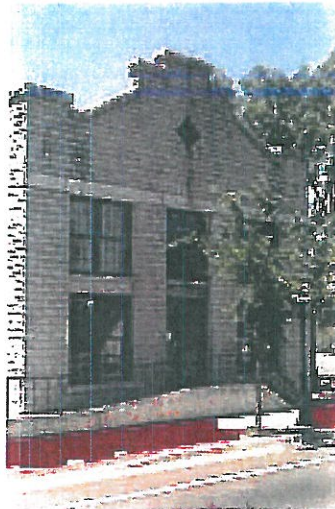


CITY OF ROCKLIN, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2010



Prepared by:
Finance Division –
Kim Sarkovich, Chief Financial Officer

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**City of Rocklin, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2010**

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City of Rocklin

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Rocklin, California 95677-2720
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March 22, 2011

Citizens of Rocklin
Honorable Mayor
And Members of the City Council

This inaugural Comprehensive Annual Financial Report for the City of Rocklin, California (the City), for the Fiscal Year ended June 30, 2010 is hereby submitted for your review.

This report consists of management's representations concerning the finances of the City and assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The audit firm of JJACPA, Inc., has issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report (page 1)

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements with emphasis on those involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in combination with it. The City's MD&A can be found immediately following the independent auditor's report.

Information 916.625.5000

Administrative Services 916.625.5000 • City Hall 916.625.5560 • Community Development 916.625.5100
Community Services & Facilities 916.625.5200 • Fire 916.625.5300 • Police 916.625.5400 • Public Works 916.625.5500

Profile of the Government

The City, incorporated in 1893, is located on Interstate 80 and Highway 65, 20 miles northeast of Sacramento at the base of the Sierra foothills in Placer County, California. The City encompasses 20 square miles, with a population of 56,019 at January 1, 2010.

The City operates according to the Council-City Manager form of government which vests authority in an elected City Council. The City Council is the City's legislative and policy-making body and appoints the City Manager who is responsible for the overall administration of the City. In addition to the appointment of the City Manager, the City Council also appoints the City Attorney, City Treasurer, City Clerk and members of the Planning Commission, Parks & Recreation Commission and Front Street Historical Committee.

The City Council also acts as the Board of Directors for the Rocklin Redevelopment Agency and the Rocklin Public Finance Authority. The Rocklin Redevelopment Agency, which is a separate legal entity, was formed under the California Community Redevelopment Law for the purpose of economic development and provides services entirely for the benefit of the City. The City Council appoints members to the Rocklin Redevelopment Citizens Advisory Committee. The Rocklin Public Finance Authority was formed as a joint powers authority between the City and the Rocklin Redevelopment Agency to serve as a financing mechanism of various capital projects. For financial reporting purposes the Rocklin Redevelopment Agency and the Rocklin Public Finance Authority are considered component units of the City of Rocklin and are incorporated within this document. Additional information on these legally separate entities can be found in Note 1 in the notes to the financial statements. (Page 33)

The City provides the following public services: public safety (police, fire), planning and zoning, street repair and maintenance, culture and recreation, economic development and general administrative services.

The annual budget serves as the foundation for the City's financial planning and control. Through the annual budget process City Council appropriates funds in order to provide public services. Activities of General, Special Revenue, Debt Service, Capital Project, and Internal Service Funds are included in the annual budget appropriation. The annual budget process begins with detailed requests from each department submitted for evaluation to the City Manager. The City Manager may revise these budget requests and then a draft budget is prepared and submitted to City Council by May 15th. City Council reviews and possibly revises the draft budget in a workshop open to the public. Per Chapter 3.28 of the Rocklin Municipal Code, the final budget must be presented to and adopted by City Council before June 30th of each year.

Acknowledgements

The preparation of this inaugural Comprehensive Annual Financial Report for the City of Rocklin would not have been possible without the efficient, dedicated efforts of the City's Finance Division, the auditing firm of JJACPA, Inc., and the cooperation of the numerous departments throughout the City. Also, I would like to thank the City Council for their leadership and support in planning and conducting the financial operations of the City.

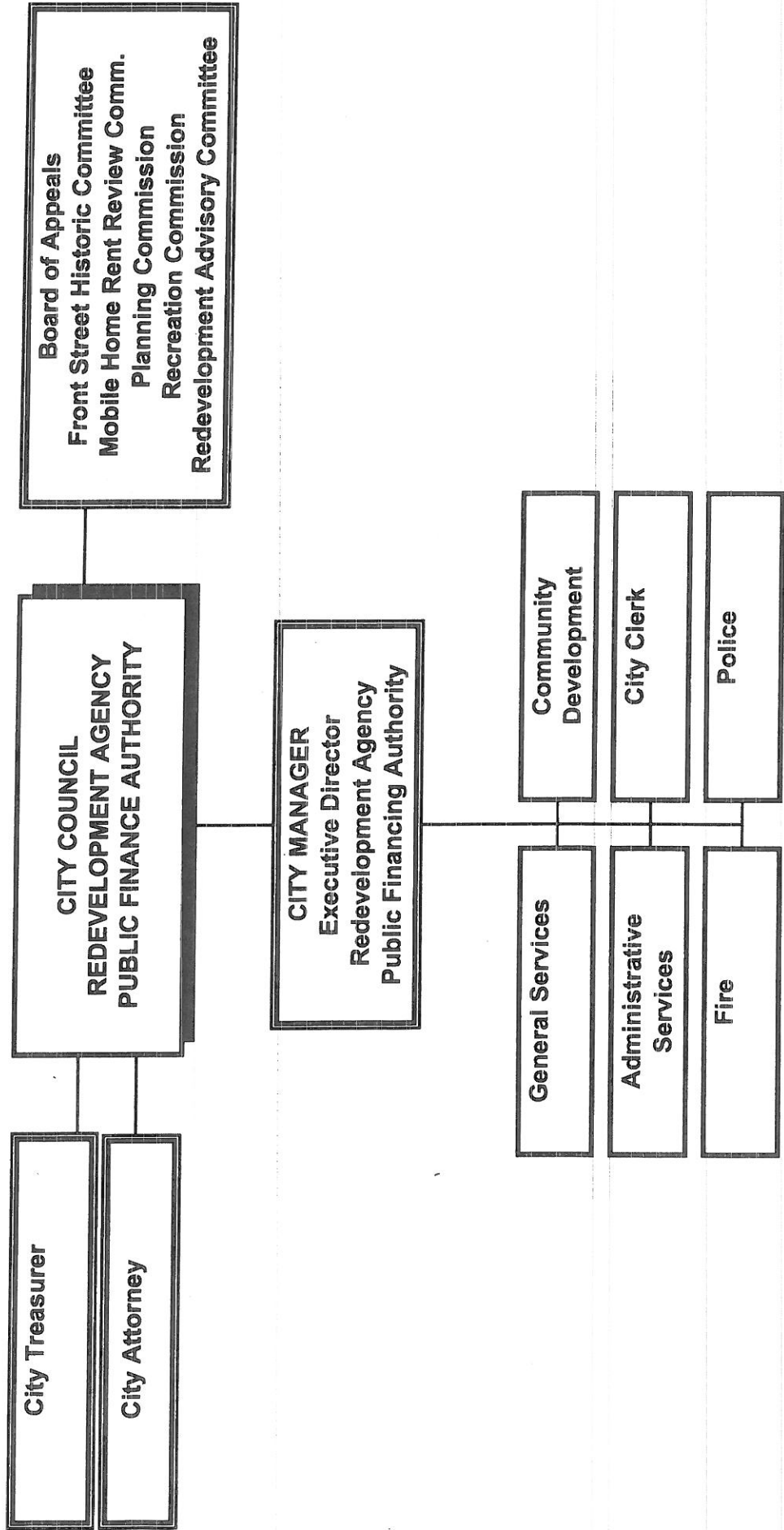
Respectfully submitted,

A handwritten signature in black ink that reads "Kim Sarkovich". The signature is written in a cursive style with a large, stylized initial "K".

Kim Sarkovich
Chief Financial Officer

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CITY OF ROCKLIN



City of Rocklin
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010

City Council

Scott Yuill, Mayor
George Magnuson, Vice Mayor
Peter Hill, Council Member
Kathy Lund, Council Member
Brett Storey, Council Member

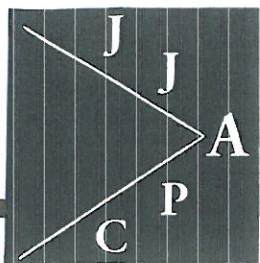
City Attorney

Russell E. Hildebrand

Management Staff

Carlos A. Urrutia, City Manager
Mark Riemer, Interim Asst. City Manager

Mark Siemens, Chief of Police
Bill Mikesell, Fire Chief
Judy LaPorte, Director of Administrative Services
Kim Sarkovich, City Treasurer/Chief Financial Officer



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
of the City of Rocklin
Rocklin, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rocklin, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management; our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's June 30, 2009, financial statements, and in our report dated March 25, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

To the Honorable Mayor and City Council
of the City of Rocklin
Rocklin, California
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, which includes the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

March 22, 2011


JJACPA, INC.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis

As management for the City of Rocklin (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. We encourage readers to consider this document in conjunction with the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of fiscal year 2009-10 by \$404,083,936 (*net assets*). Of this amount, \$51,212,204 in *unrestricted net assets* is available to meet ongoing obligations to citizens and creditors, \$16,013,886 in *restricted net assets* must be used only for specific purposes and \$336,857,846 is *invested in capital assets, net of related debt*.
- The City's total net assets decreased by \$14,559,341 primarily due to a reduction in program and general revenues, a decrease in capital assets and an increase in the OPEB obligation.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report has three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules; and,
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

The Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Continued

Government-wide financial statements, continued

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the City consist of general government, community development, public safety, public works, and culture and recreation.

The government-wide financial statements include the City (known as the primary government), and two component units; the Redevelopment Agency of the City of Rocklin (Agency) and the Rocklin Public Financing Authority (Authority). Although the Agency and Authority are legally separate entities, they are integrated with functions of the City and, therefore, are blended component units of the City.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Continued

The City maintains 47 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, public financing authority debt service fund, redevelopment agency capital projects and debt service funds, traffic circulation impact fee capital project fund and community facilities district #11 capital projects fund, all of which are considered to be major funds. Data from the other 41 non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-26 of this report.

Proprietary funds. The City maintains one type of proprietary fund, an internal service fund. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet operations. Because this service predominately benefits only governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is combined into a single, aggregated presentation in the proprietary financial statements, since there is only a single fund for the fleet operations.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Fiduciary funds. Agency Funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes thirteen agency funds. Since agency funds are custodial in nature, (i.e. assets equal liabilities), they do not involve the measurement of results of operations. Fiduciary funds are not reflected in the government-wide financial statements for this reason.

The Statement of Assets and Liabilities for Agency Funds can be found on page 30 of this report.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Continued

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-67 of this report.

Other supplemental information.

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 70-115 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$404,083,936 at the close of the most recent fiscal year. Capital assets (e.g., land, infrastructure, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 83% of the City's net assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Rocklin's Net Assets

	Governmental Activities	
	2010	2009
Current and other assets	\$ 87,276,459	\$ 95,131,508
Noncurrent assets	382,190,382	387,652,679
Total assets	469,466,841	482,784,187
Current and other liabilities	7,694,944	7,983,354
Long-term liabilities	57,687,961	56,157,556
Total liabilities	65,382,905	64,140,910
Net assets:		
Invested in capital assets, net of related debt	336,857,846	340,423,304
Restricted	16,013,886	17,858,485
Unrestricted	51,212,204	60,361,488
Total net assets	\$ 404,083,936	\$ 418,643,277

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The remaining amount in *unrestricted net assets* \$51,212,204 will be used to meet the City's ongoing obligations to citizens and creditors as funded through current revenues.

Governmental Activities

The cost of all governmental activities this year was \$62,724,230. However, as shown in the Statement of Activities on page 16, the amount that taxpayers ultimately financed for governmental activities was \$50,345,913. Those who directly benefited from city programs paid \$5,641,110. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$2,891,635 for operations and \$3,845,572 for capital. The City paid the remaining "public benefit" portion of government activities with \$14,743,382 in property taxes and \$21,043,190 in other general revenues.

Total resources available during the year to finance governmental operations were \$48,164,889. This consisted of \$12,378,317 in program revenues, \$35,786,572 in general revenues. Total governmental activities operating expenses during the year were \$62,724,230; thus net assets at July 1, 2009, of \$418,643,277 decreased by \$14,559,341 to \$404,083,936 primarily the result of a reduction in program and general revenues, a decrease in capital assets and an increase in the OPEB obligation.

A reconciliation of fund balance to net assets is as follows:

Fund Balance to Net Assets Reconciliation

	<u>Adjustments</u>					<u>Net Assets</u>
	<u>Fund Balance</u>	<u>Capital Assets</u>	<u>Internal Service Fund</u>	<u>Internal Restrictions</u>	<u>Long-term Liabilities</u>	
Governmental activities:						
Reserved:						
Low and moderate income housing	\$ 1,564,486	\$ -	\$ -	\$ (1,564,486)	\$ -	\$ -
Advances to other funds	1,408,708	-	-	(1,408,708)	-	-
Loans/Notes receivable	11,675,576	-	-	(11,675,576)	-	-
Debt service	13,957,945	-	-	(13,957,945)	-	-
Endowments	491,455	-	-	(491,455)	-	-
Unreserved, designated	18,083,408	-	-	(18,083,408)	-	-
Invested in capital assets, net of related debt	-	376,234,397	4,513,449	-	(43,890,000)	336,857,846
Restricted	-	-	-	16,013,886	-	16,013,886
Unreserved, undesignated	28,741,180	-	4,222,792	31,167,692	(12,919,460)	51,212,204
Total governmental activities	\$ 75,922,758	\$ 376,234,397	\$ 8,736,241	\$ -	\$ (56,809,460)	\$ 404,083,936

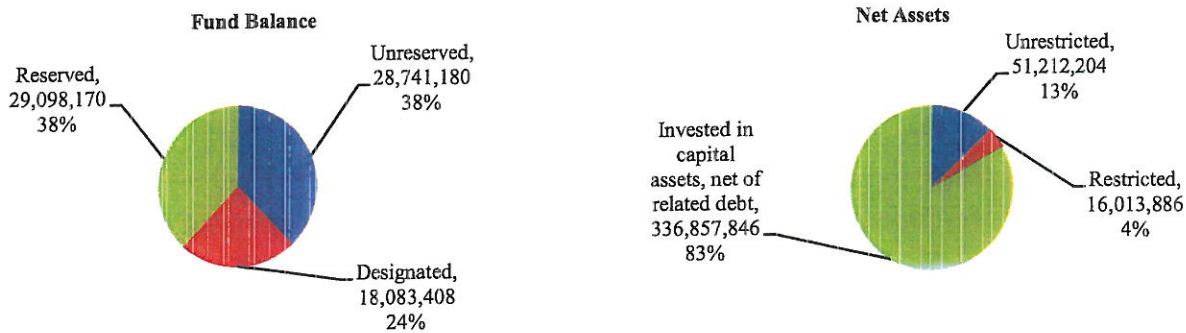
City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Available net assets are those amounts not subject to restriction in the current period, typically classified as designated or undesignated fund balance. These amounts are converted to net assets by adding long-term assets and subtracting long-term liabilities. A graphic illustration of this conversion is as follows:



The City's programs include: general government, public safety, public works, culture and recreation, and community development. Each program's *net cost* (total cost less revenues generated by the activities) is presented below.

	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Assets	
	2010	2009	2010	2009	2010	2009
Governmental activities:						
General government	\$ 2,212,049	\$ 5,409,343	\$ 11,502,017	\$ 12,168,677	\$ (9,289,968)	\$ (6,759,334)
Public safety	1,621,562	863,089	20,187,996	21,767,874	(18,566,434)	(20,904,785)
Public works	193,830	2,212,273	13,203,578	11,875,302	(13,009,748)	(9,663,029)
Culture and recreation	3,340,299	337,492	8,630,297	11,199,237	(5,289,998)	(10,861,745)
Community development	5,010,577	5,710,528	6,975,124	3,825,794	(1,964,547)	1,884,734
Total governmental activities	\$ 12,378,317	\$ 14,532,725	\$ 60,499,012	\$ 60,836,884	\$ (48,120,695)	\$ (46,304,159)

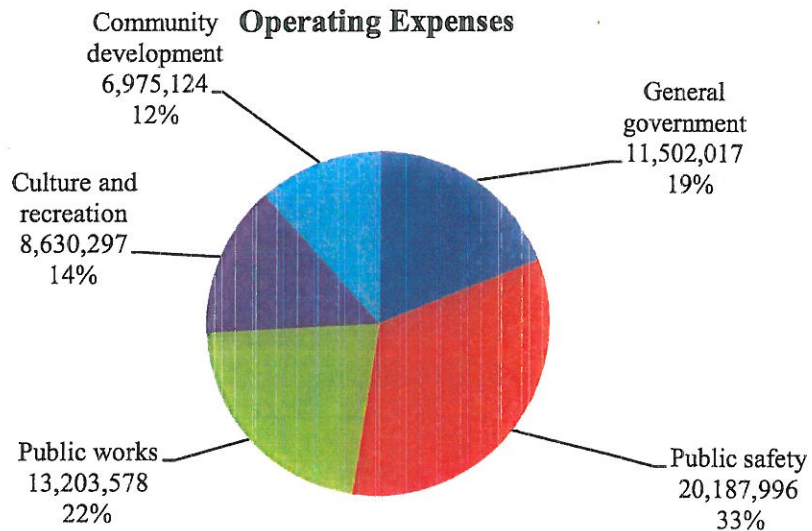
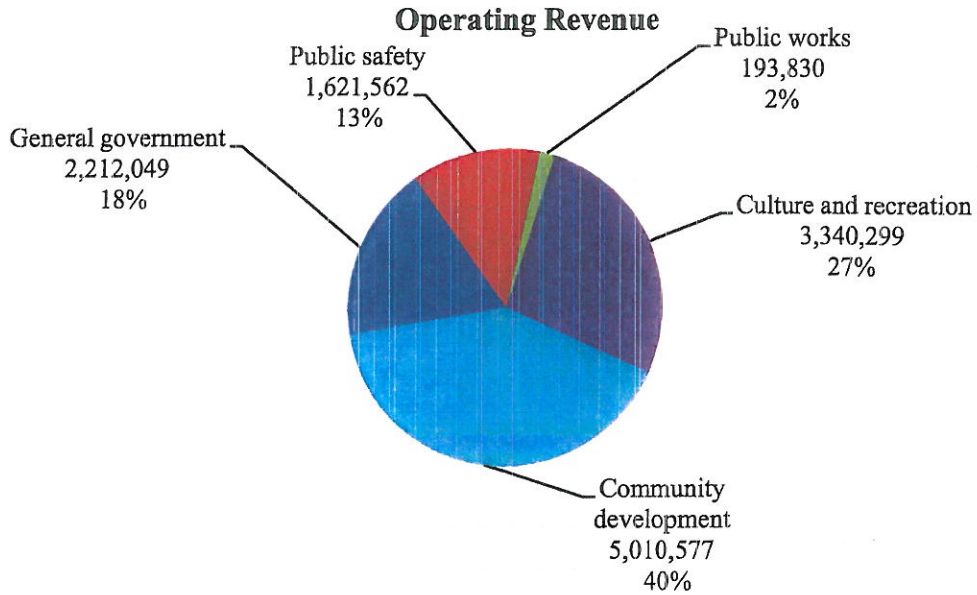
City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Operating resources (program revenues) and operating expenses can be depicted graphically as follows:



City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Cash Management

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 2 in the notes to the basic financial statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield in that order.

Capital Assets

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At June 30, 2010, net capital assets of the governmental activities totaled \$380,747,846. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the City's Capital Assets net of depreciation:

	Activities	
	2010	2009
Nondepreciable assets:		
Land	\$ 6,528,001	\$ 6,528,001
Land improvements	67,461	67,461
Park land	53,693,948	53,693,948
Construction in progress	60,079,924	56,193,469
Total nondepreciable assets	<u>120,369,334</u>	<u>116,482,879</u>
Depreciable assets:		
Buildings	36,471,600	36,380,497
Facilities & other improvements	2,946,675	2,946,675
Machinery & equipment	2,760,001	2,719,852
Fleet machinery & equipment	9,209,111	8,080,987
Park buildings	600,783	533,297
Park equipment	1,542,666	1,360,873
Park improvements	14,524,791	14,228,708
Infrastructure	319,083,064	319,023,972
Total depreciable assets	<u>387,138,691</u>	<u>385,274,861</u>
Accumulated depreciation	<u>(126,760,179)</u>	<u>(115,624,436)</u>
Total	<u>\$ 380,747,846</u>	<u>\$ 386,133,304</u>

Additional information on the City's capital assets can be found in Note 6 on page 50 of this report.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Debt Administration

Debt, considered a liability of governmental activities, increased by \$1,077,601, primarily the result of an increase in the OPEB obligation, see Note 9 on page 52. Compensated absences decreased by \$672,072 to \$3,569,954 of which \$1,253,730 is presented in the General Fund as a current liability.

