

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2012



City of Roseville's Mike Shellito Indoor Pool.

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**CITY OF ROSEVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012**

**Prepared by
FINANCE DEPARTMENT**

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CITY OF ROSEVILLE, CALIFORNIA
Comprehensive Annual Financial Report
For The Year Ended June 30, 2012

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January 17, 2013

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, 2012. 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 supplementary 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 now-defunct Redevelopment Agency of the City of Roseville (the “Agency”), the Roseville Finance Authority (the “Authority”), the Roseville Natural Gas Financing Authority (the “RNGFA”), the Roseville Community Development Corporation (the “RCDC”) and the City of Roseville Housing Authority (the “Housing Authority”) with those of the City to constitute a single reporting entity. The report also includes the new Successor Agency to the Redevelopment Agency. In accordance with the criteria of the Government Accounting Standards Board (GASB) Statement 14, the basic financial statements include the financial activity of the City, the Agency, the Authority, the Housing Authority, the RNGFA and the RCDC. The Agency, the Authority, the Housing Authority and the RNGFA are separate legal entities from the City, but have the same governing board. The RCDC has a separate governing board; however, the board members are appointed by the City Council. The Successor Agency has a governing board determined by State law that does not report to the City Council. The RNGFA and RCDC issue their own component unit financial statements. Separate financial statements are not issued for the Authority, the Housing Authority, or the Successor Agency.

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; 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 Hearing Examiners/Appeals Board, 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 2012 was stable and improving. Overall, general fund revenues were very slightly lower than 2011 as Sales taxes were overall flat; however, the distribution between the Bradley-Burns sales tax and the Property Tax In-Lieu of Sales Tax shows an overall increase in taxable sales. Property taxes were down slightly and development revenues were flat. Overall, general fund revenues reflected a slow recovery from the recession. Housing starts were up, but commercial development was down over previous years.

The City continued efforts to reduce costs in order to match total revenues to expenses. General fund expenses were greater than revenues for the year as a whole; however, increasing taxes are helping to make up for decreases in indirect charges and the use of one-time money. While savings from vacant positions helped on the expense side, reductions in spending on non-personnel items were the primary savings driver. We were also able to use carryover monies from FY2011 to avoid dipping into economic reserves.

New housing permits continued to be pulled throughout the year, totaling 621 single-family permits finalized through June 2012. This represents an increase from the previous year and was stronger than expected. This also accounted for a large percentage of all residential permits pulled in the Sacramento region. Commercial development halted in fiscal year 2012, with no new commercial or business professional square footage added to the City. There was some industrial development; however, there are significant vacancy rates throughout the non-residential sector. More activity in the non-residential sector is based on re-leasing existing, vacant space rather than building new space. Several new development proposals should change that in the near future.

The electric utility's budget improved in FY12, reflecting three rate increases that started in January 2011 and ended in January 2012. The utility ended the year with a positive available resources balance; however, most of that is tied up in inventory. The revenue to expense outlook for the next several years projects the buildup of the rate stabilization fund back to policy levels, and should result in higher cash balances for the operating fund. Many of the issues that are likely to drive future rate increases will be state and federal mandates related to renewable energy and environmental concerns.

The environmental utilities (water, wastewater, and solid waste) all ended the year within or better than budgeted. These utilities have less volatile costs that allow more predictable cost structures. The water and wastewater utilities debt instruments performed well during fiscal year 2012. The water utility's debt is fixed rate; however, the wastewater utility includes a large amount of variable-rate debt. Some of the variable rate debt was converted to fixed rate debt and a portion of the variable rate debt was sold as index notes, which pay variable rate interest but do not require a letter-of-credit backing. The interest rates on this debt remained low through fiscal year 2012.

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

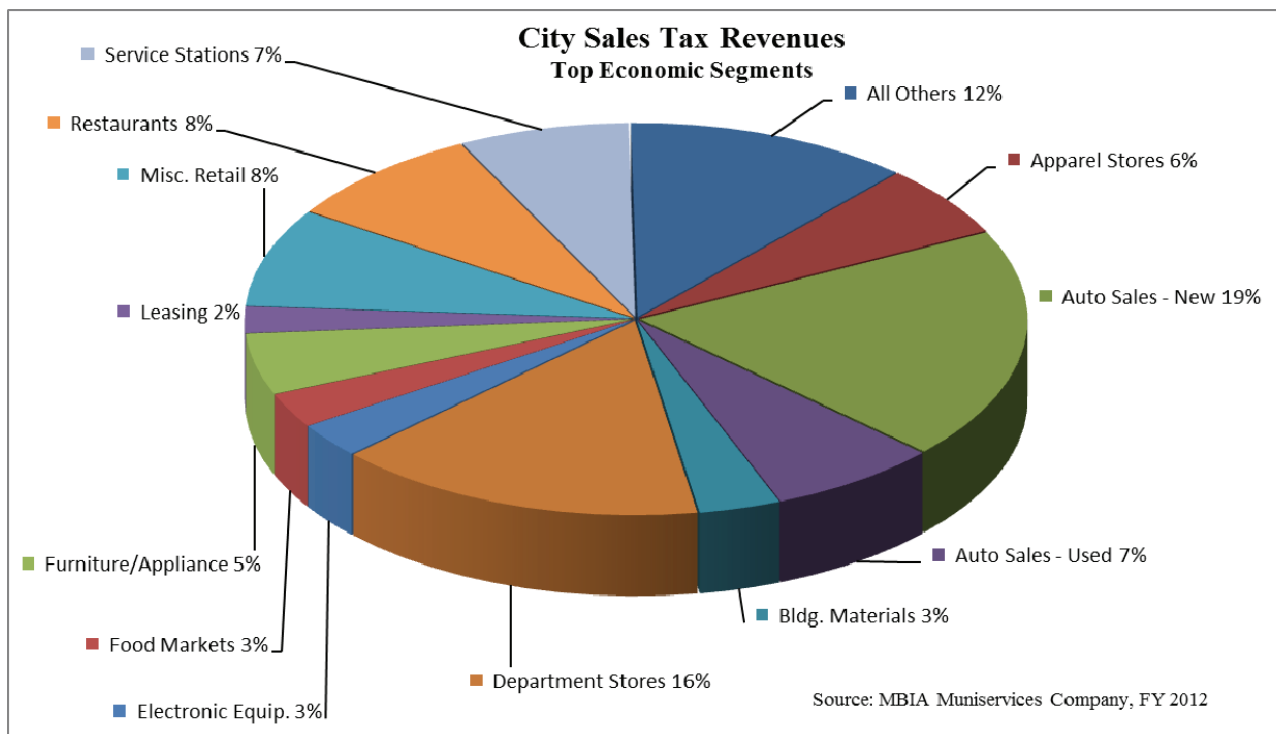
The School-Age Child Care Fund had operating revenues greater than operating expenses; however, the addition of facilities on the Johnson School Site and repayment of loans pushed total expenditures greater than revenue for the year. This program will continue to be monitored for fiscal effectiveness.

The long-term outlook for the City's economy is good. While housing starts are still down from earlier highs, new homes are still being built and sold. Office and retail vacancies remain significant, but this creates capacity for an economic recovery. Several major office vacancies have been recently filled, creating a lower vacancy rate. Sales tax is trending up and new and diverse stores continue to be attracted to the retail core of the City. New auto sales were up in fiscal year 2012 compared to fiscal year 2011. This trend appears to be continuing into fiscal year 2013. 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 2012, incentivized 120 employees throughout the organization to retire, and laid off 35 permanent positions in the General Fund. The City is responding to the ongoing economic challenges, and is planning cutbacks in service.

TOP SALES TAX GENERATORS BY ECONOMIC SEGMENT

The chart below provides an overview of the City’s sales tax revenue by economic segment. Most sectors experienced increases over fiscal year 2012. Total sales taxes increased \$743 thousand from 2011, approximately 2% increase. In the top ten sales tax categories, nine have experienced increases in taxable sales. New auto sales, the largest sales-tax category, were up 13 percent from last year and up 23 percent from two years ago.



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

MAJOR ACTIVITIES IN THE CITY

Many of the major activities undertaken in fiscal year 2012 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: Completed Reserve Drive, opened South Placer Transit Information Center, completed various bike trail projects.

- Water: Design and bidding of Phase 2 of the Atlantic Street rehabilitation project and completion of assessment of Water Plant rehabilitation needs.
- Wastewater: Ongoing improvement of treatment plants and wastewater collection system to conform to State water quality standards.
- Electric: Ongoing improvement, maintenance and rehabilitation of electric assets.
- Parks and Recreation: Completion of the Harry Crabb Park, Phase 1, Heredia Park, Weber Park Playground Renovations, Mahany All-Weather Field Upgrades and Norm Fratis Park.
- Redevelopment: With the dissolution of the Redevelopment Agency as of February 1, 2012, the City has taken over the Town Square project with funding from Public Facilities Fees, Traffic Mitigation Funds and a State Prop 1B Transportation Grant. In May of 2012, Council awarded the construction contract to Carter Kelly and the project broke ground in August of 2012.

Private development has increased in fiscal year 2012. Single-family residential increased compared to last fiscal year with 621 new units in 2012 as compared to 473 in 2011. No new multi-family residential units were added in 2012. Commercial development has increased over the last year with permits being issued for six new commercial projects of which two have received certificates of occupancy. Notable within the new construction is two new auto dealers within the auto mall. Industrial development dropped for 2012 with no new industrial inventory being added. Although not additive to the building inventory, the City has experienced a significant increase in permit activity which can be attributed to the re-occupancy of vacant space. This is evidenced by the increase in permit activity this year where 5,037 permits have been applied for compared to 3,988 applied for last year.

Development Type	Number of Units	New Square Feet Occupied
Single-family residential	621	
Multi-family residential	0	
Industrial		0
Commercial		0
Business professional		0

The major growth areas of the Sierra Vista, Creekview, and Amoruso Ranch Specific Plan areas are located on the north and south boundaries of the West Roseville Specific Plan. Sierra Vista is annexed and fully entitled, including the Westbrook portion of the plan area adopted in June 2012. The Creekview Specific Plan, approved by the City Council in September 2012, is going through the annexation process with annexation completion expected in 1st or 2nd quarter of 2013. A third development project, Amoruso Ranch, is in the entitlement process. Amoruso Ranch anticipates completing the entitlement process in Spring 2014.

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 (salaries and benefits, operating services and supplies, capital outlay, and capital improvement projects) by organization key within each department. 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 a component of the applicable fund balance category (assigned, committed or restricted). The City's accounting records are organized and operated on a "fund" basis, which is the basic fiscal and accounting entity in governmental accounting. Each fund is classified by category and fund type:

Category Fund Type

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

Proprietary Funds: Enterprise Funds and Internal Service Funds

Fiduciary Funds: Agency Funds, OPEB Trust Fund and Private-Purpose Trust Funds

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 and Private-Purpose Trust Funds as explained in the Notes to the Financial Statements.

CASH MANAGEMENT

The City has a formal investment policy, which is subject to annual review and approval by the City Council. Available cash for operations and capital was invested in the State Treasurer's Local Agency Investment Fund (LAIF), corporate notes, money market funds, municipal bonds, 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 0.758% on the City's month-end average investment balances. This compared with a return of 1.03% in the prior year. As of June 30, 2012, the yield to market of outstanding investments was .612%. 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 table below provides a list of the City's investments at the end of June 30, 2012.

Certificate of Deposits		PAR Value	Average Maturity (days)	Average Yield to Maturity
Issuer				
RBC	Royal Bank of Canada	\$ 10,000,000	223	0.490%
WEST	Westpac Banking	10,500,000	594	1.470%
NAT AUS	National Australian Bank	8,100,000	354	0.990%
BNS	Bank of Nova Scotia	10,000,000	590	0.600%
CFB	Community First Bank	505,985	240	0.750%
CFB	Community First Bank	250,000	4	0.750%
CFB	Community First Bank	506,776	45	0.600%
TOTAL		\$ 39,862,761		
Corporates				
USBC	US Bancorp	\$ 6,770,000	440	1.420%
GE	General Electric	10,050,000	1167	2.437%
JPM	JP Morgan Chase & Co	8,710,000	616	2.003%
BERK	Berkshire Hathaway Inc	5,000,000	776	0.980%
IBM	IBM	11,650,000	681	1.280%
PGC	Procter & Gamble Co	2,410,000	868	1.280%
WM	Walmart	250,000	1385	2.880%
WFC	Wells Fargo Global Notes	640,000	823	2.260%
TOTAL		\$ 45,480,000		
Municipal Bond				
SAN FRAN	City of San Francisco	\$ 4,055,000	685	0.866%
Agencies				
FHLB	Federal Home Loan Bank	\$ 40,615,000	617	0.525%
FNMA	Fannie Mae	52,312,000	822	0.920%
FHLMC	Freddie Mac	43,415,000	674	0.865%
TOTAL		\$ 136,342,000		
Treasuries				
USTR	US Treasury	\$ 90,325,000	1233	0.654%
TOTAL CITY PORTFOLIO		\$ 316,064,761		

LONG-TERM FINANCIAL PLANNING

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

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

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

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

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

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

OPEB Trust: The City set up the Post-Retirement Fund in 2002 to begin setting aside monies to address the City's long-term liability for post-retirement health benefits. In addition to one-time monies transferred into this fund, the City has transferred 3 percent of the total cost of salaries for several years; however, the General Fund portion of this transfer was not made in fiscal year 2012. The City is in the process of reviewing its benefit levels. In fiscal year 2011, the City established an irrevocable trust and moved \$34 million of accumulated revenues into the OPEB Trust. This has increased the longer-term investment return on the funds, thus lowering the City's unfunded liability. Since inception, the trust's investments have performed at or better than its long-term return of 6.5%.

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, 2011. 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.

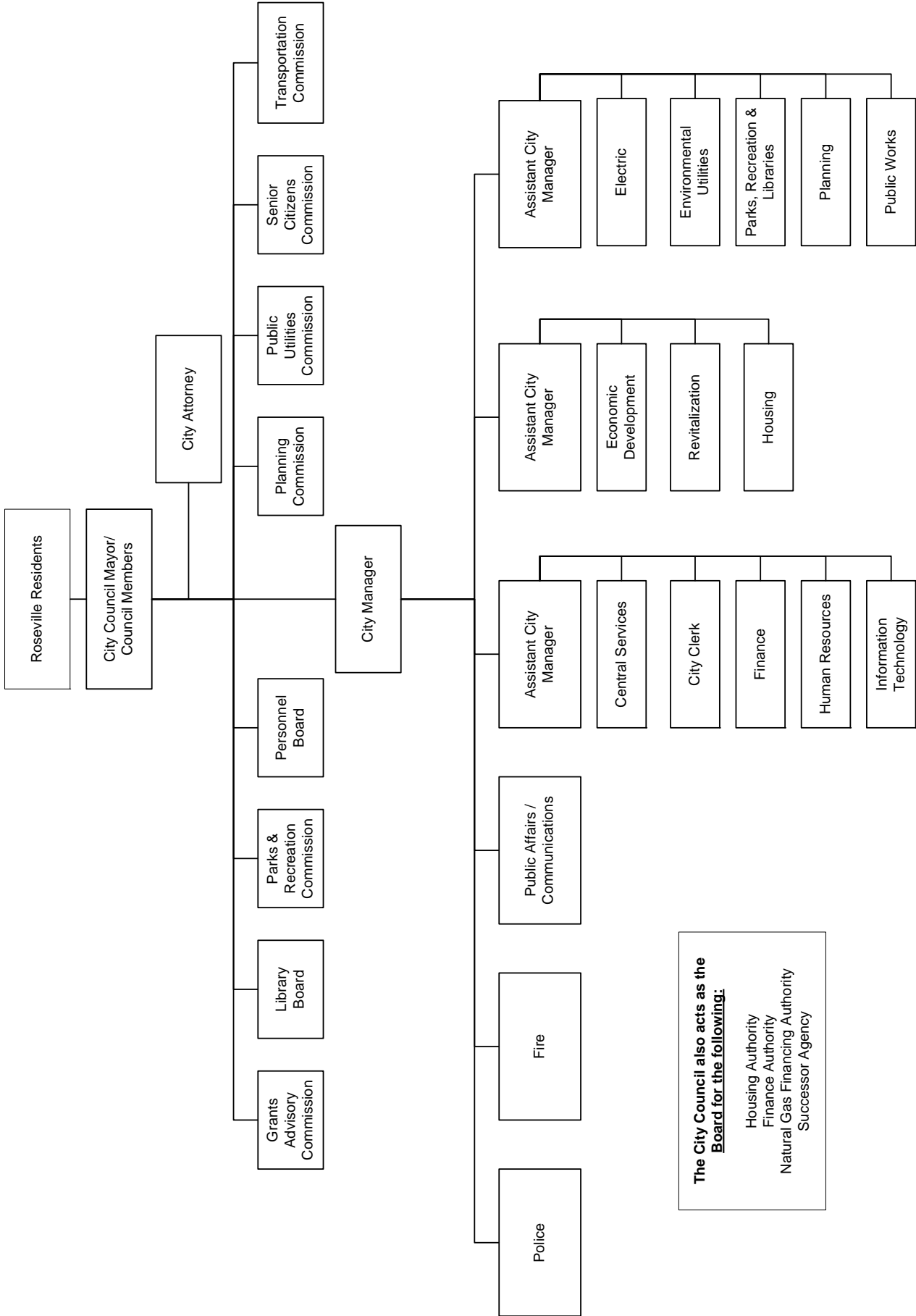
ACKNOWLEDGMENTS

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



The City Council also acts as the Board for the following:
 Housing Authority
 Finance Authority
 Natural Gas Financing Authority
 Successor Agency

Organizational Chart: City Wide

CITY OF ROSEVILLE

ELECTED OFFICIALS

JUNE 30, 2012

Mayor
Vice Mayor
Council Member
Council Member
Council Member

Pauline Roccucci
Susan Rohan
John B. Allard
Carol Garcia
Tim Herman

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roseville California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Christopher P. Morille

President

Jeffrey R. Enow

Executive Director

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Roseville, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, (City) California, as of and for the year ended June 30, 2012, 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 opinions on these financial statements based on our audit. We did not audit the component unit financial statements of Roseville Community Development Corporation, which is both a non-major fund and 0.25%, (0.07%) and 0.02% of the assets, net assets and revenues, respectively, of the governmental activities. These component unit financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of these other auditors.

We conducted our audit in accordance with auditing standards generally accepted 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in the financial position and, where applicable, cash flows thereof listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 20, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Roseville Redevelopment Agency has been dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Roseville Redevelopment Agency prior to the date of dissolution, including the repayment of interfund advances and loans made to the City and the Roseville Community Development Corporation, may be subject to review by the State as discussed in Note 20, but the effect of that review can not be determined as of June 30, 2012.

Prior to the Redevelopment Agency dissolution, the Agency board approved various agreements which obligated it to repay certain advances to the City. These advances have been recorded as liabilities by the Successor Agency as management believes these amounts are valid obligations. Repayment of these agreements is subject to certain administrative procedures and review and approval by the California Department of Finance and/or the Oversight Board, and as a result the amount disallowed is not determinable at this time.

The City's position on these matters is not a position of settled law and there is considerable legal uncertainty regarding these matters. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. No provision for liabilities resulting from the outcome of these uncertain matters has been recorded in the accompanying financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison information for the General Fund and the Redevelopment Agency of the City of Roseville Special Revenue Fund, and the Modified Approach to Reporting Street Pavement Costs and Parks and Landscaping Costs, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The Introductory Section, Supplemental Information and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements. The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the Supplemental Information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Mane & Associates

January 17, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

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, 2012. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

Even though there have been signs of economic recovery, there have continued to be issues which affect Roseville, in areas such as reduced property taxes and increased retirement expenses, as it has for most of the state. The City's financial highlights are presented below:

FISCAL YEAR 2012 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2012 include the following:

Entity-wide:

- The City's total net assets were \$2.4 billion as of June 30, 2012. Of this total, \$1.1 billion were Governmental assets and \$1.3 billion were Business-type assets.
- Governmental revenues include program revenues of \$43.4 million and general revenues and transfers of \$147.8 million for a total of \$191.3 million, which included \$34.2 million of extraordinary items transferred as a result of the dissolution of the Redevelopment Agency to the Successor Agency.
- Governmental expenses were \$166.3 million.
- Business-type program revenues, interest revenue and miscellaneous revenues were \$292.1 million while Business-type expenses and transfers were \$290.6 million.

Fund Level:

- Governmental Fund balances increased to \$211.5 million in fiscal year 2012, up \$4.7 million from the prior year.
- Governmental Fund revenues decreased to \$121.5 million in 2012, down \$2.3 million from the prior year. Though there were increases in contributions from developers and others of \$1.4 million, there were decreases of \$1.4 million in taxes, as property taxes continued to decline – offsetting an increase in sales taxes; \$1.8 million in subventions and grants, as grant opportunities have continued to decline; and miscellaneous revenues declined by \$0.6 million. Governmental Fund expenditures increased to \$146.9 million in fiscal year 2012, up \$3.1 million from the prior year. The increases were primarily due to \$1.8 million in general government; \$1.2 million in police; \$2.7 million in parks and recreation, which was offset by \$2.9 million reduction from community development and planning, of which \$1.7 million was from the dissolution of redevelopment.
- Other Financing Sources provided a net of \$25.4 million in fiscal year 2012, up \$4.6 million from 2011.

General Fund:

- General Fund revenues of \$89.2 million increased slightly by \$0.3 million higher than the prior year.
- General Fund expenditures of \$110.9 million increased \$5.2 million over the prior year -- \$1.7 million from general government, \$1.3 million from police, \$0.8 million from public works, \$0.8 million from library, \$0.7 million from parks and recreation.
- Other Financing Sources decreased \$10.7 million to \$19.1 million due to the one-time reestablishment of advances to the Redevelopment Agency in 2011 that did not recur.
- The General Fund balance of \$64.8 million as of June 30, 2012 decreased \$3.3 million from fiscal year 2011's fund balance of \$68.1 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, the newly formed Successor Agency from the dissolution of the Redevelopment Agency, and certain other entities for which the City acts solely as agent. The Fiduciary Statements provide information about the cash balances and activities of these Districts, and other entities. These statements are separate, and their balances are excluded, from the City's basic financial statements.

The Entity-wide Financial Statements

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

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

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

The City’s governmental activities also include the activities of five separate legal entities, the Redevelopment Agency of the City of Roseville, which was dissolved effective January 31, 2012, the Roseville Finance Authority, the City of Roseville Housing Authority, the Roseville Natural Gas Financing Authority and the Roseville Community Development Corporation. The City is financially accountable for these entities.

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

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City’s most significant funds, called Major Funds. 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 the 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 financial reporting standards.

Fiduciary Statements

The City’s fiduciary activities are reported in the separate Statements of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. 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>2012</u>	<u>2011</u>
Cash and Investments	\$238.2	\$254.3
Other Assets	71.9	49.2
Capital Assets	848.1	864.4
Total Assets	1,158.2	1,167.9
Long-Term Debt Outstanding	13.3	49.9
Other Liabilities	75.4	60.8
Total Liabilities	88.7	110.7
Net Assets:		
Invested in Capital Assets, Net of Debt	834.8	827.8
Restricted	140.3	144.6
Unrestricted	94.4	84.8
Total Net Assets	\$1,069.5	\$1,057.2

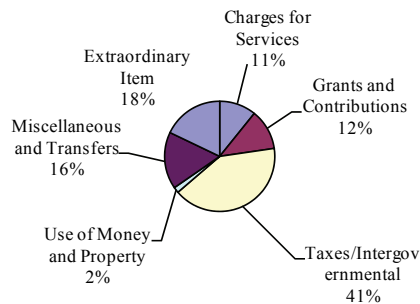
The City's governmental net assets amounted to \$1.1 billion as of June 30, 2012, an increase of \$12.3 million from fiscal year 2011. The City's net assets as of June 30, 2012 comprised the following:

- Cash and investments comprised \$231.7 million in the city treasury and \$6.5 million of restricted cash and investments. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.
- Receivables comprised \$13.4 million of which were current, along with deferred receivables of \$2.2 million, internal balances of \$7.2 million, notes receivable of \$46.2 million that are due over longer periods of time, as explained in Notes 4, 5, and 6 to the financial statements.
- Capital assets of \$848.1 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 \$30.1 million.
- Accrued compensated absence liabilities payable to employees of \$11.6 million, as explained in Note 1G to the financial statements.

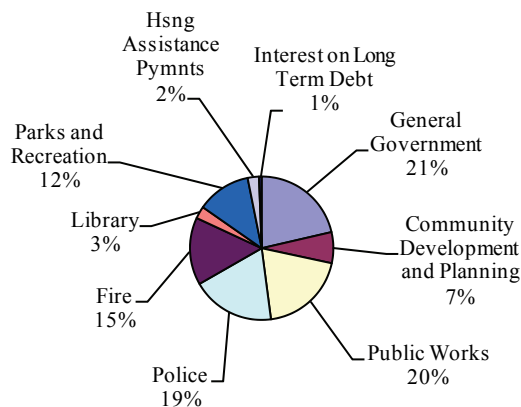
- \$25.5 million of unfunded required contributions to the Other Post-Employment Benefits (OPEB) Trust as required by GASB 45 and detailed in Note 13.
- Long-term debt of \$13.3 million, of which \$12.5 million is due in future years and \$0.8 million is due currently, as detailed in Note 9. Long-term debt declined \$36.6 million during the fiscal year, primarily due to the dissolution of the Redevelopment Agency and the transfer of the Agency's bonded indebtedness to the Successor Agency which is accounted for in the private-purpose fund reported with the City's other fiduciary funds.
- Net assets invested in capital assets net of related debt of \$834.8 million, representing the City's investment in infrastructure and other capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- Restricted net assets totaling \$140.3 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 \$94.4 million of unrestricted net assets as of June 30, 2012. While these assets are technically unrestricted, most of these assets are designated for a specific use.

Fiscal Year 2012 Governmental Activities

Sources of Revenue



Functional Expenses



As the Sources of Revenue Chart above shows, \$78.5 million, or 41% of the City's fiscal year 2012 governmental activities revenue, came from taxes and unrestricted intergovernmental revenues (motor vehicle-in-lieu), while \$31.9 million or 16% came from transfers and miscellaneous, \$22.8 million or 12% came from grants and contributions, \$20.6 million, or 11%, came from charges for services, \$34.2 million came from the extraordinary item, and the remainder came from use of money and property, as shown above. The extraordinary item was related to the dissolution of the Redevelopment Agency effective January 31, 2012 and the transfer of all of its assets and liabilities to successor agencies.

The Functional Expenses Chart above includes only current year expenses; it does not include capital outlays, which are added to the City's capital assets. As the Chart shows, general government was \$35.6 million or 21% of total government expenses, community development and planning was \$11.6 million or 7%, public works was \$32.5 million or 20%, police was \$31.3 million or 19%, fire was \$25.3 million or 15%, parks and recreation was \$20.2 million or 12%, and other governmental programs and functions were the remaining 6%.

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

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

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Expenses		
General Government	\$35.6	\$30.4
Community Development and Planning	11.6	13.4
Public Works	32.5	30.9
Police	31.3	31.7
Fire	25.3	25.2
Library	4.6	3.9
Parks and Recreation	20.2	17.7
Housing Assistance Payments	4.2	3.7
Interest on Long-Term Debt	1.0	3.2
Total Expenses	166.3	160.1
Revenues		
Program Revenues:		
Charges for Services	20.6	21.4
Operating Grants and Contributions	3.0	11.0
Capital Grants and Contributions	19.8	11.7
Total Program Revenues	43.4	44.1
General Revenues:		
Taxes/Intergovernmental	78.5	77.2
Use of Money and Property	3.2	3.7
Miscellaneous	1.5	1.1
Total General Revenues	83.2	82.0
Total Revenues	126.6	126.1
Changes in Net Assets before Transfers	(39.7)	(34.0)
Transfers	30.4	26.1
Extraordinary item-Successor Agency	34.2	0
Change in Net Assets	24.9	(7.9)
Net Assets-Beginning, as restated	1,044.7	1,065.1
Net Assets-Ending	\$1,069.6	\$1,057.2

As the Sources of Revenue Chart and **Table 2** above show, \$43.4 million, or 34.3% of the City’s fiscal year 2012 governmental revenue, came from program revenues and \$83.2 million, or 65.7%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of \$20.6 million that include permit revenues, fees, and charges used to fund expenses incurred in providing services; \$3.0 million of operating grants and contributions which include gas tax revenues, housing, and police grants; and capital grants and contributions of \$19.8 million that consist mainly of street project grants, developer impact fees restricted to capital outlay.

General Revenues-Taxes/Intergovernmental showed an increase of \$1.3 million, as sales taxes increased but property taxes continued to decline. General revenues are not allocable to programs and are used to pay the net cost of governmental programs.

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

Table 3
Governmental Activities
June 30
(in Millions)

	<u>Net (Expense)/Revenues from Services</u>	
	<u>2012</u>	<u>2011</u>
General Government	(\$30.9)	(\$26.1)
Community Development and Planning	(9.2)	(9.4)
Public Works	(15.4)	(17.8)
Police	(28.5)	(28.7)
Fire	(22.9)	(22.7)
Library	(4.2)	(3.5)
Parks and Recreation	(6.6)	(5.7)
Housing Assistance Payments	(4.2)	1.1
Interest on Long Term Debt	(1.0)	(3.2)
Totals	(\$122.9)	(\$116.0)

Business-type Activities

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

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

	<u>2012</u>	<u>2011</u>
Cash and Investments	\$181.7	\$157.3
Other Assets	508.8	452.4
Capital Assets	1,448.1	1,475.0
Total Assets	2,138.6	2,084.7
Long-Term Debt Outstanding	587.4	605.1
Other Liabilities	227.7	157.5
Total Liabilities	815.1	762.6
Net Assets:		
Invested in Capital Assets, Net of Debt	1,053.7	1,070.9
Restricted	28.8	26.8
Unrestricted	241.0	224.4
Total Net Assets	\$1,323.5	\$1,322.1

The net assets of business-type activities increased to \$1.324 billion in fiscal year 2012, an increase of \$1.4 million. Cash and investments increased by \$24.4 million. Capital assets decreased by \$26.9 million. Long-term debt outstanding decreased by \$17.7 million from scheduled retirements of outstanding debt. Other assets and other liabilities increased by \$56.4 million and \$70.2 million respectively.

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

	Business-Type Activities	
	<u>2012</u>	<u>2011</u>
Expenses		
Electric Fund	\$145.0	\$148.3
Water Fund	24.3	22.3
Wastewater Fund	34.6	29.5
Solid Waste Fund	15.9	15.0
Natural Gas	26.8	27.1
Golf Course Fund	2.5	2.8
Local Transportation Fund	6.7	6.6
School-Age Child Care Fund	4.5	4.3
Total Expenses	<u>260.3</u>	<u>255.9</u>
Revenues		
Program Revenues		
Charges for Services	253.4	256.5
Operating Grants and	13.7	6.2
Capital Grants and Contributions	12.3	16.3
Total Program Revenues	<u>279.4</u>	<u>279.0</u>
General Revenues		
Use of Property and Money	12.7	12.8
Total Revenues	<u>292.1</u>	<u>291.8</u>
Change in Net Assets before Special	<u>31.8</u>	<u>35.9</u>
Transfers	(30.4)	(26.2)
Changes in Net Assets	<u>1.4</u>	<u>9.7</u>
Net Assets-Beginning, as restated	<u>1,322.1</u>	<u>1,312.4</u>
Net Assets-Ending	<u><u>\$1,323.5</u></u>	<u><u>\$1,322.1</u></u>

Business-type program revenues, interest revenue, and miscellaneous revenues were \$292.1 million while Business-type expenses and transfers were \$290.6 million in 2012. 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.

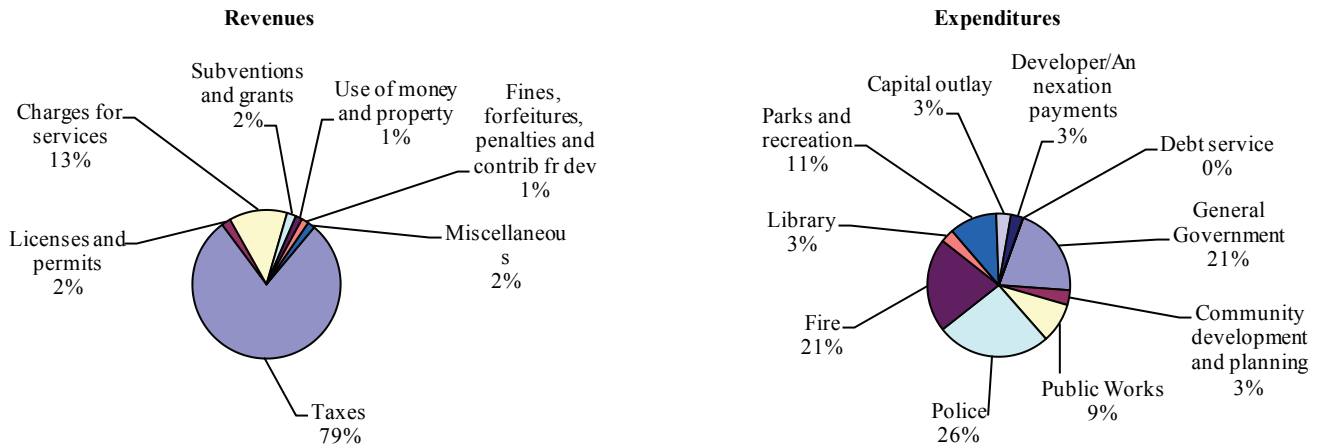
Table 6
Changes in Business-Type Net Assets
(in Millions)

	<u>Net (Expense)/Revenues From Services</u>	
	<u>2012</u>	<u>2011</u>
Electric Fund	\$17.1	\$16.9
Water Fund	(0.5)	1.7
Wastewater Fund	0.3	10.1
Solid Waste Fund	5.3	5.9
Natural Gas	(10.2)	(10.6)
Golf Course Fund	0.2	(0.4)
Local Transportation Fund	7.1	(0.8)
School-Age Child Care Fund	0.2	0.4
Totals	\$19.5	\$23.2

Analyses of Major Governmental Funds

General Fund

Fiscal Year 2012 General Fund Activity



General Fund revenues had a slight increase of \$0.3 million this fiscal year. Total actual revenues were more than the final budget by \$2.1 million, with the following major breakdown:

- Taxes were more than budget by \$2.6 million, due to sales taxes coming in higher;
- Contributions from developers and subventions and grants were less budget by \$0.9 million and \$0.2 million, respectively;
- Licenses and permits and charges for services were more than budget by \$0.3 million and \$0.4 million, respectively, due to a slight increase of development activity.

General Fund expenditures were \$110.9 million, an increase of \$5.2 million from the prior year. Expenditures were also \$6.2 million less than budget. The original budget was increased by a net \$5.7 million, from encumbrances and incomplete capital projects carried over from fiscal year 2011. The following is a list of the major differences:

Salaries and benefits

- Information technology-applications were under budget by \$130 thousand due to unfilled positions.
- Planning was over budget by \$138 thousand due to salary credits budgeted but not received.
- Engineering was under budget by \$153 thousand due to unfilled positions.
- Police in aggregate was under budget by \$592 thousand due to unfilled positions.
- Library public services were under budget by \$140 thousand due to unfilled positions.

Operating services and supplies

- Information technology-data center was under budget by \$129 thousand due to upgrade projects not completed.
- Building maintenance was under budget by \$150 thousand due to delays in maintenance projects.
- Specific plan projects in aggregate were delayed and were \$2.1 million under budget.
- Street paving was under budget by \$174 thousand from encumbered street maintenance projects not completed as of year-end.
- Fire operations were under budget by \$102 thousand as gear and safety equipment were not received by year-end.

Other financing sources and uses reported net inflows of \$19.1 million in fiscal year 2012, a decrease of \$10.7 million due to the fiscal year 2011's one-time reestablishment of advances to the Redevelopment Agency totaling \$9.8 million.

As of June 30, 2012, the General Fund's fund balance totaled \$64.8 million, including \$17.0 million nonspendable, mostly for notes receivable, \$2.9 million assigned to various contracts, and the balance of \$44.8 million considered unassigned. Only the unassigned portion of fund balance represents available liquid resources, since the nonspendable and assigned portions is represented by non-cash assets or by open purchase orders.

Redevelopment Agency of the City of Roseville

This Fund accounted for the Redevelopment (RDA) activity including capital projects in the downtown redevelopment area funded by tax allocation bonds. The State passed legislation in June 2011 that resulted in the dissolution of redevelopment agencies throughout the State effective January 31, 2012. Due to the dissolution of the Redevelopment Agency effective January 31, 2012 (see Note 20), all Redevelopment Agency non-housing assets and all liabilities were distributed to a Successor Agency and all housing assets were transferred to a Housing Successor. This resulted in \$3.8 million of the decrease in governmental fund balances. The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The housing assets of the former Redevelopment Agency were distributed to the City as the Housing Successor. Its activities are reported in the Low/Mod Income Housing Asset Special Revenue Fund.

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 2012 fund balance decreased by \$2.9 million. The largest projects underway in fiscal year 2012 were improvements to the Crocker Ranch, Stoneridge West, Westpark, North Central, Fiddymont developments and the Automall project.

Other Governmental Funds

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

Proprietary Funds

Electric Fund

Net assets of the Electric Fund increased \$3.4 million in fiscal year 2012 to a total of \$251.6 million. Operating revenues were \$160.1 million, a decrease of \$3.1 million from 2011 due to a change in the method of accounting for power supply and not recognizing wholesale power sales. Operating expenses were \$132.6 million in fiscal year 2012, a decrease of \$4.5 million due to power supply expenses, as mentioned above. This resulted in a net operating income of \$27.5 million. Net nonoperating expenses decreased by \$2.1 million in fiscal year 2012 to \$11.6 million from \$13.7 million in fiscal year 2011 due to recognizing costs of issuance in fiscal year 2011 and a smaller decrease in the change in NCPA reserves.

Of the fund's Net Assets of \$251.6 million, \$168.0 million was invested in capital assets, \$16.6 million was restricted for debt service, and \$67.0 million was unrestricted.

Water Fund

Net assets of the Water Fund decreased \$1.9 million in fiscal year 2012. Operating revenues increased by \$2.0 million in fiscal year 2012 to a total of \$20.0 million, while expenses increased \$1.0 million to a total of \$21.7 million. The net result was an operating loss of \$1.7 million. Rates are anticipated to be increased in fiscal year 2013. In fiscal year 2012, capital connection fees were \$3.7 million, an increase of \$1.1 million; and contributions from developers were minimal, a decrease of \$3.1 million, as dedicated completed subdivisions decreased in fiscal year 2012. In addition, net transfers out were \$2.6 million.

As of June 30, 2012, the Fund's Net Assets were \$445.5 million, of which \$387.8 million was invested in capital assets, \$4.3 million was restricted for debt service, and \$53.4 million was unrestricted as to use.

Wastewater Fund

Operating revenues decreased in fiscal year 2012 \$2.4 million to a total of \$28.1 million. Operating expenses increased to \$30.3 million, up \$3.0 million. The net result was an operating loss of \$2.2 million. Rates are anticipated to be increased in fiscal year 2013. Other items that affected net assets were: connection fees of \$4.3 million; increase of \$2.2 million in South Placer Wastewater Authority; and net transfers out of \$4.4 million. The total decrease to net assets was \$3.4 million for fiscal year 2012 to a total of \$585.9 million. As of June 30, 2012, of the Fund's Net Assets, \$468.8 million was invested in capital assets, \$5.1 million restricted for debt service, and \$112.0 million was unrestricted.

Solid Waste Fund

Operating revenues increased nominally by \$0.2 million to \$20.9 million while operating expenses increased slightly by \$0.3 in fiscal year 2012 to \$15.6 million. Net operating income was \$5.3 million. Capital impact fees were \$0.2 million. Net transfers out were \$2.9 million. As of June 30, 2012, total net assets were \$18.0 million, an increase of \$2.8 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. \$192.9 million remain due in bonds payable, while the pre-paid natural gas is \$194.9 million. \$8.6 million in debt service was expensed in 2012 and interest earnings were \$10.6 million. Net assets increased by \$0.3 million to \$2.7 million.

Golf Course Fund

Operating revenues increased slightly by \$0.3 million in fiscal year 2012 to \$2.7 million. Operating expenses decreased by \$0.3 to \$2.2 million, for an operating income \$0.5 million. The Fund is financed in part by advances from other City funds; as a result, it has a deficit in its unrestricted net assets, partially offsetting the \$9.7 million it has invested in capital assets, net of the related debt.

Local Transportation Fund

Net assets of the Fund increased \$2.4 million in fiscal year 2012. There was a \$5.6 million operating loss in fiscal year 2012, but the loss was offset by subventions and grants of \$12.9 million. As of June 30, 2012, of the Fund's Net Assets of \$15.7 million, \$13.4 million was invested in capital assets and \$2.3 million was restricted for use in local transportation.

