund:		
	City Manager	
	Salaries and benefits	\$69,925
	Housing	
	Salaries and benefits	50,040
	Planning	
	Salaries and benefits	115,799
	Operating services and supplies	473,796
	Fire	
	Salaries and benefits	230,207
Redevelopment Agency Special Revenue Fund	Pass-through payments	2,354,714

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	\$383,087,942
Restricted cash and investments with fiscal agents	<u>55,553,163</u>
Total City cash and investments with primary government	438,641,105
Cash and investments in Fiduciary Funds (Separate statement)	<u>186,525,952</u>
Total Cash and Investments	<u><u>\$625,167,057</u></u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2010, consist of the following:

Cash in bank and on hand	\$31,949,967
Investments	593,217,090
Total Cash and Investments	<u>\$625,167,057</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 at Time of Purchase	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 Years	None	None	None
U.S. Agency Securities	5 Years	None	None	None
Mortgage Pass-Through Securities	5 Years	None	20%	None
Forward Delivery Agreements (A)	N/A	A	None	None
Local Agency Bonds	5 Years	None	None	None
Repurchase Agreements	30 days	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	10% (B)
Medium-Term Notes	5 Years	AA	30%	None
Collateralized Time Deposits	5 Years	None	None	None
Negotiable Certificates of Deposit	5 Years	AA	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None
Insured Saving Accounts	N/A	None	None	None
Money Market Mutual Funds	N/A	None	20%	10%
Shares in a California Common Law Trust	N/A	None	None	None
Interest Rate Swaps (C)	N/A	None	None	None

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

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

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 - 30 days	None to A
Bankers' Acceptances	N/A - 270 days	None to A-1
Money Market Funds	N/A	None to Aam-G
Taxable Governmental Money Market Portfolio	N/A	None
Commercial Paper	180-270 days	A-1 to AA
Special Revenue Bonds	N/A	AA
Pre-refunded Municipal Obligations	N/A	AAA
Municipal Obligations	N/A	AAA
Common Law Trust	N/A	None
California Asset Management Pool (CAMP)	N/A	None
Lawful Investments	N/A	None
Investment Agreements	N/A	A+ to AA
Local Agency Investment Fund (LAIF)	N/A	None
Placer County Investment Pool	N/A	None

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	\$18,417,102	\$60,395,270	\$1,365,585		\$80,177,957
Federal Agency Securities	18,661,391	123,569,497	97,784,164	\$3,371,947	243,386,999
Corporate Notes	2,211,861	44,292,096	10,132,735		56,636,692
Forward Delivery Agreement	56,003,000			4,601,777	60,604,777
Forward Purchase Agreement				4,030,436	4,030,436
Guaranteed Investment Contracts				8,309,352	8,309,352
Repurchase Agreement				4,905,395	4,905,395
Money Market Mutual Funds (U.S. Securities)	11,255,831				11,255,831
Local Agency Investment Fund	55,723,835				55,723,835
California Asset Management Pool	67,182,539				67,182,539
Collateralized Time Deposits	1,003,277				1,003,277
Total Investments	<u>\$230,458,836</u>	<u>\$228,256,863</u>	<u>\$109,282,484</u>	<u>\$25,218,907</u>	<u>\$593,217,090</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, 2010 the fair value was \$91,447 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, 2010, these investments matured in an average of 203 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, 2010, the fair value approximated is the City's cost. At June 30, 2010, 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, 2010, for each investment type as provided by Standard and Poor's investment rating system:

	AAA _{Am}	AAA	AA ⁺	AA	AA ⁻	A ⁺	A	A ⁻	Total
Investments:									
Federal Agency Securities		\$243,386,999							\$243,386,999
Corporate Notes		43,575,147	\$5,068,003	\$5,378,800	\$1,573,077	\$1,041,665			56,636,692
Forward Delivery Agreement				60,604,777					60,604,777
Forward Purchase Agreement						4,030,436			4,030,436
Guaranteed Investment Contracts		7,685,332						\$624,020	8,309,352
Repurchase Agreements							\$4,905,395		4,905,395
Money Market Mutual Funds (U.S. Securities)	\$11,255,831								11,255,831
Totals	<u>\$11,255,831</u>	<u>\$294,647,478</u>	<u>\$5,068,003</u>	<u>\$65,983,577</u>	<u>\$1,573,077</u>	<u>\$5,072,101</u>	<u>\$4,905,395</u>	<u>\$624,020</u>	<u>389,129,482</u>
Exempt from Credit Rate Disclosure:									
U.S. Government Securities									80,177,957
Not Rated:									
Local Agency Investment Fund									55,723,835
California Asset Management Pool									67,182,539
Collateralized Time Deposits									<u>1,003,277</u>
Total Investments									<u>\$593,217,090</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, 2010:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$48,874,111
Federal National Mortgage Association	Federal Agency Securities	77,262,051
Federal Home Loan Mortgage Corporation	Federal Agency Securities	111,959,213
J.P. Morgan	Forward Delivery Agreement	56,003,000

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2010:

Fund	Issuer	Investment Type	Amount
<i>Major Enterprise Funds:</i>			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$4,030,436
Water	FSA Security Assurance	Investment Agreement	4,217,863
Electric	FSA Security Assurance	Investment Agreement	2,150,737
Golf Course	AIG	Investment Contract	624,020
<i>Fiduciary Funds:</i>			
	J.P. Morgan	Forward Delivery Agreement	56,003,000

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, 2010, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Redevelopment Agency of the City of Roseville Fund	\$334,510	(C)
	Non-Major Governmental Funds	4,871,662	(A),(B),(C)
	Electric Enterprise Fund	13,289,427	(B),(D)
	Water Enterprise Fund	3,884,010	(B),(C)
	Wastewater Enterprise Fund	2,782,416	(B),(C)
	Solid Waste Enterprise Fund	1,721,057	(B),(C)
	Golf Course Enterprise Fund	179,800	(C)
	Local Transportation Enterprise Fund	226,750	(C)
	School-Age Child Care Enterprise Fund	498,030	(C)
	Internal Service Funds	1,624,733	(A)
Redevelopment Agency of the City of Roseville Fund	General Fund	2,023,119	(B)
Community Facilities District Projects Fund	General Fund	346,000	(B)
Non-Major Governmental Funds	General Fund	1,534,647	(A),(B)
	Redevelopment Agency of the City of Roseville Fund	75,503	(A)
	Non-Major Governmental Funds	5,515,473	(A),(B)
	Electric Enterprise Fund	1,792,041	(A)
	Water Enterprise Fund	805,679	(A)
	Wastewater Enterprise Fund	740,851	(A)
	Solid Waste Enterprise Fund	370,091	(A)
Electric Enterprise Fund	General Fund	3,600	(A)
Water Enterprise Fund	Wastewater Enterprise Fund	878,709	(C)
	Solid Waste Enterprise Fund	506,681	(C)
Wastewater Enterprise Fund	Water Enterprise Fund	8,285	(B)
	Solid Waste Enterprise Fund	6,729	(B)
Solid Waste Enterprise Fund	Non-Major Governmental Funds	2,670	(A)
Local Transportation Enterprise Fund	Non-Major Governmental Funds	22,415	(A)
	Community Facilities District Projects Fund	60,000	(B)
Internal Service Funds	General Fund	4,133,841	(A)
	Redevelopment Agency of the City of Roseville Fund	12,297	(A)
	Electric Enterprise Fund	513,586	(A)
	Water Enterprise Fund	436,696	(A)
	Wastewater Enterprise Fund	489,390	(A)
	Solid Waste Enterprise Fund	417,979	(A)
	Golf Course Enterprise Fund	6,972	(A)
	Local Transportation Enterprise Fund	12,233	(A)
	School-Age Child Care Enterprise Fund	99	(A)
	Internal Service Funds	102,906	(A)
Total Interfund Transfers		<u>\$50,230,887</u>	

(A) To fund operations or 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 or fund indirect costs or capital projects

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, 2010, interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount	
General Fund			
	Redevelopment Agency of the City of Roseville Fund	\$689,455	(A)
	Traffic Safety Fund	125,916	(B)
	Community Development Block Grant/HOME Fund	207,529	(B)
	Roseville Aquatics Complex Maintenance Fund	22,933	(B)
	Automotive Services Fund	128,477	(B)
	Unemployment Reserve Fund	369,313	(B)
	School-Age Child Care Fund	298,400	(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	231,164	(A)
Local Transportation Fund	Traffic Mitigation Fund	200,000	
Internal Service Fund:			
Automotive Replacement Fund	Golf Course Fund	127,000	(A)
Automotive Replacement Fund	School-Age Child Care Fund	60,000	
		<u>\$2,510,187</u>	

C. Long-Term Interfund Advances

At June 30, 2010, the funds below had made advances which were not expected to be repaid within the next year.

Fund Receiving Advance	Fund Making Advance	Amount
General Fund	Wastewater Enterprise Fund	\$192,986
Special Revenue Funds:		
Redevelopment Agency of the City of Roseville Fund	General Fund	8,703,843
	State Gasoline Tax Special Revenue Fund	3,900,000
	Automotive Replacement Internal Service Fund	829,201
Traffic Mitigation Fund	Local Transportation Enterprise Fund	4,300,000
Enterprise Funds:		
Solid Waste Fund	Wastewater Enterprise Fund	672,720
Golf Course Fund	Automotive Replacement Internal Service Fund	3,258,000
School-Age Child Care Fund	Automotive Replacement Internal Service Fund	260,000
		<u>\$22,116,750</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

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

Redevelopment Agency advances consists of four advances: (1) Advances in the amount of \$5,580,757 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 \$952,287 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 is being repaid over five years one beginning in fiscal year 2007 and the other in 2010. These advances bear interest at the average interest rate of the City's pooled investments and interest is to be paid at the end of the 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 balances have 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 2010. These notes receivable comprised the following at June 30, 2010:

Notes	\$88,187
Employee Notes	69,337
Housing Rehabilitation and Affordable	
Housing Notes	12,602,998
First Time Home-Buyer Notes	9,941,083
Housing Elevation Notes	12,896
Commercial Rehabilitation Notes	<u>1,731,354</u>
Total	<u><u>\$24,445,855</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, 2010 was \$88,187.

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, 2010, 102 employees had \$69,337 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 2010 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, 2010, was \$12,602,998.

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 2010, 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, 2010, was \$9,941,083.

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, 2010, eleven loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$12,896.

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, 2010, \$1,731,354 in notes had been issued to eleven 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, 2010, was \$1,075,849 which has been classified as deferred receivables, and the short-term portion of these receivables, which totaled \$5,100, at June 30, 2010, 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, 2010, these deferred fees were \$2,270,160.

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 \$5,409,801 at June 30, 2010. 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 2010, payments made to the developer under the agreement totaled \$1,445,960.

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 2006 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 \$1.2 million, funded by an additional \$111,415 from the 2002 Tax Allocation Bonds and \$1.1 million from the City's General Fund. The Agency's portion of the construction was completed in fiscal October 2007.

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. In April 2010, the Agency purchased property at 330 Vernon Street. These properties are accounted for at the lower of cost or net realizable value. The properties are held by the Agency for resale in the future. On June 30, 2010, total value of the properties amounted to \$5,205,022.

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 and Median Curbs	20 years	10,000
Drain Inlets	50 years	10,000
Flood Control Improvements	75 years	10,000
Soundwall	35 years	10,000
Stormdrains	75 years	10,000
Traffic Signals	20 years	10,000
Plants and Substations:		
Electric	10-120 years	10,000
Sewer	15-60 years	10,000
Water	15-75 years	10,000
Distribution Systems:		
Electric	7-100 years	10,000
Sewer	75 years	10,000
Water	75 years	10,000
Electric Generation	10-40 years	10,000

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

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, 2009	Additions	Retirements	Transfers	Balance at June 30, 2010
Governmental activities					
Capital assets not being depreciated:					
Land	\$26,682,059	\$214,740		\$127,710	\$27,024,509
Streets (modified)	229,653,885	332,956		14,226,187	244,213,028
Parks (modified)	75,638,405			2,760,973	78,399,378
Landscaping (modified)	39,492,585	210,729		1,578,702	41,282,016
Construction in progress	152,417,915	26,585,187	(\$4,223,250)	(47,095,899)	127,683,953
Total capital assets not being depreciated	523,884,849	27,343,612	(4,223,250)	(28,402,327)	518,602,884
Capital assets being depreciated:					
Buildings	108,895,520			15,732,327	124,627,847
Improvements	4,972,913	39,346			5,012,259
Equipment	67,592,372	2,990,850	(1,579,322)	197,564	69,201,464
Bike paths	8,073,967			224,526	8,298,493
Bridges	56,371,753				56,371,753
Culverts	20,181,185				20,181,185
Curb, gutter, sidewalk, and median curbs	137,615,705	167,260		2,802,241	140,585,206
Drain inlets	20,235,403			107,390	20,342,793
Flood control improvements	17,396,129				17,396,129
Soundwall	25,574,753			326,187	25,900,940
Stormdrains	69,015,527	4,500		1,292,594	70,312,621
Traffic signals	24,301,462			3,485,388	27,786,850
Total capital assets being depreciated	560,226,689	3,201,956	(1,579,322)	24,168,217	586,017,540
Less accumulated depreciation for:					
Buildings	(36,582,919)	(2,886,489)			(39,469,408)
Improvements	(1,300,953)	(119,767)			(1,420,720)
Equipment	(40,194,847)	(6,971,619)	1,492,486		(45,673,980)
Bike paths	(4,767,702)	(389,161)			(5,156,863)
Bridges	(7,069,612)	(626,353)			(7,695,965)
Culverts	(4,195,487)	(269,082)			(4,464,569)
Curb, gutter, sidewalk, and median curbs	(86,068,404)	(5,103,987)			(91,172,391)
Drain inlets	(6,539,132)	(405,782)			(6,944,914)
Flood control improvements	(1,983,372)	(231,948)			(2,215,320)
Soundwall	(5,993,175)	(735,367)			(6,728,542)
Stormdrains	(10,578,516)	(928,854)			(11,507,370)
Traffic signals	(13,197,404)	(1,126,417)			(14,323,821)
Total accumulated depreciation	(218,471,523)	(19,794,826)	1,492,486		(236,773,863)
Net capital assets being depreciated	341,755,166	(16,592,870)	(86,836)	24,168,217	349,243,677
Governmental activity capital assets, net	\$865,640,015	\$10,750,742	(\$4,310,086)	(\$4,234,110)	\$867,846,561

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2009	Additions	Retirements	Transfers	Balance at June 30, 2010
<i>Business-type activities</i>					
Capital assets, not being depreciated:					
Land	\$16,204,612	\$140,000		\$28,899	\$16,373,511
Landscaping	550,000				550,000
Construction in progress	100,418,181	29,449,395	(\$4,444,812)	(21,962,510)	103,460,254
Total capital assets not being depreciated	117,172,793	29,589,395	(4,444,812)	(21,933,611)	120,383,765
Capital assets, being depreciated:					
Buildings	24,423,909				24,423,909
Improvements	15,979,650			69,635	16,049,285
Machinery and equipment	24,610,302	309,211	(595,685)	331,813	24,655,641
Bike paths	3,186,481			110,305	3,296,786
Bridges	1,702,403				1,702,403
Culverts	296,616				296,616
Curb, gutter, sidewalk, and median curbs	15,642				15,642
Drain inlets	18,500			1,317	19,817
Storm drains	30,863			964	31,827
Plants and substations	346,207,037		(5,176,157)	3,868,936	344,899,816
Distribution	1,028,195,729	17,565,207	(5,608,814)	21,498,768	1,061,650,890
Generation	197,267,286	69,529		285,983	197,622,798
Total capital assets being depreciated	1,641,934,418	17,943,947	(11,380,656)	26,167,721	1,674,665,430
Less accumulated depreciation for:					
Buildings	(4,906,553)	(606,182)			(5,512,735)
Improvements	(4,068,236)	(429,055)		(3,056)	(4,500,347)
Machinery and equipment	(11,957,058)	(1,819,465)	590,089	3,056	(13,183,378)
Bike paths	(418,416)	(162,082)			(580,498)
Bridges	(9,458)	(18,915)			(28,373)
Culverts	(5,932)	(3,955)			(9,887)
Curb, gutter, sidewalk, and median curbs	(1,173)	(782)			(1,955)
Drain inlets	(2,035)	(383)			(2,418)
Storm drains	(2,263)	(418)			(2,681)
Plants and substations	(70,016,651)	(7,768,373)		343,539	(77,441,485)
Distribution	(171,655,284)	(17,103,242)	123,050	(343,539)	(188,979,015)
Generation	(14,825,509)	(10,495,656)			(25,321,165)
Total accumulated depreciation	(277,868,568)	(38,408,508)	713,139		(315,563,937)
Net capital assets being depreciated	1,364,065,850	(20,464,561)	(10,667,517)	26,167,721	1,359,101,493
Business-type activity capital assets, net	\$1,481,238,643	\$9,124,834	(\$15,112,329)	\$4,234,110	\$1,479,485,258

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	\$2,130,607
Community development and planning	243,345
Public works	10,931,800
Police	944,143
Fire	545,185
Library	607,270
Parks and recreation	340,184
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>4,052,292</u>
Total Governmental Activities	<u>\$19,794,826</u>

Business-Type Activities

Electric	\$17,815,108
Water	8,339,041
Wastewater	10,103,979
Solid Waste	264,160
Golf Course	390,419
Local Transportation	1,463,824
School-age Child Care	<u>31,977</u>
Total Business-Type Activities	<u>\$38,408,508</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 7.8, instead of providing depreciation. During fiscal 2010 the City expended \$6,044,401 to preserve its roads. The City estimates that it will be required to expend approximately \$4,241,928 in fiscal 2011 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 2010 the City expended \$4,154,376 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$4,651,367 in fiscal 2011 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, 2009	Additions	Retirements	Balance June 30, 2010	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2003A Public Facilities Refunding Bonds, 2.0%-5.0%, due 8/1/25	\$18,275,000	\$15,220,000		\$660,000	\$14,560,000	\$675,000
Tax Allocation Bonds:						
2002 Roseville Redevelopment Project 3%-5.14%, due 9/1/33	14,500,000	12,890,000		300,000	12,590,000	310,000
2006 Roseville Redevelopment Project, Series A 4.5%-5.00%, due 9/1/40	13,155,000	13,155,000			13,155,000	
2006 Roseville Redevelopment Project, Series A-T 5.31%-5.90%, due 9/1/28	3,285,000	2,965,000		90,000	2,875,000	95,000
2006 Roseville Redevelopment Project, Series H-T 5.31%-6.07%, due 9/1/40	6,505,000	6,295,000		70,000	6,225,000	75,000
Installment Purchase Obligations:						
Equipment	3,737,252	2,145,277		277,222	1,868,055	247,625
Total Governmental Activity Debt:	\$59,457,252	\$52,670,277		\$1,397,222	\$51,273,055	\$1,402,625
Business-type Activity Debt:						
Certificates of Participation:						
2002 Electric System Revenue, variable rate, due 2/1/24	\$40,385,000	\$24,225,000		\$24,225,000		
Less: deferred bond costs	(132,293)	(91,346)		(91,346)		
Less: deferred amount on refunding	(3,780,476)	(2,577,598)		(2,577,598)		
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	39,940,000	38,930,000		355,000	\$38,575,000	\$370,000
Less: deferred amount on refunding	728,254	(606,878)		(24,275)	(582,603)	
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	51,525,000		1,375,000	50,150,000	3,210,000
Add: deferred bond premium cost	3,528,055	3,072,822		113,808	2,959,014	
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	63,185,000		1,540,000	61,645,000	1,755,000
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24	27,010,000		\$27,010,000	1,695,000	25,315,000	1,470,000
Add: deferred bond premium cost	396,611		396,611	26,441	370,170	
2003B Golf Course Refunding Bond, 2.0%-5.0%, due 8/1/23	8,240,000	6,650,000		340,000	6,310,000	350,000
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53,695,000	52,045,000		1,720,000	50,325,000	1,790,000
Add: deferred bond premium cost	2,759,170	2,483,253		137,959	2,345,294	
Less: deferred amount on refunding	(920,622)	(667,374)		(37,077)	(630,297)	
Total Certificates of Participation	379,248,699	328,172,879	27,406,611	28,797,912	326,781,578	8,945,000
Revenue Bonds:						
2007 Gas Revenue Bonds variable rate, due 2/15/28	209,350,000	202,705,000		6,650,000	196,055,000	6,915,000
Add deferred bond premium cost	15,454,116	13,246,385		735,910	12,510,475	
2008 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series A variable rate, due 11/1/35	39,275,417	39,275,417			39,275,417	
2008 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series B variable rate, due 11/1/27	50,296,845	49,917,655		392,733	49,524,922	406,275
Total Revenue Bonds	314,376,378	305,144,457		7,778,643	297,365,814	7,321,275
Total Business-type Activity Debt:	\$693,625,077	\$633,317,336	\$27,406,611	\$36,576,555	\$624,147,392	\$16,266,275

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, 2010, the total principal and interest remaining to be paid on the bonds is \$21,138,605.

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 2010 tax increment revenues amounted to \$6,792,567 which represented coverage of 574% over the 921,527 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, 2010, the total principal and interest remaining to be paid on the bonds was \$48,510,363. 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 2010 tax increment revenues for Series A and Series A-T amounted to \$6,792,567 which represented coverage of 574% over the \$262,338 in debt service. For fiscal year 2010 tax increment revenues for Series H-T bonds amounted to \$1,299,621, which represented coverage of 292% over the \$444,767 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. 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.

As of June 30, 2010, the COP's were refinanced by the 2009 Electric System Revenue Refunding Certificates of Participation, as discussed in Note J below.

G. 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.

H. 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.

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

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

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

The Series A COPs were issued as variable rate securities with interest calculated weekly. The rate fluctuates according to the market conditions, but is capped at 12%. However, the City entered into a 27-year interest rate swap agreement for the entire amount of the Series A COP's. The combination of the variable rate Series A COPs and a floating rate swap creates synthetic fixed-rate debt for the City. The synthetic fixed rate for the Series A COPs was 3.51% at June 30, 2010. Principal payments are due annually on February 1 beginning February 1, 2023 through 2035.