NEXT YEAR'S BUDGETED APPROPRIATIONS

The adopted budget for all City funds for the new fiscal year of 2010-2011 was \$48,672,107 and is summarized as follows:

	FY 2009-10	FY 2010-11	Amount Change	Percentage Change
General fund	\$39,075,963	\$34,766,109	\$ (4,309,854)	(11.0)%
Special revenue funds	5,293,784	4,939,041	(354,743)	(6.7)%
Permanent funds	-	-	-	0.0%
Internal service funds	2,357,121	2,283,351	(73,770)	(3.1)%
Capital projects	9,700,505	6,049,606	(3,650,899)	(37.6)%
Total operations and projects	56,427,373	48,038,107	(8,389,266)	(14.9)%
Debt service	632,300	634,000	1,700	0.3%
Total budget	\$57,059,673	\$48,672,107	\$ (8,387,566)	(14.7)%

1. General Fund – Shows a decrease of \$4,309,854 or approximately 11.0%. The decrease is primarily the result of operation and personnel reductions and reallocations.
2. Special Revenue Funds – Show a decrease of \$354,743 or approximately 6.7%. The decrease is the result of a decrease in engineering projects.
3. Internal Service Funds – Show a decrease of \$73,770 or 3.1%, a result of operation and personnel reductions.
4. Capital Projects – Show a decrease of \$3,650,899 or 37.6%, as a result of a decrease in engineering projects.
5. Debt Service – Provides for the maintenance of the 2003 Certificates of Participation.

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

Management's Discussion and Analysis, Continued

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report, regarding either the City or any of its component units, or requests for additional information should be addressed to the Chief Financial Officer, 3970 Rocklin Road, Rocklin, California, 95677.

BASIC FINANCIAL STATEMENTS

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City of Rocklin, California

Statement of Net Assets

June 30, 2010

(With comparative totals for June 30, 2009)

	Governmental Activities	
	2010	2009
ASSETS		
Current assets:		
Cash and investments	\$ 52,036,761	\$ 59,681,140
Restricted cash and investments	14,856,010	15,080,591
Receivables, net	19,142,656	19,362,151
Inventory and prepaid items	87,901	163,723
Due from fiduciary activities	-	11,291
Other assets	1,153,131	832,612
Total current assets	87,276,459	95,131,508
Noncurrent assets:		
Intangible assets, net	1,442,536	1,519,375
Capital assets, net	380,747,846	386,133,304
Total noncurrent assets	382,190,382	387,652,679
Total assets	\$ 469,466,841	\$ 482,784,187
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,310,263	\$ 3,033,619
Deposits payable	2,391,991	2,389,208
Interest payable	564,035	631,687
Compensated absences - current portion	1,290,110	1,742,914
Unearned revenue	138,545	185,926
Total current liabilities	7,694,944	7,983,354
Noncurrent liabilities:		
Long-term debt:		
Line of credit	4,282,837	3,482,837
Claims liabilities	1,092,007	1,469,607
Compensated absences	2,279,844	2,499,112
Net OPEB obligation	6,143,273	2,996,000
Due within one year	1,615,000	1,820,000
Due after one year	42,275,000	43,890,000
Total noncurrent liabilities	57,687,961	56,157,556
Total liabilities	65,382,905	64,140,910
NET ASSETS		
Invested in capital assets, net of related debt	336,857,846	340,423,304
Restricted for:		
Debt service	13,957,945	15,514,934
Low and moderate income housing	1,564,486	1,852,096
Endowments	491,455	491,455
Unrestricted	51,212,204	60,361,488
Total net assets	404,083,936	418,643,277
Total liabilities and net assets	\$ 469,466,841	\$ 482,784,187

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Statement of Activities

For the year ended June 30, 2010

(With comparative totals for the year ended June 30, 2009)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2010	2009
Governmental activities:						
General government	\$ 11,502,017	\$ 878,576	\$ 1,333,473		\$ (9,289,968)	\$ (6,759,334)
Public safety	20,187,996	698,784	922,778		(18,566,434)	(20,904,785)
Public works	13,203,578	27,097	166,733		(13,009,748)	(9,663,029)
Culture and recreation	8,630,297	2,974,885	365,414		(5,289,998)	(10,861,745)
Community development	6,975,124	1,061,768	103,237	3,845,572	(1,964,547)	1,884,734
Interest	2,225,218	-	-	-	(2,225,218)	(2,193,456)
Total governmental activities	\$ 62,724,230	\$ 5,641,110	\$ 2,891,635	\$ 3,845,572	(50,345,913)	(48,497,615)
General revenues:						
Taxes:						
Property taxes					14,743,382	16,384,305
Sales and use tax					6,378,150	8,071,160
Gas tax					1,449,281	907,958
Transient occupancy tax					344,792	362,686
Other taxes					4,201,280	4,972,089
Motor vehicle fees					3,935,363	3,953,712
Franchise fees					1,594,426	1,588,179
Impact fees					1,203,166	2,421,430
Interest and investment earnings					1,936,732	4,088,256
Total general revenues					<u>35,786,572</u>	<u>42,749,775</u>
Change in net assets					(14,559,341)	(5,747,840)
Net assets:						
Beginning - beginning					418,643,277	424,391,117
Net assets - ending					<u>\$ 404,083,936</u>	<u>\$ 418,643,277</u>

The accompanying notes are an integral part of these basic financial statements.

FUND FINANCIAL STATEMENTS

<u>Fund</u>	<u>Description</u>
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
Public Financing Authority Debt	Accounts for the debt service for the Public Financing Authority.
Redevelopment Agency Capital	Accounts for the administration and management of the Agency's capital projects.
Redevelopment Agency Debt Service	Accounts for operations and the Agency's issuance and administration of the 2002, 2005, and 2007 Refunding Tax Allocation Bonds.
Traffic Circulation Fee Capital	Accounts for activities related to congestion management.
Community Facilities District #11	Accounts for improvements and projects within the District

City of Rocklin, California

Balance Sheet

Governmental Funds

June 30, 2010

(With comparative totals for June 30, 2009)

	Major Funds			
	General Fund	Public Financing Authority Debt Service	Redevelopment Agency Capital Projects	Redevelopment Agency Debt Service
ASSETS				
Cash and investments	\$ 21,269,176	\$ 5,453	\$ 6,740,603	\$ 1,464,667
Restricted cash and investments	-	13,006,372	-	1,811,256
Receivables:				
Taxes	1,503,661	-	-	60,468
Interest	62,700	-	8,723	-
Intergovernmental	414,942	-	-	-
Loans/Notes receivable	5,100,000	-	-	-
Other receivable	254,508	-	-	-
Due from other funds	7,549,457	-	-	-
Other assets	1,153,131	-	-	-
Advances to other funds	1,408,708	-	-	-
Total assets	<u>\$ 38,716,283</u>	<u>\$ 13,011,825</u>	<u>\$ 6,749,326</u>	<u>\$ 3,336,391</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,795,720	\$ -	\$ 78,843	\$ 81,563
Deposits payable	2,391,991	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	29,074	-	-	-
Compensated absences	1,253,730	-	-	-
Advances from other funds	-	-	-	2,308,708
Total liabilities	<u>5,470,515</u>	<u>-</u>	<u>78,843</u>	<u>2,390,271</u>
Fund balances:				
Reserved for:				
Encumbrances	-	-	-	-
Low and moderate income housing	-	-	-	-
Advances to other funds	1,408,708	-	-	-
Loans/Notes receivable	414,942	-	-	-
Debt service	-	13,011,825	-	946,120
Capital projects	-	-	-	-
Endowments	-	-	-	-
Unreserved, designated	18,063,861	-	-	-
Unreserved (deficit), reported in:				
General fund	13,358,257	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	6,670,483	-
Total fund balances	<u>33,245,768</u>	<u>13,011,825</u>	<u>6,670,483</u>	<u>946,120</u>
Total liabilities and fund balances	<u>\$ 38,716,283</u>	<u>\$ 13,011,825</u>	<u>\$ 6,749,326</u>	<u>\$ 3,336,391</u>

The accompanying notes are an integral part of these basic financial statements.

Major Funds				
Traffic Circulation Impact Fee Capital Projects	Community Facilities District #11 Capital Projects	Nonmajor Governmental Funds	2010	2009
\$ 7,184,741	\$ -	\$ 12,186,795	\$ 48,851,435	\$ 54,833,334
-	-	38,382	14,856,010	15,080,591
-	-	336,884	1,901,013	2,173,650
-	-	-	71,423	211,299
-	27,302	30,665	472,909	1,758,715
-	-	11,260,634	16,360,634	14,750,076
82,169	-	-	336,677	468,411
-	-	-	7,549,457	7,984,734
-	-	-	1,153,131	832,612
-	-	900,000	2,308,708	1,708,708
<u>\$ 7,266,910</u>	<u>\$ 27,302</u>	<u>\$ 24,753,360</u>	<u>\$ 93,861,397</u>	<u>\$ 99,802,130</u>
\$ 668,830	\$ 519	\$ 612,959	\$ 3,238,434	\$ 2,966,208
-	-	-	2,391,991	2,389,208
-	3,044,295	4,505,162	7,549,457	7,973,443
82,169	27,302	-	138,545	185,926
-	-	-	1,253,730	1,697,781
-	-	1,057,774	3,366,482	1,708,708
<u>750,999</u>	<u>3,072,116</u>	<u>6,175,895</u>	<u>17,938,639</u>	<u>16,921,274</u>
-	-	-	-	194,912
-	-	1,564,486	1,564,486	1,852,096
-	-	-	1,408,708	1,708,708
-	-	11,260,634	11,675,576	9,808,996
-	-	-	13,957,945	15,514,934
-	-	-	-	843,767
-	-	491,455	491,455	491,455
-	-	19,547	18,083,408	18,429,520
-	-	-	13,358,257	14,718,374
-	-	9,007,801	9,007,801	7,630,636
6,515,911	(3,044,814)	(3,766,458)	6,375,122	11,687,458
<u>6,515,911</u>	<u>(3,044,814)</u>	<u>18,577,465</u>	<u>75,922,758</u>	<u>82,880,856</u>
<u>\$ 7,266,910</u>	<u>\$ 27,302</u>	<u>\$ 24,753,360</u>	<u>\$ 93,861,397</u>	<u>\$ 99,802,130</u>

City of Rocklin, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2010

Total fund balances - total governmental funds \$ 75,922,758

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 376,234,397

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (57,687,961)

Governmental funds report discounts on long-term bonds and debt issuance costs (deferred charges) as expenditures, whereas these amounts are capitalized and amortized in the government-wide Statement of Net Assets. 1,442,536

Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds. (564,035)

Internal services funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are:

Current assets	\$ 3,273,227	
Noncurrent assets	5,571,223	
Accounts payable and accrued liabilities	(71,829)	
Compensated absences	(36,380)	
	8,736,241	

Net assets of governmental activities \$ 404,083,936

City of Rocklin, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Assets

Governmental Activities

June 30, 2010

	Governmental Funds Balance Sheet	Internal Service Balances	Reclassifications	Changes in GAAP	Statement of Net Assets
ASSETS					
Current assets:					
Cash and investments	\$ 48,851,435	\$ 3,185,326	\$ -	\$ -	\$ 52,036,761
Restricted cash and investments	14,856,010	-	-	-	14,856,010
Receivables (net)	19,142,656	-	-	-	19,142,656
Inventory and prepaid items	-	87,901	-	-	87,901
Due from other funds	7,549,457	-	(7,549,457)	-	-
Internal balances	-	-	-	-	-
Other assets	1,153,131	-	-	-	1,153,131
Total current assets	91,552,689	3,273,227	(7,549,457)	-	87,276,459
Noncurrent assets:					
Advances to other funds	2,308,708	1,057,774	(3,366,482)	-	-
Intangible assets, net	-	-	-	1,442,536	1,442,536
Capital assets, net	-	4,513,449	-	376,234,397	380,747,846
Total noncurrent assets	2,308,708	5,571,223	(3,366,482)	377,676,933	382,190,382
Total assets	\$ 93,861,397	\$ 8,844,450	\$ (10,915,939)	\$ 377,676,933	\$ 469,466,841
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 3,238,434	\$ 71,829	\$ -	\$ -	\$ 3,310,263
Deposits payable	2,391,991	-	-	-	2,391,991
Due to other funds	7,549,457	-	(7,549,457)	-	-
Interest payable	-	-	-	564,035	564,035
Compensated absences	1,253,730	36,380	-	-	1,290,110
Deferred revenue	138,545	-	-	-	138,545
Total current liabilities	14,572,157	108,209	(7,549,457)	564,035	7,694,944
Noncurrent liabilities:					
Long-term liabilities:					
Advances from other funds	3,366,482	-	(3,366,482)	-	-
Line of credit	-	-	-	4,282,837	4,282,837
Claims liabilities	-	-	-	1,092,007	1,092,007
Compensated absences	-	-	-	2,279,844	2,279,844
Net OPEB obligation	-	-	-	6,143,273	6,143,273
Due within one year	-	-	-	1,615,000	1,615,000
Due after one year	-	-	-	42,275,000	42,275,000
Total noncurrent liabilities	3,366,482	-	(3,366,482)	57,687,961	57,687,961
Total liabilities	17,938,639	108,209	(10,915,939)	58,251,996	65,382,905
FUND BALANCES/NET ASSETS					
Fund balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Low and moderate income housing	1,564,486	-	(1,564,486)	-	-
Advances to other funds	1,408,708	-	(1,408,708)	-	-
Loans/Notes receivable	11,675,576	-	(11,675,576)	-	-
Debt service	13,957,945	-	(13,957,945)	-	-
Capital projects	-	-	-	-	-
Endowments	491,455	-	(491,455)	-	-
Unreserved, designated	18,083,408	-	(18,083,408)	-	-
Unreserved, undesignated	28,741,180	-	(28,741,180)	-	-
Net assets:					
Invested in capital assets, net of related debt	-	4,513,449	-	332,344,397	336,857,846
Restricted for:					
Debt service	-	-	13,957,945	-	13,957,945
Low and moderate income housing	-	-	1,564,486	-	1,564,486
Endowments	-	-	491,455	-	491,455
Unrestricted	-	4,222,792	59,908,872	(12,919,460)	51,212,204
Total fund balances/ net assets	75,922,758	8,736,241	-	319,424,937	404,083,936
Total liabilities and net assets	\$ 93,861,397	\$ 8,844,450	\$ (10,915,939)	\$ 377,676,933	\$ 469,466,841

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2010

(With comparative totals for the year ended June 30, 2009)

	Major Funds			
	General Fund	Public Financing Authority Debt Service	Redevelopment Agency Capital Projects	Redevelopment Agency Debt Service
REVENUES:				
Taxes and assessments	\$ 16,628,999	\$ -	\$ -	\$ 4,232,356
Licenses and permits	1,877,390	-	-	-
Fines and forfeitures	320,867	-	-	-
Intergovernmental	4,605,595	-	647,045	-
Use of money and property	1,072,788	708,666	43,030	1,643
Charges for services	3,667,114	-	-	-
Contributions from developers and homeowners	-	-	-	-
Other revenues	1,891,068	-	-	40,684
Total revenues	30,063,821	708,666	690,075	4,274,683
EXPENDITURES:				
Current:				
General government	6,447,379	19,400	1,834	515,348
Public safety	18,828,894	-	-	-
Public works	637,180	-	214,524	-
Culture and recreation	7,460,256	-	-	9,503
Community development	1,621,011	-	198,810	2,996,385
Capital outlay	319,947	-	-	-
Debt service:				
Principal	-	785,000	-	565,000
Interest	23,151	523,481	-	1,287,149
Total expenditures	35,337,818	1,327,881	415,168	5,373,385
REVENUES OVER (UNDER) EXPENDITURES	(5,273,997)	(619,215)	274,907	(1,098,702)
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	-	-
Proceeds from sale of assets	1,513	-	-	-
Transfers in	3,707,784	300,000	-	-
Transfers out	(352,092)	-	(98,799)	(139,071)
Total other financing sources (uses)	3,357,205	300,000	(98,799)	(139,071)
Net change in fund balances	(1,916,792)	(319,215)	176,108	(1,237,773)
FUND BALANCES:				
Beginning of year	35,162,560	13,331,040	6,494,375	2,183,893
End of year	\$ 33,245,768	\$ 13,011,825	\$ 6,670,483	\$ 946,120

The accompanying notes are an integral part of these basic financial statements.

Major Funds					
Traffic Circulation Impact Fee Capital Projects	Community Facilities District #11 Capital Projects	Other Governmental Funds	Totals		
			2010	2009	
\$ 1,203,166	\$ -	\$ 6,926,377	\$ 28,990,898	\$ 38,661,519	
-	-	-	1,877,390	1,988,941	
-	-	1,209	322,076	355,926	
-	-	2,077,965	7,330,605	3,999,483	
34,701	-	76,684	1,937,512	4,088,256	
-	-	96,606	3,763,720	3,576,100	
-	-	867,288	867,288	1,532,596	
559,679	-	582,456	3,073,887	3,079,679	
<u>1,797,546</u>	<u>-</u>	<u>10,628,585</u>	<u>48,163,376</u>	<u>57,282,500</u>	
7,356	27,302	232,149	7,250,768	9,038,183	
-	-	4,616	18,833,510	20,193,534	
-	-	3,847,397	4,699,101	3,875,990	
-	-	87,840	7,557,599	9,855,464	
390,323	14,323	1,754,272	6,975,124	7,633,718	
4,159,389	448,805	1,808,741	6,736,882	15,454,132	
-	-	670,000	2,020,000	1,630,000	
-	93,459	365,630	2,292,870	2,207,710	
<u>4,557,068</u>	<u>583,889</u>	<u>8,770,645</u>	<u>56,365,854</u>	<u>69,888,731</u>	
<u>(2,759,522)</u>	<u>(583,889)</u>	<u>1,857,940</u>	<u>(8,202,478)</u>	<u>(12,606,231)</u>	
-	-	1,000,000	1,000,000	3,482,837	
-	-	-	1,513	-	
182,465	-	1,312,688	5,502,937	7,913,767	
<u>(900,148)</u>	<u>(87,571)</u>	<u>(3,682,389)</u>	<u>(5,260,070)</u>	<u>(7,913,767)</u>	
<u>(717,683)</u>	<u>(87,571)</u>	<u>(1,369,701)</u>	<u>1,244,380</u>	<u>3,482,837</u>	
<u>(3,477,205)</u>	<u>(671,460)</u>	<u>488,239</u>	<u>(6,958,098)</u>	<u>(9,123,394)</u>	
<u>9,993,116</u>	<u>(2,373,354)</u>	<u>18,089,226</u>	<u>82,880,856</u>	<u>92,004,250</u>	
<u>\$ 6,515,911</u>	<u>\$ (3,044,814)</u>	<u>\$ 18,577,465</u>	<u>\$ 75,922,758</u>	<u>\$ 82,880,856</u>	

City of Rocklin, California

Reconciliation of Fund Based Statements to Government-wide Statement of Activities

For the year ended June 30, 2010

Functions/Programs	Fund Based Totals	Debt Service	OPEB Obligation	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund	Government- wide Totals
Governmental activities:							
General government	\$ 7,250,768	\$ (520,029)	\$ 3,147,273	\$ 1,168,511	\$ 22,168	\$ 433,326	\$ 11,502,017
Public safety	18,833,510	-	-	1,354,486	-	-	20,187,996
Public works	4,699,101	-	-	8,084,262	420,215	-	13,203,578
Culture and recreation	7,557,599	-	-	1,072,698	-	-	8,630,297
Community development	6,975,124	-	-	-	-	-	6,975,124
Capital outlay	6,736,882	-	-	-	(6,736,882)	-	-
Debt service/Interest	4,312,870	(2,087,652)	-	-	-	-	2,225,218
Total governmental activities	\$ 56,365,854	\$ (2,607,681)	\$ 3,147,273	\$ 11,679,957	\$ (6,294,499)	\$ 433,326	\$ 62,724,230

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in

Fund Balances of Governmental Funds to the Statement of Activities

For the year ended June 30, 2010

Net change in fund balances - total governmental funds \$ (6,958,098)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 6,783,595	
Capital asset retirements	(489,096)	
Depreciation expense	<u>(11,679,957)</u>	(5,385,458)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Line of credit payments	200,000	
Certificate of participation principal payments	470,000	
Public Financing Authority debt principal payments	785,000	
Redevelopment Agency debt principal payments	<u>565,000</u>	2,020,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in interest payable	67,652	
Change in claim liabilities	377,600	
Change in long-term compensated absences	219,268	
Change in Net OPEB obligation	<u>(3,147,273)</u>	(2,482,753)

Debt issuance is accounted for as an other financing source in the governmental funds and as a liability in the Statement of Net Assets:

Line of credit		(1,000,000)
----------------	--	-------------

Governmental funds report debt issuance costs (deferred charges) as part of debt service expenditures, whereas these costs are deferred and amortized in the government-wide Statement of Activities.

(45,984)

Governmental funds report bond discounts as an other financing uses; however, these costs are capitalized and amortized in the government-wide Statement of Activities.

(30,855)

Internal services funds are used by management to charge the vehicle fleet maintenance to individual funds. The change in net assets of the Internal Service Funds \$134,501, which includes transfers of 242,867 is included in the governmental activities in the government-wide Statement of Net Assets less amounts due to changes in capital assets \$810,694 reported above for capital assets.