School-Age Child Care Fund

Net assets of the Fund remained relatively flat with a nominal decrease of \$0.4 million in fiscal year 2012 to a total of \$0.3 million. Operating revenues decreased \$0.2 while operating expenses decreased slightly by \$0.1 million. Of the net assets, \$1.2 million were invested in capital assets, which leaves a negative \$0.9 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, 2012	Balance at June 30, 2011
Governmental Activities		
Land	\$25.8	\$27.2
Streets (modified)	251.8	248.4
Parks (modified)	85.3	81.6
Landscaping (modified)	44.9	42.9
Construction in Progress	96.5	117.8
Buildings	126.4	126.4
Improvements	6.6	5.5
Equipment	72.3	69.6
Bike Paths	8.5	8.3
Bridges	56.5	56.4
Culverts	20.2	20.2
Curb, Gutter, Sidewalk, & Median Curbs	145.4	142.1
Drain Inlets	20.8	20.6
Flood Control Improvements	20.0	17.6
Soundwall	31.6	31.0
Stormdrains	72.7	70.9
Traffic Signals	33.3	32.8
Less: Accumulated Depreciation	(270.6)	(254.7)
Governmental Activity Capital Assets, Net	\$848.0	\$864.6
	Balance at June 30, 2012	Balance at June 30, 2011
Business-Type Activities		
Land	\$16.5	\$16.4
Landscaping (modified)	0.6	0.6
Construction in Progress	13.6	30.1
Buildings	24.8	24.6
Improvements	17.1	16.8
Machinery and Equipment	24.6	24.6
Bike Paths	4.1	3.9
Bridges	1.7	1.7
Culverts, drains, curbs	0.3	0.4
Curb, gutter, sidewalk, and median curbs	0.1	0.0
Flood control improvements	8.8	0.0
Plant and Substations	352.3	349.7
Distribution	1,174.9	1,159.2
Generation	200.9	200.9
Less: Accumulated Depreciation	(392.2)	(353.9)
Business-Type Activity Capital Assets, Net	\$1,448.1	\$1,475.0

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

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

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

At June 30, 2012, the City's streets averaged 8.3 PQI for arterial and collector roadways and 7.8 PQI for residential roadways. The City expended \$5.1 million on preservation of its streets in fiscal year 2012, compared to the budgeted amount of \$5.5, and plans to spend \$5.2 million in fiscal year 2013.

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, 2012, the City's parks and landscaping averaged 3 GMI. The City expended \$4.8 million on preservation of its parks and landscaping in fiscal year 2012, compared to the budget of \$4.8 million, and plans to spend \$4.9 million in fiscal year 2013.

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, 2012	Balance at June 30, 2011
Governmental Activity Debt:		
Certificates of Participation:		
2003A Public Facilities Bond, 2.0%-5.0%, due 8/1/25	\$13.19	\$13.89
Installment Purchase Obligations		
Equipment	0.13	1.62
Total Governmental Activity Debt:	\$13.32	\$15.51

	Balance at June 30, 2012	Balance at June 30, 2011
Business-type Activity Debt:		
Certificates of Participation:		
2004 Electric System Revenue, 3.0-5.25%, due 2/1/34	\$37.83	\$38.21
Less deferred amount on refunding	(0.53)	(0.56)
2005 Electric System Revenue, Series A, 3.0-5.0%, due 2/1/23	43.62	46.94
Add deferred bond premium cost	2.73	2.85
2008 Electric System Revenue, Series A, Variable Rate, due 2/1/35	90.00	90.00
2009 Electric System Revenue Refunding, 2.0-5.25%, due 2/1/24	22.35	23.85
Add deferred bond premium cost	0.32	0.34
2003B Golf Course Project, 2.0-5.0%, due 8/1/23	5.60	5.96
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	46.67	48.54
Add deferred bond premium cost	2.07	2.21
Less deferred amount on refunding	(0.56)	(0.59)
	<hr/>	<hr/>
Total Certificates of Participation	250.10	257.75
	<hr/>	<hr/>
Revenue Bonds:		
2007 Gas Revenue Bonds		
variable rate, due 2/15/28	181.88	189.14
Add deferred bond premium cost	11.04	11.77
2010 Electric System Revenue Refunding		
2.00%-5.00%, due 2/1/37	55.54	55.84
Add: deferred bond premium cost	2.56	2.66
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series A, variable rate, due 11/1/35	16.34	16.34
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series B variable rate, due 11/1/35	16.34	16.34
2011 Refunding Wastewater Revenue Bonds, Series C		
1.00-5.25%, due 11/1/25	34.86	36.31
Add: deferred bond premium cost	2.48	2.66
2011 Refunding Wastewater Revenue Bonds, Series D		
variable rate (SIFMA rate plus 0.83%), due 11/1/14	16.25	16.25
	<hr/>	<hr/>
Total Revenue Bonds	337.29	347.31
	<hr/>	<hr/>
Total Business-type Activity Debt:	<u>\$587.39</u>	<u>\$605.06</u>

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, 2012, a total of \$354.2 million in community facilities district and assessment district debt was outstanding, representing fifteen issues by community facilities districts and one issue by assessment districts. This debt is secured only by special tax liens and assessments on the real property in the district issuing the debt and is not the City's responsibility; however, the City does act as the agent in the collection and remittance of special taxes and assessments for these Districts. Further detail on this debt may be found in Note 9 to the financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

CITY OF ROSEVILLE

**STATEMENT OF NET ASSETS
AND STATEMENT OF ACTIVITIES**

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

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

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

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

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

CITY OF ROSEVILLE
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	\$231,715,154	\$150,457,927	\$382,173,081
Restricted cash and investments with fiscal agents (Note 3)	6,479,590	31,249,771	37,729,361
Receivables:			
Taxes	1,290,818		1,290,818
Accounts, net of allowance for doubtful accounts	1,932,719	32,276,090	34,208,809
Accrued interest	4,073,036	494,847	4,567,883
Due from other government agencies	6,108,085	4,363,662	10,471,747
Internal balances (Note 4D)	7,159,447	(7,159,447)	
Prepays	75,042		75,042
Deferred receivables (Note 6)	2,223,033	112,978	2,336,011
Notes receivable (Note 5)	46,205,581		46,205,581
Notes receivable from NCPA (Note 15B)		78,102	78,102
Inventories (Note 1H)	1,948,597	8,784,799	10,733,396
Land held for resale (Note 7B)	861,245		861,245
Prepaid purchased gas (Note 19)		194,928,064	194,928,064
Unamortized bond origination costs		6,991,488	6,991,488
Investment in NCPA reserves (Note 15)		3,340,073	3,340,073
Investment in SPWA reserves (Note 16)		85,430,906	85,430,906
Derivative at fair value-asset (Note 10A)		101,560,147	101,560,147
Deferred out-flow assets (Notes 9M and 10A)		77,556,217	77,556,217
Capital assets (Note 8):			
Capital assets not being depreciated	504,342,142	30,718,642	535,060,784
Capital assets being depreciated, net	343,814,391	1,417,436,655	1,761,251,046
Total assets	1,158,228,880	2,138,620,921	3,296,849,801
LIABILITIES			
Accounts payable	5,872,412	8,441,683	14,314,095
Accrued liabilities	7,358,730	9,535,484	16,894,214
Due to other governments	13,984,249	586,077	14,570,326
Deposits	2,121,034	6,171,813	8,292,847
Unearned revenues	810,854	10,671,985	11,482,839
Deferred liabilities	196,817	3,535,504	3,732,321
Derivative at fair value-liability (Notes 9M and 10A)		77,556,217	77,556,217
Deferred in-flow liabilities (Note 10A)		101,560,147	101,560,147
Landfill closure and post closure liability (Note 17):			
Due in more than one year		2,753,558	2,753,558
Net OPEB obligation (Note 13):			
Due in more than one year	25,541,730		25,541,730
Compensated absences (Note 1G):			
Due within one year	3,820,443	2,291,436	6,111,879
Due in more than one year	7,772,049	4,590,235	12,362,284
Self-insurance claims payable and litigation settlement (Note 14):			
Due within one year	1,208,309		1,208,309
Due in more than one year	6,656,738		6,656,738
Long-term liabilities (Note 9):			
Due within one year	802,823	17,351,768	18,154,591
Due in more than one year	12,512,962	570,015,788	582,528,750
Total liabilities	88,659,150	815,061,695	903,720,845
NET ASSETS (Note 11):			
Invested in capital assets, net of related debt	834,840,748	1,053,701,396	1,888,542,144
Restricted for:			
Capital projects:			
Expendable	107,322,335		107,322,335
Nonexpendable	18,044,517		18,044,517
Debt service	1,530,324	26,575,663	28,105,987
Community development projects	13,402,526		13,402,526
Local transportation		2,261,809	2,261,809
Total restricted net assets	140,299,702	28,837,472	169,137,174
Unrestricted net assets	94,429,280	241,020,358	335,449,638
Total net assets	\$1,069,569,730	\$1,323,559,226	\$2,393,128,956

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$35,564,864	\$2,778,080	\$158,101	\$1,698,934	(\$30,929,749)		(\$30,929,749)
Community development and planning	11,625,120	1,983,989	393,060	71,327	(9,176,744)		(9,176,744)
Public works	32,524,417	2,919,180	137,009	14,054,063	(15,414,165)		(15,414,165)
Police	31,262,454	1,319,271	1,409,331	59,314	(28,474,538)		(28,474,538)
Fire	25,282,596	1,009,954	710,970	710,740	(22,850,932)		(22,850,932)
Library	4,631,691	339,589	124,015		(4,168,087)		(4,168,087)
Parks and recreation	20,209,935	10,242,291	52,493	3,268,335	(6,646,816)		(6,646,816)
Housing assistance payments	4,232,695				(4,232,695)		(4,232,695)
Interest on long-term debt	999,436				(999,436)		(999,436)
Total Governmental Activities	166,333,208	20,592,354	2,984,979	19,862,713	(122,893,162)		(122,893,162)
Business-type Activities:							
Electric	144,985,608	160,141,372	440,162	1,495,632		\$17,091,558	17,091,558
Water	24,311,517	19,954,068	156,121	3,732,591		(468,737)	(468,737)
Wastewater	34,587,583	28,088,503	2,875	6,850,860		354,655	354,655
Solid Waste	15,855,280	20,903,993	65,810	227,898		5,342,421	5,342,421
Natural Gas	26,792,658	16,563,722				(10,228,936)	(10,228,936)
Golf Course	2,487,080	2,702,741				215,661	215,661
Local Transportation	6,727,985	974,344	12,869,633	16,448		7,132,440	7,132,440
School-age Child Care	4,461,275	4,047,021	194,866			(219,388)	(219,388)
Total Business-type Activities	260,208,986	253,375,764	13,729,467	12,323,429		19,219,674	19,219,674
Total	\$426,542,194	\$273,968,118	\$16,714,446	\$32,186,142	(122,893,162)	19,219,674	(103,673,488)
General revenues:							
Taxes:							
Property taxes					31,758,352		31,758,352
Sales taxes					38,129,931		38,129,931
Franchise taxes					1,822,869		1,822,869
Other taxes					6,626,071		6,626,071
Intergovernmental, unrestricted:							
Motor vehicle in lieu					122,230		122,230
Use of money and property					3,243,932	12,662,821	15,906,753
Miscellaneous revenues					1,511,125		1,511,125
Transfers					30,374,582	(30,374,582)	
Extraordinary item (Note 20A):							
Assets transferred to/liabilities assumed by Successor Agency					34,223,315		34,223,315
Total general revenues, transfers and extraordinary item					147,812,407	(17,711,761)	130,100,646
Change in Net Assets					24,919,245	1,507,913	26,427,158
Net Assets-Beginning, as restated (Note 8E)					1,044,650,485	1,322,051,313	2,366,701,798
Net assets-Ending					\$1,069,569,730	\$1,323,559,226	\$2,393,128,956

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 2012. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

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

REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE SPECIAL REVENUE FUND

The Redevelopment Agency of the City of Roseville Fund accounted for all activities of the Agency through January 31, 2012, including 1) tax increment allocations set aside for the purpose of increasing or improving housing for low-income residents; 2) the accumulation of property taxes for payment of interest and principal on the Redevelopment Agency tax allocation bonds issued in 2003 and 2006; 3) capital projects connected with downtown redevelopment funded by property tax increment revenues.

COMMUNITY FACILITIES DISTRICT PROJECTS CAPITAL 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, 2012

	General	Redevelopment Agency of the City of Roseville	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments in City Treasury (Note 3)	\$46,857,781		\$7,461,378	\$130,062,504	\$184,381,663
Restricted cash and investments with fiscal agents (Note 3)			3,940,138	2,539,452	6,479,590
Receivables:					
Taxes	1,290,818				1,290,818
Accounts	1,665,554			267,165	1,932,719
Accrued interest	1,874,087		23,822	1,717,748	3,615,657
Due from other government agencies	5,935,080			145,206	6,080,286
Due from other funds (Note 4B)	33,719				33,719
Advances to other funds (Note 4C)				595,054	595,054
Prepays	75,042				75,042
Deferred receivables (Note 6)	207,852		996	2,014,185	2,223,033
Notes receivable (Note 5)	16,559,779			28,816,601	45,376,380
Inventories (Note 1H)	401,994			613,530	1,015,524
Land held for resale (Note 7B)				861,245	861,245
Total Assets	\$74,901,706		\$11,426,334	\$167,632,690	\$253,960,730
LIABILITIES					
Accounts payable	\$2,730,255		\$373,906	\$1,661,921	\$4,766,082
Accrued liabilities	3,364,674			3,670,095	7,034,769
Due to other funds (Note 4B)	64,329			261,553	325,882
Due to other government agencies	21,892			13,962,357	13,984,249
Advances from other funds (Note 4C)	64,328			1,321,423	1,385,751
Deposits	1,509,080			611,954	2,121,034
Deferred revenue	2,369,178			10,233,564	12,602,742
Deferred liabilities				196,817	196,817
Total Liabilities	10,123,736		373,906	31,919,684	42,417,326
FUND BALANCES (Note 11)					
Nonspendable	17,036,815			17,503,760	34,540,575
Restricted			11,052,428	102,413,497	113,465,925
Committed				2,248,644	2,248,644
Assigned	2,944,900			14,472,182	17,417,082
Unassigned	44,796,255			(925,077)	43,871,178
TOTAL FUND BALANCES	64,777,970		11,052,428	135,713,006	211,543,404
Total Liabilities and Fund Balances	\$74,901,706		\$11,426,334	\$167,632,690	\$253,960,730

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
 Reconciliation of
 GOVERNMENTAL FUNDS -- FUND BALANCE
 with the Governmental Activities
 NET ASSETS
 JUNE 30, 2012

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$211,543,404

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. 836,846,895

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	47,333,491
Accrued interest	3,075,318
Due from other government agencies	27,799
Notes receivable	829,201
Inventories	933,073
Capital assets	11,309,638
Accounts payable	(1,106,330)
Accrued liabilities	(75,156)
Self-insurance claims payable	(7,865,047)
Compensated absences	(351,144)
Net OPEB obligation	(25,541,730)
Internal balances	8,242,307

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities. 9,173,949

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	(13,315,785)
Interest payable and other accrued liabilities, included in accrued liabilities	(248,805)
Non-current portion of compensated absences	(11,241,348)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$1,069,569,730

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, 2012

	General	Redevelopment Agency of the City of Roseville	Community Facilities District Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$70,247,100	\$3,419,138		\$6,918,574	\$80,584,812
Licenses and permits	1,756,255				1,756,255
Charges for services	11,269,072			5,953,110	17,222,182
Subventions and grants	1,789,659	10,982		10,034,444	11,835,085
Use of money and property	1,335,964	47,818	\$94,325	1,793,101	3,271,208
Fines, forfeitures and penalties	1,022,231			480,177	1,502,408
Contributions from developers and others	378,377		584,308	1,937,893	2,900,578
Miscellaneous revenues	1,403,318	37,764		1,017,706	2,458,788
Total Revenues	89,201,976	3,515,702	678,633	28,135,005	121,531,316
EXPENDITURES					
Current:					
General government	22,792,122		225,280	659,325	23,676,727
Community development and planning	3,682,295	1,646,560		1,974,368	7,303,223
Public works	10,029,940			567,481	10,597,421
Public safety:					
Police	28,638,717			11,524	28,650,241
Fire	23,522,308			51,484	23,573,792
Library	3,437,160			123,236	3,560,396
Parks and recreation	11,889,744			6,430,319	18,320,063
Housing assistance payments				4,232,695	4,232,695
Capital outlay	3,703,214	904,117	2,757,862	12,163,927	19,529,120
Payments under development agreements (Note 7A)	880,852				880,852
Annexation payments	2,228,371				2,228,371
Debt service (Note 9):					
Principal retirement	78,839	505,000		2,110,806	2,694,645
Interest and fiscal charges	11,085	786,216	9,835	805,722	1,612,858
Total Expenditures	110,894,647	3,841,893	2,992,977	29,130,887	146,860,404
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,692,671)	(326,191)	(2,314,344)	(995,882)	(25,329,088)
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 4A)	27,624,947	50,000		16,143,455	43,818,402
Transfers (out) (Note 4A)	(8,504,808)	(298,473)	(770,403)	(8,873,607)	(18,447,291)
Total Other Financing Sources (Uses)	19,120,139	(248,473)	(770,403)	7,269,848	25,371,111
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM	(2,572,532)	(574,664)	(3,084,747)	6,273,966	42,023
EXTRAORDINARY ITEMS (Note 20)					
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	(781,053)	4,417,928		1,090,434	4,727,309
NET CHANGE IN FUND BALANCES	(3,353,585)	3,843,264	(3,084,747)	7,364,400	4,769,332
FUND BALANCES (DEFICITS) AT BEGINNING OF PERIOD	68,131,555	(3,843,264)	14,137,175	128,348,606	206,774,072
FUND BALANCES AT END OF PERIOD	\$64,777,970	\$11,052,428	\$11,052,428	\$135,713,006	\$211,543,404

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, 2012

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	\$4,769,332
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p>	
CAPITAL ASSETS TRANSACTIONS	
<p>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.</p>	
The capital outlay and other capitalized expenditures are therefore added back to fund balance	19,529,120
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(5,545,277)
<p>Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,391,317 which has already been allocated to serviced funds.)</p>	
	(15,736,338)
<p>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.</p>	
	4,545,803
<p>Loss on retirement of capital assets is deducted from fund balance</p>	
	(5,093,061)
<p>Capital assets transferred to the Successor Agency</p>	
	(1,762,188)
LONG-TERM DEBT PROCEEDS AND PAYMENTS	
<p>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.</p>	
Repayment of debt principal is added back to fund balance	2,694,645
Long-term debt assumed by the Successor Agency	33,860,000
ACCRUAL OF NON-CURRENT ITEMS	
<p>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):</p>	
Long-term compensated absences	(1,058,218)
Interest payable and accrued liabilities, included in accrued liabilities	613,422
Deferred revenues	(2,117,824)
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
<p>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.</p>	
Change in Net Assets - All Internal Service Funds	<u>(9,780,171)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$24,919,245</u></u>

See accompanying notes to basic financial statements

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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 City has identified the funds below as major proprietary funds in fiscal 2012.

Financial reporting standards do 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, 2012

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
ASSETS					
Current Assets:					
Cash and investments in City Treasury (Note 3)	\$43,118,609	\$50,633,293	\$29,065,183	\$16,039,425	\$26,243
Restricted cash and investments with fiscal agents (Note 3)	16,926,970	4,974,504			8,723,121
Receivables:					
Accounts, net of allowance for doubtful accounts	21,004,639	4,154,066	3,921,872	2,420,615	
Accrued interest	156,791	162,960	85,090	42,193	54
Due from other government agencies	177	293,232	1,820,312		
Due from other funds (Note 4B)			166,134		
Inventories (Note 1H)	8,388,588	301,031	22,568	72,612	
Total Current Assets	89,595,774	60,519,086	35,081,159	18,574,845	8,749,418
Noncurrent Assets:					
Deferred receivables (Note 6)	26,908	7,763	78,307		
Notes receivable from NCPA (Note 15B)	78,102				
Prepaid purchased gas (Note 19)					194,928,064
Unamortized bond origination costs	6,257,001		566,982		
Investment in NCPA reserves (Note 15)	3,340,073				
Investment in SPWA reserves (Note 16)			85,430,906		
Advances to other funds (Note 4C)			394,836		
Derivative at fair value-asset (Notes 9 and 10)					101,560,147
Deferred out-flow assets (Notes 9 and 10)	68,657,630		8,898,587		
Capital assets (Note 8):					
Land and construction in progress	13,665,233	1,819,728	7,517,548	360,324	
Capital assets being depreciated, net	408,720,530	434,112,236	547,600,163	4,377,060	
Total Noncurrent Assets	500,745,477	435,939,727	650,487,329	4,737,384	296,488,211
Total Assets	590,341,251	496,458,813	685,568,488	23,312,229	305,237,629
LIABILITIES					
Current Liabilities:					
Accounts payable	5,672,398	530,612	708,458	1,149,386	367
Accrued liabilities	4,532,626	702,430	366,406	237,673	3,410,156
Due to other government agencies	3,238		582,839		
Due to other funds (Note 4B)				101,805	
Current portion of compensated absences (Note 1G)	994,217	519,316	422,867	180,000	
Current portion of long-term debt (Note 9)	5,690,000	1,965,000	1,646,768		7,675,000
Deposits	1,495,664	12,000			4,640,000
Unearned revenue	1,244,986			32,563	
Self-insurance claims payable (Note 14)					
Total Current Liabilities	19,633,129	3,729,358	3,727,338	1,701,427	15,725,523
Long-Term Liabilities:					
Deferred liabilities			1,475,881		
Advances from other funds (Note 4C)				330,508	
Long-term debt, non-current portion (Note 9)	248,714,084	46,213,231	84,624,818		185,238,655
Landfill closure and post closure liability (Note 17)				2,753,558	
Compensated absences (Note 1G)	1,781,540	1,050,006	933,027	506,887	
Net OPEB obligations (Note 13)					
Self-insurance claims payable (Note 14):					
Derivative at fair value-liability (Notes 9 and 10)	68,657,630		8,898,587		
Deferred in-flow liabilities (Notes 9 and 10)					101,560,147
Total Long-Term Liabilities	319,153,254	47,263,237	95,932,313	3,590,953	286,798,802
Total Liabilities	338,786,383	50,992,595	99,659,651	5,292,380	302,524,325
NET ASSETS (Note 11)					
Invested in capital assets, net of related debt	167,981,679	387,753,733	468,846,125	4,737,384	
Restricted for debt service	16,548,289	4,315,500	5,088,159		
Restricted for local transportation					
Unrestricted	67,024,900	53,396,985	111,974,553	13,282,465	2,713,304
Total Net Assets	\$251,554,868	\$445,466,218	\$585,908,837	\$18,019,849	\$2,713,304

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

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities-Internal Service Funds
\$1,636,173	\$9,926,956	\$12,045	\$150,457,927	\$47,333,491
625,176			31,249,771	
313,206	4,404	457,288	32,276,090	
17,550	30,163	46	494,847	3,075,318
	2,203,530	46,411	4,363,662	27,799
			166,134	1,683,826
			8,784,799	933,073
<u>2,592,105</u>	<u>12,165,053</u>	<u>515,790</u>	<u>227,793,230</u>	<u>53,053,507</u>
			112,978	
			78,102	
			194,928,064	
167,505			6,991,488	
			3,340,073	
			85,430,906	
			394,836	4,320,722
			101,560,147	
			77,556,217	
6,007,666	1,348,143		30,718,642	
9,293,620	12,114,184	1,218,862	1,417,436,655	11,309,638
<u>15,468,791</u>	<u>13,462,327</u>	<u>1,218,862</u>	<u>1,918,548,108</u>	<u>15,630,360</u>
<u>18,060,896</u>	<u>25,627,380</u>	<u>1,734,652</u>	<u>2,146,341,338</u>	<u>68,683,867</u>
26,070	299,821	54,571	8,441,683	1,106,330
103,892	42,095	140,206	9,535,484	75,156
			586,077	
127,000		658,854	887,659	670,138
	56,773	118,263	2,291,436	
375,000			17,351,768	
	195	23,954	6,171,813	
	9,382,589	11,847	10,671,985	
				1,208,309
<u>631,962</u>	<u>9,781,473</u>	<u>1,007,695</u>	<u>55,937,905</u>	<u>3,059,933</u>
2,054,726		4,897	3,535,504	
3,004,000		200,000	3,534,508	390,353
5,225,000			570,015,788	
			2,753,558	
	121,771	197,004	4,590,235	351,144
				25,541,730
				6,656,738
			77,556,217	
			101,560,147	
<u>10,283,726</u>	<u>121,771</u>	<u>401,901</u>	<u>763,545,957</u>	<u>32,939,965</u>
<u>10,915,688</u>	<u>9,903,244</u>	<u>1,409,596</u>	<u>819,483,862</u>	<u>35,999,898</u>
9,701,286	13,462,327	1,218,862	1,053,701,396	11,309,638
623,715			26,575,663	
	2,261,809		2,261,809	
(3,179,793)		(893,806)	244,318,608	22,203,532
<u>\$7,145,208</u>	<u>\$15,724,136</u>	<u>\$325,056</u>	<u>1,326,857,476</u>	<u>\$33,513,170</u>
			(3,298,250)	
			<u>\$1,323,559,226</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, 2012

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
OPERATING REVENUES					
Charges for services	\$153,913,356	\$19,716,171	\$27,999,172	\$20,219,432	\$16,563,722
Other	6,228,016	237,897	89,331	684,561	
Total Operating Revenues	160,141,372	19,954,068	28,088,503	20,903,993	16,563,722
OPERATING EXPENSES					
Power supply	95,968,578				
Operations	15,737,800	11,289,164	18,218,408	14,540,043	18,172,022
Administration	2,772,887	2,376,858	739,490	790,478	7,005
Depreciation and amortization	18,156,125	7,984,923	11,312,977	276,745	
Claims expense					
Total Operating Expenses	132,635,390	21,650,945	30,270,875	15,607,266	18,179,027
Operating Income (Loss)	27,505,982	(1,696,877)	(2,182,372)	5,296,727	(1,615,305)
NONOPERATING REVENUES (EXPENSES)					
Interest and rents revenue	631,096	805,024	333,681	161,203	10,619,918
Interest and fiscal charges (expense)	(11,698,169)	(2,334,148)	(3,924,115)	(22,982)	(8,613,631)
Subventions and grants	440,162	156,121	2,875	65,810	
Increase (decrease) in NCPA reserves	(961,604)				
Increase (decrease) in SPWA reserves			2,204,899		
Net Nonoperating Revenues (Expenses)	(11,588,515)	(1,373,003)	(1,382,660)	204,031	2,006,287
Income (Loss) Before Contributions and Transfers	15,917,467	(3,069,880)	(3,565,032)	5,500,758	390,982
Contributions					
Capital contributions - connection/impact fees	820,117	3,724,809	4,316,429	227,898	
Contributions in aid of construction	472,903				
Capital contributions from developers	1,164,216	7,782	329,532		
Transfers in (Note 4A)	1,795	1,552,390	33,645	45,521	
Transfers (out) (Note 4A)	(14,954,954)	(4,166,572)	(4,467,247)	(2,986,658)	(75,948)
Change in net assets before extraordinary item	3,421,544	(1,951,471)	(3,352,673)	2,787,519	315,034
EXTRAORDINARY ITEM (Note 20)					
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor					
Change in net assets	3,421,544	(1,951,471)	(3,352,673)	2,787,519	315,034
Total net assets-beginning	248,133,324	447,417,689	589,261,510	15,232,330	2,398,270
Total net assets-ending	\$251,554,868	\$445,466,218	\$585,908,837	\$18,019,849	\$2,713,304

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
\$2,501,861	\$931,607	\$3,841,518	\$245,686,839	\$11,833,211
200,880	42,737	205,503	7,688,925	5,273,609
2,702,741	974,344	4,047,021	253,375,764	17,106,820
			95,968,578	
1,803,164	4,506,340	4,313,809	88,580,750	27,326,695
	545,740		7,232,458	
403,829	1,571,961	36,880	39,743,440	3,391,317
				2,510,699
2,206,993	6,624,041	4,350,689	231,525,226	33,228,711
495,748	(5,649,697)	(303,668)	21,850,538	(16,121,891)
6,671	103,963	1,265	12,662,821	324,253
(276,798)		(1,516)	(26,871,359)	
	12,869,633	194,866	13,729,467	
			(961,604)	
			2,204,899	
(270,127)	12,973,596	194,615	764,224	324,253
225,621	7,323,899	(109,053)	22,614,762	(15,797,638)
	16,448		16,448	
			9,089,253	
			472,903	
			1,501,530	97,934
	246,534	19,849	1,899,734	6,874,305
(180,835)	(5,155,090)	(287,012)	(32,274,316)	(1,870,834)
44,786	2,431,791	(376,216)	3,320,314	(10,696,233)
				(896,339)
44,786	2,431,791	(376,216)	3,320,314	(11,592,572)
7,100,422	13,292,345	701,272		45,105,742
\$7,145,208	\$15,724,136	\$325,056		\$33,513,170
			(1,812,401)	
Change in net assets of business-type activities			\$1,507,913	

CITY OF ROSEVILLE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities-Enterprise Funds				
	Electric	Water	Wastewater	Solid Waste	Roseville Natural Gas Financing Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$152,478,509	\$18,908,465	\$26,013,699	\$20,196,366	\$21,203,722
Payments to suppliers	(95,020,630)	(5,874,934)	(14,789,424)	(10,165,959)	(10,515,803)
Payments to employees	(15,470,508)	(6,855,255)	(4,722,996)	(4,967,106)	
Payments to OPEB trust					
Claims paid					
Other receipts	6,228,016	237,897	81,147	684,561	
	<u>48,215,387</u>	<u>6,416,173</u>	<u>6,582,426</u>	<u>5,747,862</u>	<u>10,687,919</u>
Net Cash Provided (Used) by Operating Activities					
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subventions and grants	362,572	118,909	2,875	65,810	
(Increase) decrease in due from other funds			138,602		
Increase (decrease) in due to other funds				(138,602)	
(Increase) decrease in advance to other funds			166,134		
Increase (decrease) in advances from other funds				(101,805)	
Transfers in	1,795	1,552,390	33,645	45,521	
Transfers (out)	(14,954,954)	(4,166,572)	(4,467,247)	(2,986,658)	(75,948)
	<u>(14,590,587)</u>	<u>(2,495,273)</u>	<u>(4,125,991)</u>	<u>(3,115,734)</u>	<u>(75,948)</u>
Cash Flows from (Used for) Noncapital Financing Activities					
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	472,903				
Acquisition and construction of capital assets	(4,978,929)	(1,819,367)	(3,286,312)	(123,019)	
Transfer of connection fees to SPWA			(3,891,031)		
Change in restricted assets	21,592		5,581,417		
Principal payments on capital debt	(5,505,000)	(1,870,000)	(1,457,173)		(7,265,000)
Interest paid on capital debt	(11,698,169)	(2,334,148)	(3,924,115)	(22,982)	(9,349,541)
Connection fees	820,117	3,724,809	4,447,874	227,898	
	<u>(20,867,486)</u>	<u>(2,298,706)</u>	<u>(2,529,340)</u>	<u>81,897</u>	<u>(16,614,541)</u>
Cash Flows from (Used for) Capital and Related Financing Activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and rents received	620,289	814,205	340,967	158,543	10,620,121
Receipts from sale of (Payment to acquire) equity instruments, net	(281,842)	1,074,840			(4,681,592)
	<u>338,447</u>	<u>1,889,045</u>	<u>340,967</u>	<u>158,543</u>	<u>5,938,529</u>
Cash Flows from Investing Activities					
Net increase (decrease) in cash and cash equivalents	13,095,761	3,511,239	268,062	2,872,568	(64,041)
Cash and investments at beginning of period	30,022,848	47,122,054	28,797,121	13,166,857	90,284
Cash and investments at end of period	<u>\$43,118,609</u>	<u>\$50,633,293</u>	<u>\$29,065,183</u>	<u>\$16,039,425</u>	<u>\$26,243</u>
NONCASH TRANSACTIONS:					
Contribution of SPWA capital assets to City			<u>\$320,043</u>		
Contribution of capital assets from developers	<u>\$1,164,216</u>	<u>\$7,782</u>	<u>\$110,452</u>		
Retirement of capital assets	<u>(\$524,137)</u>	<u>(\$34,740)</u>	<u>(\$269,123)</u>		
Amortization of bond premium and deferred amount on refunding	<u>\$218,352</u>	<u>\$100,883</u>	<u>\$177,439</u>		<u>\$735,910</u>
Extraordinary item adjustment to accrued interest					
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$27,505,982	(\$1,696,877)	(\$2,182,372)	\$5,296,727	(\$1,615,305)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	18,156,125	7,984,923	11,312,977	276,745	
Retirement of capital assets	524,137	34,740	230,076		
Change in assets and liabilities:					
Receivables, net	(1,598,888)	(810,206)	(1,993,657)	(55,629)	
Inventories	503,725	518,150	16,245	(6,062)	
Prepays					
Prepays purchased gas					7,799,076
Net OPEB obligations					
Accounts and other payables	3,127,215	385,443	(800,843)	203,518	4,504,148
Unearned revenue	(2,909)			32,563	
Net Cash Provided (Used) by Operating Activities	<u>\$48,215,387</u>	<u>\$6,416,173</u>	<u>\$6,582,426</u>	<u>\$5,747,862</u>	<u>\$10,687,919</u>

See accompanying notes to basic financial statements

Golf Course	Local Transportation	School-Age Child Care	Totals	Governmental Activities- Internal Service Funds
\$2,429,118	(\$4,007,703)	\$3,967,417	\$241,189,593	\$11,827,416
(1,767,317)	(3,894,183)	(421,646)	(142,449,896)	(8,241,236)
(4,875)	(970,110)	(3,884,585)	(36,875,435)	(3,428,402)
200,880	70,453	205,503	7,708,457	(4,972,333)
857,806	(8,801,543)	(133,311)	69,572,719	(2,289,488)
				5,377,351
				(1,726,692)
	12,268,454	165,975	12,984,595	
	200,000		338,602	
		289,805	151,203	(385,407)
	4,100,000		4,266,134	(606,507)
(127,000)		(60,000)	(288,805)	
	246,534	19,849	1,899,734	6,874,305
(180,835)	(5,155,090)	(287,012)	(32,274,316)	(1,870,834)
(307,835)	11,659,898	128,617	(12,922,853)	4,011,557
	16,448		489,351	
(2)	(2,019,137)	(1)	(12,226,767)	(3,669,227)
			(3,891,031)	
			5,603,009	(829,201)
(360,000)			(16,457,173)	
(276,798)		(1,516)	(27,607,269)	
			9,220,698	
(636,800)	(2,002,689)	(1,517)	(44,869,182)	(4,498,428)
8,891	99,896	2,272	12,665,184	577,896
1,394			(3,887,200)	
10,285	99,896	2,272	8,777,984	577,896
(76,544)	955,562	(3,939)	20,558,668	(1,635,667)
1,712,717	8,971,394	15,984	129,899,259	48,969,158
\$1,636,173	\$9,926,956	\$12,045	\$150,457,927	\$47,333,491
			\$320,043	
			\$1,282,450	\$97,934
	(\$27,716)		(\$855,716)	
			\$1,232,584	
				(\$896,339)
\$495,748	(\$5,649,697)	(\$303,668)	\$21,850,538	(\$16,121,891)
403,829	1,571,961	36,880	39,743,440	3,391,317
	27,716		816,669	
(72,743)	1,684	131,847	(4,397,592)	65,050
			1,032,058	
			7,799,076	
30,972	187,787	5,343	7,643,583	10,132,515
	(4,940,994)	(3,713)	(4,915,053)	806,317
\$857,806	(\$8,801,543)	(\$133,311)	\$69,572,719	(\$1,726,692)

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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 2012:

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

Private-Purpose Trust Funds are used to account for trust arrangements under which principal and income benefit private organizations or other governments.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF ROSEVILLE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

	Retiree Health Plan Trust Fund	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and investments in Treasury (Note 3)		\$7,841,803	\$121,754,150
Restricted cash and investments with fiscal agents (Note 3)		5,945,079	41,200,177
OPEB Plan Assets (Note 13F)	\$36,097,438		
Accounts receivable			190,919
Taxes receivable			289,278
Accrued interest receivable		110,347	320,385
Permit fees receivable			1,377,933
Due from other government agencies			902,684
Deferred receivable		378	
Notes receivable (Note 20B)		5,115,483	
Land held for resale (Note 20C)		5,419,762	
Capital Assets (Note 20D):			
Land		1,762,188	
	36,097,438	26,195,040	\$166,035,526
LIABILITIES			
Accounts payable	10,978	1,128,935	\$908,690
Accrued liabilities		582,747	565,205
Due to other government agencies			13,122
Due to member agencies			103,411,780
Due to bondholders			59,881,847
Due to others			1,254,882
Long-term liabilities (Note 20E):			
Due within one year		530,000	
Due in more than one year		58,592,486	
	10,978	60,834,168	\$166,035,526
NET ASSETS			
Held in trust for retiree health plan benefits	\$36,086,460		
Held in trust for private purposes or for other governments		(\$34,639,128)	

See accompanying notes to basic financial statements

CITY OF ROSEVILLE
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012

	Retiree Health Plan Trust Fund	Private-Purpose Trust Funds
ADDITIONS		
Property taxes		\$1,305,062
Contributions from the City	\$4,972,333	
Subventions and grants		52,003
Investment income	658,764	71,186
Other revenues	896,969	
Total Additions	6,528,066	1,428,251
DEDUCTIONS		
General government		87,396
Community services		123,258
Retiree health plan benefits	5,078,429	
Pass-through payments		794,916
Debt service:		
Interest and fiscal charges		1,488,631
Total Deductions	5,078,429	2,494,201
Change in net assets before extraordinary item	1,449,637	(1,065,950)
EXTRAORDINARY ITEM (Note 20)		
Assets transferred to/liabilities assumed by Successor Agency		(36,126,420)
Change in Net Assets	1,449,637	(37,192,370)
Net Assets - Beginning of Period	34,636,823	2,553,242
Net Assets - End of Period	\$36,086,460	(\$34,639,128)

See accompanying notes to basic financial statements

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CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

The **Redevelopment Agency of the City of Roseville** is a separate government entity whose purpose is to prepare and implement plans for improvement, rehabilitation, and development of certain areas within the City. The Agency is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the Agency. The financial activities of the Agency have been included in these financial statements in the Redevelopment Agency of the City of Roseville Special Revenue Fund. As discussed in Note 20, the Agency was dissolved effective January 31, 2012.

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Corporation has established a service agreement with the City and the Redevelopment Agency to utilize existing City and Agency staff to accomplish its initial goals. The financial activities of the Corporation are included in the Roseville Community Development Corporation Special Revenue Fund.

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

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

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
For the Year Ended June 30, 2012

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

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

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

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

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

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

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City also reports the following fund types:

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

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

D. Basis of Accounting

The government-wide, proprietary, and fiduciary 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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*.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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-three 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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *Compensated Absences*

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

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$10,538,459	\$6,416,209	\$16,954,668
Additions	4,874,476	1,654,382	6,528,858
Payments	<u>(3,820,443)</u>	<u>(1,188,920)</u>	<u>(5,009,363)</u>
Ending Balance	<u>\$11,592,492</u>	<u>\$6,881,671</u>	<u>\$18,474,163</u>
Current Portion	<u>\$3,820,443</u>	<u>\$2,291,436</u>	<u>\$6,111,879</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.

H. *Inventories*

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

I. *Use of Estimates*

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. New, Closed and Recategorized Funds

The Low and Moderate Income Housing Asset Special Revenue Fund was established to account for the activities related to the assets assumed by the City as Housing Successor to the housing activities of the former Redevelopment Agency of the City of Roseville.

The Technology Replacement Special Revenue Fund was established to account for activities related to the City's permit system funded by a 3% technology fee on permits.

The Successor Agency to the Redevelopment Agency of the City of Roseville Private Purpose Trust Fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Roseville.

The Redevelopment Agency of the City of Roseville Special Revenue Fund was closed as of January 31, 2012 as the result of the dissolution of the Redevelopment Agency discussed in Note 20.

The Disaster Recovery JPA Agency Fund was closed as of June 30, 2012 as the result of the dissolution of the Authority.

The South Placer Animal Control Shelter Fund that was previously reported as a Special Revenue Fund has been reclassified as a Capital Projects Fund as of July 1, 2011.