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

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

Interest rates on the 2008 Bonds are reset periodically, using the "put" mechanism described below. The Bonds are periodically subject to repurchase at a purchase price equal to the principal amount thereof plus accrued interest, referred to as a "put". Once a put occurs, a remarketing agent resells Bonds at par by setting new interest rates and repurchase dates. The City has obtained a Letter of Credit in the amounts of \$90,000,000 and \$64,500,000 to be used in the event the remarketing agent is unable to resell any 2008A or 2008B Bonds and to ensure the City will not be required to repurchase the 2008A or 2008B Bonds before they mature. The Letter of Credit expires May 13, 2011. The City paid \$934,711 in fees for the Letter of Credit during the year ended June 30, 2010.

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.

J. 2009 Electric System Revenue Refunding Certificates of Participation

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

The Bonds were issued to refinance the remaining outstanding balance of the 2002 Electric System Revenue Certificates of Participation, discussed above in Note F.

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

As of June 30, 2010, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COP's, 2005 Electric System Revenue COP's, 2008 Electric System Revenue Refunding COP's, and 2009 Electric System Revenue Refunding COP's was \$389,008,266. As disclosed in the official statements, all net revenues of the Electric System are expected to provide coverage over debt service of 110% over the lives of the Bonds. For fiscal year 2010, net revenues amounted to \$31,277,000 which represented coverage of 214% over the \$14,608,000 in debt service.

K. 2003B Golf Course Refunding Certificates of Participation

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

L. 2007 Water Utility Revenue Certificates of Participation

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

As of June 30, 2010, the total principal and interest remaining to be paid on the bonds was \$75,876,362. 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 2010 net revenues amounted to \$6,045,424 which represented coverage of 151% over the \$3,991,873 in debt service.

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, 2010, the total principal and interest to be paid on the bonds was \$302,047,495. For fiscal year 2010 net revenues amounted to \$27,849,762 which represented coverage of 167% over the \$16,644,500 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.

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

As of June 30, 2010, the total principal and interest remaining to be paid on the Series A and Series B Bonds was \$109,052,893. As disclosed in the official statement, net revenues of the respective systems of the participants are expected to provide coverage over debt service of 110% over the lives of the Bonds. For fiscal year 2010, net revenue amounted to \$8,595,237 which represented coverage of 164% over the \$5,226,683 in debt service.

Interest rates on the 2008 Bonds are reset periodically, using the “put” mechanism described below. The Bonds are periodically subject to repurchase at a purchase price equal to the principal amount thereof plus accrued interest, referred to as a "put". Once a put occurs, a remarketing agent resells Bonds at par by setting new interest rates and repurchase dates. The Authority has obtained a Letter of Credit in the amounts of \$73,314,456 and \$93,887,885 to be used in the event the remarketing agent is unable to resell any 2008A or 2008B Bonds and to ensure the Authority will not be required to repurchase the 2008A or 2008B Bonds before they mature. The Letter of Credit expires April 10, 2011. The Authority paid \$1,012,909 in fees for the Letter of Credit during the year ended June 30, 2010.

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, 2010, for both of the 2008A and 2008B Bonds was 0.28%.

O. Interest Rate Swap Agreements

The City entered into interest swap agreements in connection with the 2008 Electric Revenue Certificates of Participation, Series A. In addition, the City has a 54.17% interest in the Authority which entered into an interest swap agreement in connection with the 2008 Refunding Wastewater Revenue Bonds, Series B.

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, 2010, 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
2008 Electric System Revenue COP, Series A	\$36,000,000	5/13/2008	Bank of America, N.A.	A	3.364%	70.5% of 1m LIBOR	2/1/2035
2008 Electric System Revenue COP, Series A	54,000,000	5/13/2008	Morgan Stanley Capital Services Inc.	A	3.321%	70.5% of 1m LIBOR	2/1/2035
2008 Refunding Wastewater Revenue Bonds, Series B	49,524,923 (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>\$139,524,923</u>						

(A) The Authority's swap agreement is based on the notional amount of \$92,425,000 equivalent to the outstanding balance on the 2008B Bonds. The City's share of these underlying Bonds is 54.17%, or \$49,524,923. Only the City's portion of the swap agreement is shown above, since the City is only obligated for that portion of the Authority's bonds.

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

Fair value. Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. Fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by each swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. As of June 30, 2010, the fair value of the swaps were not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2010	2009
2002 Electric System Revenue COP		(\$1,404,687)
2008 Electric System Revenue COP, Series A		
Bank of America N.A.	(\$4,636,778)	(2,572,142)
Morgan Stanley Capital Services Inc.	(6,622,568)	(3,533,874)
2008 Refunding Wastewater Revenue Bonds, Series B(A)	<u>(6,706,557)</u>	<u>(4,999,192)</u>
	<u>(\$17,965,903)</u>	<u>(\$12,509,895)</u>

(A) The Authority's swap agreement is based on the notional amount of \$92,425,000 equivalent to the outstanding balance on the 2008B Bonds. The City's share of these underlying Bonds is 54.17%, or \$49,524,923. Only the City's portion of the agreement is shown above, since the City is only obligated for that portion of the Authority's bonds.

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, 2010, 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, 2010:

For the Year Ending June 30	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest	Interest	
2011	\$406,275	\$450,583	\$4,439,451	\$5,296,309
2012	2,139,715	446,569	4,388,658	6,974,942
2013	2,207,428	440,954	4,317,607	6,965,989
2014	2,288,683	435,142	4,244,060	6,967,885
2015	2,383,480	429,097	4,167,577	6,980,154
2016 - 2020	13,258,108	2,046,886	19,590,223	34,895,217
2021 - 2025	38,521,811	1,710,030	15,908,127	56,139,968
2026 - 2030	45,519,425	959,541	8,553,125	55,032,091
2031 - 2035	32,800,000	251,670	2,204,216	35,255,886
Totals	<u>\$139,524,925</u>	<u>\$7,170,472</u>	<u>\$67,813,044</u>	<u>\$214,508,441</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
2011	\$1,402,625	\$2,495,811	\$16,266,275	\$22,440,757
2012	1,459,311	2,440,414	18,449,715	21,835,174
2013	1,521,549	2,381,374	19,257,428	21,185,856
2014	1,535,321	2,319,133	18,823,683	20,455,042
2015	1,551,387	2,255,885	19,708,480	19,726,831
2016 - 2020	8,307,862	10,177,277	114,373,108	85,564,678
2021 - 2025	9,755,000	7,924,462	153,436,811	58,431,446
2026 - 2030	6,895,000	5,616,220	141,172,117	27,171,207
2031 - 2035	7,285,000	3,906,249	100,004,207	7,258,644
2036 - 2040	9,390,000	1,755,146	5,683,515	56,532
2041	2,170,000	52,122		
Total	<u>\$51,273,055</u>	<u>\$41,324,093</u>	607,175,339	<u>\$284,126,167</u>

Reconciliation of long-term debt

Add deferred bond premium costs	18,184,953
Less deferred amount on refunding	<u>(1,212,900)</u>
Net long-term debt	<u>\$624,147,392</u>

Q. Debt Issued Subsequent to Year End

On October 1, 2010, the City issued \$55,845,000 of Electric System Revenue Refunding Bonds, Series 2010, the proceeds of which are to be used to refinance the 2008 Electric System Revenue Bonds, Series B. Interest payments are due semi-annually on February 1 and August 1. Principal payments are due annually on August 1 through 2025.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 9 - LONG-TERM DEBT (Continued)

R. Special Assessment Districts

Special Assessment Districts, including Mello Roos Districts, in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not recorded as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2010, is as follows:

Northeast Roseville Community Facilities District #2	\$8,425,000
North Roseville Community Facilities District #1	18,070,000
North Central Roseville Community Facilities District #1	30,380,000
Northwest Roseville Community Facilities District #1	19,295,000
Woodcreek West Community Facilities District #1, Series 2005	18,385,000
Stone Point Community Facilities District # 1	9,930,000
Fiddymment Ranch Community Facilities District # 1	78,210,000
Longmeadow Parkside Community Facilities District # 1	8,700,000
Westpark Community Facilities District # 1	78,250,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	35,120,000
Stone Point Community Facilities District #5, Series 2006	5,275,000
Diamond Creek Community Facilities District #1, Series 2007	7,055,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	40,880,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junion Lien Bonds	9,600,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,200,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	3,000,000
Total	<u><u>\$381,775,000</u></u>

NOTE 10 – DERIVATIVE INSTRUMENTS

A. Summary of Notional Amounts and Fair Values

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)

The following is a summary of the fair values and notional amounts of derivative instruments outstanding as of June 30, 2010.

	2010 Change in Fair Value		Fair Value, End of Fiscal Year 2010		Notional
	Classification	Amount	Classification	Amount	
Effective Cash Flow Hedges					
Electric Fund					
Pay Fixed SWAP, Natural Gas	Deferred Outflow	(\$735,122)	Derivative	(\$51,046,908)	5,615,000 mmBtu
Pay Fixed SWAP, Electric	Deferred Outflow	389	Derivative	<u>0</u>	55,200 MWh
				(51,046,908)	
Roseville Natural Gas Financing Authority					
Pay Fixed SWAP, Natural Gas	Deferred Inflow	204,531	Derivative	22,374,194	2,352,000 mmBtu

B. Objective and Terms of Hedging Derivative Instruments

The objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2010, are summarized in the next table. The table is aggregated by the credit ratings of the City's counterparties. For counterparties having multiple ratings, the rating indicating the greatest degree of risk is used.

Objectives and terms of the City's hedging derivative instruments that were outstanding at June 30, 2010 are summarized in the table below:

Type	Objective	Notional	Effective Date	Maturity Date	Terms	Counterparty Rating
Forward Contracts, Gas	Hedge Cash Flows on PG&E citygate	\$5,565,000	8/1/2010	12/31/2013	Pay \$7.63; Receive NGI PG&E citygate price	BBB+
Forward Contracts, Gas	Hedge Cash Flows on PG&E citygate	1,295,000	8/1/2010	12/31/2011	Pay \$7.37; Receive NGI PG&E citygate price	BBB-
Forward Contracts, Gas	Hedge Cash Flows on PG&E citygate	2,376,500	8/1/2010	12/31/2011	Pay \$8.79; Receive NGI PG&E citygate price	A
Forward Contracts, Gas	Hedge Cash Flows on PG&E citygate	2,102,000	1/1/2011	12/31/2012	Pay \$8.06; Receive NGI PG&E citygate price	A+
Forward Contracts, Gas	Hedge Cash Flows on PG&E citygate	8,008,000	8/1/2010	12/31/2014	Pay \$8.67; Receive NGI PG&E citygate price	A-
Forward Contracts, Gas	Hedge Cash Flows on NP15 citygate	121,440	7/1/2010	9/30/2011	Pay \$57.88; Receive CAISO NP15 price	AAA
Forward Contracts, Gas	Hedge Cash Flows on NP15 citygate	54,655	2/1/2012	3/31/2012	Pay \$57.68; Receive CAISO NP15 price	A-
Commodity Swap, Gas	Prepayment 20-year supply Natural Gas	196,055,000	1/1/1008	12/31/2027	Pay index minus 0.68; Receive NGI	A

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 10 – DERIVATIVE INSTRUMENTS (Continued)

C. *Risks of Derivative Instruments*

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

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

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, 2010, 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 Unemployment Reserve Internal Service Fund had a deficit fund balance at June 30, 2010, in the amount of \$369,313. Future rate increases are expected to offset this deficit.

The Post Retirement Internal Service Fund had a deficit fund balance at June 30, 2010, in the amount of \$9,145,891. The creation of a trust for OPEB is expected to offset this 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, 2010, 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	28.929%	15.088%
Actuarially required contributions	\$6,551,158	\$11,237,200

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, 2010, 2009, and 2008. Actuarial required contributions, as well as the Annual Pension costs for the years ended June 30, 2009, 2008 and 2007 amounted to \$27,377,992, \$25,847,110, and \$24,430,465 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
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%
2009	166,512,851	121,354,582	45,158,269	86.6%	23,943,280	188.605%

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
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%
2009	342,328,270	241,893,471	100,434,799	86.8%	64,296,771	156.205%

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, 2010, there were 467 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:

S	<ul style="list-style-type: none">Service or disability retirement from City (or 20 years City service if hired after January 1, 2004)																															
■ Benefit	<div><div><u>Hired before January 1, 2004 (a)</u></div><ul style="list-style-type: none">City paid premium, subject to the following caps:<table><thead><tr><th>Group</th><th>2008</th></tr></thead><tbody><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></tbody></table><div>(a) January 1, 2005 for Police Officers Association and Local 39</div></div>	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	<div><div><u>Hired after January 1, 2004 (a)</u></div><ul style="list-style-type: none">100/90 formula, subject to vesting schedule:<table><thead><tr><th>CalPERS Service</th><th>Vesting</th></tr></thead><tbody><tr><td>10 to 20 years</td><td>50% to 100%</td></tr></tbody></table>100/90 formula rates:<table><thead><tr><th></th><th>2009</th><th>2010</th></tr></thead><tbody><tr><td>Single</td><td>\$478.00</td><td>\$493.00</td></tr><tr><td>Two-Party</td><td>909.00</td><td>936.00</td></tr><tr><td>Family</td><td>1,167.00</td><td>1,202.00</td></tr></tbody></table>Five years City service required</div>	CalPERS Service	Vesting	10 to 20 years	50% to 100%		2009	2010	Single	\$478.00	\$493.00	Two-Party	909.00	936.00	Family	1,167.00	1,202.00
Group	2008																															
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CalPERS Service	Vesting																															
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Two-Party	909.00	936.00																														
Family	1,167.00	1,202.00																														
■ Dental, Vision and Life	<ul style="list-style-type: none">None																															
■ Surviving Spouse Continuation	<ul style="list-style-type: none">Retiree medical benefit continues to surviving spouse if retiree elects CalPERS survivor annuity.																															
■ Pay-As-You-Go	<table><thead><tr><th>Fiscal Year</th><th>Amounts (in thousands)</th></tr></thead><tbody><tr><td>2009</td><td>\$3,292</td></tr><tr><td>2008</td><td>2,985</td></tr><tr><td>2007</td><td>2,513</td></tr><tr><td>2006</td><td>1,820</td></tr></tbody></table>		Fiscal Year	Amounts (in thousands)	2009	\$3,292	2008	2,985	2007	2,513	2006	1,820																				
Fiscal Year	Amounts (in thousands)																															
2009	\$3,292																															
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2007	2,513																															
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, 2009, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.25% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 8.40% to 9.30% in 2011 to 4.50% for years starting 2017. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll, on a closed basis, using a 30 year amortization period with 28 years remaining.

Trend Information

The following table provides three 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
6/30/2010	17,851,892	3,839,216	22%	45,855,741

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2007	\$0	\$164,567,000	(164,567,000)	0.00%	\$80,302,000	-204.94%
6/30/2009	0	180,097,000	(180,097,000)	0.00%	82,912,000	-217.21%

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, 2010, 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	\$18,538,000
Adjustment to annual required contribution	<u>(686,108)</u>
Annual pension cost	17,851,892
Contribution made	<u>(3,839,216)</u>
Increase in net pension obligations	14,012,676
Net OPEB obligation at June 30, 2009	<u>30,581,892</u>
Net OPEB Obligation at June 30, 2010	<u><u>\$44,594,568</u></u>
Percentage of annual OPEB cost contributed	<u><u>22%</u></u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2009, amounted to \$180.1 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.

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

A. Risk Coverage

General Liability

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 14 - RISK MANAGEMENT (Continued)

General Liability

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA). General liability claims are covered up to \$40,000,000 with a self-insured retention or deductible of \$500,000. The City's premium was \$475,353. The City received \$7,847 from CJPRMA as a redistribution of a workers' compensation fund that is no longer an option to its members. 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.

Property

Property damage is covered up to \$5,000,000 with a self-insured retention or deductible of \$25,000. The City's premium was \$235,704 (coverage limit of \$300,000,000).

Boiler and Machinery

Boiler and machinery damage is covered up to \$21,250,000 with a self-insured retention or deductible of \$5,000. The annual premium paid was \$32,924.

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

Workers' Compensation

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

Workers' compensation claims are covered up to \$5,000,000 and provides additional coverage up to statutory limit. The City has a self-insured retention of up to \$350,000 per claim. During the fiscal year ended June 30, 2010, the City contributed \$546,752 for current year coverage plus \$11,330 towards a 1996-97 assessment and \$14,267 towards a 1997-98 assessment for a grand total of \$572,349.

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

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

B. Insurance Internal Service Funds

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 14 - RISK MANAGEMENT (Continued)

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:

	2010	2009
Claims liability, beginning of year	\$4,877,000	\$4,845,000
Current year claims	2,000,000	1,400,000
Change in prior year claims	(1,075,000)	(898,000)
Claims paid, current year claims	(384,000)	(202,000)
Claims paid, prior year claims	(16,000)	(268,000)
Claims liability, end of year	<u>\$5,402,000</u>	<u>\$4,877,000</u>
Current claims liabilities	<u>\$435,000</u>	<u>\$513,500</u>

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:

	2010	2009
Claims liability, beginning of year	\$1,751,000	\$1,449,000
Current year claims	830,000	900,000
Change in prior year claims	(908,000)	(252,000)
Claims paid, current year claims	(59,000)	(133,000)
Claims paid, prior year claims	(112,000)	(213,000)
Claims liability, end of year	<u>\$1,502,000</u>	<u>\$1,751,000</u>
Current claims liabilities	<u>\$258,500</u>	<u>\$635,500</u>

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 2010 was \$953,409.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 16 - NORTHERN CALIFORNIA POWER AGENCY (NCPA)

A. General

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

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

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

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, 2010, the City incurred expenses totaling \$17,146,849 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, 2010</u>
General Operating Reserve (including advances)	\$2,043,031
Associated Member Services (including advances)	269,615
Purchased Power and Transmission	544,816
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	1,064,892
Calaveras Hydroelectric Project	626,861
Combustion Turbine Project No. 1	809,049
Geothermal Public Power Line	
Combustion Turbine Project No. 2	<u>1,253,228</u>
	<u><u>\$6,611,492</u></u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

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

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.

B. Projects

Geothermal Projects

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

NCPA's Geothermal Project has experienced a greater than originally anticipated decline in steam production from geothermal wells on its leasehold property. NCPA 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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

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

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, 2010, the book value of this Project's plant, equipment and other assets was \$112,318,252 while its long-term debt totaled \$63,885,366 and other liabilities totaled \$48,432,885. The City's share of the Project's long-term debt amounted to \$5,304,860 at that date.

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of NCPA main office building located in Roseville. The expansion is included as part of the Geothermal Projects funded by the bonds mentioned above. The City will recover its 7.883% share of the cost of the expansion which was \$204,958, with a 5% return on the investment over a ten year period. As of June 30, 2010, the City was owed \$120,236.

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, 2010, the book value of this Project's plant, equipment and other assets was \$515,036,948 while its long-term debt totaled \$470,643,074 and other liabilities totaled \$44,393,874. The City's share of the Project's long-term debt amounted to \$56,477,169 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, 2010, the book value of this Project's plant, equipment and other assets was \$7,941,041 while its long-term debt totaled \$4,060,000 and other liabilities totaled \$3,881,041. The City's share of the Project's long-term debt amounted to \$551,510 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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements

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

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, 2010, the book value of this Project's plant, equipment and other assets was \$884,772 while its long-term debt totaled \$875,500 and other liabilities totaled \$9,772. The City's share of the Project's long-term debt amounted to \$124,107 at that date.

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, 2010, the book value of this Project's plant, equipment and other assets was \$63,208,121, while its long-term debt totaled \$57,636,174 and other liabilities totaled \$5,571,947. The City's share of the Project's long-term debt amounted to \$21,037,204 at that date.

C. *NCPA Financial Information*

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements

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.

During the year ended June 30, 2010, the City paid \$6,101,353 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, 2010, was \$89,401,976.

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 2010, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$3,293,026
Deductions	<u>(137,447)</u>
Ending Balance	<u><u>\$3,155,579</u></u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements

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, 2010, was \$84,296,614. 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.

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 155,000 MWh of energy per year under average hydro and storage conditions.

Other Commitments

The City had the following outstanding significant commitments at June 30, 2010:

Projects	Amounts (in millions)
Dry Creek WWTP Influent Pump Station	\$9.0
Dry Creek WWTP Levee Relocation Project	3.6
Pleasant Grove WWTP UV Disinfection Project	5.2
Enterprise Asset Management	3.7
REP long-term service agreement	22.4
Natural Gas Forward Obligations	159.2
Electric Forward Obligations	10.2

CITY OF ROSEVILLE
Notes to Basic Financial Statements

NOTE 20 – GAS SUPPLY ACQUISITION AND RESALE

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

A. *Prepaid Gas Agreement*

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

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

As of June 30, 2010, prepaid gas under this agreement amounted to \$210,056,251.

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, 2010.

<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>

C. *Supply Agreement*

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

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

D. *Commodity Swap Agreement*

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

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

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

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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 \$4,241,928 in fiscal 2011. 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		
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	6,044,401
10/11	-	-	4,241,928	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 7.8. This rating allows for minor cracking and revealing of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$6,044,401 for street preservation in fiscal 2010.

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 \$4,651,367 in fiscal 2011. 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
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	4,154,376
10/11	-	4,651,367	N/A

The City's policy based on current funding is to maintain parks and landscape at an average Ground Management Index (GMI) of Level 3. This rating allows for moderate maintenance and is the recommended level for most organizations. The City expended \$4,154,376 for maintenance for fiscal 2010

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.

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

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

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

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

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

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

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

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

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

Traffic Mitigation Fund. To account for revenues and 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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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.