134,501	
<u>(810,694)</u>	<u>(676,193)</u>

Change in net assets of governmental activities

\$ (14,559,341)

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General Fund

For the year ended June 30, 2010

	General Fund			Variance w/Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES:				
Taxes and assessments	\$ 17,762,370	\$ 16,892,670	\$ 16,628,999	\$ (263,671)
Licenses and permits	1,918,440	1,691,777	1,877,390	185,613
Fines and forfeitures	334,000	319,900	320,867	967
Intergovernmental	4,824,400	4,959,074	4,605,595	(353,479)
Use of money and property	1,354,047	1,258,460	1,072,788	(185,672)
Charges for services	4,039,871	3,881,275	3,667,114	(214,161)
Other revenues	1,740,583	1,679,363	1,891,068	211,705
Total revenues	31,973,711	30,682,519	30,063,821	(618,698)
EXPENDITURES:				
Current:				
General government	7,618,954	6,769,908	6,447,379	322,529
Public safety	19,585,723	20,062,797	18,828,894	1,233,903
Public works	529,609	549,368	637,180	(87,812)
Culture and recreation	8,628,495	7,833,955	7,460,256	373,699
Community development	1,820,248	1,815,970	1,621,011	194,959
Capital outlay	904,234	421,855	319,947	101,908
Debt service:				
Interest	-	-	23,151	(23,151)
Total expenditures	39,087,263	37,453,853	35,337,818	2,116,035
REVENUES OVER (UNDER) EXPENDITURES	(7,113,552)	(6,771,334)	(5,273,997)	1,497,337
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	700	1,513	813
Transfers in	4,957,036	4,296,436	3,707,784	(588,652)
Transfers out	(402,771)	(379,984)	(352,092)	27,892
Total other financing sources (uses)	4,554,265	3,917,152	3,357,205	(559,947)
Net change in fund balances	(2,559,287)	(2,854,182)	(1,916,792)	937,390
FUND BALANCES:				
Beginning of year	35,162,560	35,162,560	35,162,560	-
End of year	\$ 32,603,273	\$ 32,308,378	\$ 33,245,768	\$ 937,390

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Statement of Net Assets

Fleet Management Internal Service Fund

June 30, 2010

(With comparative totals for June 30, 2009)

ASSETS	Totals	
	2010	2009
Current assets:		
Cash and investments	\$ 3,185,326	\$ 4,847,806
Inventory	87,901	163,723
Total current assets	<u>3,273,227</u>	<u>5,011,529</u>
Noncurrent assets:		
Advances to other funds	1,057,774	-
Capital assets, net	4,513,449	3,702,755
Total assets	<u>\$ 8,844,450</u>	<u>\$ 8,714,284</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 71,829	\$ 67,411
Compensated absences	36,380	45,133
Total current liabilities	<u>108,209</u>	<u>112,544</u>
Total liabilities	<u>108,209</u>	<u>112,544</u>
Net Assets:		
Invested in capital assets	4,513,449	3,702,755
Unrestricted	4,222,792	4,898,985
Total net assets	<u>8,736,241</u>	<u>8,601,740</u>
Total liabilities and net assets	<u>\$ 8,844,450</u>	<u>\$ 8,714,284</u>

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Fleet Management Internal Service Fund

For the year ended June 30, 2010

(With comparative totals for the year ended June 30, 2009)

	Totals	
	2010	2009
OPERATING REVENUES:		
Fleet management cost allocation	\$ 2,591,213	\$ 1,344,531
Other	396	39,195
Total operating revenues	2,591,609	1,383,726
OPERATING EXPENSES:		
Salaries and benefits	648,807	779,807
Services and supplies	817,386	978,856
Depreciation	861,643	654,755
Total operating expenses	2,327,836	2,413,418
OPERATING INCOME (LOSS)	263,773	(1,029,692)
NONOPERATING REVENUES (EXPENSES):		
Gain on sale of assets	42,697	91,165
Interest revenue	70,898	-
Total non-operating revenues (expenses), net	113,595	91,165
NET INCOME (LOSS) BEFORE TRANSFERS	377,368	(938,527)
Transfers in (out)	(242,867)	-
CHANGE IN NET ASSETS	134,501	(938,527)
NET ASSETS:		
Beginning of year	8,601,740	9,540,267
End of year	\$ 8,736,241	\$ 8,601,740

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California

Statement of Cash Flows

Fleet Management Internal Service Fund

For the year ended June 30, 2010

(With comparative amounts for the year ended June 30, 2009)

	Totals	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided	\$ 2,591,609	\$ 1,383,726
Cash payments to suppliers for goods and services	(737,146)	(1,044,897)
Cash payments to employees for services	(657,560)	(790,927)
Net cash used by operating activities	1,196,903	(452,098)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers received (paid)	(1,300,641)	-
Net cash provided by noncapital financing activities	(1,300,641)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	111,578	309,288
Acquisition and construction of capital assets	(1,741,218)	(62,830)
Net cash (used) by capital and related financing activities	(1,629,640)	246,458
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	70,898	-
Net cash provided by investing activities	70,898	-
Net increase (decrease) in cash and cash equivalents	(1,662,480)	(205,640)
CASH AND CASH EQUIVALENTS:		
Beginning of year	4,847,806	5,053,446
End of year	\$ 3,185,326	\$ 4,847,806
Reconciliation of income (loss) from operations to net cash used by operating activities:		
Operating income (loss)	\$ 263,773	\$ (1,029,692)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	861,643	654,755
(Increase) decrease in current assets:		
Inventory	75,822	19,254
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	4,418	(85,295)
Compensated absences	(8,753)	(11,120)
Net cash used by operating activities	\$ 1,196,903	\$ (452,098)

The accompanying notes are an integral part of these basic financial statements.

City of Rocklin, California
Statement of Assets and Liabilities
Agency Funds
June 30, 2010
(With comparative totals for June 30, 2009)

	Totals	
	2010	2009
ASSETS		
Cash and investments	\$ 3,584,965	\$ 9,312,994
Cash and investments held by trustees	10,654,203	4,033,650
Receivables:		
Accounts	4,889	11,291
Assessments	273,742	381,286
Total assets	\$ 14,517,799	\$ 13,739,221
LIABILITIES		
Accounts payable and accrued liabilities	\$ 106,392	\$ 178,734
Due to governmental activities	-	11,291
Due to others	14,411,407	13,549,196
Total liabilities	\$ 14,517,799	\$ 13,739,221

The accompanying notes are an integral part of these basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

City of Rocklin, California
Basic Financial Statements
For the year ended June 30, 2010

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City of Rocklin, California
Notes to Basic Financial Statements
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rocklin (City) was incorporated in 1893 under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (Police and Fire), highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below.

Financial Reporting Entity

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include property taxes, sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. These component units are reported on a blended basis. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The financial statements of the individual component units, if applicable as indicated below, may be obtained by writing to the City of Rocklin, Finance Division, 3970 Rocklin Road, Rocklin, California 95677.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Financial Reporting Entity, Continued

The City's reporting entity includes the following blended component units:

Redevelopment Agency of the City of Rocklin

The Redevelopment Agency of the City of Rocklin (Agency) was formed on April 15, 1982, as a separate legal entity under the Community Redevelopment Law. The City Council acts as the governing board of the Agency in concurrent session. The City Manager acts as the Agency's Executive Director. The annual budget is approved by the Agency's Board of Directors. The State's redevelopment process provides communities at a local level with a comprehensive tool for economic development. These tools are the powers of land assembly and site preparation for private development, the ability to finance necessary public improvements, the authority to impose conditions and restrictions for the quality of developments of an area, and the capability to broaden financing capabilities utilizing a variety of public and private sources. The major source of financing to undertake redevelopment is the "tax increment." Tax increment is the additional property taxes that are paid on the value increases of new development or refurbishments within the redevelopment project area. This increment can then be leveraged for financial investments to fund the identified projects. City staff provides management assistance to the Agency. The Agency provides services entirely for the benefit of the City and the governing board consists solely of the members of the City Council. The Agency is treated as a blended component unit. All funds of the Agency have been included in the governmental activities section in the fund financial statements.

Public Financing Authority of the City of Rocklin

The Rocklin Public Financing Authority (Authority) was formed on December 13, 1994, as a joint powers authority between the City and the Redevelopment Agency to serve as a financing mechanism of various capital projects. The City Council acts as the governing board in a concurrent session. The Authority provides services solely for the benefit of the City and is presented in the governmental activities in the fund financial statements.

The above component units are included in the City's basic financial statements using the blended method. There are no component units of the City that meet the criteria for discrete presentation.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds and internal service funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The City added the American Recovery and Reinvestment Act Special Revenue Fund during the year. The funds of the financial reporting entity are described below:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Governmental Activities

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Capital Project Funds

The Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Permanent Funds

The Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the City's programs.

Debt Service Funds

The Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City or its component units.

Proprietary Funds

Fleet Internal Service Fund

The Internal Service Fund is used to account for the financing of the City's fleet services provided by one City department to other departments on a cost-reimbursement basis. Internal Service Fund balances and activities have been combined with governmental activities in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Fiduciary Funds

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not presented in the government-wide financial statements. There are thirteen agency funds.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Assets, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The internal service funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Internal service fund equity is classified as net assets.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting, Continued

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The internal service funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Assets, Liabilities, and Equity

Cash Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested none of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note 12 for details of interfund transactions, including receivables and payables at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, transient taxes, franchise taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, transient tax, franchise tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Inventories

The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the City has therefore chosen to report these items as expenditures/expenses at the time of purchase. Other inventories recorded in the Fleet Internal Service Fund are recorded at cost when consumed and represent vehicle parts and fuel.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$100,000 for infrastructure capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Capital Assets, continued

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment, machinery and vehicles	3 – 20 years
Facilities and improvements	15 years
Infrastructures	25 – 50 years
Buildings and building improvements	15 – 30 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Long-Term Debt, Continued

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of the 2003 Certificates of Participation (COP), Revenue Bonds, Tax Allocation Bonds, a line of credit, net OPEB obligation, compensated absences and a liability for claims. Bond issuance costs and discounts are presented as intangible assets and amortized on a straight-line basis over the life of the debt in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave, up to limits established by individual employee bargaining units. This debt is estimated based on historical trend analysis, the current portion of which is reported in the General Fund, the remaining balance is shown in the government-wide financial statements.

Equity Classification

Government-Wide Statements

Equity is classified as net assets and is displayed in three components:

- a. *Invested in capital assets, net of related debt* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net assets* – consists of net assets with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net assets* – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Equity Classification, Continued

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved or unreserved. Unreserved is further classified as designated or undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Revenues, Expenditures, and Expenses

Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities in accordance with statutory regulations.

Property taxes attach annually as an enforceable lien on January 1. Taxes are levied on January 1, are payable in two installments, and are delinquent at December 10 and April 10. The County of Placer (the County) is responsible for the collection and allocation of property taxes. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan," as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected.

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Stewardship, Compliance, and Accountability

It is the City's policy to adopt annual budgets. The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budgeted amounts within any single fund. However, any revisions that alter total expenditures of any fund must be approved by the City Council.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year. Encumbered balances are carried forward to the next year.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Stewardship, Compliance, and Accountability, Continued

Budget information is presented for governmental fund types on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget and all approved budget amendments.

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

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2010, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted appropriations for the various governmental funds become effective each July 1st.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS

At June 30, 2010, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturities (in years)			Deposits	Fair Market Value
	<1	1 to 2	>2		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value					
Cash in bank	\$ -	\$ -	\$ -	\$ 964,327	\$ 964,327
Petty cash	-	-	-	2,575	2,575
Money market accounts	56,706	-	-	-	56,706
Certificates of deposit	-	19,188	-	-	19,188
Total pooled items	<u>56,706</u>	<u>19,188</u>	<u>-</u>	<u>966,902</u>	<u>1,042,796</u>
Pooled investments, at fair value					
<u>Interest obligations</u>					
<u>Par</u>	<u>Rate</u>				
\$ 20,000	6.875%	Corporate notes	-	-	18,164
6,162	9.50%	GNMA pool	-	-	6,624
		Investment in Special Assessment Bonds	-	-	11,535,000
Cash with fiscal agent - Union Bank money market			13,936,831	-	-
State of California Local Agency Investment Fund			54,592,524	-	-
Total pooled investments - interest obligations			<u>68,529,355</u>	<u>-</u>	<u>11,559,788</u>
Total cash equivalents and investments pooled			<u>\$ 68,586,061</u>	<u>\$ 19,188</u>	<u>\$ 11,559,788</u>
				<u>\$ 966,902</u>	<u>\$ 81,131,939</u>

Amounts reported in:

Governmental activities - Unrestricted	\$ 52,036,761
Governmental activities - Restricted	14,856,010
Fiduciary activities - Unrestricted	3,584,965
Fiduciary activities - Restricted	10,654,203
Total	<u><u>\$ 81,131,939</u></u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
US Government Securities	\$ 6,624	10.7
Local Agency Investment Fund	54,592,524	0.003
Money Market Mutual Funds	13,936,831	N/A
City Special Assessment Bonds	11,535,000	N/A
Corporate Notes	18,164	87.5
Total fair value	<u><u>\$ 80,089,143</u></u>	

Portfolio weighted average maturity ** 0.04

**Does not include City Special Assessment Bonds

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

Amounts shown as restricted for both governmental and fiduciary activities represent fiscal agent accounts used only for the claims and the repayment of short-term and long-term debt.

Interest rate risk – In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years. As of June 30, 2010, the weighted average maturity was .04 years.

Credit risk – As of June 30, 2010, the City’s investments in money market funds were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investors Service. The State of California Local Agency Investment Fund is not rated.

Concentration of credit risk – The City’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City’s Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

Custodial credit risk – deposits. For deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s Investment Policy addresses custodial credit risk, which follows the Government Code. As of June 30, 2010, the City had no balances in the pool exposed to custodial credit risk because they exceeded the \$250,000 Federal Deposit Insurance Corporation’s insurance limits.

Custodial credit risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2010:

	Governmental Activities	Fiduciary Activities	Total
Taxes	\$ 1,901,013	\$ -	\$ 1,901,013
Assessments	-	273,742	273,742
Interest	71,423	-	71,423
Intergovernmental	472,909	-	472,909
Loans/Notes receivable	16,360,634	-	16,360,634
Other receivables	336,677	4,889	341,566
Total accounts receivable	<u>\$ 19,142,656</u>	<u>\$ 278,631</u>	<u>\$ 19,421,287</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

3. ACCOUNTS RECEIVABLE, Continued

These amounts resulted in the following concentrations in receivables:

Other Governments	29%	Financial	1%
Special Assessments	1%	Individuals/Businesses	67%
Other	2%		

Amounts for the private placement bonds and related issuance costs in the amount of \$5,100,000 represent a concentration (greater than 25%) with CFD#11 this will be repaid upon issuance of Special Assessment debt for which the City will not be obligated.

4. LOANS AND NOTES RECEIVABLE

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest. In addition, the City loaned funds to the CFD #11 Debt Service Fund, which is an Agency fund.

Loans and notes receivable for the year ended June 30, 2010, consisted of the following:

	Beginning July 1, 2009	Additions	Deletions	Ending June 30, 2010
Private placement bonds and related issuance costs	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000
Community Development Block Grant	573,343	94	(22,499)	550,938
First time home buyers	1,564,339	13	(50)	1,564,302
Down payment assistance	1,357,394	690,000	(57,000)	1,990,394
Villa Serena II	1,100,000	-	-	1,100,000
College Manor	650,000	-	-	650,000
Sunset Blvd	575,000	-	-	575,000
Whitney Rocklin, LP	1,730,000	-	-	1,730,000
HPD Shannon Bay	-	500,000	-	500,000
Whitney Rocklin, LP	2,100,000	-	-	2,100,000
Placer West Housing Partners, LP	-	500,000	-	500,000
Total loans/notes receivable	<u>\$ 14,750,076</u>	<u>\$ 1,690,107</u>	<u>\$ (79,549)</u>	<u>\$ 16,360,634</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2010:

Private Placement Bonds and Related Issuance Costs – The City loaned funds to the Community Facilities District #11 capital projects fund to be paid by the debt service fund (an Agency fund) for a major construction project within the City. This loan is anticipated to be paid off in the following years by the CFD #11 issuing special assessment bonds within the CFD #11 Agency fund. The City also loaned \$100,000 for costs incurred establishing CFD#11. The balance of this loan at June 30, 2010, was \$5,100,000.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. LOANS AND NOTES RECEIVABLE, Continued

Community Development Block Grant (CDBG) Revolving Loans – The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. The balance of these loans at June 30, 2010, was \$550,938.

First Time Home Buyers – The City and the RDA have made various loans to qualifying participants within the City as part of the Federal First Time Home Buyers Program (HOME). Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes and may be waived under certain conditions if the loan is carried to full term. For the City, the HOME notes receivable balance at June 30, 2010, was \$1,551,572. For the RDA, the HOME notes receivable at June 30, 2010 was \$12,729.

Down Payment Assistance Loans – The City has made various loans to qualifying participants within the City. Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes and may be waived under certain conditions if the loan is carried to full term. The Down Payment Assistance notes receivable at June 30, 2010, was \$1,990,394.

Villa Serena II Loan - On July 24, 2001, the Agency entered into an agreement with Stanford Arms, a California Limited Partnership, for a loan in the amount of \$1,100,000. The loan has been used to assist with the construction of the Villa Serena affordable senior project known as Stanford Arms. The loan is at 3% simple interest and is to be repaid from residual receipts over a thirty-year period. The loan is secured by a deed of trust covering the property, improvements, and fixtures and by all deposits of the borrower. At June 30, 2010, a balance of \$1,100,000 is outstanding.

College Manor – On November 1, 2007, the Agency entered into an agreement with CAHA College Manor LP, a California Limited Partnership, for a loan in the amount of \$650,000. The loan has been used to finance the acquisition and renovation of low income apartments located at 4201 Racetrack Road. The loan is at 3% simple interest and is to be repaid from residual receipts over a fifty-five year period. At June 30, 2010, a balance of \$650,000 is outstanding.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. LOANS AND NOTES RECEIVABLE, Continued

Sunset Blvd. – On June 24, 2008, the Agency Board authorized a loan in the amount of \$575,000 to Sunset Street Housing Partners for an existing apartment complex located at 3655 Sunset Blvd. The loan provides for 3% simple interest for 30 years with payments to begin after the second anniversary of the loan document execution date. Associated with this project, the Agency also approved Conduit Debt issuance in the maximum amount of \$10,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. At June 30, 2010, a balance of \$575,000 is outstanding.

Whitney Rocklin, LP - On June 24, 2008, the Agency Board authorized a loan in the amount of \$1,595,000, which was later amended to \$1,730,000 on December 9, 2008, to Whitney Rocklin LP to assist with construction of a 156 unit multi-family housing project referred to as the Whitney Ranch Apartments. The loan provides for 3% simple interest for 30 years. Associated with this project, the Agency also approved Conduit Debt issuance in the maximum amount of \$18,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. At June 30, 2010, a balance of \$1,730,000 is outstanding.

HPD Shannon Bay, LP - On September 9, 2008, the Agency Board authorized a housing rehabilitation loan in the amount of \$500,000 with HPD Shannon Bay LP for a 50 unit multi-family housing project referred to as the Shannon Bay Apartments. The loan provides for 3% simple interest for 30 years with a 5 year period of interest only payments following the execution date of January 11, 2010. The loan then converts to an amortizing loan during which time an annual payment of \$25,296 will be paid and at the end of the loan term a balloon payment for the remaining balance becomes due and payable. Associated with this project, the Agency also approved Conduit Debt issuance in the maximum amount of \$6,000,000 in multifamily revenue bonds by the California Statewide Communities Development Authority. \$500,000 was disbursed during fiscal year ended June 30, 2010 and remains outstanding.

Whitney Rocklin, LP - On December 9, 2008, the Agency Board authorized a loan in the amount of \$2,100,000 to subsidize 70 low income rental units into very low income units referred to as the Whitney Ranch Apartments. The loan provides for 3% simple interest for 30 years. At June 30, 2010, a balance of \$2,100,000 remains outstanding.