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 at the major summary categories (salaries and benefits, operating services and supplies, capital outlay, and capital improvement projects) by organization key within each department 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 organization key level by major summary category within each fund.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

6. Formal budgetary integration is employed as a management control device during the year.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. Budgets are adopted for all governmental funds, except the FEMA Special Revenue Fund. In addition, the Community Facilities District Projects, Building, South Placer Animal Control Shelter, and General Capital Improvement Projects Rehabilitation Capital Projects Funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

B. Adjustments to GAAP Basis from Budgetary Basis

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that capital projects expenditures are budgeted on a project length basis rather than a fiscal year. The effects of these differences are shown as capital outlay in the budget and actual statements.

C. 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.

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (Continued)

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	\$382,173,081
Restricted cash and investments with fiscal agents	<u>37,729,361</u>
Total City cash and investments with primary government	419,902,442
Cash and investments in Fiduciary Funds (Separate statement)	<u>176,741,209</u>
Total Cash and Investments	<u><u>\$596,643,651</u></u>

Cash and investments as of June 30, 2012, consist of the following:

Cash in bank and on hand	\$23,872,849
Investments	<u>572,770,802</u>
Total Cash and Investments	<u><u>\$596,643,651</u></u>

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

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

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality at Time of Purchase	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations (A)	5 Years	None	None	None
U.S. Agency Securities (A)	5 Years	None	None	None
Mortgage Pass-Through Securities	5 Years	None	20%	None
Forward Delivery Agreements	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	30%	None
Negotiable Certificates of Deposit	5 Years	AA	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None	\$50 million/account
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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (Continued)

- (A) In specified fund accounts where liquidity is not the primary investment objective, the maximum maturity can be up to ten years with granted express authority by the City Council. Such investments cannot be made less than three months following the approval of extended investment terms. All longer-term investments must be Federal Treasury or Agency securities. The specified fund accounts are:
- Citizens Benefit Permanent Fund
 - Roseville Aquatics Complex Maintenance Permanent Fund
 - Endowment Private-purpose Trust Fund
 - All future trust and/or endowment funds established by the City with no anticipated use of principal
- (B) Eligible Commercial Paper may not represent more than 10% of the outstanding paper of an issuing corporation.
- (C) Interest rate swaps may only be used in conjunction with enterprise fund debt or investments, not the General Fund. Currently, the City does not participate in any Forward Delivery Agreements. Pursuant to its function as custodian and investment manager of the South Placer Wastewater Authority, the City invested certain Authority funds in Forward Delivery Agreements which are investments with fixed maturities and which bear interest at a variable rate. To hedge against changes in short-term interest rates, the Authority entered into a swap agreement to create a synthetic fixed interest rate on one of the Forward Delivery Agreements. Risks associated with the Forward Delivery Agreement and associated swap agreement are those of the Authority and not those of the City. Details of the swap agreement and associated risks may be found in the Basic Financial Statements of the Authority.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	None
U.S. Agency Securities	N/A	None
Certificates of Deposit	N/A - 30 days	None to A-1
Time Deposits	N/A - 30 days	None to A-1
Repurchase Agreements	N/A - 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
For the Year Ended June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

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

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

	Remaining Maturity (in Months)				Total
	12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months	
U.S. Government Securities		\$2,829,782	\$98,744,276		\$101,574,058
Federal Agency Securities	\$2,597,438	98,783,028	57,604,082		158,984,548
Corporate Notes		29,325,378	18,678,343		48,003,721
Forward Delivery Agreement			4,604,296		4,604,296
Forward Purchase Agreement		4,079,918			4,079,918
Guaranteed Investment Contracts				\$7,685,332	7,685,332
Municipal Bonds		2,308,701	2,177,669		4,486,370
Money Market Mutual Funds (U.S. Securities)	9,018,089				9,018,089
Local Agency Investment Fund	100,116,001				100,116,001
California Asset Management Pool	90,309,311				90,309,311
Certificates of Deposit	21,368,681	22,540,477			43,909,158
Total Investments	\$223,409,520	\$159,867,284	\$181,808,666	\$7,685,332	\$572,770,802

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, 2012 the fair value was \$121,957 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, 2012, these investments matured in an average of 268 days.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (Continued)

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2012, the fair value approximated is the City's cost, and these investments had an average maturity of 53 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, 2012, for each investment type as provided by Standard and Poor's investment rating system:

	AAA/AAA _m	AA+	AA	AA-	A+	A	Total
<i>Investments:</i>							
Federal Agency Securities		\$158,984,548					\$158,984,548
Corporate Notes		15,290,370	\$267,689	\$15,265,629	\$8,257,291	\$8,922,742	48,003,721
Forward Delivery Agreement		4,604,296					4,604,296
Forward Purchase Agreement		4,079,918					4,079,918
Municipal Bonds			4,486,370				4,486,370
California Asset Management Pool	\$90,309,311						90,309,311
Money Market Mutual Funds (U.S. Securities)	8,827,768						8,827,768
Certificates of Deposit		11,000,572	11,539,905				22,540,477
Totals	\$99,137,079	\$193,959,704	\$16,293,964	\$15,265,629	\$8,257,291	\$8,922,742	341,836,409
<i>Exempt from Credit Rate Disclosure:</i>							
U.S. Government Securities							101,574,058
<i>Not Rated:</i>							
Local Agency Investment Fund							100,116,001
Guaranteed Investment Contracts							7,685,332
Money Market Mutual Funds							190,321
Certificates of Deposit							21,368,681
Total Investments							\$572,770,802

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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, 2012:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal agency securities	\$41,515,046
Federal Home Loan Mortgage Corporation	Federal agency securities	44,667,178
Federal National Mortgage Association	Federal agency securities	52,689,484

Investments in any one issuer that represent 5% or more of total investments by individual funds were as follows at June 30, 2012:

Fund	Issuer	Investment Type	Amount
<i>Major Enterprise Funds:</i>			
Roseville Natural Gas Financing Authority	Wachovia Bank	Forward Purchase Agreement	\$4,079,918
Water	Assured Guaranty Municipal Corp.	Investment Agreement	4,217,863

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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, 2012, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Redevelopment Agency of the City of Roseville	
	Special Revenue Fund	\$298,473 (A),(C),(D)
	Non-Major Governmental Funds	5,987,306 (B),(C),(D),(E)
	Electric Enterprise Fund	12,170,987 (A),(C),(D)
	Water Enterprise Fund	3,091,372 (B),(D)
	Wastewater Enterprise Fund	2,203,269 (B),(D)
	Solid Waste Enterprise Fund	1,655,828 (B),(D)
	Roseville Natural Gas Financing Authority Enterprise Fund	75,948 (B)
	Golf Course Enterprise Fund	172,962 (A),(C)
	Local Transportation Enterprise Fund	235,608 (B)
	School-Age Child Care Enterprise Fund	274,658 (B)
	Internal Service Funds	1,458,536 (A),(C)
Redevelopment Agency of the City of Roseville		
Special Revenue Fund	Wastewater Enterprise Fund	50,000 (C)
Non-Major Governmental Funds	General Fund	3,783,869 (A),(C)
	Community Facilities District Capital Projects Fund	564,083 (A),(C)
	Non-Major Governmental Funds	2,808,289 (A),(C),(E)
	Electric Enterprise Fund	1,952,298 (A)
	Water Enterprise Fund	792,500 (A),(C),(D)
	Wastewater Enterprise Fund	726,204 (A),(D)
	Solid Waste Enterprise Fund	350,504 (A),(D)
	Local Transportation Enterprise Fund	4,900,000 (C)
	Internal Service Funds	265,708 (C)
Electric Enterprise Fund	Non-Major Governmental Funds	1,795 (E)
Water Enterprise Fund	Non-Major Governmental Funds	364 (E)
	Wastewater Enterprise Fund	1,017,130 (B)
	Solid Waste Enterprise Fund	534,896 (B)
Wastewater Enterprise Fund	Water Enterprise Fund	31,172 (C)
	Solid Waste Enterprise Fund	2,473 (C)
Solid Waste Enterprise Fund	Non-Major Governmental Funds	13,869 (C),(E)
	Water Enterprise Fund	15,826 (C)
	Wastewater Enterprise Fund	15,826 (C)
Local Transportation Enterprise Fund	Community Facilities District Capital Projects Fund	206,320 (C)
	Non-Major Governmental Funds	40,214 (B)
School-Age Child Care Enterprise Fund	Non-Major Governmental Funds	19,849 (C)
Internal Service Funds	General Fund	4,720,939 (A)
	Non-Major Governmental Funds	1,921 (A),(E)
	Electric Enterprise Fund	831,669 (A)
	Water Enterprise Fund	235,702 (A)
	Wastewater Enterprise Fund	454,818 (A)
	Solid Waste Enterprise Fund	442,957 (A)
	Golf Course Enterprise Fund	7,873 (A)
	Local Transportation Enterprise Fund	19,482 (A)
	School-Age Child Care Enterprise Fund	12,354 (A)
	Internal Service Funds	146,590 (A)
Total Interfund Transfers		\$52,592,441

- (A) To pay for indirect costs
- (B) To fund operations or indirect costs
- (C) To fund various projects and/or pay debt service
- (D) To transfer in lieu franchise fees or fund indirect costs or capital projects
- (E) To transfer FEMA reimbursement back to funds that incurred the original costs

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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, 2012, interfund balances comprised the following:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Traffic Safety Special Revenue Fund	\$33,719 (A)
Enterprise Funds:		
Wastewater	Solid Waste Enterprise Fund	101,805 (B)
Wastewater	General Fund	64,329 (B)
Internal Service Funds:		
Automotive Replacement	School-Age Childcare Program Enterprise Fund	658,854 (A)
Automotive Replacement	Golf Course Enterprise Fund	127,000 (B)
Automotive Replacement	Fire Facilities Special Revenue Fund	227,834 (B)
Automotive Replacement	Automotive Services Internal Service Fund	570,138 (A)
Workers' Compensation	Unemployment Reserve Internal Service Fund	100,000 (B)
		\$1,883,679

(A) To temporarily fund short-term cash flow needs.

(B) Current portion of the advances mentioned in 4C below.

C. Long-Term Interfund Advances

At June 30, 2012, 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	\$64,328
Special Revenue Funds:		
Technology Fee Replacement	Public Facilities Special Revenue Fund	595,054
Fire Facilities	Automotive Replacement Internal Service Fund	726,369
Enterprise Funds:		
Solid Waste	Wastewater Enterprise Fund	330,508
Golf Course	Automotive Replacement Internal Service Fund	3,004,000
School-Age Child Care	Automotive Replacement Internal Service Fund	200,000
Internal Service Fund:		
Unemployment Reserve	Workers' Compensation Internal Service Fund	390,353
		\$5,310,612

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

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

Technology Fee Replacement advance bears interest at the average interest rate of the City's pooled investments. It will be repaid over a period of 7 years beginning in fiscal year 2014.

Fire Facilities advance bears interest at the average interest rate of the City's pooled investments. It will be repaid over a period of 5 years beginning in fiscal year 2013.

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

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

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

D. Internal Balances

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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. With the dissolution of the Redevelopment Agency as discussed in Note 20, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the housing loans of the Redevelopment Agency and a Successor Agency assumed the non-housing loans as of February 1, 2012. Although these notes are expected to be repaid in full, their balances have been offset in the fund financial statements by deferred revenue, due to other government agencies or fund balance as they are not expected to be repaid during fiscal year 2013. These notes receivable comprised the following at June 30, 2012:

Flood Loan Notes	\$6,633
Housing Rehabilitation and Affordable Housing Notes	14,951,143
First Time Home-Buyer Notes	7,753,769
Housing Elevation Notes	15,000
Roseville Community Development Corporation Notes	1,706,587
Successor Agency Loans	<u>21,772,449</u>
Total	<u><u>\$46,205,581</u></u>

A. Notes Receivable

The City has provided loans to various homeowners and businesses for rehabilitation due to flood damage. The maximum loan amount is \$5,000 carrying various interest rates and payment dates. Although these notes are expected to be repaid in full, their balance has been offset by nonspendable fund balance. The balance of these notes receivable at June 30, 2012 was \$6,633.

B. Housing Rehabilitation and Affordable Housing Notes Receivable

The City and Agency engage 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 or Agency'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 Government Agencies, as they are not expected to be repaid during fiscal year 2013 and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including \$3,645,881 in affordable housing notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund and recorded as an extraordinary item as discussed in Note 20. The balance of the notes receivable arising from these programs at June 30, 2012, was \$14,951,143.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 5 - NOTES RECEIVABLE (Continued)

C. *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 2013, and any repayments will be used to reduce future grant draw-downs by the City. With the dissolution of the Agency effective February 1, 2012, the assets of the Low and Moderate Income Housing Fund, including \$1,657,453 in First Time Home Buyer notes receivable, were assumed by the Low and Moderate Income Housing Asset Fund and recorded as an extraordinary item as discussed in Note 20. The balance of the notes receivable arising from this program at June 30, 2012, was \$7,753,769.

D. *Housing Elevation Notes Receivable*

In fiscal 1997, the Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Grant Program funds to be used for residential home elevation projects in the City at a maximum of \$5,000 per household, with the total federal share not to exceed \$1,493,096. The City provides matching funds to each eligible household at a maximum of \$5,000 in the form of a zero percent, deferred loan payable upon sale, change of title or change of use (See Note 5A above). As of June 30, 2012, eleven loans funded through the FEMA Hazard Mitigation Grant Program were outstanding with a total balance of \$15,000.

E. *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 January 31, 2012, \$1,659,799 in notes had been issued to three property owners. The notes were funded by the Redevelopment Agency's non-housing funds, and with the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including Commercial Rehabilitation Notes, were assumed by the Successor Agency as discussed in Note 20.

F. *Loan to the Roseville Community Development Corporation*

The Agency entered into an agreement with the Roseville Community Development Corporation, a component unit of the City, under which the Agency agreed to provide funding to the Corporation in the form of a start-up loan not to exceed five million dollars (\$5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021. The Corporation had drawn down \$3,468,632 of the loan as of January 31, 2012. The loan was funded by the Redevelopment Agency's non-housing funds, and with the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including loan to the Corporation, was assumed by the Successor Agency as discussed in Note 20.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 5 - NOTES RECEIVABLE (Continued)

G. *Roseville Community Development Corporation Notes*

As of June 30, 2012, the Corporation purchased properties located at 240 Vernon Street and 242-246 Vernon Street on behalf of 240 Vernon Street LLC and 242-246 Vernon Street LLC in the amount of \$602,435 and \$541,047, respectively. Both of these purchases have been recorded as a Notes Receivable from each of the LLCs. The cost of the properties is expected to be paid back to the Corporation when the properties are sold or through a monthly rental agreement.

On February 22, 2012, the Corporation entered into a loan agreement with Innova Vernon LP for costs associated with fees, improvements, modifications, upgrades and equipment for the purpose of operating a restaurant called “*Sammy’s Rockin’ Island Bar and Grill*” at the property referred to as *238 Vernon Street*. The total loan is for \$1,512,500 and will be disbursed per a *Funding Release Schedule*. The Loan will be repaid over sixty-six months beginning with the nineteenth month after the date of the Note. Interest at 4% will accrue and be capitalized to the principal. A balloon payment comprised of accrued interest and principal will be paid on or before the *Maturity Date* (7 years after the *Date of the Note*). As of June 30, 2012, \$542,837 has been disbursed, and accrued interest totaled \$20,268.

H. *Successor Agency Loans*

Prior to July 1, 2011, the Redevelopment Agency had received six advances from various City funds: (1) Advances in the amount of \$5,422,789 were to be repaid in fiscal year 2029. This advance bore interest at the average interest rate of the City’s pooled investments. (2) Advance in the amount of \$915,049 bore interest at 3.15% and was to be repaid in fiscal year 2023. (3) Advance in the amount of \$3,900,000 bears no interest and was to be repaid in fiscal year 2029. (4) Advance in the amount of \$3,000,000 bears no interest and was to be repaid in fiscal year 2034. (5) Advance in the amount of \$4,966,402 will be repaid in fiscal year 2031. This advance bore interest at the average rate of the City’s pooled investments, plus 1%. (6) Advances in the amount of \$9,774,347 were to be repaid in fiscal year 2040. These advances bear interest at the average interest rate of the City’s pooled investments.

Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

The balance of the advances, including principal and accrued interest, was \$25,603,129 as of January 31, 2012. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is based upon whether the Successor Agency to the Redevelopment Agency receives a Finding of Completion from the State as discussed in Note 20. In addition, the interest rate on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception of each loan. Therefore the loan balances have been adjusted to reflect the revised interest rate, and this change has been reported as an Extraordinary Item as discussed in Note 20. The principal balance of the loans as of June 30, 2012 is \$21,282,347. Accrued interest on the loans as of June 30, 2012 is \$3,490,037 and has been included in accrued interest receivable.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 5 - NOTES RECEIVABLE (Continued)

In addition, during the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Roseville Redevelopment Project Area Fund and the Roseville Flood Control Project Area to borrow \$558,381 and \$258,455, respectively, from the Low and Moderate Income Housing Fund to assist in making the Agency's fiscal year 2009-10 SERAF payment. These loans do not bear interest and were repayable in five equal annual installments, and were required to be repaid prior to June 30, 2015. The balance of the loans as of January 31, 2012 totaled \$490,102.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the above advances and has recorded a loan payable to the Low and Moderate Income Housing Asset Fund as discussed in Note 20 below. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is also based upon whether the Successor Agency to the Redevelopment Agency receives a Finding of Completion from the State, and the change has been reported as an Extraordinary Item as discussed in Note 20.

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the advances and has recorded loans payable to the City as discussed in Note 20E below.

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, 2012, was \$224,574 which has been classified as deferred receivables, and the short-term portion of these receivables, which totaled \$451,469 at June 30, 2012, 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, 2012, these deferred fees were \$2,111,437.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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 to \$3,382,034 at June 30, 2012. 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 2012, payments made to the developer under the agreement totaled \$880,852.

B. *Land held for Resale*

The Agency purchased the following parcels: 8051 Washington Boulevard in April 2007; 133 Church Street in March 2010; 330 Vernon Street in April 2010; and 304 Washington Boulevard in June 2011. The 304 Washington Boulevard parcel will be developed by a private developer into 71 Mixed Use residential units with commercial and parking on the first floor. These properties are accounted for at the lower of cost or net realizable value. The properties are held for resale in the future. With the dissolution of the Redevelopment Agency as discussed in Note 20, a Successor Agency, assumed the non-housing assets of the Redevelopment Agency and the City, as housing successor, assumed the low and moderate income housing set-aside-funded assets of the Redevelopment Agency as of February 1, 2012, which has been reported as an Extraordinary Item in the Statement of Activities. All of the properties except 304 Washington Boulevard, which had been purchased with housing funds, had a carrying value of \$5,419,762 and were transferred to the Successor Agency as of January 31, 2012. As of June 30, 2012, total carrying value of the housing property held by the City amounted to \$861,245.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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	3-20 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
Soundwalls	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
For the Year Ended June 30, 2012

NOTE 8 - CAPITAL ASSETS (Continued)

B. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2011 (as restated)	Additions	Retirements	Transfers	Transferred to Successor Agency	Balance at June 30, 2012
<i>Governmental activities</i>						
Capital assets not being depreciated:						
Land	\$27,223,406	\$377,421			(\$1,762,188)	\$25,838,639
Streets (modified)	248,359,478	1,287,860		\$2,134,047		251,781,385
Parks (modified)	81,551,200	3,745,498				85,296,698
Landscaping (modified)	42,912,227	816,885		1,198,170		44,927,282
Construction in progress	105,254,332	10,438,578	(\$7,333,862)	(11,860,910)		96,498,138
Total capital assets not being depreciated	<u>505,300,643</u>	<u>16,666,242</u>	<u>(7,333,862)</u>	<u>(8,528,693)</u>	<u>(1,762,188)</u>	<u>504,342,142</u>
Capital assets being depreciated:						
Buildings	126,447,323					126,447,323
Improvements	5,461,701			1,175,735		6,637,436
Equipment	69,573,586	5,684,414	(3,498,525)	515,839		72,275,314
Bike paths	8,298,493	147,477		39,001		8,484,971
Bridges	56,371,753	158,094				56,529,847
Culverts	20,181,185			24,894		20,206,079
Curb, gutter, sidewalk, and median curbs	142,087,373	968,090		2,364,602		145,420,065
Drain inlets	20,574,293			177,757		20,752,050
Flood control improvements	17,575,080			2,432,564		20,007,644
Soundwall	30,956,411	219,000		394,203		31,569,614
Stormdrains	70,895,034	948,395		869,950		72,713,379
Traffic signals	32,843,837		(44,616)	534,148		33,333,369
Total capital assets being depreciated	<u>601,266,069</u>	<u>8,125,470</u>	<u>(3,543,141)</u>	<u>8,528,693</u>		<u>614,377,091</u>
Less accumulated depreciation for:						
Buildings	(42,575,372)	(3,128,707)				(45,704,079)
Improvements	(1,543,026)	(144,235)				(1,687,261)
Equipment	(50,536,136)	(6,047,812)	3,289,037			(53,294,911)
Bike paths	(5,518,266)	(332,314)				(5,850,580)
Bridges	(8,322,318)	(627,231)				(8,949,549)
Culverts	(4,733,652)	(269,249)				(5,002,901)
Curb, gutter, sidewalk, and median curbs	(96,074,363)	(4,708,541)				(100,782,904)
Drain inlets	(7,354,085)	(412,993)				(7,767,078)
Flood control improvements	(2,448,461)	(250,551)				(2,699,012)
Soundwall	(7,540,790)	(893,228)				(8,434,018)
Stormdrains	(12,448,755)	(956,591)				(13,405,346)
Traffic signals	(15,628,858)	(1,356,203)				(16,985,061)
Total accumulated depreciation	<u>(254,724,082)</u>	<u>(19,127,655)</u>	<u>3,289,037</u>			<u>(270,562,700)</u>
Net capital assets being depreciated	<u>346,541,987</u>	<u>(11,002,185)</u>	<u>(254,104)</u>	<u>8,528,693</u>		<u>343,814,391</u>
Governmental activity capital assets, net	<u>\$851,842,630</u>	<u>\$5,664,057</u>	<u>(\$7,587,966)</u>		<u>(\$1,762,188)</u>	<u>\$848,156,533</u>

With the dissolution of the Redevelopment Agency as discussed in Note 20, a Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2011	Additions	Retirements	Transfers	Balance at June 30, 2012
<i>Business-type activities</i>					
Capital assets, not being depreciated:					
Land	\$16,373,511	\$141,347			\$16,514,858
Landscaping (modified)	576,843				576,843
Streets (modified)	24,914				24,914
Construction in progress	30,070,728	9,094,460	(\$319,869)	(\$25,243,292)	13,602,027
Total capital assets not being depreciated	47,045,996	9,235,807	(319,869)	(25,243,292)	30,718,642
Capital assets, being depreciated:					
Buildings	24,620,054	12,163		206,635	24,838,852
Improvements	16,786,702			281,676	17,068,378
Machinery and equipment	24,563,951	1,267,064	(1,281,401)	39,803	24,589,417
Bike paths	3,919,257			158,837	4,078,094
Bridges	1,702,403				1,702,403
Culverts	296,616			8,712	305,328
Curb, gutter, sidewalk, and median curbs	27,327			83,662	110,989
Drain inlets	24,663				24,663
Flood control improvements		263,835		8,566,604	8,830,439
Storm drains	38,069				38,069
Plants and substations	349,749,539	233,777	(14,714)	2,303,126	352,271,728
Distribution	1,159,246,049	2,806,614	(698,731)	13,594,237	1,174,948,169
Generation	200,872,798	10,000			200,882,798
Total capital assets being depreciated	1,781,847,428	4,593,453	(1,994,846)	25,243,292	1,809,689,327
Less accumulated depreciation for:					
Buildings	(6,117,615)	(609,840)			(6,727,455)
Improvements	(4,935,859)	(453,089)			(5,388,948)
Machinery and equipment	(14,044,640)	(1,908,314)	1,251,405		(14,701,549)
Bike paths	(819,227)	(197,599)			(1,016,826)
Bridges	(47,289)	(18,916)			(66,205)
Culverts	(13,842)	(4,013)			(17,855)
Curb, gutter, sidewalk, and median curbs	(3,029)	(3,458)			(6,487)
Drain inlets	(2,863)	(493)			(3,356)
Flood control improvements		(58,870)			(58,870)
Storm drains	(3,147)	(508)			(3,655)
Plants and substations	(85,310,055)	(7,960,681)	14,714		(93,256,022)
Distribution	(206,689,133)	(18,023,821)	192,880		(224,520,074)
Generation	(35,875,726)	(10,609,644)			(46,485,370)
Total accumulated depreciation	(353,862,425)	(39,849,246)	1,458,999		(392,252,672)
Net capital assets being depreciated	1,427,985,003	(35,255,793)	(535,847)	25,243,292	1,417,436,655
Business-type activity capital assets, net	\$1,475,030,999	(\$26,019,986)	(\$855,716)		\$1,448,155,297

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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:

<i>Governmental Activities</i>	
General government	\$2,656,914
Community development and planning	593,173
Public works	10,170,883
Police	731,928
Fire	580,669
Library	590,596
Parks and recreation	412,175
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	3,391,317
Total Governmental Activities	\$19,127,655

<i>Business-Type Activities</i>	
Electric	\$18,031,758
Water	8,085,805
Wastewater	11,457,496
Solid Waste	276,745
Golf Course	388,601
Local Transportation	1,571,961
School-age Child Care	36,880
Total Business-Type Activities	\$39,849,246

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. 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 2012 the City expended \$5,149,814 to preserve its roads. The City estimates that it will be required to expend approximately \$5,185,511 in fiscal 2013 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. 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 2012 the City expended \$4,766,512 to preserve its parks and landscaping. The City estimates that it will be required to expend approximately \$4,853,428 in fiscal 2013 to maintain its parks at this condition level.

E. Restatement of Capital Assets

During the fiscal year ended June 30, 2012, the City determined that construction in progress in the Governmental Activities had been overstated in the amount of \$12,587,991. Therefore, the beginning balance of Capital Assets and Net Assets of the Governmental Activities have been reduced and restated in that amount.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source gross of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as long-term assets. Any differences between proprietary refunded debt and the debt issued to refund it is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

A. Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2011	Retirements	Transferred to Successor Agency	Balance June 30, 2012	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2003A Public Facilities Refunding Bonds, 2.0%-5.0%, due 8/1/25	\$18,275,000	\$13,885,000	\$695,000		\$13,190,000	\$720,000
Tax Allocation Bonds:						
2002 Roseville Redevelopment Project 3%-5.14%, due 9/1/33	14,500,000	12,280,000	325,000	\$11,955,000		
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	2,780,000	100,000	2,680,000		
2006 Roseville Redevelopment Project, Series H-T 5.31%-6.07%, due 9/1/40	6,505,000	6,150,000	80,000	6,070,000		
Total Tax Allocation Bonds	37,445,000	34,365,000	505,000	33,860,000		
Installment Purchase Obligations:						
Equipment	2,239,765	1,620,430	1,494,645		125,785	82,823
Total Governmental Activity Debt:	\$57,959,765	\$49,870,430	\$2,694,645	\$33,860,000	\$13,315,785	\$802,823
Business-type Activity Debt:						
Certificates of Participation:						
2004 Electric System Revenue, 3.00%-5.25%, due 2/1/34	\$39,940,000	\$38,205,000	\$380,000		\$37,825,000	\$395,000
Less: deferred amount on refunding	(728,254)	(558,328)	(24,275)		(534,053)	
2005 Electric System Revenue, Series A 3.00%-5.00%, due 2/1/23	52,900,000	46,940,000	3,325,000		43,615,000	3,450,000
Add: deferred bond premium cost	3,528,055	2,845,206	113,808		2,731,398	
2008 Electric System Revenue, Series A variable rate, due 2/1/35	90,000,000	90,000,000			90,000,000	
2009 Electric System Revenue Refunding 2.00%-5.25%, due 2/1/24	27,010,000	23,845,000	1,495,000		22,350,000	1,515,000
Add: deferred bond premium cost	396,611	343,729	26,441		317,288	
2003B Golf Course Refunding Bond, 2.0%-5.0%, due 8/1/23	8,240,000	5,960,000	360,000		5,600,000	375,000
2007 Water Utility Revenue, 4.0%-5.0%, due 12/1/27	53,695,000	48,535,000	1,870,000		46,665,000	1,965,000
Add: deferred bond premium cost	2,759,170	2,207,335	137,959		2,069,376	
Less: deferred amount on refunding	(920,622)	(593,221)	(37,076)		(556,145)	
Total Certificates of Participation	276,819,960	257,729,721	7,646,857		250,082,864	7,700,000
Revenue Bonds:						
2007 Gas Revenue Bonds 4.00-5.00%, due 2/15/28	209,350,000	189,140,000	7,265,000		181,875,000	7,675,000
Add: deferred bond premium cost	15,454,116	11,774,565	735,910		11,038,655	
2010 Electric System Revenue Refunding 2.00%-5.00%, due 2/1/37	55,845,000	55,845,000	305,000		55,540,000	330,000
Add: deferred bond premium cost	2,764,207	2,661,829	102,378		2,559,451	
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series A variable rate, due 11/1/35	16,340,380	16,340,380			16,340,380	
2011 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series B variable rate, due 11/1/35	16,337,672	16,337,672			16,337,672	
2011 Refunding Wastewater Revenue Bonds, Series C 1.00-5.25%, due 11/1/25	36,315,568	36,315,568	1,457,173		34,858,395	1,646,768
Add: deferred bond premium cost	2,839,017	2,661,578	177,439		2,484,139	
2011 Refunding Wastewater Revenue Bonds, Series D variable rate (SIFMA rate plus 0.83%), due 11/1/14	16,251,000	16,251,000			16,251,000	
Total Revenue Bonds	371,496,960	347,327,592	10,042,900		337,284,692	9,651,768
Total Business-type Activity Debt:	\$648,316,920	\$605,057,313	\$17,689,757		\$587,367,556	\$17,351,768

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

With the dissolution of the Redevelopment Agency as discussed in Note 20, a Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities. For a detailed discussion of the 2002 and 2006 Tax Allocation Bonds above, see Note 20.

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. 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.

D. 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.

E. 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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

F. 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 B COPs were refinanced by the 2010 Electric System Revenue Refunding Bonds, discussed in Note 9K below.

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 3.44% at June 30, 2012. Principal payments are due annually on February 1 beginning February 1, 2023 through 2035.

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 11, 2014. The Authority paid \$836,224 in fees for the Letter of Credit during the year ended June 30, 2012. Subsequent to June 30, 2012, the City opted to terminate the Letter of Credit and replace it with a Direct Purchase Agreement with US Bank which became effective November 7, 2012.

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.

G. 2009 Electric System Revenue Refunding Certificates of Participation

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

H. 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.

I. 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, 2012, the total principal and interest remaining to be paid on the bonds was \$67,444,663. 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 2012 net revenues amounted to \$8,221,035 which represented coverage of 206% over the \$3,996,241 in debt service.

J. 2007 Roseville Natural Gas Financing Authority Gas Revenue Bonds

On January 24, 2007, the Authority issued \$209,350,000 of Gas Revenue Bonds, Series 2007, to finance a lump sum prepayment to a Gas Supplier (See Note 19A) in order to acquire a supply of natural gas to be delivered over a period of twenty-years. The gas purchased by the Authority will be sold to the City pursuant to a Natural Gas Supply Agreement (See Note 19B) to produce revenues to be used for debt service on the Bonds.

Principal payments are due annually commencing on February 15, 2009 through 2028 and interest is payable semiannually on February 15 and August 15, commencing August 15, 2007. As of June 30, 2012, the total principal and interest to be paid on the bonds was \$268,607,745. For fiscal year 2012, net revenues amounted to \$27,176,275 which represented coverage of 164% over the \$16,614,541 in debt service.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9-LONG-TERM DEBT (Continued)

K. 2010 Electric System Revenue Refunding Bonds

On October 21, 2010, the City issued Revenue Bonds in the original principal amount of \$55,845,000.

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

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

As of June 30, 2012, the total principal and interest remaining to be paid on the 2004 Electric System Revenue COP's, 2005 Electric System Revenue COP's, 2008 Electric System Revenue Refunding COP's, 2009 Electric System Revenue Refunding COP's, and 2010 Electric System Revenue Refunding Revenue Bonds was \$403,882,331. 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 2012, net revenues amount to \$33,227,184 which represent coverage of 194% over the \$17,136,521 in debt service.

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

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

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B.

As of June 30, 2012, the total principal and interest remaining to be paid on the Series A, Series B, Series C, and Series D Bonds was \$114,066,277. As disclosed in the official statement, net revenues of the respective systems of the members are expected to provide coverage over debt service of 110% over the lives of the Bonds, however the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. As discussed in Note 1A, the members' monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and the Authority pays the debt service and other costs from the Account, based on each member's proportionate share. For fiscal year 2012, \$5,381,288 in debt service was paid from the Rate Stabilization Account.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

Interest rates on the 2011 Series A and Series B Bonds are reset periodically, using the “put” mechanism described below. The Bonds are periodically subject to repurchase at a purchase price equal to the principal amount thereof plus accrued interest, referred to as a "put". Once a put occurs, a remarketing agent resells Bonds at par by setting new interest rates and repurchase dates. The interest rate at June 30, 2012 was .14%. The Authority has obtained a Letter of Credit in the amounts of \$30,165,000 and \$30,160,000 to be used in the event the remarketing agent is unable to resell any 2011A or 2011B Bonds and to ensure the City will not be required to repurchase the 2011A or 2011B Bonds before they mature. The Letter of Credit expires April 7, 2013. The Authority paid \$780,950 in fees for the Letter of Credit during the year ended June 30, 2012.

The Authority has the option to convert the 2011 Series A and Series B Bonds to a term loan on the maturity date of the letters of credit. The term loan is payable in twelve equal quarterly installments of principal, plus accrued interest. The first payment would be due July 7, 2013.

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

Interest rates on the Series 2011D Bonds will be a per annum rate equal to the Adjusted SIFMA Rate (the sum of the SIFMA Index Rate and an additional interest rate of 0.832%), applied on the basis of the actual number of days in the applicable Interest Period divided by 365 or 366, as applicable. “SIFMA Index” is defined under the Indenture to mean the SIFMA Municipal Swap Index (formerly The Bond Market Association Municipal Swap Index), a seven-day high-grade market index composed of selected tax-exempt variable-rate demand obligations meeting specific criteria. The SIFMA Index is calculated weekly and released each Wednesday afternoon. If at any time the SIFMA Index is not available, there will be used in its place such index as the Trustee, following consultation with the Authority and the Calculation Agent, as applicable for the applicable Interest Rate Period, from time to time determines most closely approximates the SIFMA Index. The interest rate at June 30, 2012 was 1.012%

The Authority originally entered into a 19 year interest rate swap agreement for the entire amount of the 2008 B Bonds, and as part of the issuance of the 2011 ABCD Bonds, the swap agreement was amended and remains in effect, but the notional amount of the swap is based on the notional amount of the 2008 B Bonds. The combination of the variable rate bonds and the floating rate swap creates a synthetic fixed-rate debt for the Authority. The synthetic fixed rate for the A and B Bonds at June 30, 2012 was 3.39% and the rate for the D Bonds was 1.012%.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

M. Interest Rate Swap Agreements

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

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

Terms. The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2012, 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
2011 Refunding Wastewater Revenue Bonds, series A, B, C and D (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B)	46,978,933 (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>\$136,978,933</u>						

(A) The Authority's swap agreement is based on the notional amount of \$86,725,000 related to the 2008B Bonds. The City's share of these underlying Bonds is 54.17%, or \$46,978,933. Only the City's portion of the swap agreement is shown above, since the City was only obligated for that portion of the Authority's bonds.

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

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, 2012, the fair value of the swaps were not in favor of the City as follows:

Related Bond Issue	Fair Value	
	2012	2011
2008 Electric System Revenue COP, Series A		
Bank of America N.A.	(\$9,492,812)	(\$3,354,161)
Morgan Stanley Capital Services Inc.	(13,898,939)	(4,716,470)
2011 Refunding Wastewater Revenue Bonds, series A, B, C and D (based on notional amount of 2008 Refunding Wastewater Revenue Bonds, Series B) (A)	<u>(8,898,587)</u>	<u>(5,684,590)</u>
	<u>(\$32,290,338)</u>	<u>(\$13,755,221)</u>

(A) The Authority's swap agreement is based on the notional amount of \$86,725,000 equivalent to the notional balance on the 2008B Bonds. The City's share of these underlying Bonds was 54.17%, or \$46,978,933. Only the City's portion of the fair value of the swap agreement is shown above, since the City is only obligated for that portion of the Authority's 2011 bonds.

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.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

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

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

Swap payments and associated debt. Using rates as of June 30, 2012, debt service requirements of the City's outstanding swap-related variable-rate and fixed rate debt and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary. These payments below are included in the Debt Service Requirements at June 30, 2012:

For the Year Ending June 30	Variable-Rate and Fixed Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest	Interest	
2013	\$1,646,768	\$2,251,464	\$4,329,097	\$8,227,329
2014	1,746,983	2,082,183	4,255,528	8,084,694
2015	18,125,282	1,890,746	4,179,023	24,195,051
2016	2,009,707	1,743,458	4,099,728	7,852,893
2017	2,158,675	1,643,880	4,017,789	7,820,344
2018 - 2022	13,396,243	6,368,610	18,746,944	38,511,797
2023 - 2027	41,075,735	2,387,849	14,081,510	57,545,094
2028 - 2032	48,916,428	795,774	7,030,161	56,742,363
2033 - 2035	44,711,626	159,929	1,276,472	46,148,027
Totals	<u>\$173,787,447</u>	<u>\$19,323,893</u>	<u>\$62,016,252</u>	<u>\$255,127,592</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

N. 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
2013	\$802,823	\$588,887	\$17,351,768	\$25,816,950
2014	782,962	560,690	18,156,983	24,838,594
2015	765,000	534,105	35,270,282	23,837,363
2016	795,000	506,010	19,974,707	22,790,827
2017	825,000	475,215	21,033,675	21,740,225
2018 - 2022	4,690,000	1,767,939	122,421,243	90,779,781
2023 - 2027	4,655,000	479,625	148,675,737	55,136,671
2028 - 2032			92,376,429	24,150,683
2033 - 2037			91,996,623	10,041,654
Total	\$13,315,785	\$4,912,471	567,257,447	\$299,132,748
Reconciliation of long-term debt				
			21,200,307	
			(1,090,198)	
			\$587,367,556	

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - LONG-TERM DEBT (Continued)

O. 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, 2012, is as follows:

Northeast Roseville Community Facilities District #2	\$7,340,000
North Roseville Community Facilities District #1	16,080,000
North Central Roseville Community Facilities District #1, Series 2010	20,105,000
Northwest Roseville Community Facilities District #1	16,480,000
Woodcreek West Community Facilities District #1, Series 2005	17,210,000
Stone Point Community Facilities District # 1	9,305,000
Fiddymment Ranch Community Facilities District # 1	76,965,000
Longmeadow Parkside Community Facilities District # 1	8,360,000
Westpark Community Facilities District # 1	76,415,000
Roseville Finance Authority Revenue Bonds, Series 2006 A and B	32,100,000
Stone Point Community Facilities District #5, Series 2006	5,210,000
Diamond Creek Community Facilities District #1, Series 2007	6,985,000
Special Tax Revenue Refunding Bonds, Series 2007 A Senior Lien Bonds	38,720,000
Special Tax Revenue Refunding Bonds, Series 2007 B Junior Lien Bonds	9,075,000
Fountains Community Facilities District No.1 Special Tax Bonds Series 2008	11,200,000
Roseville Automall Community Facilities District #1 Special Tax Bonds	2,655,000
Total	<u><u>\$354,205,000</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
For the Year Ended June 30, 2012

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, 2012.