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	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	\$6,452,417	\$5,514,973	\$490,883	\$373,469	
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	265,016				
Accrued interest	13,146	929,283	20,058	987	
Due from other government agencies		303,625			\$129,069
Due from other funds					
Advances to other funds		3,900,000			
Deferred receivables					
Notes receivables			39,888		
Inventories					
Total Assets	<u>\$6,730,579</u>	<u>\$10,647,881</u>	<u>\$550,829</u>	<u>\$374,456</u>	<u>\$129,069</u>
LIABILITIES					
Accounts payable	\$246,686	\$156,705		\$16,444	\$3,153
Accrued liabilities					
Due to other funds					125,916
Due to other government agencies					
Advances from other funds					
Deposits					
Deferred revenue		686,605	\$12,896		
Deferred liabilities					
Total Liabilities	<u>246,686</u>	<u>843,310</u>	<u>12,896</u>	<u>16,444</u>	<u>129,069</u>
FUND BALANCES					
Reserved for:					
Advances		3,900,000			
Deferred receivables and notes receivable			26,992		
Debt service					
Encumbrances		3,116,965	110,000		
Unreserved:					
Designated for carryover of capital improvement projects					
Undesignated	<u>6,483,893</u>	<u>2,787,606</u>	<u>400,941</u>	<u>358,012</u>	
TOTAL FUND BALANCES	<u>6,483,893</u>	<u>9,804,571</u>	<u>537,933</u>	<u>358,012</u>	
Total Liabilities and Fund Balances	<u>\$6,730,579</u>	<u>\$10,647,881</u>	<u>\$550,829</u>	<u>\$374,456</u>	<u>\$129,069</u>

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>
	\$74,438	\$142,934	\$6,762,504	\$11,436,540	\$86,696	\$18,986,912	\$7,302,057
	200	504	100,686 19,406 363,419	32,157	115	115,248 255,791	19,264
			251,590	405,653		1,235,399	35,181
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u>\$74,638</u>	<u>\$143,438</u>	<u>\$7,497,605</u>	<u>\$11,874,350</u>	<u>\$86,811</u>	<u>\$20,593,350</u>	<u>\$7,356,502</u>
		\$13,828	\$171,418	\$197,236	\$602 7,855	\$311,326	
		116,278	74,430			599,745 261,103	\$35,181
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u>130,106</u>	<u>245,848</u>	<u>197,236</u>	<u>8,457</u>	<u>1,172,174</u>	<u>35,181</u>
			177,160			635,654	
			28,079	365,737	4,038	2,067,060	14,220
<u> </u>	<u>\$74,638</u>	<u>13,332</u>	<u>7,046,518</u>	<u>11,311,377</u>	<u>74,316</u>	<u>16,718,462</u>	<u>7,307,101</u>
<u> </u>	<u>74,638</u>	<u>13,332</u>	<u>7,251,757</u>	<u>11,677,114</u>	<u>78,354</u>	<u>19,421,176</u>	<u>7,321,321</u>
<u> </u>	<u>\$74,638</u>	<u>\$143,438</u>	<u>\$7,497,605</u>	<u>\$11,874,350</u>	<u>\$86,811</u>	<u>\$20,593,350</u>	<u>\$7,356,502</u>

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	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	\$4,172,623	\$130,210	\$6,405	\$780,686	\$4,532,252
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts			48		2,115
Accrued interest	11,792	417			129,725
Due from other government agencies			252,593	44,287	132,885
Due from other funds					50,000
Advances to other funds					
Deferred receivables		7,176			
Notes receivables			13,234,318		3,960,126
Inventories					
Total Assets	\$4,184,415	\$137,803	\$13,493,364	\$824,973	\$8,807,103
LIABILITIES					
Accounts payable	\$10,283		\$26,968	\$15,148	
Accrued liabilities			3,478	78,725	\$771
Due to other funds			207,529		
Due to other government agencies			13,234,318		
Advances from other funds					
Deposits					
Deferred revenue					3,944,674
Deferred liabilities					1,500,000
	10,283		13,472,293	93,873	5,445,445
FUND BALANCES					
Reserved for:					
Advances					
Deferred receivables and notes receivable					15,452
Debt service					
Encumbrances	256,771	\$15,385	16,430		261,000
Unreserved:					
Designated for carryover of capital improvement projects					
Undesignated	3,917,361	122,418	4,641	731,100	3,085,206
TOTAL FUND BALANCES	4,174,132	137,803	21,071	731,100	3,361,658
Total Liabilities and Fund Balances	\$4,184,415	\$137,803	\$13,493,364	\$824,973	\$8,807,103

SPECIAL REVENUE FUNDS

Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal
\$29,441	\$45,643	\$270,427	\$243,161	\$460,914	\$222,447	\$2,545,848
64	31	516	624	1,218	519	6,805 7,288 333,484
						6,860
						512,109
<u>\$29,505</u>	<u>\$45,674</u>	<u>\$270,943</u>	<u>\$243,785</u>	<u>\$462,132</u>	<u>\$222,966</u>	<u>\$3,412,394</u>
	\$6		\$13,541		\$3,767 10,733	\$34,669 28,170
	6		13,541		14,500	62,839
						6,860
	424		59		32,399	695
<u>29,505</u>	<u>45,244</u>	<u>270,943</u>	<u>230,185</u>	<u>462,132</u>	<u>176,067</u>	<u>3,342,000</u>
<u>29,505</u>	<u>45,668</u>	<u>270,943</u>	<u>230,244</u>	<u>462,132</u>	<u>208,466</u>	<u>3,349,555</u>
<u>\$29,505</u>	<u>\$45,674</u>	<u>\$270,943</u>	<u>\$243,785</u>	<u>\$462,132</u>	<u>\$222,966</u>	<u>\$3,412,394</u>

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	SPECIAL SERVICE FUNDS			DEBT SERVICE FUND
	South Placer Animal Control Shelter	Bike Trail/ Open Space Maintenance	Traffic Mitigation	Roseville Finance Authority
ASSETS				
Cash and investments in City Treasury	\$243,860	\$918,772	\$16,009,485	\$146,142
Restricted cash and investments with fiscal agents				1,389,966
Receivables:				
Accounts			75,539	
Accrued interest	481	2,243	41,123	28,220
Due from other government agencies			1,812,668	
Due from other funds				
Advances to other funds				
Deferred receivables	30,030		927,419	
Notes receivables				
Inventories				
Total Assets	<u>\$274,371</u>	<u>\$921,015</u>	<u>\$18,866,234</u>	<u>\$1,564,328</u>
LIABILITIES				
Accounts payable		\$31,249	\$1,546,747	
Accrued liabilities				\$26,115
Due to other funds			200,000	
Due to other government agencies				
Advances from other funds			4,300,000	
Deposits				
Deferred revenue			118,816	
Deferred liabilities			520	
Total Liabilities		<u>31,249</u>	<u>6,166,083</u>	<u>26,115</u>
FUND EQUITY				
Reserved for:				
Advances				
Deferred receivables and notes receivable	\$30,030		808,603	
Debt service				1,538,213
Encumbrances		38,953	1,132,009	
Unreserved:				
Designated for carryover of capital improvement projects				
Undesignated	244,341	850,813	10,759,539	
TOTAL FUND BALANCES	<u>274,371</u>	<u>889,766</u>	<u>12,700,151</u>	<u>1,538,213</u>
Total Liabilities and Fund Balances	<u>\$274,371</u>	<u>\$921,015</u>	<u>\$18,866,234</u>	<u>\$1,564,328</u>

CAPITAL PROJECTS FUNDS		PERMANENT FUNDS		
Building	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	Total Nonmajor Governmental Funds
\$1,956,060	\$15,298,522	\$627,363	\$18,245,858	\$124,509,942 1,389,966
				450,209
2,289	41,764	545	102,452	1,521,679
				3,627,821
				50,000
				3,900,000
				2,899,308
				17,234,332
				512,109
<u>\$1,958,349</u>	<u>\$15,340,286</u>	<u>\$627,908</u>	<u>\$18,348,310</u>	<u>\$156,095,366</u>
\$255,571	\$55,900			\$3,111,247
		\$22,933		155,847
				556,378
				13,234,318
				4,300,000
		600,000		600,000
				5,588,625
				1,761,623
<u>255,571</u>	<u>55,900</u>	<u>622,933</u>		<u>29,308,038</u>
				3,900,000
				1,700,751
				1,538,213
424,153	20,825			7,905,202
1,278,625	15,263,561			16,542,186
		4,975	\$18,348,310	95,200,976
<u>1,702,778</u>	<u>15,284,386</u>	<u>4,975</u>	<u>18,348,310</u>	<u>126,787,328</u>
<u>\$1,958,349</u>	<u>\$15,340,286</u>	<u>\$627,908</u>	<u>\$18,348,310</u>	<u>\$156,095,366</u>

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
REVENUES					
Taxes	\$5,631,449				
Charges for services					\$15,847
Subventions and grants	(9,573)	\$4,603,449		\$94,761	
Use of money and property	116,335	76,546	\$9,765	29,934	
Fines, forfeitures and penalties					\$973,637
Contributions from developers					
Miscellaneous revenues	19,548	846,535	12,104	20,575	
Total Revenues	5,757,759	5,526,530	21,869	145,270	989,484
EXPENDITURES					
Current:					
General government					
Community development and planning					
Public works					
Public safety:					
Fire					
Police					
Library				163,203	
Parks and recreation	3,653,266				
Housing assistance payments					
Capital outlay		4,734,692			
Debt service:					
Principal retirement					
Interest and fiscal charges	137,584				
Total Expenditures	3,790,850	4,734,692		163,203	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,966,909	791,838	21,869	(17,933)	989,484
OTHER FINANCING SOURCES (USES)					
Transfers in		1,735,842			
Transfers (out)	(1,464,495)	(1,808,694)	(92,970)	(2,670)	(989,484)
Total Other Financing Sources (Uses)	(1,464,495)	(72,852)	(92,970)	(2,670)	(989,484)
Net change in fund balances	502,414	718,986	(71,101)	(20,603)	
Fund balances at the beginning of the period	5,981,479	9,085,585	609,034	378,615	
Fund balances at the end of period	\$6,483,893	\$9,804,571	\$537,933	\$358,012	

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Utility Exploration Center	Park Development	Pleasant Grove Drain Basin
			\$700,623				
		\$100,590	464,105	\$1,674,024	\$17,823	\$2,840,420	\$276,759
	\$1,700	4,086	164,367	329,348		361,597	
				267,687	981	393,609	207,683
			49,500		16,319	113,620	30,000
	1,700	104,676	1,378,595	2,271,059	35,123	3,709,246	514,442
							81,836
					322,857		
						20,227	
			1,315,576	881,846	10,070	1,581,772	48,252
			165,027				
			62,924			2,901	
			1,543,527	881,846	332,927	1,604,900	130,088
	1,700	104,676	(164,932)	1,389,213	(297,804)	2,104,346	384,354
	(40)	(136,744)	(53,148)	312,204	348,977	398,127	
				(1,823,178)	(16,050)	(2,887,466)	(7,900)
	(40)	(136,744)	(53,148)	(1,510,974)	332,927	(2,489,339)	(7,900)
	1,660	(32,068)	(218,080)	(121,761)	35,123	(384,993)	376,454
	72,978	45,400	7,469,837	11,798,875	43,231	19,806,169	6,944,867
	\$74,638	\$13,332	\$7,251,757	\$11,677,114	\$78,354	\$19,421,176	\$7,321,321

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
REVENUES					
Taxes					
Charges for services	\$16,169	\$45,601			
Subventions and grants			\$4,542,679	\$3,998,736	
Use of money and property	98,771	3,732	2	75	\$112,186
Fines, forfeitures and penalties					116,909
Contributions from developers					239,244
Miscellaneous revenues			605,365	36,787	
Total Revenues	114,940	49,333	5,148,046	4,035,598	468,339
EXPENDITURES					
Current:					
General government	91,034				
Community development and planning			4,924,800	465,296	196,409
Public works		89,523			
Public safety:					
Fire					
Police					
Library					
Parks and recreation					
Housing assistance payments				3,628,510	
Capital outlay	374,123	3,715			
Debt service:					
Principal retirement					
Interest and fiscal charges					
Total Expenditures	465,157	93,238	4,924,800	4,093,806	196,409
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(350,217)	(43,905)	223,246	(58,208)	271,930
OTHER FINANCING SOURCES (USES)					
Transfers in			75,503		
Transfers (out)	(5,400)	(24,640)	(95,000)	(67,230)	(20,210)
Total Other Financing Sources (Uses)	(5,400)	(24,640)	(19,497)	(67,230)	(20,210)
Net change in fund balances	(355,617)	(68,545)	203,749	(125,438)	251,720
Fund balances at the beginning of the period	4,529,749	206,348	(182,678)	856,538	3,109,938
Fund balances at the end of period	\$4,174,132	\$137,803	\$21,071	\$731,100	\$3,361,658

SPECIAL REVENUE FUNDS

Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	South Placer Animal Control Shelter
	\$1,523			\$44,670		\$7,280	\$117,979
\$537 15,126	52	\$3,943	\$5,557	\$9,966	4,021	56,771	4,215
15,060	45,164	287,000	45,230			45,052 62,034	
30,723	46,739	290,943	50,787	54,636	4,021	171,137	122,194
	994				477,623	1,376,618	5,866
16,614			22,493				
		20,000					
			13,541			170,356	
16,614	994	20,000	36,034		477,623	1,546,974	5,866
14,109	45,745	270,943	14,753	54,636	(473,602)	(1,375,837)	116,328
				(19,752)	491,557 (17,950)	1,622,790 (185,515)	(1,699)
				(19,752)	473,607	1,437,275	(1,699)
14,109	45,745	270,943	14,753	34,884	5	61,438	114,629
15,396	(77)		215,491	427,248	208,461	3,288,117	159,742
\$29,505	\$45,668	\$270,943	\$230,244	\$462,132	\$208,466	\$3,349,555	\$274,371

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	
	Bike Trail/ Open Space Maintenance	Traffic Mitigation	Roseville Finance Authority	Building	General Capital Improvement Projects Rehabilitation
REVENUES					
Taxes					
Charges for services		\$2,517,882			
Subventions and grants		3,509,946		\$1,039,022	
Use of money and property	\$18,080	298,507	\$4,552,299	\$18,582	\$354,866
Fines, forfeitures and penalties					
Contributions from developers					
Miscellaneous revenues	36,671	8,203			
Total Revenues	54,751	6,334,538	4,552,299	1,057,604	354,866
EXPENDITURES					
Current:					
General government					
Community development and planning					
Public works					
Public safety:					
Fire					
Police					
Library					
Parks and recreation	287,194				28,267
Housing assistance payments					
Capital outlay	1,139	6,876,901		6,280,799	448,366
Debt service:					
Principal retirement			660,000		
Interest and fiscal charges			4,592,365		
Total Expenditures	288,333	6,876,901	5,252,365	6,280,799	476,633
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(233,582)	(542,363)	(700,066)	(5,223,195)	(121,767)
OTHER FINANCING SOURCES (USES)					
Transfers in	441,072	13,000	681,907	4,676,411	36,895
Transfers (out)		(218,052)		(18,600)	(455,333)
Total Other Financing Sources (Uses)	441,072	(205,052)	681,907	4,657,811	(418,438)
Net change in fund balances	207,490	(747,415)	(18,159)	(565,384)	(540,205)
Fund balances at the beginning of the period	682,276	13,447,566	1,556,372	2,268,162	15,824,591
Fund balances at the end of period	\$889,766	\$12,700,151	\$1,538,213	\$1,702,778	\$15,284,386

PERMANENT FUNDS		
Roseville Aquatics Complex Maintenance	Citizens' Benefit	Total Nonmajor Governmental Funds
		\$6,332,072
		7,575,977
		19,034,660
(\$3,120)	\$807,796	7,619,531
		988,763
		161,961
	85,555	2,574,514
(3,120)	893,351	44,287,478
	603,148	695,176
		6,151,830
		1,788,998
		16,614
		22,493
		183,203
		3,988,954
		3,628,510
		22,741,148
		825,027
		4,795,774
	603,148	44,837,727
(3,120)	290,203	(550,249)
		10,834,285
		(10,412,220)
		422,065
(3,120)	290,203	(128,184)
8,095	18,058,107	126,915,512
\$4,975	\$18,348,310	\$126,787,328

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, 2010

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$5,617,398	\$5,631,449	\$14,051			
Charges for services						
Subventions and grants		(9,573)	(9,573)	\$4,576,863	\$4,603,449	\$26,586
Use of money and property	101,240	116,335	15,095	70,159	76,546	6,387
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	2,773	19,548	16,775	3,772,710	846,535	(2,926,175)
Total Revenues	5,721,411	5,757,759	36,348	8,419,732	5,526,530	(2,893,202)
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	3,995,111	3,653,266	341,845			
Housing assistance payments						
Capital outlay				11,913,752	4,734,692	7,179,060
Debt service:						
Principal retirement						
Interest and fiscal charges	139,610	137,584	2,026			
Total Expenditures	4,134,721	3,790,850	343,871	11,913,752	4,734,692	7,179,060
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,586,690	1,966,909	380,219	(3,494,020)	791,838	4,285,858
OTHER FINANCING SOURCES (USES)						
Transfers in				5,577,220	1,735,842	(3,841,378)
Transfers (out)	(1,417,542)	(1,464,495)	(46,953)	(4,886,857)	(1,808,694)	3,078,163
Total Other Financing Sources (Uses)	(1,417,542)	(1,464,495)	(46,953)	690,363	(72,852)	(763,215)
NET CHANGE IN FUND BALANCES	\$169,148	502,414	\$333,266	(\$2,803,657)	718,986	\$3,522,643
Fund balances at beginning of year		5,981,479			9,085,585	
Fund balances at end of year		\$6,483,893			\$9,804,571	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
							\$15,847	\$15,847
\$10,716	\$9,765	(\$951)	\$50,000 39,680	\$94,761 29,934	\$44,761 (9,746)			
						\$948,850	973,637	24,787
	12,104	12,104	19,765	20,575	810			
10,716	21,869	11,153	109,445	145,270	35,825	948,850	989,484	40,634
110,000			110,000					
			168,765	163,203	5,562			
110,000		110,000	168,765	163,203	5,562			
(99,284)	21,869	121,153	(59,320)	(17,933)	41,387	948,850	989,484	40,634
(92,970)	(92,970)		(2,670)	(2,670)		(948,850)	(989,484)	(40,634)
(92,970)	(92,970)		(2,670)	(2,670)		(948,850)	(989,484)	(40,634)
(\$192,254)	(71,101)	\$121,153	(\$61,990)	(20,603)	\$41,387			
	609,034			378,615				
	\$537,933			\$358,012				

(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, 2010

	FEMA			TRENCH CUT RECOVERY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services				\$1,000		(\$1,000)
Subventions and grants						
Use of money and property				1,479	\$1,700	221
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues						
Total Revenues				2,479	1,700	(779)
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				2,479	1,700	(779)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(40)	(40)	
Total Other Financing Sources (Uses)				(40)	(40)	
NET CHANGE IN FUND BALANCES				\$2,439	1,660	(\$779)
Fund balances at beginning of year					72,978	
Fund balances at end of year					\$74,638	

LAW ENFORCEMENT BLOCK GRANTS			FIRE FACILITIES			PUBLIC FACILITIES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$450,000	\$700,623	\$250,623			
\$100,000	\$100,590	\$590	590,800	464,105	(126,695)	\$1,770,000	\$1,674,024	(\$95,976)
4,491	4,086	(405)	145,933	164,367	18,434	219,481	329,348	329,348
							267,687	48,206
				49,500	49,500			
104,491	104,676	185	1,186,733	1,378,595	191,862	1,989,481	2,271,059	281,578
			1,398,713	1,315,576	83,137	2,009,152	881,846	1,127,306
			165,027	165,027				
			78,621	62,924	15,697			
			1,642,361	1,543,527	98,834	2,009,152	881,846	1,127,306
104,491	104,676	185	(455,628)	(164,932)	290,696	(19,671)	1,389,213	1,408,884
(160,000)	(136,744)	23,256	(5,245,485)	(53,148)	5,192,337	427,200	312,204	(114,996)
						(7,407,539)	(1,823,178)	5,584,361
(160,000)	(136,744)	23,256	(5,245,485)	(53,148)	5,192,337	(6,980,339)	(1,510,974)	5,469,365
(\$55,509)	(32,068)	\$23,441	(\$5,701,113)	(218,080)	\$5,483,033	(\$7,000,010)	(121,761)	\$6,878,249
	45,400			7,469,837			11,798,875	
	\$13,332			\$7,251,757			\$11,677,114	

(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, 2010

	UTILITY EXPLORATION CENTER			PARK DEVELOPMENT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services	\$12,000	\$17,823	\$5,823	\$1,938,220	\$2,840,420	\$902,200
Subventions and grants				284,000	361,597	77,597
Use of money and property	244	981	737	382,266	393,609	11,343
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	15,000	16,319	1,319	205,000	113,620	(91,380)
Total Revenues	27,244	35,123	7,879	2,809,486	3,709,246	899,760
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	293,363	288,646	4,717			
Operating services and supplies	51,428	34,211	17,217			
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies				50,500	20,227	30,273
Housing assistance payments						
Capital outlay	100,000	10,070	89,930	5,981,428	1,581,772	4,399,656
Debt service:						
Principal retirement					2,901	(2,901)
Interest and fiscal charges						
Total Expenditures	444,791	332,927	111,864	6,031,928	1,604,900	4,427,028
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(417,547)	(297,804)	119,743	(3,222,442)	2,104,346	5,326,788
OTHER FINANCING SOURCES (USES)						
Transfers in	431,988	348,977	(83,011)	1,957,157	398,127	(1,559,030)
Transfers (out)	(16,050)	(16,050)		(4,418,016)	(2,887,466)	1,530,550
Total Other Financing Sources (Uses)	415,938	332,927	(83,011)	(2,460,859)	(2,489,339)	(28,480)
NET CHANGE IN FUND BALANCES	(\$1,609)	35,123	\$36,732	(\$5,683,301)	(384,993)	\$5,298,308
Fund balances at beginning of year		43,231			19,806,169	
Fund balances at end of year		\$78,354			\$19,421,176	

PLEASANT GROVE DRAIN BASIN			TREE PROPAGATION			AIR QUALITY MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$250,000	\$276,759	\$26,759	\$37,500	\$16,169	(\$21,331)	\$20,000	\$45,601	\$25,601
156,935	207,683	50,748	91,281	98,771	7,490	3,787	3,732	(55)
	30,000	30,000						
406,935	514,442	107,507	128,781	114,940	(13,841)	23,787	49,333	25,546
			90,964	91,034				
	81,836	(81,836)						
						110,000	89,523	20,477
1,068,424	48,252	1,020,172	1,270,150	374,123	896,027		3,715	(3,715)
1,068,424	130,088	938,336	1,361,114	465,157	896,027	110,000	93,238	16,762
(661,489)	384,354	1,045,843	(1,232,333)	(350,217)	882,116	(86,213)	(43,905)	42,308
(7,900)	(7,900)		(5,400)	(5,400)		(24,640)	(24,640)	
(7,900)	(7,900)		(5,400)	(5,400)		(24,640)	(24,640)	
(\$669,389)	376,454	\$1,045,843	(\$1,237,733)	(355,617)	\$882,116	(\$110,853)	(68,545)	\$42,308
	6,944,867			4,529,749			206,348	
	\$7,321,321			\$4,174,132			\$137,803	