Placer West Housing Partners, LP – On December 8, 2009, the Agency Board authorized a housing rehabilitation loan in the amount of \$500,000 with Placer West Housing Partners LP for a 44-unit affordable housing project located a 6055 Placer West Drive in Rocklin. The loan provides for 3% simple interest for 30 years with partial interest only payments in the amount of \$2,000 to begin on the second anniversary of the loan document execution date of December 22, 2009. A balloon payment of the remaining unpaid balance of principal and interest shall be due at the conclusion of the loan term. \$500,000 was disbursed during the fiscal year ended June 30, 2010, and remains outstanding.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

5. INTANGIBLE ASSETS

Intangible assets include bond issuance costs and discounts, which are bound to the debt that was issued, amounts by issuance are as follows:

	<u>Original Amount</u>	<u>Accumulated Amortization</u>	<u>Amortization Expense</u>	<u>Balance June 30, 2010</u>
Intangible assets:				
2005 Tax Allocation Bonds:				
Bond issuance costs	\$ 506,422	\$ (67,524)	\$ (16,881)	\$ 422,017
Bond discount	117,327	(15,644)	(3,911)	97,772
Totals	<u>623,749</u>	<u>(83,168)</u>	<u>(20,792)</u>	<u>519,789</u>
2007 Tax Allocation Bonds:				
Bond issuance costs	370,662	(33,296)	(12,495)	324,871
Bond discount	301,140	(30,114)	(10,038)	260,988
Totals	<u>671,802</u>	<u>(63,410)</u>	<u>(22,533)</u>	<u>585,859</u>
2003 Refunding Revenue Bonds:				
Bond issuance costs	282,336	(99,648)	(16,608)	166,080
Bond discount	289,152	(101,438)	(16,906)	170,808
Totals	<u>571,488</u>	<u>(201,086)</u>	<u>(33,514)</u>	<u>336,888</u>
Intangible assets totals				
Bond issuance costs	1,159,420	(200,468)	(45,984)	912,968
Bond discount	707,619	(147,196)	(30,855)	529,568
Intangible assets totals	<u>\$ 1,867,039</u>	<u>\$ (347,664)</u>	<u>\$ (76,839)</u>	<u>\$ 1,442,536</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Governmental activities:				
Nondepreciable assets:				
Land	\$ 6,528,001	\$ -	\$ -	\$ 6,528,001
Land improvements	67,461	-	-	67,461
Park Land	53,693,948	-	-	53,693,948
Construction in Progress	56,193,469	4,627,228	(740,773)	60,079,924
Total nondepreciable assets	<u>116,482,879</u>	<u>4,627,228</u>	<u>(740,773)</u>	<u>120,369,334</u>
Depreciable assets:				
Buildings	36,380,497	91,103	-	36,471,600
Facilities & other improvements	2,946,675	-	-	2,946,675
Machinery & equipment	2,719,852	40,149	-	2,760,001
Fleet machinery & equipment	8,080,987	1,741,219	(613,095)	9,209,111
Park Buildings	533,297	-	67,486	600,783
Park Equipment	1,360,873	181,793	-	1,542,666
Park Improvements	14,228,708	43,011	253,072	14,524,791
Infrastructure	319,023,972	59,092	-	319,083,064
Total depreciable assets	<u>385,274,861</u>	<u>2,156,367</u>	<u>(292,537)</u>	<u>387,138,691</u>
Total	<u>501,757,740</u>	<u>6,783,595</u>	<u>(1,033,310)</u>	<u>507,508,025</u>
Accumulated depreciation:				
Buildings	9,613,535	1,166,328	-	10,779,863
Facilities & other improvements	885,997	188,158	-	1,074,155
Machinery & equipment	2,114,386	306,868	-	2,421,254
Fleet machinery & equipment	4,378,232	861,643	(544,214)	4,695,661
Park Buildings	205,896	20,026	-	225,922
Park Equipment	1,092,320	147,141	-	1,239,461
Park Improvements	4,875,267	905,531	-	5,780,798
Infrastructure	92,458,803	8,084,262	-	100,543,065
Total accumulated depreciation	<u>115,624,436</u>	<u>11,679,957</u>	<u>(544,214)</u>	<u>126,760,179</u>
Total net capital assets	<u>\$ 386,133,304</u>	<u>\$ (4,896,362)</u>	<u>\$ (489,096)</u>	<u>\$ 380,747,846</u>

Depreciation expense for capital assets was charged to functions as follows:

General government	\$ 1,168,511
Public safety	1,354,486
Public works	8,084,262
Culture and recreation	1,072,698
Total	<u>\$ 11,679,957</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2010:

	Governmental Activities	Fiduciary Activities	Total
Accounts payable	\$ 2,213,677	\$ 106,392	\$ 2,320,069
Accrued payroll and related liabilities	1,096,586	-	1,096,586
Total	<u>\$ 3,310,263</u>	<u>\$ 106,392</u>	<u>\$ 3,416,655</u>

These amounts resulted in the following concentrations in payables:

Vendors 67% Employees 33%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

8. SPECIAL ASSESSMENT DISTRICTS

Special Assessment bonds have been issued under the 1915 Bond Act and the Mello-Roos Community Facilities Act of 1982. The City is in no way liable for repayment of any bonds of the funds reflected in the Agency funds, according to bond counsel, but is acting only as an agent for the property owners/bond holders in collecting and forwarding the special assessments. Balances of the various assessment district bonds were as follows as of June 30, 2010:

Special Assessment District Bond	Balance June 30, 2010
Stanford Ranch CFD No. 2 Refunding Special Tax Bonds	\$ 2,570,000
Stanford Ranch CFD No. 3C (Stanford Ranch) Special Tax Bonds	4,280,000
Rocklin Southeast CFD No. 4 (Southeast Rocklin) Special Tax Bonds	660,000
Rocklin CFD No. 7 (Sunset West Interchange/Major Street) Special Tax Bonds	2,620,000
Rocklin CFD No. 6 (Sunset West Drainage) Special Tax Bonds	1,730,000
Rocklin CFD No. 8 (Sunset West /Park Drive) Special Tax Bonds	4,475,000
Rocklin CFD No. 9 (Sunset West/Blue Oaks) Special Tax Bonds	5,330,000
Rocklin CFD No. 10 (Whitney Ranch) Special Tax Bonds	24,185,000
Rocklin CFD No. 3 Refunding Special Tax Bonds	3,595,000
Rocklin CFD No. 3 2005 Refunding Bond	8,845,000
Rocklin CFD No. 11 Private Placement Bonds	25,000,000
Total	<u>\$ 83,290,000</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

8. SPECIAL ASSESSMENT DISTRICTS, Continued

The City has no direct or contingent liability or moral obligation for the payment of these bonds. Assets held by the City on behalf of these districts are recorded in Agency Funds. Accordingly, these assets and outstanding bond obligations are not presented in the City's accompanying Basic Financial Statements.

9. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
2003 Certificates of Participation	\$ 4,635,000	\$ -	\$ (470,000)	\$ 4,165,000	\$ 485,000
2003 Public Financing Authority (PFA)					
Refunding Revenue Bonds-Senior	10,565,000	-	(465,000)	10,100,000	475,000
2003 PFA Refunding Revenue					
Bonds - Subordinate	1,195,000	-	(70,000)	1,125,000	70,000
2002 Refunding Tax Allocation Bonds	2,320,000	-	(45,000)	2,275,000	45,000
2005 Refunding Tax Allocation Bonds	11,185,000	-	(255,000)	10,930,000	265,000
2007 Refunding Tax Allocation Bonds	15,560,000	-	(265,000)	15,295,000	275,000
Ganiats promissory note	250,000	-	(250,000)	-	-
Total debt issuances	45,710,000	-	(1,820,000)	43,890,000	1,615,000
Line of credit	3,482,837	1,000,000	(200,000)	4,282,837	-
Claims payable	1,469,607	39,040	(416,640)	1,092,007	-
Compensated absences	4,242,026	1,626	(673,698)	3,569,954	1,290,110
Net OPEB obligation	2,996,000	3,725,000	(577,727)	6,143,273	-
Total	12,190,470	4,765,666	(1,868,065)	15,088,071	1,290,110
	<u>\$ 57,900,470</u>	<u>\$ 4,765,666</u>	<u>\$ (3,688,065)</u>	<u>\$ 58,978,071</u>	<u>\$ 2,905,110</u>

2003 Certificates of Participation

In December 2003, the City issued certificates of participation in the amount of \$6,650,000. The proceeds from this issuance were used to finance a portion of the police station construction costs and related facilities and defease outstanding 1995 certificates of participation. The required reserve balances provide the security for this issuance. Interest rates range from 2% to 4.20%. Principal payments ranging from \$405,000 to \$525,000 are payable annually on September 1 and interest payments ranging from \$11,025 to \$89,503 are payable semi-annually on March 1 and September 1, through September 1, 2018.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

9. LONG-TERM LIABILITIES, Continued

2003 Senior and Subordinate Refunding Revenue Bonds

In January 2004, the Rocklin Public Financing Authority issued \$12,575,000 of Senior Refunding Revenue Bonds and \$1,455,000 of Subordinate Refunding Revenue Bonds. Proceeds from these bonds were used to refund the outstanding 1999 Public Financing Authority Revenue Bonds. The Bonds are secured by revenues from specific assessment districts. Interest rates range from 2% to 4.6% for the Senior issue and 3.125% to 5.625% for the Subordinate issue. Principal payments ranging from \$445,000 to \$850,000 are payable annually on September 1 and interest payments ranging from \$19,550 to \$220,402 are payable semi-annually on March 1 and September 1 through September 1, 2025, for the Senior issue. Principal payments ranging from \$65,000 to \$120,000 are payable annually on September 1 and interest payments ranging from \$3,375 to \$31,645 are payable on March 1 and September 1 through September 1, 2021, for the Subordinate issuance.

2002 Refunding Tax Allocation Bonds

On February 1, 2002, tax allocation bonds were issued, in the amount of \$13,730,000, to defease the 1994 tax allocation bonds of the Redevelopment Agency. The proceeds of the tax allocation bonds are being used to finance certain capital improvements within the Redevelopment Agency's project area. On February 23, 2007, \$10,535,000 of principal was defeased from the issuance of the 2007 Tax Allocation Bonds. The remaining bonds are payable from and secured by tax increment revenues payable to the Redevelopment Agency. Interest rates range from 4.60% to 5.50%. New principal payments ranging from \$40,000 to \$190,000 are payable annually on September 1 and interest payments ranging from \$5,225 to \$63,466 are payable semi-annually on March 1 and September 1 through September 1, 2032.

2005 Tax Allocation Bonds

On July 15, 2005, tax allocation bonds were issued, in the amount of \$11,900,000. A portion of the proceeds of the tax allocation bonds were used to defease the 1997 refunding tax allocation bonds of the Redevelopment Agency's project area and the remaining \$8 million will be used for redevelopment projects. The bonds are payable from and secured by tax increment revenues payable to the Redevelopment Agency. Interest rates range from 3% to 4.5%. Principal payments ranging from \$245,000 to \$1,530,000 are payable annually on September 1 and interest payments ranging from \$34,425 to \$241,063 are payable semi-annually on March 1 and September 1, through September 1, 2035.

9. LONG-TERM LIABILITIES, Continued

2007 Tax Allocation Bonds

On February 23, 2007, tax allocation bonds were issued in the amount of \$15,815,000 to partially defease the 2002 Tax Allocation Bond of the Agency and to fund the costs of capital improvements and facilities within the Agency. The bonds are payable from and secured by tax increment revenues payable to the Agency. Interest rates range from 4% to 4.375%. Principal payments ranging from \$90,000 to \$1,700,000 are payable annually on September 1 and interest payments ranging from \$15,969 to \$332,916 are payable semi-annually on March 1 and September 1, through September 1, 2037.

Ganiats Promissory Note

On March 31, 1999, the Rocklin Public Financing Authority entered into an installment sale agreement with George C. Ganiats to purchase property. The original principal amount of \$1,250,000 will be paid in ten equal installments of \$100,000 and a final payment of \$250,000. The installments payments are due on April 1 of each year commencing in 2000 and ending in 2009. The final payment was paid April 1, 2010. Interest is accrued and due annually at 5% on the outstanding principal amount related to the installments and 1.84% on the final payment.

Line of Credit

On June 24, 2008, the Agency Board authorized a line of credit in the amount of \$5,000,000 with Bank of America, N.A. (Bank) to assist rehabilitation of existing affordable housing projects and construction of new affordable housing projects in the Agency's Project Area. The line will be available for the period August 1, 2008 through July 31, 2011 at the Bank's prime rate minus 1.75%. There is an outstanding balance of \$4,282,837 as of June 30, 2010, on this debt, which can be repaid at any time.

Claims Payable

The City has recorded a liability for potential claims in excess of amounts covered by the insurance pool. See Note 13 for further discussion on the City's risk management activities.

Compensated Absences

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. Compensated Absences had a balance of \$3,569,954 at June 30, 2010, of that amount, \$1,290,110 is expected to be paid within a year.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

9. LONG-TERM LIABILITIES, Continued

Net OPEB Obligation

A net OPEB obligation is the cumulative difference between annual OPEB cost and an employer's contributions to a plan. At June 30, 2010, the City had a Net OPEB Obligation of \$6,143,273. See Note 15 for further discussion on OPEB.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City performed calculations of excess investment earnings on various bonds and financings and at June 30, 2010, there were no arbitrage liabilities.

Future debt service at June 30, 2010 is as follows for all debt except compensated absences and claims liabilities:

Year Ending June 30,	Governmental activities					
	2003		2003		2003	
	Certificates of Participation		Refunding Revenue Bonds - Senior		Refunding Revenue Bonds - Subordinate	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	485,000	148,930	475,000	404,104	70,000	54,959
2012	405,000	134,973	490,000	391,429	75,000	52,012
2013	415,000	121,028	505,000	376,485	80,000	48,715
2014	430,000	105,810	520,000	359,504	80,000	45,115
2015	450,000	89,305	535,000	341,032	85,000	41,193
2016-2020	1,980,000	167,337	3,010,000	1,364,262	500,000	134,012
2021-2025	-	-	3,715,000	637,335	235,000	13,287
2026-2030	-	-	850,000	19,550	-	-
2031-2035	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-
Total	\$ 4,165,000	\$ 767,383	\$ 10,100,000	\$ 3,893,701	\$ 1,125,000	\$ 389,293
Due within one year	\$ 485,000	\$ 148,930	\$ 475,000	\$ 404,104	\$ 70,000	\$ 54,959
Due after one year	3,680,000	618,453	9,625,000	3,489,597	1,055,000	334,334
Total	\$ 4,165,000	\$ 767,383	\$ 10,100,000	\$ 3,893,701	\$ 1,125,000	\$ 389,293

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

9. LONG-TERM LIABILITIES, Continued

	Governmental activities			
	2002		2005	
	Refunding Tax Allocation		Refunding Tax Allocation	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 45,000	\$ 119,990	\$ 265,000	\$ 455,651
2012	45,000	117,875	280,000	447,301
2013	50,000	115,645	285,000	438,295
2014	50,000	113,300	285,000	428,854
2015	50,000	110,910	300,000	418,795
2016-2020	405,000	500,661	1,055,000	1,965,300
2021-2025	530,000	377,080	1,170,000	1,749,622
2026-2030	550,000	241,175	2,155,000	1,346,328
2031-2035	550,000	46,200	3,605,000	913,163
2036-2040	-	-	1,530,000	34,425
Total	<u>\$ 2,275,000</u>	<u>\$ 1,742,836</u>	<u>\$ 10,930,000</u>	<u>\$ 8,197,734</u>
Due within one year	\$ 45,000	\$ 119,990	\$ 265,000	\$ 455,651
Due after one year	2,230,000	1,622,846	10,665,000	7,742,083
Total	<u>\$ 2,275,000</u>	<u>\$ 1,742,836</u>	<u>\$ 10,930,000</u>	<u>\$ 8,197,734</u>

	2007			
	Tax Allocation			
	Bonds		Total	
	Principal	Interest	Principal	Interest
2011	\$ 275,000	\$ 639,531	\$ 1,615,000	\$ 1,823,166
2012	280,000	628,431	1,575,000	1,772,022
2013	290,000	617,031	1,625,000	1,717,199
2014	315,000	604,931	1,680,000	1,657,515
2015	325,000	592,131	1,745,000	1,593,366
2016-2010	2,325,000	2,709,256	9,275,000	6,840,829
2021-2025	2,945,000	2,175,075	8,595,000	4,952,399
2026-2030	3,020,000	1,591,609	6,575,000	3,198,663
2031-2035	2,990,000	772,844	7,145,000	1,732,206
2036-2040	2,530,000	193,594	4,060,000	228,019
Total	<u>\$ 15,295,000</u>	<u>\$ 10,524,435</u>	<u>\$ 43,890,000</u>	<u>\$ 25,515,382</u>
Due within one year	\$ 275,000	\$ 639,531	\$ 1,615,000	\$ 1,823,166
Due after one year	15,020,000	9,884,903	42,275,000	23,692,217
Total	<u>\$ 15,295,000</u>	<u>\$ 10,524,435</u>	<u>\$ 43,890,000</u>	<u>\$ 25,515,382</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

10. FUND BALANCES/NET ASSETS

Designated fund balance consisted of the following at June 30, 2010:

Retiree's health insurance premiums	\$ 10,011,011
Disaster contingency	2,000,000
Self-insured losses	1,000,000
Technology fee	478,220
Building repair	207,987
Whitney Ranch Interchange	3,557,071
Wetlands Maintenance	19,048
Conservation Easement	499
ADA improvements	241,059
Parks repair and maintenance	540,683
Swimming pool capital improvements	27,830
Total	<u>\$ 18,083,408</u>

The following describes the purpose of each designation:

- **Retiree's health insurance premiums** represent amounts set aside to fund future retiree health premiums.
- **Disaster contingency** includes amounts set aside in the event a major disaster emergency occurs.
- **Self-insured losses** includes amounts for self insured vision and dental payments.
- **Technology fee** includes 6% fee assessed on certain program revenues to fund the cost of technology systems.
- **Building repair** includes amounts set aside for public building repairs and maintenance.
- **Whitney Ranch Interchange** includes amounts set aside for the Whitney Ranch Interchange capital project.
- **Wetlands Maintenance** includes excess earnings on the endowment to be used for maintenance of the wetlands.
- **Conservation Easement** includes excess earnings on the endowment to be used for Preserve Area maintenance and operations.
- **ADA improvements** includes amounts set aside for ADA compliance.

10. FUND BALANCES/NET ASSETS, Continued

- **Park repair and maintenance** includes amounts set aside for park repair and maintenance.
- **Swimming pool capital improvements** include amounts set aside for the Rocklin High pool capital improvements.

11. DEFICIT NET ASSETS/ FUND BALANCES

There were no deficit net asset balances at June 30, 2010.

Deficit fund balances consisted of the following:

Major Funds:

Community Facilities District #11 Capital Projects Fund (\$3,044,814) to be funded through future assessments.

Nonmajor Funds:

Bicycle and Pedestrian Facilities Special Revenue Fund (\$494) to be funded through intergovernmental revenues.

Lighting District #1 Special Revenue Fund (\$412,321) to be funded through future assessments within the District's boundaries.

Park Development Capital Projects Fund (\$2,319,916) to be funded through future development fees.

Community Park Fees Capital Projects Fund (\$1,399,446) to be funded through future community park fees and reimbursable grants.

Capital Construction Projects Capital Projects Fund (\$1,396,497) to be funded through developer contributions.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

12. INTERFUND TRANSACTIONS

Due to and due from other funds consisted of the following as of June 30, 2010:

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 7,549,457	\$ -
Community Facilities District #11	-	3,044,295
<u>Nonmajor Funds:</u>		
Lighting Maintenance District #1 Special Revenue	-	406,013
Community Facilities District #1 Special Revenue	-	30,665
Supplemental Law Enforcement Special Revenue	-	25,243
Housing Rehabilitation Special Revenue	-	1,905
Park Development Fees Capital Projects	-	2,319,916
Community Park Fees Capital Projects	-	1,399,446
Capital Construction Impact Fees Capital Projects	-	321,974
Total	<u>\$ 7,549,457</u>	<u>\$ 7,549,457</u>

Due to/from other funds

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from other funds

In order for the Agency to carry out certain redevelopment activities, the City agreed to make advances to the Agency. The advances beginning balance was \$1,708,708 with a payment during the year of \$300,000 leaving the remaining balance of \$1,408,708. The advances were for purchases of property for redevelopment purposes. It is the intention of the Agency to repay such amounts out of tax increment revenues or other available funding sources. Interest in the amount of \$51,261 has been charged related to these advances in 2009-10.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

12. INTERFUND TRANSACTIONS, Continued

Transfers consisted of the following at June 30, 2010:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 3,707,784	\$ 352,092
Public Financing Authority Debt Service	300,000	-
Redevelopment Agency Capital Projects	-	98,799
Redevelopment Agency Debt Service	-	139,071
Traffic Circulation Impact Fee Capital Projects	182,465	900,148
Community Facilities District #11 Capital Projects	-	87,571
Total Major Funds	<u>4,190,249</u>	<u>1,577,681</u>
<u>Non-major Funds:</u>		
<u>Special Revenue Funds:</u>		
Gas Tax	-	143,492
SB 325 Sales Tax	289,588	632,245
Bicycle and Pedestrian Facilities	-	196,391
RDA Low/Moderate Housing	-	101,369
Affordable Housing	-	-
Lighting District #1	228,342	32,900
Lighting District #2	-	77,100
Community Facilities District #1	-	1,142,003
Housing Rehabilitation	42,609	5,908
Traffic Congestion AB 2928	119,521	288,432
Supplemental Law Enforcement Grant	-	100,000
Parks and Recreation Programs	220	-
Total Non-major Special Revenue Funds	<u>680,280</u>	<u>2,719,840</u>
<u>Capital Projects Funds:</u>		
Park Development	-	-
Community Park Fees	-	-
Capital Construction Projects	47	949,187
Oak Tree Mitigation	-	11,449
2003 Certificate of Participation	-	46
Community Facilities District #8	-	-
Total Non-major Capital Projects Funds	<u>47</u>	<u>960,682</u>
<u>Permanent Funds:</u>		
Wetlands Maintenance	-	1,600
Conservation Easement Endowment	-	220
Total Non-major Permanent Funds	<u>-</u>	<u>1,820</u>
<u>Debt Service Funds:</u>		
Capital Construction Debt Service	632,361	47
Total Non-major Debt Service Funds	<u>632,361</u>	<u>47</u>
<u>Proprietary Activities</u>		
<u>Internal Service Fund:</u>		
Vehicle Fleet Maintenance	-	242,867
Total Non-major Internal Service Funds	<u>-</u>	<u>242,867</u>
Total Non-major Funds	<u>1,312,688</u>	<u>3,925,256</u>
Total Transfers	<u>\$ 5,502,937</u>	<u>\$ 5,502,937</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

13. RISK MANAGEMENT

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with twenty other northern California cities. The NCCSIF is a joint powers authority (JPA) organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Code. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The NCCSIF provides claims processing administrative services, risk management services, and actuarial studies.