	2012 Change in Fair Value		Fair Value, End of Fiscal Year 2012		Notional
	Classification	Amount	Classification	Amount	
Effective Cash Flow Hedges					
Electric Fund					
Pay Fix SWAP, Natural Gas	Deferred Outflow	(\$2,899,876)	Derivative	(\$45,265,879)	19,938,000 mmBtu
Receive Fixed SWAP, Electric	Deferred Inflow	2,592,109	Derivative	0	Matured
				<u>(\$45,265,879)</u>	
Roseville Natural Gas Financing Authority					
Pay Fix SWAP, Natural Gas	Deferred Inflow	\$892,900	Derivative	\$22,530,685	36,860,500 mmBtu
Receive Fix SWAP, Natural Gas	Deferred Inflow	47,231,883	Derivative	79,029,462	76,000-372,000 monthly mmBtu
				<u>\$101,560,147</u>	

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, 2012, 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, 2012 are summarized in the table below:

Type and Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty	Counterparty Rating
Forward Contracts, Gas:						
Hedge Cash Flows on PG&E citygate Gas	\$3,090,000	8/1/2012	3/31/2014	Pay \$7.14; Receive NGI PG&E citygate price	BP Corporation	BBB+
Hedge Cash Flows on PG&E citygate Gas	927,500	8/1/2012	9/30/2013	Pay \$4.10; Receive NGI PG&E citygate price	ConocoPhillips	A
Hedge Cash Flows on PG&E citygate Gas	302,000	8/1/2012	3/31/2013	Pay \$4.78; Receive NGI PG&E citygate price	Constellation Energy Commodities	BBB-
Hedge Cash Flows on PG&E citygate Gas	1,058,000	10/1/2012	12/31/2014	Pay \$4.79; Receive NGI PG&E citygate price	J Aron & Company	A-
Hedge Cash Flows on PG&E citygate Gas	1,625,000	8/1/2012	9/30/2014	Pay \$5.78; Receive NGI PG&E citygate price	J.P. Morgan Ventures Energy Corporation	A
Hedge Cash Flows on PG&E citygate Gas	3,437,500	1/1/2013	12/31/2016	Pay \$4.96; Receive NGI PG&E citygate price	Macquarie Energy	A
Hedge Cash Flows on PG&E citygate Gas	643,000	8/1/2012	12/31/2013	Pay \$5.27; Receive NGI PG&E citygate price	Powerex Corporation	AAA
Hedge Cash Flows on PG&E citygate Gas	8,855,000	8/1/2012	12/31/2015	Pay \$7.09; Receive NGI PG&E citygate price	Shell Energy North America	A-
Commodity Swaps, Gas:						
Prepayment 20-year supply of Natural Gas	36,860,500	1/1/2008	12/31/2027	Pay index minus 0.68; Receive NGI	Merrill Lynch	A-
Hedge on Cash Flows on prepayment of 20-year supply of Natural Gas	From 76,000 to 372,000 per month	1/24/2007	1/25/2028	Pay NGI PG&E citygate price; Receive \$7.7224 per MMBtu	JPMorgan Chase Bank, NA	A+

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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 for proprietary funds and at the Government-wide level, and are described below:

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)

B. *Fund Balances, Reserves and Designations*

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

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

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

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

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2012, are below:

Fund Balance Classifications	General Fund	Special Revenue	Capital Projects	Other Governmental Funds	Total
		Redevelopment Agency of the City of Roseville	Community Facilities District Projects		
Nonspendable:					
Items not in spendable form:					
Prepaid expenses	\$75,042				\$75,042
Notes receivable	16,559,779				16,559,779
Inventories	401,994			\$613,530	1,015,524
Subtotal	17,036,815			613,530	17,650,345
Amounts required to maintained intact:					
Permanent funds				16,890,230	16,890,230
Total Nonspendable Fund Balances	17,036,815			17,503,760	34,540,575
Restricted for:					
Community facilities districts			\$11,052,428		11,052,428
Debt service				1,530,324	1,530,324
Lighting and landscaping				7,759,642	7,759,642
Street projects				12,227,459	12,227,459
Affordable housing				6,182,655	6,182,655
Library services and projects				556,372	556,372
Public safety services and projects				5,515,775	5,515,775
Bike trail/open space maintenance				984,776	984,776
Animal control shelter				448,247	448,247
Traffic projects				19,542,886	19,542,886
Public facilities				13,395,351	13,395,351
Park development				21,173,220	21,173,220
Pleasant Grove drain basin				7,848,155	7,848,155
Tree propagation				3,382,420	3,382,420
Community development block grant and HOME programs				60,364	60,364
Aquatics Complex Maintenance				23,753	23,753
Citizens' Benefits				1,130,534	1,130,534
Other capital projects				651,564	651,564
Total Restricted Fund Balances			11,052,428	102,413,497	113,465,925
Committed to:					
Utility exploration center				78,134	78,134
Park services and projects				354,596	354,596
Building projects				1,815,914	1,815,914
Total Committed Fund Balances				2,248,644	2,248,644
Assigned to:					
Information systems upgrades and improvements	290,700				290,700
Enterprise asset management	696,351				696,351
Creekview specific plan	155,609				155,609
Plan check and inspection	327,950				327,950
Various contracts	1,474,290				1,474,290
Building and general rehabilitation projects				14,472,182	14,472,182
Total Assigned Fund Balances	2,944,900			14,472,182	17,417,082
Unassigned:					
General fund	44,796,255				44,796,255
Other governmental fund deficit residuals				(925,077)	(925,077)
Total Unassigned Fund Balances	44,796,255			(925,077)	43,871,178
Total Fund Balances	\$64,777,970		\$11,052,428	\$135,713,006	\$211,543,404

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 11 – NET ASSETS AND FUND BALANCES (Continued)

C. *Economic Reserves*

The Ordinance adopting the City's annual budget requires the City to implement and maintain fund balances of approximately 10% of General Fund and Utility Fund operating expenditures for economic uncertainties. As of June 30, 2012, the General Fund Reserve for Economic Uncertainties, which is reported within the unassigned fund balance of the General Fund, had a balance of \$9,102,800. As of June 30, 2012, the Utility Fund Economic Uncertainties balances, which are reported within the unrestricted net assets of the Electric, Water, Wastewater and Solid Waste Enterprise Funds had balances of \$14,184,192, \$1,839,400, \$2,678,200, and \$1,904,200, respectively. The balance of the Electric Enterprise Fund reserve for Economic Uncertainties is \$14,184,192; the required level is \$14,456,800. The City's policy is to maintain the electric reserve in the Electric Rate Stabilization Fund which had a balance of \$37,784,947 as of June 30, 2012, which is a component of the Electric Enterprise Fund.

D. *Fund Balance and Net Assets Deficits*

The Storm Water Management Special Revenue Fund had a deficit fund balance at June 30, 2012 of \$14,254. Future grant funds will eliminate this deficit.

The Roseville Community Development Corporation Special Revenue Fund had a deficit fund balance at June 30, 2012 of \$698,296. Future contributions and revenues are expected to eliminate this deficit.

The Technology Replacement Special Revenue Fund had a deficit fund balance at June 30, 2012 of \$212,527. Future permit fees are expected to offset this deficit.

The Automotive Services Internal Service Fund had deficit net assets at June 30, 2012 of \$67,365. Rental Rates will be evaluated in future years.

The Unemployment Reserve Internal Service Fund had deficit net assets at June 30, 2012 of \$525,201. Increasing future premium amounts and reducing loan payment amounts are expected to eliminate this deficit.

The Post Retirement Internal Service Fund had deficit net assets at June 30, 2012 of \$22,997,352. Future increases in contribution rates will eliminate this deficit.

The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund had deficit net assets at June 30, 2012 of \$37,122,690. Future tax revenues are expected to eliminate this deficit.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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, 2012, 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	50
Monthly benefits, as a % of annual salary	3%	2.0% - 2.7%
Required employee contribution rates	9%	8%
Required employer contribution rates	31.750%	19.399%
Actuarially required contributions	\$10,027,631	\$18,065,353

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 actuarially accrued liability. The City uses actuarially determined percentages of payroll to calculate and pay contributions to CalPERS. The City paid 100% of the contributions required by CALPERS, for the years ended June 30, 2012, 2011 and 2010. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CalPERS, for the last three fiscal years were as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
<i>Safety Plan</i>			
June 30, 2010	\$9,210,220	100%	\$0
June 30, 2011	8,841,881	100%	0
June 30, 2012	10,027,631	100%	0
<i>Miscellaneous Plan</i>			
June 30, 2010	\$14,463,390	100%	0
June 30, 2011	14,791,010	100%	0
June 30, 2012	18,065,353	100%	0

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 12 - PENSION PLAN (Continued)

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

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

Safety Plan:

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

Miscellaneous Plan:

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 13 – POST-EMPLOYMENT BENEFITS

A. Plan Provisions

The City provides medical benefits to substantially all retirees under the City of Roseville Other Post Employment Benefit Plan, a sole employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. The Plan does not issue separate financial statements. As of June 30, 2012, there were 525 participants receiving these health care benefits.

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

■ Eligibility	<ul style="list-style-type: none"> Service or disability retirement from City (or 5 years City service if hired after January 1, 2004) 																															
■ Benefit	<p style="text-align: center;"><u>Hired before January 1, 2004 (a)</u></p> <ul style="list-style-type: none"> City paid premium, subject to the following caps: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Group</th> <th style="text-align: center;">2012</th> </tr> </thead> <tbody> <tr> <td>Management/Confidential</td> <td style="text-align: right;">\$1,116.75</td> </tr> <tr> <td>Stationary Engineers Local 39</td> <td style="text-align: right;">1,284.00</td> </tr> <tr> <td>Roseville Police Association</td> <td style="text-align: right;">1,088.50</td> </tr> <tr> <td>Roseville Police Officers Association</td> <td style="text-align: right;">1,186.62</td> </tr> <tr> <td>Roseville Firefighters Association</td> <td style="text-align: right;">1,200.00</td> </tr> <tr> <td>International Brotherhood of Electrical Workers</td> <td style="text-align: right;">1,200.00</td> </tr> </tbody> </table> <p>(a) January 1, 2005 for Police Officers Association and Local 39</p>	Group	2012	Management/Confidential	\$1,116.75	Stationary Engineers Local 39	1,284.00	Roseville Police Association	1,088.50	Roseville Police Officers Association	1,186.62	Roseville Firefighters Association	1,200.00	International Brotherhood of Electrical Workers	1,200.00	<p style="text-align: center;"><u>Hired after January 1, 2004 (a)</u></p> <ul style="list-style-type: none"> 100/90 formula, subject to vesting schedule: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">CalPERS Service</th> <th style="text-align: center;">Vesting</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 to 20 years</td> <td style="text-align: center;">50% to 100%</td> </tr> </tbody> </table> 100/90 formula rates: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2011</th> <th style="text-align: center;">2012</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: right;">\$542.00</td> <td style="text-align: right;">\$566.00</td> </tr> <tr> <td>Two-Party</td> <td style="text-align: right;">1,030.00</td> <td style="text-align: right;">1,074.00</td> </tr> <tr> <td>Family</td> <td style="text-align: right;">1,326.00</td> <td style="text-align: right;">1,382.00</td> </tr> </tbody> </table> Five years City service required 	CalPERS Service	Vesting	10 to 20 years	50% to 100%		2011	2012	Single	\$542.00	\$566.00	Two-Party	1,030.00	1,074.00	Family	1,326.00	1,382.00
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Two-Party	1,030.00	1,074.00																														
Family	1,326.00	1,382.00																														
■ 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. 																															

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

B. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2011, 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) 6.50% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 9.00% to 9.40% in 2013 to 5.00% for years starting 2021. 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 26 years remaining.

C. Trend Information

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

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2010	\$17,851,892	\$3,839,216	22%	\$45,855,741
6/30/2011	9,272,292	38,457,645	415%	15,409,215
6/30/2012	15,104,848	4,972,333	33%	25,541,730

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	(Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2007	\$0	\$164,567,000	(\$164,567,000)	0.00%	\$80,302,000	-204.94%
6/30/2009	34,000,000	180,097,000	(146,097,000)	18.88%	80,664,000	-181.12%
6/30/2011	34,626,000	176,733,000	(142,107,000)	19.59%	74,535,000	-190.66%

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

D. Funding Progress and Funded Status

During the fiscal year ended June 30, 2012, 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	\$15,491,000
Interest on net OPEB obligation	1,001,599
Adjustment to annual required contribution	<u>(1,387,751)</u>
Annual OPEB cost	15,104,848
Contributions:	
Pay-as-you-go premiums	<u>(4,972,333)</u>
Change in net OPEB obligation	10,132,515
Net OPEB obligation at June 30, 2011	<u>15,409,215</u>
Net OPEB Obligation at June 30, 2012	<u><u>\$25,541,730</u></u>
Percentage of annual OPEB cost contributed	<u><u>33%</u></u>

E. Investments Authorized for the Retiree Health Plan Trust

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 13 – POST-EMPLOYMENT BENEFITS (Continued)

F. Retiree Health Plan Assets

At June 30, 2012, the Plan reported assets available for benefits of \$36,097,438. The composition of these assets at June 30, 2012, is shown below. For actuarial purposes, the value of the Plan's assets was determined to be fair value.

Domestic Equity	\$10,928,131
International Equity	5,517,659
REITs	1,102,414
Inflation Hedge	903,322
Fixed Income Securities	17,567,071
Cash Equivalent	78,841
Assets available for benefits at June 30, 2012	\$36,097,438

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.

The contributions made to the risk pools below equal the ratio of the respective member 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.

A. Risk Coverage

General Liability, Property and Boiler and Machinery

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 14 - RISK MANAGEMENT (Continued)

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 \$297,911 with an additional \$1,625 charge to reflect the fees to access CSRM Risk Control Online Services. 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 damage is covered up to \$5,000,000 with a self-insured retention or deductible of \$25,000. The City's premium was \$224,399 (coverage limit of \$300,000,000).

Boiler and machinery damage is covered up to \$21,250,000 with a self-insured retention or deductible of \$5,000. The annual premium paid was \$28,847.

Financial statements for the risk pool may be obtained from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

Roseville Energy Park Property Coverage

The City has a self-insured retention of \$250,000 per claim up to a \$200,000,000 limit. The City's premium for coverage is \$493,429.

Fiduciary Coverage

The City purchased fiduciary insurance specifically to cover the OPEB Trust. The self-insured retention is \$15,000 per claim up to a \$3,000,000 limit. The City's premium for coverage is \$26,845.

Workers' Compensation

The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to \$5,000,000 and provides additional coverage through CSC-EIA 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, 2012, the City contributed \$464,809 for current year coverage, plus \$26,093 towards a 1997-98 assessment and a 1998-99 assessment, for a grand total of \$490,902.

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

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
For the Year Ended June 30, 2012

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:

	<u>2012</u>	<u>2011</u>
Claims liability, beginning of year	\$5,853,000	\$5,402,000
Current year claims	2,335,000	2,100,000
Change in prior year claims	(725,327)	(690,000)
Claims paid, current year claims	(331,063)	(335,000)
Claims paid, prior year claims	<u>(822,467)</u>	<u>(624,000)</u>
Claims liability, end of year	<u>\$6,309,143</u>	<u>\$5,853,000</u>
Current claims liabilities	<u>\$757,097</u>	<u>\$679,500</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:

	<u>2012</u>	<u>2011</u>
Claims liability, beginning of year	\$1,792,000	\$1,502,000
Current year claims	755,000	1,000,000
Change in prior year claims	175,876	141,000
Claims paid, current year claims	(83,354)	(179,000)
Claims paid, prior year claims	<u>(1,083,618)</u>	<u>(672,000)</u>
Claims liability, end of year	<u>\$1,555,904</u>	<u>\$1,792,000</u>
Current claims liabilities	<u>\$451,212</u>	<u>\$511,000</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 15 - 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 sixteen public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

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

During the year ended June 30, 2012, the City incurred expenses totaling \$6,978,504 for purchased power and assessments and prepaid assets paid to NCPA.

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

	June 30, 2012
General Operating Reserve (including advances)	\$1,500,690
Associated Member Services (including advances)	78,559
Undivided equity interest, at cost, in certain NCPA Power Projects:	
Geothermal Projects	998,033
Calaveras Hydroelectric Project	785,382
Combustion Turbine Project No. 2	(22,591)
	\$3,340,073

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

B. Projects

Geothermal Projects

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

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 March 2009, NCPA issued \$35,610,000 Geothermal Project Number 3 Revenue Bonds (2009 Series A). The proceeds were used to finance and operate the two NCPA 110 MW geothermal steam powered generating plants, Plant Number 1 and Plant Number 2. The City is obligated to pay its contractual share of 7.883% of the operating costs and debt service until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2012, the book value of this Project's plant, equipment and other assets was \$90,745,161 while its long-term debt totaled \$34,221,753 and other liabilities totaled \$33,418,952. The City's share of the Project's long-term debt amounted to \$2,697,701 at that date.

On October 28, 2004, NCPA approved a resolution to finance the expansion and remodeling of the 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, 2012, the City was owed \$78,102.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 15 - NORTHERN CALIFORNIA POWER AGENCY (NCPA) (Continued)

Calaveras Hydroelectric Project

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project and to finance its construction. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. Under its power purchase agreement with NCPA, the City is obligated to pay 12% of this Project's debt service and operating costs. In January 2012, NCPA refunded the outstanding Revenue Bonds with the \$83,785,000 2012 Hydroelectric Project Number One Revenue Bonds. At June 30, 2012, the book value of this Project's plant, equipment and other assets was \$428,444,545 while its long-term debt totaled \$375,501,540 and other liabilities totaled \$26,614,628. The City's share of the Project's long-term debt amounted to \$45,060,188 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. In January 2010, NCPA refinanced the outstanding Capital Facilities Revenue Bonds by the issuance of the \$55,120,000 Capital Facilities Revenue Bonds Series A (2010 Refunding Series A). 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% of the natural gas purchase contract.

At June 30, 2012, the book value of this Project's plant, equipment and other assets was \$56,340,574, while its long-term debt totaled \$53,454,466 and other liabilities totaled \$1,408,656. The City's share of the Project's long-term debt amounted to \$19,510,580 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
For the Year Ended June 30, 2012

NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 16 – SOUTH PLACER WASTEWATER AUTHORITY (Continued)

During the year ended June 30, 2012, the City paid \$4,123,195 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, 2012, was \$85,430,906.

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

NOTE 17 - 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 2012, the changes of landfill closure liabilities were as follows:

Beginning Balance	\$2,939,111
Deductions	<u>(185,553)</u>
Ending Balance	<u><u>\$2,753,558</u></u>

NOTE 18 – 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 15. The City’s estimated share of such debt outstanding at June 30, 2012, was \$67,268,769. Under certain circumstances, the City may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

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

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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

Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end may be reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2012, by individual major funds and non-major funds in total were as follows:

Major Governmental Funds:	
General Fund	\$2,944,900
Community Facilities Districts Projects	11,787
Non-Major Governmental Funds	<u>13,955,992</u>
Total Encumbrances	<u><u>\$16,912,679</u></u>

Other Commitments

The City had the following outstanding significant commitments at June 30, 2012:

Projects	Amounts (in millions)
REP long-term service agreement	\$12.5
Town Square Project	8.3
Natural Gas Forward Obligations	125.0

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 19 – 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 19 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, 2012, prepaid gas under this agreement amounted to \$194,928,064.

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, 2012.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 19 – GAS SUPPLY ACQUISITION AND RESALE (Continued)

C. *Supply Agreement*

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

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

D. *Commodity Swap Agreement*

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

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

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

NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. *REDEVELOPMENT DISSOLUTION*

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office has not yet scheduled its asset transfer review.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain housing assets of the Redevelopment Agency were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, the housing assets were transferred to the City's Low and Moderate Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in March 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

A summary of the Redevelopment Agency's assets distributed to and liabilities assumed by the Successor Agency and Housing Successor, reported as an Extraordinary Item, is presented below:

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

	Assets and Liabilities (Prior to transfer)	Transfer to Successor Agency	Transfer to Housing Successor	Other Adjustments	Ending Balance January 31, 2012
ASSETS					
Cash and investments	\$4,730,463	\$4,730,463			
Investments with fiscal agent	5,938,983	5,938,983			
Accounts receivable	9,153	9,153			
Interest receivable	365,225	54,600	\$310,625		
Notes receivable	10,466,927	5,163,593	5,303,334		
Advance to other fund	490,102		490,102		
Land held for resale	6,281,007	5,419,762	861,245		
Capital Assets:					
Land	1,762,188	1,762,188			
Total Assets	30,044,048	23,078,742	6,965,306		
LIABILITIES					
Accounts payable and accrued liabilities	114,709	114,709			
Deposits payable	461		461		
Deferred revenue	7,345,715		5,640,248	\$1,705,467 (A)	
Advance from other fund	490,102	490,102			
Advances from the City	24,949,660	24,740,351		209,309 (B)	
Long-term debt	33,860,000	33,860,000			
Total Liabilities	66,760,647	59,205,162	5,640,709	1,914,776	
NET ASSETS (DEFICIT)	(\$36,716,599)	(\$36,126,420)	\$1,324,597	(\$1,914,776)	

(A) The Successor Agency uses full-accrual accounting, therefore deferred revenue is eliminated.

(B) Historical interest paid and/or accrued on certain advances from the City was recalculated and reduced the outstanding liability as discussed in Note 5H.

Below is a reconciliation of the net liabilities assumed by the Successor Agency with the Extraordinary Item reported on the Statement of Activities:

Net Liabilities Assumed by the Successor Agency	\$36,126,420
Interest paid and/or accrued on certain advances was recalculated and reduced the outstanding assets as discussed in Note 5H	(1,911,555)
Other adjustments	8,450
Extraordinary Item Reported on the Statement of Activities	\$34,223,315

Cash and investments of the Successor Agency as of June 30, 2012 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2012.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

B. NOTES RECEIVABLE

The Successor Agency assumed the non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners, developers or others who agreed to expend these funds in accordance with the Agency's terms. The balances of the notes receivable were \$5,115,483 at June 30, 2012.

Included in the notes receivable above is a loan to the Roseville Community Development Corporation in the amount of \$3,469,049. The Agency had entered into an agreement with the Corporation, a component unit of the City, under which the Agency agreed to provide funding to the Corporation in the form of a start-up loan not to exceed five million dollars (\$5,000,000). The loan is a 20 year loan deferred for 10 years with accrued interest and principal due beginning January 1, 2021. The Agency Board approved the execution of the loan agreement in May 2011. A State Supreme Court decision on August 11, 2011 suspended all redevelopment activity effective June 28, 2011. However, the Successor Agency continued to make disbursements related to the loan agreement after that date, because it had been approved by the Agency Board prior to the Court decision.

Under the provisions of Health and Safety Code Section 34171(d)(2), agreements between the City or any of its component units and the Agency that were executed after December 31, 2010 are no longer enforceable obligations and Health and Safety Code Section 34167.5 requires that if the City or component unit is not contractually committed to a third party for the expenditure or encumbrance of those funds that they be returned to the Successor Agency.

The State Department of Finance has denied that this loan agreement is an enforceable obligation of the Successor Agency. The City contends that the loan agreement was lawfully entered into at the time of its execution and therefore transactions executed with the Corporation were not reversed in the current fiscal year and remain in the Corporation as of June 30, 2012. The Successor Agency has requested a "meet and confer" with the Department of Finance regarding the issue, which is currently in process.

C. LAND HELD FOR REDEVELOPMENT

The Successor Agency assumed the land held for redevelopment of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency had purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

D. CAPITAL ASSETS

The Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012. 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 Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Capital assets as of June 30, 2012 were comprised of land in the amount of \$1,762,188.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

E. LONG-TERM OBLIGATIONS

The Successor Agency assumed the long-term debt and loans of the Redevelopment Agency as of February 1, 2012.

1. Tax Allocation Bonds and Loans

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds and loans issued by the Redevelopment Agency. The Bonds and Loans are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond and loan transactions were as follows:

	Transferred from Redevelopment Agency February 1, 2012	Additions	Balance June 30, 2012	Current Portion
Tax Allocation Bonds:				
2002 Redevelopment Project Tax Allocation Bonds, 3%-5.14%, due 9/1/33	\$11,955,000		\$11,955,000	\$340,000
2006 Redevelopment Project Tax Allocation Bonds, Series A 4.5%-5.00%, due 9/1/40	13,155,000		13,155,000	
2006 Redevelopment Project Taxable Tax Allocation Bonds, Series A-T 5.31%-5.90%, due 9/1/28	2,680,000		2,680,000	105,000
2006 Redevelopment Project Taxable Tax Allocation Housing Bonds, Series H-T 5.31%-6.07%, due 9/1/40	6,070,000		6,070,000	85,000
Total Tax Allocation Bonds	33,860,000		33,860,000	530,000
Advances from the City of Roseville				
Loans from the City	24,740,351	\$32,033	24,772,384	
SERAF Loans from the Housing Successor	490,102		490,102	
Total	<u>\$59,090,453</u>	<u>\$32,033</u>	<u>\$59,122,486</u>	<u>\$530,000</u>

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

2. Debt Service Requirements

Debt service requirements are shown below for all long-term debt except the Successor Agency loans, because the ultimate repayment terms cannot be determined at this time as discussed in the Loans from the City section below.

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$530,000	\$1,735,965
2014	555,000	1,710,555
2015	580,000	1,682,920
2016	610,000	1,652,969
2017	635,000	1,621,289
2018 - 2022	3,725,000	7,552,211
2023 - 2027	4,820,000	6,419,631
2028 - 2032	6,255,000	4,960,356
2033 - 2037	8,060,000	3,109,530
2038 - 2041	<u>8,090,000</u>	<u>816,535</u>
Total	<u><u>\$33,860,000</u></u>	<u><u>\$31,261,961</u></u>

3. 2002 Roseville Redevelopment Project Tax Allocation Bonds

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

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

4. 2006 Roseville Redevelopment Project Tax Allocation Bonds

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

As discussed above, the Agency has pledged all future tax increment revenues of the Roseville Redevelopment Project Area, less amounts required to be set aside for Low and Moderate Income Housing, for the repayment of the 2002 Tax Allocation Bonds and the 2006 Series A and Series A-T Tax Allocation Bonds, which are considered parity obligations. The pledge of all future tax increment revenues ends upon repayment of the remaining debt service on the Bonds which is expected in 2040, and as of June 30, 2012, the total principal and interest remaining to be paid on these bonds is \$52,318,055. Also as discussed above, the Agency has pledged the tax increment revenue set aside for Low and Moderate Income Housing for the repayment of the 2006 Series H-T Tax Allocation Bonds. The pledge of all future tax increment revenues ends upon repayment of the remaining debt service on the Bonds which is expected in 2040, and as of June 30, 2012, the total principal and interest remaining to be paid on these bonds is \$12,803,906. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. Using both property taxes received by the Redevelopment Agency prior to the dissolution and by the Successor Agency after the dissolution, net of the AB1484 True-up payment, total collections were \$4,110,926 which represented coverage of 144% of the \$2,855,745 of debt service.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

5. *Loans from the City*

Prior to July 1, 2011, the Redevelopment Agency had received six advances from various City funds: (1) Advances in the amount of \$5,422,789 were to be repaid in fiscal year 2029. This advance bore interest at the average interest rate of the City's pooled investments. (2) Advance in the amount of \$915,049 bore interest at 3.15% and was to be repaid in fiscal year 2023. (3) Advance in the amount of \$3,900,000 bears no interest and was to be repaid in fiscal year 2029. (4) Advance in the amount of \$3,000,000 bears no interest and was to be repaid in fiscal year 2034. (5) Advance in the amount of \$4,966,402 will be repaid in fiscal year 2031. This advance bore interest at the average rate of the City's pooled investments, plus 1%. (6) Advances in the amount of \$9,774,347 were to be repaid in fiscal year 2040. These advances bear interest at the average interest rate of the City's pooled investments.

Principal and accrued interest on the advances totaled \$32,768,517 at July 1, 2011. During fiscal year 2012, the City and Redevelopment Agency determined that certain advances should have instead been funded by bond proceeds of the Agency. Therefore, the Redevelopment Agency repaid advances from the City in the amount of \$7,309,447 prior to the dissolution of the Agency on January 31, 2012.

The balance of the advances, including principal and accrued interest, was \$25,230,453 as of February 1, 2012. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is based upon whether the Successor Agency receives a Finding of Completion from the State. In addition, the interest rate on the loans is limited to the Local Agency Investment Fund interest rate calculated from the inception of each loan. The balance of the loans, including principal and accrued interest, as of June 30, 2012 is \$24,772,384.

In addition, during the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Roseville Redevelopment Project Area Fund and the Roseville Flood Control Project Area to borrow \$558,381 and \$258,455, respectively, from the Agency's Low and Moderate Income Housing Fund to assist in making the Agency's fiscal year 2009-10 SERAF payment. These loans do not bear interest and were repayable in five equal annual installments, and were required to be repaid prior to June 30, 2015. The City assumed the housing assets of the Agency, and the loans are now payable to the City's Low and Moderate Income Housing Assets Special Revenue Fund. The balance of the loans as of February 1, 2012 and June 30, 2012 totaled \$490,102.

CITY OF ROSEVILLE
Notes to Basic Financial Statements
For the Year Ended June 30, 2012

**NOTE 20 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

The loans had previously been reported as an interfund advance between the City and Redevelopment Agency, but with the transfer of the Redevelopment Agency's liabilities to the Successor Agency, the advances are now reported as long-term obligations of the Successor Agency. The loans were originally required to be repaid by the dates noted above, however repayment is now contingent upon the Successor Agency receiving a Finding of Completion, as defined in Health and Safety Code Section 34179.6. After the Successor Agency receives a Finding of Completion, and under the provisions of Health and Safety Code Section 34191.4(b)(2)(A), the loans can be repaid by the Successor Agency. However, the Successor Agency must apply for approval of the loans by the Oversight Board including a finding that the loans were for legitimate redevelopment purposes. If the Oversight Board finds that the loans are enforceable obligations, the loans are to be repaid in accordance with a defined schedule over a reasonable term of years, beginning with the SERAF loans, followed by all other loans. Repayment can not begin prior to fiscal year 2014 and the maximum annual repayment amount is limited based on calculations in the Code Section.

F. COMMITMENTS AND CONTINGENCIES

1. State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

2. State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSEVILLE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$67,826,225	\$67,647,927	\$70,247,100	\$2,599,173
Licenses and permits	1,423,155	1,478,155	1,756,255	278,100
Charges for services	9,563,695	10,888,925	11,269,072	380,147
Subventions and grants	1,856,500	1,995,986	1,789,659	(206,327)
Use of money and property	592,630	1,153,101	1,335,964	182,863
Fines, forfeitures and penalties	1,031,650	1,049,050	1,022,231	(26,819)
Contributions from developers	1,340,000	1,290,000	378,377	(911,623)
Miscellaneous revenues	793,305	1,641,609	1,403,318	(238,291)
TOTAL REVENUES	84,427,160	87,144,753	89,201,976	2,057,223
EXPENDITURES				
Current:				
Salaries And Benefits				
General Government				
City Council	36,600	36,600	36,674	(74)
City Manager - Administration	475,967	485,154	486,818	(1,664)
Communications-Government Relations	575,580	579,821	586,252	(6,431)
City Attorney	1,374,153	1,409,122	1,413,038	(3,916)
Human Resources-Admin	1,092,845	1,110,800	1,114,020	(3,220)
Risk Mgmt - Administration	131,892	134,694	134,803	(109)
IT Administration	508,127	532,509	487,770	44,739
IT-Data Center	562,440	567,060	556,430	10,630
IT-Communications	796,172	816,914	820,372	(3,458)
IT-Public Safety	416,098	431,581	412,081	19,500
IT-GIS/Web	535,275	552,356	554,012	(1,656)
IT-Customer Service	655,636	682,303	656,939	25,364
IT-Applications	766,990	790,340	660,366	129,974
City Clerk - Administration	665,322	677,530	663,157	14,373
Central Services - Administration	295,422	351,437	358,813	(7,376)
Purchasing	356,438	356,770	339,971	16,799
Central Stores	170,440	178,266	178,604	(338)
Building Maintenance	682,890	700,771	695,230	5,541
Janitorial	515,293	527,604	529,796	(2,192)
Finance Administration	594,320	572,725	531,838	40,887
Budget	374,618	385,130	385,130	
Payroll	384,973	408,330	402,884	5,446
Licensing	81,641	83,433	83,576	(143)
Cash Management	163,777	184,516	174,746	9,770
Util Billing & Services-Field Services	816,601	830,195	816,710	13,485
Util Billing & Services - Billing	512,459	520,377	507,295	13,082
Util Billing & Services-Services	882,116	894,693	829,364	65,329
Gen Acct - Administration	238,525	286,658	251,824	34,834
Gen Acct - Accounts Payable	362,433	392,566	390,754	1,812
Gen Acct - Accounting	378,791	389,236	355,438	33,798
Community Events	31,692	31,909	28,320	3,589
Neighborhood Services	64,328	69,298	68,596	702
Economic Development	502,729	571,748	590,057	(18,309)
Community Development And Planning				
Development & Operations-Admin	810,849	799,701	803,066	(3,365)
Housing Admin	111,404	118,847	188,113	(69,266)
Planning	1,507,032	1,455,950	1,593,887	(137,937)

(Continued)

CITY OF ROSEVILLE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public Works - Administration	60,605	292,312	283,229	9,083
Building Inspection	2,162,152	2,210,678	2,165,178	45,500
Engineering	3,070,929	2,915,043	2,762,466	152,577
Flood Alert	111,906	116,455	115,780	675
Streets - Administration	663,100	588,225	533,009	55,216
Street Drainage	151,669	185,971	186,542	(571)
Paving	1,061,957	997,614	1,030,134	(32,520)
Street Signs	198,976	241,073	238,356	2,717
Street Markings	262,500	324,242	324,333	(91)
Public Safety				
Police				
Police - Administration	1,656,096	1,598,109	1,506,168	91,941
Records-Property	1,089,304	1,063,691	995,412	68,279
Jail	761,001	835,940	675,991	159,949
Police Communications	2,347,917	2,400,009	2,361,077	38,932
Community Services	832,158	1,133,850	1,160,092	(26,242)
Patrol	13,055,131	12,423,003	12,322,200	100,803
Investigations	3,076,669	3,439,888	3,326,538	113,350
Animal Control	279,827	281,892	280,500	1,392
Police Traffic	2,317,866	2,068,939	2,022,128	46,811
Fire				
Fire - Administration	770,523	793,473	700,919	92,554
Fire Prevention	1,368,452	1,315,187	1,233,723	81,464
Fire Operations	18,548,773	18,890,311	18,852,682	37,629
Fire Training	216,218	218,565	215,231	3,334
Library				
Library - Admin/Tech Services	532,318	532,232	512,735	19,497
Library-Public Services	2,214,512	2,163,810	2,024,206	139,604
Maidu Museum-Historic Site	325,589	329,570	329,646	(76)
Parks And Recreation				
Parks & Rec - Administration	1,189,771	1,179,820	1,087,698	92,122
Park Development	241,434	284,709	282,758	1,951
Adult Sports	264,198	250,449	247,432	3,017
Youth Sports		13,898	1,391	12,507
Adult & Senior Activities	125,208	121,982	116,851	5,131
Youth & Teen Services	151,421	158,376	138,371	20,005
Youth Classes	342,226	341,966	336,390	5,576
Maidu Community Center/Sports Courts	249,149	242,031	217,681	24,350
Roseville Sports Center	569,410	557,786	520,977	36,809
Aquatics	1,022,921	1,042,991	1,003,455	39,536
Park Operations - Admin	635,346	657,044	604,215	52,829
Open Space/Tree Maintenance	464,753	487,279	463,768	23,511
Parks - Maintenance	2,040,975	2,101,212	2,111,574	(10,362)
Operating Services And Supplies				
General Government				
City Council	269,012	263,342	250,492	12,850
Community Grants	30,000	69,398	24,229	45,169
Strategic Improvements		50,000		50,000
City Manager - Administration	59,524	70,024	58,159	11,865
Conference Center Dr-Parcel 40a		45,620	45,619	1
Communications-Government Relations	29,987	108,987	41,070	67,917
City Attorney	99,187	199,187	200,417	(1,230)
Human Resources-Admin	380,950	433,316	393,434	39,882
Risk Mgmt - Administration	13,641	14,964	2,087	12,877
IT Administration	312,999	237,999	188,174	49,825
IT-Data Center	774,595	1,124,451	995,234	129,217
IT-Communications	282,126	400,106	323,540	76,566
IT-Public Safety	13,428	52,129	43,474	8,655

(Continued)

CITY OF ROSEVILLE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
IT-GIS/Web	5,730	5,730	5,085	645
IT-Customer Service	380,180	568,993	522,991	46,002
IT-Applications	261,957	274,849	249,385	25,464
City Clerk - Administration	94,496	96,746	56,704	40,042
Elections	54,000	19,000	1,380	17,620
Central Services - Administration	21,267	21,342	13,407	7,935
Purchasing	42,966	43,956	18,170	25,786
Central Stores	74,743	74,743	69,730	5,013
Obsolete/Surplus Matl & Supp	5,000	5,000	2,378	2,622
Building Maintenance	1,220,459	1,449,172	1,298,884	150,288
Janitorial	366,562	401,562	386,807	14,755
Finance Administration	65,120	89,351	78,449	10,902
Budget	43,164	53,564	34,340	19,224
Payroll	14,870	23,388	15,067	8,321
Licensing	34,751	34,751	33,171	1,580
Cash Management	126,018	126,585	108,277	18,308
Utility Billing & Services - Admin	3,783	3,783	3,294	489
Utility Billing & Services-Field Services	129,635	129,635	129,450	185
Utility Billing & Services - Billing	810,915	816,696	737,830	78,866
Utility Billing & Services-Services	30,720	30,720	28,777	1,943
General Accounting - Administration	121,881	140,381	120,298	20,083
General Accounting - Accounts Payable	15,862	15,862	14,531	1,331
General Accounting - Accounting	9,141	9,141	7,047	2,094
Community Events	28,436	30,936	28,699	2,237
Neighborhood Services	4,655	6,215	4,520	1,695
Economic Development	68,648	155,630	155,844	(214)
Community Development And Planning				
Development & Operations-Admin	124,903	265,934	190,309	75,625
Permit Center	5,000	8,000	8,372	(372)
Housing Admin	70,418	53,909	26,841	27,068
Planning	93,226	115,206	94,424	20,782
Sierra Vista Specific Plan	50,000	215,000	81,981	133,019
Creekview Specific Plan	330,000	340,000	37,440	302,560
Downtown Vernon/Historic Old Town			22,610	(22,610)
Amoruso/Brookfield	250,000	1,413,908	154,408	1,259,500
Westbrook-SVSP		623,040	312,505	310,535
Planning-Full Cost Projects	66,000	266,000	168,339	97,661
Public Works				
Public Works - Administration	5,334	5,834	5,885	(51)
Building Inspection	215,566	373,566	375,713	(2,147)
Engineering	176,872	272,217	212,652	59,565
Flood Alert	50,164	50,164	44,710	5,454
Streets - Administration	89,734	114,734	94,680	20,054
Street Drainage	241,658	241,658	208,481	33,177
Paving	1,038,348	1,177,682	1,003,584	174,098
Street Signs	157,239	172,214	142,151	30,063
Street Markings	267,867	267,907	220,921	46,986
Traffic Study Dep/Consultant			59,317	(59,317)
Bldg Plan Check Services		50,000	22,819	27,181
Public Safety				
Police				
Police - Administration	901,489	923,221	843,162	80,059
Records-Property	78,522	78,522	70,987	7,535
Jail	96,476	210,783	165,687	45,096
Police Communications	112,203	123,141	89,150	33,991
Community Services	36,392	86,138	86,856	(718)
Patrol	1,562,432	1,669,059	1,632,682	36,377
Investigations	198,027	207,178	188,776	18,402
Animal Control	697,092	701,612	688,874	12,738
Police Traffic	261,936	258,552	222,437	36,115

(Continued)

CITY OF ROSEVILLE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire				
Fire - Administration	82,372	90,585	88,702	1,883
Fire Prevention	136,558	234,904	139,693	95,211
Fire Operations	2,017,035	2,111,908	2,010,126	101,782
Fire Training	48,287	48,287	48,282	5
Fire Services	181,177	183,003	154,472	28,531
Emergency Preparedness	103,325	112,994	78,478	34,516
Library				
Library - Admin/Tech Services	238,377	239,206	228,546	10,660
Library-Public Services	270,388	270,388	270,040	348
Maidu Museum-Historic Site	91,020	83,020	71,987	11,033
Parks And Recreation				
Parks & Rec - Administration	186,883	202,682	188,724	13,958
Park Development	45,669	45,669	16,965	28,704
Adult Sports	124,678	156,678	155,821	857
Adult & Senior Activities	31,071	33,571	33,315	256
Youth & Teen Services	58,139	51,024	50,904	120
Youth Classes	121,398	126,398	125,254	1,144
Maidu Community Center/Sports Courts	67,248	67,248	67,236	12
Roseville Sports Center	225,253	218,358	207,639	10,719
Aquatics	624,618	649,618	601,810	47,808
Park Operations - Admin	72,189	77,189	64,117	13,072
Open Space/Tree Maintenance	417,646	468,879	427,212	41,667
Parks - Maintenance	2,782,727	2,880,974	2,818,186	62,788
Payments under development agreements	963,963	963,963	880,852	83,111
Annexation payments	2,250,000	2,250,000	2,228,371	21,629
Debt service:				
Principal retirement	84,780	86,366	78,839	7,527
Interest and fiscal charges	16,750	16,750	11,085	5,665
TOTAL EXPENDITURES	107,583,685	113,368,664	107,191,433	6,177,231
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,156,525)	(26,223,911)	(17,989,457)	8,234,454
OTHER FINANCING SOURCES (USES)				
Transfers in	28,306,673	33,223,446	27,624,947	(5,598,499)
Transfers (out)	(8,451,784)	(12,408,907)	(8,504,808)	3,904,099
Total Other Financing Sources (Uses)	19,854,889	20,814,539	19,120,139	(1,694,400)
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM	(3,301,636)	(5,409,372)	1,130,682	6,540,054
EXTRAORDINARY ITEMS				
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor			(781,053)	(781,053)
NET CHANGE IN FUND BALANCE	(\$3,301,636)	(\$5,409,372)	349,629	\$5,759,001
Adjustment to budgetary basis:				
Capital outlay			3,703,214	
Fund balance at beginning of period			68,131,555	
Fund balance at end of period			<u>\$64,777,970</u>	

CITY OF ROSEVILLE
REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE PERIOD FROM JULY 1, 2011 TO JANUARY 31, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$5,001,446	\$5,001,446	\$3,419,138	(\$1,582,308)
Subventions and grants			10,982	10,982
Use of money and property	168,356	168,356	47,818	(120,538)
Miscellaneous revenues			37,764	37,764
Total revenues	5,169,802	5,169,802	3,515,702	(1,654,100)
EXPENDITURES				
Community development and planning:				
Community services:				
Salaries and benefits	603,984	319,649	319,780	(131)
Operating services and supplies	82,000	195,705	294,948	(99,243)
Pass-through payments	1,587,002	1,040,908	1,031,832	9,076
Debt service::				
Principal	505,000	505,000	505,000	
Interest and fiscal charges	1,768,970	1,456,540	786,216	670,324
Total expenditures	4,546,956	3,517,802	2,937,776	580,026
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	622,846	1,652,000	577,926	(1,074,074)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,277,720		50,000	50,000
Transfers (out)	(9,923,155)	(292,871)	(298,473)	(5,602)
Total Other Financing Sources (Uses)	(7,645,435)	(292,871)	(248,473)	44,398
NET CHANGE IN FUND BALANCE BEFORE EXTRAORDINARY ITEM	(7,022,589)	1,359,129	329,453	(1,029,676)
EXTRAORDINARY ITEM				
Assets transferred to/liabilities assumed by Successor Agency			4,417,928	4,417,928
NET CHANGE IN FUND BALANCE	(\$7,022,589)	\$1,359,129	4,747,381	\$3,388,252
Adjustment to budgetary basis:				
Capital outlay			(904,117)	
Fund balance at beginning of period			(3,843,264)	
Fund balance at end of period				

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 \$5,185,511 in fiscal 2013. 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		
02/03	7.8	7.9	\$4,766,980	\$2,665,863
03/04	7.6	7.6	5,733,500	2,925,909
04/05	7.5	7.9	6,499,729	4,284,993
05/06	7.5	7.9	7,794,196	7,213,261
06/07	7.7	8.0	5,521,428	10,289,440
07/08	7.9	8.0	5,929,683	5,641,810
08/09	7.8	7.9	4,728,208	4,749,229
09/10	8.2	7.9	4,736,644	6,044,401
10/11	8.3	7.8	4,241,928	6,426,462
11/12	8.3	7.8	5,489,639	5,149,814
12/13	7.8	7.4	5,185,511	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 \$5,149,814 for street preservation in fiscal 2012.