(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, 2010

	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	\$5,102,882	\$4,542,679	(\$560,203)	\$3,747,688	\$3,998,736	\$251,048
Use of money and property	6,251	2	(6,249)	4,500	75	(4,425)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	1,204,031	605,365	(598,666)	34,000	36,787	2,787
Total Revenues	6,313,164	5,148,046	(1,165,118)	3,786,188	4,035,598	249,410
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	1,000,000	312,200	687,800			
Housing						
Salaries and benefits	116,250	116,187	63	397,324	356,314	41,010
Operating services and supplies	5,481,860	4,496,413	985,447	82,830	108,982	(26,152)
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments				3,549,765	3,628,510	(78,745)
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	6,598,110	4,924,800	1,673,310	4,029,919	4,093,806	(63,887)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(284,946)	223,246	508,192	(243,731)	(58,208)	185,523
OTHER FINANCING SOURCES (USES)						
Transfers in	200,000	75,503	(124,497)			
Transfers (out)	(95,000)	(95,000)		(67,230)	(67,230)	
Total Other Financing Sources (Uses)	105,000	(19,497)	(124,497)	(67,230)	(67,230)	
NET CHANGE IN FUND BALANCES	(\$179,946)	203,749	\$383,695	(\$310,961)	(125,438)	\$185,523
Fund balances at beginning of year		(182,678)			856,538	
Fund balances at end of year		\$21,071			\$731,100	

(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, 2010

	MISCELLANEOUS LIBRARY			MISCELLANEOUS POLICE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services						
Subventions and grants						
Use of money and property	\$1,220	\$3,943	\$2,723	\$4,607	\$5,557	\$950
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues	287,000	287,000		27,730	45,230	17,500
Total Revenues	288,220	290,943	2,723	32,337	50,787	18,450
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies				27,191	22,493	4,698
Library						
Operating services and supplies	20,000	20,000				
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay				13,500	13,541	(41)
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	20,000	20,000		40,691	36,034	4,657
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	268,220	270,943	2,723	(8,354)	14,753	23,107
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	\$268,220	270,943	\$2,723	(\$8,354)	14,753	\$23,107
Fund balances at beginning of year					215,491	
Fund balances at end of year		\$270,943			\$230,244	

MISCELLANEOUS PARK			BIKE TRAIL/OPEN SPACE MAINTENANCE			TRAFFIC MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$50,000	\$44,670	(\$5,330)				\$1,900,000	\$2,517,882	\$617,882
8,762	9,966	1,204	\$13,590	\$18,080	\$4,490	4,367,967	3,509,946	(858,021)
						320,210	298,507	(21,703)
				36,671	36,671	2,075,615	8,203	(2,067,412)
58,762	54,636	(4,126)	13,590	54,751	41,161	8,663,792	6,334,538	(2,329,254)
			481,131	287,194				
				1,139	(1,139)	22,527,605	6,876,901	15,650,704
			481,131	288,333	(1,139)	22,527,605	6,876,901	15,650,704
58,762	54,636	(4,126)	(467,541)	(233,582)	233,959	(13,863,813)	(542,363)	13,321,450
(170,000)	(19,752)	150,248	477,062	441,072	(35,990)	13,000	13,000	
						(1,434,153)	(218,052)	1,216,101
(170,000)	(19,752)	150,248	477,062	441,072	(35,990)	(1,421,153)	(205,052)	1,216,101
(\$111,238)	34,884	\$146,122	\$9,521	207,490	\$197,969	(\$15,284,966)	(747,415)	\$14,537,551
	427,248			682,276			13,447,566	
	\$462,132			\$889,766			\$12,700,151	

(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, 2010

	STORM WATER MANAGEMENT			TRAFFIC SIGNAL		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services				\$6,500	\$7,280	\$780
Subventions and grants						
Use of money and property	\$2,584	4,021	1,437	56,471	56,771	300
Fines, forfeitures and penalties	500		(500)			
Contributions from developers				35,000	45,052	10,052
Miscellaneous revenues				2,000	62,034	60,034
Total Revenues	3,084	4,021	937	99,971	171,137	71,166
EXPENDITURES						
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits	364,585	364,205				
Operating services and supplies	207,187	113,418	93,769			
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits				973,831	934,399	39,432
Operating services and supplies				427,568	442,219	(14,651)
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies						
Housing assistance payments						
Capital outlay				322,061	170,356	151,705
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	571,772	477,623	93,769	1,723,460	1,546,974	176,486
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(568,688)	(473,602)	95,086	(1,623,489)	(1,375,837)	247,652
OTHER FINANCING SOURCES (USES)						
Transfers in	631,415	491,557	(139,858)	1,622,791	1,622,790	(1)
Transfers (out)	(17,950)	(17,950)		(231,706)	(185,515)	46,191
Total Other Financing Sources (Uses)	613,465	473,607	(139,858)	1,391,085	1,437,275	46,190
NET CHANGE IN FUND BALANCES	\$44,777	5	(\$44,772)	(\$232,404)	61,438	\$293,842
Fund balances at beginning of year		208,461			3,288,117	
Fund balances at end of year		\$208,466			\$3,349,555	

SOUTH PLACER ANIMAL CONTROL SHELTER			ROSEVILLE FINANCE AUTHORITY			BUILDING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$85,000	\$117,979	\$32,979						
2,732	4,215	1,483	\$8,862,428	\$4,552,299	(\$4,310,129)	\$39,321	\$1,039,022 18,582	\$1,039,022 (20,739)
87,732	122,194	34,462	8,862,428	4,552,299	(4,310,129)	39,321	1,057,604	1,018,283
10,200	5,866	4,334						
						20,180,318	6,280,799	13,899,519
			3,350,000	660,000	2,690,000			
			5,512,428	4,592,365	920,063			
10,200	5,866	4,334	8,862,428	5,252,365	3,610,063	20,180,318	6,280,799	13,899,519
77,532	116,328	38,796		(700,066)	(700,066)	(20,140,997)	(5,223,195)	14,917,802
(120,000)	(1,699)	118,301		681,907	681,907	17,221,063 (18,600)	4,676,411 (18,600)	(12,544,652)
(120,000)	(1,699)	118,301		681,907	681,907	17,202,463	4,657,811	(12,544,652)
(\$42,468)	114,629	\$157,097		(18,159)	(\$18,159)	(\$2,938,534)	(565,384)	\$2,373,150
	159,742			1,556,372			2,268,162	
	\$274,371			\$1,538,213			\$1,702,778	

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, 2010

	GENERAL CAPITAL IMPROVEMENT PROJECTS REHABILITATION			ROSEVILLE AQUATICS COMPLEX MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Taxes						
Charges for services						
Subventions and grants						
Use of money and property	\$319,285	\$354,866	\$35,581		(\$3,120)	(\$3,120)
Fines, forfeitures and penalties						
Contributions from developers						
Miscellaneous revenues						
Total Revenues	319,285	354,866	35,581		(3,120)	(3,120)
Current:						
General government						
Council						
Operating services and supplies						
Central services						
Operating services and supplies						
Community development and planning						
Community services						
Salaries and benefits						
Operating services and supplies						
Housing						
Salaries and benefits						
Operating services and supplies						
Public works						
Salaries and benefits						
Operating services and supplies						
Public safety						
Fire						
Operating services and supplies						
Police						
Operating services and supplies						
Library						
Operating services and supplies						
Parks and recreation						
Operating services and supplies	28,500	28,267	233			
Housing assistance payments						
Capital outlay	1,020,390	448,366	572,024			
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures	1,048,890	476,633	572,257			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(729,605)	(121,767)	607,838		(3,120)	(3,120)
OTHER FINANCING SOURCES (USES)						
Transfers in	36,895	36,895				
Transfers (out)	(3,487,262)	(455,333)	3,031,929			
Total Other Financing Sources (Uses)	(3,450,367)	(418,438)	3,031,929			
NET CHANGE IN FUND BALANCES	(\$4,179,972)	(540,205)	\$3,639,767		(3,120)	(\$3,120)
Fund balances at beginning of year		15,824,591			8,095	
Fund balances at end of year		\$15,284,386			\$4,975	

CITIZENS' BENEFIT		
Budget	Actual	Variance Positive (Negative)
\$600,000	\$807,796	\$207,796
100,000	85,555	(14,445)
700,000	893,351	193,351

629,162	603,148	26,014
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629,162	603,148	26,014
70,838	290,203	219,365

\$70,838	290,203	\$219,365
	18,058,107	
	\$18,348,310	

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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, 2010

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
ASSETS				
Current Assets				
Cash and investments in City Treasury		\$28,080,141	\$12,680,817	\$6,672,225
Receivables:				
Accounts	\$2,063		13,912	13,000
Accrued interest		1,114,350	34,593	17,347
Due from other government agencies	11,977		9,956	
Due from other funds		187,000		
Inventories	802,741			
Total Current Assets	816,781	29,381,491	12,739,278	6,702,572
Non Current Assets				
Advances to other funds		4,347,201		
Capital assets, net of accumulated depreciation	125,008	13,809,406	12,415	
Total Assets	941,789	47,538,098	12,751,693	6,702,572
LIABILITIES				
Current Liabilities				
Accounts payable	178,038	108,499	1,551	16,198
Accrued liabilities	59,303		2,588	2,514
Due to other funds	128,477			
Self-insurance claims payable			435,000	258,500
Total Current Liabilities	365,818	108,499	439,139	277,212
Long-term Liabilities				
Compensated absences	276,812		33,046	6,805
Net OPEB obligations				
Self-insurance claims payable			4,967,000	1,243,500
Total Liabilities	642,630	108,499	5,439,185	1,527,517
NET ASSETS				
Invested in capital assets	125,008	13,809,406	12,415	
Unrestricted	174,151	33,620,193	7,300,093	5,175,055
Total Net Assets	\$299,159	\$47,429,599	\$7,312,508	\$5,175,055

Unemployment Reserve	Self Insurance Funds				Central Stores	Total
	Vision	Dental	Section 125	Post Retirement		
	\$299,572	\$484,128	\$53,101	\$35,356,750	\$170,135	\$83,796,869
	33		87	91,927		28,975
						1,258,337
						21,933
						187,000
						802,741
	299,605	484,128	53,188	35,448,677	170,135	86,095,855
						4,347,201
						13,946,829
	299,605	484,128	53,188	35,448,677	170,135	104,389,885
	(315)				138,046	442,017
\$369,313						64,405
						497,790
						693,500
369,313	(315)				138,046	1,697,712
						316,663
				44,594,568		44,594,568
						6,210,500
369,313	(315)			44,594,568	138,046	52,819,443
						13,946,829
(369,313)	299,920	484,128	53,188	(9,145,891)	32,089	37,623,613
(\$369,313)	\$299,920	\$484,128	\$53,188	(\$9,145,891)	\$32,089	\$51,570,442

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
OPERATING REVENUES				
Charges for services	\$6,846,196	\$5,020,879		\$950
Other	126,911	95,238	\$1,899,009	1,757,659
Total Operating Revenues	6,973,107	5,116,117	1,899,009	1,758,609
OPERATING EXPENSES				
Operations	5,714,533	5,901	2,457,706	1,596,680
Depreciation and amortization	42,592	4,006,660	3,040	
Claims expense			525,000	126,279
Total Operating Expenses	5,757,125	4,012,561	2,985,746	1,722,959
Operating Income (Loss)	1,215,982	1,103,556	(1,086,737)	35,650
NONOPERATING (EXPENSES)				
Interest and rents revenue	23,007	616,631	292,447	143,511
Subventions and grants	15,304			
Net Nonoperating Revenues (Expenses)	38,311	616,631	292,447	143,511
Income (Loss) Before Transfers	1,254,293	1,720,187	(794,290)	179,161
Transfers in	1	294,590		
Transfers (out)	(981,346)	(290,713)	(210,608)	(195,872)
Change in Net Assets	272,948	1,724,064	(1,004,898)	(16,711)
Net assets (deficit)-beginning	26,211	45,705,535	8,317,406	5,191,766
Net assets-ending	\$299,159	\$47,429,599	\$7,312,508	\$5,175,055

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$11,868,025
\$113,747	\$160,468	\$1,448,029	\$384,829	\$1,044,253		7,030,143
113,747	160,468	1,448,029	384,829	1,044,253		18,898,168
	163,281	159,500		18,405,659		28,503,260
						4,052,292
502,472		1,274,387	374,088			2,802,226
502,472	163,281	1,433,887	374,088	18,405,659		35,357,778
(388,725)	(2,813)	14,142	10,741	(17,361,406)		(16,459,610)
(472)	395	1	1,025	780,076		1,856,621
						15,304
(472)	395	1	1,025	780,076		1,871,925
(389,197)	(2,418)	14,143	11,766	(16,581,330)		(14,587,685)
	291,000	483,000		5,057,408		6,125,999
(1,300)	(1,730)	(14,110)	(3,780)	(28,180)		(1,727,639)
(390,497)	286,852	483,033	7,986	(11,552,102)		(10,189,325)
21,184	13,068	1,095	45,202	2,406,211	\$32,089	61,759,767
(\$369,313)	\$299,920	\$484,128	\$53,188	(\$9,145,891)	\$32,089	\$51,570,442

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$6,871,073	\$5,071,751	(\$7,371)	(\$12,050)
Payments to suppliers	(3,674,743)	(5,901)	(2,358,027)	(1,510,032)
Payments to employees	(2,015,491)		(80,158)	(77,830)
Claims paid				(375,279)
Other receipts (payments)	126,911	95,238	1,899,009	1,757,659
Net cash provided (Used by) operating activities	1,307,750	5,161,088	(546,547)	(217,532)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (decrease) in due to other funds	(352,562)			
(Increase) decrease in advances to other funds		(73,000)		
Contributions				
Subventions and grants	15,304			
Transfers in	1	294,590		
Transfers (out)	(981,346)	(290,713)	(210,608)	(195,872)
Cash Flows from (Used for) Noncapital Financing Activities	(1,318,603)	(69,123)	(210,608)	(195,872)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net		(1,397,196)		
Cash Flows (Used for) Capital and Related Financing Activities		(1,397,196)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rents received	23,007	661,374	335,607	168,807
Cash Flows from Investing Activities	23,007	661,374	335,607	168,807
Net increase (decrease) in cash and cash equivalents	12,154	4,356,143	(421,548)	(244,597)
Cash and investments at beginning of period	(12,154)	23,723,998	13,102,365	6,916,822
Cash and investments at end of period		\$28,080,141	\$12,680,817	\$6,672,225
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$1,215,982	\$1,103,556	(\$1,086,737)	\$35,650
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	42,592	4,006,660	3,040	
Change in assets and liabilities:				
Receivables, net	99,690	50,872	(7,371)	(13,000)
Net OPEB obligations				
Accounts and other payables	(50,514)		544,521	(240,182)
Net cash provided by operating activities	\$1,307,750	\$5,161,088	(\$546,547)	(\$217,532)

Self Insurance Funds						
Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$11,923,403
	(177,441)	(159,500)			(32,159)	(7,917,803)
				(4,402,983)		(6,576,462)
(502,472)		(1,274,387)	(374,088)			(2,526,226)
113,747	160,468	1,448,029	384,829	1,044,253		7,030,143
(388,725)	(16,973)	14,142	10,741	(3,358,730)	(32,159)	1,933,055
369,313						16,751
						(73,000)
	291,000	483,000		5,057,408		15,304
(1,300)	(1,730)	(14,110)	(3,780)	(28,180)		6,125,999
368,013	289,270	468,890	(3,780)	5,029,228		(1,727,639)
						4,357,415
						(1,397,196)
						(1,397,196)
6	552	1	938	880,094		2,070,386
6	552	1	938	880,094		2,070,386
(20,706)	272,849	483,033	7,899	2,550,592	(32,159)	6,963,660
20,706	26,723	1,095	45,202	32,806,158	202,294	76,833,209
	\$299,572	\$484,128	\$53,101	\$35,356,750	\$170,135	\$83,796,869
(388,725)	(\$2,813)	\$14,142	\$10,741	(\$17,361,406)		(\$16,459,610)
						4,052,292
						130,191
	(14,160)			14,012,676		14,012,676
				(10,000)	(32,159)	197,506
(388,725)	(\$16,973)	\$14,142	\$10,741	(\$3,358,730)	(\$32,159)	\$1,933,055

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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, 2010

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
<u>Foothills Boulevard Special Assessment District</u>				
Cash and investments in City Treasury	<u>(\$33,699)</u>	<u>\$33,699</u>	<u></u>	<u></u>
Total Assets	<u>(\$33,699)</u>	<u>\$33,699</u>	<u></u>	<u></u>
Due to bondholders	<u>(\$33,699)</u>	<u>\$33,699</u>	<u></u>	<u></u>
<u>North Roseville/Rocklin Sewer Special Assessment District</u>				
Cash and investments in City Treasury	<u>\$7,039</u>	<u>\$2,340</u>	<u></u>	<u>\$9,379</u>
Total Assets	<u>\$7,039</u>	<u>\$2,340</u>	<u></u>	<u>\$9,379</u>
Due to bondholders	<u>7,039</u>	<u>\$2,340</u>	<u></u>	<u>\$9,379</u>
Total Liabilities	<u>\$7,039</u>	<u>\$2,340</u>	<u></u>	<u>\$9,379</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, 2009	Additions	Reductions	Balance June 30, 2010
Foothills Boulevard Extension Special Assessment District				
Cash and investments in City Treasury	\$227,634	\$29	\$32,973	\$194,690
Accrued interest receivable	29	13	29	13
Total Assets	<u>\$227,663</u>	<u>\$42</u>	<u>\$33,002</u>	<u>\$194,703</u>
Due to bondholders	<u>\$227,663</u>	<u>\$42</u>	<u>\$33,002</u>	<u>\$194,703</u>
Total Liabilities	<u>\$227,663</u>	<u>\$42</u>	<u>\$33,002</u>	<u>\$194,703</u>
Northeast Roseville Community Facilities District #1				
Cash and investments in City Treasury	\$106,907	\$23,474	\$6,894	\$123,487
Restricted cash and investments with fiscal agents	4		4	
Taxes receivable		6,593		6,593
Accrued interest receivable	861	301	861	301
Total Assets	<u>\$107,772</u>	<u>\$30,368</u>	<u>\$7,759</u>	<u>\$130,381</u>
Due to bondholders	<u>107,772</u>	<u>30,368</u>	<u>7,759</u>	<u>\$130,381</u>
Total Liabilities	<u>\$107,772</u>	<u>\$30,368</u>	<u>\$7,759</u>	<u>\$130,381</u>
Northwest Roseville Community Facilities District #1				
Cash and investments in City Treasury	\$2,463,062	\$77,502	\$12,473	\$2,528,091
Restricted cash and investments with fiscal agents	2,367,741		69,448	2,298,293
Accrued interest receivable	8,054	4,056	8,054	4,056
Total Assets	<u>\$4,838,857</u>	<u>\$81,558</u>	<u>\$89,975</u>	<u>\$4,830,440</u>
Accounts payable				
Due to bondholders	<u>\$4,838,857</u>	<u>\$81,558</u>	<u>\$89,975</u>	<u>\$4,830,440</u>
Total Liabilities	<u>\$4,838,857</u>	<u>\$81,558</u>	<u>\$89,975</u>	<u>\$4,830,440</u>
Stoneridge East Community Facilities District #1				
Cash and investments in City Treasury	\$1,078,917	\$10,029	\$5,538	\$1,083,408
Restricted cash and investments with fiscal agents	1,178,106	162		1,178,268
Taxes receivable		3,676		3,676
Accrued interest receivable	3,526	1,700	3,526	1,700
Total Assets	<u>\$2,260,549</u>	<u>\$15,567</u>	<u>\$9,064</u>	<u>\$2,267,052</u>
Accounts payable				
Due to bondholders	<u>2,260,549</u>	<u>\$15,567</u>	<u>\$9,064</u>	<u>\$2,267,052</u>
Total Liabilities	<u>\$2,260,549</u>	<u>\$15,567</u>	<u>\$9,064</u>	<u>\$2,267,052</u>

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
<u>Northeast Roseville Community Facilities District #2</u>				
Cash and investments in City Treasury	\$885,076	\$14,828	\$30,518	\$869,386
Restricted cash and investments with fiscal agents	1,106,255		12,352	1,093,903
Taxes receivable		9,054		9,054
Accrued Interest receivable	2,476	1,175	2,476	1,175
Total Assets	\$1,993,807	\$25,057	\$45,346	\$1,973,518
 Due to bondholders	 1,993,807	 25,057	 \$45,346	 \$1,973,518
Total Liabilities	\$1,993,807	\$25,057	\$45,346	\$1,973,518
<u>North Central Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$4,753,005	\$1,218,948	\$96,698	\$5,875,255
Restricted cash and investments with fiscal agents	5,032,077			5,032,077
Accrued interest receivable	98,069	93,189	98,069	93,189
Total Assets	\$9,883,151	\$1,312,137	\$194,767	\$11,000,521
 Accounts payable	 \$3,509		 \$3,509	
Due to bondholders	9,879,642	\$1,312,137	191,258	\$11,000,521
Total Liabilities	\$9,883,151	\$1,312,137	\$194,767	\$11,000,521
<u>North Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,619,982	\$5,504	\$81,741	\$1,543,745
Restricted cash and investments with fiscal agents	1,914,070	2,801		1,916,871
Accounts receivable		30,602		30,602
Taxes receivable		23,053		23,053
Accrued interest receivable	5,504	2,292	5,504	2,292
Total Assets	\$3,539,556	\$64,252	\$87,245	\$3,516,563
 Accounts payable	 \$2,339		 \$2,339	
Due to bondholders	3,537,217	\$64,252	84,906	\$3,516,563
Total Liabilities	\$3,539,556	\$64,252	\$87,245	\$3,516,563
<u>Woodcreek West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,297,197	\$184,384	\$117,579	\$1,364,002
Restricted cash and investments with fiscal agents	1,577,093		169,087	1,408,006
Accounts receivable	6,330		6,330	
Taxes receivable		5,119		5,119
Accrued interest receivable	4,096	2,399	4,096	2,399
Total Assets	\$2,884,716	\$191,902	\$297,092	\$2,779,526
 Accrued Liabilities	 \$10,029	 \$4,871	 \$10,029	 \$4,871
Due to bondholders	2,874,687	187,031	287,063	2,774,655
Total Liabilities	\$2,884,716	\$191,902	\$297,092	\$2,779,526