A member from each city governs the NCCSIF. City Council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The NCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

The NCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimated claims that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The City's insurance coverage and the respective coverage providers are as follows:

<u>Amount</u>	<u>Coverage Provider</u>	<u>Payment Source</u>
Liability Claim:		
\$0 - \$50,000	Self-insured	Banking layer
\$50,001 - \$450,000	NCCSIF	Shared risk
\$450,001 - \$40,000,000	Excess coverage	CJPRM
Workers' Compensation:		
\$0 - \$100,000	Self-insured	Banking layer
\$100,001 - \$400,000	NCCSIF	Shared risk
\$400,001 - Statutory	Excess coverage	CSAC EIA

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

13. RISK MANAGEMENT, Continued

The City participates in excess California joint powers authorities. These JPAs self fund to \$5,000,000 and then purchase reinsurance over that amount to their various limits. The City is self-insured for employee dental and vision claims. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Settlements have not exceeded the insurance coverage for the past three fiscal years.

The City's equity investment in the NCCSIF of \$1,153,131 is recorded in the general fund. The audited financial statements of the JPA are available at the NCCSIF's office.

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2007-2008	\$ 2,754,425	\$ 1,727,506	\$ (1,655,480)	\$ 2,826,451
2008-2009	2,826,451	281,292	(1,638,136)	1,469,607
2009-2010	1,469,607	39,040	(416,640)	1,092,007

14. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The City contributes to the California Public Employees' Retirement System (CALPERS), a cost-sharing multiple-employer defined benefit pension plan. CALPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CALPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City resolution. Copies of CALPERS' annual financial report may be obtained from their executive office 400 P Street, Sacramento, CA, 95814.

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For June 30, 2010, these contributions amounted to \$1,690,911. The City is required to contribute at an actuarially determined rate; the current rate is 11.610% for miscellaneous employees, 25.109% for fire safety employees and 24.732% for police safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CALPERS.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

14. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Annual Pension Cost

For 2010, the City's annual pension cost of \$3,577,004 for CALPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% of investment rate of return (net of administrative expenses) and (b) 3.25% to 14.45% projected annual salary increases that vary by age, duration of service and type of employment. Both (a) and (b) included an inflation component of 3% and annual production growth of 0.25%.

The actuarial value of CALPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smooth market value). CALPERS has increased the future rate the City pays to reflect an unfunded condition in the plan.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 3,645,974	100%	-
June 30, 2009	3,981,575	100%	-
June 30, 2010	3,577,004	100%	-

15. POSTEMPLOYMENT HEALTH CARE BENEFITS

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

Plan Description

The City provides certain health care benefits for eligible retired employees through the California Public Employees' Retirement System (CalPERS) under the Public Employees' Medical and Hospital Care Act (PEHMCA). This is a cost-sharing multiple-employer defined benefit plan. Eligible retirees may enroll in any of the available CalPERS medical plans. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the report may be obtained from CalPERS at P.O. Box 942709, Sacramento, California, 94229-2709.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued

Plan Description, Continued

The plan provisions and benefits are summarized below:

Eligibility	<ul style="list-style-type: none"> • Retire directly from City under CalPERS • Minimum 5 years of City service • Continue participation in PEMHCA after retirement 																	
Benefit	<p style="text-align: center;"><u>Hired Before May 1, 2003</u></p> <ul style="list-style-type: none"> • City contributes 100% of premium up to the City cap: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>City Cap</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2008</td> <td style="text-align: center;">\$1,013</td> </tr> <tr> <td style="text-align: center;">2009</td> <td style="text-align: center;">1,053</td> </tr> <tr> <td style="text-align: center;">2010</td> <td style="text-align: center;">1,093</td> </tr> </tbody> </table>		<u>City Cap</u>	2008	\$1,013	2009	1,053	2010	1,093	<p style="text-align: center;"><u>Hired on or after May 1, 2003</u></p> <ul style="list-style-type: none"> • City contributes at the greater of the City cap and the State 100/90 formula: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>2010</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">EE</td> <td style="text-align: center;">\$478</td> </tr> <tr> <td style="text-align: center;">EE + 1</td> <td style="text-align: center;">909</td> </tr> <tr> <td style="text-align: center;">Family</td> <td style="text-align: center;">1,167</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • % applies to City contribution as follows, based on CalPERS service: <p style="margin-left: 40px;"><10 yrs: 0%</p> <p style="margin-left: 40px;">≥10 yrs: 50% + 5% x Svc >10</p> <ul style="list-style-type: none"> • Max 100% 		<u>2010</u>	EE	\$478	EE + 1	909	Family	1,167
	<u>City Cap</u>																	
2008	\$1,013																	
2009	1,053																	
2010	1,093																	
	<u>2010</u>																	
EE	\$478																	
EE + 1	909																	
Family	1,167																	
Dental, Vision, and Life	<ul style="list-style-type: none"> • None 																	
Surviving Spouse Continuation	<ul style="list-style-type: none"> • Coverage based on retirement plan selection • Same benefit continues to surviving spouse 																	
Pay as You Go Costs (,000s)	<p style="text-align: center;"><u>Fiscal Year</u></p> <p style="text-align: center;">2009/10</p> <p style="text-align: center;">2008/09</p> <p style="text-align: center;">2007/08</p> <p style="text-align: center;">2006/07</p> <p style="text-align: center;">2005/06</p>	<p style="text-align: center;"><u>Payments</u></p> <p style="text-align: center;">\$578</p> <p style="text-align: center;">483</p> <p style="text-align: center;">454</p> <p style="text-align: center;">384</p> <p style="text-align: center;">350</p>																

There were 69 retirees enrolled in the plan at June 30, 2010.

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued

Funding Policy

By Council resolution and through agreements with its labor units, the City contributes a fixed amount towards the CalPERS medical plan premium for all eligible retirees with retirees contributing any premium amounts in excess of the City Contribution. The City funds the OPEB on a pay-as-you-go basis. The City recognizes its cost by budgeting for and expensing the premiums, which amounted to \$577,727 for the year ended June 30, 2010.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) was determined as part of a June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% 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 9.05% to 10.10% in 2011 to 4.5% in 2017. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The following table shows the components of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's annual OPEB costs for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation.

	<u>2010</u>	<u>2009</u>
Annual Required Contribution (ARC) and Annual OPEB Cost	\$ 3,725,000	\$ 3,479,000
Contributions made:		
City portion of current year premiums paid	<u>577,727</u>	<u>483,000</u>
Annual OPEB cost (expense)	3,147,273	2,996,000
Net OPEB Obligation - beginning of year	<u>2,996,000</u>	<u>-</u>
Net OPEB Obligation - end of year	<u><u>\$ 6,143,273</u></u>	<u><u>\$ 2,996,000</u></u>
Percentage of annual OPEB cost contributed	<u>16%</u>	<u>14%</u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

15. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued

Since fiscal year 2009 is the first year of implementation there is one prior year of comparative data. In future years, three-year trend information will be presented.

The City's annual OPEB cost (expense) is equal to the ARC, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2008	N/A	N/A	N/A
6/30/2009	\$ 3,479,000	14%	\$ 2,996,000
6/30/2010	3,725,000	16%	6,143,273

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2008, amounted to \$31.94 million and was unfunded since no assets had been transferred into a trust as of that date. As of June 30, 2010, the City had set aside a total of \$10,000,000 in a City Retirees Health Fund. The City is reviewing options to manage its OPEB liability and reduce its ARC. If the City does set up an irrevocable trust or participates in the California Employers Retirees Benefit Trust (CERBT), it will transfer some or all of the assets out of the Retirees Health Fund.

16. CONTINGENCIES

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2010, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

17. COMMITMENTS

The City had the following significant unexpended contractual commitments as of June 30, 2010:

Sierra College Blvd. Widening	\$ 1,551,454
Farron Street Crossing	72,366
Safe School Route	<u>218,494</u>
Total commitments	<u><u>\$ 1,842,314</u></u>

City of Rocklin, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

18. LITIGATION

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, do not appear to have a materially adverse effect on the financial condition of the City.

19. SUBSEQUENT EVENTS

On August 12, 2010, the Redevelopment Agency and the City entered into an agreement for the purchase of the Big Gun Mining Quarry for \$1 million, with a \$400,000 down payment followed by five annual payment of \$133,529. Terms are 3.67% interest for five years.

On January 25, 2011 the Redevelopment Agency and City entered into an agreement and reciprocal loan agreements for the purchase of the Granite Drive Library Building.

Due to the recent Governor's State budget recommendation to eliminate Redevelopment Agencies in the State of California, the City has taken several actions to prudently allocate Redevelopment funds to projects and activities that best serve the citizens of the City of Rocklin. It is uncertain how State actions will affect the City or its Redevelopment Agency at this time.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

City of Rocklin, California

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2010

(With comparative totals for June 30, 2009)

	Governmental Funds				Non-Major Funds	
	Special	Capital	Permanent	Debt	Totals	
	Revenue	Projects		Service	2010	2009
ASSETS						
Cash and investments	\$ 10,360,703	\$ 1,353,472	\$ 472,620	\$ -	\$ 12,186,795	\$ 12,805,994
Restricted cash and investments	-	-	38,382	-	38,382	1
Receivables:						
Taxes	336,884	-	-	-	336,884	242,632
Intergovernmental	30,665	-	-	-	30,665	205,815
Loans/Notes receivable	11,260,634	-	-	-	11,260,634	9,650,076
Other receivable	-	-	-	-	-	48,865
Advances to other funds	900,000	-	-	-	900,000	-
Total assets	\$ 22,888,886	\$ 1,353,472	\$ 511,002	\$ -	\$ 24,753,360	\$ 22,953,383
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 592,139	\$ 20,820	\$ -	\$ -	\$ 612,959	\$ 430,668
Due to other funds	463,826	4,041,336	-	-	4,505,162	4,433,489
Advances from other funds	-	1,057,774	-	-	1,057,774	-
Total liabilities	1,055,965	5,119,930	-	-	6,175,895	4,864,157
Fund Balances (Deficits):						
Reserved for:						
Low and moderate income housing	1,564,486	-	-	-	1,564,486	1,852,096
Loans/Notes receivable	11,260,634	-	-	-	11,260,634	9,650,076
Debt service	-	-	-	-	-	1
Capital projects	-	-	-	-	-	843,767
Endowments	-	-	491,455	-	491,455	491,455
Unreserved, designated	-	-	19,547	-	19,547	47,874
Unreserved, reported in:						
Special revenue funds	9,007,801	-	-	-	9,007,801	7,630,636
Capital projects funds	-	(3,766,458)	-	-	(3,766,458)	(2,426,679)
Total fund balances (deficits)	21,832,921	(3,766,458)	511,002	-	18,577,465	18,089,226
Total liabilities and fund balances	\$ 22,888,886	\$ 1,353,472	\$ 511,002	\$ -	\$ 24,753,360	\$ 22,953,383

City of Rocklin, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	Governmental Funds				Non-Major Funds	
	Special Revenue	Capital Projects	Permanent	Debt Service	Totals 2010	Totals 2009
REVENUES:						
Taxes and assessments	\$ 6,910,023	\$ 16,354	\$ -	\$ -	\$ 6,926,377	\$ 7,754,519
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	1,209	-	-	-	1,209	-
Intergovernmental	2,077,965	-	-	-	2,077,965	1,086,776
Use of money and property	59,165	8,613	8,906	-	76,684	486,417
Charges for services	9,754	86,852	-	-	96,606	155,692
Contributions from developers and homeowners	-	867,288	-	-	867,288	1,532,596
Other revenues	582,456	-	-	-	582,456	99,528
Total revenues	9,640,572	979,107	8,906	-	10,628,585	11,115,528
EXPENDITURES:						
Current:						
General government	232,149	-	-	-	232,149	202,238
Public safety	4,616	-	-	-	4,616	143,877
Public works	3,847,397	-	-	-	3,847,397	3,523,560
Culture and recreation	87,840	-	-	-	87,840	271,450
Community development	1,718,859	-	35,413	-	1,754,272	541,818
Capital outlay	591,818	1,216,923	-	-	1,808,741	3,293,850
Debt service:						
Principal	200,000	-	-	470,000	670,000	460,000
Interest and fiscal charges	61,987	141,328	-	162,315	365,630	327,508
Total expenditures	6,744,666	1,358,251	35,413	632,315	8,770,645	8,764,301
REVENUES OVER (UNDER) EXPENDITURES						
	2,895,906	(379,144)	(26,507)	(632,315)	1,857,940	2,351,227
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of debt	1,000,000	-	-	-	1,000,000	3,482,837
Transfers in	680,280	47	-	632,361	1,312,688	1,470,222
Transfers out	(2,719,840)	(960,682)	(1,820)	(47)	(3,682,389)	(3,406,627)
Total other financing sources (uses)	(1,039,560)	(960,635)	(1,820)	632,314	(1,369,701)	1,546,432
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)						
	1,856,346	(1,339,779)	(28,327)	(1)	488,239	3,897,659
FUND BALANCES (DEFICITS):						
Beginning of year	19,976,575	(2,426,679)	539,329	1	18,089,226	14,191,567
End of year	\$ 21,832,921	\$ (3,766,458)	\$ 511,002	\$ -	\$ 18,577,465	\$ 18,089,226

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NON-MAJOR SPECIAL REVENUE FUNDS

Fund	Description
Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2105, 2106, 2107, and 2107.5 of the Streets and Highway Code.
SB325 Sales Tax	Accounts for sales tax revenue collected in accordance with Senate Bill 325 to be used for repair and maintenance of streets.
Bicycle and Pedestrian Facilities	Accounts for grants received for bicycle and pedestrian facility purposes.
RDA Low/Moderate Housing	Accounts for tax increment revenues received and expended for low/moderate income housing purposes.
RDA Down Payment Assistance	Accounts for loans to low/moderate income individuals for down payments on homes.
Lighting District #1 & #2	Accounts for funds received to maintain and operate the respective lighting district.
Community Facilities District #1 & #6	Accounts for revenues to be used on the respective community facilities district's operations and maintenance.
Housing Rehabilitation	Accounts for funds received for the City's housing rehabilitation programs.
Asset Forfeiture	Accounts for funds received on forfeited assets to be used for Police services.
Whitney Oaks Improvement	Accounts for revenues received for Whitney Oaks improvements.
Traffic Safety	Accounts for funds received for traffic safety programs.
Traffic Congestion AB 2928	Accounts for traffic congestion relief funds received for street purposes.
DOE Grants	Accounts for Department of Education grants received for culture and recreation purposes.
Supplemental Law Enforcement Grant	Accounts for funds received to be used for public safety purposes.
Parks & Recreation Programs	Accounts for funds collected for culture and recreation programs.
Park Improvement	Accounts for activities to improve and beautify City parks.
Explorer Post 150	Accounts for funds collected for the explorer post 150 program.
ARRA	Accounts for American Recovery and Reinvestment Act grants received for community development programs.

City of Rocklin, California
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2010
(With comparative totals for June 30, 2009)

	Special Revenue Funds				
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	RDA Low/Moderate Housing	RDA Down Payment Assistance
ASSETS					
Cash and investments	\$ 771,337	\$ 4,025,293	\$ 389	\$ 301,168	\$ 330,695
Receivables:					
Taxes	89,249	-	-	-	-
Intergovernmental	-	-	-	-	-
Loans/Notes receivable	-	-	-	7,167,729	1,990,394
Other receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Advances to other funds	-	-	-	900,000	-
Total assets	\$ 860,586	\$ 4,025,293	\$ 389	\$ 8,368,897	\$ 2,321,089
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	28,195	224,018	883	205,840	\$ 2,820
Due to other funds	-	-	-	-	-
Total liabilities	28,195	224,018	883	205,840	2,820
Fund Balances:					
Reserved for:					
Low and moderate income housing	-	-	-	995,328	327,875
Loans/Notes receivable	-	-	-	7,167,729	1,990,394
Capital projects	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	832,391	3,801,275	(494)	-	-
Total fund balances	832,391	3,801,275	(494)	8,163,057	2,318,269
Total liabilities and fund balances	\$ 860,586	\$ 4,025,293	\$ 389	\$ 8,368,897	\$ 2,321,089

Special Revenue Funds

<u>Lighting District #1</u>	<u>Lighting District #2</u>	<u>Community Facilities District #1</u>	<u>Community Facilities District #6</u>	<u>Housing Rehabilitation</u>	<u>Asset Forfeiture</u>
\$ -	\$ 1,724,223	\$ -	\$ 388,486	\$ 242,447	\$ 90,057
12,398	58,683	30,665	5,600	-	-
-	-	-	-	2,329	-
-	-	-	-	2,102,511	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 12,398</u>	<u>\$ 1,782,906</u>	<u>\$ 30,665</u>	<u>\$ 394,086</u>	<u>\$ 2,347,287</u>	<u>\$ 90,057</u>
\$ 18,706	\$ 81,064	\$ -	\$ 6,558	\$ 1,588	\$ -
406,013	-	30,665	-	1,905	-
<u>424,719</u>	<u>81,064</u>	<u>30,665</u>	<u>6,558</u>	<u>3,493</u>	<u>-</u>
-	-	-	-	241,283	-
-	-	-	-	2,102,511	-
-	-	-	-	-	-
<u>(412,321)</u>	<u>1,701,842</u>	<u>-</u>	<u>387,528</u>	<u>-</u>	<u>90,057</u>
<u>(412,321)</u>	<u>1,701,842</u>	<u>-</u>	<u>387,528</u>	<u>2,343,794</u>	<u>90,057</u>
<u>\$ 12,398</u>	<u>\$ 1,782,906</u>	<u>\$ 30,665</u>	<u>\$ 394,086</u>	<u>\$ 2,347,287</u>	<u>\$ 90,057</u>

(continued)

City of Rocklin, California
Combining Balance Sheet, Continued
Non-major Special Revenue Funds
June 30, 2010
(With comparative totals for June 30, 2009)

	<u>Special Revenue Funds</u>			
	<u>Whitney Oaks Park Improvement</u>	<u>Traffic Safety</u>	<u>Traffic Congestion AB 2928</u>	<u>DOE Grants</u>
ASSETS				
Cash and investments	\$ 2,072,011	\$ 1,312	\$ 263,509	\$ 23
Receivables:				
Taxes	-	-	140,289	-
Intergovernmental	-	3,093	-	-
Loans/Notes receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 2,072,011</u>	<u>\$ 4,405</u>	<u>\$ 403,798</u>	<u>\$ 23</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 4,405	\$ 15,224	\$ 23
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>4,405</u>	<u>15,224</u>	<u>23</u>
Fund Balances:				
Reserved for:				
Low and moderate income housing	-	-	-	-
Loans/Notes receivable	-	-	-	-
Capital projects	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	<u>2,072,011</u>	<u>-</u>	<u>388,574</u>	<u>-</u>
Total fund balances	<u>2,072,011</u>	<u>-</u>	<u>388,574</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,072,011</u>	<u>\$ 4,405</u>	<u>\$ 403,798</u>	<u>\$ 23</u>

Special Revenue Funds					Non-Major Funds Totals	
Supplemental Law Enforcement Grant	Parks & Recreation Programs	Park Improvement	Explorer Post 150	ARRA	2010	2009
\$ -	\$ 131,015	\$ 11,993	\$ 6,745	\$ -	\$ 10,360,703	\$ 10,866,748
-	-	-	-	-	336,884	242,632
25,243	-	-	-	-	30,665	205,815
-	-	-	-	-	11,260,634	9,650,076
-	-	-	-	-	-	48,865
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	900,000	-
<u>\$ 25,243</u>	<u>\$ 131,015</u>	<u>\$ 11,993</u>	<u>\$ 6,745</u>	<u>\$ -</u>	<u>\$ 22,888,886</u>	<u>\$ 21,014,136</u>
\$ -	\$ 2,815	\$ -	\$ -	\$ -	\$ 592,139	\$ 407,079
25,243	-	-	-	-	463,826	630,482
<u>25,243</u>	<u>2,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,055,965</u>	<u>1,037,561</u>
-	-	-	-	-	1,564,486	1,852,096
-	-	-	-	-	11,260,634	9,650,076
-	-	-	-	-	-	843,767
-	128,200	11,993	6,745	-	9,007,801	7,630,636
-	128,200	11,993	6,745	-	21,832,921	19,976,575
<u>\$ 25,243</u>	<u>\$ 131,015</u>	<u>\$ 11,993</u>	<u>\$ 6,745</u>	<u>\$ -</u>	<u>\$ 22,888,886</u>	<u>\$ 21,014,136</u>

(concluded)

City of Rocklin, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Special Revenue Funds

For the year ended June 30, 2010

(With comparative totals for the year ended June 30, 2009)