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 \$4,853,428 in fiscal 2013. 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
02/03	2	\$3,796,952	\$3,439,081
03/04	2	3,946,547	3,648,683
04/05	2	4,349,147	3,879,242
05/06	2	4,633,558	4,309,606
06/07	2	5,111,124	5,028,402
07/08	2	5,309,367	5,314,121
08/09	3	5,019,740	4,445,082
09/10	3	4,483,608	4,154,376
10/11	3	4,651,367	4,435,937
11/12	3	4,764,762	4,766,512
12/13	3	4,853,428	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 \$4,766,512 for maintenance for fiscal 2012.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Low/Mod Income Housing Asset Fund. To account for the activities related to the assets assumed by the City as Housing Successor to the housing activities of the former Redevelopment Agency of the City of Roseville.

Technology Replacement Fund. To account for the activities related to the City's permit system funded by a 3% technology fee on permits.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

PERMANENT FUNDS

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

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

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

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
ASSETS					
Cash and investments in City Treasury	\$7,691,913	\$8,306,587	\$214,695	\$275,322	
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts	185,120				
Accrued interest	16,875	876,337	794	847	
Due from other government agencies					\$34,860
Advances to other funds					
Deferred receivables					
Notes receivables		3,900,000	29,888		
Inventories					
Land held for resale					
Total Assets	<u>7,893,908</u>	<u>13,082,924</u>	<u>245,377</u>	<u>276,169</u>	<u>34,860</u>
LIABILITIES					
Accounts payable	\$127,766			\$370	\$1,141
Accrued liabilities					
Due to other funds					33,719
Due to other government agencies					
Advances from other funds					
Deposits	6,500				
Deferred revenue		\$855,465			
Deferred liabilities					
Total Liabilities	<u>134,266</u>	<u>855,465</u>		<u>370</u>	<u>34,860</u>
FUND BALANCES					
Nonspendable					
Restricted	7,759,642	12,227,459	\$245,377	275,799	
Committed					
Assigned					
Unassigned					
TOTAL FUND BALANCES	<u>7,759,642</u>	<u>12,227,459</u>	<u>245,377</u>	<u>275,799</u>	
Total Liabilities and Fund Balances	<u>7,893,908</u>	<u>13,082,924</u>	<u>245,377</u>	<u>276,169</u>	<u>34,860</u>

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery Fund	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Utility Exploration Center	Park Development	Pleasant Grove Drain Basin
	\$76,099	\$179,269	\$5,959,919	\$12,378,541	\$92,252	\$21,146,548	\$7,825,471
	222	495 24,829	152 19,462 201,627	34,633 595,054 438,304	190	59,134 661,188	22,684
	<u>\$76,321</u>	<u>\$204,593</u>	<u>\$6,181,160</u>	<u>\$13,446,532</u>	<u>\$92,442</u>	<u>\$21,866,870</u>	<u>\$7,848,155</u>
			\$1,635 227,834 726,369	\$51,181	\$1,574 12,734	\$497,294	
		\$204,150				196,356	
		204,150	955,838	51,181	14,308	693,650	
	\$76,321	443	5,225,322	13,395,351	78,134	21,173,220	\$7,848,155
	<u>76,321</u>	<u>443</u>	<u>5,225,322</u>	<u>13,395,351</u>	<u>78,134</u>	<u>21,173,220</u>	<u>7,848,155</u>
	<u>\$76,321</u>	<u>\$204,593</u>	<u>\$6,181,160</u>	<u>\$13,446,532</u>	<u>\$92,442</u>	<u>\$21,866,870</u>	<u>\$7,848,155</u>

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
ASSETS					
Cash and investments in City Treasury	\$3,376,671	\$192,066	\$18,736	\$727,034	\$3,836,973
Restricted cash and investments with fiscal agents					
Receivables:					
Accounts			11,256		9,116
Accrued interest	10,716	518			145,689
Due from other government agencies			57,323	13,109	
Advances to other funds					
Deferred receivables		8,539			
Notes receivables			13,582,046		4,002,501
Inventories					
Land held for resale					
Total Assets	<u>\$3,387,387</u>	<u>\$201,123</u>	<u>\$13,669,361</u>	<u>\$740,143</u>	<u>\$7,994,279</u>
LIABILITIES					
Accounts payable	\$4,967		\$22,450	\$24,515	
Accrued liabilities			4,501	61,554	
Due to other funds					
Due to other government agencies			13,582,046		\$380,311
Advances from other funds					
Deposits					
Deferred revenue					3,681,650
Deferred liabilities					
	<u>4,967</u>		<u>13,608,997</u>	<u>86,069</u>	<u>4,061,961</u>
FUND BALANCES					
Nonspendable					
Restricted	3,382,420	\$201,123	60,364	654,074	3,932,318
Committed					
Assigned					
Unassigned					
TOTAL FUND BALANCES	<u>3,382,420</u>	<u>201,123</u>	<u>60,364</u>	<u>654,074</u>	<u>3,932,318</u>
Total Liabilities and Fund Balances	<u>\$3,387,387</u>	<u>\$201,123</u>	<u>\$13,669,361</u>	<u>\$740,143</u>	<u>\$7,994,279</u>

SPECIAL REVENUE FUNDS

Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	Bike Trail/ Open Space Maintenance
\$35,893	\$333,238	\$279,762	\$250,784	\$353,627	\$3,374	\$2,883,170	\$1,004,624
107	60,308 741	811	699 2,527	969	15	8,364	2,879
						7,691	
						613,530	
<u>\$36,000</u>	<u>\$394,287</u>	<u>\$280,573</u>	<u>\$254,010</u>	<u>\$354,596</u>	<u>\$3,389</u>	<u>\$3,512,755</u>	<u>\$1,007,503</u>
	\$20,167				\$6,534 11,109	\$68,492 41,501	\$22,727
	<u>20,167</u>				<u>17,643</u>	<u>109,993</u>	<u>22,727</u>
\$36,000	374,120	\$280,573	\$254,010	\$354,596		613,530 2,789,232	984,776
					(14,254)		
<u>36,000</u>	<u>374,120</u>	<u>280,573</u>	<u>254,010</u>	<u>354,596</u>	<u>(14,254)</u>	<u>3,402,762</u>	<u>984,776</u>
<u>\$36,000</u>	<u>\$394,287</u>	<u>\$280,573</u>	<u>\$254,010</u>	<u>\$354,596</u>	<u>\$3,389</u>	<u>\$3,512,755</u>	<u>\$1,007,503</u>

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	SPECIAL SERVICE FUNDS				DEBT SERVICE FUND
	Traffic Mitigation	Roseville Community Development Corporation	Low/Mod Income Housing Asset	Technology Replacement	Roseville Finance Authority
ASSETS					
Cash and investments in City Treasury	\$16,582,634			\$408,233	\$151,517
Restricted cash and investments with fiscal agents		\$1,161,141			1,378,311
Receivables:					
Accounts	1,213				
Accrued interest	45,833		\$310,625	754	28,220
Due from other government agencies	12,558				
Advances to other funds					
Deferred receivables	667,672				
Notes receivables		1,706,587	5,595,579		
Inventories					
Land held for resale			861,245		
Total Assets	\$17,309,910	\$2,867,728	\$6,767,449	\$408,987	\$1,558,048
LIABILITIES					
Accounts payable	\$480,059	\$49,598		\$26,460	
Accrued liabilities		3,510,972			\$27,724
Due to other funds					
Due to other government agencies					
Advances from other funds				595,054	
Deposits		5,454			
Deferred revenue	76,197		\$5,416,102		
Deferred liabilities			461		
Total Liabilities	556,256	3,566,024	5,416,563	621,514	27,724
FUND EQUITY					
Nonspendable					
Restricted	16,753,654		1,350,886		1,530,324
Committed					
Assigned					
Unassigned		(698,296)		(212,527)	
TOTAL FUND BALANCES	16,753,654	(698,296)	1,350,886	(212,527)	1,530,324
Total Liabilities and Fund Balances	\$17,309,910	\$2,867,728	\$6,767,449	\$408,987	\$1,558,048

CAPITAL PROJECTS FUNDS			PERMANENT FUNDS		Total Nonmajor Governmental Funds
Building	South Placer Animal Control Shelter	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	
\$2,064,650	\$418,024	\$14,428,733	\$623,291	\$17,942,854	\$130,062,504 2,539,452
5,255	1,059	43,449	462	78,910	267,165 1,717,748 145,206 595,054
	29,164				2,014,185 28,816,601 613,530 861,245
<u>\$2,069,905</u>	<u>\$448,247</u>	<u>\$14,472,182</u>	<u>\$623,753</u>	<u>\$18,021,764</u>	<u>\$167,632,690</u>
\$253,991				\$1,000	\$1,661,921 3,670,095 261,553 13,962,357 1,321,423 611,954 10,233,564 196,817
<u>253,991</u>			<u>600,000</u>	<u>1,000</u>	<u>31,919,684</u>
1,815,914	\$448,247	\$14,472,182	23,753	16,890,230 1,130,534	17,503,760 102,413,497 2,248,644 14,472,182 (925,077)
<u>1,815,914</u>	<u>448,247</u>	<u>14,472,182</u>	<u>23,753</u>	<u>18,020,764</u>	<u>135,713,006</u>
<u>\$2,069,905</u>	<u>\$448,247</u>	<u>\$14,472,182</u>	<u>\$623,753</u>	<u>\$18,021,764</u>	<u>\$167,632,690</u>

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS				
	Lighting and Landscape and Service Districts	State Gasoline Tax	Home Improvement	California Library Services	Traffic Safety
REVENUES					
Taxes	\$6,249,606				
Charges for services		\$82,336			
Subventions and grants		4,299,958		\$25,335	
Use of money and property	61,701	82,716	\$17,959	15,697	
Fines, forfeitures and penalties					\$470,227
Contributions from developers and others		1,716,492			
Miscellaneous revenues	1,060	3,710		27,565	
Total Revenues	<u>6,312,367</u>	<u>6,185,212</u>	<u>17,959</u>	<u>68,597</u>	<u>470,227</u>
EXPENDITURES					
Current:					
General government					
Community development and planning					
Public works					
Public safety:					
Fire					
Police					
Library				103,236	
Parks and recreation	3,737,540				
Housing assistance payments					
Capital outlay		5,242,335			
Debt service:					
Principal retirement					
Interest and fiscal charges	94,876				
Total Expenditures	<u>3,832,416</u>	<u>5,242,335</u>		<u>103,236</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,479,951</u>	<u>942,877</u>	<u>17,959</u>	<u>(34,639)</u>	<u>470,227</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		4,288,046			
Transfers (out)	(1,810,021)	(3,677,180)	(176,893)	(3,452)	(470,227)
Total Other Financing Sources (Uses)	<u>(1,810,021)</u>	<u>610,866</u>	<u>(176,893)</u>	<u>(3,452)</u>	<u>(470,227)</u>
Net change in fund balances before extraordinary item	669,930	1,553,743	(158,934)	(38,091)	
EXTRAORDINARY ITEM					
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor		(234,163)			
Net change in fund balances	669,930	1,319,580	(158,934)	(38,091)	
Fund balances (deficits) at the beginning of the period	<u>7,089,712</u>	<u>10,907,879</u>	<u>404,311</u>	<u>313,890</u>	
Fund balances (deficits) at the end of period	<u><u>\$7,759,642</u></u>	<u><u>\$12,227,459</u></u>	<u><u>\$245,377</u></u>	<u><u>\$275,799</u></u>	

SPECIAL REVENUE FUNDS

FEMA	Trench Cut Recovery	Law Enforcement Block Grants	Fire Facilities	Public Facilities	Utility Exploration Center	Park Development	Pleasant Grove Drain Basin
			\$668,968				
		\$115,464	41,772	\$1,474,104	\$14,849	\$2,349,540	\$214,368
	\$805	1,519	24,646			57,208	
			70,884	126,835	509	156,718	138,323
			116		17,205	5,589	1,583
	805	116,983	806,386	1,600,939	32,563	2,569,055	354,274
					331,447	3,602	137,465
			397,507	634,892	7,891	1,279,930	9,693
			1,415,806				
			49,353				
			1,862,666	634,892	339,338	1,283,532	147,158
	805	116,983	(1,056,280)	966,047	(306,775)	1,285,523	207,116
(\$219,577)	(37)	(117,316)	265,708	484,596	332,376	474,729	
			(903,447)	(93,033)	(25,727)	(24,475)	(4,031)
(219,577)	(37)	(117,316)	(637,739)	391,563	306,649	450,254	(4,031)
(219,577)	768	(333)	(1,694,019)	1,357,610	(126)	1,735,777	203,085
(219,577)	768	(333)	(1,694,019)	1,357,610	(126)	1,735,777	203,085
219,577	75,553	776	6,919,341	12,037,741	78,260	19,437,443	7,645,070
	\$76,321	\$443	\$5,225,322	\$13,395,351	\$78,134	\$21,173,220	\$7,848,155

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS				
	Tree Propagation	Air Quality Mitigation	Community Development Block Grant/HOME	Housing Authority Section 8	Affordable Housing
REVENUES					
Taxes					
Charges for services	\$1,180	\$31,143			
Subventions and grants			\$423,448	\$4,319,395	
Use of money and property	37,970	1,950	6,211	99	\$116,249
Fines, forfeitures and penalties					
Contributions from developers and others					190,919
Miscellaneous revenues	2,070		302,513	43,781	114,063
Total Revenues	41,220	33,093	732,172	4,363,275	421,231
EXPENDITURES					
Current:					
General government					
Community development and planning			848,084	555,209	91,132
Public works					
Public safety:					
Fire					
Police					
Library					
Parks and recreation	444,857	2,991			
Housing assistance payments				4,232,695	
Capital outlay	4,132				
Debt service:					
Principal retirement					
Interest and fiscal charges					
Total Expenditures	448,989	2,991	848,084	4,787,904	91,132
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(407,769)	30,102	(115,912)	(424,629)	330,099
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers (out)	(4,668)	(120)		(52,592)	(6,315)
Total Other Financing Sources (Uses)	(4,668)	(120)		(52,592)	(6,315)
Net change in fund balances before before extraordinary item	(412,437)	29,982	(115,912)	(477,221)	323,784
EXTRAORDINARY ITEM					
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor					
Net change in fund balances	(412,437)	29,982	(115,912)	(477,221)	323,784
Fund balances (deficits) at the beginning of the period	3,794,857	171,141	176,276	1,131,295	3,608,534
Fund balances (deficits) at the end of period	<u>\$3,382,420</u>	<u>\$201,123</u>	<u>\$60,364</u>	<u>\$654,074</u>	<u>\$3,932,318</u>

SPECIAL REVENUE FUNDS

Miscellaneous Fire	Miscellaneous General Government	Miscellaneous Library	Miscellaneous Police	Miscellaneous Park	Storm Water Management	Traffic Signal	Bike Trail/ Open Space Maintenance
				\$45,765		\$256	
\$396 9,950	\$2,853	\$2,879	\$2,527 2,553	2,780	(\$657)	28,563	\$9,587
5,410	227,630	29,500	55,457	6,816		30,482 55,599	33,925
15,756	230,483	32,379	60,537	55,361	(657)	114,900	43,512
	62,101						
					518,818	37,314	
11,524			51,484				
		20,000					
				1,945	18,548	1,401,087	350,837
	4,409				194,836	258,796	57,203
11,524	66,510	20,000	51,484	1,945	732,202	1,697,197	408,040
4,232	163,973	12,379	9,053	53,416	(732,859)	(1,582,297)	(364,528)
					600,957 (14,222)	1,789,660 (96,466)	457,892 (5,000)
				(7,493)	586,735	1,693,194	452,892
4,232	163,973	12,379	9,053	45,923	(146,124)	110,897	88,364
4,232	163,973	12,379	9,053	45,923	(146,124)	110,897	88,364
31,768	210,147	268,194	244,957	308,673	131,870	3,291,865	896,412
\$36,000	\$374,120	\$280,573	\$254,010	\$354,596	(\$14,254)	\$3,402,762	\$984,776

(Continued)

CITY OF ROSEVILLE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS				DEBT SERVICE FUND
	Traffic Mitigation	Roseville Community Development Corporation	Low/Mod Income Housing Asset	Technology Replacement	Roseville Finance Authority
REVENUES					
Taxes					
Charges for services	\$1,600,019				
Subventions and grants	766,463				
Use of money and property	166,597	44,482	\$20,215	\$1,824	\$84,882
Fines, forfeitures and penalties					
Contributions from developers and others					
Miscellaneous revenues	19,603		23,211		
Total Revenues	2,552,682	44,482	43,426	1,824	84,882
EXPENDITURES					
Current:					
General government					
Community development and planning		462,806	17,137		
Public works	11,349				
Public safety:					
Fire					
Police					
Library					
Parks and recreation					
Housing assistance payments					
Capital outlay	2,782,535			214,351	
Debt service:					
Principal retirement					695,000
Interest and fiscal charges		41,923			619,570
Total Expenditures	2,793,884	504,729	17,137	214,351	1,314,570
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(241,202)	(460,247)	26,289	(212,527)	(1,229,688)
OTHER FINANCING SOURCES (USES)					
Transfers in	5,277,338				1,247,846
Transfers (out)	(726,457)				
Total Other Financing Sources (Uses)	4,550,881				1,247,846
Net change in fund balances before before extraordinary item	4,309,679	(460,247)	26,289	(212,527)	18,158
EXTRAORDINARY ITEM					
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor			1,324,597		
Net change in fund balances	4,309,679	(460,247)	1,350,886	(212,527)	18,158
Fund balances (deficits) at the beginning of the period	12,443,975	(238,049)			1,512,166
Fund balances (deficits) at the end of period	<u>\$16,753,654</u>	<u>(\$698,296)</u>	<u>\$1,350,886</u>	<u>(\$212,527)</u>	<u>\$1,530,324</u>

CAPITAL PROJECTS FUNDS			PERMANENT FUNDS		Total Nonmajor Governmental Funds
Building	South Placer Animal Control Shelter	General Capital Improvement Projects Rehabilitation	Roseville Aquatics Complex Maintenance	Citizens' Benefit	
					\$6,918,574
	\$97,778				5,953,110
					10,034,444
\$18,993	3,933	\$156,620	(\$2,883)	\$413,339	1,793,101
					480,177
					1,937,893
				41,300	1,017,706
<u>18,993</u>	<u>101,711</u>	<u>156,620</u>	<u>(2,883)</u>	<u>454,639</u>	<u>28,135,005</u>
				597,224	659,325
					1,974,368
					567,481
					51,484
					11,524
					123,236
					6,430,319
					4,232,695
924,307		151,110			12,163,927
					2,110,806
					805,722
<u>924,307</u>	<u></u>	<u>151,110</u>	<u></u>	<u>597,224</u>	<u>29,130,887</u>
<u>(905,314)</u>	<u>101,711</u>	<u>5,510</u>	<u>(2,883)</u>	<u>(142,585)</u>	<u>(995,882)</u>
924,307					16,143,455
(11,310)		(423,548)			(8,873,607)
<u>912,997</u>	<u></u>	<u>(423,548)</u>	<u></u>	<u></u>	<u>7,269,848</u>
7,683	101,711	(418,038)	(2,883)	(142,585)	6,273,966
					1,090,434
7,683	101,711	(418,038)	(2,883)	(142,585)	7,364,400
<u>1,808,231</u>	<u>346,536</u>	<u>14,890,220</u>	<u>26,636</u>	<u>18,163,349</u>	<u>128,348,606</u>
<u>\$1,815,914</u>	<u>\$448,247</u>	<u>\$14,472,182</u>	<u>\$23,753</u>	<u>\$18,020,764</u>	<u>\$135,713,006</u>

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, 2012

	LIGHTING AND LANDSCAPE SERVICE DISTRICTS			STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$6,173,799	\$6,249,606	\$75,807			
Charges for services					\$82,336	\$82,336
Subventions and grants				\$6,971,586	4,299,958	(2,671,628)
Use of money and property	45,740	61,701	15,961	37,142	82,716	45,574
Fines, forfeitures and penalties						
Contributions from developers					1,716,492	1,716,492
Miscellaneous revenues		1,060	1,060	1,700,000	3,710	(1,696,290)
Total Revenues	6,219,539	6,312,367	92,828	8,708,728	6,185,212	(2,523,516)
EXPENDITURES						
Current:						
Operating services and supplies						
Planning						
Home Improvement						
Main Library - Library Fund						
Parks And Recreation						
Olympus Pointe Lld Zone A	190,347	141,328	49,019			
Olympus Pointe Lld Zone D	49,312	41,001	8,311			
Nwrld Zone A	392,315	331,165	61,150			
Nwrld Zone B	17,738	15,418	2,320			
Johnson Ranch Lld Zone A	2,708	2,587	121			
Johnson Ranch Lld Zone B	1,799	1,798	1			
Johnson Ranch Lld Zone C	1,442	1,442				
Johnson Ranch Lld Zone D	88	89	(1)			
Johnson Ranch Lld Zone E	1,489	1,477	12			
Ncrld Zone A	339,565	327,258	12,307			
Ncrld Zone B	98,574	94,544	4,030			
Ncrld Zone F	17,338	16,198	1,140			
Ncrld Zone G	12,605	9,865	2,740			
Infill Lld Zone A	6,798	4,787	2,011			
Infill Lld Zone B	5,888	3,481	2,407			
Infill Lld Zone C	6,538	4,280	2,258			
Nrcfd 2 Sd Zone A	62,361	31,659	30,702			
Nrcfd 2 Sd Zone B	75,645	51,057	24,588			
Nrcfd 2 Sd Zone C	152,022	115,670	36,352			
Historic District Lld	26,949	25,868	1,081			
Riverside District Lld	19,605	18,631	974			
Stone Point Cfd #4 (Sd)	7,204	6,195	1,009			
Infill Cfd4-Wderk Oaks Preser	10,328	10,323	5			
Stoneridge Cfd #1 Srv Dist	391,292	383,618	7,674			
Stoneridge Parcel 1 Cfd #2 Sd	21,710	19,336	2,374			
Wooderk West - Services Dstrct	360,937	272,906	88,031			
Crocker Ranch Services Distrc	211,645	188,614	23,031			
Highland Res North Srv Dist	434,643	442,321	(7,678)			
Vernon St Lighting/Landscape	28,608	16,121	12,487			
Woodcreek East Services Dist	125,239	104,948	20,291			
Stone Point Cfd #2 Srv Dist	35,484	30,819	4,665			
Westpark Cfd #2 Services Dist	494,192	437,120	57,072			
Fiddymnt Ranch Cfd #2 Sd	516,932	501,955	14,977			
Municipal Services Cfd #3	17,809	16,682	1,127			
Longmeadow Cfd #2 Sd	47,042	43,817	3,225			
Infill Services Cfd	28,671	23,162	5,509			
Debt service:						
Interest and fiscal charges	98,063	94,876	3,187			
Total Expenditures	4,310,925	3,832,416	478,509			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,908,614	2,479,951	571,337	8,708,728	6,185,212	(2,523,516)
OTHER FINANCING SOURCES (USES)						
Transfers in	451		(451)	4,538,823	4,288,046	(250,777)
Transfers (out)	(1,907,883)	(1,810,021)	97,862	(3,761,157)	(3,677,180)	83,977
Total Other Financing Sources (Uses)	(1,907,432)	(1,810,021)	97,411	777,666	610,866	(166,800)
Net change in fund balances before extraordinary item	1,182	669,930	668,748	9,486,394	6,796,078	(2,690,316)
EXTRAORDINARY ITEM						
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor					(234,163)	(234,163)
NET CHANGE IN FUND BALANCES	\$1,182	669,930	\$668,748	\$9,486,394	6,561,915	(\$2,924,479)
Adjustment to budgetary basis						
Capital outlay					(5,242,335)	
Fund balances (deficits) at beginning of period		7,089,712			10,907,879	
Fund balances (deficits) at end of period		<u>\$7,759,642</u>			<u>\$12,227,459</u>	

HOME IMPROVEMENT			CALIFORNIA LIBRARY SERVICES			TRAFFIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$21,999	\$17,959	(\$4,040)	\$60,000	\$25,335	(\$34,665)			
			20,510	15,697	(4,813)	\$715,000	\$470,227	(\$244,773)
			16,000	27,565	11,565			
21,999	17,959	(4,040)	96,510	68,597	(27,913)	715,000	470,227	(244,773)
110,000		110,000	167,000	103,236	63,764			
110,000		110,000	167,000	103,236	63,764			
(88,001)	17,959	105,960	(70,490)	(34,639)	35,851	715,000	470,227	(244,773)
(176,893)	(176,893)		(3,452)	(3,452)		(715,000)	(470,227)	244,773
(176,893)	(176,893)		(3,452)	(3,452)		(715,000)	(470,227)	244,773
(264,894)	(158,934)	105,960	(73,942)	(38,091)	35,851			
(\$264,894)	(158,934)	\$105,960	(\$73,942)	(38,091)	\$35,851			
	404,311			313,890				
	\$245,377			\$275,799				

(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, 2012

	TRENCH CUT RECOVERY			LAW ENFORCEMENT BLOCK GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services						
Subventions and grants				\$140,000	\$115,464	(\$24,536)
Use of money and property	\$680	\$805	\$125	1,360	1,519	159
Miscellaneous revenues						
Total Revenues	<u>680</u>	<u>805</u>	<u>125</u>	<u>141,360</u>	<u>116,983</u>	<u>(24,377)</u>
EXPENDITURES						
Current:						
Salaries and benefits						
Parks And Recreation						
Utility Exploration Center						
Operating services and supplies						
Parks And Recreation						
Utility Exploration Center						
RUEC School Tour Annual						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>680</u>	<u>805</u>	<u>125</u>	<u>141,360</u>	<u>116,983</u>	<u>(24,377)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(37)	(37)		(140,084)	(117,316)	22,768
Total Other Financing Sources (Uses)	<u>(37)</u>	<u>(37)</u>		<u>(140,084)</u>	<u>(117,316)</u>	<u>22,768</u>
NET CHANGE IN FUND BALANCES	<u>\$643</u>	768	<u>\$125</u>	<u>\$1,276</u>	(333)	<u>(\$1,609)</u>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of period		<u>75,553</u>			<u>776</u>	
Fund balances (deficits) at end of period		<u>\$76,321</u>			<u>\$443</u>	

FIRE FACILITIES			PUBLIC FACILITIES			UTILITY EXPLORATION CENTER		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$460,000	\$668,968	\$208,968						
15,000	41,772	26,772	\$900,000	\$1,474,104	\$574,104	\$13,000	\$14,849	\$1,849
24,485	24,646	161						
62,420	70,884	8,464	103,660	126,835	23,175	530	509	(21)
	116	116				56,000	17,205	(38,795)
<u>561,905</u>	<u>806,386</u>	<u>244,481</u>	<u>1,003,660</u>	<u>1,600,939</u>	<u>597,279</u>	<u>69,530</u>	<u>32,563</u>	<u>(36,967)</u>
						313,608	289,502	24,106
						81,244	38,352	42,892
						15,000	3,593	11,407
1,588,382	1,415,806	172,576						
(123,223)	49,353	(172,576)						
<u>1,465,159</u>	<u>1,465,159</u>					<u>409,852</u>	<u>331,447</u>	<u>78,405</u>
(903,254)	(658,773)	244,481	1,003,660	1,600,939	597,279	(340,322)	(298,884)	41,438
265,708	265,708		2,122,675	484,596	(1,638,079)	694,929	332,376	(362,553)
(4,973,825)	(903,447)	4,070,378	(5,801,580)	(93,033)	5,708,547	(25,727)	(25,727)	
<u>(4,708,117)</u>	<u>(637,739)</u>	<u>4,070,378</u>	<u>(3,678,905)</u>	<u>391,563</u>	<u>4,070,468</u>	<u>669,202</u>	<u>306,649</u>	<u>(362,553)</u>
<u>(\$5,611,371)</u>	<u>(1,296,512)</u>	<u>\$4,314,859</u>	<u>(\$2,675,245)</u>	1,992,502	<u>\$4,667,747</u>	<u>\$328,880</u>	7,765	<u>(\$321,115)</u>
	(397,507)			(634,892)			(7,891)	
	<u>6,919,341</u>			<u>12,037,741</u>			<u>78,260</u>	
	<u>\$5,225,322</u>			<u>\$13,395,351</u>			<u>\$78,134</u>	

(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, 2012

	PARK DEVELOPMENT			PLEASANT GROVE DRAIN BASIN		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Charges for services	\$1,401,336	\$2,349,540	\$948,204	\$170,000	\$214,368	\$44,368
Subventions and grants	175,000	57,208	(117,792)			
Use of money and property	162,864	156,718	(6,146)	67,410	138,323	70,913
Miscellaneous revenues	36,000	5,589	(30,411)		1,583	1,583
Total Revenues	1,775,200	2,569,055	793,855	237,410	354,274	116,864
EXPENDITURES						
Current:						
Salaries and benefits						
Planning						
CDBG						
Operating services and supplies						
Planning						
Rehabilitation Account						
CDBG						
Home Program						
Cal/Home						
Parks And Recreation						
Youth Sports Coalition Annual Pr		3,602	(3,602)			
Native Tree Projects						
Non-Native Tree Projects						
Reason Farms Revenue Prop Mgmt				70,000	137,465	(67,465)
Air Quality Mitigation						
Debt service:						
Interest and fiscal charges						
Total Expenditures		3,602	(3,602)	70,000	137,465	(67,465)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,775,200	2,565,453	790,253	167,410	216,809	49,399
OTHER FINANCING SOURCES (USES)						
Transfers in	2,424,125	474,729	(1,949,396)			
Transfers (out)	(1,837,787)	(24,475)	1,813,312	(4,031)	(4,031)	
Total Other Financing Sources (Uses)	586,338	450,254	(136,084)	(4,031)	(4,031)	
NET CHANGE IN FUND BALANCES	\$2,361,538	3,015,707	\$654,169	\$163,379	212,778	\$49,399
Adjustment to budgetary basis						
Capital outlay		(1,279,930)			(9,693)	
Fund balances (deficits) at beginning of period		19,437,443			7,645,070	
Fund balances (deficits) at end of period		\$21,173,220			\$7,848,155	

TREE PROPAGATION			AIR QUALITY MITIGATION			COMMUNITY DEVELOPMENT BLOCK GRANT / HOME		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$1,180	\$1,180	\$21,000	\$31,143	\$10,143			
\$37,330	37,970	\$640	1,290	1,950	660	\$873,000	\$423,448	(\$449,552)
	2,070	2,070				6,210	6,211	1
						400,000	302,513	(97,487)
37,330	41,220	3,890	22,290	33,093	10,803	1,279,210	732,172	(547,038)
						121,558	121,335	223
						400,000	232,531	167,469
						570,245	439,164	131,081
						163,930	15,224	148,706
						50,000	39,830	10,170
271,213	378,165	(106,952)						
112,594	66,692	45,902						
			18,385	2,991	15,394			
383,807	444,857	(61,050)	18,385	2,991	15,394	1,305,733	848,084	457,649
(346,477)	(403,637)	(57,160)	3,905	30,102	26,197	(26,523)	(115,912)	(89,389)
(4,668)	(4,668)		(120)	(120)		100,000		(100,000)
(4,668)	(4,668)		(120)	(120)		100,000		(100,000)
(\$351,145)	(408,305)	(\$57,160)	\$3,785	29,982	\$26,197	\$73,477	(115,912)	(\$189,389)
	(4,132)							
	3,794,857			171,141			176,276	
	\$3,382,420			\$201,123			\$60,364	

(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, 2012

	HOUSING AUTHORITY SECTION 8			AFFORDABLE HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Subventions and grants	\$4,698,521	\$4,319,395	(\$379,126)			
Use of money and property	75	99	24	\$107,425	\$116,249	\$8,824
Fines, forfeitures and penalties						
Contributions from developers				44,000	190,919	146,919
Miscellaneous revenues	56,400	43,781	(12,619)	110,000	114,063	4,063
Total Revenues	4,754,996	4,363,275	(391,721)	261,425	421,231	159,806
EXPENDITURES						
Current:						
Salaries and benefits						
Planning						
Affordable Housing Housing Authority	542,017	400,516	141,501	13,318	12,642	676
Operating services and supplies						
General Government						
Cable Tv Peg Funds						
Planning						
Housing Trust Fund				1,270,000	27,128	1,242,872
Affordable Housing Housing Authority	129,925	154,693	(24,768)	428,927	51,362	377,565
Public Safety:						
Fire						
Fire Museum Donation Fund						
Buckle Up Baby Fund						
Library						
Harrigan Trust-Adult Literacy						
Parks And Recreation						
Air Quality Mitigation						
Grants						
Housing assistance payments	4,111,528	4,232,695	(121,167)			
Total Expenditures	4,783,470	4,787,904	(4,434)	1,712,245	91,132	1,621,113
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(28,474)	(424,629)	(396,155)	(1,450,820)	330,099	1,780,919
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(3,825)	(52,592)	(48,767)	(6,315)	(6,315)	
Total Other Financing Sources (Uses)	(3,825)	(52,592)	(48,767)	(6,315)	(6,315)	
NET CHANGE IN FUND BALANCES	(\$32,299)	(477,221)	(\$444,922)	(\$1,457,135)	323,784	\$1,780,919
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of period		1,131,295			3,608,534	
Fund balances (deficits) at end of period		\$654,074			\$3,932,318	

MISCELLANEOUS FIRE			MISCELLANEOUS GENERAL GOVERNMENT			MISCELLANEOUS LIBRARY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$310	\$396	\$86	\$950	\$2,853	\$1,903	\$2,480	\$2,879	\$399
15,000	9,950	(5,050)						
10,380	5,410	(4,970)						
			168,320	227,630	59,310		29,500	29,500
25,690	15,756	(9,934)	169,270	230,483	61,213	2,480	32,379	29,899
			137,510	62,101	75,409			
2,475	400	2,075						
18,000	11,124	6,876						
						20,000	20,000	
			10,000	4,409	5,591			
20,475	11,524	8,951	147,510	66,510	81,000	20,000	20,000	
5,215	4,232	(983)	21,760	163,973	142,213	(17,520)	12,379	29,899
\$5,215	4,232	(\$983)	\$21,760	163,973	\$142,213	(\$17,520)	12,379	\$29,899
	31,768			210,147			268,194	
	\$36,000			\$374,120			\$280,573	

(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, 2012

	MISCELLANEOUS POLICE			MISCELLANEOUS PARK		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services				\$41,500	\$45,765	\$4,265
Subventions and grants		\$2,527	\$2,527			
Use of money and property	\$2,180	2,553	373	4,370	2,780	(1,590)
Contributions from developers						
Miscellaneous revenues	14,599	55,457	40,858		6,816	6,816
Total Revenues	<u>16,779</u>	<u>60,537</u>	<u>43,758</u>	<u>45,870</u>	<u>55,361</u>	<u>9,491</u>
EXPENDITURES						
Current:						
Salaries and benefits						
Public Works						
Storm Water Management Program						
Parks And Recreation						
Traffic Signals						
Operating services and supplies						
Public Works						
Traffic Signal Maintenance Fd						
Storm Water Management Program						
Public Safety:						
Police						
Forfeited Property	54,520	51,484	3,036			
Police Evidence Funds	1		1			
Parks And Recreation						
Olympus Pointe Children's Art				1,945	1,945	
Traffic Signals						
Environ Utility Project-Stormwater						
Bike Trail Maintenance						
Open Space Maintenance						
Total Expenditures	<u>54,521</u>	<u>51,484</u>	<u>3,037</u>	<u>1,945</u>	<u>1,945</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(37,742)</u>	<u>9,053</u>	<u>46,795</u>	<u>43,925</u>	<u>53,416</u>	<u>9,491</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(66,000)	(7,493)	58,507
Total Other Financing Sources (Uses)				<u>(66,000)</u>	<u>(7,493)</u>	<u>58,507</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$37,742)</u></u>	<u>9,053</u>	<u><u>\$46,795</u></u>	<u><u>(\$22,075)</u></u>	<u>45,923</u>	<u><u>\$67,998</u></u>
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of period		<u>244,957</u>			<u>308,673</u>	
Fund balances (deficits) at end of period		<u><u>\$254,010</u></u>			<u><u>\$354,596</u></u>	

STORM WATER MANAGEMENT			TRAFFIC SIGNAL			BIKE TRAIL/OPEN SPACE MAINTENANCE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$10,000	\$256	(\$9,744)			
\$314,717		(\$314,717)	24,550	28,563	4,013	\$9,300	\$9,587	\$287
2,340	(\$657)	(2,997)	22,000	30,482	8,482			
				55,599	55,599		33,925	33,925
<u>317,057</u>	<u>(657)</u>	<u>(317,714)</u>	<u>56,550</u>	<u>114,900</u>	<u>58,350</u>	<u>9,300</u>	<u>43,512</u>	<u>34,212</u>
262,538	264,333	(1,795)						
			953,202	950,049	3,153			
				37,314	(37,314)			
307,471	254,485	52,986						
			530,806	451,038	79,768			
	18,548	(18,548)				71,000	60,264	10,736
						512,528	290,573	221,955
<u>570,009</u>	<u>537,366</u>	<u>32,643</u>	<u>1,484,008</u>	<u>1,438,401</u>	<u>45,607</u>	<u>583,528</u>	<u>350,837</u>	<u>232,691</u>
<u>(252,952)</u>	<u>(538,023)</u>	<u>(285,071)</u>	<u>(1,427,458)</u>	<u>(1,323,501)</u>	<u>103,957</u>	<u>(574,228)</u>	<u>(307,325)</u>	<u>266,903</u>
622,936	600,957	(21,979)	1,789,130	1,789,660	530	491,818	457,892	(33,926)
(14,222)	(14,222)		(108,664)	(96,466)	12,198	(9,490)	(5,000)	4,490
<u>608,714</u>	<u>586,735</u>	<u>(21,979)</u>	<u>1,680,466</u>	<u>1,693,194</u>	<u>12,728</u>	<u>482,328</u>	<u>452,892</u>	<u>(29,436)</u>
<u>\$355,762</u>	<u>48,712</u>	<u>(\$307,050)</u>	<u>\$253,008</u>	<u>369,693</u>	<u>\$116,685</u>	<u>(\$91,900)</u>	<u>145,567</u>	<u>\$237,467</u>
	(194,836)			(258,796)			(57,203)	
	<u>131,870</u>			<u>3,291,865</u>			<u>896,412</u>	
	<u>(\$14,254)</u>			<u>\$3,402,762</u>			<u>\$984,776</u>	

(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, 2012

	TRAFFIC MITIGATION			ROSEVILLE COMMUNITY DEVELOPMENT CORPORATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services	\$986,800	\$1,600,019	\$613,219			
Subventions and grants	3,506,077	766,463	(2,739,614)			
Use of money and property	143,680	166,597	22,917	\$182,820	\$44,482	(\$138,338)
Miscellaneous revenues	170,193	19,603	(150,590)	15,000		(15,000)
Total Revenues	4,806,750	2,552,682	(2,254,068)	197,820	44,482	(153,338)
EXPENDITURES						
Current:						
Salaries and benefits						
Planning						
Roseville Community Development Corporation				195,977	163,780	32,197
Operating services and supplies						
Planning						
Roseville Community Development Corporation				483,730	299,026	184,704
Redevelopment Agency Housing Successor						
Public Works						
Traffic Mitigation Oper Exp	10,000	5,500	4,500			
Spec Studies-Roadway Permits	40,000	5,849	34,151			
Grants						
Debt service:						
Principal retirement						
Interest and fiscal charges	520		520	66,853	41,923	24,930
Total Expenditures	50,520	11,349	39,171	746,560	504,729	241,831
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,756,230	2,541,333	(2,214,897)	(548,740)	(460,247)	88,493
OTHER FINANCING SOURCES (USES)						
Transfers in	5,277,338	5,277,338				
Transfers (out)	(5,404,484)	(726,457)	4,678,027			
Total Other Financing Sources (Uses)	(127,146)	4,550,881	4,678,027			
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM	4,629,084	7,092,214	2,463,130	(548,740)	(460,247)	88,493
EXTRAORDINARY ITEM						
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor						
NET CHANGE IN FUND BALANCES	\$4,629,084	7,092,214	\$2,463,130	(\$548,740)	(460,247)	\$88,493
Adjustment to budgetary basis						
Capital outlay						
		(2,782,535)				
Fund balances (deficits) at beginning of period		12,443,975			(238,049)	
Fund balances (deficits) at end of period		<u>\$16,753,654</u>			<u>(\$698,296)</u>	

LOW/MOD INCOME HOUSING ASSET			TECHNOLOGY REPLACEMENT			ROSEVILLE FINANCE AUTHORITY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$28,382	\$20,215	(\$8,167)		\$1,824	\$1,824	\$14,037	\$84,882	\$70,845
19,890	23,211	3,321						
48,272	43,426	(4,846)		1,824	1,824	14,037	84,882	70,845
183,945	17,137	166,808						
7,539,427		7,539,427						
						695,000	695,000	
						621,570	619,570	2,000
7,723,372	17,137	7,706,235				1,316,570	1,314,570	2,000
(7,675,100)	26,289	7,701,389		1,824	1,824	(1,302,533)	(1,229,688)	72,845
7,963,576		(7,963,576)				2,474,373	1,247,846	(1,226,527)
(553,247)		553,247						
7,410,329		(7,410,329)				2,474,373	1,247,846	(1,226,527)
(264,771)	26,289	291,060		1,824	1,824	1,171,840	18,158	(1,153,682)
	1,324,597	1,324,597						
(\$264,771)	1,350,886	\$1,615,657		1,824	\$1,824	\$1,171,840	18,158	(\$1,153,682)
				(214,351)				
							1,512,166	
	\$1,350,886			(\$212,527)			\$1,530,324	

(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, 2012

	ROSEVILLE AQUATICS COMPLEX MAINTENANCE			CITIZENS' BENEFIT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Use of money and property		(\$2,883)	(\$2,883)	\$456,470	\$413,339	(\$43,131)
Miscellaneous revenues					41,300	41,300
Total Revenues		(2,883)	(2,883)	456,470	454,639	(1,831)
EXPENDITURES						
Current:						
Operating services and supplies						
General Government						
Citizens Benefit				598,155	597,224	931
Total Expenditures				598,155	597,224	931
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(2,883)	(2,883)	(141,685)	(142,585)	(900)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES		(2,883)	(2,883)	(\$141,685)	(142,585)	(\$900)
Adjustment to budgetary basis						
Capital outlay						
Fund balances (deficits) at beginning of period		26,636			18,163,349	
Fund balances (deficits) at end of period		\$23,753			\$18,020,764	

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.