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Highland Reserve North Community Facilities District #1				
Cash and investments in City Treasury	\$2,253,355	\$356,993	\$16,989	\$2,593,359
Restricted cash and investments with fiscal agents	2,545,705	1,510		2,547,215
Accounts receivable		8,531		8,531
Taxes receivable		3,463		3,463
Accrued interest receivable	6,821	3,485	6,821	3,485
Total Assets	\$4,805,881	\$373,982	\$23,810	\$5,156,053
Accounts payable		\$750		\$750
Due to bondholders	\$4,805,881	\$373,232	\$23,810	\$5,155,303
Total Liabilities	\$4,805,881	\$373,982	\$23,810	\$5,156,053
Stoneridge Parcel 1 Community Facilities District #1				
Cash and investments in City Treasury	\$189,948	\$2,644	\$9,071	\$183,521
Restricted cash and investments with fiscal agents	137,705	136		137,841
Taxes receivable		449		449
Accrued interest receivable	394	355	394	355
Total Assets	\$328,047	\$3,584	\$9,465	\$322,166
Accounts payable	\$177	\$2,250	\$177	\$2,250
Due to bondholders	327,870	1,334	9,288	319,916
Total Liabilities	\$328,047	\$3,584	\$9,465	\$322,166
Woodcreek East Community Facilities District #1				
Cash and investments in City Treasury	\$581,359	\$33,240	\$4,782	\$609,817
Restricted cash and investments with fiscal agents	487,819		520	487,299
Taxes receivable		2,751		2,751
Accrued interest receivable	1,983	1,131	1,983	1,131
Total Assets	\$1,071,161	\$37,122	\$7,285	\$1,100,998
Accounts payable	\$900		\$900	
Due to bondholders	1,070,261	\$37,122	6,385	\$1,100,998
Total Liabilities	\$1,071,161	\$37,122	\$7,285	\$1,100,998
Stoneridge West Community Facilities District #1				
Cash and investments in City Treasury	\$841,932	\$117,932	\$119,296	\$840,568
Restricted cash and investments with fiscal agents	917,389		\$96	917,293
Accounts receivable	4,043	1,741	4,043	1,741
Taxes receivable		114,751		114,751
Accrued interest receivable	2,991	1,351	2,991	1,351
Total Assets	\$1,766,355	\$235,775	\$126,426	\$1,875,704
Accounts payable	\$1,453		\$1,453	
Due to bondholders	1,764,902	\$235,775	124,973	\$1,875,704
Total Liabilities	\$1,766,355	\$235,775	\$126,426	\$1,875,704

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Crocker Ranch Community Facilities District #1				
Cash and investments in City Treasury	\$943,652	\$15,447	\$7,771	\$951,328
Restricted cash and investments with fiscal agents	1,389,345	357		1,389,702
Accounts receivable	5,312		5,312	
Taxes receivable		5,305		5,305
Accrued interest receivable	3,061	1,459	3,061	1,459
Total Assets	\$2,341,370	\$22,568	\$16,144	\$2,347,794
Accounts payable	\$650	\$150	\$650	\$150
Due to bondholders	2,340,720	22,418	15,494	2,347,644
Total Liabilities	\$2,341,370	\$22,568	\$16,144	\$2,347,794
Stone Point Community Facilities District #1				
Cash and investments in City Treasury	\$1,044,390	\$207,010	\$2,020	\$1,249,380
Restricted cash and investments with fiscal agents	969,641		64,373	905,268
Accrued interest receivable	2,908	2,020	2,908	2,020
Total Assets	\$2,016,939	\$209,030	\$69,301	\$2,156,668
Due to bondholders	\$2,016,939	\$209,030	\$69,301	\$2,156,668
Total Liabilities	\$2,016,939	\$209,030	\$69,301	\$2,156,668
Stone Point Community Facilities District #5				
Cash and investments in City Treasury	\$350,839	\$156,151	\$325,243	\$181,747
Restricted cash and investments with fiscal agents	629,871		155,804	474,067
Accrued interest receivable	347	776	347	776
Total Assets	\$981,057	\$156,927	\$481,394	\$656,590
Due to bondholders	\$981,057	\$156,927	\$481,394	\$656,590
Total Liabilities	\$981,057	\$156,927	\$481,394	\$656,590
Westpark Community Facilities District #1				
Cash and investments in City Treasury	\$3,291,676	\$165,350	\$908,562	\$2,548,464
Restricted cash and investments with fiscal agents	5,692,196		158,467	5,533,729
Taxes receivable		1,932		1,932
Accrued interest receivable	6,883	4,029	6,883	4,029
Total Assets	\$8,990,755	\$171,311	\$1,073,912	\$8,088,154
Accounts payable				
Due to bondholders	8,990,755	\$171,311	1,073,912	\$8,088,154
Total Liabilities	\$8,990,755	\$171,311	\$1,073,912	\$8,088,154

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Fiddymment Ranch Community Facilities District #1				
Cash and investments in City Treasury	\$2,948,116	\$267,437	\$414,985	\$2,800,568
Restricted cash and investments with fiscal agents	6,884,556	340,967		7,225,523
Taxes receivable		1,544		1,544
Accrued interest receivable	74,087	72,474	74,087	72,474
Total Assets	\$9,906,759	\$682,422	\$489,072	\$10,100,109
Due to bondholders	9,906,759	\$682,422	489,072	\$10,100,109
Total Liabilities	\$9,906,759	\$682,422	\$489,072	\$10,100,109
Longmeadow Community Facilities District #1				
Cash and investments in City Treasury	\$383,846	\$60,398	\$8,821	\$435,423
Restricted cash and investments with fiscal agents	661,955		45,195	616,760
Taxes receivable		1,487		1,487
Accrued interest receivable	7,521	7,334	7,521	7,334
Total Assets	\$1,053,322	\$69,219	\$61,537	\$1,061,004
Due to bondholders	\$1,053,322	\$69,219	\$61,537	\$1,061,004
Total Liabilities	\$1,053,322	\$69,219	\$61,537	\$1,061,004
Diamond Creek Community Facilities District #1				
Cash and investments in City Treasury	\$143,475	\$81,049	\$152,503	\$72,021
Restricted cash and investments with fiscal agents	763,636		76,514	687,122
Taxes receivable		32,553		32,553
Accrued interest receivable	4,535	6	4,535	6
Total Assets	\$911,646	\$113,608	\$233,552	\$791,702
Accounts payable	\$250		\$250	
Due to bondholders	\$911,396	\$113,608	233,302	\$791,702
Total Liabilities	\$911,646	\$113,608	\$233,552	\$791,702
Fountains Community Facilities District #1				
Cash and investments in City Treasury	\$386,239	\$41,328	\$479	\$427,088
Restricted cash and investments with fiscal agents	1,136,041		14,932	1,121,109
Accrued interest receivable	377	479	377	479
Total Assets	\$1,522,657	\$41,807	\$15,788	\$1,548,676
Due to bondholders	\$1,522,657	\$41,807	\$15,788	\$1,548,676
Total Liabilities	\$1,522,657	\$41,807	\$15,788	\$1,548,676

(Continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Payroll Revolving				
Cash and investments in City Treasury	\$1,930,394	\$4,691	\$75,982	\$1,859,103
Due from other government agencies	2,346		2,346	
Total Assets	<u>\$1,932,740</u>	<u>\$4,691</u>	<u>\$78,328</u>	<u>\$1,859,103</u>
Accounts payable	6,144	\$2,345	\$6,144	\$2,345
Due to others	<u>\$1,926,596</u>	<u>2,346</u>	<u>\$72,184</u>	<u>1,856,758</u>
Total Liabilities	<u>\$1,932,740</u>	<u>\$4,691</u>	<u>\$78,328</u>	<u>\$1,859,103</u>
Highway 65 JPA				
Cash and investments in City Treasury	\$19,870,811	\$149,271	\$13,140,991	\$6,879,091
Accrued interest receivable	114,043	27,417	114,043	27,417
Permit fees receivable		5,616		5,616
Due from other government agencies	<u>34,728</u>	<u>116,911</u>	<u>34,728</u>	<u>116,911</u>
Total Assets	<u>\$20,019,582</u>	<u>\$299,215</u>	<u>\$13,289,762</u>	<u>\$7,029,035</u>
Accounts payable	\$4,216,269	\$500	\$4,216,269	\$500
Due to member agencies	<u>15,803,313</u>	<u>298,715</u>	<u>9,073,493</u>	<u>7,028,535</u>
Total Liabilities	<u>\$20,019,582</u>	<u>\$299,215</u>	<u>\$13,289,762</u>	<u>\$7,029,035</u>
Dry Creek Drainage Basin				
Cash and investments in City Treasury	\$9,775	\$140	\$9,738	\$177
Accrued interest receivable	14	6	14	6
Permit fees receivable		3,304		3,304
Total Assets	<u>\$9,789</u>	<u>\$3,450</u>	<u>\$9,752</u>	<u>\$3,487</u>
Accounts Payable	\$9,732		\$9,732	
Due to others	<u>57</u>	<u>\$3,450</u>	<u>20</u>	<u>\$3,487</u>
Total Liabilities	<u>\$9,789</u>	<u>\$3,450</u>	<u>\$9,752</u>	<u>\$3,487</u>
Disaster Recovery JPA				
Cash and investments in City Treasury	\$96,870	\$966	\$1,881	\$95,955
Accrued interest receivable	<u>466</u>	<u>262</u>	<u>466</u>	<u>262</u>
Total Assets	<u>\$97,336</u>	<u>\$1,228</u>	<u>\$2,347</u>	<u>\$96,217</u>
Accounts payable	\$150	\$500	\$150	\$500
Due to member agencies	<u>97,186</u>	<u>728</u>	<u>2,197</u>	<u>95,717</u>
Total Liabilities	<u>\$97,336</u>	<u>\$1,228</u>	<u>\$2,347</u>	<u>\$96,217</u>

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
County Capital Facilities Fee				
Cash and investments in City Treasury	\$644,268	\$336,168	\$564,235	\$416,201
Accrued interest receivable	2,864	1,085	2,864	1,085
Permit fees receivable		197,852		197,852
Total Assets	<u>\$647,132</u>	<u>\$535,105</u>	<u>\$567,099</u>	<u>\$615,138</u>
Accounts payable	\$558,802	\$333,304	\$558,802	\$333,304
Due to others	88,330	201,801	8,297	281,834
Total Liabilities	<u>\$647,132</u>	<u>\$535,105</u>	<u>\$567,099</u>	<u>\$615,138</u>
South Placer Wastewater Authority				
Cash and investments in City Treasury	112,896,335	\$16,037,534	\$27,689,528	\$101,244,341
Restricted cash and investments with fiscal agents	11,183,430	11,240,664	11,183,430	11,240,664
Accrued interest receivable	488,321	242,919	488,321	242,919
Permit fees receivable		1,087,823		1,087,823
Due from other government agencies	1,161,631	2,161,468	1,161,631	2,161,468
Total Assets	<u>\$125,729,717</u>	<u>\$30,770,408</u>	<u>\$40,522,910</u>	<u>\$115,977,215</u>
Accounts payable	\$3,295,556	\$3,168,402	\$3,295,556	\$3,168,402
Accrued liabilities	42,178	35,750	42,178	35,750
Due to member agencies	122,391,983	27,566,256	37,185,176	112,773,063
Total Liabilities	<u>\$125,729,717</u>	<u>\$30,770,408</u>	<u>\$40,522,910</u>	<u>\$115,977,215</u>
Special Sewer Benefit Area #3				
Cash and investments in City Treasury	\$11,680	\$76	\$137	\$11,619
Accrued interest receivable	76	27	76	27
Total Assets	<u>\$11,756</u>	<u>\$103</u>	<u>\$213</u>	<u>\$11,646</u>
Due to others	<u>\$11,756</u>	<u>\$103</u>	<u>\$213</u>	<u>\$11,646</u>
Total Liabilities	<u>\$11,756</u>	<u>\$103</u>	<u>\$213</u>	<u>\$11,646</u>
Special Sewer Benefit Area #4				
Cash and investments in City Treasury	\$145,003	\$4,257	\$400	\$148,860
Accrued interest receivable	862	400	\$862	400
Total Assets	<u>\$145,865</u>	<u>\$4,657</u>	<u>\$1,262</u>	<u>\$149,260</u>
Due to others	<u>\$145,865</u>	<u>\$4,657</u>	<u>\$1,262</u>	<u>\$149,260</u>
Total Liabilities	<u>\$145,865</u>	<u>\$4,657</u>	<u>\$1,262</u>	<u>\$149,260</u>

(continued)

CITY OF ROSEVILLE
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
South Placer County Tourism Business Improvement District (SPCTBID)				
Cash and investments in City Treasury	\$13,326	\$328,511	\$320,617	\$21,220
Accounts receivable	137,781	182,274	137,781	182,274
Accrued interest receivable	340	149	340	149
Total Assets	\$151,447	\$510,934	\$458,738	\$203,643
Accounts payable	\$132,441	\$190,390	\$132,441	\$190,390
Due to others	19,006	320,544	326,297	13,253
Total Liabilities	\$151,447	\$510,934	\$458,738	\$203,643
Placer County Safe Kids Coalition				
Cash and investments in City Treasury	\$4,079	\$7,090	\$73	\$11,096
Accrued interest receivable	37	21	37	21
Total Assets	\$4,116	\$7,111	\$110	\$11,117
Accounts payable	\$52	\$109	\$52	\$109
Due to others	4,064	7,002	58	11,008
Total Liabilities	\$4,116	\$7,111	\$110	\$11,117
South Placer Regional Traffic Fee				
Cash and investments in City Treasury	\$265,343	\$169,327	\$265,516	\$169,154
Accrued interest receivable	1,012	344	1,012	344
Permit fees receivable		2,243		2,243
Total Assets	\$266,355	\$171,914	\$266,528	\$171,741
Accounts payable	\$264,127	\$168,315	\$264,127	\$168,315
Due to others	2,228	3,599	2,401	3,426
Total Liabilities	\$266,355	\$171,914	\$266,528	\$171,741
City/County TMF				
Cash and investments in City Treasury	\$80,494	\$62,045	\$80,304	\$62,235
Accrued interest receivable	391	134	391	134
Total Assets	\$80,885	\$62,179	\$80,695	\$62,369
Accounts payable	\$80,024	\$61,654	\$80,024	\$61,654
Due to others	861	525	671	715
Total Liabilities	\$80,885	\$62,179	\$80,695	\$62,369

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Placer County Air Pollution Control				
Cash and investments in City Treasury	\$35,805	\$7,240		\$43,045
Total Assets	\$35,805	\$7,240		\$43,045
Due to others	\$35,805	\$7,240		\$43,045
Total Liabilities	\$35,805	\$7,240		\$43,045
Sierra College Boulevard				
Cash and investments in City Treasury	\$135,536	\$162,987	\$125,270	\$173,253
Accrued interest receivable	703	416	703	416
Total Assets	\$136,239	\$163,403	\$125,973	\$173,669
Accounts Payable	\$124,854	\$158,644	\$124,854	\$158,644
Due to others	11,385	4,759	1,119	15,025
Total Liabilities	\$136,239	\$163,403	\$125,973	\$173,669
AUTOMALL CFD #1 SPEC TAX				
Cash and investments in City Treasury		\$120,596		\$120,596
Restricted cash and investments with fiscal agents		19,303		19,303
Accrued interest receivable		46		46
Total Assets		\$139,945		\$139,945
Due to bondholders		139,945		\$139,945
Total Liabilities		\$139,945		\$139,945
Other				
Cash and investments in City Treasury	\$13,122			\$13,122
Total Assets	\$13,122			\$13,122
Due to other government agencies	\$13,122			\$13,122
Total Liabilities	\$13,122			\$13,122
Total Agency Funds				
Cash and investments in City Treasury	\$161,936,075	\$20,466,615	\$44,629,608	\$137,773,082
Restricted cash and investments with fiscal agents	46,574,635	11,605,900	11,950,222	46,230,313
Accounts receivable	153,466	223,148	153,466	223,148
Taxes receivable		211,730		211,730
Accrued interest receivable	843,652	473,250	843,652	473,250
Permit fees receivable		1,296,838		1,296,838
Due from other government agencies	1,198,705	2,278,379	1,198,705	2,278,379
Total Assets	\$210,706,533	\$36,555,860	\$58,775,653	\$188,486,740
Accounts payable	\$8,697,429	\$4,087,313	\$8,697,429	\$4,087,313
Accrued liabilities	52,207	40,621	52,207	40,621
Due to other government agencies	13,122			13,122
Due to member agencies	138,292,482	27,865,699	46,260,866	119,897,315
Due to bondholders	61,405,340	4,006,201	3,352,629	62,058,912
Due to others	2,245,953	556,026	412,522	2,389,457
Total Liabilities	\$210,706,533	\$36,555,860	\$58,775,653	\$188,486,740

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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:

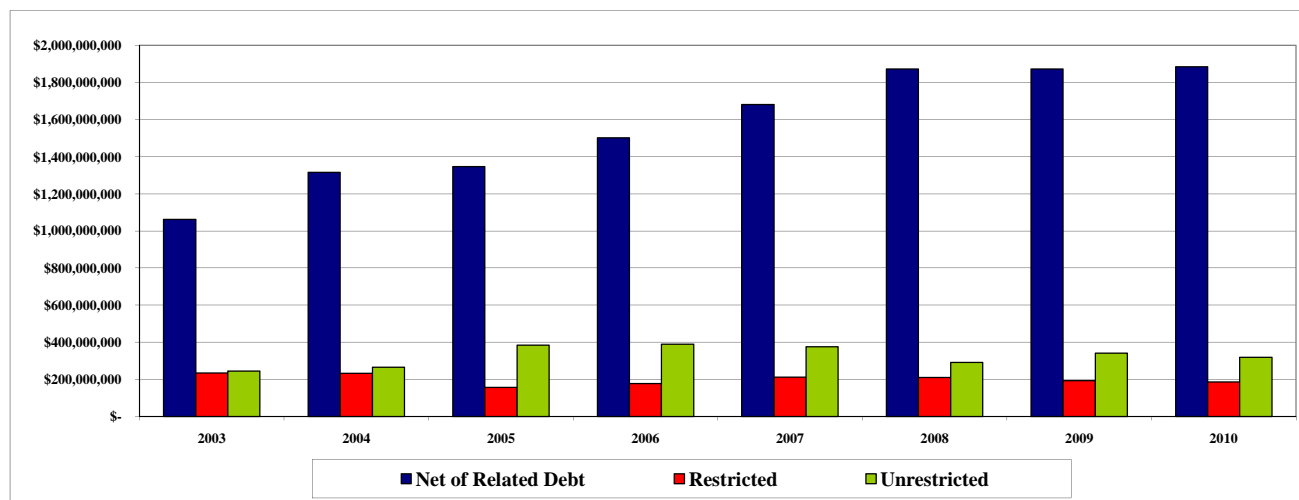
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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 EIGHT FISCAL YEARS
(accrual basis of accounting)