	Special Revenue Funds				
	Gas Tax	SB325 Sales Tax	Bicycle and Pedestrian Facilities	RDA Low/Moderate Housing	RDA Down Payment Assistance
REVENUES:					
Taxes and assessments	\$ 936,397	\$ 1,750,835	\$ -	\$ 1,088,140	\$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	90,000	417,303	-	-
Use of money and property	4,073	20,923	-	8,303	390
Charges for services	-	-	-	-	-
Contributions from developers and homeowners	-	-	-	-	-
Other revenues	14,570	-	-	-	-
Total revenues	955,040	1,861,758	417,303	1,096,443	390
EXPENDITURES:					
Current:					
General government	-	-	-	173,260	15,068
Public safety	-	-	-	-	-
Public works	822,924	1,246,434	-	-	-
Culture and recreation	-	-	-	-	-
Community development	-	-	25,366	166,807	61,543
Capital outlay	-	321,487	244,685	-	-
Debt service:					
Principal	-	-	-	200,000	-
Interest and fiscal charges	-	-	-	44,324	-
Total expenditures	822,924	1,567,921	270,051	584,391	76,611
REVENUES OVER (UNDER) EXPENDITURES	132,116	293,837	147,252	512,052	(76,221)
OTHER FINANCING SOURCES (USES):					
Proceeds from line of credit	-	-	-	1,000,000	-
Transfers in	-	289,588	-	-	-
Transfers out	(143,492)	(632,245)	(196,391)	(101,369)	-
Total other financing sources and uses	(143,492)	(342,657)	(196,391)	898,631	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(11,376)	(48,820)	(49,139)	1,410,683	(76,221)
FUND BALANCES (DEFICITS):					
Beginning of year	843,767	3,850,095	48,645	6,752,374	2,394,490
End of year	<u>\$ 832,391</u>	<u>\$ 3,801,275</u>	<u>\$ (494)</u>	<u>\$ 8,163,057</u>	<u>\$ 2,318,269</u>

Special Revenue Funds

<u>Lighting District #1</u>	<u>Lighting District #2</u>	<u>Community Facilities District #1</u>	<u>Community Facilities District #6</u>	<u>Housing Rehabilitation</u>	<u>Asset Forfeiture</u>
\$ 250,458	\$ 1,514,466	\$ 1,153,245	\$ 216,482	\$ -	\$ -
-	-	-	-	-	1,209
-	-	-	-	64,126	-
-	9,414	-	2,044	874	-
-	-	-	-	-	-
-	-	-	-	-	-
-	500	-	-	-	-
<u>250,458</u>	<u>1,524,380</u>	<u>1,153,245</u>	<u>218,526</u>	<u>65,000</u>	<u>1,209</u>
-	-	11,242	32,579	-	-
-	-	-	-	-	778
289,667	1,265,760	-	204,910	-	-
-	-	-	-	-	-
-	-	-	-	110,886	-
-	-	-	-	2,329	-
-	-	-	-	-	-
17,663	-	-	-	-	-
<u>307,330</u>	<u>1,265,760</u>	<u>11,242</u>	<u>237,489</u>	<u>113,215</u>	<u>778</u>
<u>(56,872)</u>	<u>258,620</u>	<u>1,142,003</u>	<u>(18,963)</u>	<u>(48,215)</u>	<u>431</u>
-	-	-	-	-	-
228,342	-	-	-	42,609	-
<u>(32,900)</u>	<u>(77,100)</u>	<u>(1,142,003)</u>	<u>-</u>	<u>(5,908)</u>	<u>-</u>
195,442	(77,100)	(1,142,003)	-	36,701	-
138,570	181,520	-	(18,963)	(11,514)	431
<u>(550,891)</u>	<u>1,520,322</u>	<u>-</u>	<u>406,491</u>	<u>2,355,308</u>	<u>89,626</u>
<u>\$ (412,321)</u>	<u>\$ 1,701,842</u>	<u>\$ -</u>	<u>\$ 387,528</u>	<u>\$ 2,343,794</u>	<u>\$ 90,057</u>

(continued)

City of Rocklin, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

Non-major Special Revenue Funds

For the year ended June 30, 2010

(With comparative totals for the year ended June 30, 2009)

	Special Revenue Funds			
	Whitney Oaks Park Improvement	Traffic Safety	Traffic Congestion AB 2928	DOE Grants
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental	-	3,838	-	48,441
Use of money and property	11,012	-	2,132	-
Charges for services	-	-	-	-
Contributions from developers and homeowners	-	-	-	-
Other revenues	-	-	498,314	-
Total revenues	11,012	3,838	500,446	48,441
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	3,838	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	48,441
Community development	-	-	-	-
Capital outlay	-	-	23,317	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	3,838	23,317	48,441
REVENUES OVER (UNDER) EXPENDITURES	11,012	-	477,129	-
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	-	-
Transfers in	-	-	119,521	-
Transfers out	-	-	(288,432)	-
Total other financing sources and uses	-	-	(168,911)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	11,012	-	308,218	-
FUND BALANCES (DEFICITS):				
Beginning of year	2,060,999	-	80,356	-
End of year	\$ 2,072,011	\$ -	\$ 388,574	\$ -

Special Revenue Funds					Non-Major Funds Totals	
Supplemental					2010	2009
Law Enforcement Grant	Parks & Recreation Programs	Park Improvement	Explorer Post 150	ARRA		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,910,023	\$ 7,739,046
-	-	-	-	-	1,209	-
100,000	-	-	-	1,354,257	2,077,965	1,086,776
-	-	-	-	-	59,165	436,290
-	9,754	-	-	-	9,754	17,433
-	-	-	-	-	-	300,000
-	40,867	28,205	-	-	582,456	99,528
100,000	50,621	28,205	-	1,354,257	9,640,572	9,679,073
-	-	-	-	-	232,149	202,238
-	-	-	-	-	4,616	143,877
-	-	17,702	-	-	3,847,397	3,523,560
-	39,399	-	-	-	87,840	241,257
-	-	-	-	1,354,257	1,718,859	443,866
-	-	-	-	-	591,818	3,267,665
-	-	-	-	-	200,000	-
-	-	-	-	-	61,987	36,023
-	39,399	17,702	-	1,354,257	6,744,666	7,858,486
100,000	11,222	10,503	-	-	2,895,906	1,820,587
-	-	-	-	-	1,000,000	3,482,837
-	220	-	-	-	680,280	844,167
(100,000)	-	-	-	-	(2,719,840)	(2,673,681)
(100,000)	220	-	-	-	(1,039,560)	1,653,323
-	11,442	10,503	-	-	1,856,346	3,473,910
-	116,758	1,490	6,745	-	19,976,575	16,502,665
\$ -	\$ 128,200	\$ 11,993	\$ 6,745	\$ -	\$ 21,832,921	\$ 19,976,575

(concluded)

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Gas Tax Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 662,500	\$ 921,654	\$ 936,397	\$ 14,743
Use of money and property	-	5,800	4,073	(1,727)
Other revenues	-	-	14,570	14,570
Total revenues	662,500	927,454	955,040	27,586
EXPENDITURES:				
Current:				
Public works	668,648	874,306	822,924	51,382
Total expenditures	668,648	874,306	822,924	51,382
REVENUES OVER (UNDER) EXPENDITURES	(6,148)	53,148	132,116	78,968
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(139,200)	(143,492)	(4,292)
Total other financing sources (uses)	-	(139,200)	(143,492)	(4,292)
Net change in fund balances	(6,148)	(86,052)	(11,376)	74,676
FUND BALANCES:				
Beginning of year	843,767	843,767	843,767	-
End of year	\$ 837,619	\$ 757,715	\$ 832,391	\$ 74,676

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

SB325 Sales Tax Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 2,989,791	\$ 2,260,126	\$ 1,750,835	\$ (509,291)
Intergovernmental	1,716,000	340,000	90,000	(250,000)
Use of money and property	14,400	26,700	20,923	(5,777)
Total revenues	4,720,191	2,626,826	1,861,758	(765,068)
EXPENDITURES:				
Current:				
Public works	1,507,808	1,251,314	1,246,434	4,880
Capital outlay	2,316,000	1,855,560	321,487	1,534,073
Total expenditures	3,823,808	3,106,874	1,567,921	1,538,953
REVENUES OVER (UNDER) EXPENDITURES	896,383	(480,048)	293,837	773,885
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,475	289,588	287,113
Transfers out	(778,600)	(509,800)	(632,245)	(122,445)
Total other financing sources (uses)	(778,600)	(507,325)	(342,657)	164,668
Net change in fund balances	117,783	(987,373)	(48,820)	938,553
FUND BALANCES:				
Beginning of year	3,850,095	3,850,095	3,850,095	-
End of year	\$ 3,967,878	\$ 2,862,722	\$ 3,801,275	\$ 938,553

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Bicycle and Pedestrian Facilities Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 231,500	\$ 417,303	\$ 417,303	\$ -
Total revenues	231,500	417,303	417,303	-
EXPENDITURES:				
Current:				
Community Development	26,528	26,649	25,366	1,283
Capital outlay	270,290	240,000	244,685	(4,685)
Total expenditures	296,818	266,649	270,051	(3,402)
REVENUES OVER (UNDER) EXPENDITURES	(65,318)	150,654	147,252	(3,402)
OTHER FINANCING SOURCES (USES):				
Transfers out	(12,600)	(196,140)	(196,391)	(251)
Total other financing sources (uses)	(12,600)	(196,140)	(196,391)	(251)
Net change in fund balances	(77,918)	(45,486)	(49,139)	(3,653)
FUND BALANCES (DEFICIT):				
Beginning of year	48,645	48,645	48,645	-
End of year	\$ (29,273)	\$ 3,159	\$ (494)	\$ (3,653)

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

RDA Low/Moderate Housing Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,122,100	\$ 1,122,100	\$ 1,088,140	\$ (33,960)
Use of money and property	41,000	11,000	8,303	(2,697)
Total revenues	1,163,100	1,133,100	1,096,443	(36,657)
EXPENDITURES:				
Current:				
General government	183,963	182,863	173,260	9,603
Community development	202,912	204,864	166,807	38,057
Debt service:				
Principal	-	-	200,000	(200,000)
Interest	58,300	58,300	44,324	13,976
Total expenditures	445,175	446,027	584,391	(138,364)
REVENUES OVER (UNDER) EXPENDITURES	717,925	687,073	512,052	(175,021)
OTHER FINANCING SOURCES (USES):				
Proceeds from line of credit	-	-	1,000,000	1,000,000
Transfers out	(96,560)	(109,310)	(101,369)	7,941
Total other financing sources (uses)	(96,560)	(109,310)	898,631	1,007,941
Net change in fund balances	621,365	577,763	1,410,683	832,920
FUND BALANCES:				
Beginning of year	6,752,374	6,752,374	6,752,374	-
End of year	\$ 7,373,739	\$ 7,330,137	\$ 8,163,057	\$ 832,920

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

RDA Down Payment Assistance Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 390	\$ 390
Total revenues	-	-	390	390
EXPENDITURES:				
Current:				
General government	15,667	15,807	15,068	739
Community development	82,435	82,309	61,543	20,766
Total expenditures	98,102	98,116	76,611	21,505
REVENUES OVER (UNDER) EXPENDITURES	(98,102)	(98,116)	(76,221)	21,895
Net change in fund balances	(98,102)	(98,116)	(76,221)	21,895
FUND BALANCES:				
Beginning of year	2,394,490	2,394,490	2,394,490	-
End of year	\$ 2,296,388	\$ 2,296,374	\$ 2,318,269	\$ 21,895

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lighting District #1 Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 238,200	\$ 238,200	\$ 250,458	\$ 12,258
Total revenues	238,200	238,200	250,458	12,258
EXPENDITURES:				
Current:				
Public works	294,548	287,260	289,667	(2,407)
Debt service:				
Interest	16,400	14,800	17,663	(2,863)
Total expenditures	310,948	302,060	307,330	(5,270)
REVENUES OVER (UNDER) EXPENDITURES	(72,748)	(63,860)	(56,872)	6,988
OTHER FINANCING SOURCES (USES):				
Transfers in	230,971	237,784	228,342	(9,442)
Transfers out	(32,900)	(32,900)	(32,900)	-
Total other financing sources (uses)	198,071	204,884	195,442	(9,442)
Net change in fund balances	125,323	141,024	138,570	(2,454)
FUND BALANCES (DEFICIT):				
Beginning of year	(550,891)	(550,891)	(550,891)	-
End of year	\$ (425,568)	\$ (409,867)	\$ (412,321)	\$ (2,454)

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lighting District #2 Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,550,300	\$ 1,550,300	\$ 1,514,466	\$ (35,834)
Use of money and property	13,800	11,300	9,414	(1,886)
Other revenues	-	-	500	500
Total revenues	1,564,100	1,561,600	1,524,380	(37,220)
EXPENDITURES:				
Current:				
Public works	1,534,060	1,458,741	1,265,760	192,981
Capital outlay	100,205	100,205	-	100,205
Total expenditures	1,634,265	1,558,946	1,265,760	293,186
REVENUES OVER (UNDER) EXPENDITURES	(70,165)	2,654	258,620	255,966
OTHER FINANCING SOURCES (USES):				
Transfers out	(77,100)	(77,100)	(77,100)	-
Total other financing sources (uses)	(77,100)	(77,100)	(77,100)	-
Net change in fund balances	(147,265)	(74,446)	181,520	255,966
FUND BALANCES:				
Beginning of year	1,520,322	1,520,322	1,520,322	-
End of year	\$ 1,373,057	\$ 1,445,876	\$ 1,701,842	\$ 255,966

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Community Facilities District #1 Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 1,089,200	\$ 1,089,200	\$ 1,153,245	\$ 64,045
Total revenues	<u>1,089,200</u>	<u>1,089,200</u>	<u>1,153,245</u>	<u>64,045</u>
EXPENDITURES:				
Current:				
General government	11,264	11,264	11,242	22
Total expenditures	<u>11,264</u>	<u>11,264</u>	<u>11,242</u>	<u>22</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,077,936</u>	<u>1,077,936</u>	<u>1,142,003</u>	<u>64,067</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,077,936)	(1,077,936)	(1,142,003)	(64,067)
Total other financing sources (uses)	<u>(1,077,936)</u>	<u>(1,077,936)</u>	<u>(1,142,003)</u>	<u>(64,067)</u>
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Community Facilities District #6 Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 251,537	\$ 251,537	\$ 216,482	\$ (35,055)
Use of money and property	5,300	3,200	2,044	(1,156)
Total revenues	256,837	254,737	218,526	(36,211)
EXPENDITURES:				
Current:				
General government	4,280	27,580	32,579	(4,999)
Public works	218,417	222,535	204,910	17,625
Total expenditures	222,697	250,115	237,489	12,626
REVENUES OVER (UNDER) EXPENDITURES	34,140	4,622	(18,963)	(23,585)
Net change in fund balances	34,140	4,622	(18,963)	(23,585)
FUND BALANCES:				
Beginning of year	406,491	406,491	406,491	-
End of year	\$ 440,631	\$ 411,113	\$ 387,528	\$ (23,585)

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Housing Rehabilitation Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 184,436	\$ 220,108	\$ 64,126	\$ (155,982)
Use of money and property	14,400	3,814	874	(2,940)
Total revenues	198,836	223,922	65,000	(158,922)
EXPENDITURES:				
Current:				
Community development	120,161	145,614	110,886	34,728
Capital outlay	128,813	138,767	2,329	136,438
Total expenditures	248,974	284,381	113,215	171,166
REVENUES OVER (UNDER) EXPENDITURES	(50,138)	(60,459)	(48,215)	12,244
OTHER FINANCING SOURCES (USES):				
Transfers in	38,360	38,210	42,609	4,399
Transfers out	(2,100)	-	(5,908)	(5,908)
Total other financing sources (uses)	36,260	38,210	36,701	(1,509)
Net change in fund balances	(13,878)	(22,249)	(11,514)	10,735
FUND BALANCES:				
Beginning of year	2,355,308	2,355,308	2,355,308	-
End of year	\$ 2,341,430	\$ 2,333,059	\$ 2,343,794	\$ 10,735

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Asset Forfeiture Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 1,209	\$ 1,209
Total revenues	-	-	1,209	1,209
EXPENDITURES:				
Current:				
Public safety	30,000	30,000	778	29,222
Total expenditures	30,000	30,000	778	29,222
REVENUES OVER (UNDER) EXPENDITURES	(30,000)	(30,000)	431	30,431
Net change in fund balances	(30,000)	(30,000)	431	30,431
FUND BALANCES:				
Beginning of year	89,626	89,626	89,626	-
End of year	\$ 59,626	\$ 59,626	\$ 90,057	\$ 30,431

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Whitney Oaks Park Improvement Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 27,500	\$ 16,100	\$ 11,012	\$ (5,088)
Total revenues	27,500	16,100	11,012	(5,088)
EXPENDITURES:				
Current:				
Public works			-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	27,500	16,100	11,012	(5,088)
Net change in fund balances	27,500	16,100	11,012	(5,088)
FUND BALANCES:				
Beginning of year	2,060,999	2,060,999	2,060,999	-
End of year	\$ 2,088,499	\$ 2,077,099	\$ 2,072,011	\$ (5,088)

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Traffic Safety Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 38,829	\$ 2,300	\$ 3,838	\$ 1,538
Total revenues	<u>38,829</u>	<u>2,300</u>	<u>3,838</u>	<u>1,538</u>
EXPENDITURES:				
Current:				
Public safety	-	1,000	3,838	(2,838)
Capital outlay	<u>38,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>38,829</u>	<u>1,000</u>	<u>3,838</u>	<u>(2,838)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>(1,300)</u>
Net change in fund balances	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>(1,300)</u>
FUND BALANCES:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ (1,300)</u>

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Traffic Congestion AB 2928 Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 600	\$ 2,132	\$ 1,532
Other revenues	80,000	80,000	498,314	418,314
Total revenues	81,000	80,600	500,446	419,846
EXPENDITURES:				
Capital outlay	80,000	80,000	23,317	56,683
Total expenditures	80,000	80,000	23,317	56,683
REVENUES OVER (UNDER) EXPENDITURES	1,000	600	477,129	476,529
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	119,521	119,521
Transfers out	(18,300)	(17,400)	(288,432)	(271,032)
Total other financing sources (uses)	(18,300)	(17,400)	(168,911)	(151,511)
Net change in fund balances	(17,300)	(16,800)	308,218	325,018
FUND BALANCES:				
Beginning of year	80,356	80,356	80,356	-
End of year	\$ 63,056	\$ 63,556	\$ 388,574	\$ 325,018

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

DOE Grants Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 42,300	\$ 42,300	\$ 48,441	\$ 6,141
Total revenues	<u>42,300</u>	<u>42,300</u>	<u>48,441</u>	<u>6,141</u>
EXPENDITURES:				
Current:				
Culture and recreation	42,300	42,300	48,441	(6,141)
Total expenditures	<u>42,300</u>	<u>42,300</u>	<u>48,441</u>	<u>(6,141)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Supplemental Law Enforcement Grant Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety			-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Parks & Recreation Programs Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 9,000	\$ 9,000	\$ 9,754	\$ 754
Other revenues	41,000	39,025	40,867	1,842
Total revenues	50,000	48,025	50,621	2,596
EXPENDITURES:				
Current:				
Culture and recreation	62,500	93,570	39,399	54,171
Total expenditures	62,500	93,570	39,399	54,171
REVENUES OVER (UNDER) EXPENDITURES	(12,500)	(45,545)	11,222	56,767
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	220	220
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	220	220
Net change in fund balances	(12,500)	(45,545)	11,442	56,987
FUND BALANCES:				
Beginning of year	116,758	116,758	116,758	-
End of year	\$ 104,258	\$ 71,213	\$ 128,200	\$ 56,987

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Park Improvement Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Other revenues	\$ -	\$ 2,500	\$ 28,205	\$ 25,705
Total revenues	-	2,500	28,205	25,705
EXPENDITURES:				
Current:				
Public works		2,500	17,702	(15,202)
Total expenditures	-	2,500	17,702	(15,202)
REVENUES OVER (UNDER) EXPENDITURES				
	-	-	10,503	10,503
Net change in fund balances	-	-	10,503	10,503
FUND BALANCES:				
Beginning of year	1,490	1,490	1,490	-
End of year	\$ 1,490	\$ 1,490	\$ 11,993	\$ 10,503

City of Rocklin, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

ARRA Special Revenue Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 1,851,851	\$ 1,354,257	\$ (497,594)
Total revenues	-	1,851,851	1,354,257	(497,594)
EXPENDITURES:				
Current:				
Community development	-	1,851,851	1,354,257	497,594
Total expenditures	-	1,851,851	1,354,257	497,594
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

NON-MAJOR CAPITAL PROJECTS, PERMANENT, AND DEBT SERVICE FUNDS

<u>Fund</u>	<u>Description</u>
<u>Capital Projects Funds:</u>	
Park Development	Accounts for funds expended on City park projects and improvements.
Community Park Fees	Accounts for funds collected and expended for City park land and improvements.
Capital Construction Projects	Accounts for funds expended on general City projects.
Oak Tree Mitigation	Accounts for funds collected for Oak Tree preservation.
2003 Certificates of Participation	Accounts for projects related to the 2003 Certificates of Participation issuance.
<u>Permanent Funds:</u>	
Wetlands Maintenance	Accounts for a \$38,000 required endowment from which the income will fund ongoing maintenance of the wetlands on a single lot parcel in Stanford Ranch Phase III.
Conservation Easement Endowment	Accounts for a \$453,455 required endowment from which the income will fund initial Preserve Area maintenance and operations.
<u>Debt Service Funds:</u>	
Capital Construction	Accounts for the City's issuance and administration of the 2003 Certificates of Participation.