Financial reporting standards require 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, 2012

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
ASSETS				
Current Assets				
Cash and investments in City Treasury	\$1,540	\$32,576,785	\$7,787,438	\$3,201,600
Receivables:				
Accounts				
Accrued interest		3,030,870	26,019	8,736
Due from other government agencies	27,799			
Due from other funds		1,583,826	100,000	
Notes receivable		829,201		
Inventories	933,073			
	<u>962,412</u>	<u>38,020,682</u>	<u>7,913,457</u>	<u>3,210,336</u>
Total Current Assets				
	<u>962,412</u>	<u>38,020,682</u>	<u>7,913,457</u>	<u>3,210,336</u>
Non Current Assets				
Advances to other funds		3,930,369	390,353	
Capital assets, net of accumulated depreciation	43,892	11,259,412	6,334	
	<u>1,006,304</u>	<u>53,210,463</u>	<u>8,310,144</u>	<u>3,210,336</u>
Total Assets				
	<u>1,006,304</u>	<u>53,210,463</u>	<u>8,310,144</u>	<u>3,210,336</u>
LIABILITIES				
Current Liabilities				
Accounts payable	123,701	642,150	14,028	43,766
Accrued liabilities	68,458		3,369	3,329
Due to other funds	570,138			
Self-insurance claims payable			757,097	451,212
	<u>762,297</u>	<u>642,150</u>	<u>774,494</u>	<u>498,307</u>
Total Current Liabilities				
	<u>762,297</u>	<u>642,150</u>	<u>774,494</u>	<u>498,307</u>
Long-term Liabilities				
Advances from other funds				
Compensated absences	311,372		34,125	5,647
Net OPEB obligations				
Self-insurance claims payable			5,552,046	1,104,692
	<u>1,073,669</u>	<u>642,150</u>	<u>6,360,665</u>	<u>1,608,646</u>
Total Liabilities				
	<u>1,073,669</u>	<u>642,150</u>	<u>6,360,665</u>	<u>1,608,646</u>
NET ASSETS				
Invested in capital assets	43,892	11,259,412	6,334	
Unrestricted	(111,257)	41,308,901	1,943,145	1,601,690
	<u>(\$67,365)</u>	<u>\$52,568,313</u>	<u>\$1,949,479</u>	<u>\$1,601,690</u>
Total Net Assets				
	<u>(\$67,365)</u>	<u>\$52,568,313</u>	<u>\$1,949,479</u>	<u>\$1,601,690</u>

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
\$43,385	\$300,329	\$620,550	\$59,831	\$2,650,350	\$91,683	\$47,333,491
16	877	1,525	125	7,150		3,075,318 27,799 1,683,826 829,201 933,073
<u>43,401</u>	<u>301,206</u>	<u>622,075</u>	<u>59,956</u>	<u>2,657,500</u>	<u>91,683</u>	<u>53,882,708</u>
						4,320,722 11,309,638
<u>43,401</u>	<u>301,206</u>	<u>622,075</u>	<u>59,956</u>	<u>2,657,500</u>	<u>91,683</u>	<u>69,513,068</u>
78,249		27,664		113,122	63,650	1,106,330 75,156
100,000						670,138 1,208,309
<u>178,249</u>		<u>27,664</u>		<u>113,122</u>	<u>63,650</u>	<u>3,059,933</u>
390,353						390,353 351,144
				25,541,730		25,541,730 6,656,738
<u>568,602</u>		<u>27,664</u>		<u>25,654,852</u>	<u>63,650</u>	<u>35,999,898</u>
						11,309,638 22,203,532
<u>(525,201)</u>	<u>301,206</u>	<u>594,411</u>	<u>59,956</u>	<u>(22,997,352)</u>	<u>28,033</u>	<u>22,203,532</u>
<u>(\$525,201)</u>	<u>\$301,206</u>	<u>\$594,411</u>	<u>\$59,956</u>	<u>(\$22,997,352)</u>	<u>\$28,033</u>	<u>\$33,513,170</u>

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
OPERATING REVENUES				
Charges for services	\$6,952,944	\$4,880,267		
Other	183,035	251,121	\$90,236	\$1,514,907
Total Operating Revenues	7,135,979	5,131,388	90,236	1,514,907
OPERATING EXPENSES				
Operations	6,441,904	97,109	2,517,624	1,433,350
Depreciation and amortization	40,116	3,348,161	3,040	
Claims expense			456,143	186,714
Total Operating Expenses	6,482,020	3,445,270	2,976,807	1,620,064
Operating Income (Loss)	653,959	1,686,118	(2,886,571)	(105,157)
NONOPERATING (EXPENSES)				
Interest and rents revenue	21,646	1,267,387	90,549	21,845
Net Nonoperating Revenues (Expenses)	21,646	1,267,387	90,549	21,845
Income (Loss) Before Transfers	675,605	2,953,505	(2,796,022)	(83,312)
Capital contributions from developers		97,934		
Transfers in	1,540	244,594		
Transfers (out)	(842,729)	(644,281)	(38,690)	(257,117)
Change in Net Assets Before Extraordinary Item	(165,584)	2,651,752	(2,834,712)	(340,429)
EXTRAORDINARY ITEM				
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor		(896,339)		
Change in Net Assets	(165,584)	1,755,413	(2,834,712)	(340,429)
Net assets (deficit) - beginning	98,219	50,812,900	4,784,191	1,942,119
Net assets (deficit) - ending	(\$67,365)	\$52,568,313	\$1,949,479	\$1,601,690

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$11,833,211
\$386,248	\$151,018	\$1,443,942	\$371,882	\$881,220		5,273,609
386,248	151,018	1,443,942	371,882	881,220		17,106,820
	152,720	126,154		16,553,773	\$4,061	27,326,695
282,652		1,219,382	365,808			3,391,317
282,652	152,720	1,345,536	365,808	16,553,773	4,061	2,510,699
103,596	(1,702)	98,406	6,074	(15,672,553)	(4,061)	33,228,711
(497)	3,198	5,531	660	(1,086,066)		(16,121,891)
(497)	3,198	5,531	660	(1,086,066)		324,253
103,099	1,496	103,937	6,734	(16,758,619)	(4,061)	324,253
						(15,797,638)
(5,498)	(2,535)	(19,145)	(5,507)	6,628,171 (55,332)		97,934 6,874,305 (1,870,834)
97,601	(1,039)	84,792	1,227	(10,185,780)	(4,061)	(10,696,233)
						(896,339)
97,601	(1,039)	84,792	1,227	(10,185,780)	(4,061)	(11,592,572)
(622,802)	302,245	509,619	58,729	(12,811,572)	32,094	45,105,742
(\$525,201)	\$301,206	\$594,411	\$59,956	(\$22,997,352)	\$28,033	\$33,513,170

CITY OF ROSEVILLE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	Automotive Services	Automotive Replacement	Self Insurance Funds	
			Workers' Compensation	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$6,947,149	\$4,880,267		
Payments to suppliers	(4,686,712)	545,041	(\$2,422,176)	(\$1,349,643)
Payments to employees	(1,916,835)		(88,377)	(87,138)
Payments to OPEB trust				
Claims paid				(422,810)
Other receipts (payments)	183,035	251,121	189,787	1,519,098
Net Cash Provided (Used) by Operating Activities	526,637	5,676,429	(2,320,766)	(340,493)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (decrease) in due to other funds	294,445	(679,852)		
(Increase) decrease in advances to other funds		(606,507)	100,000	
Transfers in	1,540	244,594		
Transfers (out)	(842,729)	(644,281)	(38,690)	(257,117)
Cash Flows from (Used for) Noncapital Financing Activities	(546,744)	(1,686,046)	61,310	(257,117)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	1	(3,669,228)		
Change in restricted assets		(829,201)		
Cash Flows (Used for) Capital and Related Financing Activities	1	(4,498,429)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rents received	21,646	1,423,082	101,847	29,363
Cash Flows from Investing Activities	21,646	1,423,082	101,847	29,363
Net increase (decrease) in cash and cash equivalents	1,540	915,036	(2,157,609)	(568,247)
Cash and investments at beginning of period		31,661,749	9,945,047	3,769,847
Cash and investments at end of period	\$1,540	\$32,576,785	\$7,787,438	\$3,201,600
NONCASH TRANSACTIONS:				
Contribution of capital assets from developers		\$97,934		
Extraordinary item - adjustment to accrued interest on advances		(\$896,339)		
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$653,959	\$1,686,118	(\$2,886,571)	(\$105,157)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	40,116	3,348,161	3,040	
Change in assets and liabilities:				
Receivables, net	(38,692)		99,551	4,191
Net OPEB obligations				
Accounts and other payables	(128,746)	642,150	463,214	(239,527)
Net cash provided by operating activities	\$526,637	\$5,676,429	(\$2,320,766)	(\$340,493)

Self Insurance Funds

Unemployment Reserve	Vision	Dental	Section 125	Post Retirement	Central Stores	Total
						\$11,827,416
	(\$152,720)	(\$129,377)			(\$45,649)	(8,241,236)
				(\$1,336,052)		(3,428,402)
				(4,972,333)		(4,972,333)
(\$281,488)		(1,219,382)	(\$365,808)			(2,289,488)
386,248	151,018	1,443,942	371,882	881,220		5,377,351
104,760	(1,702)	95,183	6,074	(5,427,165)	(45,649)	(1,726,692)
						(385,407)
(100,000)						(606,507)
				6,628,171		6,874,305
(5,498)	(2,535)	(19,145)	(5,507)	(55,332)		(1,870,834)
(105,498)	(2,535)	(19,145)	(5,507)	6,572,839		4,011,557
						(3,669,227)
						(829,201)
						(4,498,428)
40	3,338	5,508	535	(1,007,463)		577,896
40	3,338	5,508	535	(1,007,463)		577,896
(698)	(899)	81,546	1,102	138,211	(45,649)	(1,635,667)
44,083	301,228	539,004	58,729	2,512,139	137,332	48,969,158
\$43,385	\$300,329	\$620,550	\$59,831	\$2,650,350	\$91,683	\$47,333,491
						\$97,934
						(\$896,339)
\$103,596	(\$1,702)	\$98,406	\$6,074	(\$15,672,553)	(\$4,061)	(\$16,121,891)
						3,391,317
						65,050
				10,132,515		10,132,515
1,164		(3,223)		112,873	(41,588)	806,317
\$104,760	(\$1,702)	\$95,183	\$6,074	(\$5,427,165)	(\$45,649)	(\$1,726,692)

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PRIVATE-PURPOSE TRUST FUNDS

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

The Endowment Private-Purpose Trust Fund accounts for trust arrangements under which principal and income benefit private organizations.

The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Roseville.

CITY OF ROSEVILLE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Endowment Private-Purpose Trust Fund</u>	<u>Successor Agency to the Redevelopment Agency Private-Purpose Trust</u>	<u>Total</u>
ASSETS			
Cash and investments in Treasury	\$2,477,242	\$5,364,561	\$7,841,803
Restricted cash and investments with fiscal agents		5,945,079	5,945,079
Accrued interest receivable	5,942	104,405	110,347
Deferred receivable	378		378
Notes receivable		5,115,483	5,115,483
Land held for resale		5,419,762	5,419,762
Capital Assets:			
Land		1,762,188	1,762,188
Total Assets	<u>2,483,562</u>	<u>23,711,478</u>	<u>26,195,040</u>
LIABILITIES			
Accounts payable		1,128,935	1,128,935
Accrued liabilities		582,747	582,747
Long-term liabilities:			
Due in one year		530,000	530,000
Due in over one year		58,592,486	58,592,486
Total Liabilities		<u>60,834,168</u>	<u>60,834,168</u>
NET ASSETS (DEFICIT)			
Held in trust for private purposes or for other governments	<u>\$2,483,562</u>	<u>(\$37,122,690)</u>	<u>(\$34,639,128)</u>

CITY OF ROSEVILLE
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Endowment Private-Purpose Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Total
ADDITIONS			
Property taxes		\$1,305,062	\$1,305,062
Subventions and grants	\$29,605	22,398	52,003
Investment income	(11,889)	83,075	71,186
	<u>17,716</u>	<u>1,410,535</u>	<u>1,428,251</u>
DEDUCTIONS			
General government	87,396		87,396
Community services		123,258	123,258
Pass-through payments		794,916	794,916
Debt service			
Interest and fiscal charges		1,488,631	1,488,631
	<u>87,396</u>	<u>2,406,805</u>	<u>2,494,201</u>
Change in net assets before extraordinary item	(69,680)	(996,270)	(1,065,950)
EXTRAORDINARY ITEM			
Assets transferred to/liabilities assumed by Successor Agency		(36,126,420)	(36,126,420)
Change in net assets	(69,680)	(37,122,690)	(37,192,370)
Net assets (deficit) - beginning of period	<u>2,553,242</u>		<u>2,553,242</u>
Net assets (deficit) - end of period	<u>\$2,483,562</u>	<u>(\$37,122,690)</u>	<u>(\$34,639,128)</u>

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AGENCY FUNDS

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

Special Assessments/Community Facility Districts (CFDs)

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

Payroll Revolving Fund

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

Highway 65 JPA (Bizz Johnson JPA)

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

Dry Creek Drainage Basin

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

Disaster Recovery JPA (DRJPA)

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

County Capital Facilities Fee

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

South Placer Wastewater Authority (SPWA)

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

Special Sewer Benefit Area #3

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

Special Sewer Benefit Area #4

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

AGENCY FUNDS (Continued)

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.

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>Foothills Boulevard Special Assessment District</u>				
Taxes receivable	\$1,243	\$1,243	\$1,243	\$1,243
Total Assets	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>
Due to bondholders	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$1,243</u>
 <u>North Roseville/Rocklin Sewer Special Assessment District</u>				
Cash and investments in City Treasury	\$10,903	\$283		\$11,186
Taxes receivable	366	375	\$366	375
Total Assets	<u>\$11,269</u>	<u>\$658</u>	<u>\$366</u>	<u>\$11,561</u>
Due to bondholders	<u>\$11,269</u>	<u>\$658</u>	<u>\$366</u>	<u>\$11,561</u>
Total Liabilities	<u>\$11,269</u>	<u>\$658</u>	<u>\$366</u>	<u>\$11,561</u>
 <u>Champion Oaks Special Assessment District</u>				
Cash and investments in City Treasury	<u>\$19,287</u>			<u>\$19,287</u>
Due to bondholders	<u>\$19,287</u>			<u>\$19,287</u>
 <u>Foothills Boulevard Extension Special Assessment District</u>				
Cash and investments in City Treasury	\$195,860	\$546	\$490	\$195,916
Taxes receivable	5,250	5,992	5,250	5,992
Accrued interest receivable	17	15	17	15
Total Assets	<u>\$201,127</u>	<u>\$6,553</u>	<u>\$5,757</u>	<u>\$201,923</u>
Due to bondholders	<u>\$201,127</u>	<u>\$6,553</u>	<u>\$5,757</u>	<u>\$201,923</u>
Total Liabilities	<u>\$201,127</u>	<u>\$6,553</u>	<u>\$5,757</u>	<u>\$201,923</u>
 <u>Northeast Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$132,909	\$360	\$132,675	\$594
Taxes receivable	249	88	249	88
Accrued interest receivable	425		425	
Total Assets	<u>\$133,583</u>	<u>\$448</u>	<u>\$133,349</u>	<u>\$682</u>
Due to bondholders	<u>\$133,583</u>	<u>\$448</u>	<u>\$133,349</u>	<u>\$682</u>
Total Liabilities	<u>\$133,583</u>	<u>\$448</u>	<u>\$133,349</u>	<u>\$682</u>

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>Northwest Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,512,745	\$2,327,396	\$2,397,030	\$2,443,111
Restricted cash and investments with fiscal agents	2,300,604		1,816	2,298,788
Taxes receivable	18,951	30,731	18,951	30,731
Accrued interest receivable	4,870	4,171	4,870	4,171
Total Assets	\$4,837,170	\$2,362,298	\$2,422,667	\$4,776,801
Due to bondholders	\$4,837,170	\$2,362,298	\$2,422,667	\$4,776,801
Total Liabilities	\$4,837,170	\$2,362,298	\$2,422,667	\$4,776,801
<u>Stoneridge East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,065,358	\$1,168,881	\$1,247,867	\$986,372
Restricted cash and investments with fiscal agents	1,176,701		98	1,176,603
Taxes receivable	5,726	8,311	5,726	8,311
Accrued interest receivable	2,061	1,658	2,061	1,658
Total Assets	\$2,249,846	\$1,178,850	\$1,255,752	\$2,172,944
Accounts payable		\$35		\$35
Due to bondholders	\$2,249,846	1,178,815	\$1,255,752	2,172,909
Total Liabilities	\$2,249,846	\$1,178,850	\$1,255,752	\$2,172,944
<u>Northeast Roseville Community Facilities District #2</u>				
Cash and investments in City Treasury	\$977,529	\$916,348	\$995,261	\$898,616
Restricted cash and investments with fiscal agents	953,477	419		953,896
Taxes receivable	1,201	5,985	1,201	5,985
Accrued Interest receivable	1,811	1,534	1,811	1,534
Total Assets	\$1,934,018	\$924,286	\$998,273	\$1,860,031
Accounts payable	\$482			\$482
Due to bondholders	1,933,536	\$924,286	\$998,273	1,859,549
Total Liabilities	\$1,934,018	\$924,286	\$998,273	\$1,860,031
<u>North Central Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$4,552,119	\$4,496,448	\$3,899,153	\$5,149,414
Restricted cash and investments with fiscal agents	2,327,523		16,746	2,310,777
Taxes receivable	9,763	31,905	9,763	31,905
Accrued interest receivable	8,114	8,678	8,114	8,678
Total Assets	\$6,897,519	\$4,537,031	\$3,933,776	\$7,500,774
Accounts payable		\$35		\$35
Due to bondholders	\$6,897,519	4,536,996	\$3,933,776	7,500,739
Total Liabilities	\$6,897,519	\$4,537,031	\$3,933,776	\$7,500,774

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>North Roseville Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,776,995	\$1,902,188	\$1,827,473	\$1,851,710
Restricted cash and investments with fiscal agents	1,744,053		94	1,743,959
Accounts receivable				
Taxes receivable	13,221	10,651	13,221	10,651
Accrued interest receivable	3,191	3,031	3,191	3,031
Total Assets	\$3,537,460	\$1,915,870	\$1,843,979	\$3,609,351
Accounts payable		\$71		\$71
Due to bondholders	\$3,537,460	1,915,799	\$1,843,979	3,609,280
Total Liabilities	\$3,537,460	\$1,915,870	\$1,843,979	\$3,609,351
<u>Woodcreek West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,338,420	\$1,394,122	\$1,466,098	\$1,266,444
Restricted cash and investments with fiscal agents	1,410,803		2,230	1,408,573
Taxes receivable	3,506	7,722	3,506	7,722
Accrued interest receivable	2,815	2,145	2,815	2,145
Total Assets	\$2,755,544	\$1,403,989	\$1,474,649	\$2,684,884
Accrued Liabilities	\$4,871			\$4,871
Due to bondholders	2,750,673	\$1,403,989	\$1,474,649	2,680,013
Total Liabilities	\$2,755,544	\$1,403,989	\$1,474,649	\$2,684,884
<u>Highland Reserve North Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,588,533	\$2,414,471	\$2,669,701	\$2,333,303
Restricted cash and investments with fiscal agents	2,546,644		1,833	2,544,811
Taxes receivable	4,080	11,512	4,080	11,512
Accrued interest receivable	5,136	4,217	5,136	4,217
Total Assets	\$5,144,393	\$2,430,200	\$2,680,750	\$4,893,843
Accounts payable	\$689	\$71	\$689	\$71
Due to bondholders	5,143,704	2,430,129	2,680,061	4,893,772
Total Liabilities	\$5,144,393	\$2,430,200	\$2,680,750	\$4,893,843

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>Stoneridge Parcel 1 Community Facilities District #1</u>				
Cash and investments in City Treasury	\$168,769	\$141,024	\$155,682	\$154,111
Restricted cash and investments with fiscal agents	138,007	53		138,060
Taxes receivable	402	135	402	135
Accrued interest receivable	391	318	391	318
Total Assets	\$307,569	\$141,530	\$156,475	\$292,624
Due to bondholders	\$307,569	\$141,530	\$156,475	\$292,624
Total Liabilities	\$307,569	\$141,530	\$156,475	\$292,624
 <u>Woodcreek East Community Facilities District #1</u>				
Cash and investments in City Treasury	\$590,886	\$462,111	\$512,818	\$540,179
Restricted cash and investments with fiscal agents	487,190		797	486,393
Taxes receivable	2,265	5,280	2,265	5,280
Accrued interest receivable	1,390	1,107	1,390	1,107
Total Assets	\$1,081,731	\$468,498	\$517,270	\$1,032,959
Accounts payable	\$206	\$1,950	\$206	\$1,950
Due to bondholders	1,081,525	466,548	517,064	1,031,009
Total Liabilities	\$1,081,731	\$468,498	\$517,270	\$1,032,959
 <u>Stoneridge West Community Facilities District #1</u>				
Cash and investments in City Treasury	\$906,597	\$1,139,037	\$976,278	\$1,069,356
Restricted cash and investments with fiscal agents	921,318		600	920,718
Taxes receivable	124,746	151,133	124,746	151,133
Accrued interest receivable	1,626	1,921	1,626	1,921
Total Assets	\$1,954,287	\$1,292,091	\$1,103,250	\$2,143,128
Accounts payable		\$71		\$71
Due to bondholders	\$1,954,287	1,292,020	\$1,103,250	2,143,057
Total Liabilities	\$1,954,287	\$1,292,091	\$1,103,250	\$2,143,128
 <u>Crocker Ranch Community Facilities District #1</u>				
Cash and investments in City Treasury	\$961,634	\$1,665,301	\$1,503,746	\$1,123,189
Restricted cash and investments with fiscal agents	1,391,341		446	1,390,895
Taxes receivable	3,314	6,455	3,314	6,455
Accrued interest receivable	1,614	1,515	1,614	1,515
Total Assets	\$2,357,903	\$1,673,271	\$1,509,120	\$2,522,054
Accounts payable		\$71		\$71
Due to bondholders	\$2,357,903	1,673,200	\$1,509,120	2,521,983
Total Liabilities	\$2,357,903	\$1,673,271	\$1,509,120	\$2,522,054

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>Stone Point Community Facilities District #1</u>				
Cash and investments in City Treasury	\$1,113,731	\$821,954	\$953,707	\$981,978
Restricted cash and investments with fiscal agents	905,043	398		905,441
Accrued interest receivable	2,791	2,055	2,791	2,055
Total Assets	\$2,021,565	\$824,407	\$956,498	\$1,889,474
Due to bondholders	\$2,021,565	\$824,407	\$956,498	\$1,889,474
Total Liabilities	\$2,021,565	\$824,407	\$956,498	\$1,889,474
<u>Stone Point Community Facilities District #5</u>				
Cash and investments in City Treasury	\$191,269	\$373,778	\$342,121	\$222,926
Restricted cash and investments with fiscal agents	492,398	3,249		495,647
Accrued interest receivable	200	248	200	248
Total Assets	\$683,867	\$377,275	\$342,321	\$718,821
Due to bondholders	\$683,867	\$377,275	\$342,321	\$718,821
Total Liabilities	\$683,867	\$377,275	\$342,321	\$718,821
<u>Westpark Community Facilities District #1</u>				
Cash and investments in City Treasury	\$3,499,838	\$5,221,162	\$5,158,751	\$3,562,249
Restricted cash and investments with fiscal agents	5,544,762	10,415		5,555,177
Taxes receivable	3,105	7,401	3,105	7,401
Accrued interest receivable	5,103	4,914	5,103	4,914
Total Assets	\$9,052,808	\$5,243,892	\$5,166,959	\$9,129,741
Accounts payable	\$206		\$206	
Due to bondholders	\$9,052,602	\$5,243,892	\$5,166,753	\$9,129,741
Total Liabilities	\$9,052,808	\$5,243,892	\$5,166,959	\$9,129,741
<u>Fiddymment Ranch Community Facilities District #1</u>				
Cash and investments in City Treasury	\$2,631,853	\$4,826,254	\$4,142,555	\$3,315,552
Restricted cash and investments with fiscal agents	7,373,731		664,085	6,709,646
Taxes receivable	606	1,911	606	1,911
Accrued interest receivable	72,847	60,352	72,847	60,352
Total Assets	\$10,079,037	\$4,888,517	\$4,880,093	\$10,087,461
Accounts payable	\$482		\$482	
Due to bondholders	10,078,555	\$4,888,517	4,879,611	\$10,087,461
Total Liabilities	\$10,079,037	\$4,888,517	\$4,880,093	\$10,087,461

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>Longmeadow Community Facilities District #1</u>				
Cash and investments in City Treasury	\$445,078	\$603,810	\$638,792	\$410,096
Restricted cash and investments with fiscal agents	593,708	256		593,964
Taxes receivable	529	2,448	529	2,448
Accrued interest receivable	656	493	656	493
Total Assets	\$1,039,971	\$607,007	\$639,977	\$1,007,001
Due to bondholders	\$1,039,971	\$607,007	\$639,977	\$1,007,001
Total Liabilities	\$1,039,971	\$607,007	\$639,977	\$1,007,001
<u>Diamond Creek Community Facilities District #1</u>				
Cash and investments in City Treasury	\$378,729	\$375,122	\$374,903	\$378,948
Restricted cash and investments with fiscal agents	687,786		47,230	640,556
Accrued interest receivable	471	714	471	714
Total Assets	\$1,066,986	\$375,836	\$422,604	\$1,020,218
Accounts payable				
Due to bondholders	\$1,066,986	\$375,836	\$422,604	\$1,020,218
Total Liabilities	\$1,066,986	\$375,836	\$422,604	\$1,020,218
<u>Fountains Community Facilities District #1</u>				
Cash and investments in City Treasury	\$428,261	\$766,216	\$768,039	\$426,438
Restricted cash and investments with fiscal agents	1,123,344		1,995	1,121,349
Accrued interest receivable	654	554	654	554
Total Assets	\$1,552,259	\$766,770	\$770,688	\$1,548,341
Due to bondholders	\$1,552,259	\$766,770	\$770,688	\$1,548,341
Total Liabilities	\$1,552,259	\$766,770	\$770,688	\$1,548,341
<u>Automall Community Facilities District #1</u>				
Cash and investments in City Treasury	\$510,468	\$811,093	\$557,952	\$763,609
Accrued interest receivable	576	749	576	749
Total Assets	\$511,044	\$811,842	\$558,528	\$764,358
Due to bondholders	\$511,044	\$811,842	\$558,528	\$764,358
Total Liabilities	\$511,044	\$811,842	\$558,528	\$764,358

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>Payroll Revolving</u>				
Cash and investments in City Treasury	\$1,853,249		\$902,114	\$951,135
Total Assets	<u>\$1,853,249</u>		<u>\$902,114</u>	<u>\$951,135</u>
Due to others	\$1,853,249		\$902,114	\$951,135
Total Liabilities	<u>\$1,853,249</u>		<u>\$902,114</u>	<u>\$951,135</u>
<u>Highway 65 JPA</u>				
Cash and investments in City Treasury	\$3,070,965	\$459,804	\$2,800,454	\$730,315
Accrued interest receivable	12,387	4,238	12,387	4,238
Permit fees receivable	6,960		6,960	
Due from other government agencies	28,368	99,866	28,368	99,866
Total Assets	<u>\$3,118,680</u>	<u>\$563,908</u>	<u>\$2,848,169</u>	<u>\$834,419</u>
Accounts payable	\$755	\$135	\$755	\$135
Due to member agencies	3,117,925	563,773	2,847,414	834,284
Total Liabilities	<u>\$3,118,680</u>	<u>\$563,908</u>	<u>\$2,848,169</u>	<u>\$834,419</u>
<u>Dry Creek Drainage Basin</u>				
Cash and investments in City Treasury	\$4,246	\$2,917	\$5,906	\$1,257
Accrued interest receivable	6	3	6	3
Permit fees receivable	1,682		1,682	
Total Assets	<u>\$5,934</u>	<u>\$2,920</u>	<u>\$7,594</u>	<u>\$1,260</u>
Accounts Payable	\$4,218	\$1,232	\$4,218	\$1,232
Due to others	1,716	1,688	3,376	28
Total Liabilities	<u>\$5,934</u>	<u>\$2,920</u>	<u>\$7,594</u>	<u>\$1,260</u>
<u>Disaster Recovery JPA</u>				
Cash and investments in City Treasury	\$93,231		\$93,231	
Total Assets	<u>\$93,231</u>		<u>\$93,231</u>	
Accounts payable	\$500		\$500	
Due to member agencies	92,731		92,731	
Total Liabilities	<u>\$93,231</u>		<u>\$93,231</u>	

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<hr/> County Capital Facilities Fee <hr/>				
Cash and investments in City Treasury	\$240,188	\$345,904	\$160,117	\$425,975
Accrued interest receivable	880	754	880	754
Total Assets	\$241,068	\$346,658	\$160,997	\$426,729
Accounts payable	\$159,556	\$345,778	\$159,556	\$345,778
Due to others	81,512	880	1,441	80,951
Total Liabilities	\$241,068	\$346,658	\$160,997	\$426,729
<hr/> South Placer Wastewater Authority <hr/>				
Cash and investments in City Treasury	93,526,275	\$8,533,604	\$11,002,727	\$91,057,152
Restricted cash and investments with fiscal agents	9,588,157	216,767		9,804,924
Accrued interest receivable	224,869	213,949	224,869	213,949
Permit fees receivable	1,084,305	293,628		1,377,933
Due from other government agencies	487,774	802,818	487,774	802,818
Total Assets	\$104,911,380	\$10,060,766	\$11,715,370	\$103,256,776
Accounts payable	\$231,751	\$118,946	\$231,751	\$118,946
Accrued liabilities	766,462	560,334	766,462	560,334
Due to member agencies	103,913,167	9,381,486	10,717,157	102,577,496
Total Liabilities	\$104,911,380	\$10,060,766	\$11,715,370	\$103,256,776
<hr/> Special Sewer Benefit Area #3 <hr/>				
Cash and investments in City Treasury	\$3,164	\$1,867		\$5,031
Accrued interest receivable	20	12	\$20	12
Total Assets	\$3,184	\$1,879	\$20	\$5,043
Due to others	\$3,184	\$1,879	\$20	\$5,043
Total Liabilities	\$3,184	\$1,879	\$20	\$5,043
<hr/> Special Sewer Benefit Area #4 <hr/>				
Cash and investments in City Treasury	\$150,657	\$1,672		\$152,329
Accrued interest receivable	503	445	\$503	445
Total Assets	\$151,160	\$2,117	\$503	\$152,774
Due to others	\$151,160	\$2,117	\$503	\$152,774
Total Liabilities	\$151,160	\$2,117	\$503	\$152,774

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<u>South Placer County Tourism Business Improvement District (SPCTBID)</u>				
Cash and investments in City Treasury	\$12,928	\$196,333	\$195,031	\$14,230
Accounts receivable	195,575	189,798	195,575	189,798
Accrued interest receivable	225	170	225	170
Total Assets	\$208,728	\$386,301	\$390,831	\$204,198
Accounts payable	\$195,575		\$5,063	\$190,512
Due to others	13,153	\$386,301	385,768	13,686
Total Liabilities	\$208,728	\$386,301	\$390,831	\$204,198
<u>South Placer County Safe Kids Coalition</u>				
Cash and investments in City Treasury	\$2,805	\$23,101	\$15,455	\$10,451
Accrued interest receivable	22	12	22	12
Total Assets	\$2,827	\$23,113	\$15,477	\$10,463
Accounts payable	\$404	\$149	\$404	\$149
Due to others	2,423	22,964	15,073	10,314
Total Liabilities	\$2,827	\$23,113	\$15,477	\$10,463
<u>South Placer Regional Traffic Fee</u>				
Cash and investments in City Treasury	\$73,601	\$192,398	\$73,498	\$192,501
Accounts receivable		1,121		1,121
Accrued interest receivable	202	324	202	324
Permit fees receivable	7,849		7,849	
Total Assets	\$81,652	\$193,843	\$81,549	\$193,946
Accounts payable	\$73,498	\$192,524	\$73,498	\$192,524
Due to others	8,154	1,319	8,051	1,422
Total Liabilities	\$81,652	\$193,843	\$81,549	\$193,946
<u>City/County TMF</u>				
Cash and investments in City Treasury	\$29,603	\$56,714	\$29,695	\$56,622
Accrued interest receivable	86	89	86	89
Total Assets	\$29,689	\$56,803	\$29,781	\$56,711
Accounts payable	\$29,566	\$56,628	\$29,566	\$56,628
Due to others	123	175	215	83
Total Liabilities	\$29,689	\$56,803	\$29,781	\$56,711

(Continued)

CITY OF ROSEVILLE
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
<hr/> <u>Placer County Air Pollution Control</u> <hr/>				
Cash and investments in City Treasury	\$17,433	\$8,985		\$26,418
Total Assets	<u>\$17,433</u>	<u>\$8,985</u>		<u>\$26,418</u>
Due to others	\$17,433	\$8,985		\$26,418
Total Liabilities	<u>\$17,433</u>	<u>\$8,985</u>		<u>\$26,418</u>
<hr/> <u>Sierra College Boulevard</u> <hr/>				
Cash and investments in City Treasury	\$25,382	\$615	\$12,969	\$13,028
Accrued interest receivable	615		615	
Total Assets	<u>\$25,997</u>	<u>\$615</u>	<u>\$13,584</u>	<u>\$13,028</u>
Due to others	\$25,997	\$615	\$13,584	\$13,028
Total Liabilities	<u>\$25,997</u>	<u>\$615</u>	<u>\$13,584</u>	<u>\$13,028</u>
<hr/> <u>Other</u> <hr/>				
Cash and investments in City Treasury	\$13,122			\$13,122
Total Assets	<u>\$13,122</u>			<u>\$13,122</u>
Due to other government agencies	\$13,122			\$13,122
Total Liabilities	<u>\$13,122</u>			<u>\$13,122</u>
<hr/> <u>Total Agency Funds</u> <hr/>				
Cash and investments in City Treasury	\$126,114,620	\$41,651,819	\$46,012,289	\$121,754,150
Restricted cash and investments with fiscal agents	41,706,590	231,557	737,970	41,200,177
Accounts receivable	195,575	190,919	195,575	190,919
Taxes receivable	198,523	289,278	198,523	289,278
Accrued interest receivable	356,574	320,385	356,574	320,385
Permit fees receivable	1,100,796	293,628	16,491	1,377,933
Due from other government agencies	516,142	902,684	516,142	902,684
Total Assets	<u>\$170,188,820</u>	<u>\$43,880,270</u>	<u>\$48,033,564</u>	<u>\$166,035,526</u>
Accounts payable	\$697,888	\$717,696	\$506,894	\$908,690
Accrued liabilities	771,333	560,334	766,462	565,205
Due to other government agencies	13,122			13,122
Due to member agencies	107,123,823	9,945,259	13,657,302	103,411,780
Due to bondholders	59,424,550	32,230,058	31,772,761	59,881,847
Due to others	2,158,104	426,923	1,330,145	1,254,882
Total Liabilities	<u>\$170,188,820</u>	<u>\$43,880,270</u>	<u>\$48,033,564</u>	<u>\$166,035,526</u>

STATISTICAL SECTION

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

1. Demographic and Economic Statistics
2. Principal Employers

STATISTICAL SECTION (Continued)
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Operating Information