	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$821,029,885
Restricted	148,067,075	142,404,742	124,527,445	149,738,041	177,189,997	165,833,165	149,364,179	141,943,254
Unrestricted	63,933,275	73,230,549	89,038,317	109,395,679	107,064,085	131,434,721	114,855,293	100,170,093
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>	<u>\$1,063,143,232</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	\$1,063,903,341
Restricted	85,285,040	89,408,729	31,082,339	28,178,946	34,553,611	44,622,022	43,873,415	43,565,544
Unrestricted	180,828,388	191,964,333	295,600,560	280,399,506	268,413,147	159,481,947	225,358,784	219,151,174
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>	<u>\$1,326,620,059</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	\$1,884,933,226
Restricted	233,352,115	231,813,471	155,609,784	177,916,987	211,743,608	210,455,187	193,237,594	185,508,798
Unrestricted	244,761,663	265,194,882	384,638,877	389,795,185	375,477,232	290,916,668	340,214,077	319,321,267
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>	<u>\$2,389,763,291</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 EIGHT FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$31,596,121
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	20,004,902
Public Works	31,259,219	21,567,351	39,391,505	33,498,385	42,070,119	33,682,426	35,299,262	33,143,591
Police	17,630,323	19,351,991	22,761,768	24,500,396	27,440,631	33,717,164	36,257,952	34,190,552
Fire	11,601,885	12,768,918	15,226,498	16,435,774	20,572,207	26,372,987	27,405,634	27,543,494
Library	2,792,317	2,839,127	2,996,195	3,156,087	3,552,614	5,506,954	5,184,868	4,692,455
Parks and recreation	12,742,186	13,257,771	14,001,045	16,052,655	17,634,887	20,021,127	20,607,763	18,358,870
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	3,628,510
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	7,131,216
Total Governmental Activities Expenses	135,759,235	107,003,459	134,764,243	135,882,034	163,620,984	\$180,389,520	\$185,838,531	\$180,289,711
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	\$172,512,453
Water	12,822,705	15,748,289	16,719,257	18,510,040	15,855,579	25,826,409	21,842,893	23,025,281
Wastewater	18,632,682	18,050,409	23,885,474	27,207,717	28,948,611	37,098,813	28,512,359	29,169,860
Solid Waste	10,927,735	11,614,060	12,749,998	14,220,731	15,182,395	15,743,209	14,914,734	15,172,092
Natural Gas					5,152,447	15,123,490	27,665,056	27,398,886
Golf Course	2,545,069	2,365,048	2,473,835	2,479,378	2,351,603	2,883,713	3,003,690	2,814,274
Local Transportation	3,374,680	3,768,970	4,106,631	4,415,411	5,410,630	5,872,368	6,221,260	7,084,490
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	4,258,304
Total Business-Type Activities Expenses	123,603,522	125,001,378	157,208,017	168,366,019	208,951,516	263,703,716	270,549,198	281,435,640
Total Primary Government Expenses	\$259,362,757	\$232,004,837	\$291,972,260	\$304,248,053	\$372,572,500	\$444,093,236	\$456,387,729	\$461,725,351
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	\$2,655,834
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	2,704,794
Public Works	6,362,355	6,612,890	6,814,277	7,959,770	9,246,666	5,843,426	3,327,869	2,841,931
Police	1,698,465	1,581,324	2,009,281	1,900,144	2,346,493	1,845,245	2,346,230	2,088,346
Fire	554,019	945,366	1,082,211	1,253,881	1,505,547	1,402,158	1,362,379	1,185,742
Library	75,753	136,710	162,479	188,738	235,231	272,057	230,290	216,064
Parks and recreation	4,402,180	5,508,574	6,224,464	7,315,217	4,167,719	9,986,005	9,728,400	9,843,940
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	12,354,931
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	27,053,063
Total Government Activities Program Revenues	95,738,230	62,662,952	72,109,809	147,544,044	134,040,159	94,188,328	57,957,914	60,944,645
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	163,315,149
Water	8,869,111	11,804,088	13,163,434	13,450,264	14,938,665	16,925,351	17,765,674	17,473,099
Wastewater	13,103,088	14,739,888	16,355,694	19,025,742	22,455,645	24,014,362	27,087,117	24,961,516
Solid Waste	13,859,409	14,678,394	15,244,048	17,558,492	18,575,194	19,562,798	19,951,063	20,082,492
Natural Gas						4,059,943	16,528,513	16,557,517
Golf Course	2,468,170	2,436,735	2,564,469	2,747,851	3,162,637	3,182,357	2,953,223	2,801,963
Local Transportation	936,121	526,204	530,516	601,087	739,826	863,606	1,184,861	861,730
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	4,358,762
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	6,327,458
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	26,604,588
Total Business-Type Activities Program Revenue	215,921,722	201,704,116	207,934,549	232,204,071	317,763,580	319,828,901	311,283,638	283,344,274
Total Primary Government Program Revenues	\$311,659,952	\$264,367,068	\$280,044,358	\$379,748,115	\$451,803,739	\$414,017,229	\$369,241,552	\$344,288,919
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)	(\$119,345,066)
Business-Type Activities	92,318,200	76,702,738	50,726,532	63,838,052	108,812,064	56,125,185	40,734,440	1,908,634
Total Primary Government Net Expense	\$52,297,195	\$32,362,231	(\$11,927,902)	\$75,500,062	\$79,231,239	(\$29,876,007)	(\$87,146,177)	(\$117,436,432)

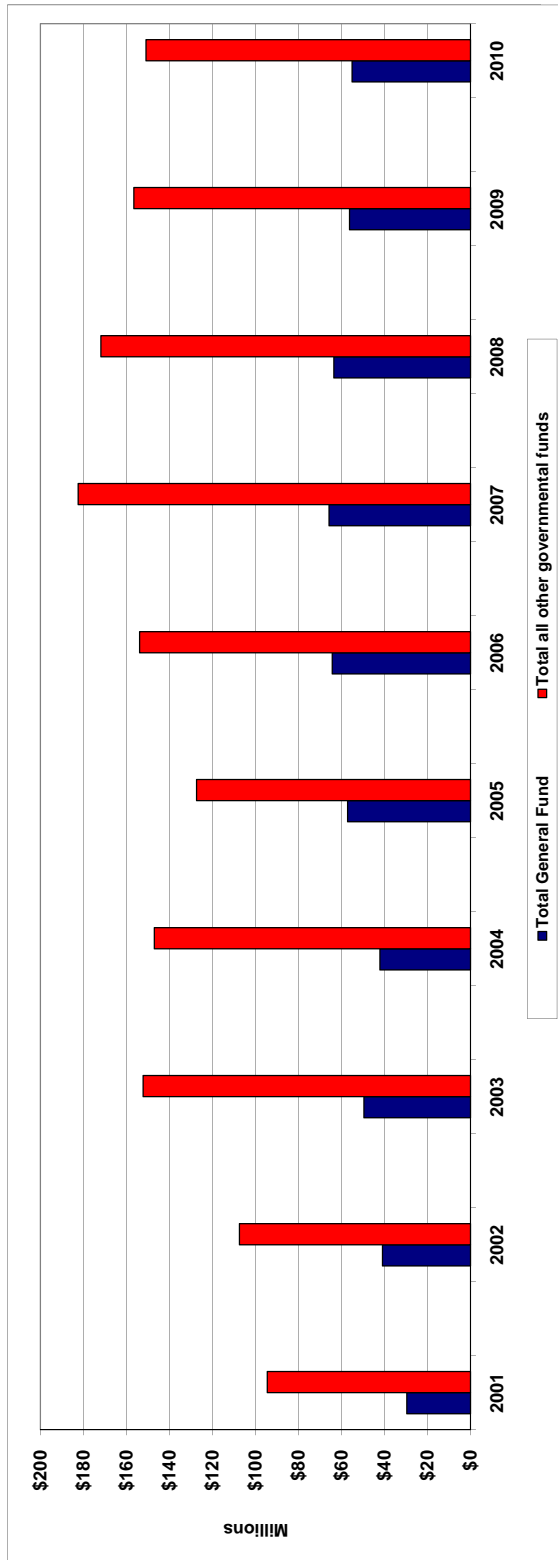
**CITY OF ROSEVILLE
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$38,102,029
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	32,139,544
Franchise taxes	657,865	954,396	1,060,903	1,267,707	1,429,155	1,607,214	930,003	1,615,166
Motor fuel taxes	1,880,505	1,775,122	1,897,211	3,116,638	1,999,542	1,985,315	1,855,462	2,909,176
Motor vehicle in lieu (Intergovernmental- unrestricted)	5,360,094	4,152,209	2,123,202	710,510	565,719	471,834	373,495	332,224
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	2,779,885
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	4,737,938
Miscellaneous revenues	1,356,471	12,975	664,191	1,680,851	2,926,467	887,173	4,568,055	1,934,366
Transfers	12,024,203	15,605,538	17,318,498	23,582,576	25,223,297	24,622,443	28,320,921	23,844,312
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	108,394,640
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	15,450,846
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)	(23,844,312)
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)	(8,393,466)
Total Primary Government	\$68,485,295	\$64,773,734	\$87,215,548	\$107,081,647	\$119,528,417	\$134,848,479	\$120,128,077	\$100,001,174
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	(\$10,950,426)
Business-Type Activities	72,533,228	54,571,453	38,313,903	52,640,256	94,948,550	59,125,598	32,078,601	(6,484,832)
Total Primary Government	\$120,782,490	\$97,135,965	\$75,287,646	\$182,581,709	\$198,759,656	\$104,972,472	\$32,981,900	(\$17,435,258)

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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$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	\$13,730,063
Unreserved	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	41,375,295
Total General Fund	\$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	\$55,105,358
All Other Governmental Funds										
Reserved	\$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	\$51,548,654
Unreserved, reported in:										
Special Revenue Funds	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	64,422,284
Capital Projects	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	16,542,186
Permanent Funds		16,014,323	16,061,477	15,725,381	16,318,672	16,425,999	16,833,979	17,495,650	18,066,202	18,353,285
Total all other governmental funds	\$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	\$150,866,409

Source: The City's Comprehensive Annual Financial Report

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

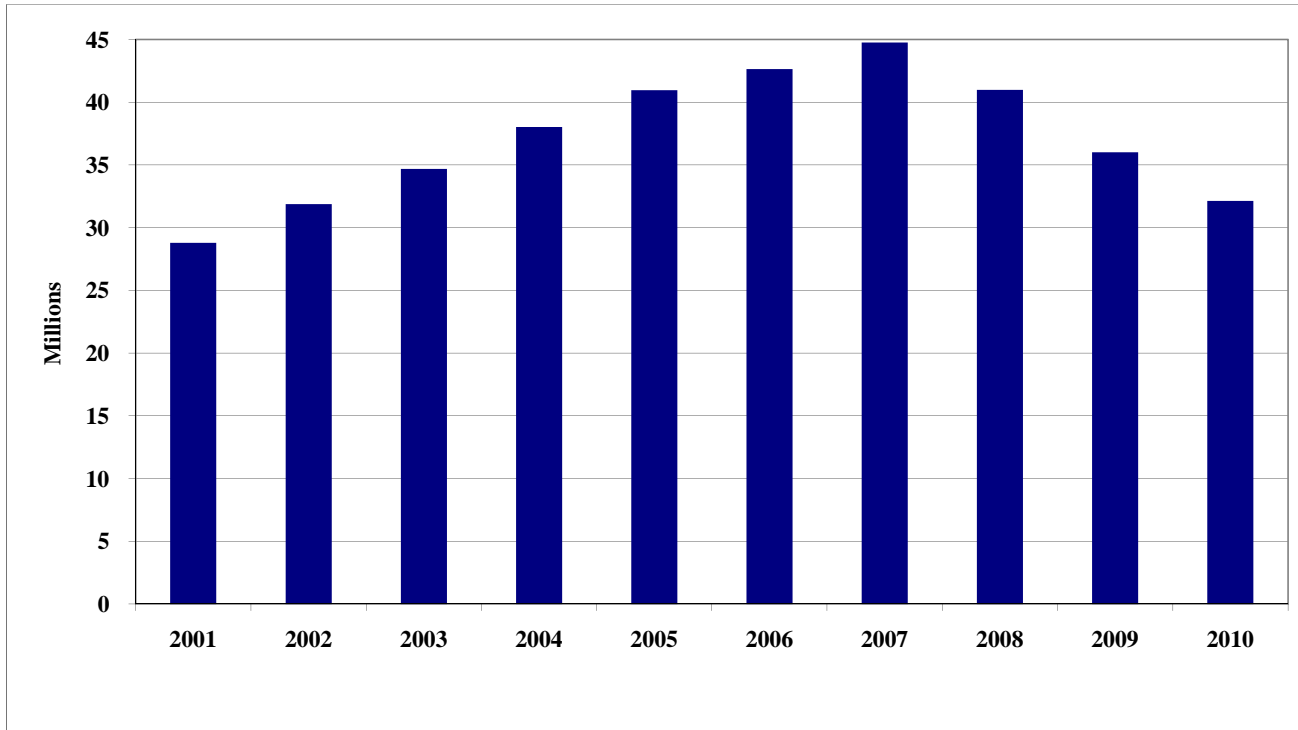
	Fiscal Year Ended June 30,			
	2001	2002	2003	2004
Revenues				
Taxes	\$56,621,766	\$61,361,572	\$64,866,117	\$65,815,061
Less Educational Revenue Augmentation			(55,417)	(143,182)
Licenses, permits and fees	2,431,091	2,787,695	2,913,664	2,784,570
Charges for services	27,841,157	29,589,733	30,198,984	27,343,649
Subventions and grants	15,518,284	16,109,594	16,583,320	13,758,850
Use of money and property	9,064,978	5,946,919	6,361,032	3,455,309
Fine, forfeitures and penalties	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	1,302,877	1,557,781	6,500,778	3,331,708
Total Revenues	113,245,392	118,446,675	129,210,818	123,054,687
Expenditures				
Current:				
General government and annexation payments	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	10,873,585	10,991,887	11,880,167	10,956,006
Public safety:				
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	2,345,854	2,504,890	2,792,063	2,842,537
Parks and recreation	9,679,890	10,481,015	12,731,251	13,249,576
Housing assistance payments	1,737,541	2,027,930	2,541,178	3,127,150
Capital outlay	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	1,081,040	1,077,202	1,152,517	1,439,690
Interest and fiscal charges	1,295,452	1,195,978	2,071,634	1,912,196
Total Expenditures	126,326,428	142,346,980	127,849,477	140,665,030
Excess (deficiency) of revenues over (under) expenditures	(13,081,036)	(23,900,305)	1,361,341	(17,610,343)
Other Financing Sources (Uses)				
Proceeds from capital lease	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	39,124,451	27,126,928	38,559,850	27,934,748
Transfers (out)	(29,175,395)	(14,588,595)	(27,405,095)	(23,543,935)
Payment to refunded bond escrow				(18,080,000)
Contributions from property owners	8,224,249	34,173,448	3,568,579	
Contributions from developers	2,186,771	4,699,675	22,572,382	
Bond issuance premium				351,119
Total other financing sources (uses)	21,831,674	51,554,345	52,040,779	4,936,932
Net Change in fund balances	\$8,750,638	\$27,654,040	\$53,402,120	(\$12,673,411)
Debt service as a percentage of noncapital expenditures	(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	2010
\$75,900,403	\$82,770,691	\$93,500,227	\$93,457,602	\$85,601,833	\$79,623,097
(260,676)	(323,743)				
2,591,354	2,020,467	2,762,883	2,537,988	1,832,029	1,624,422
26,814,640	31,295,267	40,301,825	31,892,013	18,899,792	18,080,957
12,630,086	10,351,281	12,744,920	12,819,741	16,909,738	22,554,411
4,922,685	7,784,975	16,943,196	19,198,906	16,183,845	9,528,347
1,803,562	1,953,405	2,358,742	2,147,695	2,283,349	2,115,882
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	706,385
4,213,970	7,899,568	9,286,123	12,455,601	7,264,395	5,991,250
140,831,144	239,734,925	250,977,770	185,680,262	149,932,661	140,224,751
20,248,180	24,938,856	29,720,879	30,360,979	28,599,119	23,869,663
9,751,722	10,888,062	11,961,479	16,710,067	13,481,274	17,310,689
10,817,148	15,396,696	16,947,884	16,228,157	16,022,025	10,700,041
21,547,825	25,567,869	28,988,754	30,498,603	30,408,122	28,564,889
13,753,902	16,915,393	20,719,718	24,352,812	24,527,743	23,349,639
2,762,274	3,133,367	3,520,834	4,542,287	3,449,204	3,224,523
13,507,359	16,007,377	17,955,082	19,092,606	17,979,576	16,199,096
3,050,762	2,974,236	3,328,656	3,399,145	3,530,527	3,628,510
58,729,356	108,314,784	125,426,074	63,142,168	49,795,093	36,534,025
5,389,110	2,592,039	2,396,314	2,157,821	1,601,494	1,445,960
1,264,702	941,946	1,206,803	1,590,991	1,392,486	1,397,222
1,789,098	1,941,002	4,523,725	6,873,248	7,090,871	7,396,273
162,611,438	229,611,627	266,696,202	218,948,884	197,877,534	173,620,530
(21,780,294)	10,123,298	(15,718,432)	(33,268,622)	(47,944,873)	(33,395,779)
147,266	2,239,765			385,538	
	3,503,467	23,215,524	129,284	12,040	10,000
26,116,934	38,439,158	54,227,228	42,487,182	53,047,351	42,615,799
(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)	(28,126,447)	(18,935,737)
					2,831,250
17,289,695	23,375,553	45,792,496	20,211,867	25,318,482	26,521,312
(\$4,490,599)	\$33,498,851	\$30,074,064	(\$13,056,755)	(\$22,626,391)	(\$6,874,467)
3.0%	2.4%	4.2%	5.3%	5.7%	6.4%

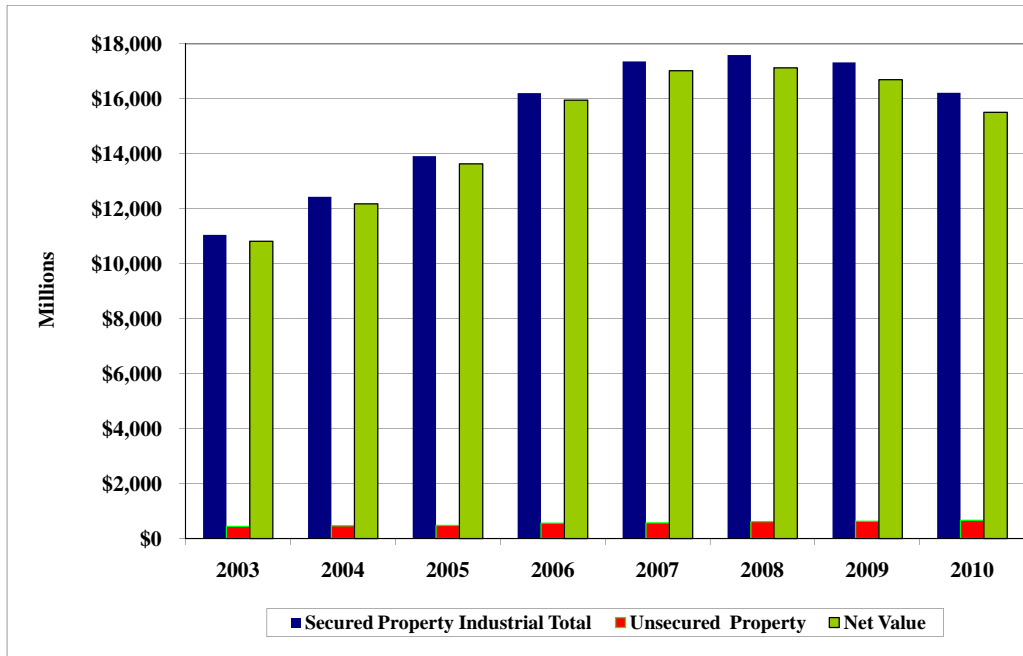
Source: The City's Comprehensive Annual Financial Report

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



<u>Fiscal Year</u>	<u>Amount</u>
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
2010	32,139,544

CITY OF ROSEVILLE
ASSESSED VALUE OF TAXABLE PROPERTY
Last Eight 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
2010	10,704,622,894	4,493,020,932	1,017,884,071	2,579,762	16,218,107,659

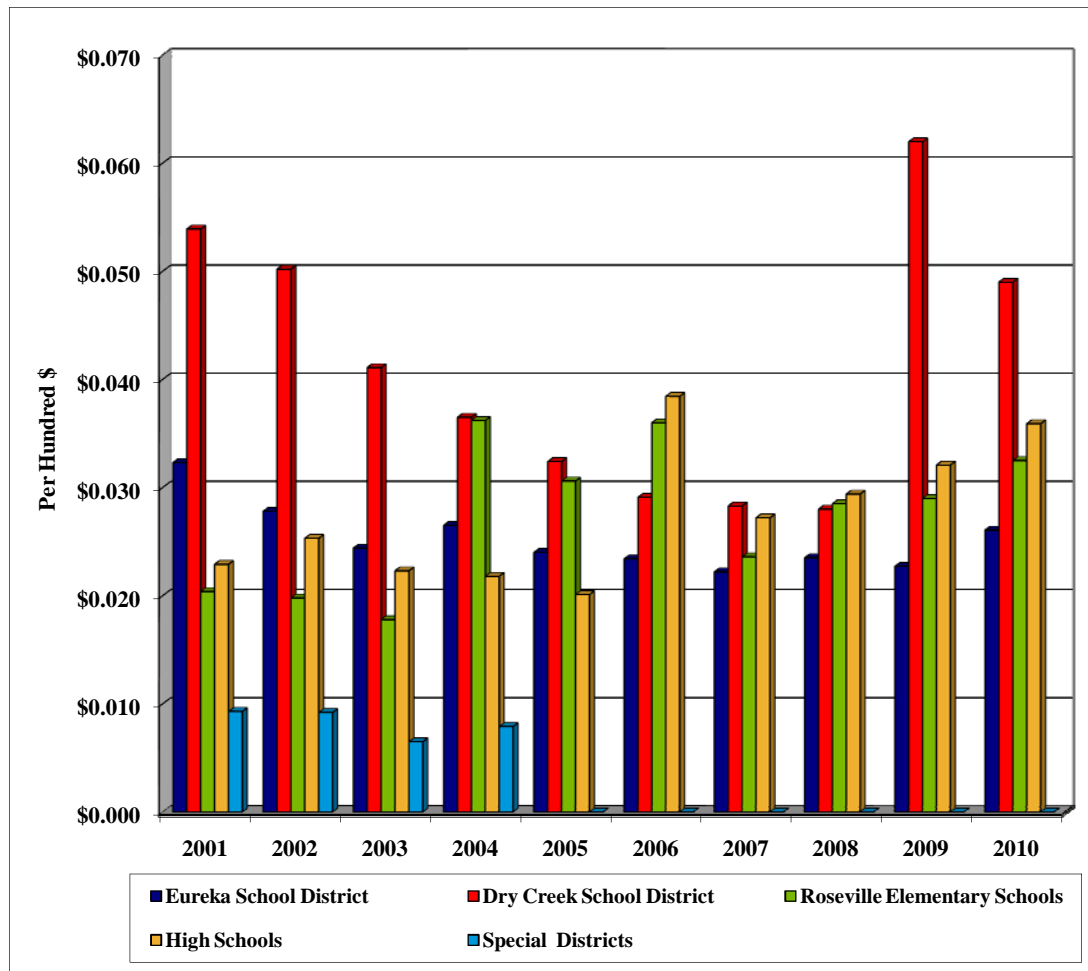
Fiscal Year	Unsecured Property	Total	Exemptions	Net Assessed Taxable Value (a)	Total Direct Tax Rate (b)
2003	\$446,943,880	\$11,496,321,895	\$684,643,531	\$ 10,811,678,364	1.00%
2004	468,186,210	12,897,991,293	725,853,455	12,172,137,838	1.00%
2005	480,940,504	14,396,415,235	759,609,695	13,636,805,540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

(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	Overlapping Rates					Total Overlapping Rates**
		Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	Special Districts	
2001	1.0000	0.0323	0.0539	0.0204	0.0229	0.0093	1.0677
2002	1.0000	0.0278	0.0502	0.0198	0.0253	0.0092	1.0671
2003	1.0000	0.0244	0.0411	0.0178	0.0223	0.0065	1.0566
2004	1.0000	0.0265	0.0365	0.0362	0.0218	0.0079	1.0628
2005	1.0000	0.0240	0.0324	0.0306	0.0201	N/A*	1.0491
2006	1.0000	0.0234	0.0291	0.0360	0.0384	N/A*	1.0679
2007	1.0000	0.0222	0.0283	0.0236	0.0272	N/A*	1.0519
2008	1.0000	0.0235	0.0280	0.0285	0.0294	N/A*	1.0561
2009	1.0000	0.0227	0.0620	0.0290	0.0321	N/A*	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	N/A*	1.0718