City of Rocklin, California

Combining Balance Sheet

Non-major Capital Project, Permanent, and Debt Service Funds

June 30, 2010

(With comparative totals for June 30, 2009)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	2003 Certificate of Participation
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,353,472	\$ -
Restricted cash and investments	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 1,353,472	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 16,749	\$ 4,071	\$ -
Due to other funds	2,319,916	1,399,446	321,974	-	-
Deferred revenue	-	-	-	-	-
Advances from other funds	-	-	1,057,774	-	-
Total liabilities	2,319,916	1,399,446	1,396,497	4,071	-
Fund Balances:					
Reserved for:					
Debt service	-	-	-	-	-
Endowments	-	-	-	-	-
Unreserved, designated	-	-	-	-	-
Unreserved (deficit), reported in:					
Capital projects funds	(2,319,916)	(1,399,446)	(1,396,497)	1,349,401	-
Total fund balances	(2,319,916)	(1,399,446)	(1,396,497)	1,349,401	-
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 1,353,472	\$ -

Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2010	2009
\$ 18,666	\$ 453,954	\$ -	\$ 1,826,092	\$ 1,939,246
38,382	-	-	38,382	1
<u>\$ 57,048</u>	<u>\$ 453,954</u>	<u>\$ -</u>	<u>\$ 1,864,474</u>	<u>\$ 1,939,247</u>
\$ -	\$ -	\$ -	\$ 20,820	\$ 23,589
-	-	-	4,041,336	3,803,007
-	-	-	-	-
-	-	-	1,057,774	-
-	-	-	<u>5,119,930</u>	<u>3,826,596</u>
-	-	-	-	1
38,000	453,455	-	491,455	491,455
19,048	499	-	19,547	47,874
-	-	-	(3,766,458)	(2,426,679)
<u>57,048</u>	<u>453,954</u>	<u>-</u>	<u>(3,255,456)</u>	<u>(1,887,349)</u>
<u>\$ 57,048</u>	<u>\$ 453,954</u>	<u>\$ -</u>	<u>\$ 1,864,474</u>	<u>\$ 1,939,247</u>

City of Rocklin, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Capital Project, Permanent and Debt Service Funds

For the year ended June 30, 2010

(With comparative totals for the year ended June 30, 2009)

	Capital Projects Funds				
	Park Development	Community Park Fees	Capital Construction Projects	Oak Tree Mitigation	2003 Certificate of Participation
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 16,354	\$ -
Intergovernmental	-	-	-	-	-
Use of money and property	-	-	1,477	7,136	-
Charges for services	33,647	53,205	-	-	-
Contributions from developers and homeowners	-	-	867,288	-	-
Other revenues	-	-	-	-	-
Total revenues	33,647	53,205	868,765	23,490	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	1,155,737	61,186	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	68,060	41,535	31,733	-	-
Total expenditures	68,060	41,535	1,187,470	61,186	-
REVENUES OVER (UNDER) EXPENDITURES	(34,413)	11,670	(318,705)	(37,696)	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	47	-	-
Transfers out	-	-	(949,187)	(11,449)	(46)
Total other financing sources and (uses)	-	-	(949,140)	(11,449)	(46)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(34,413)	11,670	(1,267,845)	(49,145)	(46)
FUND BALANCES (DEFICITS):					
Beginning of year	(2,285,503)	(1,411,116)	(128,652)	1,398,546	46
End of year	<u>\$ (2,319,916)</u>	<u>\$ (1,399,446)</u>	<u>\$ (1,396,497)</u>	<u>\$ 1,349,401</u>	<u>\$ -</u>

Permanent Funds		Debt Service Fund	Non-Major Funds Totals	
Wetlands Maintenance	Conservation Easement Endowment	Capital Construction Debt Service	2010	2009
\$ -	\$ -	\$ -	\$ 16,354	\$ 15,473
-	-	-	-	-
6,506	2,400	-	17,519	50,127
-	-	-	86,852	138,259
-	-	-	867,288	1,232,596
-	-	-	-	-
6,506	2,400	-	988,013	1,436,455
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	30,193
-	35,413	-	35,413	97,952
-	-	-	1,216,923	26,185
-	-	470,000	470,000	460,000
-	-	162,315	303,643	291,485
-	35,413	632,315	2,025,979	905,815
6,506	(33,013)	(632,315)	(1,037,966)	530,640
-	-	632,361	632,408	626,055
(1,600)	(220)	(47)	(962,549)	(732,946)
(1,600)	(220)	632,314	(330,141)	(106,891)
4,906	(33,233)	(1)	(1,368,107)	423,749
52,142	487,187	1	(1,887,349)	(2,311,098)
\$ 57,048	\$ 453,954	\$ -	\$ (3,255,456)	\$ (1,887,349)

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AGENCY FUNDS

<u>Fund</u>	<u>Description</u>
Community Facilities Districts #2-#11	Accounts for assessments made on properties to pay for debt issued for infrastructure in the District.
EIR Consultant's Trust	Accounts for fees collected from developers to pay consultants for Enviromental Impact studies and other services required for construction projects.
Borowski Landfill Monitoring Trust	Accounts for amounts collected to monitor the Borowski Landfill.
Fire Comm/Assoc Emergency	Accounts for Fire Association Fees and donations collected for Fire Association defined emergencies and fire related community projects.

City of Rocklin, California
Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2010

(With comparative totals for June 30, 2009)

	Community Facilities District #2	Community Facilities District #3	Community Facilities District #4	Community Facilities District #5	Community Facilities District #6
ASSETS					
Cash and investments	\$ 108	\$ 12,625	\$ 437	\$ 3,065,608	\$ 23,472
Cash and investments held by trustees	1,956,503	3,272,005	785,504	-	145,000
Receivables:					
Accounts	-	-	-	4,889	-
Assessments	24,225	64,472	6,036	65,838	7,309
Other	-	-	-	-	-
Total assets	\$ 1,980,836	\$ 3,349,102	\$ 791,977	\$ 3,136,335	\$ 175,781
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 103,098	\$ -
Due to other funds	-	-	-	-	-
Due to others	1,980,836	3,349,102	791,977	3,033,237	175,781
Total liabilities	\$ 1,980,836	\$ 3,349,102	\$ 791,977	\$ 3,136,335	\$ 175,781

Community Facilities District #7	Community Facilities District #8	Community Facilities District #9	Community Facilities District #10	Community Facilities District #11	EIR Consultant's Trust
\$ 901	\$ 809	\$ 223	\$ 521	\$ 379,177	\$ 40,330
657,168	346,500	575,500	2,916,019	4	-
-	-	-	-	-	-
6,519	14,976	26,494	57,873	-	-
-	-	-	-	-	-
\$ 664,588	\$ 362,285	\$ 602,217	\$ 2,974,413	\$ 379,181	\$ 40,330
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
664,588	362,285	602,217	2,974,413	379,181	40,330
\$ 664,588	\$ 362,285	\$ 602,217	\$ 2,974,413	\$ 379,181	\$ 40,330

(continued)

City of Rocklin, California

Combining Statement of Assets and Liabilities, Continued

Agency Funds

June 30, 2010

(With comparative totals for June 30, 2009)

	Boroski Landfill		Totals	
	Monitoring Trust	Fire Comm/ Assoc Emergency	2010	2009
ASSETS				
Cash and investments	\$ 7,235	\$ 53,519	\$ 3,584,965	\$ 9,312,994
Cash and investments held by trustees	-	-	10,654,203	4,033,650
Receivables:				
Accounts	-	-	4,889	11,291
Assessments	-	-	273,742	381,286
Other	-	-	-	-
Total assets	\$ 7,235	\$ 53,519	\$ 14,517,799	\$ 13,739,221
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,294	\$ -	\$ 106,392	\$ 178,734
Due to other funds	-	-	-	11,291
Due to others	3,941	53,519	14,411,407	13,549,196
Total liabilities	\$ 7,235	\$ 53,519	\$ 14,517,799	\$ 13,739,221

(concluded)

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
COMMUNITY FACILITIES DISTRICT #2				
ASSETS				
Cash and investments	\$ 950,889	\$ 108	\$ (950,889)	\$ 108
Cash and investments held by trustees	916,517	1,956,503	(916,517)	1,956,503
Receivables:				
Assessments	17,999	24,225	(17,999)	24,225
Total assets	\$ 1,885,405	\$ 1,980,836	\$ (1,885,405)	\$ 1,980,836
LIABILITIES				
Due to (from) others	\$ 1,885,405	\$ 1,980,836	\$ (1,885,405)	\$ 1,980,836
Total liabilities	\$ 1,885,405	\$ 1,980,836	\$ (1,885,405)	\$ 1,980,836
COMMUNITY FACILITIES DISTRICT #3				
ASSETS				
Cash and investments	\$ 2,405,749	\$ 12,625	\$ (2,405,749)	\$ 12,625
Cash and investments held by trustees	675,016	3,272,005	(675,016)	3,272,005
Receivables:				
Assessments	45,115	64,472	(45,115)	64,472
Total assets	\$ 3,125,880	\$ 3,349,102	\$ (3,125,880)	\$ 3,349,102
LIABILITIES				
Due to (from) others	\$ 3,125,880	\$ 3,349,102	\$ (3,125,880)	\$ 3,349,102
Total liabilities	\$ 3,125,880	\$ 3,349,102	\$ (3,125,880)	\$ 3,349,102
COMMUNITY FACILITIES DISTRICT #4				
ASSETS				
Cash and investments	\$ 362,735	\$ 437	\$ (362,735)	\$ 437
Cash and investments held by trustees	360,507	785,504	(360,507)	785,504
Receivables:				
Assessments	11,037	6,036	(11,037)	6,036
Total assets	\$ 734,279	\$ 791,977	\$ (734,279)	\$ 791,977
LIABILITIES				
Due to (from) others	\$ 734,279	\$ 791,977	\$ (734,279)	\$ 791,977
Total liabilities	\$ 734,279	\$ 791,977	\$ (734,279)	\$ 791,977

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
COMMUNITY FACILITIES DISTRICT #5				
ASSETS				
Cash and investments	\$ 2,157,738	\$ 3,065,608	\$ (2,157,738)	\$ 3,065,608
Receivables:				
Accounts	-	4,889	-	4,889
Assessments	65,107	65,838	(65,107)	65,838
Total assets	\$ 2,222,845	\$ 3,136,335	\$ (2,222,845)	\$ 3,136,335
LIABILITIES				
Accounts payable	\$ 100,142	\$ 103,098	\$ (100,142)	\$ 103,098
Due to (from) others	2,122,703	3,033,237	(2,122,703)	3,033,237
Total liabilities	\$ 2,222,845	\$ 3,136,335	\$ (2,222,845)	\$ 3,136,335
COMMUNITY FACILITIES DISTRICT #6				
ASSETS				
Cash and investments	\$ 178,244	\$ 23,472	\$ (178,244)	\$ 23,472
Cash and investments held by trustees	-	145,000	-	145,000
Receivables:				
Assessments	2,981	7,309	(2,981)	7,309
Total assets	\$ 181,225	\$ 175,781	\$ (181,225)	\$ 175,781
LIABILITIES				
Due to (from) others	\$ 181,225	\$ 175,781	\$ (181,225)	\$ 175,781
Total liabilities	\$ 181,225	\$ 175,781	\$ (181,225)	\$ 175,781
COMMUNITY FACILITIES DISTRICT #7				
ASSETS				
Cash and investments	\$ 412,480	\$ 901	\$ (412,480)	\$ 901
Cash and investments held by trustees	299,071	657,168	(299,071)	657,168
Receivables:				
Assessments	2,483	6,519	(2,483)	6,519
Total assets	\$ 714,034	\$ 664,588	\$ (714,034)	\$ 664,588
LIABILITIES				
Due to (from) others	\$ 714,034	\$ 664,588	\$ (714,034)	\$ 664,588
Total liabilities	\$ 714,034	\$ 664,588	\$ (714,034)	\$ 664,588

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
COMMUNITY FACILITIES DISTRICT #8				
ASSETS				
Cash and investments	\$ 343,416	\$ 809	\$ (343,416)	\$ 809
Cash and investments held by trustees	-	346,500	-	346,500
Receivables:				
Assessments	8,966	14,976	(8,966)	14,976
Total assets	\$ 352,382	\$ 362,285	\$ (352,382)	\$ 362,285
LIABILITIES				
Due to (from) others	\$ 352,382	\$ 362,285	\$ (352,382)	\$ 362,285
Total liabilities	\$ 352,382	\$ 362,285	\$ (352,382)	\$ 362,285
COMMUNITY FACILITIES DISTRICT #9				
ASSETS				
Cash and investments	\$ 480,236	\$ 223	\$ (480,236)	\$ 223
Cash and investments held by trustees	-	575,500	-	575,500
Receivables:				
Assessments	5,462	26,494	(5,462)	26,494
Total assets	\$ 485,698	\$ 602,217	\$ (485,698)	\$ 602,217
LIABILITIES				
Due to (from) others	\$ 485,698	\$ 602,217	\$ (485,698)	\$ 602,217
Total liabilities	\$ 485,698	\$ 602,217	\$ (485,698)	\$ 602,217
COMMUNITY FACILITIES DISTRICT #10				
ASSETS				
Cash and investments	\$ 1,171,148	\$ 521	\$ (1,171,148)	\$ 521
Cash and investments held by trustees	1,782,536	2,916,019	(1,782,536)	2,916,019
Receivables:				
Assessments	31,932	57,873	(31,932)	57,873
Total assets	\$ 2,985,616	\$ 2,974,413	\$ (2,985,616)	\$ 2,974,413
LIABILITIES				
Due to (from) others	\$ 2,985,616	\$ 2,974,413	\$ (2,985,616)	\$ 2,974,413
Total liabilities	\$ 2,985,616	\$ 2,974,413	\$ (2,985,616)	\$ 2,974,413

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
COMMUNITY FACILITIES DISTRICT #11				
ASSETS				
Cash and investments	\$ 640,052	\$ 379,177	\$ (640,052)	\$ 379,177
Cash and investments held by trustees	3	4	(3)	4
Receivables:				
Assessments	190,204	-	(190,204)	-
Total assets	\$ 830,259	\$ 379,181	\$ (830,259)	\$ 379,181
LIABILITIES				
Due to (from) others	\$ 830,259	\$ 379,181	\$ (830,259)	\$ 379,181
Total liabilities	\$ 830,259	\$ 379,181	\$ (830,259)	\$ 379,181
EIR CONSULTANT'S TRUST				
ASSETS				
Cash and investments	\$ 151,898	\$ 40,330	\$ (151,898)	\$ 40,330
Total assets	\$ 151,898	\$ 40,330	\$ (151,898)	\$ 40,330
LIABILITIES				
Accounts payable	\$ 78,592	\$ -	\$ (78,592)	\$ -
Due to (from) others	73,306	40,330	(73,306)	40,330
Total liabilities	\$ 151,898	\$ 40,330	\$ (151,898)	\$ 40,330
BOROWSKI LANDFILL MONITORING TRUST				
ASSETS				
Cash and investments	\$ -	\$ 7,235	\$ -	\$ 7,235
Receivables:				
Accounts	11,291	-	(11,291)	-
Total assets	\$ 11,291	\$ 7,235	\$ (11,291)	\$ 7,235
LIABILITIES				
Accounts payable	\$ -	\$ 3,294	\$ -	\$ 3,294
Due to other funds	11,291	-	(11,291)	-
Due to (from) others	-	3,941	-	3,941
Total liabilities	\$ 11,291	\$ 7,235	\$ (11,291)	\$ 7,235

City of Rocklin, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
FIRE COMM/ASSOC EMERGENCY				
ASSETS				
Cash and investments	\$ 58,409	\$ 53,519	\$ (58,409)	\$ 53,519
Total assets	\$ 58,409	\$ 53,519	\$ (58,409)	\$ 53,519
LIABILITIES				
Due to (from) others	\$ 58,409	\$ 53,519	\$ (58,409)	\$ 53,519
Total liabilities	\$ 58,409	\$ 53,519	\$ (58,409)	\$ 53,519
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 9,312,994	\$ 3,584,965	\$ (9,312,994)	\$ 3,584,965
Cash and investments held by trustees	4,033,650	10,654,203	(4,033,650)	10,654,203
Receivables:				
Accounts	11,291	4,889	(11,291)	4,889
Assessments	381,286	273,742	(381,286)	273,742
Total assets	\$ 13,739,221	\$ 14,517,799	\$ (13,739,221)	\$ 14,517,799
LIABILITIES				
Accounts payable	\$ 178,734	\$ 106,392	\$ (178,734)	\$ 106,392
Due to other funds	11,291	-	(11,291)	-
Due to (from) others	13,549,196	14,411,407	(13,549,196)	14,411,407
Total liabilities	\$ 13,739,221	\$ 14,517,799	\$ (13,739,221)	\$ 14,517,799

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STATISTICAL SECTION

This part of the City of Rocklin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
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.	118-125
Revenue Capacity	
These schedules contain information to help the reader assess the City's property tax.	126-130
Debt Capacity	
These schedules contain 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.	131-134
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.	135-136

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2002-03; schedules presenting government-wide information include information beginning in that year.

City of Rocklin, California

Net Assets by Component

Last Eight Fiscal Years

(Fiscal year ended June 30)

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 223,118,275	\$ 221,459,502	\$ 258,716,605
Restricted	70,908,732	64,972,457	73,109,220
Unrestricted	<u>23,491,515</u>	<u>29,427,071</u>	<u>30,625,389</u>
Total governmental activities net assets	<u><u>\$ 317,518,522</u></u>	<u><u>\$ 315,859,030</u></u>	<u><u>\$ 362,451,214</u></u>
Primary government:			
Invested in capital assets, net of related debt	\$ 223,118,275	\$ 221,459,502	\$ 258,716,605
Restricted	70,908,732	64,972,457	73,109,220
Unrestricted	<u>23,491,515</u>	<u>29,427,071</u>	<u>30,625,389</u>
Total primary government net assets	<u><u>\$ 317,518,522</u></u>	<u><u>\$ 315,859,030</u></u>	<u><u>\$ 362,451,214</u></u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 301,542,340	\$ 314,002,830	\$ 333,102,023	\$ 340,423,304	\$ 336,857,846
55,165,034	60,900,601	23,677,671	17,858,485	16,013,886
33,780,126	35,479,788	67,611,423	60,361,488	51,212,204
<u>\$ 390,487,500</u>	<u>\$ 410,383,219</u>	<u>\$ 424,391,117</u>	<u>\$ 418,643,277</u>	<u>\$ 404,083,936</u>
\$ 301,542,340	\$ 314,002,830	\$ 333,102,023	\$ 340,423,304	\$ 336,857,846
55,165,034	60,900,601	23,677,671	17,858,485	16,013,886
33,780,126	35,479,788	67,611,423	60,361,488	51,212,204
<u>\$ 390,487,500</u>	<u>\$ 410,383,219</u>	<u>\$ 424,391,117</u>	<u>\$ 418,643,277</u>	<u>\$ 404,083,936</u>

City of Rocklin, California

Changes in Net Assets

Last Eight Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

	2003	2004	2005
Expenses:			
Governmental activities:			
General government	\$ 5,595,717	\$ 6,709,784	\$ 6,614,335
Public safety	9,741,536	10,415,163	13,373,870
Public works	2,855,833	9,174,823	10,472,840
Culture and recreation	6,626,884	7,946,700	8,483,351
Community development	3,835,202	3,657,170	4,979,356
Depreciation expense	7,325,183	-	-
Interest expense	1,955,509	994,662	1,258,812
Total governmental activities expenses	<u>37,935,864</u>	<u>38,898,302</u>	<u>45,182,564</u>
Total primary government expenses	<u>\$ 37,935,864</u>	<u>\$ 38,898,302</u>	<u>\$ 45,182,564</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 896,173	\$ 471,039	\$ 450,316
Public safety	922,372	1,019,992	1,066,612
Public works	30,519	20,014	25,324
Culture and recreation	4,247,024	3,322,390	2,638,833
Community development	6,448,250	4,905,305	4,636,463
Operating grants and contributions	145,411	416,730	563,811
Capital grants and contributions	833,974	542,282	45,048,679
Total governmental activities program revenues	<u>13,523,723</u>	<u>10,697,752</u>	<u>54,430,038</u>
Total primary government program revenues	<u>\$ 13,523,723</u>	<u>\$ 10,697,752</u>	<u>\$ 54,430,038</u>
Net (Expense)/Revenue			
Governmental activities	<u>\$ (24,412,141)</u>	<u>\$ (28,200,550)</u>	<u>\$ 9,247,474</u>
Total primary government net expense	<u>\$ (24,412,141)</u>	<u>\$ (28,200,550)</u>	<u>\$ 9,247,474</u>
General Revenues and Other Changes in Net Assets:			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	\$ 7,958,175	\$ 8,374,684	\$ 11,930,652
Sales and use tax	5,437,333	6,484,553	5,611,018
Gas tax	2,363,804	3,038,425	3,431,137
Transient occupancy taxes	-	-	1,017,429
Other	6,261,228	1,822,047	1,552,253
Motor vehicle fees	-	2,003,039	3,566,850
Franchise fees	-	1,261,835	1,376,480
Impact fees	-	4,432,850	3,855,636
Investment earnings	4,961,299	1,586,360	3,818,710
Miscellaneous	3,080,743	823,886	1,111,581
Gain (loss) on sale of assets	-	-	-
Total governmental activities	<u>30,062,582</u>	<u>29,827,679</u>	<u>37,271,746</u>
Total primary government	<u>\$ 30,062,582</u>	<u>\$ 29,827,679</u>	<u>\$ 37,271,746</u>
Changes in Net Assets			
Governmental activities	<u>\$ 5,650,441</u>	<u>\$ 1,627,129</u>	<u>\$ 46,519,220</u>
Total primary government	<u>\$ 5,650,441</u>	<u>\$ 1,627,129</u>	<u>\$ 46,519,220</u>