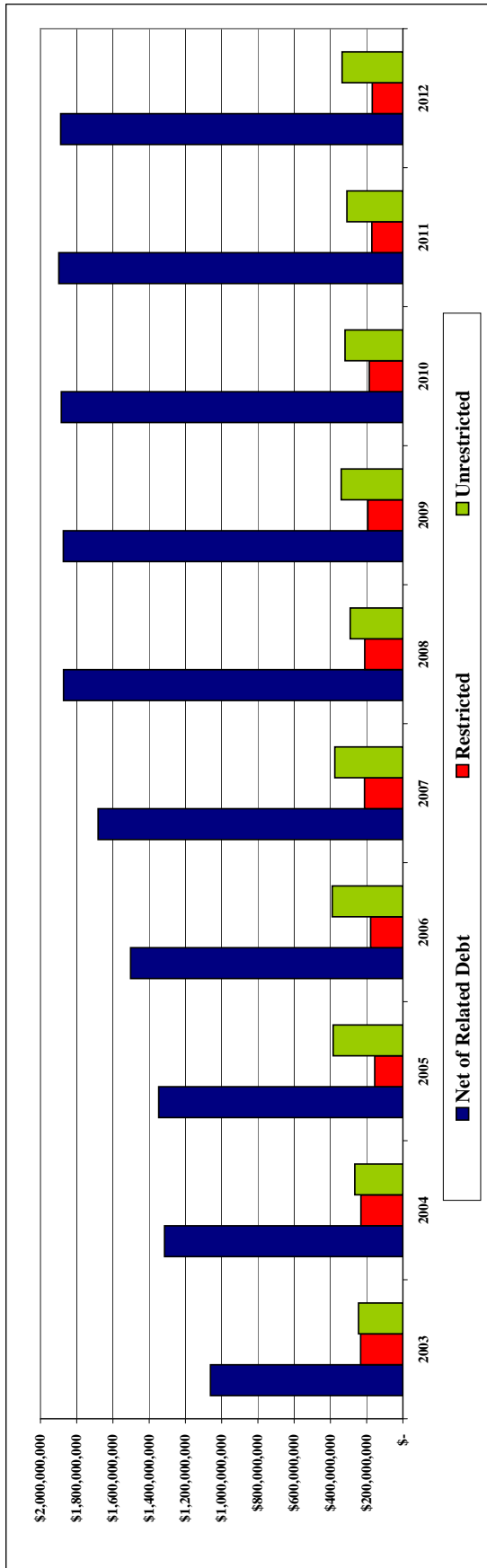
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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



	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$827,793,866	\$834,840,748
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	144,584,184	140,299,702
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	84,860,426	94,429,280
Total governmental activities net assets	\$713,785,426	\$756,349,938	\$793,323,681	\$923,265,134	\$1,027,076,240	\$1,073,190,359	\$1,074,093,658	\$1,063,143,232	\$1,057,238,476	\$1,069,569,730
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	\$1,063,874,186	\$1,063,903,341	\$1,070,888,251	\$1,053,701,396
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	26,825,766	28,837,472
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	224,337,296	241,020,358
Total business-type activities net assets	\$826,249,786	\$1,055,997,983	\$1,094,311,886	\$1,146,952,142	\$1,241,900,692	\$1,301,026,290	\$1,333,104,891	\$1,326,620,059	\$1,322,051,313	\$1,325,559,226
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	\$1,898,682,117	\$1,888,542,144
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	171,409,950	169,137,174
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	309,197,722	335,449,638
Total primary government net assets	\$1,540,035,212	\$1,812,347,921	\$1,887,635,567	\$2,070,217,276	\$2,268,976,932	\$2,374,216,649	\$2,407,198,549	\$2,389,763,291	\$2,379,289,789	\$2,393,128,956

Source: The City's Comprehensive Annual Financial Report

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

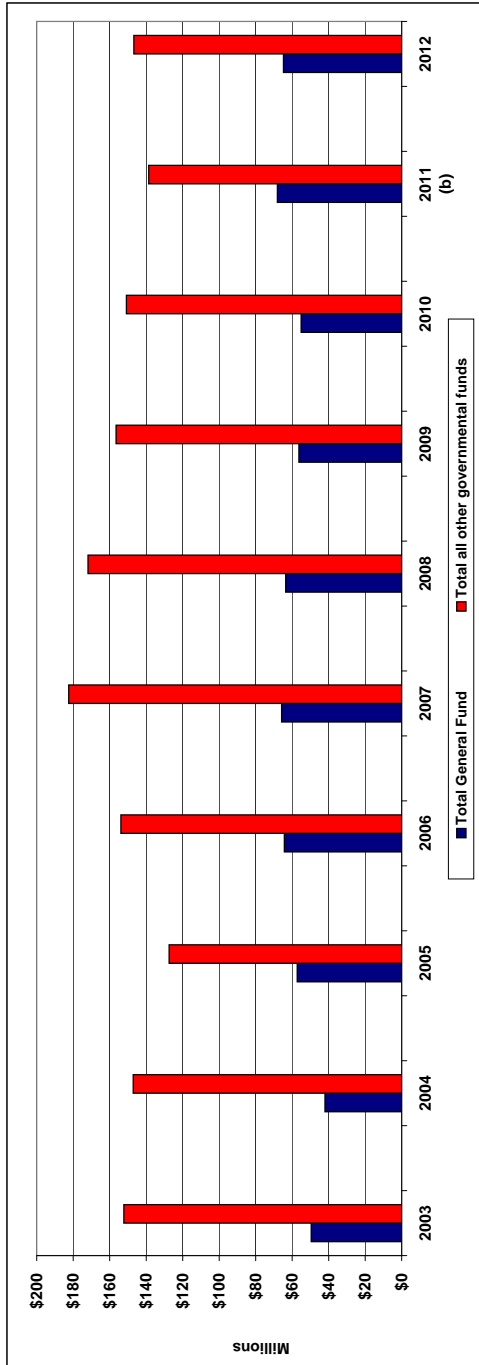
	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General Government	\$19,464,175	\$19,299,495	\$22,350,454	\$25,437,535	\$30,929,747	\$34,826,790	\$35,306,470	\$31,596,121	\$30,387,717	\$35,564,864
Community development 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	13,441,264	11,625,120
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	30,932,981	32,524,417
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	31,720,789	31,262,454
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	25,191,924	25,282,596
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	3,933,549	4,631,691
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	17,664,088	20,209,935
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	3,643,394	4,232,695
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	3,181,266	999,436
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	\$160,096,972	\$166,333,208
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	\$148,271,687	\$144,985,608
Water	12,822,705	15,748,289	16,719,257	18,510,040	18,855,579	25,826,409	21,842,893	23,025,281	22,335,757	24,311,517
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	29,516,033	34,587,583
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	14,979,891	15,855,280
Natural Gas					5,152,447	15,123,490	27,665,056	27,398,886	27,106,564	26,792,658
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	2,828,099	2,487,080
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	6,609,048	6,727,985
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	4,277,245	4,461,275
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	255,924,324	260,208,986
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	\$416,021,296	\$426,542,194
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	\$2,914,657	\$2,778,080
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	2,564,206	1,983,989
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	2,913,603	2,919,180
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	1,525,433	1,319,271
Fire	554,019	945,366	1,082,211	1,253,881	1,505,547	1,402,158	1,362,379	1,185,742	1,203,109	1,009,954
Library	75,753	136,710	162,479	188,738	235,231	272,057	230,290	216,064	228,343	339,589
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	10,057,346	10,242,291
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	10,943,019	2,984,979
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	11,716,689	19,862,713
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	44,066,405	43,440,046
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	163,234,969	160,141,372
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	17,967,074	19,954,068
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	30,472,704	28,088,503
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	20,682,638	20,903,993
Natural Gas					4,059,943	16,528,513	16,557,517	16,528,513	16,528,513	16,563,722
Golf Course	2,468,170	2,436,735	2,564,469	2,747,851	3,182,357	3,182,357	2,953,223	2,801,963	2,415,583	2,702,741
Local Transportation	936,121	526,204	530,516	601,087	739,826	863,606	1,184,861	861,730	949,192	974,344
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	4,296,761	4,047,021
Operating Grants and Contributions	4,359,680	6,177,432	7,104,895	2,299,189	14,328,217	13,630,808	10,139,913	6,327,458	6,174,016	13,729,467
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	16,234,957	12,323,429
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	278,956,407	279,428,660
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	\$323,022,812	\$322,868,706
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)	(\$116,030,567)	(\$122,893,162)
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	23,032,083	19,219,674
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)	(\$92,998,484)	(\$103,673,488)

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$34,721,253	\$31,758,352
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	37,332,222	38,129,931
Franchise taxes	657,865	954,396	1,060,903	1,267,707	1,429,155	1,607,214	930,003	1,615,166	1,735,495	1,822,869
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	523,609	122,230
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	2,936,778	6,626,071
Licenses and permits										
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	3,645,241	3,243,932
Miscellaneous revenues	1,356,471	12,975	664,191	1,680,851	2,926,467	887,173	4,568,055	1,934,366	1,089,608	1,511,125
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	26,144,153	30,374,582
Extraordinary item										
Assets transferred to/liabilities assumed by										
Successor Agency		92,324		2,703,738						34,223,315
Gain/(Loss) from sales of capital assets										
Bond issuance premium		351,119								
Extraordinary item - litigation settlement										
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	108,128,359	147,812,407
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	12,812,162	12,662,821
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)	(26,144,153)	(30,374,582)
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)	(13,331,991)	(17,711,761)
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	\$94,796,368	\$130,100,646
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)	(\$7,902,208)	\$24,919,245
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)	9,700,092	1,507,913
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)	\$1,797,884	\$26,427,158

(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)**



	2003	2004	2005	2006	2007	2008	2009	2010	2011 (b)	2012
General Fund										
Reserved	\$18,553,213	\$18,414,069	\$18,449,612	\$16,669,748	\$13,421,646	\$10,786,244	\$13,472,640	\$13,730,063		
Unreserved	31,034,445	23,647,906	38,788,181	47,642,690	52,376,837	52,774,303	42,850,836	41,375,295		
Nonspendable										
Assigned										
Unassigned									\$23,734,548	\$17,036,815
Total General Fund	\$49,587,658	\$42,061,975	\$57,237,793	\$64,312,438	\$65,798,483	\$63,560,347	\$56,323,476	\$55,105,358	\$68,131,555 (a)	\$64,777,970
All Other Governmental Funds										
Reserved	\$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	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	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	16,061,477	15,725,381	16,318,672	16,425,999	16,833,979	17,495,650	18,066,202	18,353,285		
Nonspendable										
Restricted										
Committed										
Assigned										
Unassigned									\$17,411,864	\$17,503,760
Total all other governmental funds	\$152,265,572	\$147,117,844	\$127,451,427	\$153,875,633	\$182,463,632	\$171,912,078	\$156,522,758	\$150,866,409	\$138,642,517 (a)	\$146,765,434

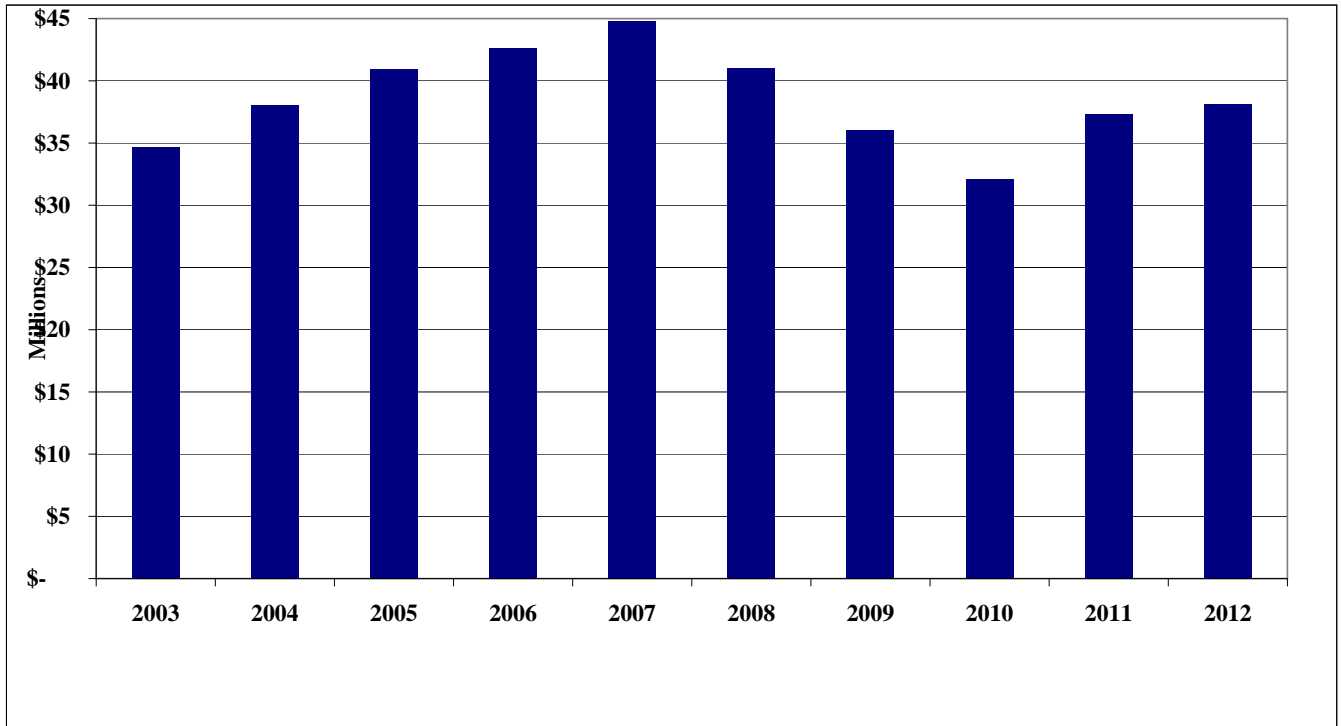
(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
 (b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.

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

	Fiscal year ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$64,866,117	\$65,815,061	\$75,900,403	\$82,770,691	\$93,500,227	\$93,457,602	\$85,601,833	\$79,623,097	\$82,023,333	\$80,584,812
Less Educational Revenue Augmentation	(55,417)	(143,182)	(260,676)	(323,743)						
Licenses, permits and fees	2,913,664	2,784,570	2,591,354	2,020,467	2,762,883	2,537,988	1,832,029	1,624,422	1,651,822	1,756,255
Charges for services	30,198,984	27,343,649	26,814,640	31,295,267	40,301,825	31,892,013	18,899,792	18,080,957	17,111,034	17,222,182
Subventions and grants	16,583,320	13,758,850	12,630,086	10,351,281	12,744,920	12,819,741	16,909,738	22,554,411	13,612,705	11,835,085
Use of money and property	6,361,032	3,455,309	4,922,685	7,784,975	16,943,196	19,198,906	16,183,845	9,528,347	3,107,947	3,271,208
Fine, forfeitures and penalties	1,842,340	1,471,716	1,803,562	1,953,405	2,358,742	2,147,695	2,283,349	2,115,882	1,829,785	1,502,408
Contributions from property owners		2,574,635	7,841,639	92,645,369	71,488,795	9,100,000				
Contributions from developers		2,662,371	4,373,481	3,337,645	1,591,059	2,070,716	957,680	706,385	1,483,872	2,900,578
Miscellaneous revenues	6,500,778	3,331,708	4,213,970	7,899,568	9,286,123	12,455,601	7,264,395	5,991,250	3,032,677	2,458,788
Total Revenues	129,210,818	123,054,687	140,831,144	239,734,925	250,977,770	185,680,262	149,932,661	140,224,751	123,853,175	121,531,316
Expenditures										
Current:										
General government	25,669,297	20,766,474	19,962,845	24,103,076	27,910,341	28,222,016	26,639,267	21,737,861	21,840,332	23,676,727
Community development and planning	9,605,904	10,807,567	9,751,722	10,888,062	11,961,479	16,710,067	13,481,274	17,310,689	10,229,425	7,303,223
Public works	11,880,167	10,956,006	10,817,148	15,396,696	16,947,884	16,228,157	16,022,025	10,700,041	11,013,467	10,597,421
Public safety:										
Police	18,003,412	19,051,384	21,547,825	25,567,869	28,988,754	30,498,603	30,408,122	28,564,889	27,411,509	28,650,241
Fire	11,772,858	12,602,614	13,753,902	16,915,393	20,719,718	24,352,812	24,527,743	23,349,639	23,264,497	23,573,792
Library	2,792,063	2,842,537	2,762,274	3,133,367	3,520,834	4,542,287	3,449,204	3,224,523	2,855,794	3,560,396
Parks and recreation	12,731,251	13,249,576	13,507,359	16,007,377	17,955,082	19,092,606	17,979,576	16,199,096	15,610,257	18,320,063
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	3,643,394	4,232,695
Capital outlay	23,432,869	41,149,143	58,729,356	108,314,784	125,426,074	63,142,168	49,795,093	36,534,025	20,416,652	19,529,120
Payments under development agreements	6,131,086	2,607,608	5,389,110	2,592,039	2,396,314	2,157,821	1,601,494	1,445,960	1,146,915	880,852
Annexation payments	65,241	153,085	285,335	835,780	1,810,538	2,138,963	1,959,852	2,131,802	2,045,843	2,228,371
Debt service:										
Principal repayment	1,152,517	1,439,690	1,264,702	941,946	1,206,803	1,590,991	1,392,486	1,397,222	1,402,625	2,694,645
Interest and fiscal charges	2,071,634	1,912,196	1,789,098	1,941,002	4,523,725	6,873,248	7,090,871	7,396,273	2,932,461	1,612,858
Total Expenditures	127,849,477	140,665,030	162,611,438	229,611,627	266,696,202	218,948,884	197,877,534	173,620,530	143,813,171	146,860,404
Excess (deficiency) of revenues over (under) expenditures	<u>1,361,341</u>	<u>(17,610,343)</u>	<u>(21,780,294)</u>	<u>10,123,298</u>	<u>(15,718,432)</u>	<u>(33,268,622)</u>	<u>(47,944,873)</u>	<u>(33,395,779)</u>	<u>(19,959,996)</u>	<u>(25,329,088)</u>
Other Financing Sources (Uses)										
Proceeds from capital lease			147,266	2,239,765			385,538			
Proceeds from issuance of bonds					23,215,524					
Proceeds from sale of property				3,503,467		129,284	12,040	10,000		
Proceeds from debt issuance	14,745,063	18,275,000								
Transfers in	38,559,850	27,934,748	26,116,934	38,439,158	54,227,228	42,487,182	53,047,351	42,615,799	44,206,780	43,818,402
Transfers (out)	(27,405,095)	(23,543,935)	(8,974,505)	(20,806,837)	(31,650,256)	(22,404,599)	(28,126,447)	(18,935,737)	(23,444,479)	(18,447,291)
Payment to refunded bond escrow		(18,080,000)								
Contributions from property owners	3,568,579									
Contributions from developers	22,572,382							2,831,250		
Bond issuance premium		351,119								
Total other financing sources (uses)	52,040,779	4,936,932	17,289,695	23,375,553	45,792,496	20,211,867	25,318,482	26,521,312	20,762,301	25,371,111
Net Change in fund balances before extraordinary item	53,402,120	(12,673,411)	(4,490,599)	33,498,851	30,074,064	(13,056,755)	(22,626,391)	(6,874,467)	802,305	42,023
Extraordinary items										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor										4,727,309
Net Change in fund balances	\$53,402,120	(\$12,673,411)	(\$4,490,599)	\$33,498,851	\$30,074,064	(\$13,056,755)	(\$22,626,391)	(\$6,874,467)	\$802,305	\$4,769,332
Debt service as a percentage of noncapital expenditures	3.2%	3.5%	3.0%	2.5%	4.3%	5.3%	5.7%	6.4%	3.5%	3.2%

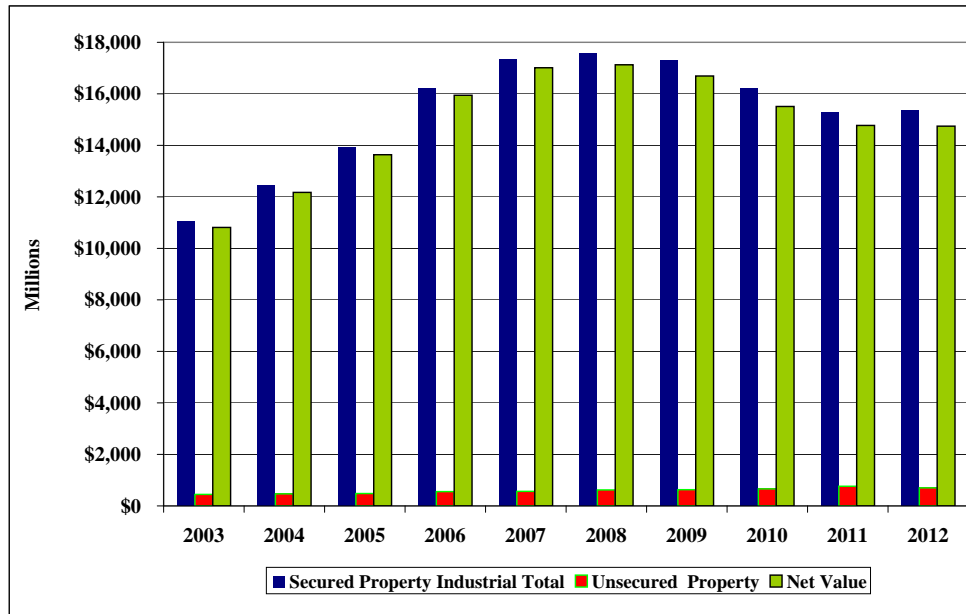
Source: The City's Comprehensive Annual Financial Report

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



<u>Fiscal Year</u>	<u>Amount</u>
2003	\$ 34,678,592
2004	38,031,918
2005	40,973,365
2006	42,642,035
2007	44,772,743
2008	40,982,384
2009	36,024,500
2010	32,139,544
2011	37,332,222
2012	38,129,931

**CITY OF ROSEVILLE
ASSESSED VALUE OF TAXABLE PROPERTY
Last Ten 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
2011	10,521,016,415	4,000,895,420	758,528,009	101,162	15,280,541,006
2012	10,456,972,867	4,260,626,087	635,856,511	1,018,887	15,354,474,352

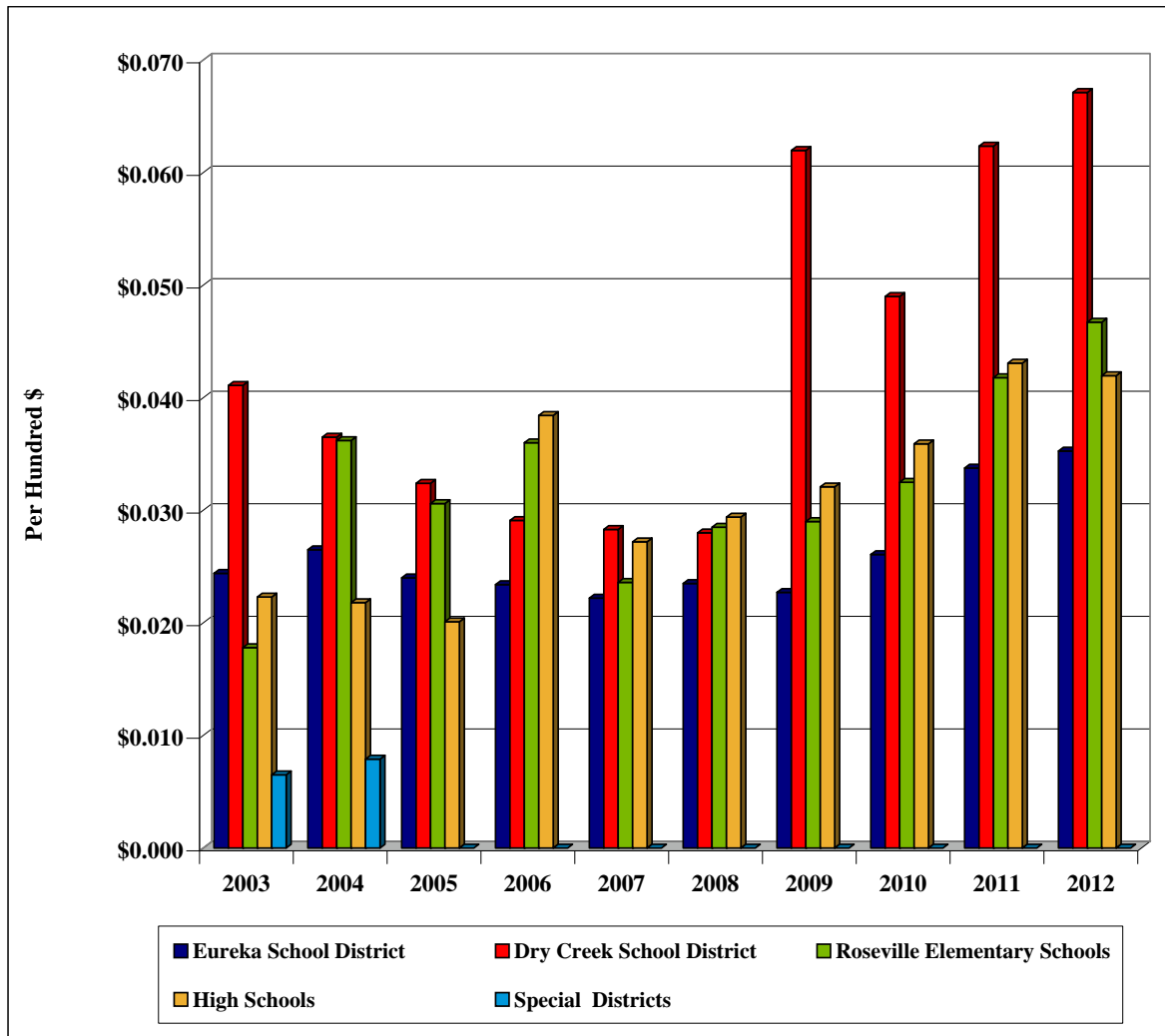
Fiscal Year	Unsecured Property	Total	Exemptions	Net Assessed Taxable Value (a)	Total Direct Tax Rate (b)
2003	\$446,943,880	\$11,496,321,895	\$684,643,531	\$ 10,811,678,364	1.00%
2004	468,186,210	12,897,991,293	725,853,455	12,172,137,838	1.00%
2005	480,940,504	14,396,415,235	759,609,695	13,636,805,540	1.00%
2006	555,222,925	16,764,737,374	820,535,692	15,944,201,682	1.00%
2007	566,119,267	17,918,240,779	904,619,833	17,013,620,946	1.00%
2008	620,295,739	18,205,395,856	1,077,954,891	17,127,440,965	1.00%
2009	630,015,617	17,946,446,848	1,254,666,993	16,691,779,855	1.00%
2010	660,486,365	16,878,594,024	1,370,013,305	15,508,580,719	1.00%
2011	764,948,846	16,045,489,852	1,272,455,247	14,773,034,605	1.00%
2012	700,575,926	16,055,050,278	1,309,160,400	14,745,889,878	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
DIRECT & OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**



Fiscal Year	Direct Rate	Overlapping Rates					Total**
	Basic County Wide Levy	Eureka School District	Dry Creek School District	Roseville Elementary Schools	High Schools	Special Districts	
2003	1.0000	0.0244	0.0411	0.0178	0.0223	0.0065	1.0566
2004	1.0000	0.0265	0.0365	0.0362	0.0218	0.0079	1.0628
2005	1.0000	0.0240	0.0324	0.0306	0.0201	N/A*	1.0491
2006	1.0000	0.0234	0.0291	0.0360	0.0384	N/A*	1.0679
2007	1.0000	0.0222	0.0283	0.0236	0.0272	N/A*	1.0519
2008	1.0000	0.0235	0.0280	0.0285	0.0294	N/A*	1.0561
2009	1.0000	0.0227	0.0620	0.0290	0.0321	N/A*	1.0700
2010	1.0000	0.0261	0.0490	0.0325	0.0359	N/A*	1.0718
2011	1.0000	0.0338	0.0624	0.0418	0.0431	N/A*	1.0890
2012	1.0000	0.0353	0.0671	0.0467	0.0420	N/A*	1.0917

* 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

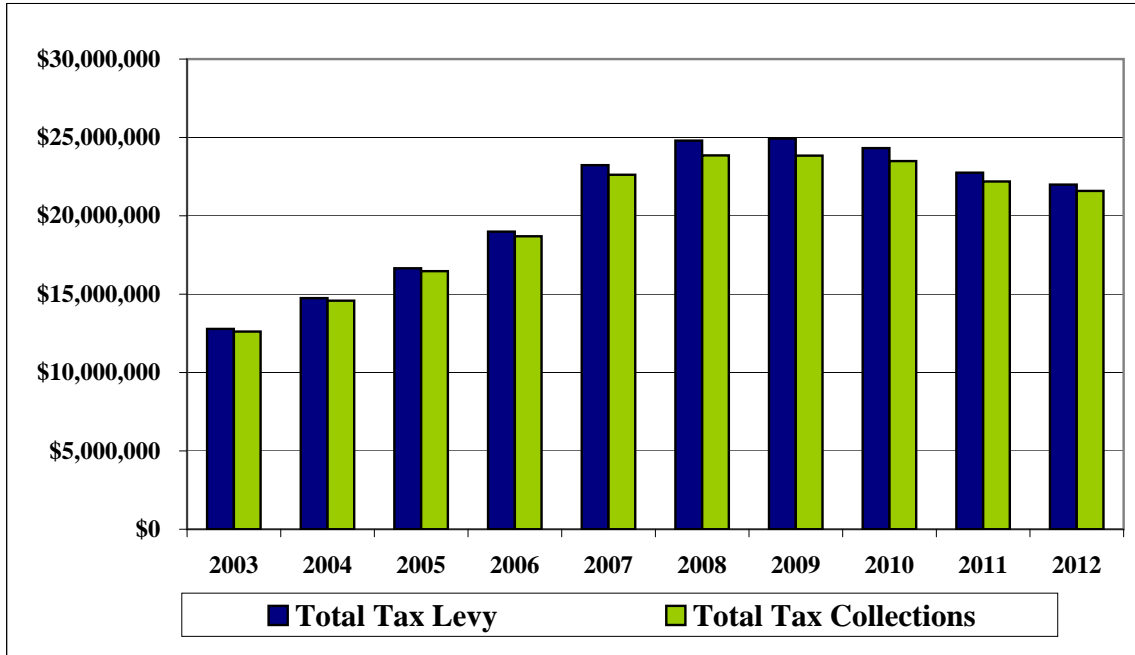
**CITY OF ROSEVILLE
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago**

Property Owner	Primary Land Use	Rank	2012			2003			
			Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Rank	
Roseville Shoppingtown LLC	Shopping Center	1	\$324,378,648	2.17%					
Hewlett Packard Co.	Industrial	2	229,428,122	1.53%	2	\$387,678,530	4.06%		
NEC Electronics USA Inc.	Industrial	3	85,437,082	0.57%	1	490,139,430	5.13%		
W2005 Fargo Hotels Pool C Realty LP	Hotel	4	85,110,617	0.57%					
Roseville Fountains LP	Shopping Center	5	61,960,863	0.41%					
CPT Creekside Town Center LLC	Shopping Center	6	58,945,000	0.39%					
Slate Creek Roseville LLC	Apartments	7	54,673,862	0.37%					
UCM Caiprosemeade LLC	Apartments	8	49,840,960	0.33%	6	48,629,410	0.51%		
Walmart Stores Inc.	Commercial	9	46,902,004	0.31%					
NNN Parkway Corporate Plaza LLC	Office Building	10	43,340,000	0.29%					
John L. Sullivan Family LP	Auto Dealership	11	43,031,192	0.29%					
Wells Fargo Bank NA	Commercial and Residential	12	42,852,014	0.29%					
Stone Point Properties LLC	Office Building	13	40,089,495	0.27%					
Safeway Inc.	Commercial	14	39,762,272	0.27%					
PL Roseville LLC	Shopping Center	15	35,701,990	0.24%					
Hines Douglas Corporate Center LP	Office Building	16	35,525,000	0.24%					
Rreef America REIT II Corp.	Office Building	17	35,100,000	0.23%					
Hines Summit at Douglas LP	Office Building	18	33,500,000	0.22%					
Property Reserve Inc.	Office Building	19	32,750,000	0.22%					
JB Management LP	Shopping Center	20	32,742,941	0.22%	16	28,877,784	0.30%		
Urban Roseville LLC	Shopping Center				3	149,603,630	1.63%		
Spieker Properties	Industrial/Commercial				4	67,400,000	0.74%		
Creekside Center LLC	Shopping Center				5	56,741,480	0.62%		
SI VII LLC	N/A				7	43,074,588	0.47%		
Homarose LP	N/A				8	39,321,000	0.43%		
Nordstrom Inc	Shopping Center				9	34,889,124	0.38%		
Preserve at Creekside LLC	Apartments				10	31,504,609	0.34%		
Macy's West Inc.	Shopping Center				11	31,098,518	0.34%		
Lava Ridge Associates LLC	Apartments				12	30,768,459	0.34%		
Evergreen Britannia land Joint Venture	Shopping Center				13	30,446,467	0.33%		
Lennar Renaissance Inc.	Residential				14	29,769,752	0.33%		
Fairfield Highland Reserve LP	Residential				15	29,140,778	0.32%		
Autumn Oaks 200 LLC	Apartments				17	28,541,517	0.31%		
Parkway Corporate Plaza LLC	Office Building				18	27,333,874	0.30%		
Vineyard Springs Estates LLC	Shopping Center				19	25,755,000	0.28%		
Roseville Development I & II LLC	Residential				20	25,353,636	0.28%		
			\$1,411,072,062	9.44%				\$1,636,067,586	17.44%

2011-2012 Local Secured Assessed Valuation: \$ 14,955,658,458
2002-2003 Local Secured Assessed Valuation: \$ 9,557,141,048

Source: California Municipal Statistics, Inc.

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



Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2003	\$12,779,733	\$12,611,041	98.68%
2004	14,747,241	14,582,072	98.88%
2005	16,653,884	16,469,026	98.89%
2006	18,987,819	18,695,407	98.46%
2007	23,231,927	22,616,281	97.35%
2008	24,795,852	23,856,089	96.21%
2009	24,932,869	23,840,809	95.62%
2010	24,317,144	23,490,361	96.60%
2011	22,749,169	22,191,814	97.55%
2012	21,991,913	21,585,063	98.15%

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**

Ten Largest Electric Customers as of 6/30/2012

<u>Customer (a)</u>	<u>Type of Business</u>	<u>% Total kWh</u>
Customer 1	Manufacturing	8.97%
Customer 2	Admin/Office/R&D	3.78%
Customer 3	Medical Care	2.72%
Customer 4	Government and Utilities	2.07%
Customer 5	Medical Care	1.81%
Customer 6	Retail and Property Management	1.55%
Customer 7	Telecommunications	1.04%
Customer 8	Retail	0.96%
Customer 9	Grocery	0.87%
Customer 10	Data Processing	0.85%

Electric Sales Revenue as of 06/30/2012

Residential	\$ 65,759,777
Commercial	88,609,521
Total Electric Revenue	<u>\$ 154,369,298</u>

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

**City of Roseville
Residential Energy Prices
Effective January 1, 2011**

Residential	
Basic Service Charge (per meter, per month)	\$10.00
Energy Charge (\$/kWh)	
Tier 1- up to 500 kWh/month	\$0.1083
Tier 2- 501 to 1,000 kWh/month	\$0.1541
Tier 3- greater than 1,000 kWh/month	\$0.1756
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
Environmental Compliance Charge (\$/kWh) ⁽²⁾	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

Special Residential Rates

Electric Rate Assistance Program ⁽³⁾	
Basic Service Charge (per meter, per month)	\$8.50
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0913
Tier 2- 501 to 1,000 kWh/month	\$0.1302
Tier 3- greater than 1,000 kWh/month	\$0.1485
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
Environmental Compliance Charge (\$/kWh) ⁽²⁾	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

Medical Support Rate Reduction ⁽⁴⁾	
Basic Service Charge (per meter, per month)	\$10.00
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0516
Tier 2- 501 to 1,000 kWh/month	\$0.1302
Tier 3- greater than 1,000 kWh/month	\$0.1485
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
Environmental Compliance Charge (\$/kWh) ⁽²⁾	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

Senior Citizen Rate Reduction ⁽⁵⁾	
Basic Service Charge (per meter, per month)	\$8.80
Energy Charges w/ discounts (\$/kWh):	
Tier 1- up to 500 kWh/month	\$0.0947
Tier 2- 501 to 1,000 kWh/month	\$0.1350
Tier 3- greater than 1,000 kWh/month	\$0.1539
Hydroelectric Adjustment (\$/kWh) ⁽¹⁾	\$0.00000
Environmental Compliance Charge (\$/kWh) ⁽²⁾	\$0.00500
State Energy Surcharge (\$/kWh)	\$0.00029

NOTES

- 1 There is no hydroelectric adjustment in effect through June 2012.
- 2 Customers enrolled in Roseville Electric's green energy program, Green Roseville, and pay to have 100% of their energy provided by renewable resources are exempt from the Climate Change Mitigation Charge.
- 3 An application must be submitted along with a copy of the most recent energy bill and proof of income. For complete program guidelines or to receive an application, call the City of Roseville's Housing and Redevelopment Office at 774-5270. This rate is 15% credit on all electric service charges.
- 4 An application must be completed for the Medical Support Rate reduction. A doctor's certification is also required. For more information or an application, please call the City of Roseville Finance Department at 774-5300.
This rate is a 50% credit on the first 500 kWh per month and 15% credit for usage >500 kWh.
- 5 Rate closed July 1, 1998. Seniors receive a twelve percent credit on all electric service charges.

**City of Roseville
Business Energy Prices
Effective January 1, 2011**

Small General Service (GS-1) (Demand < 20 kW) Basic Service Charge (per meter, per month) Energy Charge (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	\$15.50 \$0.1174 \$0.00000 \$0.00500 \$0.00029
Medium General Service (GS-2) (20 kW < Demand ≤ 500 kW) Basic Service Charge (per meter, per month) Demand Charge(\$/kW-month) Energy Charge (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	\$42.00 \$4.48 \$0.1121 \$0.00000 \$0.00500 \$0.00029
Large General Service (GS-3) (500 kW < Demand ≤ 1000 kW) Basic Service Charge (per meter, per month) Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	Winter Summer \$315.00 \$315.00 \$3.28 \$11.32 \$0.0715 \$0.0827 \$0.0921 \$0.1100 \$0.0921 \$0.1418 \$0.00000 \$0.00000 \$0.00500 \$0.00500 \$0.00029 \$0.00029
Very Large General Service (GS-4) (Demand > 1000 kW) Basic Service Charge (per meter, per month) Demand Charge (\$/kW-month) Energy Charge Off Peak (\$/kWh) On Peak (\$/kWh) Super Peak (\$/kWh) Hydroelectric Adjustment (\$/kWh) Environmental Compliance Charge (\$/kWh) State Energy Surcharge (\$/kWh)	Winter Summer \$380.00 \$380.00 \$3.18 \$10.96 \$0.0695 \$0.0801 \$0.0895 \$0.1068 \$0.0895 \$0.1375 \$0.00000 \$0.00000 \$0.00500 \$0.00500 \$0.00029 \$0.00029

Note: 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 date June through September

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

All Day Saturday, Sunday, and Holidays

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

Monday through Friday (Except Holidays)

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

Holidays are defined as: New Years Day, Martin Luther King Day, Presidents' Day, Memorial Day, Labor Day,

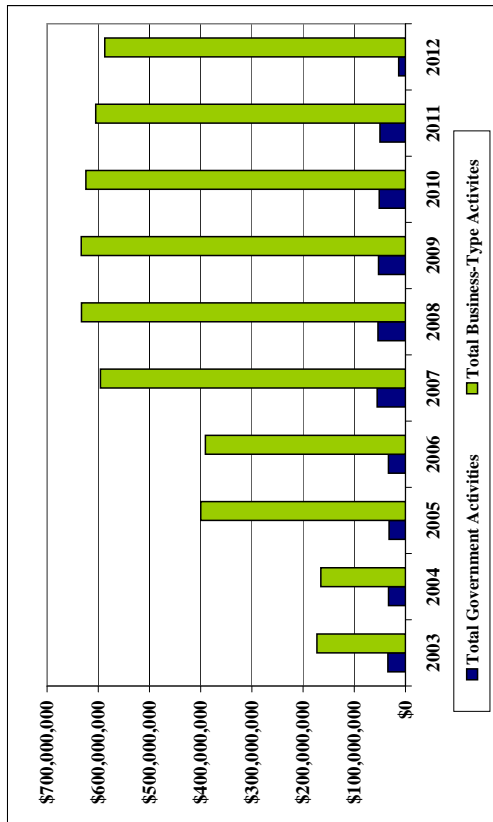
Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

There is no hydroelectric adjustment in effect through June 2013.

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

A 2% discount is available for primary service customers.