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

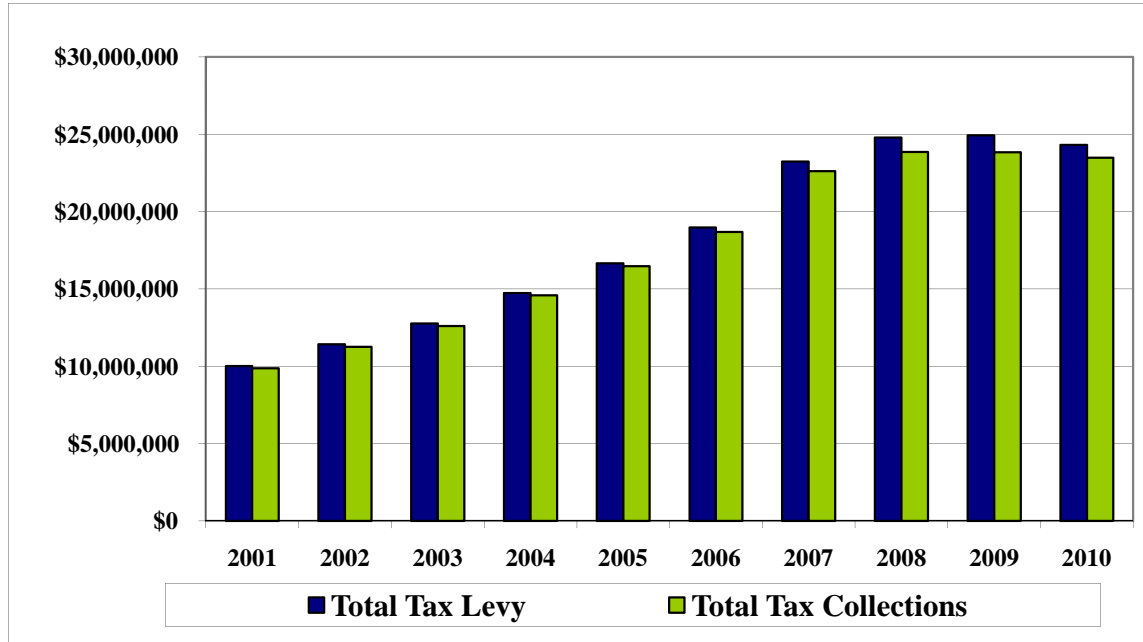
** Total Overlapping Rates uses an average of Eureka School District, Dry Creek School District and Roseville Elementary School

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

Taxpayer	2010		2001	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Roseville Shoppingtown LLC	\$364,442,986	2.23%		
NEC Electronics USA Inc.	333,586,050	2.05%	\$567,522,655	7.92%
Hewlett Packard Co.	254,714,369	1.56%	513,480,177	7.17%
PL Roseville LLC	177,691,596	1.09%		
Donahue Schriber Realty Group LP	89,764,954	0.55%		
W2005 Fargo Hotels Pool C Realty LP	85,112,816	0.52%		
NNN Parkway Corporate Plaza LLC	70,274,731	0.43%		
Hines Douglas Corporate Center LP	68,094,178	0.42%		
Mourier Properties LLC/ Mourier Land Investment Corp.	63,850,100	0.39%		
Hines Summit at Douglas LP	63,776,518	0.39%		
UCM Caiprosemeade LLC	63,350,460	0.39%		
Kobra Properties	63,102,329	0.39%		
Safeway Inc.	61,394,177	0.38%		
SI VII LLC	61,062,992	0.37%		
Rreef America REIT II Corp.	58,260,318	0.36%		
Hines Olympus Corporate Centre LP	55,453,320	0.34%		
Roseville Fountains LP	53,119,878	0.33%		
Walmart Stores Inc.	52,850,870	0.32%		
Hines Johnson Ranch Corporate Centre LP	52,176,060	0.32%		
Pulte Home Corporation	51,343,486	0.31%		
	\$2,143,422,188	13.14%	\$1,081,002,832	15.09%

2009-2010 Local Secured Assessed Valuation: \$16,306,499,944
2000-2001 Local Secured Assessed Valuation: \$7,164,910,847

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



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2001	\$ 10,024,868	\$ 9,873,492	98.49%
2002	11,435,390	11,265,003	98.51%
2003	12,779,733	12,611,041	98.68%
2004	14,747,241	14,582,072	98.88%
2005	16,653,884	16,469,026	98.89%
2006	18,987,819	18,695,407	98.46%
2007	23,231,927	22,616,281	97.35%
2008	24,795,852	23,856,089	96.21%
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%

Notes:

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

Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum.

Subsequent collections are not broken out by fiscal year from the County. This information is not available.

CITY OF ROSEVILLE
ELECTRIC CUSTOMERS & REVENUES
June 30, 2010

Ten Largest Electric Customers as of 6/30/2010

<u>Customer (a)</u>	<u>Type of Business</u>	<u>% Total kWh</u>
Customer 1	Manufacturing	10.61%
Customer 2	Manufacturing	3.88%
Customer 3	Government	3.04%
Customer 4	Medical	2.68%
Customer 5	Medical	1.80%
Customer 6	Retail & Property Management	1.45%
Customer 7	Communications	1.03%
Customer 8	Data Processing	1.02%
Customer 9	Retail	0.98%
Customer 10	Grocery	0.77%

Electric Sales Revenue as of 06/30/2010

Residential	\$ 56,114,961
Commercial	80,097,297
Total Electric Revenue	<u><u>\$ 136,212,258</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 July 1, 2009	Effective January 1, 2010
Residential		
Basic Service Charge (per meter, per month)	\$8.00	\$10.00
Energy Charge (\$/kWh)		
Tier 1- up to 500 kWh/month	\$0.0899	\$0.0944
Tier 2- 501 to 1,000 kWh/month	\$0.1280	\$0.1343
Tier 3- greater than 1,000 kWh/month	\$0.1462	\$0.1531
Hydroelectric Adjustment (\$/kWh)	\$0.00140	\$0.00140
Environmental Compliance Charge (\$/kWh)****	\$0.00500	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022

Special Residential Rates

Electric Rate Assistance Program *		
Basic Service Charge (per meter, per month)	\$6.80	\$8.50
Energy Charges w/ discounts (\$/kWh):		
Tier 1- up to 500 kWh/month	\$0.0755	\$0.0793
Tier 2- 501 to 1,000 kWh/month	\$0.1078	\$0.1132
Tier 3- greater than 1,000 kWh/month	\$0.1233	\$0.1292
Hydroelectric Adjustment (\$/kWh)	\$0.00140	\$0.00140
Environmental Compliance Charge (\$/kWh)****	\$0.00500	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022
Medical Support Rate Reduction **		
Basic Service Charge (per meter, per month)	\$8.00	\$10.00
Energy Charges w/ discounts (\$/kWh):		
Tier 1- up to 500 kWh/month	\$0.0417	\$0.0440
Tier 2- 501 to 1,000 kWh/month	\$0.1078	\$0.1132
Tier 3- greater than 1,000 kWh/month	\$0.1233	\$0.1292
Hydroelectric Adjustment (\$/kWh)	\$0.00140	\$0.00140
Environmental Compliance Charge (\$/kWh)****	\$0.00500	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022
Senior Citizen Rate Reduction ***		
Basic Service Charge (per meter, per month)	\$7.04	\$8.80
Energy Charges w/ discounts (\$/kWh):		
Tier 1- up to 500 kWh/month	\$0.0783	\$0.0823
Tier 2- 501 to 1,000 kWh/month	\$0.1119	\$0.1174
Tier 3- greater than 1,000 kWh/month	\$0.1279	\$0.1340
Hydroelectric Adjustment (\$/kWh)	\$0.00140	\$0.00140
Environmental Compliance Charge (\$/kWh)****	\$0.00500	\$0.00500
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 rate 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.**

**** NOTE: Customers enrolled in Roseville Electric's green energy program, Green Roseville, and pay to have 100% of their energy provided by renewable resources are exempt from the Environmental Compliance Charge. Climate change mitigation charge was renamed "environmental compliance charge" effective 01/01/10.

City of Roseville Business Energy Prices

General Service Rates*	Effective July 1, 2009		Effective January 1, 2010	
Small General Service (GS-1) (Demand < 20 kW)				
Basic Service Charge (per meter, per month)	\$6.50		\$12.50	
Energy Charge (\$/kWh)	\$0.1047		\$0.1047	
Hydroelectric Adjustment (\$/kWh)	\$0.00140		\$0.00140	
Environmental Compliance Charge (\$/kWh)***	\$0.00314		\$0.00500	
State Energy Surcharge (\$/kWh)	\$0.00022		\$0.00022	
Medium General Service (GS-2) (20 kW < Demand ≤ 500 kW)				
Basic Service Charge (per meter, per month)	\$36.00		\$42.00	
Demand Charge (\$/kW-month)	\$3.81		\$3.92	
Energy Charge (\$/kWh)	\$0.0964		\$0.0988	
Hydroelectric Adjustment (\$/kWh)	\$0.00140		\$0.00140	
Environmental Compliance Charge (\$/kWh)***	\$0.00101		\$0.00500	
State Energy Surcharge (\$/kWh)	\$0.00022		\$0.00022	
Large General Service (GS-3)** (Demand > 500 kW) Effective until 12/31/09; (500 kW < Demand ≤ 1000 kW) Effective since 01/01/10	Winter	Summer	Winter	Summer
Basic Service Charge (per meter, per month)	\$150.00	\$150.00	\$315.00	\$315.00
Demand Charge (\$/kW-month)	\$2.78	\$9.57	\$2.81	\$9.67
Energy Charge				
Off Peak (\$/kWh)	\$0.0616	\$0.0712	\$0.0621	\$0.0718
On Peak (\$/kWh)	\$0.0794	\$0.0947	\$0.0801	\$0.0956
Super Peak (\$/kWh)	\$0.0794	\$0.1221	\$0.0801	\$0.1232
Hydroelectric Adjustment (\$/kWh)	\$0.00140	\$0.00140	\$0.00140	\$0.00140
Environmental Compliance Charge (\$/kWh)***	\$0.00003	\$0.00003	\$0.00500	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00022	\$0.00022	\$0.00022	\$0.00022
Very Large General Service (GS-4)** (Demand > 1000 kW) Effective since 01/01/10			Winter	Summer
Basic Service Charge (per meter, per month)			\$380.00	\$380.00
Demand Charge (\$/kW-month)			\$2.78	\$9.57
Energy Charge				
Off Peak (\$/kWh)			\$0.0615	\$0.0710
On Peak (\$/kWh)			\$0.0792	\$0.0945
Super Peak (\$/kWh)			\$0.0792	\$0.1217
Hydroelectric Adjustment (\$/kWh)			\$0.00140	\$0.00140
Environmental Compliance Charge (\$/kWh)***			\$0.00500	\$0.00500
State Energy Surcharge (\$/kWh)			\$0.00022	\$0.00022

Notes

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

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

Winter - bills with meter read dates October through May

Summer - bills with meter read dates June through September

Off Peak: 10:00pm to 7:00am Monday through Friday (Except Holidays)

All Day Saturday, Sunday, and Holidays

On Peak: 7:00am to 3:00pm AND 7:00pm to 10:00pm

Monday through Friday (Except Holidays)

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

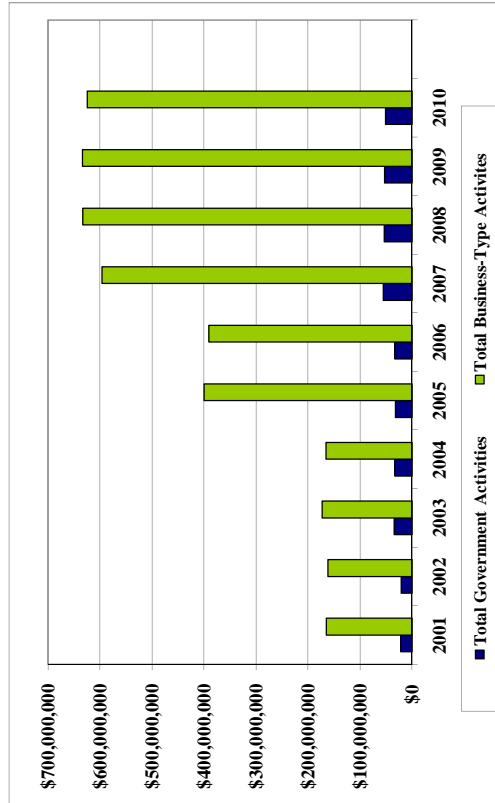
Holidays are defined as: New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

*** Climate change mitigation charge was renamed "environmental compliance charge" effective 01/01/10.

A 2% discount is available for primary service customers.

Source: City of Roseville Electric Department

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



Fiscal Year	Governmental Activities				Total
	Tax Allocation Bonds	Certificates of Participation	Installment Purchase Obligations	Other Long Term Obligations	
2001		\$20,025,000	\$1,582,504	\$78,779	\$21,686,283
2002		19,405,000	1,278,976	67,994	20,751,970
2003	\$14,500,000	18,755,000	1,077,800	11,716	34,344,516
2004	14,180,000	18,275,000	635,743	9,083	33,099,826
2005	13,960,000	17,710,000	306,140	6,250	31,982,390
2006	13,735,000	17,105,000	2,436,986	3,223	33,280,209
2007	36,405,000	16,490,000	2,390,707		55,285,707
2008	35,745,000	15,860,000	2,089,716		53,694,716
2009	35,305,000	15,220,000	2,145,277		52,670,277
2010	34,845,000	14,560,000	1,868,055		51,273,055

Fiscal Year	Business-Type Activities						Percentage of Placer County Personal Income [a]		
	Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bonds	Other Long Term Obligations	Total Primary Government	Placer County Personal Income [a]	Debt Per Capita [a]
2001	\$27,665,000	\$8,575,000	\$30,875,000	\$97,384,118		\$218,857	\$186,404,258	18.99%	2,268
2002	26,980,000	8,385,000	29,750,000	96,346,762		210,387	182,424,119	17.87%	2,126
2003	40,774,524	8,185,000	28,575,000	95,155,022		201,493	207,235,555	18.93%	2,285
2004	35,808,204	8,240,000	27,350,000	93,738,248		192,155	198,428,433	16.63%	2,054
2005	273,325,043	7,945,000	26,075,000	92,390,603		182,351	431,900,387	33.04%	4,226
2006	267,326,882	7,630,000	24,740,000	90,977,962		172,056	390,846,900	29.77%	4,053
2007	266,098,723	7,310,000	23,345,000	89,494,883	\$209,350,000	161,246	651,045,559	43.11%	6,127
2008	271,323,395	6,985,000	55,611,761	89,572,262	209,350,000		686,537,134	42.65%	6,290
2009	267,662,000	6,650,000	53,860,879	89,193,072	215,951,385		685,987,619	[b]	6,106
2010	268,431,581	6,310,000	52,039,997	88,800,339	208,565,475		675,420,447	[b]	5,834

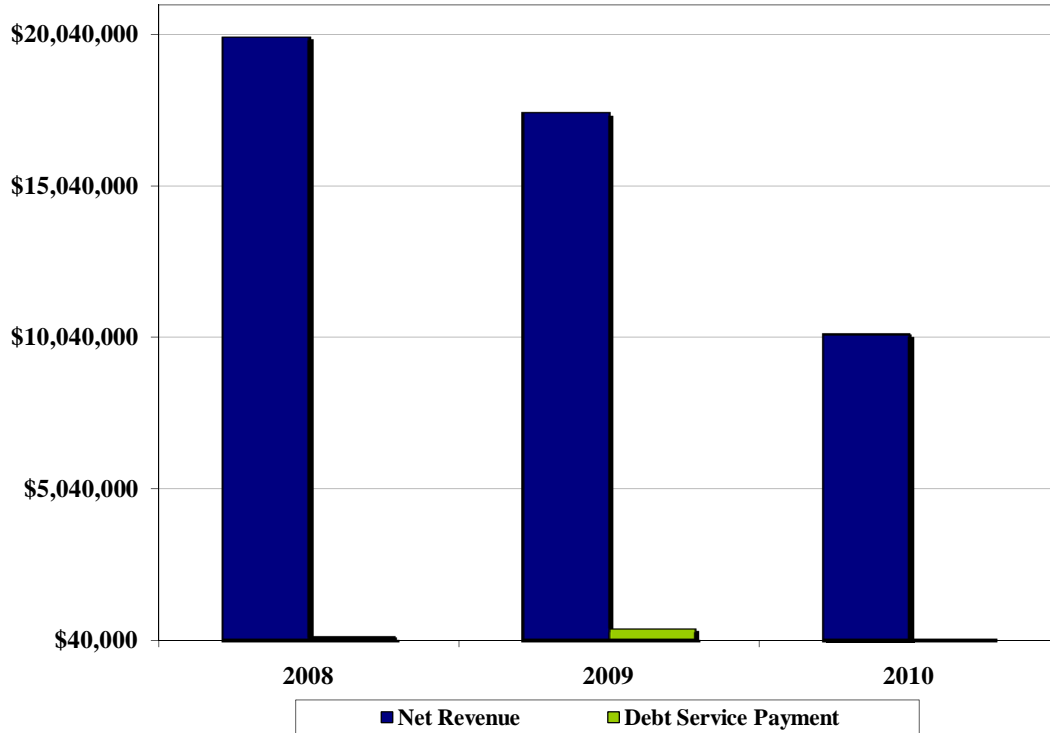
Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.

[a] These ratios are calculated using personal income and population as shown on the Demographics Statistics page.

[b] Total personal income information not available.

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

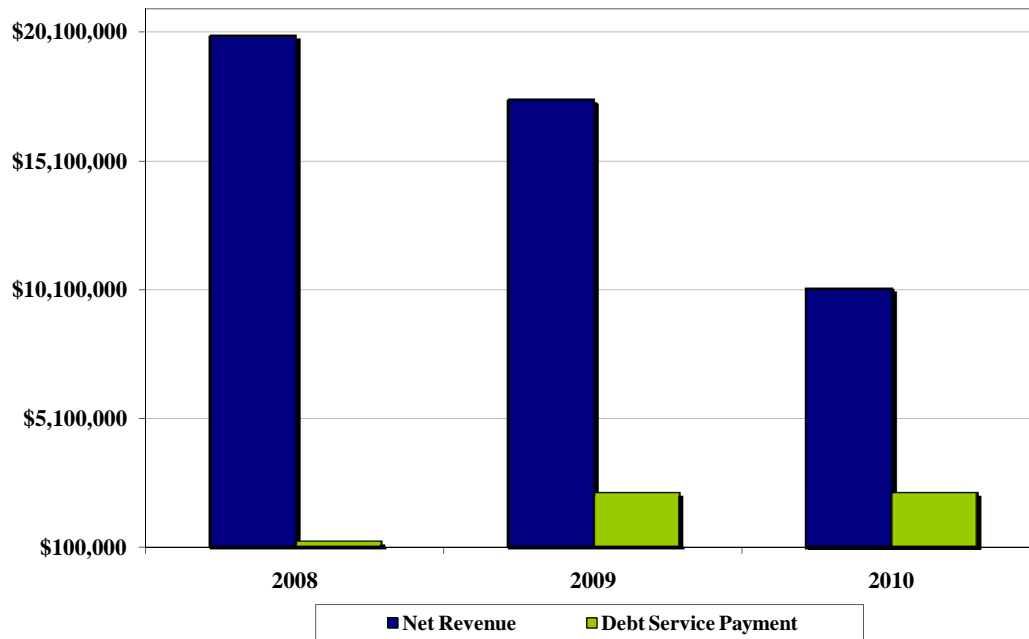
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2008 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES A
Last Three Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$36,916,610	\$16,967,472	\$19,949,138	\$0	\$102,857	\$102,857	193.95
2009	32,976,139	15,526,938	17,449,201	0	391,618	391,618	44.56
2010	26,733,853	16,616,563	10,117,290	0	66,648	66,648	151.80

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

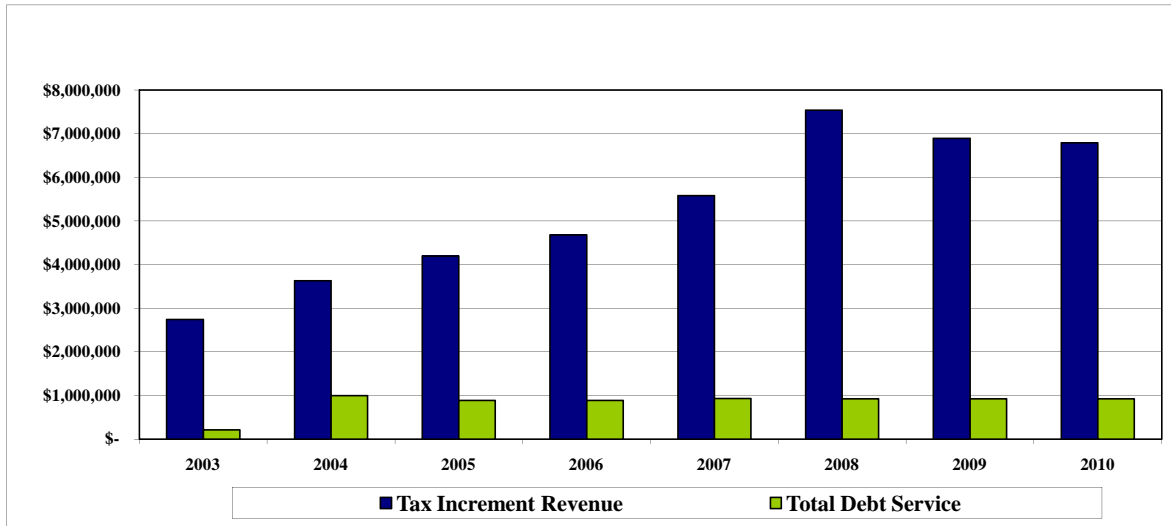
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2008 REFUNDING VARIABLE RATE-SYNTHETIC FIXED WASTEWATER REVENUE BONDS SERIES B
Last Three Fiscal Years**



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	\$290,136	\$290,136	68.76
2009	32,976,139	15,526,938	17,449,201	379,190	1,795,200	2,174,390	8.02
2010	26,733,853	16,616,563	10,117,290	392,733	1,728,048	2,174,390	4.65