2006	2007	2008	2009	2010
\$ 8,752,178	\$ 9,741,574	\$ 9,384,763	\$ 12,168,677	\$ 11,502,017
15,388,277	19,083,423	19,270,091	21,767,874	20,187,996
10,418,079	11,290,399	13,831,854	11,875,302	13,203,578
11,070,914	11,054,035	11,359,949	11,199,237	8,630,297
4,769,873	4,711,041	5,480,752	3,825,794	6,975,124
-	-	-	-	-
1,400,509	1,679,110	2,099,964	2,193,456	2,225,218
51,799,830	57,559,582	61,427,373	63,030,340	62,724,230
<u>\$ 51,799,830</u>	<u>\$ 57,559,582</u>	<u>\$ 61,427,373</u>	<u>\$ 63,030,340</u>	<u>\$ 62,724,230</u>

\$ 501,652	\$ 482,992	\$ 2,196,509	\$ 5,409,343	\$ 878,576
1,122,727	1,316,682	967,850	598,746	698,784
29,270	23,643	678,409	262,526	27,097
3,342,358	3,863,001	4,179,414	211,128	2,974,885
5,536,884	5,017,222	1,426,974	1,451,804	1,061,768
2,548,421	510,641	1,192,355	3,898,104	2,891,635
24,891,312	16,291,432	19,471,148	2,701,074	3,845,572
37,972,624	27,505,613	30,112,659	14,532,725	12,378,317
<u>\$ 37,972,624</u>	<u>\$ 27,505,613</u>	<u>\$ 30,112,659</u>	<u>\$ 14,532,725</u>	<u>\$ 12,378,317</u>

\$ (13,827,206)	\$ (30,053,969)	\$ (31,314,714)	\$ (48,497,615)	\$ (50,345,913)
<u>\$ (13,827,206)</u>	<u>\$ (30,053,969)</u>	<u>\$ (31,314,714)</u>	<u>\$ (48,497,615)</u>	<u>\$ (50,345,913)</u>

\$ 13,077,447	\$ 15,143,507	\$ 17,521,701	\$ 16,384,305	\$ 14,743,382
5,032,904	6,505,180	8,813,096	8,071,160	6,378,150
4,048,413	1,735,645	1,807,144	907,958	1,449,281
604,642	565,606	489,747	362,686	344,792
1,592,552	4,876,889	4,054,247	4,972,089	4,201,280
3,755,883	3,841,341	3,855,901	3,953,712	3,935,363
1,457,402	1,514,343	1,547,104	1,588,179	1,594,426
7,469,174	8,827,938	2,302,815	2,421,430	1,203,166
3,152,136	5,749,228	4,930,857	4,088,256	1,936,732
1,687,041	1,155,580	-	-	-
(14,102)	34,431	-	-	-
41,863,492	49,949,688	45,322,612	42,749,775	35,786,572
<u>\$ 41,863,492</u>	<u>\$ 49,949,688</u>	<u>\$ 45,322,612</u>	<u>\$ 42,749,775</u>	<u>\$ 35,786,572</u>

\$ 28,036,286	\$ 19,895,719	\$ 14,007,898	\$ (5,747,840)	\$ (14,559,341)
<u>\$ 28,036,286</u>	<u>\$ 19,895,719</u>	<u>\$ 14,007,898</u>	<u>\$ (5,747,840)</u>	<u>\$ (14,559,341)</u>

City of Rocklin, California
Fund Balances, Governmental Funds
 Last Eight Fiscal Years
 (Fiscal year ended June 30)

	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund			
Reserved	\$ 974,194	\$ 623,669	\$ 222,338
Unreserved (deficit)	22,034,445	25,357,211	30,231,152
Total general fund	<u>\$ 23,008,639</u>	<u>\$ 25,980,880</u>	<u>\$ 30,453,490</u>
 All Other Governmental Funds			
Reserved	\$ 22,968,888	\$ 23,334,439	\$ 21,146,294
Unreserved (deficit) reported in:			
Special revenue funds	5,957,965	6,684,708	8,089,915
Capital projects funds	42,956,073	36,187,131	43,893,656
Permanent funds	-	-	-
Total all other governmental funds	<u>\$ 71,882,926</u>	<u>\$ 66,206,278</u>	<u>\$ 73,129,865</u>

2006	2007	2008	2009	2010
\$ 499,793	\$ 5,369,029	\$ 2,065,275	\$ 2,062,540	\$ 1,823,650
31,130,020	29,029,741	34,167,328	33,100,020	31,422,118
<u>\$ 31,629,813</u>	<u>\$ 34,398,770</u>	<u>\$ 36,232,603</u>	<u>\$ 35,162,560</u>	<u>\$ 33,245,768</u>
\$ 23,559,121	\$ 28,158,965	\$ 32,323,087	\$ 28,352,328	\$ 27,274,520
9,787,865	10,394,584	8,120,003	7,630,636	9,007,801
22,899,132	22,202,292	15,278,805	11,687,458	6,375,122
-	-	49,752	47,874	19,547
<u>\$ 56,246,118</u>	<u>\$ 60,755,841</u>	<u>\$ 55,771,647</u>	<u>\$ 47,718,296</u>	<u>\$ 42,676,990</u>

City of Rocklin, California
Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Modified accrual basis of accounting)

	2001	2002	2003	2004
Revenues:				
Taxes and assessments	\$ 19,621,635	\$ 22,769,223	\$ 20,279,133	\$ 22,268,208
Licenses and permits	4,845,785	4,400,951	2,974,277	3,323,649
Fines, forfeitures and penalties	87,088	77,590	114,139	212,659
Intergovernmental	5,613,409	6,077,714	6,478,454	1,586,363
Use of money and property	5,876,178	4,913,120	5,047,275	6,122,756
Charges for services	3,768,084	3,994,652	4,618,090	6,187,910
Contributions from developers and homeowners	-	-	-	-
Other revenues	637,421	872,479	3,875,989	823,886
Total revenues	\$ 40,449,600	\$ 43,105,729	\$ 43,387,357	\$ 40,525,431
Expenditures:				
General government	\$ 4,155,885	\$ 7,728,655	\$ 5,570,452	\$ 6,764,267
Public safety	7,160,821	8,090,657	9,420,221	10,419,285
Public works	2,483,130	3,046,315	2,843,223	2,794,755
Culture and recreation	3,984,170	5,590,112	6,597,622	7,197,243
Community development	10,818,475	14,711,882	3,859,698	3,466,691
Capital outlay	2,335,647	3,533,829	8,665,705	14,356,753
Debt service:				
Principal	650,934	728,461	1,102,170	920,315
Interest and fiscal charges	1,376,591	1,295,184	1,955,509	1,444,546
Total expenditures	\$ 32,965,653	\$ 44,725,095	\$ 40,014,600	\$ 47,363,855
Reconciliation of Governmental Revenues				
Less Expenditures to Fund Equity:				
Revenues over (under) expenditures	\$ 7,483,947	\$ (1,619,366)	\$ 3,372,757	\$ (6,838,424)
Other financing sources (uses):				
Gain (loss) on sale of assets	324	-	-	-
Transfers to Internal Service Funds	157,477	-	15,773	59,773
Residual equity transfers	-	-	-	-
Proceeds of debt issued (refunds)	-	13,775,649	-	4,739,176
Total other financing sources (uses)	157,801	13,775,649	15,773	4,798,949
Net change in fund balances	\$ 7,641,748	\$ 12,156,283	\$ 3,388,530	\$ (2,039,475)
Debt service as a percentage of noncapital expenditures	7%	5%	11%	8%

2005	2006	2007	2008	2009	2010
\$ 25,174,353	\$ 29,103,934	\$ 34,163,786	\$ 40,391,755	\$ 38,661,519	\$ 28,990,898
2,763,428	3,907,127	3,011,762	1,594,170	1,988,941	1,877,390
214,119	205,709	343,526	255,774	355,926	322,076
3,818,710	2,875,891	5,651,430	2,236,983	3,999,483	7,330,605
7,931,410	9,498,950	12,460,523	4,930,857	4,088,256	1,937,512
28,971,348	6,250,237	7,078,697	5,144,855	3,576,100	3,763,720
21,716,831	25,272,727	13,096,873	18,426,520	1,532,596	867,288
1,111,585	1,803,980	2,029,872	2,454,357	3,079,679	3,073,887
<u>\$ 91,701,784</u>	<u>\$ 78,918,555</u>	<u>\$ 77,836,469</u>	<u>\$ 75,435,271</u>	<u>\$ 57,282,500</u>	<u>\$ 48,163,376</u>
\$ 6,261,000	\$ 8,255,800	\$ 9,342,700	\$ 8,623,207	\$ 9,038,183	\$ 7,250,768
13,440,469	15,366,655	17,862,380	19,463,346	20,193,534	18,833,510
2,793,855	3,633,435	3,680,194	4,690,723	3,875,990	4,699,101
8,005,293	10,545,557	10,169,630	10,393,591	9,855,464	7,557,599
4,635,729	4,503,658	4,399,735	8,480,771	7,633,718	6,975,124
42,697,281	58,344,090	26,546,570	23,484,206	15,454,132	6,736,882
859,849	3,961,813	1,313,686	1,345,000	1,630,000	2,020,000
1,681,075	1,914,971	2,451,779	2,104,788	2,207,710	2,292,870
<u>\$ 80,374,551</u>	<u>\$ 106,525,979</u>	<u>\$ 75,766,674</u>	<u>\$ 78,585,632</u>	<u>\$ 69,888,731</u>	<u>\$ 56,365,854</u>
\$ 11,327,233	\$ (27,607,424)	\$ 2,069,795	\$ (3,150,361)	\$ (12,606,231)	\$ (8,202,478)
-	-	-	-	-	1,513
-	-	78,885	-	-	242,867
-	-	-	-	-	-
(4,000)	11,900,000	5,130,000	-	3,482,837	1,000,000
(4,000)	11,900,000	5,208,885	-	3,482,837	1,244,380
<u>\$ 11,323,233</u>	<u>\$ (15,707,424)</u>	<u>\$ 7,278,680</u>	<u>\$ (3,150,361)</u>	<u>\$ (9,123,394)</u>	<u>\$ (6,958,098)</u>
<u>7%</u>	<u>14%</u>	<u>8%</u>	<u>7%</u>	<u>8%</u>	<u>10%</u>

City of Rocklin, California

Assessed Value and Actual Value of Taxable Property

For the last ten fiscal years

City of Rocklin:	Secured	Public Utility	Unsecured	Total	Total Direct Tax Rate
FY 00-01	\$ 2,674,612,566	\$ 4,765,992	\$ 62,214,957	\$ 2,741,593,515	1.0000
FY 01-02	3,163,461,657	4,669,526	64,755,141	3,232,886,324	1.0000
FY 02-03	3,713,382,337	4,650,817	82,527,141	3,800,560,295	1.0000
FY 03-04	4,331,413,033	4,719,545	95,548,686	4,431,681,264	1.0000
FY 04-05	5,054,741,098	7,432,725	125,189,070	5,187,362,893	1.0000
FY 05-06	5,885,796,179	6,994,849	135,840,714	6,028,631,742	1.0000
FY 06-07	6,518,268,942	6,880,459	147,020,654	6,672,170,055	1.0000
FY 07-08	7,092,462,853	6,351,556	153,871,342	7,252,685,751	1.0000
FY 08-09	7,262,312,429	6,351,556	167,996,712	7,436,660,697	1.0000
FY 09-10	6,937,855,555	8,476,688	151,986,395	7,098,318,638	1.0000

All above are Full Value (100%)

City of Rocklin, California

Direct and Overlapping Property Tax Rates

For the last ten fiscal years

(Rate per \$100 of assessed value)

	Direct Rates		Rocklin	Total
	Basic Rate	Total Direct	Unified School District	Tax Rate
FY 00-01	1.0000	1.0000	0.0000	1.0000
FY 01-02	1.0000	1.0000	0.0914	1.0914
FY 02-03	1.0000	1.0000	0.0803	1.0803
FY 03-04	1.0000	1.0000	0.0828	1.0828
FY 04-05	1.0000	1.0000	0.0815	1.0815
FY 05-06	1.0000	1.0000	0.0688	1.0688
FY 06-07	1.0000	1.0000	0.0000	1.0000
FY 07-08	1.0000	1.0000	0.0750	1.0750
FY 08-09	1.0000	1.0000	0.0754	1.0754
FY 09-10	1.0000	1.0000	0.0843	1.0843

Source: Placer County

City of Rocklin, California
Principal Property Tax Payers
Current Year and Seven Years Ago

Property Owner	Primary Land Use	2009- 2010			2003-04 ¹		
		Assessed Valuation ²	Rank	% of Total	Assessed Valuation	Rank	% of Total
Sierrapine	Industrial	\$ 41,067,864	1	0.58%	\$ 51,684,732	1	1.19%
Donald & Mary Lou Meagher	Residential	24,115,641	2	0.34			
Rocklin Pavilions LLS	Vacant Land	18,966,541	3	0.27			
Sierra Lakes Community LLC	Residential	14,434,807	4	0.20			
Rocklin Crossings LLC & Holdings LLC	Vacant Land	13,676,512	5	0.19			
Hanzlick Family Partnership	Vacant Land	11,028,538	6	0.16			
Granite Creek Center LLC	Industrial	11,495,966	7	0.16			
Sunset Ranchos Investors LLC	Vacant Land	66,005,435	8	0.93			
Kenneth and Martha Jean Hofmann	Vacant Land	9,741,185	9	0.14			
Rocklin Retail LLC	Commercial	57,384,172	10	0.81			
UBS Lease Finance LLC	Commercial				46,292,058	2	1.07
Demmon Meridian Partners LP	Residential				40,544,388	3	0.94
Sunset Court at Stanford Ranch LLC	Residential				27,356,944	4	0.63
California Stanford Oaks LLC	Commercial				26,564,211	5	0.61
Winstead Apartments	Residential				23,041,260	6	0.53
Richmond American Homes of California	Residential				19,920,408	7	0.46
Safeway Inc.	Commercial				18,626,406	8	0.43
BRE Properties	Residential				16,630,789	9	0.38
John W. Heckenlively, et. al.	Residential				16,395,663	10	0.38
		<u>\$ 267,916,661</u>		<u>3.78%</u>	<u>\$ 287,056,859</u>		<u>6.62%</u>

Source(s): HdL Coren and Cone and California Municipal Statistics, Inc.

- 1) Information not available for periods before 2003-04.
- 2) Estimated calculations are performed on a parcel level, county/controllers' office neither calculate nor apportion revenues at a parcel level.

City of Rocklin, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 19,621,635	\$ 19,621,635	100%	\$ -	\$ 19,621,635	100%
2002	22,769,223	22,769,223	100%	-	22,769,223	100%
2003	20,279,133	20,279,133	100%	-	20,279,133	100%
2004	22,268,208	22,268,208	100%	-	22,268,208	100%
2005	25,174,353	25,174,353	100%	-	25,174,353	100%
2006	29,103,934	29,103,934	100%	-	29,103,934	100%
2007	34,163,786	34,163,786	100%	-	34,163,786	100%
2008	40,391,755	40,391,755	100%	-	40,391,755	100%
2009	38,661,519	38,661,519	100%	-	38,661,519	100%
2010	28,990,898	28,990,898	100%	-	28,990,898	100%

Source: City financial records

Note: Amounts reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County of Placer retaining any interest or penalties on uncollected balances.

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City of Rocklin, California

Direct and Overlapping Debt

June 30, 2010

2009-10 Assessed Valuation:	\$	7,098,318,638		
Redevelopment Incremental Valuation:		560,247,353		
Adjusted Assessed Valuation:	\$	6,538,071,285		
Overlapping Tax and Assessment Debt:		Total Debt	% Applicable (1)	
			City's Share of Debt	
Rocklin Unified School District	\$	78,148,812	98.979%	\$ 77,350,913
Placer Union High School District		37,049,040	1.002	371,231
Roseville Joint Union High School District		101,611,338	0.058	58,935
Loomis Union School District		6,650,000	3.948	262,542
Roseville City School District		33,485,270	1.109	36,499
Rocklin Unified School District Community Facilities District Nos. 1 and 2		70,764,056	99.020-100	70,618,795
City of Rocklin Community Facilities District No. 2		2,570,000	100	2,570,000
City of Rocklin Community Facilities District No. 3		16,720,000	100	16,720,000
City of Rocklin Community Facilities District No. 4		660,000	100	660,000
City of Rocklin Community Facilities District No. 6		1,730,000	100	1,730,000
City of Rocklin Community Facilities District No. 7		2,620,000	100	2,620,000
City of Rocklin Community Facilities District No. 8		4,475,000	100	4,475,000
City of Rocklin Community Facilities District No. 9		5,330,000	100	5,330,000
City of Rocklin Community Facilities District No. 10		24,185,000	100	24,185,000
City of Rocklin Community Facilities District No. 11		25,000,000	100	25,000,000
California Statewide Community Development Authority 1915 Act Bonds		3,587,620	Various	856,743
Total overlapping tax and assessment debt				\$ 232,845,658
Direct and Overlapping General Fund Debt:				
Placer County Certificates of Participation	\$	51,635,000	11.997%	6,194,651
Placer County Office of Education Certificates of Participation		2,395,000	11.997	287,328
Sierra Joint Community College District Certificates of Participation		14,785,000	8.777	1,297,679
Rocklin Unified School District Certificates of Participation		19,890,000	98.979	19,686,923
Placer Union High School District Certificates of Participation		8,760,000	1.002	87,775
Roseville Joint Union High School District Certificates of Participation		3,915,000	0.058	2,271
Loomis Union School District Certificates of Participation		5,155,000	3.193	164,599
Roseville City School District Certificates of Participation		13,515,000	0.109	14,731
City of Rocklin Certificates of Participation		4,165,000	100	4,165,000
Placer Mosquito & Vector Control District Certificates of Participation		4,835,000	11.997	580,055
Total direct and overlapping general fund debt				\$ 32,481,012
Combined Total Debt				\$ 265,326,670 (2)
Ratios to Assessed Valuation:				
Combined Direct Debt (\$4,165,000)			0.06%	
Total Overlapping Tax and Assessment Debt			3.28%	
Combined Total Debt			4.06%	
State School Building Aid Repayable as of 6/30/10				\$ -

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the City

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

Source: California Municipal Statistics, Inc.

City of Rocklin, California

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 401,191,885	\$ 474,519,249	\$ 557,007,351	\$ 649,711,955
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 401,191,885</u>	<u>\$ 474,519,249</u>	<u>\$ 557,007,351</u>	<u>\$ 649,711,955</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value - based on secured roll	\$ 6,937,855,555
Debt limit (15% of assessed value)	1,040,678,333
Debt applicable to limit:	
None	<u>-</u>
Legal debt margin	<u>\$ 1,040,678,333</u>

2005	2006	2007	2008	2009	2010
\$ 758,211,165	\$ 882,869,427	\$ 977,740,341	\$ 1,063,869,428	\$ 1,089,346,864	\$ 1,040,678,333
-	-	-	-	-	-
\$ 758,211,165	\$ 882,869,427	\$ 977,740,341	\$ 1,063,869,428	\$ 1,089,346,864	\$ 1,040,678,333
0%	0%	0%	0%	0%	0%

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City of Rocklin, California
Demographic and Economic Statistics
 Last ten calendar years

Year	Population	Per Capita Personal Income	Placer County *		
			Personal Income	Per Capita Personal Income	Unemployment Rate
2000	36,330	\$ 27,363	\$ 9,153,080	\$ 36,419	3.1%
2001	39,550	N/A	9,815,673	37,066	3.5
2002	43,160	N/A	10,209,270	36,604	4.5
2003	46,085	N/A	10,946,842	37,303	4.7
2004	49,667	N/A	11,933,069	38,958	4.2
2005	50,829	N/A	13,070,082	41,248	4.1
2006	51,110	N/A	14,247,775	43,937	3.9
2007	52,270	N/A	15,889,092	47,877	4.7
2008	53,843	39,396	16,095,432	47,195	6.4
2009	54,754	39,284	N/A	N/A	10.6

Source: State Department of Finance and 2000 Census data, other years unavailable

* Placer County CAFR
 N/A indicates not available
 California Debt & Finance

City of Rocklin, California

Principal Employers

Current Year and Prior Year

Employer	2009 - 2010			2008 - 2009		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
Rocklin Unified School District	861	1	23.02%	943	1	25.21%
Oracle	622	2	16.63%	448	4	11.98%
United Natural Foods	555	3	14.84%	592	2	15.82%
Sierra College	481	4	12.86%	497	3	13.29%
UPS	276	5	7.38%	356	5	9.52%
Educational Media Foundation	275	6	7.35%	240	8	6.42%
City of Rocklin	241	7	6.44%	287	7	7.67%
RC Willey	133	8	3.56%	150	10	4.01%
Financial Pacific Insurance	113	9	3.02%	115	-	3.07%
Verifone	112	10	2.99%	100	-	2.67%
Hands On Services	-	-	0.00%	300	6	8.02%
Sierra Pine	72	-	1.92%	189	9	5.05%
Total	3,741			4,217		

Source: Rocklin Chamber of Commerce website

City of Rocklin Business License records