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



Fiscal Year	Governmental Activities			Other Long Term Obligations	Total
	Tax Allocation Bonds	Certificates of Participation	Installment Purchase Obligations		
2003	\$14,500,000	\$18,755,000	\$1,077,800	\$11,716	\$34,344,516
2004	14,180,000	18,275,000	635,743	9,083	33,099,826
2005	13,960,000	17,710,000	306,140	6,250	31,982,390
2006	13,735,000	17,105,000	2,436,986	3,223	33,280,209
2007	36,405,000	16,490,000	2,390,707		55,285,707
2008	35,745,000	15,860,000	2,089,716		53,694,716
2009	35,305,000	15,220,000	2,145,277		52,670,277
2010	34,845,000	14,560,000	1,868,055		51,273,055
2011	34,365,000	13,885,000	1,620,430		49,870,430
2012	[c]	13,190,000	125,785		13,315,785

Fiscal Year	Business-Type Activities							Other Long Term Obligations	Percentage of Placer County Personal Income [a]	Debt Per Capita [a]
	Electric System Revenue	Golf Course Refunding Bonds	Water Utility Revenue	Wastewater Revenue Bonds	Gas Revenue Bond	Total Primary Government	Total Government			
2003	\$40,774,524	\$8,185,000	\$28,575,000	\$95,155,022	\$201,493	\$172,891,039	\$207,235,555	18.93%	\$2,285	
2004	35,808,204	8,240,000	27,350,000	93,738,248	192,155	165,328,607	198,428,433	16.63%	2,054	
2005	273,325,043	7,945,000	26,075,000	92,390,603	182,351	399,917,997	431,900,387	33.04%	4,226	
2006	267,326,882	7,630,000	24,740,000	90,977,962	172,056	390,846,900	424,127,109	29.77%	4,053	
2007	266,098,723	7,310,000	23,345,000	89,494,883	161,246	595,759,852	651,045,559	43.11%	6,127	
2008	271,323,395	6,985,000	55,611,761	89,572,262		632,842,418	686,537,134	42.24%	6,290	
2009	267,662,000	6,650,000	53,860,879	89,193,072		633,317,336	685,987,613	43.15%	6,106	
2010	268,431,581	6,310,000	52,039,997	88,800,339		624,147,392	675,420,447	[b]	5,834	
2011	260,127,436	5,960,000	50,149,114	87,906,198		605,057,313	654,927,743	[b]	5,431	
2012	254,404,084	5,600,000	48,178,231	86,271,586		587,367,556	600,683,341	[b]	4,921	

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

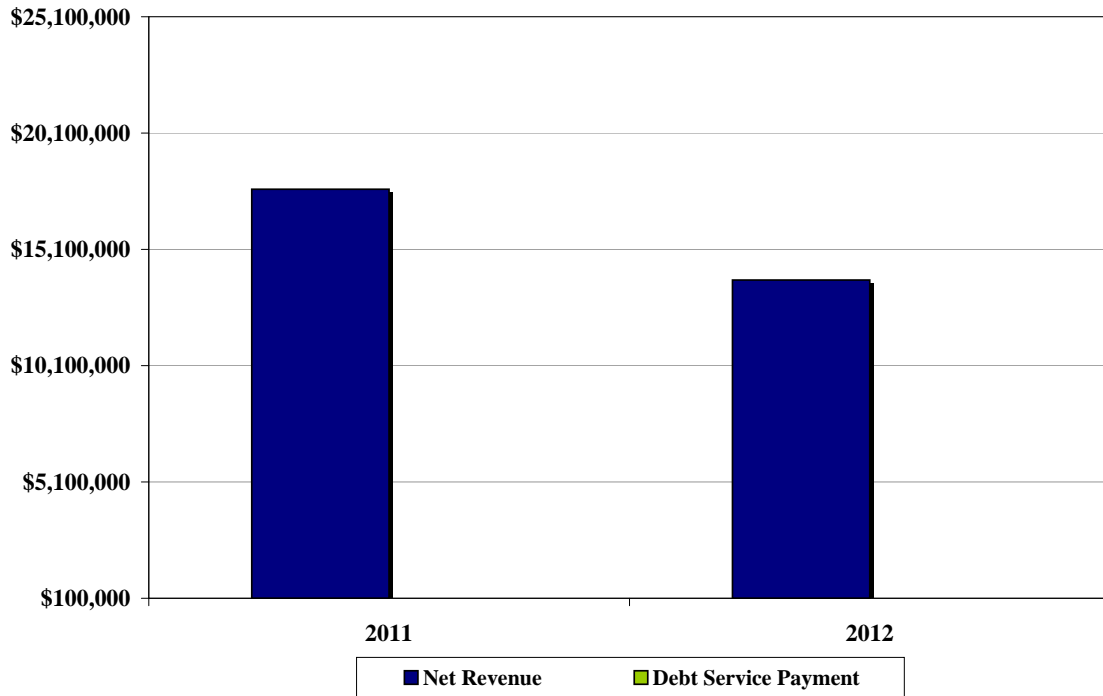
[a] These ratios are calculated using personal income and population as shown on the Demographics Statistics page.

[b] Total personal income information not available.

[c] Tax Allocation Bonds are zero; The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

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)

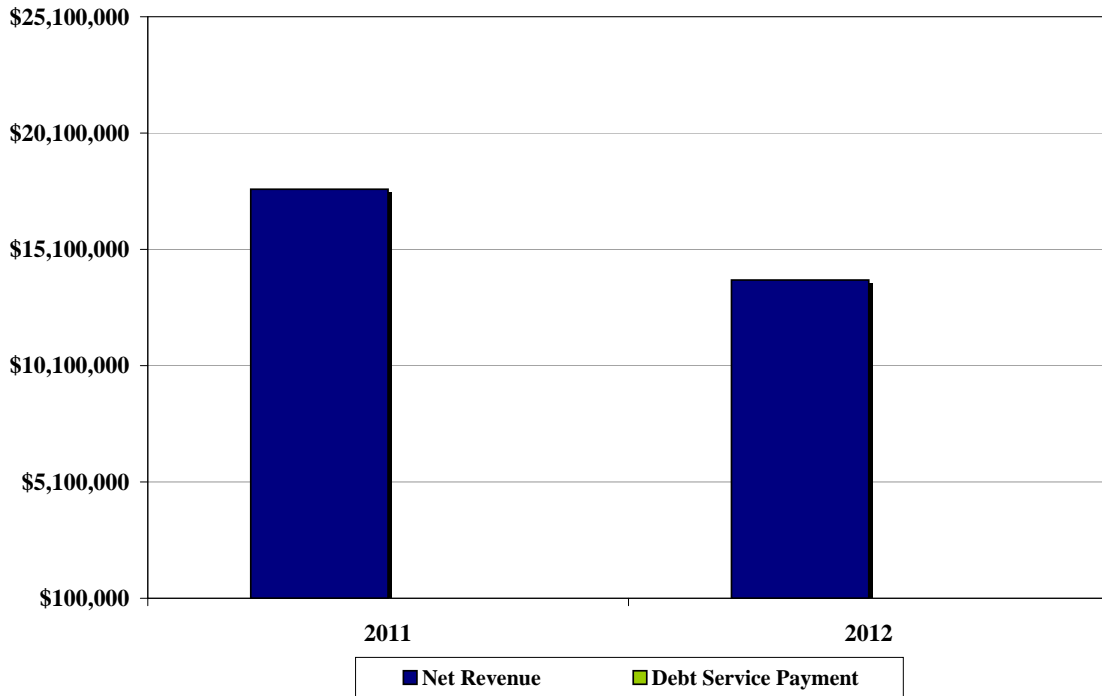
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES A
Last Two Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$5,690	\$5,690	3107.79
2012	32,738,613	18,957,898	13,780,715	0	16,000	16,000	861.29

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

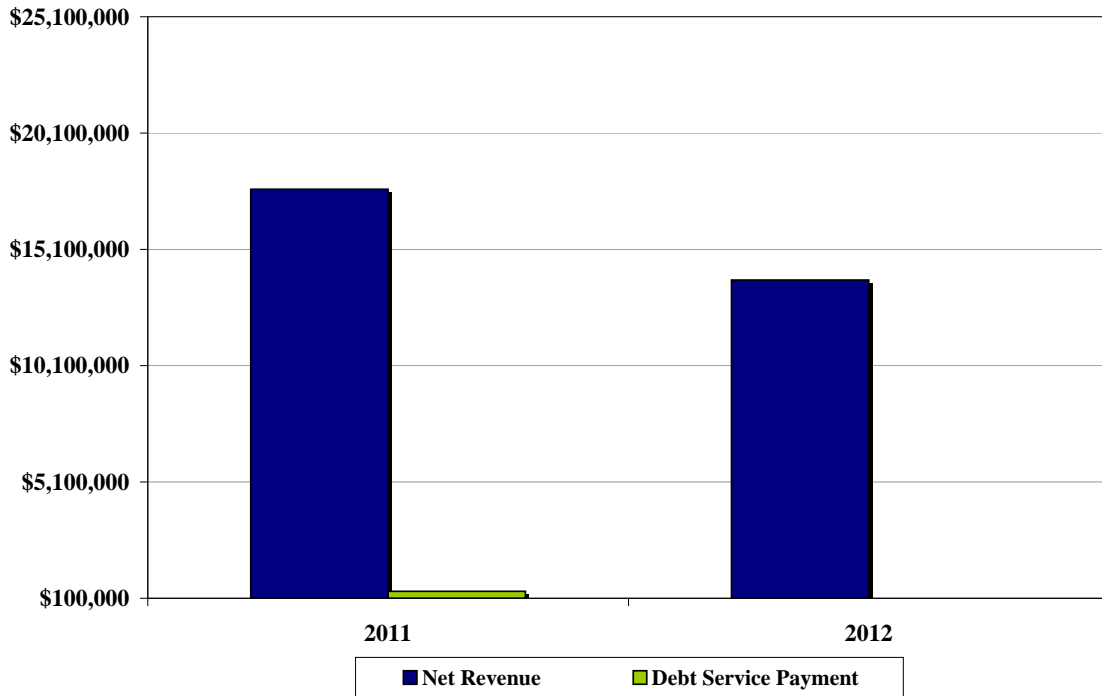
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING VARIABLE RATE WASTEWATER REVENUE BONDS SERIES B
Last Two Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$5,689	\$5,689	3108.30
2012	32,738,613	18,957,898	13,780,715	0	15,997	15,997	861.43

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

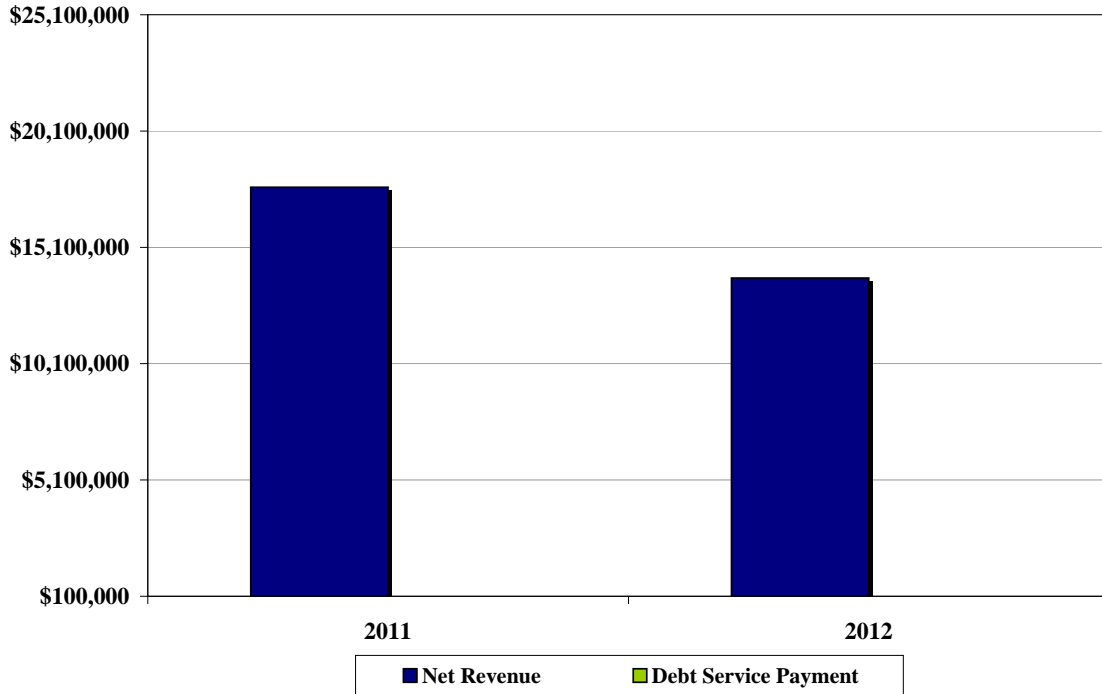
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING FIXED RATE WASTEWATER REVENUE BONDS SERIES C
Last Two Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$400,337	\$400,337	44.17
2012	32,738,613	18,957,898	13,780,715	1,457,173	1,721,010	3,178,183	4.34

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

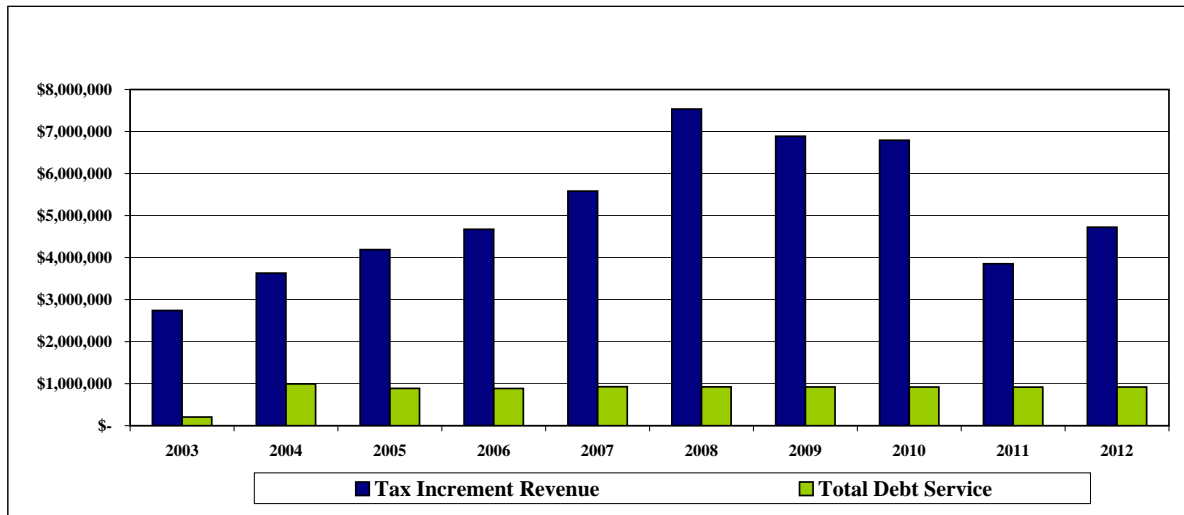
**CITY OF ROSEVILLE
REVENUE BOND COVERAGE
2011 REFUNDING SIFMA INDEX WASTEWATER REVENUE BONDS SERIES D
Last Two Fiscal Years**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$34,177,527	\$16,494,109	\$17,683,418	\$0	\$38,820	\$38,820	455.53
2012	32,738,613	18,957,898	13,780,715	0	160,193	160,193	86.03

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 Ten Fiscal Years**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2003	\$2,740,656	(b)	\$205,692	\$205,692	\$14,500,000	0.13
2004	3,630,050	\$320,000	674,550	994,550	14,180,000	0.04
2005	4,190,987	220,000	666,450	886,450	13,960,000	0.05
2006	4,673,904	225,000	659,775	884,775	13,735,000	0.05
2007	5,581,407 (a)	275,000	651,875	926,875	13,460,000	0.06
2008	7,535,590 (a)	280,000	642,750	922,750	13,180,000	0.08
2009	6,888,510 (a)	290,000	632,125	922,125	12,890,000	0.07
2010	6,792,567 (a)	300,000	619,875	919,875	12,590,000	0.07
2011	3,853,172 (a)	310,000	607,225	917,225	12,280,000	0.04
2012	4,724,200 (a) (c)	325,000	594,050	919,050 (c)	11,955,000	0.05

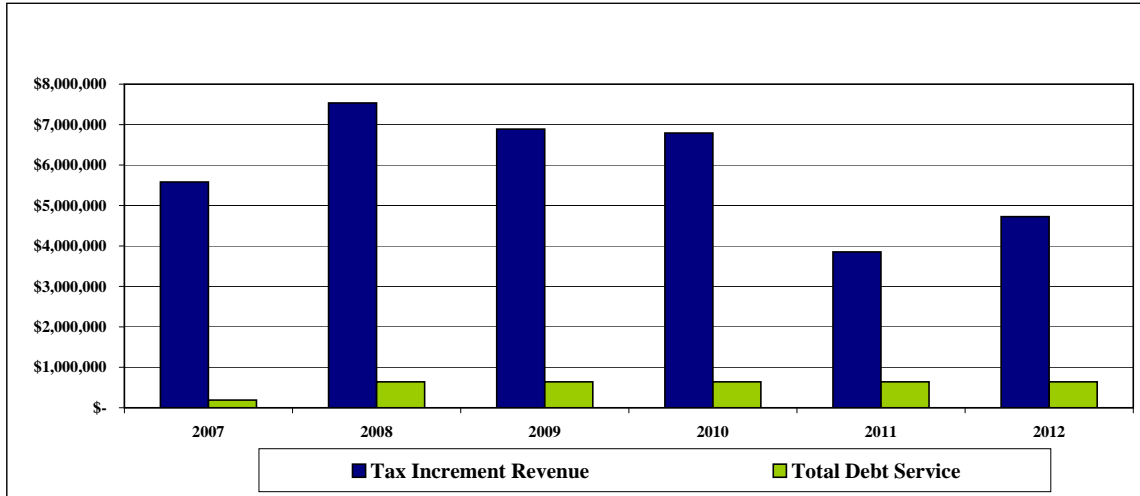
(a) Tax Incremental Revenue for RDA 2002, RDA 2006A, and RDA 2006AT are combined into one figure representing their combined revenue.

(b) Bonds issued October 2002

(c) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

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



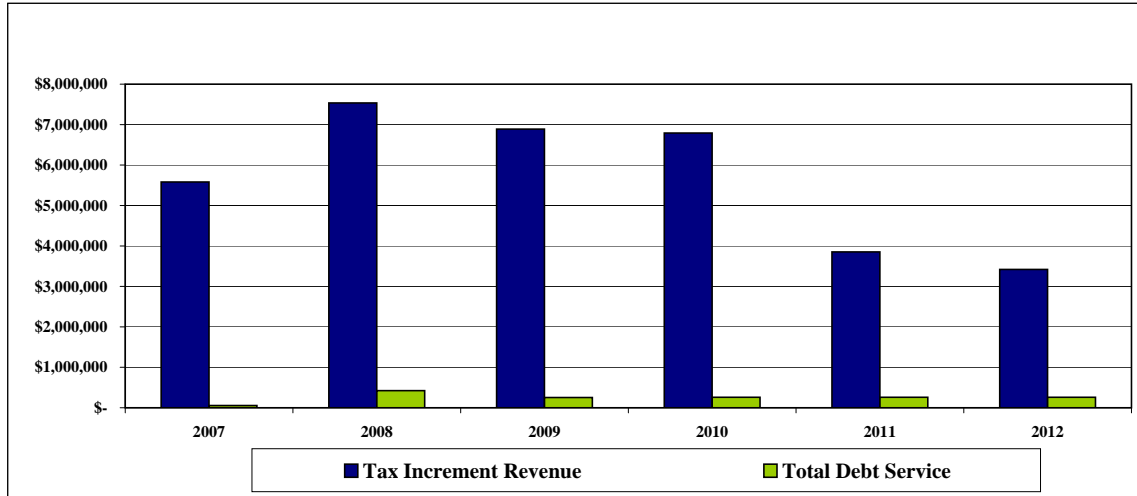
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)	\$0	\$190,408	\$190,408	\$13,155,000	0.29
2008	7,535,590 (a)	0	640,625	640,625	13,155,000	0.12
2009	6,888,510 (a)	0	640,625	640,625	13,155,000	0.11
2010	6,792,567 (a)	0	640,625	640,625	13,155,000	0.11
2011	3,853,172 (a)	0	640,625	640,625	13,155,000	0.06
2012	4,724,200 (a)(b)	0	640,625	640,625 (b)	13,155,000	0.07

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

(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

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



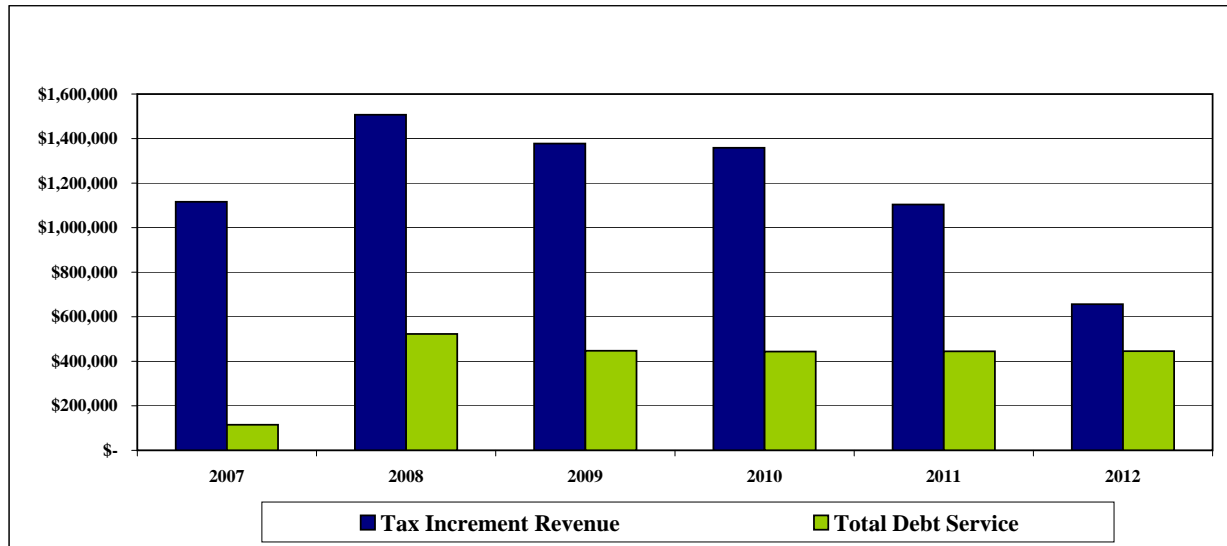
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$5,581,407 (a)	\$0	\$56,168	\$56,168	\$3,285,000	0.99
2008	7,535,590 (a)	240,000	182,605	422,605	3,045,000	0.18
2009	6,888,510 (a)	80,000	174,109	254,109	2,965,000	0.27
2010	6,792,567 (a)	90,000	169,596	259,596	2,875,000	0.26
2011	3,853,172 (a)	95,000	164,684	259,684	2,780,000	0.15
2012	3,419,138 (a)(b)	100,000	159,507	259,507 (b)	2,680,000	0.13

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

(b) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency.

Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.

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



Fiscal Year	20% Set Aside	Debt Service Requirements			Principal Outstanding	Coverage
		Principal Payment	Interest Due	Total Debt Service		
2007	\$1,116,281	\$0	\$114,895	\$114,895	\$6,505,000	0.10
2008	1,507,118	140,000	382,846	522,846	6,365,000	0.03
2009	1,377,575	70,000	377,270	447,270	6,295,000	0.03
2010	1,358,641	70,000	373,553	443,553	6,225,000	0.03
2011	1,103,919	75,000	369,703	444,703	6,150,000	0.02
2012	656,429	80,000	365,588	445,588 (a)	6,070,000	0.01

(a) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include debt service of both the former Redevelopment Agency and the Successor Agency. After January 31, 2012, the Successor Agency is no longer required to set-aside 20% of tax revenue for low and moderate income housing, but the tax revenue collected by the Successor Agency is pledged for the repayment of the 2006HT Bonds.

CITY OF ROSEVILLE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2012

2011-12 Assessed Valuation:	\$14,955,658,458
Redevelopment Incremental Valuation:	593,089,384
Adjusted Assessed Valuation:	\$14,362,569,074

	Total Debt 6/30/2012	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	\$ 95,427,900	73.908%	\$ 70,528,852
Roseville Joint Union High School District SFID No. 1	4,730,624	95.033%	4,495,654
Rocklin Unified School District	72,289,449	0.013%	9,398
Dry Creek Joint School District	47,618,606	58.166%	27,697,838
Eureka Union School District	5,250,716	36.396%	1,911,051
Roseville City School District	29,787,844	97.791%	29,129,831
City of Roseville Community Facilities Districts	352,634,000	100.000%	352,634,000
California Statewide Communities Development Authority Assessment Districts	18,312,700	6.701%-100%	14,999,699
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 501,406,323
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Placer County Certificates of Participation	\$ 46,195,000	28.831%	\$ 13,318,480
Placer County Office of Education Certificates of Participation	2,120,000	28.831%	611,217
Sierra Joint Community College District Certificates of Participation	12,470,000	21.126%	2,634,412
Roseville Joint Union High School District Certificates of Participation	3,020,000	73.908%	2,232,022
Rocklin Unified School District Certificates of Participation	19,890,000	0.013%	2,586
Eureka Union School District Certificates of Participation	4,865,000	36.396%	1,770,665
Roseville City School District Certificates of Participation	12,070,000	97.791%	11,803,374
Placer Mosquito and Vector Control District Certificates of Participation	4,485,000	28.831%	1,293,070
City of Roseville Certificates of Participation	18,790,000	100.000%	18,790,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 52,455,826
 TOTAL DIRECT DEBT			\$ 18,790,000
TOTAL OVERLAPPING DEBT			\$ 535,072,149 (2)
 COMBINED TOTAL DEBT			\$ 553,862,149

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

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

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$18,790,000)	0.13%
Combined Total Debt	3.86%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: \$0

Source: California Municipal Statistics, Inc.

CITY OF ROSEVILLE
COMPUTATION OF LEGAL BONDED DEBT MARGIN
June 30, 2012

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$14,955,658,458
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$560,837,192
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$600,683,341
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	600,683,341

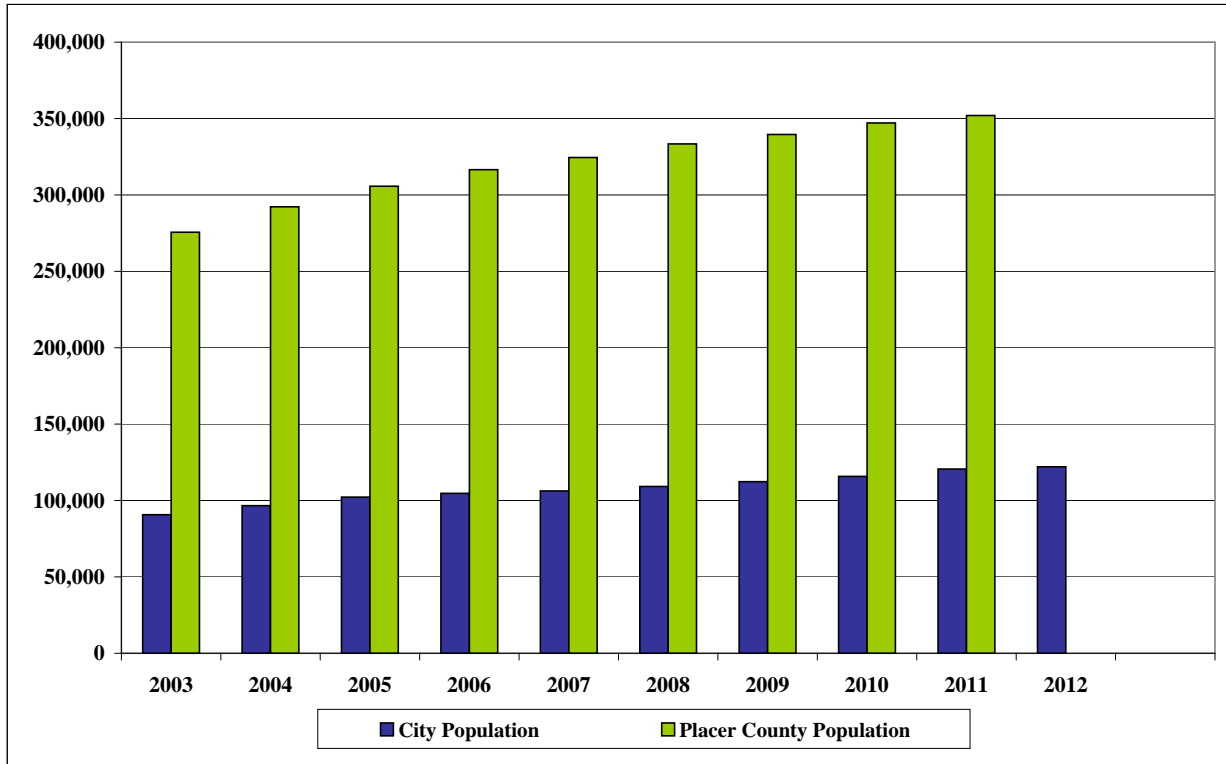
Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$560,837,192
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Fiscal Year*	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2003	\$358,392,538	\$0	\$358,392,538	0.00%
2004	394,584,662	0	394,584,662	0.00%
2005	445,276,653	0	445,276,653	0.00%
2006	500,173,479	0	500,173,479	0.00%
2007	584,311,626	0	584,311,626	0.00%
2008	624,162,731	0	624,162,731	0.00%
2009	626,993,562	0	626,993,562	0.00%
2010	611,493,748	0	611,493,748	0.00%
2011	567,178,798	0	567,178,798	0.00%
2012	560,837,192	0	560,837,192	0.00%

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**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	City of Roseville Unemployment Rate (%)	Placer County Population	City Population % of County
2003	90,700	\$10,946,842	\$37,303	4.9%	275,600	32.91%
2004	96,600	11,933,069	38,958	4.5%	292,235	33.06%
2005	102,191	13,070,082	41,248	4.0%	305,675	33.43%
2006	104,655	14,247,775	43,937	4.2%	316,508	33.07%
2007	106,266	15,101,855	45,471	4.9%	324,495	32.75%
2008	109,154	16,252,937	47,657	6.6%	333,401	32.74%
2009	112,343	15,898,900	45,614	10.6%	339,577	33.08%
2010	115,781	16,464,986	47,012	11.3%	347,102	33.36%
2011	120,593	(b)	(b)	11.4%	352,000	34.26%
2012	122,060	(b)	(b)	10.0%	(b)	(b)

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

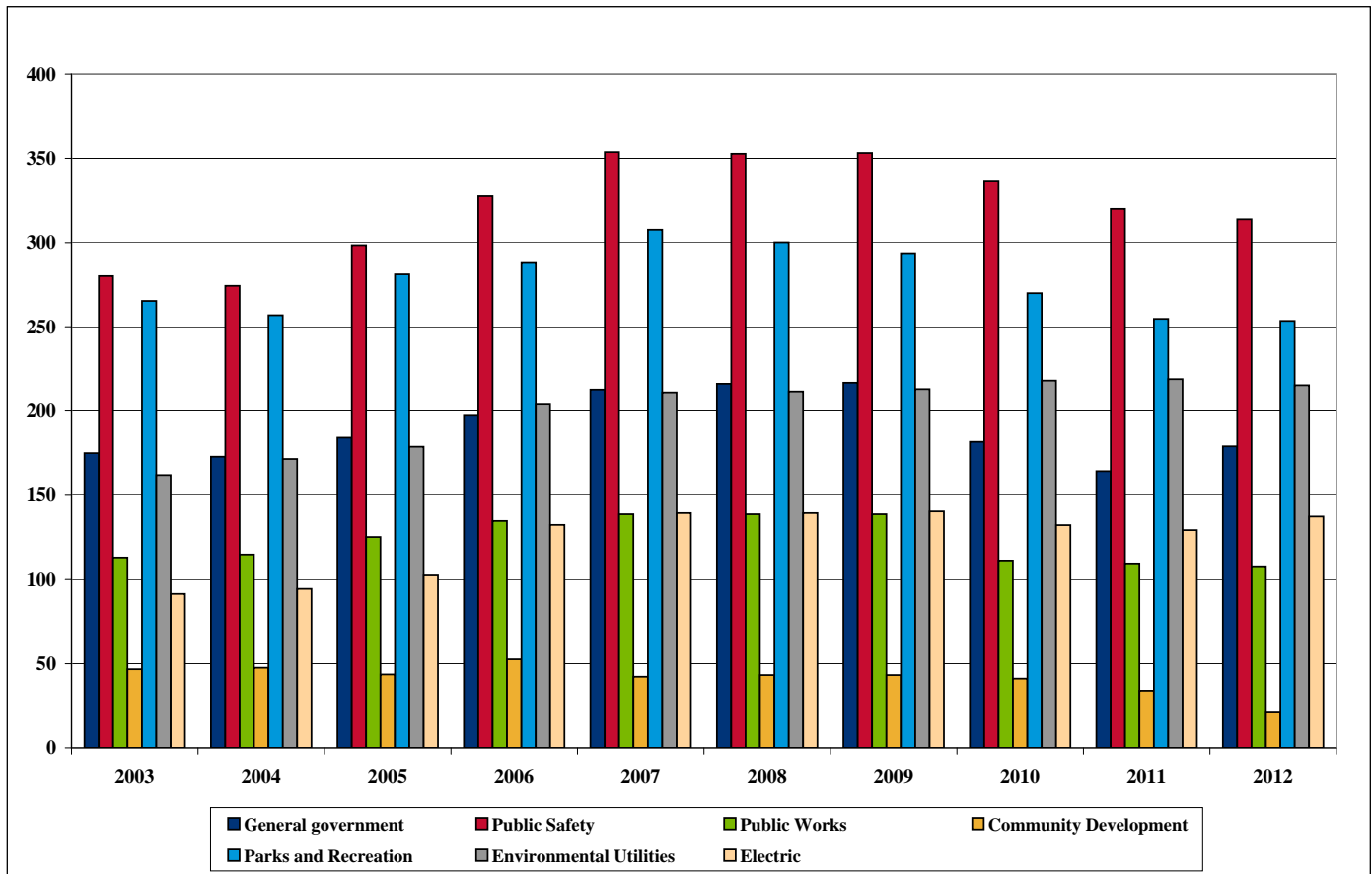
Source: Bureau of Economic Analysis
Placer County
State of California Department of Finance
State of California Employment Development Department

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

Employer	2012			2003		
	Number of Employees	Rank	Percentage of Total City Employees	Number of Employees	Rank	Percentage of Total City Employees
Hewlett-Packard	3,200	2	4.50%	4,500	1	7.03%
Kaiser Permanente	4,430	1	6.23%	2,400	2	3.75%
Sutter Roseville Medical Center	1,654	4	2.33%	1,500	3	2.34%
Union Pacific Railroad	1,118	6	1.57%	1,294	4	2.02%
City of Roseville	1,227	3	1.73%	1,000	5	1.56%
Roseville Joint Union High School District	1,299	5	1.83%	923	6	1.44%
Sure West				817	7	1.28%
Earthlink				715	8	1.12%
Roseville Elementart School District	929	7	1.31%	661	9	1.03%
Autonation				634	10	0.99%
PRIDE	661	9	0.93%	500	13	0.78%
Wal-Mart (2 stores)	790	8	1.11%			
Telefunken Semiconductors America	640	10	0.90%			
Subtotal	<u>15,948</u>		<u>22.44%</u>	<u>14,944</u>		<u>23.35%</u>
Total Employment*	<u>71,067</u>			<u>64,000</u>		

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

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



Adopted for Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General government	175.06	172.95	184.23	197.23	212.71	216.21	216.79	181.75	164.38	179.09
Public Safety	280.07	274.24	298.43	327.46	353.69	352.69	353.18	336.75	319.90	313.78
Public Works	112.54	114.29	125.29	134.77	138.77	138.77	138.77	110.75	109.03	107.33
Community Development	46.74	47.63	43.63	52.63	42.25	43.25	43.25	41.17	33.98	21.00
Parks and Recreation	265.33	256.83	281.12	287.86	307.65	300.19	293.70	269.89	254.65	253.43
Environmental Utilities	161.47	171.57	178.82	203.74	211.03	211.59	213.00	218.09	218.90	215.32
Electric	91.46	94.46	102.46	132.46	139.46	139.46	140.46	132.29	129.33	137.39
Total	1,132.67	1,131.97	1,213.98	1,336.15	1,405.56	1,402.16	1,399.15	1,290.69	1,230.17	1,227.34

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety:										
Fire:										
Number of Haz-Mat alarms answered	151	126	134	413	330	287	194	192	172	199
Number of medical emergencies answered	5,063	5,234	5,228	6,458	6,622	6,737	6,967	7,485	7,836	8,429
Total Number of alarms answered	7,730	8,390	8,023	9,784	10,065	9,492	8,694	9,129	9,609	10,006
Police:										
Law violations:										
Physical arrests (adult and juvenile)	4,652	4,120	5,578	7,602	7,360	5,464	5,245	4,520	5,845	4,264
Traffic citations	19,432	11,382	15,260	18,587	19,893	18,883	20,889	19,033	6,404	4,826
Public works:										
Total building permits issued	5,663	5,718	4,434	5,703	4,272	4,849	3,975	3,884	4,078	4,338
Total square feet of street maintenance performed	5,202,440	3,174,672	9,529,760	3,763,328	7,707,910	3,853,433	7,648,976	4,501,241	4,342,272	3,375,318
Park and recreation:										
Community Services:										
Number of participants in Cultural Art classes	4,767	6,582	3,029	3,447	1,926	1,520	2,688	n/a	n/a	n/a Note 1
Total attendance Youth/Adult/Senior programs								299,134	301,906	265,736
Total attendance to aquatic facilities	331,561	361,104	271,377	234,542	243,429	235,548	250,182	266,931	278,860	306,455 Note 2
Library:										
Number of materials checked out	508,809	510,421	554,174	627,317	685,097	818,428	946,224	1,001,179	994,990	1,058,434 Note 3
Water:										
Average Daily Consumption (in gallons)	26.6M	28.77M	26.82M	27.26M	30.43M	28.15M	28.19M	25.6 M	25.9M	
Number of backflow devices tested	3,644	3,817	4,122	3,836	4,348	4,679	4,728	4,895	4,965	4,558
Number of meters sold	1,720	1,870	1,987	1,800	1,031	1,917	2,268	807	497	555
Wastewater:										
Number of miles of sewer mains flushed	401	419	448	427	218	280	258	209	284	277
Total preventative work orders completed	2,599	2,192	3,107	7,065	9,247	n/a	n/a	n/a	n/a	n/a Note 4
% of preventative work orders hours						43.1%	45.5%	48.0%	55%	n/a Note 5
Solid Waste:										
Number of incoming phone calls	37,954	37,943	22,684	23,672	26,870	26,491	22,340	25,369	24,538	22,898
Tons of solid waste collected	95,151	99,082	98,910	102,370	100,148	96,265	89,512	87,446	89,125	87,336
Electric:										
Number of customers participating in energy efficiency programs and solar programs	1,231	2,124	2,793	3,123	3,663	2,949	6,333	3,477	4,188	3,443
Number of trees planted (Shade Tree Program)	1,065	836	625	621	628	842	1,106	611	680	795

- 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).
 - 5 - Data not available for FY11-12 due to change in software (Maximo) used by the City.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
Public safety:										
Fire stations	6	6	7	7	8	8	8	8	8	8
Police stations	1	1	1	1	1	1	1	1	1	1
Number of Police patrol cars	63	75	97	110	107	107	106	51	49	58
Public works:										
Miles of streets	400	428	432	455	475	432	428	429	432	438
Number of Traffic Signals	134	133	135	141	150	154	162	165	166	167
Park and recreation:										
Community services:										
Golf courses (18 holes)	40	40	2	2	2	2	2	2	2	2
City parks	n/a	57	48	53	56	58	61	61	63	66
Miles of creek	2	2	57	60	60	60	60	60	60	60
Swimming pools	4	4	4	4	4	4	4	3	3	3
Tennis courts	12	12	12	12	12	14	16	16	16	16
Library:										
City Libraries	2	2	3	3	3	3	3	3	3	3
Water										
Miles of water mains	450	480	494	506	540	556	562	567	569	569
Fire hydrants	3,653	4,499	3,881	3,978	4,278	4,413	4,473	4,514	4,533	4,542
Wastewater										
Miles of sanitary sewers	600	600	460	447	472	485	485	492	493	487
Miles of storm drain	410	420	352	435	474	376	373	382	348	349
Solid Waste:										
Number of new residential refuse customers	2,137	1,490	1,062	705	809	984	800	750	522	537
Electric:										
Number of residential customers	38,054	40,312	41,883	43,001	43,793	44,662	45,478	46,400	47,021	47,611
Number of commercial customers	4,720	5,101	5,410	5,523	5,788	6,038	6,349	6,411	6,437	6,505

Note 1

Note:

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

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