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

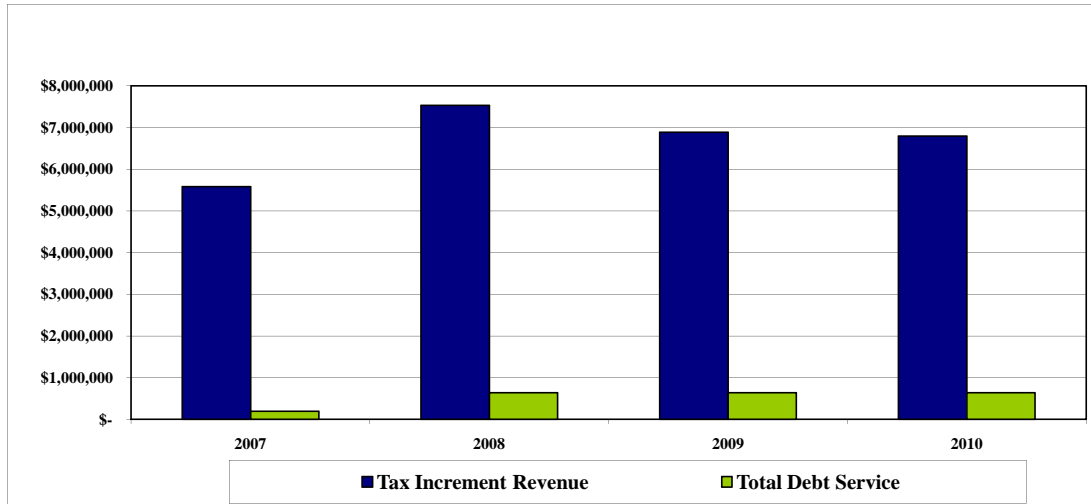
CITY OF ROSEVILLE
2002 REDEVELOPMENT TAX ALLOCATION BONDS
Last Eight Fiscal Years



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	922,750	13,180,000	0.08
2009	6,888,510 (a)	290,000	632,125	922,125	12,890,000	0.07
2010	6,792,567 (a)	300,000	619,875	919,875	12,590,000	0.07

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

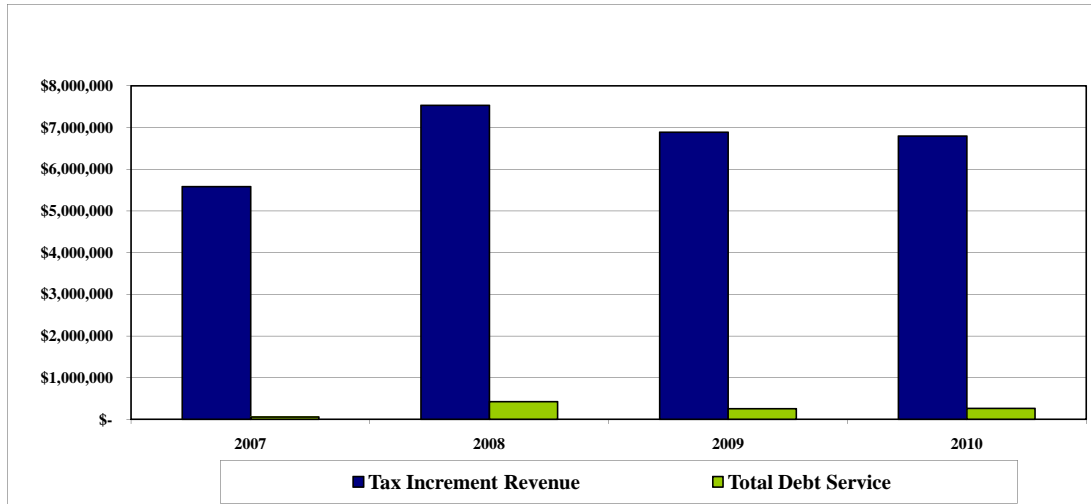
CITY OF ROSEVILLE
2006A REDEVELOPMENT TAX ALLOCATION BONDS
Last Four Fiscal Years



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	6,888,510 (a)	0	640,625	640,625	13,155,000	0.11
2010	6,792,567 (a)	0	640,625	640,625	13,155,000	0.11

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

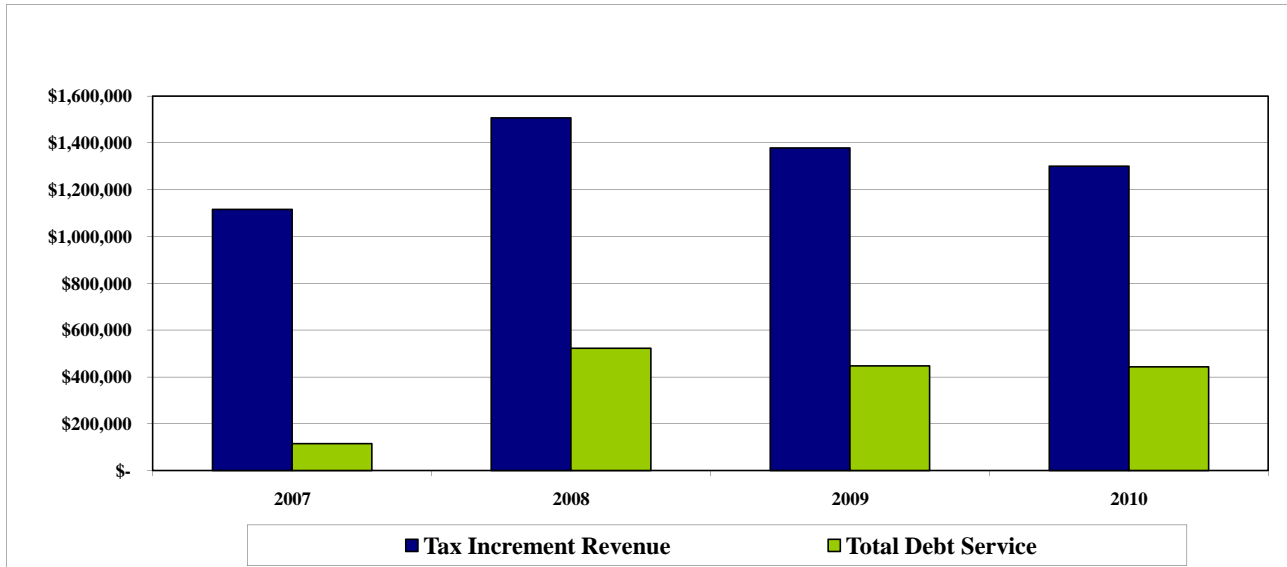
CITY OF ROSEVILLE
2006AT REDEVELOPMENT TAX ALLOCATION BONDS
Last Four Fiscal Years



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
2010	6,792,567 (a)	90,000	169,596	259,596	2,875,000	0.26

(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 Four 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	522,846	6,365,000	0.03
2009	1,377,575	70,000	377,270	447,270	6,295,000	0.03
2010	1,299,621	70,000	373,553	443,553	6,225,000	0.03

CITY OF ROSEVILLE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2010

2009-10 Assessed Valuation:	\$16,871,803,908
Redevelopment Incremental Valuation:	<u>712,288,198</u>
Adjusted Assessed Valuation:	\$16,159,515,710

	Total Debt 6/30/2010	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	\$ 101,611,338	74.818%	\$76,023,571
Rocklin Unified School District	78,148,812	0.011%	8,596
Dry Creek Joint School District	49,814,668	58.749%	29,265,619
Eureka Union School District	6,530,265	38.719%	2,528,453
Roseville City School District	33,485,270	97.934%	32,793,464
City of Roseville Community Facilities Districts	376,949,500	100.000%	376,949,500
California Statewide Communities Development Authority Assessment Districts	18,964,941	6.701%-100%	15,508,138
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 533,077,341</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Placer County Certificates of Participation	\$51,635,000	29.653%	\$15,311,327
Placer County Office of Education Certificates of Participation	2,395,000	29.653%	710,189
Sierra Joint Community College District Certificates of Participation	14,785,000	21.693%	3,207,310
Roseville Joint Union High School District Certificates of Participation	3,915,000	74.818%	2,929,125
Rocklin Unified School District Certificates of Participation	19,890,000	0.011%	2,188
Eureka Union School District Certificates of Participation	5,720,000	38.719%	2,214,727
Roseville City School District Certificates of Participation	13,515,000	97.934%	13,235,780
Placer Mosquito and Vector Control District Certificates of Participation	4,835,000	29.653%	1,433,723
City of Roseville Certificates of Participation	20,870,000	100.000%	<u>20,870,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$59,914,369</u>
COMBINED TOTAL DEBT			<u>\$592,991,710</u> (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 2009-10 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.16%
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Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$20,870,000)	0.13%
Combined Total Debt	3.67%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$0

CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2010

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$16,306,499,944
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$611,493,748
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$673,552,392
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Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	673,552,392
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Amount of debt subject to limit	0
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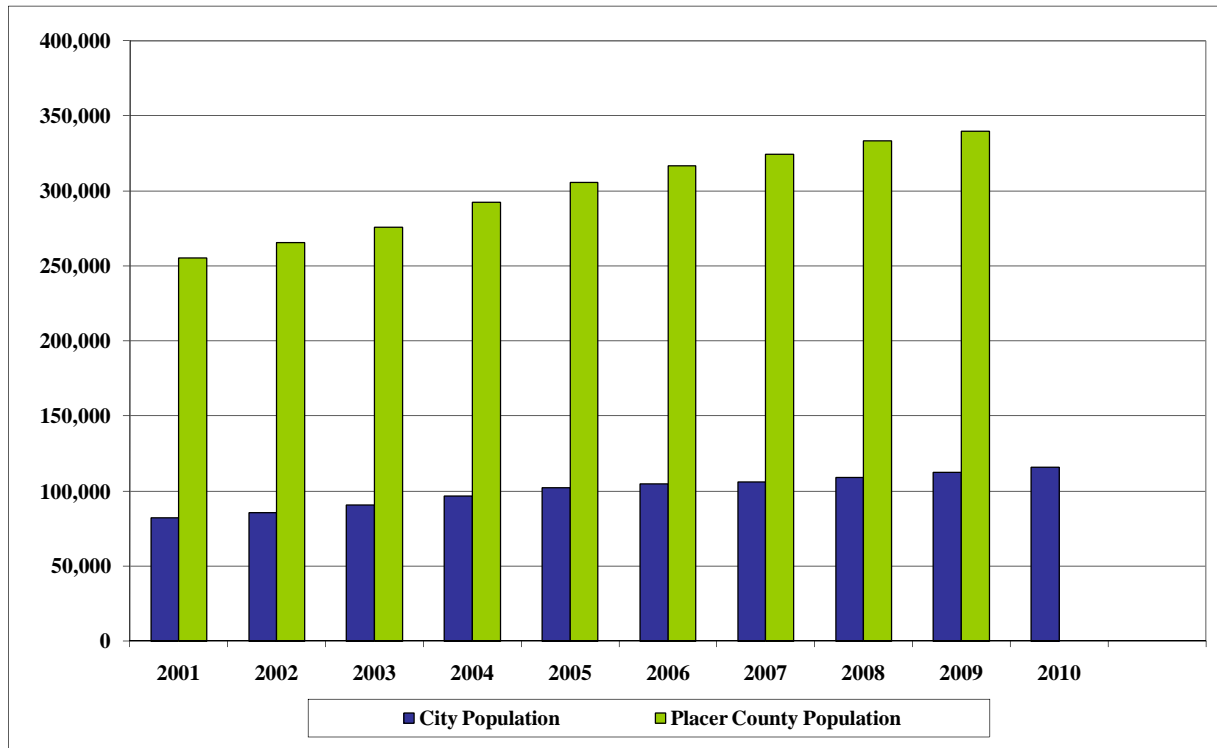
LEGAL BONDED DEBT MARGIN	\$611,493,748
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2003	\$358,392,538	\$0	\$358,392,538	0.00%
2004	394,584,662	0	394,584,662	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	611,493,748	0	611,493,748	0.00%
2010	611,493,748	0	611,493,748	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
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	16,095,432	47,195	6.6%	333,401	32.74%
2009	112,343	(b)	(b)	10.6%	339,577	33.08%
2010	115,781	(b)	(b)	(b)	(b)	

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

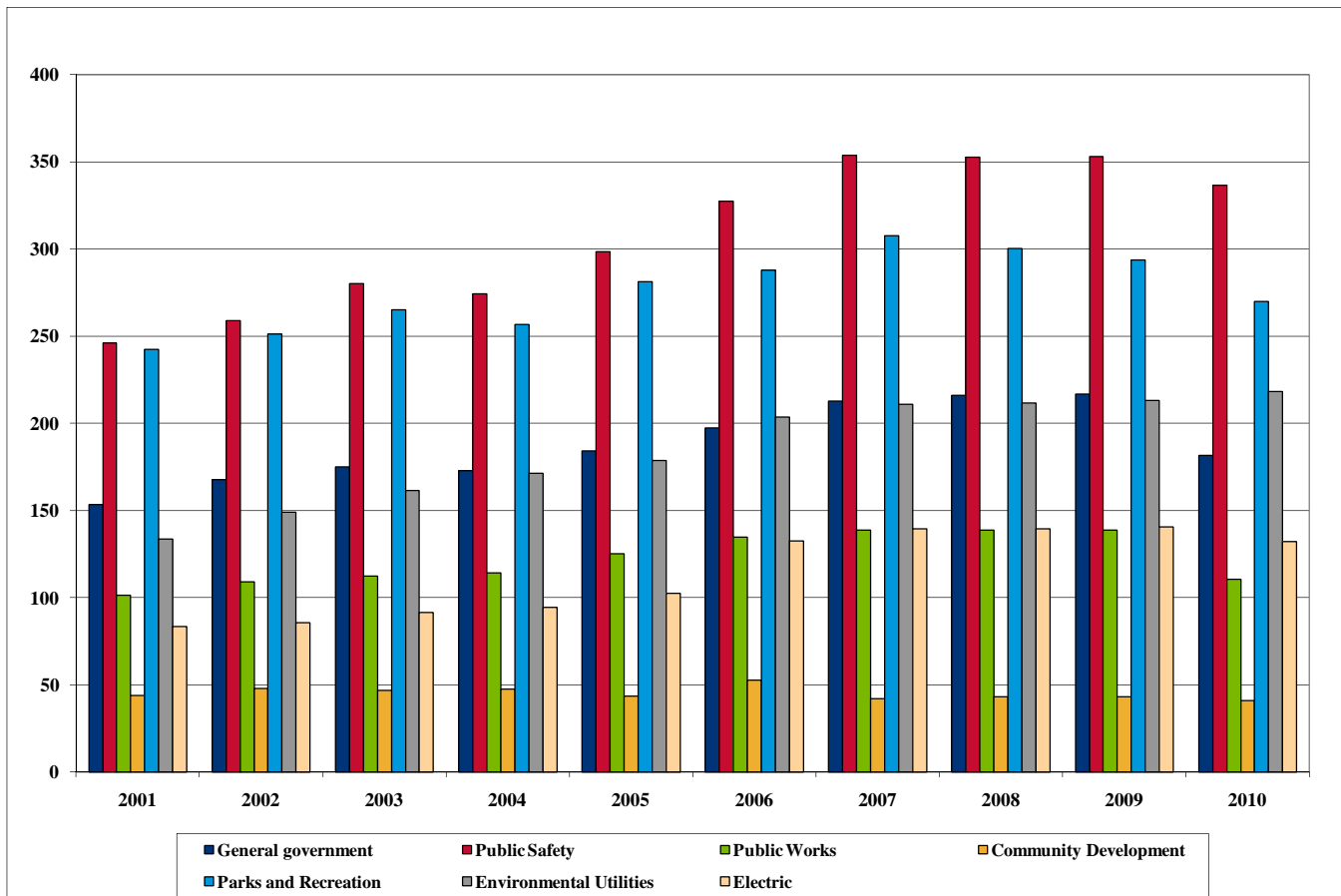
Source: Bureau of Economic Analysis and
State of California Department of Finance
State of California Employment Development Department

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

Employer	2010			2001		
	Number of Employees	Rank	Percentage of Total City Employees	Number of Employees	Rank	Percentage of Total City Employees
Kaiser Permanente	4,300	1	5.8%	2,000	2	13.4%
Hewlett-Packard	3,200	2	4.3%	6,597	1	10.5%
Union Pacific Railroad	2,000	3	2.7%	1,294	4	2.1%
Sutter Roseville Medical Center	1,922	4	2.6%	1,365	3	9.2%
City of Roseville	1,291	5	1.7%	935	7	1.5%
Roseville Elementary School District	897	6	1.2%	661	9	1.1%
Wal-Mart (2 stores)	862	7	1.2%			n/a
Roseville Joint Union High School District	803	8	1.0%	1,000	6	1.3%
Renasas (formerly NEC)	800	9	1.1%	1,049	5	3.3%
PRIDE Industries	800	9	1.1%			
Subtotal	<u>16,875</u>		<u>22.8%</u>	<u>14,901</u>		<u>23.8%</u>
Total Employment*	<u>74,000</u>			<u>62,590</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,

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function										
General government	153.42	167.81	175.06	172.95	184.23	197.23	212.71	216.21	216.79	181.75
Public Safety	246.07	259.07	280.07	274.24	298.43	327.46	353.69	352.69	353.18	336.75
Public Works	101.29	109.29	112.54	114.29	125.29	134.77	138.77	138.77	138.77	110.75
Community Development	44.00	48.00	46.74	47.63	43.63	52.63	42.25	43.25	43.25	41.17
Parks and Recreation	242.50	251.09	265.33	256.83	281.12	287.86	307.65	300.19	293.70	269.89
Environmental Utilities	133.84	149.09	161.47	171.57	178.82	203.74	211.03	211.59	213.00	218.09
Electric	83.46	85.80	91.46	94.46	102.46	132.46	139.46	139.46	140.46	132.29
Total	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	1,290.69

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program								
Public safety:								
Fire:								
Number of Haz-Mat alarms answered	151	126	134	413	330	287	194	192
Number of medical emergencies answered	5,063	5,234	5,228	6,458	6,622	6,737	6,967	7,485
Total Number of alarms answered	7,730	8,390	8,023	9,784	10,065	9,492	8,694	9,129
Police:								
Law violations:								
Physical arrests (adult and juvenile)	4,652	4,120	5,578	7,602	7,360	5,464	5,245	4,520
Traffic citations	19,432	11,382	15,260	18,587	19,893	18,883	20,889	19,033
Public works:								
Total building permits issued	5,663	5,718	4,434	5,703	4,272	4,849	3,975	3,884
Total square feet of street maintenance performed	5,202,440	3,174,672	9,529,760	3,763,328	7,707,910	3,853,433	7,648,976	4,501,241
Park and recreation:								
Community Services:								
Number of participants in Cultural Art classes	4,767	6,582	3,029	3,447	1,926	1,520	2,688	n/a Note 1
Total attendance Youth/Adult/Senior programs								299,134
Total attendance to aquatic facilities	331,561	361,104	271,377	234,542	243,429	235,548	250,182	266,931 Note 2
Library:								
Number of materials checked out	508,809	510,421	554,174	627,317	685,097	818,428	946,224	1,001,179 Note 3
Water:								
Average Daily Consumption (in gallons)	26.6M	28.77M	26.82M	27.26M	30.43M	28.15M	28.19M	25.6 M
Number of backflow devices tested	3,644	3,817	4,122	3,836	4,348	4,679	4,728	4,895
Number of meters sold	1,720	1,870	1,987	1,800	1,031	1,917	2,268	807
Wastewater:								
Number of miles of sewer mains flushed	401	419	448	427	218	280	258	209
Total preventative work orders completed	2,599	2,192	3,107	7,065	9,247	n/a	n/a	n/a Note 4
% of preventative work orders hours						43.1%	45.5%	48.0%
Solid Waste:								
Number of incoming phone calls	37,954	37,943	22,684	23,672	26,870	26,491	22,340	25,369
Tons of solid waste collected	95,151	99,082	98,910	102,370	100,148	96,265	89,512	87,446
Electric:								
Number of customers participating in energy efficiency programs and solar programs	1,231	2,124	2,793	3,123	3,663	2,949	6,333	3,477
Number of trees planted (Shade Tree Program)	1,065	836	625	621	628	842	1,106	611

- Notes:
- 1 - No longer tracked in FY09-10. Attendance are now tracked by Youth/Adult/Senior by programs.
 - 2 - Roseville Aquatics Center closed for pool repairs Nov 2007-Jan 2008.
 - 3 - The Library totals include Downtown Library, Maidu Library and Riley Library. The Bookmobile was retired during the winter 2008.
 - 4 - Preventative work orders are no longer tracked by the number completed. It is now tracked by the percentage of number of hours worked (effective FY07-08).

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program								
Public safety:								
Fire stations	6	6	7	7	8	8	8	8
Police stations	1	1	1	1	1	1	1	1
Number of Police patrol cars	63	75	97	110	107	107	106	51
Public works:								
Miles of streets	400	428	432	455	475	432	428	429
Number of Traffic Signals	134	133	135	141	150	154	162	165
Park and recreation:								
Community services:								
Golf courses (18 holes)	40	40	2	2	2	2	2	2
City parks	n/a	57	48	53	56	58	61	61
Miles of creek	2	2	57	60	60	60	60	60
Swimming pools	4	4	4	4	4	4	4	3
Tennis courts	12	12	12	12	12	14	16	16
Library:								
City Libraries	2	2	3	3	3	3	3	3
Water								
Miles of water mains	450	480	494	506	540	556	562	567
Fire hydrants	3,653	4,499	3,881	3,978	4,278	4,413	4,473	4,514
Wastewater								
Miles of sanitary sewers	600	600	460	447	472	485	485	492
Miles of storm drain	410	420	352	435	474	376	373	382
Solid Waste:								
Number of new residential refuse customers	2,137	1,490	1,062	705	809	984	800	750
Electric:								
Number of residential customers	38,054	40,312	41,883	43,001	43,793	44,662	45,478	46,400
Number of commercial customers	4,720	5,101	5,410	5,523	5,788	6,038	6,349	6,411

Note:

1 - Swimming pool at Oakmont High School no longer used by the City.

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